



SAN MIGUEL CORPORATION

October 7, 2011

The Philippine Stock Exchange, Inc.
Disclosure Department
3rd Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Ms. Janet A. Encarnacion**
Head - Disclosure Department

Gentlemen:

We refer to your letter dated October 7, 2011, with respect to the news article entitled "Malaysia's CIMB eyes stake in SMC's Bank of Commerce," posted in the Inquirer.net on October 6, 2011. The article reported in part that:

"Conglomerate San Miguel Corp. is in talks with Malaysian banking giant CIMB group to build a local banking partnership through medium-sized commercial bank Bank of Commerce.

Banking sources familiar with the discussions said San Miguel would like to bring in Kuala Lumpur-based CIMB as a strategic investor in its banking arm BoC.

The San Miguel group is willing to trim its majority stake in BoC to 25 percent from about 70 percent in favor of CIMB, Inquirer sources added.

But no deal has been finalized yet, as CIMB was still undertaking a due diligence audit on the privately held BoC, which has about P91 billion in assets and ranks 16th-largest among the country's 38 commercial bank.

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We confirm that the Company is in discussions with the CIMB Group of Malaysia, as reported in the aforementioned article. An appropriate disclosure shall be made to the Exchange in the event material developments result from such discussions.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer