



SAN MIGUEL CORPORATION

September 25, 2014

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 reply with respect to the Manila Bulletin news article entitled "SMC selling bank unit, mulls overseas oil, gas deal" posted in Yahoo News Philippines on September 25, 2014. The article reported in part that:

"Manila (Reuters) – The Philippines' most diversified conglomerate, San Miguel Corp, said on Wednesday it is in talks to sell its unlisted banking unit soon, while eyeing an overseas oil and gas buy, as it strengthens its portfolio after a soured airline investment.

San Miguel, which kicked off an aggressive expansion in 2008 to add power, mining, telecoms, oil refining and infrastructure to its stable of food and beverage businesses, continues to seek acquisitions as it looks to double group revenues in five years, from around 850 billion pesos now (\$19.10 billion).

But San Miguel, the Philippines' biggest revenue-making company, is not in a hurry to seal a purchase, although it is actively pursuing an offshore oil and gas deal, President Ramon S. Ang told reporters.

'It's definitely offshore, not Philippines, not China, not Vietnam,' Ang said at his Manila office. He declined to give details, but said the group was targeting companies with good cash flow and strong earnings.

...

BANK SALE

After failed talks with Malaysia's CIMB Group Holdings last year, San Miguel is again negotiating with foreign and domestic groups to sell a stake in unlisted Bank of Commerce worth \$500 million, Ang said, adding the group wanted to exit the banking sector for lack of a major presence.

The sale is being handled by Citibank, Ang said.

'There are so many interested in Bank of Commerce now,' Ang said. 'It may be sold soon.'

....

...Secures \$50-M Canadian loan

Diversified conglomerate San Miguel Corporation has sealed a \$50 million loan from the Export Development Canada (EDC).

According to EDC, SMC will use the \$50 million to fuel the growth of its new and existing business adding that the loan will also serve to strengthen the business relationship between EDC and the conglomerate.

....”

We confirm that the statements of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, with respect to the efforts of the SMC Group to further improve its consolidated revenue in five (5) years, the possible investment in an off-shore oil and gas venture and the loan extended by the Export Development Bank of Canada, respectively, as reported in the aforequoted article, are accurate. We further advise that the contemplated sale of the equity stake of the SMC Group in Bank of Commerce (the “Bank”) is handled by Citibank in the light of the offers received from third parties expressing a continuing interest in the Bank.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer