



SAN MIGUEL CORPORATION

August 27, 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 refer to your letter dated August 27, 2013, with respect to the news article entitled "Albay co-op officials OK bid of SMC subsidiary" posted on the *Inquirer.net*, which reported in part that:

"LEGAZPI CITY – Interim officials of the debt-ridden Albay Electric Cooperative (Aleco), the sole distributor of electricity in the province, have approved a concession bid by a San Miguel Corp. (SMC) subsidiary to operate and manage the debt-ridden entity."

By way of response to the Exchange, we advise that SMC Global Power Holdings Corp. ("SMC Power") received, via e-mail in the afternoon of August 23, 2013 from the Interim Board of Directors (the "Interim Board") of the Albay Electric Cooperative ("ALECO"), a Letter-Notice, dated August 23, 2013, confirming that the bid submitted by SMC Power was considered and approved by the Interim Board of ALECO. However, the decision of the Interim Board, and the issuance of a Notice of Award, shall be subject to the outcome of the referendum that shall be conducted by ALECO on September 14, 2013.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer