



SAN MIGUEL CORPORATION

December 12, 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:

We reply to your request for clarification of the news article entitled "SMC acquires 60% of Liberty Holdings," published in the December 12, 2008 issue of the BusinessMirror. The article reported in part, that:

"THE nation's biggest food and drink company is buying 60 percent of Liberty Telecommunications Holdings, Inc. for a controlling stake of the telecom company, as part of a partnership with Qatar Telecom QSC (QTel). San Miguel Corp. (SMC) president Ramon Ang said in a mobile-phone message that the company will use Liberty in its venture into telecommunications with Qtel, Ang said. .."

SMC confirms that it is negotiating for the purchase of a 60% stake in Liberty Telecommunications Holdings, Inc. (Liberty Holdings). The proposed investment in Liberty Holdings is pursuant to SMC's on-going discussions with Qatar Telecoms for a joint venture partnership.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer