



February 11, 2008

**PHILIPPINE STOCK EXCHANGE, INC.**

Philippine Stock Exchange Center  
Exchange Road, Pasig

Attention : Atty. Pete Malabanan  
Head, Disclosure Department

Gentlemen:

This is in reply to your letter dated February 6, 2008 inquiring about the purchase by Bacnotan Consolidated Industries, Inc. (BCI) of up to 80% of the issued and outstanding shares of University of Nueva Caceres, Inc. (UNCI), as approved by the Board of Directors of BCI and disclosed to the Philippine Stock Exchange on February 5, 2008.

Please be informed that the sale of shares covered by the Board resolution of BCI has not closed. The transaction is still subject to due diligence examination and the execution of a definitive Share Purchase Agreement between the parties. BCI will make the appropriate disclosure on all the items referred to in your letter once the terms and conditions of the acquisition are finalized.

For your information, the parties will exert best efforts to execute the Share Purchase Agreement by February 29, 2008.

Very truly yours,

  
**JUAN J. DIAZ**  
Corporate Secretary