



SAN MIGUEL CORPORATION

June 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 with respect to the news article entitled "SMC to sell Meralco stake" published in the June 4, 2013 issue of the Philippine Daily Inquirer. The article reported in part that:

SAN MIGUEL Corp. may soon unload its 32.8-percent stake in Manila Electric Co. after receiving "tempting" offers from several parties keen on buying out its interest in the country's biggest electricity distributor.

INQUIRER sources said SMC had indicated an intention to sell "all or part" of its interest in Meralco, which was worth P143 billion based on yesterday's closing price of P385 a share.

"SMC has received very good offers through foreign banks," one source said, adding that SMC president Ramon Ang had signified to potential bidders that the conglomerate was now willing to pocket gains from its investment in Meralco.

It remains to be seen whether the First Pacific group led by businessman Manuel V. Pangilinan is among those willing to buy the stake at near record highs, especially as this would mean giving ammunition to a corporate rival. But there have been market speculation that if not Pangilinan's group itself, an allied party like the group of tycoon John Gokongwei may be interested to come in.

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We advise that the Company and its subsidiaries are considering alternatives relating to the possible disposition by San Miguel Group of its approximately 32.8% significant minority interest in Manila Electric Company, through a strategic sale or a capital markets transaction, to parties who have expressed an interest in purchasing such shares. An appropriate disclosure shall be made in the event definitive agreements are concluded with the said interested parties.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer