



SAN MIGUEL CORPORATION

January 12, 2012

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 January 12, 2012 with respect to the news article entitled: "San Miguel to sell bank stake," posted in the BusinessWorld Online on January 12, 2012. The article reported in part that:

"MANILA/KUALA LUMPUR – Conglomerate San Miguel Corp. is finalizing a deal to sell 60% of its banking arm, Bank of Commerce, to the CIMB Group, Malaysia's second-largest bank, a source involved in the share sale yesterday said..

A senior official from the Bank of Commerce who requested anonymity, meanwhile told BusinessWorld yesterday: "Yes, 60% of the bank will be sold to CIMB."

The source added that the price would be within "P180 to P200 per share."

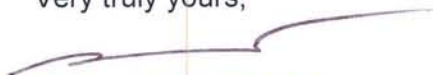
The 60% stake will give CIMB nine of the 15 board seats in the bank," he added.

Bank of Commerce, with total assets of \$2 billion, had capital stock of P16.96 billion (\$385.5 million) as of June 2011, latest filings with the Banko Sentral ng Pilipinas show. Based on this data, a sale of 60% stake in the bank could be worth \$231.3 million...

Citing an unidentified source, the Business Times of Malaysia reported on Wednesday that CIMB Group was likely to sign an agreement to buy into the medium-sized Philippine bank by the end of January.."

We confirm that the Company is in talks with CIMB Group of Malaysia ("CIMB") in connection with the interest expressed by CIMB to acquire a participating equity interest in Bank of Commerce. An appropriate disclosure shall be made in the event a definitive agreement is concluded executed by the parties to implement such acquisition.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer