



SAN MIGUEL CORPORATION

December 10, 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 with respect to the news article entitled "Landbank, San Miguel ink P2-B loan agreement" published in the December 10, 2009 issue of The Philippine Star. The article reported in part that:

"State-owned Land Bank of the Philippines (Landbank) has extended P2 billion worth of loans to diversified conglomerate San Miguel Corp. (SMC) to finance the company's expansion program. The loan agreement was signed last Dec. 1 by SMC senior president for treasury Sergio Edeza and Landbank first vice president Jed Reyes. Proceeds of the loans would be used to partially finance the corporate requirements of the food and beverage business of SMC..."

We confirm that the Company signed a P2 billion loan agreement with Landbank. Proceeds of the loan will be used to partially finance corporate requirement of its food and beverages business.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer