



**First Philippine  
Holdings Corporation**

27 October 2009

**PHILIPPINE STOCK EXCHANGE**

4<sup>th</sup> Floor, PSE Center  
Exchange Road  
Ortigas Center, Pasig City

Attention: **MS. JANET A. ENCARNACION**  
*Head, Disclosure Department*

**MS. KRISTINA S. WY**  
*Analyst, Disclosure Department*  
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Gentlemen/Mesdames:

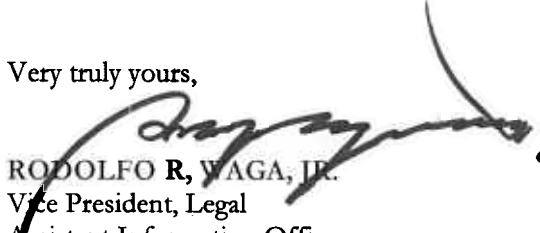
We respond to your letter dated 27 October 2009 relating to the news article entitled "MERALCO DIVESTMENT: Lopez to keep half of remaining stake" published in today's issue of the Manila Bulletin. The article reads in part:

"As part of the Lopez group's continuing strategic equity divestment in the power distribution sector, First Philippine Holdings Corporation (FPHC) is now gearing up to sell half of its remaining 13.4-percent stake in utility giant Manila Electric Company. FPHC chairman Oscar M. Lopez bared they will likely wind up negotiations with the Metro Pacific group of Manuel Pangilinan by next month. . ."

First Philippine Holdings Corporation ("FPH") would like to clarify that there are discussions with parties on possible sales or transactions over its remaining Meralco shares. However, the terms thereof have yet to be agreed upon. FPH shall make a timely disclosure to the investing public upon the execution of definitive and binding agreements. Any determination by FPH on the management of its portfolio of investments will take into account the best interest of its stakeholders.

Thank you.

Very truly yours,

  
**RODOLFO R. WAGA, JR.**  
Vice President, Legal  
Assistant Information Officer