



SAN MIGUEL CORPORATION

May 11, 2012

The Philippine Stock Exchange, Inc.

Disclosure Department
3rd Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Ms. Janet A. Encarnacion**
Head - Disclosure Department

Gentlemen:

By way of response to the Letter-Advice of the Exchange dated May 11, 2012, with respect to the news articles, we advise as follows:

1. "SMC open to delisting brewery and property units" posted in the May 10, 2012 issue of the *BusinessMirror (Internet Edition)*. The article reported in part that:

"CONGLOMERATE San Miguel Corp. (SMC) is open to voluntarily delisting subsidiary San Miguel Brewery Inc (SMB) should it fail to agree with Japanese partner Kirin Holdings on how to widen the beer maker's public ownership base and meet the requirements of the Philippine Stock Exchange.

In an interview with reporters on Thursday, SMC President Ramon S. Ang added that delisting is also an option for tightly held San Miguel Properties, Inc. while food unit San Miguel Pure Foods Co., Inc. is nearing a deal to address its public float deficiency."

As previously disclosed to the Exchange in our response dated May 10, 2012, the Company and the publicly-listed subsidiaries of the SMC Group are evaluating the options that may be implemented to comply with the 10% public float requirement. We confirm that the statements of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company relating to the possible voluntary delisting of San Miguel Properties and San Miguel Brewery, Inc., as reported in the aforesaid article are accurate.

2. "San Miguel looking to list energy unit, revitalize PAL" posted in the May 10, 2012 issue of the *BusinessWorld Online*. The article reported in part that:

"DIVERSIFIED conglomerate San Miguel Corp. may revive plans to take its energy unit public this year, its president yesterday said, and is also looking to a quick return to profit for its newly acquired aviation business.

San Miguel's Ramon S. Ang, in a chance interview on Thursday, said the Company remained interested in an initial public offering for SMC Global Power Holdings Corp."

We confirm that the Company contemplates to initiate an initial public offering of San Miguel Global Power Holdings Corp. ("SM Global"), as and when the financial markets present a viable opportunity.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer