



SAN MIGUEL CORPORATION

May 24, 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 reply with respect to the following news articles:

1. "SMC buys 35% of cement firm" posted in Manila Standard Today (Internet Edition) on May 24, 2013. The article reported in part that:

San Miguel Corp. bought a 35-percent stake in Northern Cement Corp. for P3 billion and plans to finance the aggressive expansion of the company.

San Miguel president Ramon Ang said the conglomerate would spend \$750 million for the construction of new cement plants of Northern Cement, a company controlled by San Miguel chairman Eduardo Cojuangco.

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Ang, who is also the chief of operations of SMC, said the company plans to expand the operation of Northern Cement by building three more plants with a cost of \$250 million each.

He said one plant would be built in the existing site in Pangasinan, another in Southern Luzon and a third in Cebu. Each plant will have a capacity of two million metric tons annually, he said.

"All these projects will happen within this year and is likely to be completed within two years. Eventually, SMC wants to build more plants to become the dominant cement manufacturing company in the Philippines," Ang said.

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“Revenue potential for each two-million metric ton plant is estimated at \$200 million per year,” Ang said.

Meanwhile, Ang said San Miguel was also nearing the takeover of Nonoc nickel mine in Surigao City following a \$75-million proposal to government-run Privatization and Management Office to pay for the outstanding debt of Philnico Industrial Corp.

“We are just waiting for PMO’s reply to our proposal,” Ang said.

2. “SMC to invest heavily in cement, mining industries” posted in philSTAR.com on May 24, 2013. The article reported in part that:

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He added that SMC intends to put up at least five more cement plants all over the Philippines in the next five years.

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We confirm that the statements of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, quoted in the aforementioned articles and relating to: (i) the investment in thirty five percent (35%) of Northern Cement Corporation (“NCC”), for P3 Billion newly issued shares of stock, together with the contemplated expansion of its operations by constructing, initially, three (3) more plants in the areas referred to in the article at an estimated cost of \$250 million for each plant, with an annual capacity of two million metric tons per plant and (ii) the \$75 million proposal submitted for the consideration of the Privatization and management Office pertaining to the resumption of operations of the Nonoc Nickel Project under the management of the Company, through its wholly-owned subsidiary, respectively, are accurate.

By way of further clarification, the investment in new shares of stock of NCC was made by San Miguel Yamamura Packaging Corporation, a subsidiary of the Company. Management and operations of the Nonoc Nickel Project shall be under Clariden Holdings Corporation, the corporate vehicle of the Company for its investment portfolio in mining related projects.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer