



Via ODiSy

26 January 2009

PHILIPPINE STOCK EXCHANGE, INC.

Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

Attention: Atty. Pete M. Malabanan
Head

Mr. Sheena Paula H. Pedrieta
Analyst
Disclosure Department

Gentlemen:

We reply to your letter dated today requesting clarification on the news article "BDO Capital eyes debt-raising", published in today's issue of the *Business Mirror*, the relevant portion of which reads as follows:

"BDO Capital and Investment Corp., a leading investment bank in the country, is eyeing fundraising deals with power and toll-road companies this year. In an interview, its president Eduardo Francisco said the company would submit an offer to assist Ausphil Tollways Corp., in its plan to raise debts of about P10 billion for the proposed 54.9-kilometer elevated expressway from Quezon City to Baliuag, Bulacan... Francisco said the company is also eyeing to participate in the P2 -billion debt-raising activity of Metro Pacific Investme3nt Corp. (MPIC) for a segment of the phase 2 development of the North Luzon Expressway (NLEX)... BDO Capital has recently been selected as a lead arranger of the \$550-million debt-raising for the 225 megawatt Agus III hydroelectric project in Mindanao... The investment bank is also the lead arranger for the funding requirements of the ambitious Tarlac-La Union Expressway Project (TLUTE)..."



BDO Capital & Investment Corporation ("BDO Capital") is the wholly-owned investment house of Banco De Oro Unibank (the "Bank"). Although the *potential* deals described in the subject article bode well for the profitability of BDO Capital and ultimately, its parent, the Bank, these transactions form part of the regular investment banking services that BDO Capital provides its clients and for which, it earns fees.

Any participation by the Bank in these debt raising activities will undergo its standard *credit* approval process.

We trust we have adequately addressed your request for clarification.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Elmer B. Serrano', with a long horizontal flourish extending to the right.

ELMER B. SERRANO
Corporate Information Officer