



SAN MIGUEL CORPORATION

August 10, 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 bid for Lopez stake in Meralco," posted in the August 10, 2009 issue of the Philippine Daily Inquirer (Internet Edition). The article reported in part that:

"MANILA, Philippines – San Miguel Corp. will bid for the Lopez clan's remaining 13.4-percent stake in Manila Electric Co. using extra financial muscle from a big Japanese partner... He added that San Miguel would bring in a strong Japanese investor – not San Miguel Brewery's strategic partner Kirin Holdings – to vie for the Meralco stake and make a tender offer to all other shareholders..."

We confirm that the Company is interested in acquiring an additional equity stake in Manila Electric Company, and is in discussions with a Japanese investor for such equity stake in the event the Company is invited to participate in the sale of the same.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer