



## SAN MIGUEL CORPORATION

July 7, 2014

**The Philippine Stock Exchange, Inc.**  
Disclosure Department  
3<sup>rd</sup> 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 news article entitled "SMC prepared to spend \$10B for asset acquisitions in region" posted in Manila Bulletin (Internet Edition) on July 4, 2014. The article reported in part that:

"San Miguel Corp., the biggest Philippine company, is prepared to spend as much as \$10 billion to buy assets in Southeast Asia, President Ramon Ang said in an interview yesterday.

An energy-related target has the potential to boost sales by more than 50 percent, Ang said on July 2, without giving a price and timeline. The company has announced 41 acquisitions worth \$7.8 billion since 2000, about three-quarters of which were made since 2008, when it began moving out of the food and brewery business, according to data compiled by Bloomberg. San Miguel said in December, 2012 it was looking at a \$5-billion acquisition in the gas industry.

'There are a lot of opportunities in the region and most of these deals you can win with a small amount,' Ang said in his office in Mandaluyong City. 'We have a very high leverage capacity.'


This year, Ang forecasts profit will have a double-digit growth. Net income gained 42 percent to P38.1 billion (\$874 million) last year.

The company, which owns the Philippines' biggest electricity producer SMC Global Power Holdings Corp. and the nation's largest oil company Petron Corp., has also initiated a \$9-billion capital spending plan to expand its oil, power and infrastructure businesses by 2016, Ang said. Most of the investments will be funded internally, he said.

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By way of response to the Exchange, we advise that the statements of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, relating to: (i) the contemplated investments and acquisitions of the Company in the Southeast Asia region and (ii) the projected double-digit growth in the profit of the Company for 2014, respectively, as reported in the aforementioned articles, are accurate.

Very truly yours,

  
**FERDINAND K. CONSTANTINO**  
Corporate Information Officer