



SAN MIGUEL CORPORATION

November 2, 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 picks Bulacan for airport plan" posted in Inquirer.net on November 2, 2016. The article reported in part that:

"Seattle, Washington— San Miguel Corp.'s ambitious plan to build a new international airport serving Metro Manila made a comeback—not along reclaimed land in Manila Bay as previously floated, but in nearby Bulacan province, a government official said.

Roberto Lim, undersecretary for aviation at the Department of Transportation, shared some details on the diversified conglomerate's recent unsolicited proposal. The project was in line with providing a nearby alternative to the aging Ninoy Aquino International Airport, which suffers from worsening congestion.

According to Lim, SMC's proposal would be an 'aerotropolis' spanning at least 2,000 hectares 'near' Manila Bay in Bulacan with at least four runways...

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Regarding SMC's project, Lim said they were planning to make a decision before the end of 2016. He said that supplemental infrastructure, such as expressways, was included in the proposal.

...."

We advise that the Company submitted, for the consideration of the Government, an unsolicited proposal for the construction, operation and maintenance of an international airport which will address the continuing air congestion problems of the country and enhance its competitiveness in trade and tourism. The proposed site of the airport will be adjacent to Manila Bay and in the province of Bulacan, as confirmed by Transportation Undersecretary Roberto Lim, and reported in the aforementioned article.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer