



ORTIGAS AVENUE, PASIG CITY
0300 PHILIPPINES

July 28, 2016

PHILIPPINE STOCK EXCHANGE, INC.

3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: MR. JOSE VALERIANO B. ZUÑO III

OIC - Head, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORPORATION

37th Floor, Tower 1, The Enterprise Center
6766 Ayala Avenue corner Paseo de Roxas
Makati City

Attention: MS. VINA VANESSA S. SALONGA

Head - Issuer Compliance and Disclosure Department

Gentlemen:

We reply to your letter dated July 28, 2016 (received thru EDGE Submission System at 7:59 a.m. today) requiring us to clarify and/or confirm the information contained in the news article entitled "Meralco, ICTSI draw P10B cargo rail plan" posted in The Manila Times (Internet Edition) on July 27, 2016. The article reported in part that:

"MRail, a subsidiary of listed firm Manila Electric Co. (Meralco), has partnered with Enrique Razon Jr.'s International Container Terminal Services Inc. (ICTSI) for a P10-billion cargo railway project to revive the connectivity between the port of Manila and an inland container terminal facility in Laguna.

Under the agreement, the consortium said it would shell out P2.7B of the projected total cost of P10B for the initial phases of the project, which is projected to be completed in two years.

...."

With reference to the said news article, we would like to confirm that MRail had been in discussion with ICTSI and have arrived at a commercial cooperation to connect the Manila International Container Terminal in the Port of Manila to ICTSI's inland container terminal in Calamba, Laguna, and transport containerized cargoes through the railway system to help decongest the streets of Metro Manila. However, we would like to clarify that the parties are still finalizing the documentation of their cooperation and have not yet sign any definitive agreement for this purpose. We undertake to apprise the Exchange for any development on this matter.

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

Very truly yours,

A handwritten signature in black ink, appearing to read 'William S. Pamintuan', with a stylized flourish at the end.

WILLIAM S. PAMINTUAN

First Vice President

Assistant Corporate Secretary &
Information Disclosure Officer