

27 January 2012

THE PHILIPPINE STOCK EXCHANGE, INC.
3rd Floor, Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City, Metro Manila

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

Gentlemen:

We reply to your letter sent via e-mail today, 27 January 2012, with respect to the news article entitled "I-Remit expects double-digit growth in remittance volume this year" published in the 27 January 2012 issue of The Manila Times, as quoted below:

"...The company has allotted P296 million to expand its network of branches and tie-ups this year. It aims to beef up in the Middle East, particularly in Saudi Arabia, where it is working on a partnership with Bank Albilad..."

We wish to clarify that the P296 million cited in the article is not an amount allocated for expansion purposes for this year but it is the total amount allocated for expansion from the proceeds of the Initial Public Offering of I-Remit, Inc. ("the Company") as contained in the Prospectus dated 04 October 2007. A copy of the relevant page of the Prospectus is attached herewith as Annex A. The application of such proceeds is reported quarterly and annually to the Philippine Stock Exchange, the latest of which was filed with the Disclosure Department on 13 January 2012, which is also attached as Annex B.

We confirm that the Company is in discussion for a possible partnership with Bank Albilad of Saudi Arabia. However, such discussions are still in the preliminary stages.

We trust that you will find this clarification in order.

Thank you.

Very truly yours,


JAN. 27, 2012
BERNADETTE CINDY C. TIU
First Vice President & Chief Financial Officer



USE OF PROCEEDS

The Company estimates that its net proceeds from the Primary Offer based on an Offer Price of ₱4.68 per Offer Share, will be approximately ₱475,775,072.00 after deducting the applicable underwriting discounts and commissions and expenses for the Offer payable by the Company. The Company will not receive any proceeds from the sale of the Secondary Offer Shares by the Selling Shareholders. Taxes, issue management, underwriting and selling fees and other fees and expenses pertaining to the Secondary Offer will be paid by the Selling Shareholders.

The actual offer price may be lower than the assumed price. The actual underwriting commissions, discounts, fees and other Offer-related expenses may likewise vary from the estimated amounts. The assumed Offer Price and the estimated net proceeds are presented in this Offering document for convenience only.

The Company intends to use the majority of its net proceeds from the Offer to finance, in part, its expansion in existing and new countries and to cover working capital requirements as well as partially retire some of the Company's short-term interest-bearing loans. Further details of the Company's planned expansion and increased working capital requirements are broken down as follows, in order of priority, assuming the maximum and minimum net proceeds to be obtained from the Primary Offer.

Expansion	<i>At an Offer Price of P4.68 (amount in PhP)</i>	<i>Expected Timetable</i>
Australia	26,500,000	2007
Hong Kong	12,000,000	2007
Austria	11,000,000	2008
USA	25,200,000	2008
Macau	16,200,000	2008
New Zealand	9,600,000	2008
Italy	20,600,000	2009
Manila	175,170,000	2008-2012
Subtotal	296,270,000	
Cash Bond Requirements to set up foreign offices	83,850,000	2007-2012
Working Capital	81,900,000	2007-2012
Debt Retirement	13,755,072	2007
TOTAL	475,775,072	

The foregoing discussion represents a best estimate of the Company's net proceeds from the Primary Offer based on current plans and anticipated expenditures. Actual allocation of net proceeds by the Company may vary from the foregoing discussion as management may find it necessary or advisable to reallocate the net proceeds within the categories described above.

Net proceeds shall be used to retire debts only when there are surplus proceeds based on the schedule above. When such proceeds shall be used to pay off debts, the Company shall pay off loan payables, or portions of the same, to banks with which the Company has existing credit lines, such as: Asia United Bank, East West Bank, Union Bank of the Philippines and Asiatrust Bank. The retirement of the Company's debts has the underlying intention of reducing debt service burden and consequently improving profitability.



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Makati City, Metro Manila

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

Gentlemen:

In compliance with the Exchange's directive, we are providing you with the enclosed Quarterly and Annual Progress Report on the Application of Proceeds from the Initial Public Offering of **I-REMIT, INC.** for the period ended **31 December 2011**.

Very truly yours,

A handwritten signature in black ink, appearing to be "Bernadette C. Tiou", written over a large, stylized scribble.

BERNADETTE CINDY C. TIU
First Vice President & Chief Financial Officer

Enclosure: a/s

I-REMIT, INC.
Quarterly and Annual Progress Report on the Application of Proceeds from the Initial Public Offering
31 December 2011

	Amount Utilized Oct. 17, 2007 to Dec. 31, 2007 (A)	Amount Utilized Jan. 01, 2008 to Dec. 31, 2008 (B)	Amount Utilized Jan. 01, 2009 to Dec. 31, 2009 (C)	Amount Utilized Jan. 01, 2010 to Dec. 31, 2010 (D)	Amount Utilized Jan. 01, 2011 to March 31, 2011 (E.1)	Amount Utilized Apr. 01, 2011 to June 30, 2011 (E.2)	Amount Utilized July 01, 2011 to Sept. 30, 2011 (E.3)	Amount Utilized Oct. 01, 2011 to Dec. 31, 2011 (E.4)	Amount Utilized Jan. 01, 2011 to Dec. 31, 2011 (E = E.1 to E.4)	Amount Utilized Oct. 17, 2007 to Dec. 31, 2011 (F=A+B+C+D+E)	Amount Allocated but Not Yet Utilized (G)	TOTAL (H = F + G)
1 For Expansion												
Australia		3,823,000.00	-	15,168,508.46	389,904.19	336,648.96	622,063.16	684,572.03	2,033,188.34	21,024,696.80	5,475,303.20	26,500,000.00
Hong Kong	1,890,495.79	2,166,895.66	1,547,908.43	1,775,362.20	-	16,584.45	296,598.03	4,306,155.44	4,619,337.92	12,000,000.00	-	12,000,000.00
Austria		11,000,000.00	-	-	-	-	-	-	-	11,000,000.00	-	11,000,000.00
USA		-	-	4,834,140.18	-	4,192,737.94	-	-	4,192,737.94	9,026,878.12	16,173,121.88	25,200,000.00
Macau		490,314.73	256,580.35	252,270.18	51,493.20	-	2,452.69	-	53,945.89	1,053,111.15	15,146,888.85	16,200,000.00
New Zealand	175,249.33	3,971,871.99	5,411,321.71	41,556.97	-	-	-	-	-	9,600,000.00	-	9,600,000.00
Italy		1,379,135.45	6,231,848.21	12,989,016.34	-	-	-	-	-	20,600,000.00	-	20,600,000.00
Manila		3,742,795.17	5,746,133.13	5,929,479.90	1,271,766.51	2,384,963.79	2,483,579.80	5,553,964.03	11,694,274.13	27,112,682.33	148,057,317.67	175,170,000.00
Total, For Expansion	2,065,745.12	26,574,013.00	19,193,791.83	40,990,334.23	1,713,163.90	6,930,935.14	3,404,693.68	10,544,691.50	22,593,484.22	111,417,368.40	184,852,631.60	296,270,000.00
2 Cash Bond Requirements		37,320,000.00								37,320,000.00	46,530,000.00	83,850,000.00
3 Working Capital	169,132,711.93	(96,809,326.88)								72,323,385.05		72,323,385.05
4 Debt Retirement	295,000,000.00	(281,244,928.00)								13,755,072.00		13,755,072.00
TOTAL	466,198,457.05	(314,160,241.88)	19,193,791.83	40,990,334.23	1,713,163.90	6,930,935.14	3,404,693.68	10,544,691.50	22,593,484.22	234,815,825.45	231,382,631.60	466,198,457.05