



SAN MIGUEL CORPORATION

September 29, 2016

The Philippine Stock Exchange, Inc.
Disclosure Department
3rd Floor, Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: **Mr. Jose Valeriano B. Zuño III**
OIC-Head, Disclosure Department

Gentlemen:

We reply with respect to the news article entitled "SMC, Ayala eye Naia project" posted in The Standard (Internet Edition) on September 28, 2016. The article reported in part that:

"Conglomerates Ayala Corp. and San Miguel Corp. joined Metro Pacific Investments Corp. in expressing interest in bidding for the P74.56-billion redevelopment, operation and maintenance of Ninoy Aquino International Airport.

....

San Miguel Corp. president Ramon Ang also told reporters his company would participate in the auction for the Naia redevelopment project.

'We will join all the bidding to support the government,' Ang said.

....

The Transportation Department said it expected to begin PPP procurement this month, with the bid submission for the project likely in August next year.

The award and signing of the concession agreement is expected in September 2017.

Under the Naia contract, the government will award a 15-year to 20-year concession to the private sector to improve safety and security, maximize capacity through 'refreshed' infrastructure, improve passenger service standards in the existing gateway, operate and maintain Naia and its four terminals.

....²⁹

By way of response to the Exchange, we advise that the Company shall participate in the bidding for the P74.56-billion Ninoy Aquino International Airport redevelopment, operation and maintenance project, and in all Public-Private Partnership projects to support the Government, as confirmed by Mr. Ramon S. Ang, President and Chief Operating Officer of the Company.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer