



SAN MIGUEL CORPORATION

August 11, 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 August 11, 2010, with respect to the news article entitled "SMC group, Korean firm ink deal for \$177-M Clark project," posted on the BusinessMirror Online Space on August 10, 2010, which reported in part that:

"THE consortium backed by San Miguel Corp. (SMC) that plans to redevelop the Diosdado Macapagal International Airport (DMIA) has partnered with an international airport management firm for the \$177-million project within Clark Freeport Zone. The BusinessMirror learned that the Philco Aero Group has tapped Korea Airports Corp. (KAC), which handles the operations and management of 14 airports in South Korea, for the Pampanga project. As part of the agreement, Philco Aero chief executive Ricardo Penson said KAC will acquire a 5-percent stake in the Filipino-owned consortium which also includes partners Posco Engineering and Construction Co., Samil PricewaterhouseCoopers and Korea Development Bank...."

We advise that the Company is in talks with the Philco Aero Group in connection with the formation of a consortium which shall participate in the bidding for the construction and upgrading of the Diosdado Macapagal International Airport in the Clark Freeport Zone, Pampanga.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer