SAN MIGUEL CORPORATION

January 6, 2010

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:

Enclosed is a copy of our press statement entitled **"[San Miguel Corporation to invest in Top Frontier],"** which we will release to the press today.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer

NEWS RELEASE

SAN MIGUEL CORPORATION

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January 6, 2010

San Miguel Corporation to invest in Top Frontier

The Board of Directors of San Miguel Corporation (SMC) today approved an investment in Top Frontier Holdings, Inc. (Top Frontier) through the acquisition of a 49% stake via equity infusion.

Top Frontier is an investment holding company currently owning 857.1 million SMC common shares or around 26% interest of total outstanding capital stock of SMC. In addition, Top Frontier will execute an agreement with Q-Tech Alliance Holdings, Inc. (Q-Tech), which provides for the acquisition of 327 million SMC common shares held by Q-Tech and an option over the balance of 302 million SMC common shares held by Q-Tech; and rights over various major mining assets.

Top Frontier has agreed to ensure the pursuit of the strategic direction of SMC to diversify into infrastructure, telecommunications, mining, energy and related industries. As agreed by both SMC and Top Frontier, the composition of the SMC board and management will remain the same.

Simultaneous with the completion of the acquisition of SMC shares from Q-Tech by Top Frontier, Top Frontier shall make a tender offer for SMC common shares in line with existing rules and regulations of the SEC and PSE at a price of P75.00 per share. The tender offer is targeted for March 2010.

The investment by SMC in Top Frontier was approved by the Board of Directors of SMC premised on the undertaking by Top Frontier to pursue an orderly sell down of SMC shares in order to broaden SMC's shareholder base.

"The Board is confident that an investment by SMC in Top Frontier is in the long-term interest of the shareholders of SMC. This investment will ensure continuity of the ongoing business operations and strategic plan of SMC and the stability of its organization. It is a step towards broadening the shareholder base of SMC," said Ramon S. Ang, SMC president and chief operating officer.

For media inquiries, please call:
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