



SAN MIGUEL CORPORATION

September 25, 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, "Gokongwei eyes SMC's Meralco stake" posted in *Inquirer.net* on September 24, 2013. The article reported in part that:

Conglomerate San Miguel Corp. is negotiating to sell its remaining 27.1-percent stake in Manila Electric Co. to the group of tycoon John Gokongwei, potentially completing its divestment from the country's biggest power distributor.

SMC President Ramon Ang confirmed on Tuesday the long-running speculation that Gokongwei-led JG Summit Holdings Inc. could take over the group's remaining stake in Meralco.

"Yes, [we are] in talks," Ang said in a text message, when asked about the discussions with JC Summit on the sale of SMC's Meralco stake.

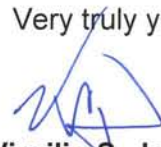
Ang did not say whether SMC was likely to sell the entire block, which is worth P84 billion based on Tuesday morning's price of P276.40 a share. SMC earlier said it would pare down its stake in Meralco in phase but stock analysts expect SMC to sell all of its remaining shares as a block this time around.

Other market sources estimated that JC Summit could be willing to buy out SMC at P245 a share for a total block price of about P75 billion. This will be a discount to Tuesday's closing price of P277 per share, which valued SMC's stake at around P84.6 billion.

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We advise that the Company is in talks with JG Summit Holdings, Inc., with respect to the shares of stocks of the Company and its subsidiaries in Manila Electric Company, as reported in the aforequoted news article.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'V. Jacinto', is written over the printed name.

Virgilio S. Jacinto
Corporate Secretary