



SAN MIGUEL CORPORATION

September 22, 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 readies P50-B airport upgrade offer for next administration" posted in BusinessWorld Online on September 21, 2015. The article reported in part that:

"DIVERSIFIED CONGLOMERATE San Miguel Corp. (SMC) will offer to build -- for P50 billion -- a third runway and a new low-cost terminal aimed at decongesting the aging Ninoy Aquino International Airport (NAIA), a top company official said yesterday.

The conglomerate is also hiking its investment in cement manufacturing to \$1 billion from a previously announced \$800 million, SMC President and Chief Operating Officer Ramon S. Ang told reporters in a briefing following the listing of the company's P33.5-billion preferred shares.

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'All in, the cost of the runway and the acquisition of right of way is P50 billion,' Mr. Ang said.

The new runway will be 3,400 meters long and 45 meters wide -- the same dimension as the main runway -- and will be built for about P5 billion, Mr. Ang told reporters.

The low-cost terminal, which will be developed for P2 billion, will have 20 air bridges and can accommodate 50 take-offs and landings per hour, effectively doubling the capacity of the existing airport, the SMC executive said.

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CEMENT PLANTS

Meanwhile, the San Miguel group, which counts Eagle Cement Corp., plans to boost its cement capacity by 10 million tons to bring the total to 16 million tons by 2017.

Apart from the originally announced expansion at Northern Cement Corp.'s plant in Pangasinan and another in Quezon province, cement manufacturing plants will also be built in Bulacan, Cebu and Davao -- all with an annual capacity of two million tons each.

Mr. Ang said in July that the conglomerate was putting up two cement plants worth \$800 million.

.. . . .

We confirm that the statements of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, relating to the planned additional investment in the cement manufacturing business of the Company (\$1 billion), to increase manufacturing capacity to 16 million tons by 2017, through the construction of plants in the provinces of Bulacan, Cebu and Davao, with an annual capacity of 2 million tons for each plant, as reported in the aforementioned articles, are accurate.

By way of clarification, Mr. Ang proposed that the Government may consider to build a third runway and a new low-cost terminal to decongest the Ninoy Aquino International Airport, at the estimated cost of P50-B.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer