



SAN MIGUEL CORPORATION

May 14, 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 eyes \$700 M from sale of int'l beer unit," published in the May 14, 2009 issue of The Philippine Star. The article reported in part, that:

"Food and beverage conglomerate San Miguel Corp. is hoping to raise up to \$700 million from the sale of its international beer operations to San Miguel Brewery Inc. (SMB).... San Miguel president Ramon S. Ang said the sale of the group's beer operations overseas could fetch between \$600 million to \$700 million... "

Further to our disclosure of February 20, 2009, copy attached, we confirm that SMC, SMB and Kirin will negotiate exclusively on the potential purchase by SMB of shares in SMC's overseas beer business. The Company will make an appropriate disclosure as soon as the parties have reached an agreement.

We also confirm that the Company is planning to conduct an initial public offering for its packaging arm, San Miguel Yamamura Packaging Corporation. The timing of the offering will depend on the market conditions.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer



SAN MIGUEL CORPORATION

February 20, 2009

Philippine Stock Exchange

Disclosure Department

Listing and Disclosure Group

4thFloor, Philippine Stock Exchange Center

Exchange Road, Ortigas Center

Pasig City

Attention: **Atty. Pete M. Malabanan**
Head - Disclosure Department

Gentlemen:

Enclosed is a copy of our press statement entitled "SMC, Kirin sign agreement for Sale of SMB shares" which we will release to the press today.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer



SAN MIGUEL CORPORATION

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Feb. 20, 2009

SMC, Kirin sign agreement for sale of SMB shares

San Miguel Corporation (SMC) and Kirin Holdings Company, Limited today announced that they have signed a share purchase agreement for the acquisition by Kirin of a 43.249% stake of SMC's brewing unit, San Miguel Brewery Inc.

San Miguel Brewery Inc. produces and markets San Miguel Pale Pilsen, Red Horse, San Mig Light and five other affiliated brands.

Under the terms of the agreement, Kirin will purchase shares in SMB from SMC at a purchase price of Php 8.841 per share, implying a total acquisition price at Php 58.9 billion.

Kirin will launch a tender offer to purchase additional shares from all other existing San Miguel Brewery Inc. shareholders at the same purchase price offered to SMC. The details of the tender offer will be announced by Kirin once determined.

Further to the agreement, SMC, Kirin, and SMB will undertake to negotiate exclusively for SMB's potential purchase of shares in SMC's overseas beer business. The exclusivity period is for six months following SMC's offer to sell the shares in its overseas beer business.

Ramon S. Ang, SMC president and chief operating officer said, "We are extremely pleased that we have reached an agreement with Kirin. Our alliance will create exciting opportunities on multiple fronts for our brewery business. We need a strong partner for our brewing business particularly as San Miguel begins to branch out into other industries, and I am confident that as a result of Kirin's direct buy-in, our beer products will see higher sales and even better efficiencies going forward."

"For our employees and customers, I see this as a great opportunity. Kirin's strengths in brewing technology and materials sourcing, combined with San Miguel's long tradition of product quality and strong brands are a winning combination."

The Kirin Group's long-term business vision is to be a leading company in Asia and Oceania, and Kirin has been promoting a strategy focusing on profitable operations in this region.

Kirin has been a strategic equity partner of SMC since 2002. Through Kirin's buy-in into SMB Inc., Kirin and SMC plan to reinforce their strategic relationship in the regional beer business, accelerating the creation of synergies between the two companies.

RBS was SMC's lead adviser together with Standard Chartered as co-adviser.

For inquiries, please contact:

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