



July 6, 2015

THE PHILIPPINE STOCK EXCHANGE, INC.

3/F Tower One & Exchange Plaza

Ayala Triangle, Ayala Avenue

Makati City

Attention : **MS. JANET A. ENCARNACION**

Head, Disclosure Department

Dear Ms. Encarnacion:

This refers to your request to clarify the news article titled: "SMC, Ayala, Metro Pacific want in on PNR rehab", posted on The Manila Times (Internet Edition) on July 3, 2015, which reported in part that:

"LEGAZPI CITY: Conglomerates San Miguel Corp. (SMC), Ayala Corp., and Metro Pacific Investments Corp. are interested in the ₱177-billion rehabilitation of the Philippine National Railways (PNR) as a public-private partnership project, Albay Gov. Joey Sarte Salceda said.

The PNR modernization program covers the rehabilitation of the 653-kilometer railway from Tutuban in Manila to Legazpi, and on to Sorsogon.

The governor said Ayala is eyeing to partner with Metro Pacific on the project, and that he personally discussed the matter with SMC President and COO Ramon S. Ang.

...."

We confirm that Ayala is interested in participating in the bid for the Philippine National Railway South Line project should this be put out for bid by the government, subject to a proper evaluation and assessment of the project. Ayala is in talks with potential partners for the project, but no definitive agreements have been signed to date.

Very truly yours,

A handwritten signature in black ink, appearing to read 'PFB', followed by a horizontal line.

PAOLO F. BORROMEIO

Group Head, Corporate Strategy and Development

Cc: SECURITIES & EXCHANGE COMMISSION

Attention: Mr. VICENTE GRACIANO P. FELIZMENIO, JR.

Director, Markets and Securities Regulation Department

PHILIPPINE DEALING & EXCHANGE CORPORATION

Attention: Ms. VINA VANESSA S. SALONGA

Head, Issuer Compliance and Disclosure Department