



SAN MIGUEL CORPORATION

July 18, 2014

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 "15 bidders for Bulacan water" posted in BusinessWorld Online on July 17, 2014. The article reported in part that:

"FIFTEEN companies have expressed interest in the auction for the P24.4-billion Bulacan Bulk Water Supply Project, the first water public-private partnership (PPP) project to be rolled out by the government.

The Metropolitan Waterworks and Sewerage System (MWSS), the agency-in-charge, named the firms that bought documents and attended the prequalification conference for the project held on Thursday.

Conglomerates San Miguel Corp.; Aboitiz Equity Ventures, Inc.; and Filinvest Development Corp. were on the list e-mailed by MWSS to BusinessWorld.

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These interested parties were directed to submit applications for prequalification to the MWSS Prequalification, Bids and Awards Committee on or before 12:00 noon on Aug. 5.

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The Bulacan Bulk Water Supply Project involves the design, financing, construction, development, operation and maintenance of facilities for bulk supply of treated water to 22 Bulacan water districts.

The project -- which will come in three phases -- will be executed via a 30-year build-operate-transfer (BOT) contract with the government.

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By way of response to the Exchange, we confirm that the Company shall participate in the public auction for the P24.4-billion Bulacan Bulk Water Supply Project to be conducted and administered by the Metropolitan Waterworks and Sewerage System, as reported in the aforementioned articles, are accurate.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer