



SAN MIGUEL CORPORATION

October 15, 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:

Further to our disclosure (please see attached), the Company is still in discussions with the prospective investors on the terms of the issuance. We will make appropriate disclosures as soon as an agreement has been reached

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer



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Gentlemen:

Please be informed that the Board of Directors approved today, October 15, 2009, the issuance, through private placement, of up to 226.8 million Series 1 Preferred Shares. The proceeds from the issuance will be used to finance investments and acquisitions of the Company. The Board has authorized Management to determine the issue price and dividend rate of said preferred shares.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer