



SAN MIGUEL CORPORATION

December 16, 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 unit wins hydro power bid," published in the December 16, 2009 issue of The Philippine Daily Inquirer. The article reported in part that:

"DIVERSIFYING CONGLOMERATE SAN Miguel Corp., through its subsidiary Strategic Power Development Corp., yesterday submitted the highest bid of \$450 million for the contract to manage the 345-megawatt San Roque multipurpose hydro-electric power plant in Pangasinan..."

We confirm that the Company, thru its subsidiary, Strategic Power Development Corp. submitted to the Power Sector Assets and Liabilities Management Corp. ("PSALM") the highest bid of \$450 million for the contract to manage the 345-megawatt San Roque multi-purpose hydro-electric power plant.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer