



SAN MIGUEL CORPORATION

August 14, 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 takes over Albay co-op" posted in the Manila Standard Today.com on August 14, 2013. The article reported in part that:

San Miguel Corp. the food and beverage giant and one of the largest independent power generation companies in the country, will take over management of the Albay Electric Cooperative (ALECO) within the year, the Department of Energy (DOE) said on Tuesday.

Energy Secretary Jericho Petilla said San Miguel was the remaining bidder and under the terms of reference it will manage the cooperative "given the absence of other bidders."

"The terms that already clear is that San Miguel will not own ALECO. It will just run it and shoulder the debt and pay monthly concession fees," he said.

....

By way of response to the Exchange, we advise that the Company, through SMC Global Power Holdings Corp., submitted the only bid to the Bids and Awards Committee (the "Committee") for the rehabilitation, operation and maintenance of the concession of Albay Electric Cooperative. To date, the Company has not received any formal advice from the Committee and the Department of Energy with respect to the results of the bidding.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer