



SAN MIGUEL CORPORATION

March 16, 2010

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 refer to your letter dated March 16, 2010, with respect to the news article entitled "San Miguel eyes Caticlan airport project," posted on INQUIRER.net on March 16, 2010. The Article reported in part that:

".... San Miguel had agreed to come in as a strategic partner of the consortium led by Chinese-Filipino businessman George Yang that bagged the right to modernize the Caticlan airport under a 25-year concession arrangement with the government. San Miguel is expected to sign an agreement to buy a 51-percent interest in Yang-led Caticlan International Airport Development Corp. (CIADC) anytime this week...."

We confirm that the Company is in talks with the consortium led by Mr. George Yang for the acquisition of up to 51% equity interest in Caticlan International Airport Development Corporation ("CIADC"). An appropriate disclosure shall be made upon conclusion of the definitive agreement relating to the investment by the Company in CIADC.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer