



May 30, 2012

Securities and Exchange Commission

SEC Building, Mandaluyong City

Attention: Hon. Justina F. Callangan
Director, Corporation & Finance Department

Philippine Stock Exchange, Inc.

3/F Tower One and Exchange Plaza
Ayala Triangle, Ayala Ave., Makati City

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Philippine Dealing and Exchange Corporation

37F Tower 1, The Enterprise Center
6766 Ayala Ave cor. Paseo de Roxas, Makati City

Attention: Ms. Ma. Concepcion Magdaraog
Head, Issuer Compliance and Disclosures Dept.

Gentlemen:

Further to our May 24, 2012 disclosure of the approval by the Securities and Exchange Commission (SEC) of the amendment to Article VII of our Articles of Incorporation making our preferred shares redeemable, please be advised that we will redeem all our outstanding preferred shares effective July 16, 2012 (the "Redemption Date") from the shareholders of record as of June 4, 2012. By the Redemption Date, we will pay the redemption price of Php0.10 per share and the cash dividends of Php0.00350578 per share for the period October 18, 2011 to July 16, 2012 (Php0.00464 per share annually pro-rated for 272 days).

Effective on Redemption Date, the preferred shares will be deemed redeemed and will no longer be outstanding. An application will be submitted to the SEC for the decrease in our authorized capital stock by Php1,303,460,388.00 through the retirement of the redeemed preferred shares.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Solomon M. Hermosura'.

SOLOMON M. HERMOSURA
Corporate Secretary

A small blue handwritten mark or signature flourish.