



SAN MIGUEL CORPORATION

May 8, 2009

Philippine Stock Exchange

Disclosure Department

Listing and Disclosure Group

4th Floor, Philippine Stock Exchange Center

Exchange Road, Ortigas Center

Pasig City

Attention: **Ms. Janet A. Encarnacion**
Head - Disclosure Department

Gentlemen:

We reply to your request for clarification of the news article entitled "SMC drops bid for Limay power plant, eyes Calaca," published in the May 5, 2009 issue of The Philippine Star. The article reported in part, that:

"San Miguel Corp., the largest food and beverage conglomerate in Southeast Asia, has dropped its bid for the Limay diesel-fired power plant in Bataan and instead turned its sight on the 600-megawatt (MW) Calaca coal-fired power plant in Batangas..."

We confirm that the Company has discontinued its participation in the negotiated sale for the Limay diesel-fired power plant in Bataan and has expressed interest to bid for the Calaca coal-fired power plant in Batangas.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer