



SAN MIGUEL CORPORATION

February 25, 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 "SMC forays into telco," published in the February 25, 2009 issue of the Malaya. The article reported in part, that:

"SAN MIGUEL Corp.'s next target: Mobile phone subscribers. And it will do this, said an industry source, by offering a much lower rate in a venture with Express Telecommunication Inc. (Extelcom). The source said that in a presentation to the National Telecommunication Commission, Ramon Ang, San Miguel Corp. (SMC) president and chief operating officer, and Extelcom officials presented their plan to upgrade the Extelcom analog platform to GSM so that they can offer cellular mobile telephone system (CMTS) services..."

We confirm that SMC is considering an investment in telecommunications. We will make the appropriate disclosure as soon as a decision has been made.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer