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June 2, 2014

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Mesdames:

We reply to your letter dated June 2, 2014 (received thru EDGE Submission System at 9:21 a.m. today) requiring us to clarify and/or confirm the information contained in the news article entitled "Meralco takes over Pampanga co-op" published in the May 31, 2014 issue of the Manila Standard Today. The article reported in part that:

"MABALACAT CITY, Pampanga —Manila Electric Co. and partner ComsTech are taking over Pampanga Electric Cooperative II (Pelco II) which services four towns and this city.

Dennis Uy, president and chief executive Angeles City-based ComsTech said 'P1.2 billion (is being infused) for the takeover of Pelco II whose debt amounts to as much. The takeover starts this June.'

He said Meralco Chairman Manny V. Pangilinan saw the move as part of his legacy to his fellow Kapampangans, being born in Apalit, Pampanga.

Meralco and ComsTech won the bidding for the investment and management contract (IMC) over Pelco II as authorized by the National Electrification Administration, said Uy on the 20-year deal.

' Pelco II will still own the cooperative, but Meralco and Coms-Tech will manage and operate it under IMC,' Uy said.

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With reference to the said news article, we would like to reiterate our disclosure on February 12, 2014, that Meralco's direct participation in the said bid process is to act as technical Advisor to Coms Tech under a Technical Services Agreement (TSA) signed between Meralco and Coms Tech. Meralco is not a bidder in the investment management contract of Pampanga Electric Cooperative 2 (PELCO 2) to take over the management of PELCO 2 under an investment management contract authorized by the National Electrification Administration.

We trust that you will find the foregoing in order.

Very truly yours,


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