



February 22, 2024

The Philippine Stock Exchange, Inc.

Disclosure Department
6th Floor, Philippine Stock Exchange Tower
28th Street, corner 5th Avenue
Bonifacio Global City, Taguig City

Attention: **Ms. Alexandra D. Tom Wong**
Manager, Disclosure Department

Gentlemen:

We reply with respect to the article under Opinion column entitled "The deal of the century" posted in philSTAR.com on February 22, 2024, which reported in part that:

"That is how San Miguel Corporation's takeover of the operations and management of the Ninoy Aquino International Airport (NAIA) in the next 25 years turns out to be.

For the exclusive right to run NAIA until September 2048, SMC has committed to pay the government a total of P1,034.6 billion (P1.034 trillion) over the next 25 years.

The P1,034.6 billion consists of P80 billion in upfront and fixed annuities of P80 billion (P30 billion now, plus P2 billion per year for 25 years); P831.1 billion representing 82.16 percent of airport revenues over the next 25 years and the P123.5-billion capex to be invested by SMC in equipment, machinery, software, roads and buildings over the next 15 years.

...."

By way of response to the Exchange, and based on the information provided by the SMC SAP & Company Consortium (the "Consortium"), we advise and clarify that the amount that the Consortium is projected to pay the Government under the provisions of the Concession Agreement (the "Agreement") is P911.1 billion over the next 25 years, which is the term of the Agreement, consisting of: (i) P30 billion as upfront payment and fixed annuities of P2 billion and (ii) P831.1 billion representing, 82.16 percent of gross revenues net of passenger service charges. The Consortium is likewise projected to spend, during the term of the Agreement, approximately P123.5-billion as project costs and capital expenditures for the CAAP Works, Initial Works and Mandatory Works that will be undertaken by the Consortium, as defined and required under the Agreement.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer