



**First Philippine
Holdings Corporation**

24 November 2010

PHILIPPINE STOCK EXCHANGE
3rd Floor Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

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

MS. KRISTINA S. WY
Specialist, Disclosure Department

Gentlemen/Mesdames:

First Philippine Holdings Corporation ("FPH") responds to your letter dated 24 November 2010 relating to the news article entitled "DENR fines FPIC P24M for leak" as posted in the *BusinessMirror (Internet Edition)*. The article reads in part:

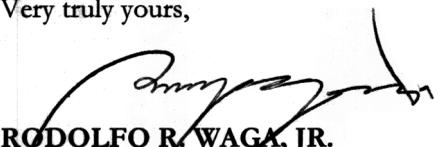
"The Department of Environment and Natural Resources (DENR) has slapped the Lopez-owned First Philippine Industrial Corp. (FPIC) with a total of P24.2 million in fines for the petroleum leak that contaminated the water at the West Tower Condominium in Makati City, drove its residents out of their homes indefinitely, and resulted in difficulties supplying the metropolis with fuel. The fine represents P200,000 per day for a total of 121 days, from the time that the leak was discovered until the leak was finally plugged. The amount is the maximum that can be slapped against a polluter by the DENR under Republic Act 9275, otherwise known as the Clean Air Act"

FPH has not received a copy of the assessment against First Philippine Industrial Corporation ("FPIC") from the Department of Environment and Natural Resources. To the best of its knowledge, neither has FPIC, of which FPH owns 60% equity, received a copy of the same. Further, FPH has been advised that FPIC has not been given any notice and show cause order in connection with the alleged assessment and will clarify the same with the DENR.

While FPH does not expect the incident to have a material adverse effect on its finances as FPHC's investment in FPIC constitutes less than 1% of its total assets and contributes less than 1% to its consolidated revenues, FPH stands behind FPIC's efforts to remediate the area near or affected by the pipeline leak, where necessary repairs were made, as well as to assist those who have been affected. FPH and FPIC have always sought to serve the public and looks forward to continuing to do so.

Thank you.

Very truly yours,


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