



SAN MIGUEL CORPORATION

January 19, 2009

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 following news articles:

1. "San Miguel shows interest in 620-MW Limay power plant" published in the January 18, 2009 issue of the Manila Bulletin, which reported, in part that:

"San Miguel Corporation (SMC) has formally indicated its interest to acquire the 620-megawatt Limay thermal power facility which is next in the asset privatization line-up of the Power sector Assets and Liabilities Management Corporation..."

We confirm that SMC through its subsidiary, San Miguel Energy Corporation, has submitted to the Power Sector Assets and Liabilities Management Corporation a letter of interest to acquire the Bataan Combined Cycle Power Plant facilities in Limay, Bataan.

2. A new article published in the January 19, 2009 issue of the Malaya which reported, in part, that:

"SAN Miguel Corp., yesterday said it would honor the debt covenant it signed with bankers in 2007. The Company when it borrowed \$1.2 billion from a syndicate of banks said it will limit its venture into non-core businesses to 10 percent of its total asset base.... The source said that based on recent company announcements, "the Company may have already breached the investment limitation," which will compel the Company to pay back on its obligations which carry a "floating interest rate based on LIBOR plus an agreed margin." The source said that a calling of the debt could stress the company's working capital to run its operation..."

We confirm that SMC will comply with its existing obligations and commitments with the banks.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer



ODiSy

4th Floor, Philippine Stock Exchange Center,
Exchange Road, Ortigas Center, Pasig City
Trunkline: 688-7600 loc. 7512-7519
Fax. No. 636-0809

Company : SAN MIGUEL CORPORATION

Attention : Mr. Ferdinand K. Constantino
Senior Vice President and Chief Financial Officer

Subject : Clarification of news articles

Sent : Monday, January 19, 2009

Gentlemen:

We write with respect to the following attached news articles:

1. "San Miguel shows interest in 620-MW Limay power plant" published in the January 18, 2009 issue of the Manila Bulletin, which reported, in part, that:

San Miguel Corporation (SMC) has formally indicated its interest to acquire the 620-megawatt Limay thermal power facility which is next in the asset privatization line-up of the Power Sector Assets and Liabilities Management Corporation....

2. A news article published in the January 19, 2009 issue of the Malaya which reported, in part, that:

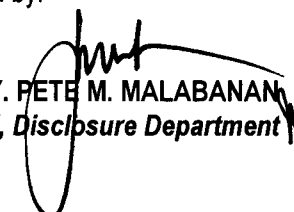
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Please confirm, deny and/or clarify the above-quoted news article and provide additional information, if any, **via ODiSy before 9:00 a.m. tomorrow, January 20, 2009**, so that we may properly apprise the Trading Participants and the investing public of the same.

Very truly yours,


CHRISTINA MARIE C. FORTES
Specialist, Disclosure Department

Noted by:


ATTY. PETE M. MALABANAN
Head, Disclosure Department