



SAN MIGUEL CORPORATION

January 4, 2018

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

Attention: **Mr. Jose Valeriano B. Zuño III**
OIC-Head, Disclosure Department

Gentlemen:

We reply with respect to the news article entitled "San Miguel scores initial victory over Ilijan dispute" posted in manilastandard.net on January 3, 2018. The article reported in part that:

"The Court of Appeals affirmed the writ of preliminary injunction filed by SMC Global Power Holdings Corp. against Power Sector Assets and Liabilities Management Corp. on the 1,200-megawatt Ilijan natural gas power plant in Batangas province.

SMC Global said in a disclosure to Philippine Dealing & Exchange Corp. the appellate court denied PSALM's appeal and affirmed the earlier orders issued by the Regional Trial Court of Mandaluyong City.

The CA affirmed the lower court's order granting the issuance of a writ of preliminary injunction against PSALM and naming Manila Electric Co. as intervenor in the case.

...."

By way of response to the Exchange, and further to the disclosure made by the Company, dated July 20, 2016, we confirm that the Third Division of the Court of Appeals, on December 19, 2017, promulgated a decision denying the Petition for Certiorari filed by the Power Sector Assets and Liabilities Management Corporation ("PSALM") and affirming the orders previously issued by the Regional Trial Court of Mandaluyong City, Branch 208, in favor of South Premiere Power Corporation ("SPPC") and Manila Electric Company ("Meralco"), namely:

- (a) the Order, dated 28 September 2015, which granted the issuance of Writ of Preliminary Injunction against petitioner PSALM and enjoined PSALM from terminating the Independent Power Producer Administration Contract for the Ilijan natural gas power plant with SPPC;



- (b) the Order, dated 19 October 2015, which granted the petition for intervention of Meralco; and
- (c) the Order, dated 07 June 2016, which denied PSALM's Motion for Reconsideration of the Orders, dated September 28, 2015 and October 29, 2015, respectively.

The Court of Appeals decision specified herein was reported in the aforementioned article.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer