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March 8, 2011

Ms. Janet A. Encarnacion
Head
Disclosure Department
Philippine Stock Exchange
PSE Building Ortigas Center

Dear Ms. Encarnacion,

This is to reply to your letter seeking clarification on the article that was published in today's issue of the Manila Times. The article specifically quotes Undersecretary Reinoso of the Department of Transportation and Communication stating:

"The country's two largest conglomerates want to join the bidding for the privatization of Metro Rail Transit Line 3 (MRT 3) once the government completes the buy-out this year, according to an official privy to the matter. Ruben Reinoso, Department of Transportation and Communication undersecretary for planning and project, told reporters that Ayala Corporation and San Miguel Corporation expressed interest to join the privatization of MRT 3. They are waiting for the government to privatize MRT 3, Reinoso said."

Please be advised that Ayala Corporation has expressed interest to explore various opportunities in the infrastructure sector and is looking at some of the infrastructure projects that the government intends to offer under its Public Private Partnership program. The MRT 3 is one among other projects that the company is currently looking into.

I hope this clarifies the matter. Should you have further clarifications please do not hesitate to contact us anytime.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Delfin C. Gonzalez Jr.', written over a printed name.

DELFIN C. GONZALEZ JR.
Chief Finance Officer and Senior Managing Director