



SAN MIGUEL CORPORATION

September 17, 2015

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 "San Miguel targets \$1.2 B for 2 Visayas power plants" posted in philstar.com on September 17, 2015. The article reported in part that:

"MANILA, Philippines - Food-to-infrastructure conglomerate San Miguel Corp., is eyeing to build at least two coal-fired power plants in the Visayas region, worth about \$1.2 billion, its top official said.

'We will be building more plants. We will build one in Cebu and in the island of Panay,' SMC president Ramon Ang said.

He said the plants would have a capacity of at least 300 megawatts (MW) and could be constructed in two to three years.

When asked how much the plants would cost, Ang said as a rule of thumb, a coal-fired power plant cost around \$2 million per MW. This means each plant could cost \$600 million.

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The company is on track to build a 600-MW coal-fired power plant in Limay, Bataan and a 300-MW plant in Malita, Davao by 2016.

The Malita plant could further be expanded by another 300 MW, which is already in the pipeline, Ang said.

...."

By way of response to the Exchange, we confirm that the statements of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, relating to the plans of the Company to construct, thru SMC Global Power Holdings Corp., two (2) coal-fired power plants in the Visayas, particularly in the islands of Cebu and Panay, respectively, at an estimated cost of \$600 million per plant, with a capacity of at least 300 megawatts (MW), as reported in the aforementioned article are accurate.

We further advise that the construction of the 600-MW coal-fired power plant in Limay, Bataan and the 300 MW power plant in Malita, Davao del Sur are expected to be completed by 2016, as confirmed by Mr. Ang.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer