



## **SAN MIGUEL CORPORATION**

May 8, 2007

**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 "San Miguel to List Domestic Beer and Packaging Group," which we will release to the press today.

Very truly yours,

  
**FERDINAND K. CONSTANTINO**  
Corporate Information Officer



# SAN MIGUEL CORPORATION

## NEWS RELEASE

### **San Miguel to List Domestic Beer and Packaging Group**

The Board of Directors of San Miguel Corporation today authorized the listing of San Miguel's Domestic Beer Operations and SMC's domestic and regional packaging business.

The Board of Directors authorized the spin-off of San Miguel's domestic beer business, preparatory to the division's subsequent initial public offering and listing in the Philippine stock market. San Miguel also sought board approval for its beer business to enter into a strategic partnership with Kirin Brewery Company, Ltd.

Following the spin-off, San Miguel Beer Domestic will become a wholly-owned subsidiary under San Miguel Corporation. A strategic investor of San Miguel since 2002, Kirin Brewery Company, Ltd. has a 20% stake in the Company.

Last April 27, the Company signed an agreement with long-time joint venture partner Nihon Yamamura Glass for the latter's 35% equity infusion in SMC's domestic and international packaging business.

Said Ramon S. Ang, President and Chief Operating Officer of San Miguel Corporation, "We believe that stand-alone domestic brewing and packaging operations will enhance our companies' ability to compete more effectively in their industries. An IPO would raise for each business much needed equity and allow it to grow faster and partner more effectively with other world class players like Kirin and Nihon Yamamura Glass.

"This will provide both the beer and packaging business the financial flexibility and operating muscle that will boost operations moving forward.

"We are looking to unlock the potential and underlying value of the entire San Miguel Group. This is something we have been looking at for some time now and with this spin-off, we reach another milestone in our long-range plan to transform San Miguel into a more disciplined, high-performing company," said Ang.

Said SMC Chairman and CEO Eduardo M. Cojuangco, Jr., “We are excited about our plans for driving San Miguel’s long-term growth in our core and new businesses through our strategy of portfolio transformation. We are confident these steps will create more value for our shareholders.”

In today’s meeting, the Board of Directors rescheduled San Miguel Corporation’s Annual Stockholders Meeting to 24 July 2007.

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