



SAN MIGUEL CORPORATION

February 24, 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 refer to your letter dated February 23, 2009 requesting for additional information on SMC's disclosure dated February 20, 2009 in connection with the signing of a Share Purchase Agreement (SPA) for the acquisition by Kirin Holdings Company, Limited ("Kirin") of 43.249% stake of SMC's unit, San Miguel Brewery Inc.(SMB).

We reply as follows:

1. Payment will be in cash and can be in one or two tranches.
2. SMC engaged RBS as lead adviser and Standard Chartered as co-adviser for the transaction.
3. The target closing is not later than end of May 2009.
4. The proceeds from the sale will be used to pay down debts and fund new acquisitions.
5. Other relevant information – The conditions precedent to the completion of the acquisition by Kirin of SMC's 43.249% stake in SMB, include, among others, the completion of the tender offer by Kirin; the purchase by SMB of SMC's interest in Iconic Beverages, Inc., the wholly owned subsidiary of SMC where the domestic beer brands and other intellectual property rights related to beer will be transferred by SMC and the transfer of the parcels of land used in the brewery operations to SMB through the purchase by SMB of SMC's interest in Brewery Properties Inc.

On the request for a copy of the agreement, we regret that we cannot provide the same in view of the confidentiality agreement between the parties.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer