



Filinvest Development Corporation

07 October 2014

PHILIPPINE STOCK EXCHANGE

3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

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

Dear Ms. Encarnacion:

We refer to your request for clarification/confirmation of the news article entitled "Filinvest to pursue water sector projects" posted in Philippine Star (Internet Edition) on 06 October 2014. The article reported in part that:

"The Filinvest Group of the Gotianun family is branching out into water distribution (sic) starting off with projects to be offered under the government's public private partnership (PPP) initiative.

Aside from securing bid documents for the P24.4-billion Bulacan bulk water supply project, Filinvest Land Inc. president and chief executive officer Joseph M. Yap said the group is also looking at making potential bids for the P18.7-billion Kaliwa Dam project and the P123-billion Laguna Lakeshore expressway dike project.

....

Yap said the Filinvest group is currently setting up a separate company for its planned water venture.

...."

We would like to clarify that Mr. Joseph M. Yap is a member of the Board of Directors of Filinvest Land, Inc. (FLI), while Ms. Josephine Gotianun-Yap is the President and CEO of both FLI and Filinvest Development Corporation (FDC).

We confirm that FDC intends to bid for the Php24.4B Bulacan bulk water supply project. For this bid, it is partnering with a Spanish firm.

FLI purchased bid documents for the Php123B Laguna Lakeshore project. As part of exploring this opportunity, FDC and FLI are indeed looking at forming a consortium to bid for this project.

While FDC will serve as the investment vehicle for the group's water investments, operations will be managed by a subsidiary for its future water ventures.

We trust you will find the foregoing in order.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Sharon P. Pagaling-Refuerzo', written in a cursive style.

SHARON P. PAGALING-REFUERZO
Corporate Information Officer