



SAN MIGUEL CORPORATION

May 14, 2013

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 May 14, 2013 with respect to the following news articles:

(1) "PAL, Purefoods raising public floats" posted in *Manila Bulletin (Internet Edition)* on May 12, 2013, which reported in part that:

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Meanwhile, SMC is also considering plans to sell more Pure Foods shares even after it has already met the minimum public float requirement last year by selling a 15 percent stake in the company to raise public ownership to almost 16 percent.

"We have sold 15 percent of Pure Foods. It's not a problem now to sell more because it is a listed company. We can sell more because a lot of investors are interested in the company," Ang said stressing that "as long as we keep majority."

SMC chief finance officer Ferdinand Constantino said that SMC will likely sell some of its stake in Pure Foods although the firm may also sell some new shares in the stock offering. He said SMC has a lot of projects that can use the fresh funds raised from the partial divestment of Pure Foods shares including its investments in infrastructure and the power industry.

"We are at the moment engaged in active negotiation to invest in an energy business," said Ang adding that it will involve an equity investment of about \$5 billion.

He noted that, "if we can sell something, it (funds) can help. But for now we have enough funding for that," said Ang who disclosed that they will acquire "a company that gives us a good cash flow. It's a growing business and has growing prospect. Not a sunset industry."

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and

2. "Malaysian bid to buy PH bank snagged" posted in Inquirer.net on May 13, 2013. The article reported in part that:

Malaysian banking giant CIMB's bid to acquire Bank of Commerce has hit a snag and seller San Miguel Corp. is willing to walk away from the P12.2-billion deal if this is not resolved soon.

In a week or so, the local conglomerate would know whether to close the transaction or break off the engagement with CIMB, SMC president Ramon S. Ang told the Inquirer.

"I think we're in the last stage," Ang said, saying it would likely take a week more to determine the outcome. "If this deal does not push through, then I will go run the bank. And if I will be the one to run it, I will increase its capital by \$2 billion."

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The sources said that since part of the bank's assets were in real estate, including the bank premises and some foreclosed assets, some assets had to be spun off into a realty company, which could not be controlled by a foreign entity like CIMB.

The sources said the delay had nothing to do with the valuation or even the quality of assets but was all due to the complications arising from CIMB's lack of legal capability to absorb real estate assets.

Ang confirmed that the real estate issue was the source of delay. "They want us to be part of the realty corporation," Ang said, noting that this was not part of SMC's assumption when it agreed to the deal.

Ang said SMC's position was a "take-it-or-leave-it," saying the conglomerate would be ready to keep Bank of Commerce in its portfolio.

Another source involved in the transactions said there was still a chance that the deal could push through, with the crucial meetings between SMC and the Malaysian group indeed happening within the coming week.

"It's not dead. It's just in ICU (intensive care unit). There's still some pulse to it," the source said.

We confirm that the statements of the President and Chief Operating Officer, Mr. Ramon S. Ang, relating to: (i) the contemplated increase in the public float of San Miguel Pure Foods Company, Inc., (ii) the possible investment in an energy-related business venture and, (iii) the status of the CIMB Malaysia of Bank of Commerce, respectively, as reported in the aforesaid articles, are accurate. Appropriate disclosures shall be made in the event that there are new developments pertaining to the transactions referred to herein.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer