



SAN MIGUEL CORPORATION

September 17, 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, "Power co-op's takeover by San Miguel OK'd" posted in the BusinessWorld Online on September 17, 2013. The article reported in part that:

CONGLOMERATE San Miguel Corp. is set to take over management of Albay Electric Cooperative, Inc. (ALECO), with residents of the province -- hit by a blackout in July after the government cut power over the utility's debts -- having given their approval.

Energy Secretary Carlos Jericho L. Petilla yesterday said the majority of those who participated in a referendum last Saturday supported the move.

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ALECO's board of directors is now expected to meet with San Miguel representatives to issue a notice of award and sign a 25-year concession agreement.

"They will meet this week, on Sept. 18, for the issuance of notice and signing of the agreement. The actual date of takeover will be identified by then," Mr. Petilla said.

"I want it as soon as possible," he added.

He reiterated that San Miguel's entry did not mean that ALECO was being privatized. The conglomerate, via SMC Global Power Holdings Corp. (SMC Power) will just run the cooperative, shoulder its debts and pay monthly concession fees.

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By way of response to the Exchange, we advise that, as of date hereof, the Company, thru SMC Global Power Holdings Corp. ("SMC Global Power"), has not received from the Board of Directors of Albay Electric Cooperative, Inc. ("ALECO") a formal advise relating to the results of the referendum conducted last September 15, 2013 among the stakeholders of ALECO, and the notice of award in favor of SMC Global Power, respectively. An appropriate disclosure shall be made to the Exchange upon receipt of such notices and the finalization and execution of the concession agreement for the operation and management by SMC Global Power of the power distribution facilities of ALECO.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer