



SAN MIGUEL CORPORATION

August 11, 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 may partner with Ayala, MPIC-DMCI," published in the August 11, 2009 issue of The Philippine Star. The article reported in part that:

"San Miguel Corp. (SMC) is open to the possibility of entering into partnerships with both the Ayala Group and Metro Pacific Investments Corp. (MPIC)-DMCI for the construction of the P50-billion Laiban Dam project. SMC president Ramon S. Ang told The STAR that they have no problem partnering with the two concessionaires of the Metropolitan Waterworks and Sewerage System (MWSS) – the Ayala-led Manila Water Co., Inc. (MWCI) of the east zone and the MPIC-DMCI controlled Maynilad Water Services Inc. which serves Metro Manila's west zone..."

We confirm that the Company is open to have joint venture partners for the Laiban Dam Project.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer