



SAN MIGUEL CORPORATION

December 28, 2007

Philippine Stock Exchange, Inc.
Philippine Stock Exchange Center
PSE Center, Exchange Road
Ortigas Center, Pasig City

Attention: **Atty. Pete M. Malabanan**
Head – Disclosure Department

Gentlemen:

Further to our disclosure dated November 8, 2007 (copy attached), please be informed that San Miguel Corporation has completed today the sale of National Foods Limited to Kirin Holdings Company, Limited.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer



SAN MIGUEL CORPORATION

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SAN MIGUEL SELLS NATIONAL FOODS

SAN MIGUEL CORPORATION today announced that the Company has reached an agreement with Kirin Holdings Company, Limited to sell SMC's Australian dairy and juice business, National Foods, to the Japanese brewer for a consideration of A\$2.8 billion.

Kirin is to acquire all shares of National Foods from San Miguel by the end of December 2007 and make National Foods a consolidated subsidiary.

San Miguel bought National Foods for A\$1.9 billion in 2005. Since then, San Miguel has consolidated into the dairy company, leading Australian juice manufacturer Berri; specialty cheese producer, Lactos; and, Malaysian ice cream manufacturer Kings Creameries. Berri was acquired in 2004, while Kings Creameries was acquired in 2005. Lactos was bought by National Foods in 2006.

San Miguel's sale of National Foods coincides with the company's divestment of Australian premium brewer J. Boag & Son.

Earlier this year, San Miguel announced the restructuring of its core businesses in the Philippines with the recent spin-off of its domestic beer operations and its intent to participate in emerging non-allied businesses such as power generation and transmission.

"We are redefining our company and paving the way for San Miguel to enter into high-growth businesses. In so doing, we are restructuring our company, taking the necessary portfolio actions to better reshape our company and position it for enhanced financial performance and growth," said SMC President and Chief Operating Officer Ramon S. Ang.

"We believe growth and returns can be increased through continued focus and investment on San Miguel's advantaged core businesses. Therefore, following a strategic review of our Australian portfolio, we have decided it would be in the best interests of our shareholders to look into the sale of the business," added Ang

Initially San Miguel disclosed that it was looking at a partial sale of its share in National Foods to Kirin. Kirin since elected to make a full bid for the dairy and juice manufacturer after completing due diligence.

Said Kazuyasu Kato, Kirin president and CEO, “Kirin has two reasons for this acquisition. First it is seeking to expand its non-alcoholic beverage and food business. Second, Kirin is keen to increase its Australian interests.

“Through the investment, Kirin will obtain a robust operational base for promoting an integrated beverage business and health foods and functional foods business.”

For media inquiries, please contact:

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San Miguel Corporation

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