

August 29, 2014

Philippine Stock Exchange, Inc.
Philippine Stock Exchange Center
Exchange Road, Pasig City

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

Gentlemen :

This is in reply to your letter seeking confirmation of the article entitled "Phinma allots P3 B for school acquisitions" posted in philSTAR.com on August 29, 2014. The article reported in part that:

"MANILA, Philippines - Investment firm Phinma Corp. is earmarking as much as P3 billion for potential acquisitions of schools in Metro Manila or Cebu to add to its network of tertiary institutions.

Phinma Education Network chief finance officer Daisy C. Montinola said the company is currently in talks with various schools in cities and in provinces for potential acquisitions.

'If the opportunity presents itself, then we'll grab it,' she said.

Montinola said the company is willing to spend as much as P3 billion to acquire a big school in metropolitan areas like Manila or Cebu. She said the budget being allocated for a potential buyout of a school in the provinces, meanwhile, is around P250 million to P500 million.

'The amount really depends on the location (of the school) and the number of students,' Montinola added.

Phinma Education Network chief Chito B. Salazar said the company is looking for prospects in Davao, Baguio City, Batangas and the Bicol region."

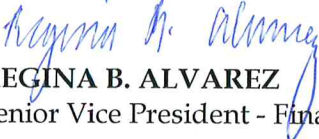
We confirm that Phinma Corporation, through Phinma Education Network, continues to look for viable school acquisitions in an amount of up to P 500 million for schools in the provinces and up to P 3 billion in metropolitan areas. Phinma Corporation has not yet earmarked or allotted funds for the acquisitions, but shall do so once attractive opportunities arise.

You likewise seek clarification on the statements shown below, which we confirm as accurate.

"Aside from setting its sights on potential existing schools to buy, the company is also investing P150 million to put up a new campus in Urdaneta, Pangasinan by next year. The campus will be called Phinma UPang."

"Phinma Education aims to grow its profits by 25 percent year-on-year to P200 million by the end of its fiscal year."

Very truly yours,


REGINA B. ALVAREZ
Senior Vice President - Finance