# SAN MIGUEL CORPORATION

July 27, 2010

**The Philippine Stock Exchange, Inc.**
Disclosure Department
3rd Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Ms. Janet A. Encarnacion**
**Head - Disclosure Department**

Gentlemen:

We refer to your letter dated July 27, 2010, with respect to the following news articles:

1. "San Miguel pursues Laiban project," posted in the INQUIRER.NET on July 26, 2010 which reported in part that:

> "DIVERSIFYING conglomerate San Miguel Corp. is still pursuing the P65-billion Laiban Dam project to provide the much needed water supply for Metro Manila despite the controversies hounding the project, company president Ramon S. Ang said Monday…"

We confirm that the Company contemplates to pursue the Laiban Dam Project to alleviate the immediate need to provide an alternative water supply for Metro Manila.

2. "MPIC, SMC to team up for Clark project," posted in the philstar.com on July 27, 2010," which reported in part that:

> "MANILA, Philippines – Metro Pacific Investment Corp. (MPIC) and San Miguel Corp. (SMC) have agreed in principle to team up in a bid to undertake the construction of a new terminal at the Diosdado Macapagal International Airport (DMIA) in Clark, Pampanga. This was revealed yesterday by MPIC chairman Manuel V. Pangilinan who said the final agreement may be reached soon. MPIC and SMC will be part of a Filipino-Korean consortium which earlier offered to invest as much as $177 million (more than P8 billion) for the new passenger terminal…"

As previously confirmed in our disclosure dated July 1, 2010, the Company is in talks with Metro Pacific Investments Corp. to participate in the bidding for the construction of a new terminal at the Diosdado Macapagal International Airport in Clark, Pampanga.

Very truly yours,

**FERDINAND K. CONSTANTINO**
Corporate Information Officer