



SAN MIGUEL CORPORATION

February 4, 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 to your request for clarification of the news article entitled "San Miguel sets \$35-B investment plan" posted in the *Inquirer.net* on February 3, 2013. The article reported in part that:

San Miguel Corp. will focus on growing the businesses currently in its portfolio over the medium term in a move that will involve aggregate investments of about \$35 billion, according to the head of the diversified conglomerate.

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"Many of our expansion plans for our projects will be completed by 2014 or 2015," Ang said, replying to questions e-mailed by the *Inquirer*. "Before 2016, we will have completed our investments in two new power plants, our [planned] airport project, the Petron [refinery] expansion, our mining investments and the toll roads."

"Our total investments planned for PAL will be around \$10 billion," Ang said, explaining that most of this would be in the form of new aircraft.

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He said the conglomerate has identified a "Korean partner" for the project and was just waiting for the government's green light for the private undertaking. He declined to disclose whether the proposed four-runway international airport would be located to the north or south of Metro Manila—a precaution,

he said, to prevent land speculation that would push up acquisition costs for the 2,000 hectares needed for the project.

On the power sector, Ang outlined plans for San Miguel to build an additional 3,000 megawatts of capacity all over the country.

"We will start building [the power plants] this year," he said. "Right now, we have two sites: one in Bataan for 600 MW and another 600 MW in Davao del Sur. In the next few months, we will identify the remaining other sites that will complete the 3,000 MW."

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The additional 3,000 MW of generation capacity would involve investments worth \$6 billion, he said.

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Other investments in the pipeline include a total of \$3 billion for a gold and copper mining operation, \$3 billion to develop the Nonoc nickel mines off Surigao del Norte, and \$2.5 billion for the ongoing expansion and upgrade of Petron's refinery and petrochemical plant in Bataan.

We advise that the statements of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, relating to the contemplated medium to long-term investments by the Company in the businesses covered by its present portfolio, with an estimated total cost of US\$35 billion, as reported in the aforementioned article, are accurate.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer