



28 May 2010

**PHILIPPINE STOCK EXCHANGE, INC.**  
**PSE Center, One Exchange Road**  
**Ortigas Center, Pasig City**

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

Ladies and Gentlemen:

We write in response to your letter of 28 May 2010 with respect to the news article entitled "Ongpin consolidates telco holdings in SMC" posted in today's issue of The Philippine Star (Internet Edition), which reported in part that:

"MANILA, Philippines – Businessman and former Trade Minister Roberto "Bobby" Ongpin appears to be consolidating his telecommunications interests in San Miguel Corp. (SMC) with the impending sale of two of the telcos he controls to SMC. ISM Communications Corp., which is owned 39.3 percent by UK-based investment manager Ashmore Group, intends to sell its entire 77 percent stake in Eastern Communications to SMC, ISM president Eric Recto revealed yesterday.."

As directed, we hereby confirm the veracity of the above-quoted report with respect to the portions involving ISM. However, as previously disclosed last March 19, 2010, we wish to emphasize that the talks for the proposed sale are still preliminary and exploratory. Nothing definitive has been agreed upon.

As always, the Company will make the appropriate disclosure at the proper time.

We hope the foregoing fully clarifies the matter.

Very truly yours,

**Rodolfo Ma. A. Ponferrada**  
Corporate Information Officer