



## SAN MIGUEL CORPORATION

July 17, 2009

**Philippine Stock Exchange**

Disclosure Department  
Listing and Disclosure Group  
4th Floor, Philippine Stock Exchange Center  
Exchange Road, Ortigas Center  
Pasig City

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

Gentlemen:

We reply to your request for clarification of the news article entitled "San Miguel, Ashmore sign deal for Extelcom stake sale," as posted in the July 17, 2009 issue of The Manila Times. The article reported in part, that:

"SOUTHEAST Asia's largest food and beverage conglomerate said it has signed a deal to buy a stake in Express Telecommunications Co., Inc. (Extelcom) from its existing shareholder. Ramon Ang, San Miguel Corp. (SMC) president, said the company has already signed a memorandum of understanding (MOU) to acquire a stake in Extelcom from the group led by businessman Roberto Ongpin and UK-based Ashmore Investment Management Ltd. "We've signed a memorandum of understanding to the deal, but the seller undertakes to clean up the company before we finally come in," Ang told reporters on the sidelines of Ginebra San Miguel, Inc. annual stockholders meeting.... Earlier, Ang said Extelcom would be merged with Liberty Telecom Inc. "to create a holding company," to strengthen its entry in the high-growth telco industry... He, however, said that SMC might match the \$500-million investment of QTel in Liberty or "if needed, even more."

We confirm that the Company is in discussion with the stockholders of Express Telecommunications Co., Inc. ("Extelcom") in connection with the possible acquisition by the Company of an equity interest in Extelcom pursuant to the previous authority granted to Management by the Board of Directors, subject of our prior disclosures. To date, the Company is conducting a legal and financial due diligence of Extelcom to determine whether an investment shall be made, and negotiating with the stockholders of Extelcom the terms and conditions of a non-binding Memorandum of Understanding.

Very truly yours,

  
**FERDINAND K. CONSTANTINO**  
Corporate Information Officer