



SAN MIGUEL CORPORATION

July 9, 2018

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

Attention: **Janet A. Encarnacion**
Head, Disclosure Department

Gentlemen:

We reply with respect to the news article entitled "SMC Global to issue P15-billion bonds" posted in Manila Bulletin (Internet Edition) on July 8, 2018. The article reported in part that:

"SMC Global Power Holdings Corporation, a subsidiary of diversified conglomerate San Miguel Corporation, is raising P15 billion from a planned issuance of Fixed Rate Bonds.

This represents the last tranche of the SMC Global's three-year shelf registration of up to P35 billion. The company has already issued P20 billion under its shelf registration.

According to the firm, the proceeds of the proposed issuance will be used mainly for debt refinancing. Philippine Rating Services Corporation (PhilRatings) has assigned its highest Issue Credit Rating of PRS Aaa with a Stable Outlook to the proposed P15 billion bonds.

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By way of response to the Exchange, we confirm that SMC Global Power Holdings Corp., a wholly-owned subsidiary of the Company and the corporate vehicle for investments in the power industry, plans to issue fixed rate bonds, in the aggregate amount of up to P15 billion, for debt refinancing purposes. Such issuance is the last tranche of its three-year shelf registration and has been given by the Philippine Rating Services Corporation the highest Issue Credit Rating of PRS Aaa with a Stable Outlook, as reported in the aforementioned article.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer