



SAN MIGUEL CORPORATION

May 22, 2019

ATTY. JOSEPH B. EVANGELISTA

Head - Issuer Compliance and Disclosure Department (ICDD)
Philippine Dealing & Exchange Corp.
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Gentlemen:

Please be advised that the following disclosure was made to the Philippine Stock Exchange, in response to their request for clarification, as follows:

We reply with respect to the news article entitled “San Miguel to submit proposal for P35-B water source project” posted in BusinessWorld (Online Edition) on May 22, 2019. The article reported in part that:

“SAN MIGUEL Corp. (SMC) is planning to submit an unsolicited proposal to build a new water source that will deliver up to 3,800 million liters per day (MLD) at a much cheaper cost for consumers than the company’s bulk water project in Bulacan, its top official said.

‘I will submit an unsolicited proposal within two weeks — a new water source of 3,800 MLD,’ SMC President and Chief Operating Officer Ramon S. Ang said in a briefing on Tuesday after the annual stockholders’ meeting of the listed conglomerate’s Petron Corp.

He said SMC could build the project using private funding of about P35 billion and could be completed within five years.

He declined to say where the new water source will be built and which area it will serve. But Metro Manila’s east zone has been experiencing a water shortage since March 6, prompting SMC to offer some of its excess supply from Bulacan to the area.

Mr. Ang said the proposed project will not use Angat Dam’s water, which is the main source of potable water for the Philippine capital. He said the project would deliver raw water.

....”

By way of response to the Exchange, we confirm that San Miguel Corporation (the "Company") contemplates to submit an unsolicited proposal to build and operate a new water source that will be expected to deliver up to 3,800 million liters per day of raw water to meet the requirements of the Metro Manila area, at an estimated cost of P35 billion, as advised by Mr. Ramon S. Ang, President and Chief Operating Officer of the Company, and reported in the aforementioned article.

Very truly yours,



MARY ROSE S. TAN
Assistant Corporate Secretary