



5 May 2008

Philippine Stock Exchange
Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

Attention : **ATTY. PETE M. MALABANAN**
Head, Disclosure Department

Subject : Letter date 30 April 2008

Gentlemen:

This is to acknowledge receipt of your letter dated 30 April 2008 and received on even date directing RFM Corporation to pay the basic fine of P50,000.00 and additional fine of P5,000.00 per day of non-compliance for a period of 15 calendar days starting 1 May 2008 until 15 May 2008.

Please be advised that the Corporation has submitted its 2007 Annual Report by way of ODiSy today. The Corporation tried its very best to file its 2007 Annual Report within the extended deadline. Unfortunately, despite diligent efforts to submit the 2007 Annual Report, it failed to beat the deadline by 5 calendar days due to extended discussions with its external auditors on matters concerning its subsidiaries and final review of its financial statements by its external auditors. In this connection, we would like to seek a waiver, if not reduction, of the basic fine of P50,000.00 and additional fine of P5,000.00 per day starting 1 May 2008. As it is, the Corporation's businesses remain a big challenge with the increasing prices of wheat, milk, meat and other raw materials in the world market, not to mention the labor and fuel costs.

I trust that this request will merit your kind consideration.

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to be "R. Barba", written over a light blue circular stamp.

ATTY. ROWEL S. BARBA
VP & Head, Corporate Legal & HR Divisions