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July 13, 2016

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Gentlemen:

We reply to your letter dated July 13, 2016 (received thru EDGE Submission System at 8:29 a.m. today) requiring us to clarify and/or confirm the information contained in the news article entitled “Meralco expects flat profit” posted in Business World Online on July 12, 2016. The article reported in part that:

“MANILA ELECTRIC Co. (Meralco) expects this year’s profit to be around the same level as the previous year, its president said on Tuesday.

‘It’s more or less same level as last year,’ Oscar S. Reyes, Meralco president, said on the sidelines of the BusinessWorld Economic Forum at Shangri-La at the Fort, Bonifacio Global City in Taguig City.

‘Last year we made P18.8 billion, so not far from that,’ he said, when asked about the distribution utility’s net income guidance for 2016.

‘Sales have been strong. For the first half, the latest numbers were a little over 10% year on year,’ he said, adding a possible growth rate ranging between 10% to 11%.

....

On the downside, he said although sales have been up, the average distribution rate, from which the company derives its revenues, has been lower during the period compared with the figure a year ago.

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With reference to the said news article, we hereby confirm the statements attributed to our President and CEO Oscar S. Reyes with the clarification that the foresaid sales figures are only indicative and that the actual numbers will be properly disclose in the Company's financial and operating results as soon as it becomes available.

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