



SAN MIGUEL CORPORATION

June 15, 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

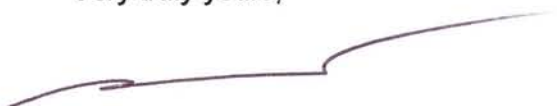
Gentlemen:

Further to our disclosure on June 13, 2012 with respect to the news article entitled "SMC to offer P80B worth of shares," posted in the Inquirer.net on June 13, 2012, we confirm that the Company contemplates to issue Series "2" Preferred Shares within the year.

Details and terms and conditions of the issuance, including the offer price and dividend rate of the features of the Series "2" Preferred Shares shall be determined by the Board of Directors of the Company, which delegation was approved by the stockholders of the Company during the Annual Stockholders' Meeting held on June 14, 2012.

Based on the evaluation made by the Company and its financial advisors, the offering may generate subscriptions of up to approximately P80 Billion. Proceeds from the offering of Series "2" Preferred Shares shall be used for the contemplated redemption of the Series "1" preferred shares as well as for general corporate purposes, including but not limited to, the funding of on-going infrastructure projects and refinancing existing obligations.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer