



SAN MIGUEL CORPORATION

July 3, 2008

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

Attention: **Atty. Pete M. Malabanan**
Head - Disclosure Department

Gentlemen:

Enclosed is a copy of our press statement entitled "SMC, Kuok Group to launch US\$1-B food security project, Business titans team up with national government to develop one million hectares of agricultural lands," which we will release to the press today.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer

SMC, Kuok Group to launch US\$1-B food security project

Business titans team up with national government
to develop one million hectares of agricultural lands

In a landmark move to address the critical issue of food security, corporate titans San Miguel Corporation and the Kuok Group of Companies led by business tycoon and philanthropist Robert Kuok, have signed a Memorandum of Understanding (MOU) agreeing to help government by injecting US\$1 billion to develop at least one million hectares of agricultural lands.

Dubbed “Feeding Our Future” the project will allow for a sustainable, adequate supply of grains, sugar, other basic food staples.

The national government, through the Department of Environment and Natural Resources (DENR), the Armed Forces of the Philippines (AFP), National Commission on Indigenous Peoples (NCIP), and National Power Corporation (Napocor), will identify, evaluate and review government land suitable for food production.

SMC and the Kuok Group will then provide financial, technical expertise for the development and cultivation of the government land, and guarantee to buy all food products under the terms and conditions of the definitive agreements executed by all the parties. The land will continue to be owned by the government.

“Food security is a global issue. But here in the Philippines, we are feeling the effects even more. Often, when food crises happen, it is not because there is insufficient food supply, but because people do not have access to them,” SMC President and Chief Operating officer Ramon S. Ang, explained.

“In many parts of the world, including the Philippines, food prices have reached record levels. This is why many lower income families are no longer able to afford the kind of nutrition they need,” he added.

In recent years, food security has emerged as a serious issue all over the world as a direct result of several problems plaguing the world’s economies.

Kuok Group Chairman Robert Kuok, explains: “There are many factors that have led to the present crisis. Urbanization, changing diets in emerging economies, the use of crops to produce alternative fuels, the global rise in population, and climate change, have all put tremendous pressure on farm lands and are changing the face of farming,” he said.

The skyrocketing prices of fossil fuels, which affects not only farming but also the transportation of goods, as well as the rise in prices of fertilizers, have also had a major impact on food supply and food prices,” Kuok added.

With “Feeding Our Future”, the two companies and the national government are hoping to cushion the impact of the food crisis and establish long-term, sustainable food supply for a greater number of Filipinos.

Target crops of the project include sugar, and grains such as rice and corn.

The DAR, which will provide technical assistance, will determine which crops are suitable for the different lands identified, which will then be tilled by tenant-farmers.

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For more information, please contact:

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