



SAN MIGUEL CORPORATION

August 15, 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, "Xstrata on the verge of selling Tampakan" posted in the Manila Standard Today.com on August 15, 2013. The article reported in part that:

Conglomerate San Miguel Corp. is one of the early candidates that can take over the Tampakan mine from Glencore Xstrata and Indophil. San Miguel unit Coastal View Exploration Corp. holds 48.016 million shares, or 3.99 percent of Indophil, which owns 37.5 percent of Tampakan, and had negotiated before to acquire the Indonesian company's entire holdings in Sagittarius Mines.

The Tampakan mine, when fully developed, will make San Miguel a major mining company in the class of Philex Mining Corp. and Atlas Consolidated Mining & Development Corp., the no. 1 and no. 2 metal producers in the Philippines, respectively.

....

San Miguel will likely make an aggressive bid to acquire Indophil lock, stock and barrel as part of its plan to go into non-core businesses with higher investment returns. It has the money to finance the nearly \$6-billion development cost of Tampakan.

....

By way of response to the Exchange, we advise that the Company has not received any communications from the controlling stockholders of Sagittarius Mines, Inc. (SMI) relating to the possible sale of their equity interests in SMI, as reported in the aforementioned article.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer