



Filinvest Development Corporation

August 8, 2007

THE PHILIPPINE STOCK EXCHANGE INC.

Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

Attention: Atty. Pete M. Malabanan
Head, Disclosure Department

Gentlemen:

We refer to your letter dated August 8, 2007 requiring our company to confirm the veracity of *The Manila Times* news article entitled "Filinvest earmarks P14b to finance expansion in two years" which reads in part:

FILINVEST Development Corp., the holding company of the Gotianuns, has allotted P14 billion to finance expansion of banking, real estate and sugar milling businesses this year and next year. Filinvest Development, in a registration statement filed with the Securities and Exchange Commission, said the company would spend P6.31 billion this year and another P7.65 billion next year. . .

We confirm the veracity of the information stated above, which appears to be based on the Registration Statement filed by our company with the Securities and Exchange Commission on August 6, 2007. We further clarify that aside from the planned business expansions, our company would also be considering possible investments in the privatization of government-owned and controlled corporations.

We trust the foregoing sufficiently clarifies the matter raised in your letter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Abner C. Gener Jr.", is written over a horizontal line.

ABNER C. GENER JR.
Corporate Information Officer