



SAN MIGUEL CORPORATION

September 1, 2015

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 reply with respect to the news article entitled "SMC in talks with Australian telecom firm" posted in Inquirer.net on August 29, 2015. The article reported in part that:

"San Miguel Corp. is in talks with Telstra Corp. Ltd., Australia's leading mobile phone operator, for a possible partnership in the highly competitive telecommunications business.

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SMC president Ramon S. Ang confirmed in a text message that the conglomerate was considering a potential partnership with Telstra.

This followed Telstra's regulatory filing on Friday saying: 'We note recent speculation concerning Telstra considering an investment in a wireless joint venture in the Philippines with San Miguel Corp. and that financing is being sought in relation to that joint venture.'

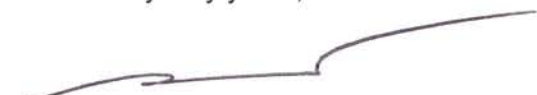
The letter of Telstra secretary Damien Coleman to the Australian Stock Exchange added: 'We are in discussions in relation to these matters. However, no agreements have been reached ... and there is no certainty this will occur.'

After SMC's break-up with former partner Qatar Telecom (Q-Tel), it was widely speculated to be hunting for a new foreign partner. However, Ang had said SMC could jumpstart the business on its own.

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By way response to the Exchange, we advise that the Company is in talks with Telstra Corp., Ltd. ("Telstra"), for a possible partnership in the telecommunications business in the country, as confirmed by Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, and reported in the aforementioned article. An appropriate disclosure shall be made in the event a definitive agreement is reached and concluded by the Company and Telstra.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer