



SAN MIGUEL CORPORATION

August 22, 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:

Set forth below are the responses of the Company to the Exchange.

1. "SMC wins bid to take over Albay electric co-op" posted in the BusinessMirror (Internet Edition) on August 18, 2013. The article reported in part that:

The country's third-biggest electric cooperative and touted as among the 10 worst, Aleco's P4-billion debt will be shouldered by SMC, said Salceda, adding that the Aleco bids and awards committee will announce its decision during the cooperative's general assembly on August 21.

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SMC bids representatives Avelino Cedo and Jose Valte said SMC would initially infuse a total of P510 million for the rehabilitation of Aleco estimated at P250 million, and the P260 million for employees who would be terminated or retiring. They said Aleco's current employee complement would be drastically reduced.

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We advise that the bid submitted by the Company, through SMC Global Power Holdings Corp. ("SMC Power"), to the Bids and Awards Committee (the "Committee") of the Albay Electric Cooperative ("ALECO") earmarked amounts for the rehabilitation of the facilities of ALECO and the settlement of the obligations due to its existing employees in accordance with the terms and conditions imposed by the Committee. The amounts referred to in the aforementioned article may have been the result of the review conducted by the Committee of the bid submitted by SMC Power. As previously disclosed to the Exchange, we have not received any formal advice from the Committee with respect to the bid submitted by SMC Power.

2. "SMC puts up P1-B premium fee for Angat contract with K-Water" posted in the Manila Bulletin (Internet Edition) on August 20, 2013. The article reported in part that:

Diversified conglomerate San Miguel Corporation (SMC) is reportedly putting up more than R1.0 billion (about US\$26 million) in premium fee for the joint venture

deal it has been hammering out with Korea Water Resources Corporation (K-Water) for the privatized 218-megawatt Angat hydropower facility.

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"The premium that San Miguel will pay would amount to \$26 million to \$27 million, it will be treated as an escrow account. That's the initial agreement...however, negotiations are still on-going," a source privy to the matter has hinted.

As the parties are now reaching a deal on the joint venture, it was similarly gathered that K-Water already tapped Standard Chartered Bank as financial advisor for the Angat transaction closing.

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We advise that the Company has not reached a definitive agreement with Korea Water Resources Corporation with respect to the contemplated joint venture arrangement for the acquisition, operation and maintenance of the Angat Hydro Electric Project (the "Project"). An appropriate disclosure shall be made to the Exchange in the event such definitive agreement is concluded by the parties for the Project.

3. "SMC, MTD want govt to amend 'LRT 1 terms' posted in the BusinessMirror (Internet Edition) on August 18, 2013. The article reported in part that:

SAN Miguel Corp. (SMC) and MTD Capital Bhd. Of Malaysia will renew their interest to take part in the P60-billion Light Rail Transit (LRT) Line 1 Cavite extension project if the government will address their concerns by amending some of the terms of the concession agreement.

"We will join if fare collection is included," said SMC President Ramon Ang in a text message.

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We confirm that the statements of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, relating to the intention of the Company to take part in the re-bidding of the Light Rail Transit Line 1 Cavite Project, in the event the concerns expressed by the participants for the enhancement of the viability of the Project are properly addressed, reported in the aforementioned article are accurate.

Very truly yours,


FERDINAND K. CONSTANTINO
 Corporate Information Officer