



SAN MIGUEL CORPORATION

August 23, 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 23, 2010, with respect to the news article entitled "Sale of SMC's Pure Foods bogs down," posted on philstar.com on August 21, 2010, which reported in part that:

"MANILA, Philippines – Negotiations for the sale of San Miguel Pure Foods, Inc. (SMPF) bogged down yesterday after San Miguel Corp. failed to reach an agreement with the Campos family and tuna canner Century Pacific Group. San Miguel disclosed yesterday that it was keen on selling only up to 49 percent stake in SMPF, rejecting offers from the final bidders to acquire 100 percent of the food unit... "At this time, our board has decided that all that should be currently under offer by San Miguel is the sale of a minority stake in our food group," said Ramon Ang, president and COO of San Miguel..."

We advise that the Board of Directors of the Company approved the sale of up to 49% of San Miguel Pure Foods Co., Inc. during the meeting held on August 12, 2010. The statements of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, relating to such approval, as contained in the aforementioned article, are accurate.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer