MERALCO

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July 4, 2019

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Gentlemen:

We reply to your letter dated July 4, 2019 (received thru EDGE Submission System at 8:41 a.m. today) requiring us to clarify and/or confirm the information contained in the news article entitled "Clark power distribution deal gets PCC's nod" posted in Business Mirror (Online Edition) on July 4, 2019. The article reported in part that:

> "The Philippine Competition Commission (PCC) has approved the joint venture of the Bases Conversion and Development Authority (BCDA) and the consortium of Manila Electric Co. (Meralco) and its Japanese partners for the development of a power distribution system in New Clark City. In a commission decision last week, the PCC authorized the BCDA and the Meralco-Marubeni Consortium to carry out its project. It said the transaction will not result in a substantial lessening of competition in the retail electricity supply market within New Clark City and the distribution utility market of generated power through a supply deal in the Luzon and Visayas grids.
>
> . . . ."

With reference to the said news article, we would like to confirm that the Meralco Marubeni Consortium received the Commission Decision of the Philippine Competition Commission (PCC) that it will take no further action with respect to the transaction between the Bases Conversion and Development Authority (BCDA) and the Meralco Marubeni Consortium for the development of a power distribution system in New Clark City, finding that there appears to be no competition-related concerns regarding the transaction.

We trust that you will find the foregoing clarification in order.

Very truly yours,

WILLIAM S. PAMINTUAN
Senior Vice President
Assistant Corporate Secretary &
Information Disclosure Officer