



SOLID GROUP INC.

02 April, 2009

THE DISCLOSURE DEPARTMENT

4/F, The Philippine Stock Exchange, Inc.
PSE Center, Exchange Road, Ortigas Center
Pasig City

Gentlemen:

In response to your letter dated 01 April 2009, please find hereinbelow additional information regarding the disclosure made by Solid Group Inc. (SGI) on the spin-off and transfer of certain business to a new 100%-owned subsidiary of SGI from Solid Broadband Corporation (SBC), also a 100%-owned subsidiary, to wit:

- a) The business activity and revenue arising from the sales of mobile phone, LCD televisions and other digital devices has grown significantly enough to warrant a separate company to be set up to manage its corporate resources and transactions. It has grown from its start up year sales of Php100M in 2007 to Php500M in its full year of operations in 2008 up to its projected sales of Php1B in 2009.

The significant scale of the business has also necessitated that it be differentiated under "My Solid Technologies & Devices Corporation" (MySolid), a new company set up to develop and distribute digital services including mobile phones, as opposed to being consolidated as part of SBC, which is primarily concerned with cable broadband infrastructure services and broadband access.

- b) The spin-off and transfer of the business as disclosed is an internal restructuring of the business activities undertaken by SGI and its subsidiaries, duly approved by the Board of Directors of SGI.
- c) The spin-off will, on the one hand, facilitate management focus on MySolid's core activities including brand building, new product feature development, software applications for digital devices and sales. On the other hand, SBC can focus on the cable broadband infrastructure services and retail internet access services. Consequently, there will be better concentration on the businesses, thereby giving more room for exploration of bigger opportunities, which will positively work out to the benefit of the parent company, SGI.

- d) The spin-off has no effect on the financial or equity situation of SGI. The business being spun-off is profitable. Presently, SGI provides working capital funds of the business which is being operated under SBC.
- e) MySolid is 100% owned by SGI; thus, the approved capital of Php100M will be infused by SGI.
- f) A cut-off period will be set once the incorporation of MySolid is approved by the Securities and Exchange Commission.

We hope that the foregoing information has clarified your queries regarding our disclosure.

Very truly yours,



IRENEO D. TUBIO
Corporate Information Officer