



21 January 2008

Philippine Stock Exchange, Inc.

PSE Center, Exchange Road
Ortigas Center, Pasig City

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

Sir:

This is in response to your letter of 18 January 2008 regarding our violation of Section 13.1 of the Revised Disclosure Rules, for having failed to disclose within the prescribed period the sale of the RFM shares of Ramon M. Lopez on 06 December 2007.

We regret that we have been unable to comply with the said deadline. Apart from being a Vice President and the Executive Assistant to the President & CEO of RFM Corporation, Jose Ma. A. Concepcion III, Mr. Lopez also assists Mr. Concepcion with his GoNegosyo and other activities related to the Office of the Presidential Consultant for Entrepreneurship. The month of December 2007 was particularly a busy month for the GoNegosyo, thus, Mr. Lopez had no opportunity to attend to personal matters including the confirmation of the sale of his RFM shares. In fact, it was only during the first week of January that he was able to confirm the sale and received the check representing the proceeds thereof on 06 January 2008. Moreover, Mr. Lopez was out of town during the latter part of December and could not have possibly remembered to disclose the subject transaction on time.

Undeniably, we are in violation of the rules on Disclosure. We wish, however, to ask for your reconsideration through the waiver of the imposable penalty. As related above, the cause of the delay stems from nothing more than a plain oversight devoid of any willful intention to violate the Rules. Furthermore, the amount which constitutes part of Mr. Lopez' compensation is minimal and insignificant to affect market movement. It, however, meant a lot to the charity groups that benefited from it.

We wish to assure the PSE that every effort will be made so that this kind omission will be avoided and that disclosures are made in a manner that is fully compliant with the PSE requirements. For whatever its worth, we also wish to inform the PSE that this is the first violation of Mr. Lopez.

We look forward to your kind understanding and positive view of our request.

Very truly yours,

ROWEL S. BARBA

VP & Head Corporate Legal & HR Divisions

