



SAN MIGUEL CORPORATION

March 11, 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 "DOTC shelves SMC-MPIC bid for MRT-3," posted in philSTAR.com on March 11, 2013. The article reported in part that:

MANILA, Philippines - The Department of Transportation and Communications (DOTC) has put on the back burner the proposals of diversified conglomerate San Miguel Corp. (SMC) and infrastructure giant Metro Pacific Investments Corp. (MPIC) to modernize and expand the Metro Rail Transit-3 along EDSA.

Transportation Secretary Joseph Emilio Abaya said in an interview with reporters that the proposals of both SMC and MPIC would no longer be considered in light of the decision of the Aquino administration to buy out the private partners in Metro Rail Transit Corp. (MRTC) – the operator of MRT3.

"SMC has a proposal and MPIC has a proposal but our direction right now is for the buy out to happen," Abaya stressed.

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We confirm that the Company submitted a proposal to the Department of Transportation and Communications ("DOTC") for the modernization and expansion of the Metro Rail Transit 3. As of date hereof, we have not received any response from the DOTC on the proposal. Neither has the Company received any formal advice from the DOTC on the decision of the Government to "buy out the private partners in Metro Rail Transit Corp. (MRTC) – the operator of MRT3", as reported in the aforementioned article.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer