



SAN MIGUEL CORPORATION

May 22, 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 news article entitled "SMC units allots \$1.5 B for 2 power plants" posted in the *philSTAR.com* on May 22, 2013. The article reported in part that:

MANILA, Philippines - SMC Global Power Holdings Corp., the power generation unit of diversified conglomerate San Miguel Corp., is investing \$1.5 billion for the construction of two new power plants, its top official said yesterday.

In a briefing with reporters on the sidelines of Petron Corp.'s annual stockholders' meeting, SMC president Ramon Ang said the energy unit is spending about \$1 billion for the construction of a 600-megawatt coal fired-plant in Bataan in northern Luzon and \$500 million for another plant in Davao. Construction for the two plants has already started, he said.

He said SMC Global may construct more power plants, depending on the viability and business climate.

"We're supposed to do more. We're still evaluating the best option," he said.

The two plants should start operating in the middle of 2015, Ang said.

He said there are no plans to borrow for the funding requirements for both projects.

"The (funding) will be in-house. Madami kaming cash," Ang said.

He also confirmed plans to revive the initial public offering (IPO) of SMC Global, possibly within the year. He said there is an interested investor who wants to come in.

"There's really a very hot buyer who wants to invest in that business," he noted.

He said SMC Global may sell as much as 49 percent, equivalent to \$500 to \$800 million.

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We confirm that the statements of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, relating to the plans of SMC Global Power Holdings Corp. ("SMC Global") to: (i) construct power plants in the provinces of Bataan and Davao del Sur, at a projected total cost of approximately US\$1.5 Billion and (ii) revive the initial public offering, as reported in the aforecited news article, are accurate. Such plans were the subject of prior disclosures submitted to the Exchange.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer