



SAN MIGUEL CORPORATION

May 16, 2016

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:

With respect to the following:

1. News article entitled "SMC to revive \$10-B airport project" posted in Inquirer.net on May 16, 2016, which reported in part that:

"CONGLOMERATE San Miguel Corp. (SMC) will revive its massive Manila Bay international airport proposal to the incoming Duterte administration to solve air congestion and signal the Philippines is serious about boosting tourism and trade.

SMC president Ramon S. Ang said the plan would showcase a world-class international airport, earlier estimated to cost \$10 billion but could be built for less, as well as a possible, unprecedented alliance with the country's biggest conglomerates that would include Manuel V. Pangilinan's group, Henry Sy's SM Group and Zobel-led Ayala Corp.

SMC's proposed airport would eventually replace the old Ninoy Aquino International Airport in Manila that is now operating beyond its intended capacity. The new airport would sit on 1,600 hectares of mainly reclaimed land in Manila Bay and was proposed two years ago to the outgoing Aquino administration.

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'There's really no other choice,' Ang said. He said Sangley could cost up to \$20 billion to build, while SMC's Manila Bay airport would require an equity of about \$2 billion to \$3 billion.

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2. News article under the Money-Go-Round column entitled "Court stops San Miguel from easing out Malaysian partner in tollways project" published in the May 16, 2016 issue of The Philippine Star. The article reported in part that:

"The Mandaluyong Regional Trial Court has stopped San Miguel Corp. from easing out its Malaysian shareholder in the South Luzon Expressway (SLEX) and Skyway projects.

Judge Carlos Valenzuela of Branch 213 has granted the writ of preliminary injunction sought by the Citra Group preventing San Miguel from exercising beyond its 51-percent stake in their joint venture, Atlantic Aurum Investments.

The May 2 court order essentially maintains the boardroom and management status quo while the two joint venture partners are litigating their ownership and financial issues

... ."

By way of response to the Exchange, we advise as follows.

1) We confirm the Company intends to present to the incoming administration the proposal to build and construct an international airport, at an estimated cost of \$10 billion, to address the prevailing air congestion problems of the country, boost trade opportunities and promote the tourism industry. The Company likewise seeks to invite the participation of the Manuel V. Pangilinan's Group, SM Group and Zobel-led Ayala Corp, as confirmed by Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, and reported in the aforementioned article.

2) We confirm that the Regional Trial Court of Mandaluyong City, Branch 213, issued a writ of preliminary injunction directing San Miguel Holdings Corp. to maintain the status quo in the membership of the boards of directors of Atlantic Aurum Investments B. V. and its subsidiaries which hold the South Luzon Expressway and other infrastructure projects of the Company.

Very truly yours,



FERDINAND K. CONSTANTINO
Corporate Information Officer