



SAN MIGUEL CORPORATION

January 7, 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 "DOF, SMC agree on changes in MRT-7 concession agreement," posted in philSTAR.com on January 7, 2013. The article reported in part that:

MANILA, Philippines - The Department of Finance (DOF) and San Miguel Holdings Corp., have agreed in principle on the changes in the concession agreement for Metro Rail Transit Line (MRT-7), a government official told The STAR over the weekend.

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The Finance Department is eyeing to sign the improved MRT-7 deal within the quarter, possibly as early as this month, the same source said.

"The DOF and San Miguel have already agreed in principle. Hopefully, the signing will be in January," said the source.

San Miguel has already agreed to the improvements in the concession agreement, which the Finance Department had been pushing, the source added. "

Further to our disclosure dated December 4, 2012, we advise that the salient features of the concession agreement relating to the construction and operation of the Metro Rail Transit Line (MRT-7) project (the "Project") remain pending with the Department of Finance (DOF). An appropriate disclosure shall be made upon finalization of the relevant agreements between the Company and the DOF for the Project.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer