



SAN MIGUEL CORPORATION

February 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 news article entitled "San Miguel sets P10 billion for expansion, new ventures" published in the February 19, 2009 issue of The Philippine Star (Internet Edition). The article reported in part, that:

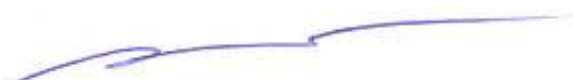
"MANILA, Philippines-San Miguel Corp. (SMC), Southeast Asia's largest food and beverage conglomerate, plans to spend nearly P10 billion to beef up the existing capacities of its food and feeds facilities as well as venture into new businesses like broadband service and water supply. San Miguel president Ramon S. Ang said P4.89 billion of the P10 billion will be channeled to the expansion of Monterey's hog farms and another P3.37 billion to raise the capacity of Magnolia Corp.'s poultry farm. The Company is allotting P840 million for the expansion of its animal feeds business to produce an additional 3.8 million bags. Ang said San Miguel is setting aside P215 million for the construction of a Magnolia ice cream plant which will chum out five million gallons. Another P231 million will be spent to increase Purefoods-Hormel Corp.'s chicken nuggets line. The San Miguel chief likewise revealed that the Company will soon provide broadband and high-speed Internet service using Meralco Broadband over Power Lines (BPL)...Ang said the Company, through wholly-owned unit San Miguel Bulk Water Co., has also submitted a \$1.2-billion proposal to the Metropolitan Waterworks and Sewerage System (MWSS) for the development of the Laiban Dam in Tanay, Rizal..."

We confirm that the Company plans to beef up the existing capacities of its food and feeds facilities which projects are estimated to cost approximately P 10 Billion..

Also, as previously disclosed, the Company through its subsidiary, San Miguel Bulk Water Company Inc. submitted to the Metropolitan Waterworks and Sewerage System an unsolicited proposal for the Laiban Dam Project.

The Company is also conducting studies on the broad band service business.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer