



SAN MIGUEL CORPORATION

April 21, 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:

We reply with respect to the news article entitled "San Miguel starts work on MRT-7" posted in The Philippine Star (Internet Edition) on April 21, 2016. The article reported in part that:

"San Miguel Corp. (SMC) broke ground yesterday for the P69.3-billion Metro Rail Transit Line 7 (MRT-7) project, marking the start of the construction of the 23-kilometer elevated railway from North Avenue in Quezon City to San Jose del Monte in Bulacan.

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From an initial daily capacity of 350,000 passengers, SMC president and chief operating officer Ramon S. Ang said during the groundbreaking, the company is aiming to eventually bring up MRT-7's capacity to cater to over 800,000 passengers per day.

....

Ang said SMC expects the MRT-7 to contribute about five percent of SMC's revenues, when the railway starts operations.

...."

We confirm that the Company, through SMC Mass Rail Transit 7, Inc. (SMC-MRT 7), commenced the construction of the elevated railway from North Avenue in Quezon City to San Jose del Monte which shall be the main component of the Metro Rail Transit Line 7 Project (the "Project"). From the initial projections made, we expect a passenger capacity of up to 800,000 per day during peak hours. Upon completion and full operation, the Project may provide relief to commuters in the North Avenue and San Jose Del Monte areas by reducing travel time to 30 minutes and contribute 5% of the revenues of the Company, as reported in the aforementioned article.

Very truly yours,


FERDINAND K. CONSTANTINO
Corporate Information Officer