



January 3, 2012

DISCLOSURE DEPARTMENT

The Philippine Stock Exchange
3/F Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

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

Gentlemen:

We reply to your request for clarification on the news article entitled "DMCI keen on Napocor's SPUG areas" posted in the INQUIRER.net on January 2, 2012. The article reported in part that:

"The Consunji-led DMCI Power Corporation plans to participate in the planned privatization of the 12 areas under Small Power Utilities Group (SPUG), which will soon be offered by the state-run National Power Corporation (Napocor)."

DMCI Power chairman Isidro Consunji confirmed that the company's focus this year would be on the SPUG areas, the bidding for which will begin in the first quarter."

We would like to confirm that our power business, DMCI Power Corporation's strategic direction will focus on SPUG areas. However, we wish to clarify, that while NAPOCOR will bid out 12 SPUG areas, DMCI Power intends to participate only in "selected" SPUG areas. The choice of specific SPUG areas to invest in will have to undergo an internal selection process by the management.

We hope this clarifies the matter.

Very truly yours,



ALDRIC G. BORLAZA
Finance Officer