



SAN MIGUEL CORPORATION

January 27, 2009

Philippine Stock Exchange, Inc.

Disclosure Department
4th Floor, Philippine Stock Exchange Center
PSE Center, Exchange Road
Ortigas Center, Pasig City

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

Gentlemen:

Please be informed that the Board of Directors of the Company approved today the sale of its domestic beer brands and the related intellectual property rights and know-how owned by the Company through a wholly owned subsidiary to which the same have been spun-off, to San Miguel Brewery Inc. ("SMB"). The sale price is P32 Billion.

The Board also approved the sale of the lands used in the beer operations partly to SMB Retirement Plan at P239 Million and the rest, through the wholly-owned subsidiary of the Company to which the remaining lands shall be spun-off, to SMB, at a sale price of P6.8 Billion.

The foregoing transactions will be implemented after obtaining the required approvals from the appropriate regulatory authorities.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer