



Euro-Med Laboratories Phil., Inc.

18 December 2008

PHILIPPINE STOCK EXCHANGE

Surveillance Department
PSE Center
Exchange Road
Ortigas Center, Pasig City

Attention: **MR. EDWIN G. OLIVEROS**
Head, Surveillance Department

Subject: **EXPLANATION TO YOUR LETTER DATED 18 DECEMBER 2008**

Dear Mr. Oliveros,

We reply to your letter dated 18 December 2008, which we received by fax, regarding the unusual price movement in the trading of Euro-Med Laboratories Phils., Inc. (EURO) shares at 10:29:59 a.m. today, 18 December 2008 wherein the share price of EURO increased from ₱1.20 to ₱1.80 per share.

Please be advised that the management wishes to inform the Exchange that as per our disclosure to the Philippine Stock Exchange yesterday; the company has declared a ten percent (10%) stock dividend. Other than the foregoing, we have no knowledge of any event or circumstances, which may have affected the value and trading of our shares this morning. Furthermore, we exercise a policy of timely and accurate disclosures with the Exchange.

In view of the foregoing, we respectfully request that no trading halt be imposed on EURO shares in view of this full and timely disclosure.

Thank you.

Very truly yours,


JANICE R. ONG
Corporate Secretary

cc : Disclosure Department