

ATN HOLDINGS, INC.

9th Floor Summit One Tower, 530 Shaw Boulevard, Mandaluyong City
Tel No. 632-7170523, 7183721 Fax 632-7170523

July 7, 2015

DISCLOSURE DEPARTMENT
PHILIPPINE STOCK EXCHANGE, INC.
4/F PSE Center, Exchange Road
Ortigas Center, Pasig City

Attention: **JANET A. ENCARNACION**
Head, Disclosure Department

Dear Ms. Encarnacion,

Today, we received from our legal counsel the Decision on ERC Case No. 2014-120 MC, regarding ATN Philippines Solar Energy Group, Inc. *An Application for Authority to develop, own, operate a 34.5kV dedicated point-to-point line and associated assets from ATN Solar to the Distribution Lines of Manila Electric Company*, copy as attached herein for disclosure.

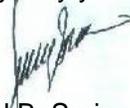
The article published by The Inquirer today was lifted from the ERC decision specifically from page 10 to page16, following is our comment, to wit:

1.0	News Article: Publicly listed ATN Holdings may tap as much as \$69 million in financing for its 60-megawatt (MW) solar power project and related assets in Rizal province, according to regulatory documents.
	<i>Reply: There was no specific statement that ATN Holdings requires \$69 Million financing. However, the Company ATN Solar has prospective fund sources from Chinese EPC Contractors and suppliers for either the 1ST and 2ND phases of the project.</i>
2.0	News Articles: In a filing with the Energy Regulatory Commission (ERC), ATN Holdings said its unit, ATN Philippines Solar Energy Group Inc. (ATN Solar), may avail of \$50 million in engineering, procurement and construction or EPC financing from China Machinery Engineering Corp. or CMEC (\$25 million) and Guangdong Electric Power Group (\$25 million). CMEC's bridge loan will finance Phase 1 (30MW) of the project, which costs \$36 million. Guangdong Electric is offering the bridge financing for either Phase 1 or Phase 2 (30 MW) of the project, ATN Holdings said. Another company, Yingli Solar, has proposed a \$5-million supplier's credit line against the prospect of supplying \$20 million worth of solar panels. <i>Reply: The abovementioned statement was taken from page 15 of the Decision. These were prospective fund sources received from Chinese EPC Contractor for the Phase 1 (30 MW) and Phase 2 (30 MW) of the solar project.</i>
3.0	In addition to securing project financing from contractors and suppliers, ATN Holdings said it will raise \$10 million from new investors at the parent level 'to partially fund the equity portion of financing the 30-MW solar project.' To raise the \$10 million, ATN Holdings said it intends to issue either preferred shares convertible to common; convertible debt; or a private placement of common shares.

	<i>Reply: The \$ 10 Million project funding is a contingent upon implementation of Phase 2 of the Project. Management has yet to submit its recommendation to the Board on the required amount and viable instrument for the above purpose. Upon approval of the Board, the subject resolution will be submitted to the stockholders for ratification.</i>
4.0	<p>While the total prospective financing of \$65 million exceeds the capital expenditure budget of \$36 million for Phase 1 alone, ATN Holdings said its unit intends to secure a \$4-million omnibus credit line from banks, or from the ATN Group 'to forestall any delay in release of funds from EPC, and ensure the completion of the project.' The bank loan will be secured by prospective payments from the Feed-in-Tariff (FIT) fund for eligible renewable energy (RE) developers. The National Transmission Corp. or Transco manages the FIT fund.</p> <p><i>Reply: ATN Holdings is in the process of filing an application for omnibus credit line from banks it has existing relationships with. This is a contingent for long-lead items required by the project to augment EPC financing.</i></p>
5.0	<p>The solar project is designed to have initial gross generation capacity of 30MW through the Manila Electric Co. (Meralco) franchise distribution area via a 34.5-kV distribution line connected to the Diliman, Novaliches, and Parang circuits.</p> <p><i>Reply: The capacity and interconnection scheme was based on the Meralco Distribution Impact Study and Distribution Asset Study. Apart from this technical information, ATN Holdings is not involved in other technical matters of the ATN Solar project.</i></p>
6.0	<p>ATN Holdings authorized capital stock in 2014 amounted to P1.2 billion. This will be increased to P3 billion in 2015 to accommodate the entry of new equity investors and expand the solar PV business in the Philippines, the company said.</p> <p><i>Reply: The P3 Billion Increase of Authorized Capital of the ATN Holdings is a contingent funding source for Phase 2 of the Project. Management has yet to submit its recommendation to the Board for approval. Upon approval of the Board, the subject resolution will be submitted to the stockholders for ratification.</i></p>

Thank you and best regards.

Very truly yours,



Paul B. Saria
Corporate Information Officer