



SAN MIGUEL BREWERY INC.

A subsidiary of San Miguel Corporation

December 28, 2011

The Philippine Stock Exchange, Inc.

Philippine Stock Exchange Plaza

Ayala Triangle, Ayala Avenue

Makati City

Attention: **Ms. Janet A. Encarnacion**
Head – Disclosure Department

Gentlemen:

We reply to your letter dated December 28, 2011 requesting clarification/confirmation with respect to the news article entitled “SMC sees double-digit growth in 2012” posted in the *The Manila Times.net* on December 28, 2011, which reported in part that:

...

Ang said beer unit San Miguel Brewery Inc. may conduct a private placement to meet the 10 percent minimum public float requirement of The Philippine Stock Exchange.

....

The Company confirms that it is exploring various options to comply with the minimum public ownership requirement of the Exchange, which options include, among others, private placement. The Company will make the appropriate and timely disclosure on this matter as soon as a definitive agreement has been reached on the implementation and timing of its compliance.

Very truly yours,


Ferdinand K. Constantino
Chief Information Officer