



SAN MIGUEL CORPORATION

April 3, 2009

THE PHILIPPINE STOCK EXCHANGE, INC.

Philippine Stock Exchange Center,
Exchange Road, Ortigas Center
Pasig City

Attention: **Mr. Noel B. del Castillo**
OIC - Disclosure Department

Gentlemen:

We refer to your letter dated April 2, 2009 seeking further information in connection with the Share Sale and Purchase Agreement ("SPA") executed by San Miguel Corporation ("SMC") and Rengo Co., Ltd. (Rengo) of Japan on March 31, 2009 for the purchase by SMC of the interests of Rengo in San Miguel Rengo Packaging Corporation ("SMRPC") and Mindanao Corrugated Fibreboard Inc. ("Mincorr").

We reply as follows to the request for further information raised in the letter:

1. SMC recognizes that, as sole owner of SMRPC and Mincorr, it will have more flexibility in determining the direction of its paper business.
2. The purchase prices for the shares of Rengo in SMRPC and Mincorr will be paid by SMC from internally generated funds.
3. SMC is acquiring the interests of Rengo in SMRPC for P168.7 million and in Mincorr for P81.3 million for an aggregate purchase price of P250 million.
4. The purchase prices will be paid in cash [via bank wire] on the closing of the transaction targeted to be ten (10) business days from signing of the SPA.
5. SMC considered several methodologies, including discounted cash flow, book value and appraised value of the properties. There is no Independent fairness opinion on the valuation.

We regret that we cannot submit the SPA in view of our confidentiality undertakings under the SPA.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer