SAN MIGUEL CORPORATION

March 16, 2009

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

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

Gentlemen:

We reply to your request for clarification of the news article entitled “SMC pursuing telecom venture through Liberty,” published in the March 16, 2009 issue of the Philippine Daily Inquirer. The article reported in part, that:

> “… San Miguel may be able to finalize its acquisition of Express Telecommunication Co. (Extelcom) within the next 30 days and likewise proceed with its plan to take over a controlling stake in Liberty Telecom Holdings, Inc., San Miguel president Ramon Ang said in an interview with the INQUIRER on Saturday…”

We advise that SMC is still in discussions in relation to the acquisition of Express Telecommunications Co. and investment in Liberty Telecom Holdings, Inc. No definitive agreement has been reached as regards the proposed acquisition and investment."

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer