



SAN MIGUEL CORPORATION

March 3, 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 reply with respect to the news article entitled "San Miguel bags huge Luzon toll road project," posted in the March 2, 2010 of the Inquirer.net. The article reported in part that:

"MANILA, Philippines—San Miguel Corp. has turned up the heat in the ongoing battle for dominance of the country's lucrative network of toll road systems by taking control of a little-known but strategically important highway project. According to Inquirer sources, the publicly listed conglomerate has acquired a majority stake in Ausphil Tollways Corp. – a Filipino-Australian consortium and the main project proponent for the North Luzon East Expressway (NLEE)..."

We advise that the Company received an offer to acquire a majority stake in Ausphil Tollways Corporation ("Ausphil") and is in talks with the stakeholders of Ausphil relating to such offer. An appropriate disclosure shall be made in the event a definitive agreement is concluded by the Company and Ausphil.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer