



ORTIGAS AVENUE, PASIG CITY
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June 1, 2016

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Head, Disclosure Department

PHILIPPINE STOCK EXCHANGE, INC.

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PHILIPPINE DEALING & EXCHANGE CORPORATION

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Mesdames:

We reply to your letter dated June 1, 2016 (received thru EDGE Submission System at 7:54 a.m. today) requiring us to clarify and/or confirm the information contained in the news articles entitled "Meralco eyeing up to P15-B new borrowings" posted in Manila Bulletin (Internet Edition) and "Meralco sales rose 12% in four months" posted in The Standard (Internet Edition) on May 31, 2016. The articles reported in part that:

1. "Power utility giant Manila Electric Company (Meralco) will be securing P10 billion to P15 billion worth of loans to bankroll its programmed capital expenditures (capex) for this regulatory year.

According to Meralco chief finance officer Betty C. Siy-Yap, the utility firm intends to borrow this year but it would only be able to exercise this option upon securing the approval of the Energy Regulatory Commission (ERC).

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The Meralco executive added their planned borrowings will just be for the parent firm, while for its power generation business, they have been making

arrangements that the banks would directly lend to the project vehicles or with Meralco PowerGen.

...."

2. "Sales volume of Manila Electric Co. rose 12 percent in the first four months this year from a year ago on higher temperatures during the dry months.

'The first four months are very strong, we're going to end first four months 12.1 percent [up] year to date. But we expect the next few months to be a bit lower,' Meralco senior vice president and head of customer retail services and corporate communications Al Panlilio told reporters following the stockholders' meeting.

...."

With reference to the said first news article, we hereby confirm the statements attributed to our Chief Financial Officer, Ms. Betty Siy Yap, that the Company intends to borrow between P10B to P15B to fund its programmed capital expenditures (capex) for this regulatory year with the clarification that the same is subject to the approval of the Energy Regulatory Commission.

With reference to the second news article, we would like confirm the statements attributed to our Senior Vice President and Head of Customer Retail Services and Corporate Communications, Mr. Alfredo S. Panlilio concerning the Company's sales performance in the first four months based on available Company data with the clarification that the same maybe subject to adjustment and that the actual percentage will be properly disclosed in the Company's quarterly briefing.

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