



## SAN MIGUEL CORPORATION

May 18, 2016

**The Philippine Stock Exchange, Inc.**  
Disclosure Department  
3<sup>rd</sup> 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 "SMC building more power plants worth \$4.2b" published in the May 18, 2016 issue of The Standard. The article reported in part that:

"Conglomerate San Miguel Corp. plans to put up more power projects with a combined capacity of 2,100 megawatts and costing \$4.2 billion to solidify its hold in the energy sector.

San Miguel president and chief operating officer officer (sic) Ramon Ang told reporters the company planned to build three power plants with a capacity of 300 megawatts in industrial estate projects in Mindanao.

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'We have so many projects in Mindanao. We're putting up a food complex in Phividec. We will also put up power plants in the industrial estates. We want to put up at least three industrial estates in Mindanao where businesses can locate,' he said.

He said San Miguel planned to put up an initial 300-MW power plant in each industrial estate in Mindanao. Each power plant costs \$2 million per MW for a total investment of \$1.8 billion.

Ang said a single ship building locator could consume as much as 300 MW of electricity.

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Ang also confirmed that the company recently signed two power supply agreements with Manila Electric Co. from two power projects of San Miguel.

San Miguel is building a 600-MW coal plant in Pagbilao, Quezon under Central Luzon Premiere Power Corp.

It is also putting up another 600-MW plant in Mariveles, Bataan under Mariveles Power Generation Corp.

Ang said the 1,200 MW projects were estimated to cost a combined \$2.4 billion and projected to be completed by 2018 to 2019."

We confirm that the statements of Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, relating to the plan to build additional power plants and with a projected combined capacity of 2,100 megawatts in the Mindanao and Luzon Regions to provide electricity for the contemplated industrial projects of the Company in the areas, are concise and accurate, as reported in the aforementioned article.

Very truly yours,



**FERDINAND K. CONSTANTINO**  
Corporate Information Officer