



SAN MIGUEL CORPORATION

December 20, 2017

The Philippine Stock Exchange, Inc.
Disclosure Department
3rd Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Mr. Jose Valeriano B. Zuño III**
OIC-Head, Disclosure Department

Gentlemen:

We reply with respect to the news article entitled “SMC’s topline may kick up after purchase of Masinloc Power Plants” posted in Business Mirror (Internet Edition) on December 19, 2017. The article reported in part that:

“SAN Miguel Corp. (SMC) can expect its acquisition of Masinloc Power Plants Co. Ltd. (MPPCL) to boost the company’s revenue by nearly 18.9 percent this year and by 13.7 percent in 2018.

A person familiar with the transaction but declined to be named said SMC’s revenue projection, including the new Masinloc asset, will hit P815 billion for 2017 and P927 billion for 2018.

Income from operations, meanwhile, is expected to reach P106 billion for 2017 and P125 billion for 2018, added the person not authorized to speak about income but privy to SMC operations.

Earnings before interest, taxes, depreciation and amortization (Ebitda) for 2017 could hit P146 billion and P166 billion in 2018.

....

The source explained the conglomerate’s beer, food, liquor, oil and power businesses all performed well this year.

‘This is the projection of San Miguel Group. All organic businesses of SMC became more stable. Food, beer, Petron, all really performed. The weakest was power because prices are so low,’ the source said.

The growth for 2018 could be attributed to ‘maturing expansion’ of SMC’s businesses, which the source described as ‘perfect.’

....”

By way of response to the Exchange, we advise that the reported estimates of the revenue and income of the Company for 2017 and 2018, respectively, generally reflect the expectations of the Company from its on-going businesses. The completion of the acquisition of the Masinloc Power Plant will compliment the current investments of the Company in the power sector.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer