SAN MIGUEL CORPORATION

April 11, 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 ventures into industrial estate" posted in The Standard (Internet Edition) on April 10, 2016. The article reported in part that:

> "Conglomerate San Miguel Corp. is venturing into industrial estate development with a 2,000-hectare property in Davao del Sur province.
>
> San Miguel is now inviting potential investors from diverse business sectors to locate their facilities in the 2,000-hectare industrial estate, which the Philippine Economic Zone Authority approved.
>
> San Miguel said its venture into the industrial estate business was part of a commitment 'to develop second-tier cities as growth engines for the Philippines through infrastructure development along with investment and employment generation.'
>
> . . . ."

By way of response to the Exchange, we confirm that the Company, as part of its commitment to participate in the development of the countryside, contemplates to establish a 2,000-hectare industrial estate in the province of Davao del Sur, registered with the Philippine Economic Zone Authority and offered to potential investors, as reported in the aforementioned article.

Very truly yours,

FERDINAND K. CONSTANTINO
Corporate Information Officer