



SAN MIGUEL CORPORATION

January 9, 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 under Biz Buzz column entitled "Elbowed out of Cebu" posted in the *Inquirer.net* on January 8, 2013. The article reported in part that:

The latest document released by the Department of Transportation and Communications regarding the Mactan-Cebu International Airport project (in an "instruction to prospective bidders" or ITPB) was aimed at disqualifying San Miguel Corp. and JG Summit Holdings from the bidding process, according to our sources. But more the former than the latter.

To recall, SMC top honcho Ramon Ang announced as early as two years ago that the conglomerate would bid every single government project just for the sake of ramping up competition and, thus allowing the state to get the best price. Few took him seriously then, but they surely are now.

...

In any case, neither conglomerate will be able to join, given the DOTC's new rules (Issued December 27, 2012), which prohibits airline operators from bidding for the airport deal...."

Further to our disclosure dated December 7, 2012, we confirm that the Company shall participate in the public bidding conducted by the Department of Transportation and Communication (DOTC) relating to the Mactan-Cebu International Airport project the "Project"). From our review of the invitation to Bid (ITB) issued by the DOTC for the Project, the Company satisfies the criteria for participants in the bidding process. Should there be a need to seek any clarification of the provisions contained in the ITB, the Company shall submit the appropriate request to the DOTC.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer