SAN MIGUEL CORPORATION

August 26, 2008

Philippine Stock Exchange, Inc.
Disclosure Department
4th Floor, Philippine Stock Exchange Center
PSE Center, Exchange Road
Ortigas Center, Pasig City

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

Gentlemen:

We refer to the news article entitled "San Miguel to buy grain terminal" published in the August 25, 2008 of the BusinessWorld. The article reported in part that:

> "FOOD AND BEVERAGE giant San Miguel Corp. expects to acquire the Mariveles Grains Terminal in Bataan province by yearend, as it positions itself as the leader in grain logistics. The Company is close to signing a joint-venture deal with trading giant Toyota Tsusho Corp. for the acquisition of the terminal, said to be one of the most modern in Southeast Asia. San Miguel President and Chief Operating Officer Ramon S. Ang told reporters on Friday they would acquire the grain terminal from Asian Terminals, Inc. for P1.6 billion. Under the joint venture, San Miguel will shoulder 60% of the cost… the purchase of the grains bulk handling facility is expected to make San Miguel the regional leader in grain distribution and logistics… Mr. Ang said the facility would boost the 500,000-ton-a-year production of the Company's feed mill…

We confirm that the Company and Toyota Tsusho Corp. are in negotiations with Asian Terminal Inc. for the acquisition of the Mariveles Grains Terminal in Bataan.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer