SAN MIGUEL CORPORATION

July 12, 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 unload banking, power generation business" published in the July 12, 2013 issue of The Philippine Star. The article reported in part that:

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Its stake in power generation business SMC Global Power Corp. will also be trimmed this year.

"The 49 percent share in power will be sold before the end of the year. That is already sure," Ang said.

Ang said SMC Global is in talks with several potential buyer, with SMC looking at an initial public offering (IPO) or private equity deal to raise a minimum of $800 million.

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The conglomerate earlier said it is investing $25 billion in a foreign oil and natural gas company.

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We confirm that the statements of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, relating to: (i) the contemplated disposition by the Company of up to 49% of its shareholdings in SMC Global Power Corp. and (ii) a possible investment in a foreign oil and natural gas company, under conditions acceptable to the Company, respectively, as reported in the aforecited news article, are accurate.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer