SAN MIGUEL CORPORATION

September 30, 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 "4 companies eye operations contract of LRT2" posted in InterAksyon.com on September 29, 2014. The article reported in part that:

> "MANILA - Four companies are interested in operating the Light Rail Transit Line 2.
>
> Department of Transportation and Communications (DOTC) spokesman Michael Arthur Sagcal identified the four companies that purchased bid documents as San Miguel Corp (SMC), the joint venture of Ayala Corp (AC) and Metro Pacific Investments Corp (MPIC), GT Capital Holdings Inc, and Japan's Marubeni Corp.
>
> DOTC set a November 20 deadline for the submission of pre-qualification documents, while bidding is scheduled in the second quarter of 2015.
>
> The winning bidder will take over the operations and maintenance (O&M) of all 11 stations of LRT2, as well as the 4.19-kilometer Masinag Extension, the construction of which is scheduled to begin in January next year.
>
> The O&M contract would last between 10-15 years.
>
> . . . ."

We confirm that the Company shall participate in the public bidding for the operation and maintenance of the Light Rail Transit Line 2 (inclusive of the Masinag Extension), to be conducted by the Department of Transportation and Communications, as reported in the aforementioned article.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer