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April 15, 2016

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Mesdames:

We reply to your letter dated April 15, 2016 (received thru EDGE Submission System at 8:05 a.m. today) requiring us to clarify and/or confirm the information contained in the news article entitled "Meralco, Aboitiz interested in Zamcelco" posted in the BusinessMirror (Internet Edition) on April 14, 2016. The article reported in part that:

"BELEAGUERED electric cooperative Zamboanga City Electric Cooperative (Zamcelco) has caught the interest of Aboitiz Power Corp. and Manila Electric Co. (Meralco) for a possible takeover of its management and operation.

The mode of acquisition, the National Electrification Administration (NEA) said, would be done via an auction of an Investment and Management Contract (IMC).

....

Meralco Vice President and Head for Electric Distribution Development Office Ireneo Acuña, meanwhile, said a possible takeover of an electric cooperative's management and operation would fast-track improvements in the distribution utility. At the same time, the Meralco official said this would bring the quality of service to the level consistent with the requirements of local residents and investors.

'Meralco believes the key to sustainable power supply is the presence of robust distribution utilities that can bring on board reliable and cost-efficient power suppliers and ensure delivery of this vital service to the consumer. If welcome and if of value, Meralco is willing to partner with local electric cooperatives,' said Acuña, in a text message, when sought for comment.

...."

With reference to the said news article, we would like to confirm the statement attributed to our Vice President and Head of Electric Distribution Development Office Mr. Ireneo B. Acuña, concerning the willingness of the Company to partner with local cooperatives, such as ZAMCELCO, to provide sustainable power to their customers with the clarification that no definitive agreements have been made between the parties.

We trust that you will find the foregoing clarification in order.

Very truly yours,



WILLIAM S. PAMINTUAN

First Vice President

Assistant Corporate Secretary &
Information Disclosure Officer