



SAN MIGUEL CORPORATION

January 30, 2013

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 "Finance clears MRT 7 deal with San Miguel" posted in the Manila Standard Today (Internet Edition) on January 30, 2013. The article reported in part that:

The Finance Department endorsed the revised contract between the government and San Miguel Corp. for the long-delayed Metro Rail Transit Line 7 project.

Transportation Undersecretary Jose Perpetuo Lotilla told reporters the Finance Department cleared the improved concession contract submitted by the proponent.

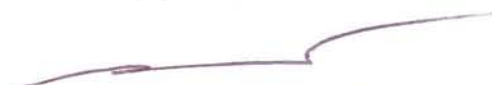
"The DoF has approved the project's implementation. So, hoping they [the government and the proponent] signed the contract, the DoF will then issue the performance undertaking and it's a go," Lotilla told reporters at the sidelines of the Tribuna España-Filipinas forum.

He said the implementing guidelines of the project were also approved.

"After that, it will go to [National Economic and Development Authority-ICC] and goes back to the DoF for issuance of performance undertaking," Lotilla said.

We confirm the approval by the Department of Finance (DOF) of the terms and conditions of the concession agreement for the construction, operation and maintenance of the Metro Rail Transit Line 7 Project (the "Project") as reported in the aforequoted article. Such terms and conditions were mutually agreed upon by and among the DOF, Department of Transportation and Communication and the proponent of the Project. We shall update the Exchange of any further developments relating to the Project.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer