



SAN MIGUEL CORPORATION

September 25, 2008

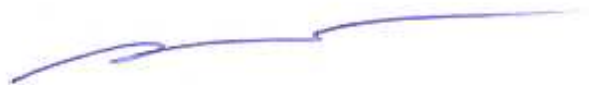
Philippine Stock Exchange
Disclosure Department
Listing and Disclosure Group
4th Floor, Philippine Stock Exchange Center
Exchange Road, Ortigas Center
Pasig City

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

Gentlemen:

Enclosed is a copy of our press statement entitled "Magnolia assures safety of milk and dairy products," which we will release to the press today.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer



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Magnolia assures safety of milk and dairy products

Magnolia Inc. assured the public that all its milk and dairy products are safe for consumption even as it appealed to consumers to be vigilant against similar products with raw materials sourced from China.

The statement came amid growing fears across the world over the safety of milk products coming from China.

The company manufactures and distributes milk and dairy goods under the brand name Magnolia and markets similar products carrying the King's Creameries and Big M brands.

"We would like to assure the public that all our raw materials are sourced only from reputable and accredited partners from New Zealand, Australia, Europe and the United States and have been tested safe for public consumption," said Reginald Baylosis, GM for Magnolia, Inc., and Mayo Alcon, GM for Magnolia Ice Cream, in a joint statement.

They added that none of Magnolia's products contain milk powder that originated from China.

Magnolia, Inc. adheres to the highest quality control standards and systems in all levels of its business and manufacturing process. It was recently re-certified for ISO 22000:2005 for compliance with global standards of quality and safety.

The stringent process conducted by the International Organization for Standardization (ISO) involved a series of tests submitted for review by more than 150 national members which comprise the committee.

"This certification is proof that Magnolia is serious about providing only the safest and superior quality products to the consumers. We value this reputation for high standards which we have built up over so many years," Baylosis said.

Alcon added that "Now, more than ever, we should stress the importance of safety and quality and enjoin the public to be more vigilant in the interest of protecting public health." ###

For inquiries, please contact:

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