



SAN MIGUEL CORPORATION

November 24, 2008

Philippine Stock Exchange
Disclosure Department
Listing and Disclosure Group
4th Floor, Philippine Stock Exchange Center
Exchange Road, Ortigas Center
Pasig City

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

Gentlemen:

We reply to your request for clarification of the news article entitled "San Miguel plans \$2-B preferred stock offering," published in the November 24, 2008 issue of the Philippine Daily Inquirer. The article reported in part that:

"UNFAZED BY THE GLOBAL Financial market turmoil, food and beverage giant San Miguel Corp. is planning to tap the local and international markets for a possible \$2-billion preferred shares offering next year to beef up its cash arsenal for investments, INQUIRER sources said. The plan arose after the beer giant received interests from Japanese, Singaporean and Western firms, sources added. Proceeds from the sale of preferred shares will be used for investments in energy, mining and other utilities. The preferred shares will carry market interest rates of between 8 and 10 percent a year, sources said...."

The Company confirms that it is studying how to tap local and international markets for its financing needs. The type of instruments, currency, markets and size are all still under study, and no decisions have been reached.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer