



## SAN MIGUEL CORPORATION

May 13, 2008

**Philippine Stock Exchange, Inc.**  
Disclosure Department  
4<sup>th</sup> Floor, Philippine Stock Exchange Center  
PSE Center, Exchange Road  
Ortigas Center, Pasig City

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

Gentlemen:

We refer to the news article entitled "San Miguel to write off P1B worth of Monterey assets," published in the May 13, 2008 of the Philippine Daily Inquirer. The article reported in part that:

"... SMC president Ramon Ang said P1 billion worth of assets would be written off from the books of Monterey Piggery, a unit of SMC subsidiary Monterey Foods Corp. The Company blamed the write off for its failure to meet the April 14 deadline for the submission of its 2007 financial statements to the Securities and Exchange Commission and the Philippine Stock Exchange..."

The Company confirms that certain asset accounts such as trade receivables and inventories of Monterey Foods Corporation will be adjusted to reflect their net realizable values. The adjustments resulted in the reduction of Monterey's beginning retained earnings for 2007. The adjustments will be discussed at the investor's briefing of the Company to be held on May 15, 2008.

Very truly yours,

  
**FERDINAND K. CONSTANTINO**  
Corporate Information Officer