



SAN MIGUEL CORPORATION

July 18, 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:

Enclosed is a copy of our press statement entitled **“SMC Global Power breaks ground for Davao power plant,”** which we will release to the press today.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer

News Release

SMC CORPORATE AFFAIRS OFFICE

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SMC Global Power breaks ground for Davao power plant

SMC Global Power Holdings Corp., the power subsidiary of diversified conglomerate San Miguel Corporation, yesterday broke ground on its new 600-megawatt clean coal-fired power plant in Mindanao, in a bid to address the growing power crisis in the region.

SMC president and chief operating officer Ramon S. Ang said that the power plant, to be built in Malita, Davao del Sur, will help balance the power supply differential between north and south Mindanao and provide reliable and continuous supply of electricity at a lower cost.

At present, Mindanao suffers from a severe power shortage, while the nearby Visayas region is also facing shortages in the immediate-term.

As demand in both regions are expected to grow, SMC Global Power is looking to help close the gap, Ang said.

The power plant, the fourth in the company's portfolio and its first in the region, will have an initial capacity of 150 megawatts, upgradeable up to 600-MW. It is scheduled for completion in 2015.

Once operational, it is seen to lower the cost of electricity due to high efficiency and built-in synergies with other SMC businesses. It will use locally-sourced coal from SMC-owned mines in Mindanao.

The new plant will utilize modern, state-of-the-art Circulated Fluidized Bed (CFB) combustion technology, which will allow it to minimize effects on the environment.

The power plant will also provide much-needed jobs in the province, Ang added. Apart from construction jobs, it will also provide 400 full-time jobs for the plant alone.



In just four years, SMC Global Power has become one of the largest independent power generation companies in the country, with an installed capacity of 2,545 MW.

As of 2012, it had a 17% market share of the power supply of the national grid and 23% share of the Luzon grid.

Over the long term, Ang said that the company plans to install a total of 3,000 MW of new capacity, with new power plants that will be based on clean coal technology.

For media inquiries, please call:

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