



SAN MIGUEL CORPORATION

November 14, 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:

We reply to your request for clarification of the news article entitled "SMC Selling Pure Foods Stake" posted in the Manila Bulletin (Internet Edition) on November 13, 2012. The article reported in part that:

"San Miguel Corporation is selling up to a 25 percent stake in San Miguel Pure Foods Company worth a maximum of P12.5 billion in a secondary stock sale overseas to raise its public float above the required minimum of 10 percent.

In an investors' briefing, Pure Foods President Francisco III said that, while the target is a 15 percent stake in PureFoods, SMC may sell as much as a 25 percent stake given the liquidity in the market.

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We confirm that the Company may sell 15% to 25% of its stake in San Miguel Pure Foods Company, Inc. subject to prevailing market conditions. The contemplated secondary offering is in accordance with the minimum public ownership requirement imposed on listed companies. An appropriate disclosure shall be made upon finalization of the extent of the secondary offering.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer