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May 28, 2014

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Head, Disclosure Department

PHILIPPINE STOCK EXCHANGE, INC.

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Mesdames:

We reply to your letter dated May 28, 2014 (received thru EDGE Submission System at 8:09 a.m. today) requiring us to clarify and/or confirm the information contained in the news article entitled "Meralco to hike stake in Global Business Power" posted in the May 28, 2014 issue of the Philippine Daily Inquirer. The article reported in part that:

"MANILA Electric Co. (Meralco) is set to raise its stake in Global Business Power Corp. (GBPC), one of the largest independent power producers in the country and a member of the GT Capital group of taipan George Ty.

Meralco chair Manuel V. Pangilinan said that management already approved the acquisition of additional shares in GBPC.

He said First Metro Investment Corp., also a member of the GT Capital group, divested four percent of its shares in GBPC. Two percent will be taken up by Meralco through power generating arm Meralco PowerGen Corp. and the other two percent will be taken up by ORIX Corp. of Japan.

Pangilinan also said Meralco is open to investing further in GBPC if other shareholders were to sell their stake, citing the power firm's good performance.

'It's a good business, and the Metrobank group has managed it well, so [it's a] good investment,' Pangilinan said on the sidelines of the company's stockholders meeting.

As for the pricing, Meralco CFO Betty C. Siy-Yap said details on the acquisition of additional shares would be firmed up by June.

'What was approved was the acquisition; the pricing has yet to be formally advised,' Meralco president and CEO Oscar S. Reyes said.

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With reference to the said news article, we would like to confirm the statements attributed to our Chairman, Mr. Manuel V. Pangilinan, President and CEO, Mr. Oscar S. Reyes, and Chief Finance Officer, Ms. Betty C. Siy-Yap concerning the acquisition of additional 2 % share in Global Business Power Corp. (GBPC) where Meralco currently owns 20% of the latter's outstanding capital stock.

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