



**First Philippine
Holdings Corporation**

15 January 2010

PHILIPPINE STOCK EXCHANGE

4th Floor, PSE Center
Exchange Road
Ortigas Center, Pasig City

Attention:

MS. JANET A. ENCARNACION
Head, Disclosure Department

MS. KRISTINA S. WY
Analyst, Disclosure Department

Gentlemen/Mesdames:

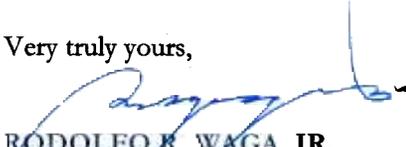
We respond to your letter dated 15 January 2010 relating to the news article entitled "Lopezzes willing to sell more Meralco shares" published in the January 14, 2010 issue of the "Businessworld Online." The article reads in part:

"... Elpidio L. Ibañez, president and chief operating officer of First Philippine Holdings Corp., said the group was open to selling a 1.7% stake, but would keep a minimum 5%, which should be good for one board seat. "What we would like to agree on with Metro Pacific Investments Corp. is that even if we retain just a 5% stake in the Meralco, we can keep the one board seat ... we are discussing with Metro Pacific [if] they will help us elect one director," Mr. Ibañez said Mr. Ibañez said proceeds from the sale of the 1.7% stake in Meralco would again be used to pare down debt as well as to participate in the stock rights offering of First Gen. The group plans to allocate P10 billion to buy new stocks. It plans to spend another half a billion pesos to buy more First Gen stocks afterwards. First Holdings, he said, is also looking at investing another P1 billion in First Philec Solar Corp., the 80-20 joint venture of First Philippine Electric Corp. -- the holding company for the manufacturing business of First Holdings -- and US-based SunPower Corp., which designs and manufactures solar technology"

First Philippine Holdings Corporation ("FPH") would like to clarify the following: (i) FPH confirms that it is open to a possible sale of a 1.7% stake in Meralco but this was expressed in hypothetical terms in response to a question; (ii) FPH currently has enough cash for purposes of participating in the stock rights offering of First Gen without having to sell more shares in Meralco and (iii) FPH is planning an additional P1B investment in its solar venture under the aegis of First Philippine Electric Corporation.

Thank you.

Very truly yours,


RODOLFO K. WAGA, JR.
Vice President, Legal
Assistant Information Officer