



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:

Please be informed that San Miguel Corporation (SMC) and Kirin Holdings Company, Limited (Kirin) have executed today a Memorandum of Understanding regarding Kirin's potential investment in San Miguel Brewery Inc. (SMB), the beer business subsidiary of SMC.

Kirin will enter into exclusive negotiations with SMC to acquire 43.25% of the issued and outstanding capital stock of SMB.

The details of the transaction are to be further discussed by both parties. Kirin and SMC will target signing definitive agreements by the end of February.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer