

June 24, 2013

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

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

Gentlemen:

This is in response to your letter dated June 11, 2013 regarding request for updates on the status of Fil-Estate Corporation's (the "Company") previous disclosures on debt-to-equity conversions of portion of Fil-Estate Management, Inc. (FEMI) advances amounting to P800.0 million and the capital infusion of Mt. Zion Memorial, Inc. (MZMI), in exchange for shares in the Company.

Conversion of Liability to FEMI into Exchange for Shares in the Company

As previously advised, the Company and FEMI have already finalized and signed all documents relating to the P800.0 million debt-to-equity conversion. However, the Company is still in the process of getting the transaction approved by the SEC.

As of the quarter ended, March 31, 2013, the Company's stockholder's equity has a net capital deficiency balance of P765,893,067. The debt-to-equity conversion, once implemented, will increase the Capital Stock of the Company to P1,798,403,181, which will result in a positive balance in net equity of about ₱35 million.

Infusion of Mt. Zion Properties in Exchange for Shares of FEC


As regards the property infusion by MZMI, the Company has deferred the finalization of the agreement to implement the infusion, until after it has filed its application for increase in its authorized capital stock with the SEC, which the Company will proceed with after approval of the debt-to-equity conversion.

Thank you very much.

Very truly yours,

FIL-ESTATE CORPORATION

By:


Ramon G. Jimenez
Vice-President for Accounting