



ORTIGAS AVENUE, PASIG CITY
0300 PHILIPPINES

December 27, 2012

MS. JANET A. ENCARNACION

Head, Disclosure Department
Philippine Stock Exchange, Inc.
3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Madame:

We reply to your letter dated December 27, 2012 (received thru email at 08:32 a.m. today) requiring us to clarify and/or confirm the information contained in the news article entitled "Meralco keen on buying other utilities" published in today's issue of Malaya Business Insight. The article reported in part that:

"MANILA Electric Co. (Meralco) is keen on buying other distribution companies, preferably cooperatives, according to Oscar Reyes, president.

Reyes said Meralco can help other distribution utilities improve their services throughout out its franchise areas.

Reyes said that it is in electric cooperatives that it can create the most value since buying other distributors would not be easy for Meralco.

He reasoned out number one, valuation is different (and), secondly, some (acquisitions) are very political," he noted.

"We continue to explore the opportunities – acquiring, buying into, seeing whether we can help their operations, maintenance," Reyes said.

....."

With reference to the said news article, we would like to confirm the abovementioned statements attributed to our Chief Executive Officer, Mr. Oscar S. Reyes with respect to the company's interest in exploring synergies thru acquisition of other distribution utilities within its franchise areas.

Very truly yours,

WILLIAM S. PAMINTUAN
First Vice President
Assistant Corporate Secretary &
Information Disclosure Officer