SAN MIGUEL CORPORATION

December 22, 2009

Philippine Stock Exchange
Disclosure Department
Listing and Disclosure Group
4thFloor, 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 "San Miguel moves to acquire Belltel," published in the December 22, 2009 issue of The Philippine Star (Internet Edition). The article reported in part that:

> "MANILA, PHILIPPINES – San Miguel Corp. (SMC) has reportedly shifted focus on Bell Telecommunications (Belltel) as a potential acquisition target following legal problems being encountered in its bid to acquire Express Telecommunications (Extelcom). In an earlier interview, SMC president Ramon Ang told The STAR that they are still hoping to acquire Extelcom despite legal difficulties on the purchase. SMC is in talks with a company controlled by businessman Roberto Ongpin for the acquisition of the latter's stake in Extelcom…"

We confirm that the Company continues to pursue discussions with a company controlled by Mr. Roberto Ongpin for the contemplated acquisition of an equity stake in Express Telecommunications. We may possibly consider investments in other telecommunication companies if given an opportunity.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer