



SAN MIGUEL CORPORATION

July 30, 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 with respect to the news article entitled "SMC to acquire 35% of expressway unit," posted in the July 30, 2009 issue of The Philippine Star (Internet Edition). The article reported in part that:

"Diversifying conglomerate San Miguel Corp. will initially acquire a 35-percent stake in consortium that will build the P15-billion Tarlac-La Union Expressway project. On the sidelines of DMCI Holdings, Inc.'s annual shareholders' meeting yesterday, company president Isidro Consunji said San Miguel has offered to initially invest 35 percent in Private Infrastructure Development Corp. (PDIC) with an option to increase its holdings to as much as 51 percent..."

We confirm that the Company has offered to acquire, initially a thirty five percent (35%) stake in Private Infrastructure Development Corporation ("PIDC"), with an option to increase such stake to fifty one percent (51%). The terms and conditions of such offer are still the subject of on-going negotiations and an appropriate disclosure shall be made upon conclusion of a definitive agreement.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer