

**MINUTES
ANNUAL MEETING OF STOCKHOLDERS
PHILIPPINE LONG DISTANCE TELEPHONE COMPANY
JUNE 8, 2010**

In accordance with Section 1, Article II of the By-Laws of the Philippine Long Distance Telephone Company, as amended, the Annual Meeting of Stockholders of the Company was held at the Grand Ballroom, Dusit Thani Manila, Ayala Center, Makati City, Metro Manila, Philippines on June 8, 2010 at 4:00 o'clock p.m.

The meeting started with an invocation led by Rev. Fr. Bienvenido F. Nebres. Thereafter the President, Mr. Napoleon L. Nazareno welcomed the shareholders to their Annual Meeting.

CALL TO ORDER

The President called the meeting to order and requested the Corporate Secretary to report on the service of notice of, and quorum at, the meeting.

CERTIFICATION OF SERVICE OF NOTICE AND QUORUM

The Corporate Secretary reported that copies of the printed Notice and Agenda of the meeting were delivered by messengerial firms or mailed to the holders of record as of April 12, 2010 of the Company's Common Stock and Serial Preferred Stock, residing in the Philippines and abroad. In addition, holders of Common Stock were furnished with copies of the 2009 Annual Report, Information Statement and Proxy Form, and holders of Preferred Stock were furnished with copies of the 2009 Annual Report.

Based on the record of attendance and report of proxies received and counted by the Office of the Corporate Secretary with the assistance of the Company's transfer agent for Common Stock, The Hongkong and Shanghai Banking Corporation, present in the meeting, in person or by proxy, are stockholders who own or hold a total of 158,253,753 shares¹ or 84.7195% per cent of the outstanding shares of Common Stock². The Corporate Secretary then certified the existence of a quorum.

¹ The following members of the Board of Directors and Advisory Board/Committee and other Board Committees of PLDT were present in the meeting: Directors – Manuel V. Pangilinan (Chairman of the Board of Directors and the Governance and Nomination and Technology Strategy Committees), Napoleon L. Nazareno (member of the Technology Strategy Committee), Tony Tan Caktiong, Donald G. Dee, Ray C. Espinosa (member of the Technology Strategy Committee), Tatsuo Kono (member of the Governance and Nomination, Executive Compensation and Technology Strategy Committees), Bienvenido F. Nebres (Independent Director, Chairman of the Audit Committee and member of the Governance and Nomination Committee), Takashi Ooi, Oscar S. Reyes (Independent Director, member of the Audit, Governance and Nomination, Executive Compensation and Technology Strategy Committees) and Albert F. del Rosario (Chairman of the Executive Compensation Committee); Members of the Advisory Board/Committee – Artemio V. Panganiban, Orlando B. Vea (member of the Technology Strategy Committee) and Christopher H. Young.

² The total number of outstanding common shares as of the Record Date, April 12, 2010, was 186,797,312

Based on the certification by the Corporate Secretary on the existence of a quorum, the President declared the meeting duly convened and open for business.

The President requested the Corporate Secretary to announce the rules to facilitate the orderly conduct of the meeting. The Corporate Secretary informed the body that only holders of record of Common Stock as of April 12, 2010 are entitled to vote in the meeting and any stockholder who desires to ask a question must observe the following rules:

1. The stockholder must first identify himself and request to be recognized by the Chair;
2. The stockholder will be allowed to ask only one question and the Chair has the discretion to entertain or not to entertain the follow-up or second question;
3. The question must pertain to the item of the agenda presented for approval;
4. A maximum of three minutes will be allotted for any question or comments from the stockholder;
5. The stockholder must observe proper decorum;
6. In case the stockholder fails to observe the rules, the Chair has the discretion to declare him out of order and expel him from the floor.

With the permission of the body, the President requested the Chairman to take over the chairmanship of the meeting.

PRESIDENT'S REPORT

After greeting the stockholders and other attendees, the Chairman, Mr. Manuel V. Pangilinan proceeded to the next item on the Agenda and requested Mr. Napoleon L. Nazareno to render the President's Report.

The President's report is set out below. In the course of his report, there was a powerpoint presentation of the financial results and relevant operational information.

"It is with pride that I now present to you the highlights of the financial and operating results of the PLDT Group for both 2009 and the First Quarter of 2010.

I am pleased to report that 2009 was another banner year for PLDT. This was an achievement given the challenges we faced last year which included the lagged effect of the global financial crisis, and the two devastating typhoons that hit the country at the end of September.

Consolidated service revenues for the group increased by P2.8 billion to P145.6 billion in 2009 compared to 2008. This was principally driven by a 2 percent

increase in service revenues of our wireless business and a 4 percent growth in the fixed line business.

EBITDA for the group reached P86.2 billion, with EBITDA margin at 59 percent.

Reported net income for 2009 improved by 15 percent to P39.8 billion from P34.6 billion last year.

Core net income, or income excluding non-recurring items, grew by P3 billion, or 8 percent year-on-year, to P41.1 billion in 2009, representing earnings per share of P218.

Just a brief recap of the economic conditions that we operated in, in 2009:

- *OFW remittances remained strong but consumer spending was tightly controlled as families tempered consumption and increased savings*
- *Two bad typhoons hit the country at the end of September causing widespread destruction of agricultural production and homes, dampening the usual seasonal uptick in the fourth quarter*
- *On a positive note, the offshoring and outsourcing industry registered a 20 percent growth.*

Now, fast forward to 2010:

Remittances are expected to remain robust although consumer spend is expected to be impacted by the strengthening peso.

The severe drought brought by El Niño has lowered farm output and caused power shortages as well.

With the elections giving the new president a clear mandate and an expected peaceful transition of power, the business outlook seems positive.

Business recovery appears to be underway, with first quarter GDP exceeding expectation at 7 percent.

Although the general economic backdrop is improving, the telco industry faces new challenges arising from rapid changes in the industry dynamics.

Consumers continue to seek value for money, thus the sustained growth in multi-SIM ownership to access the best on-net promotions, and the preference for bucket and unlimited plans. Although the number of SMS sent continues to grow, yields are declining.

More people are also using broadband access to stay connected as they spend more and more time browsing the Internet, chatting, emailing, posting on Facebook, and generally keeping in touch via the web.

These changes in the industry landscape are the challenges we are trying to understand, harness, and respond to.

When we announced our full year results, we indicated then that 2010 would be a challenging year for the business, given industry developments. Our first quarter results do in fact show the impact of these anticipated changes in market dynamics as well as the strengthening of the peso.

Service revenues for the first quarter of 2010 declined by 1 percent to P36 billion compared to P36.4 billion in the first quarter of 2009. However, at a constant exchange rate, our consolidated revenues would have increased by 1 percent.

EBITDA for the first quarter of 2010 declined by 3 percent year-on-year to P21.2 billion, with EBITDA margin lower at 59 percent although at a similar level as that for the full year of 2009.

On the plus side, reported net income for the first three months of 2010 increased by 19 percent year-on-year to P11.4 billion. Core net income grew by 3 percent to P10.5 billion versus the first quarter of 2009.

Let me now discuss a few highlights of our various businesses.

Our broadband business continues to gain ground, with our combined subscriber base reaching 1.6 million at the end of 2009, and now at almost 1.9 million at the end of April.

Wireless broadband subscribers broke the one-million mark at the end of 2009 and grew by 22 percent to 1.3 million at the end of April.

DSL subscribers increased to nearly 600,000 at the end of April from about 560,000 at the end of 2009.

Our growth in broadband is anchored on the value proposition of superior capacity and quality underpinned by the strength of our fixed and wireless networks.

In 2009, broadband service revenues climbed by 25 percent to P13.8 billion. For the first quarter of 2010, broadband service revenues continued its momentum growing to P3.9 billion, or a 22 percent growth compared to the same period in 2009. Broadband now accounts for 9 percent of total PLDT Group service revenues.

Our initiatives in the area of broadband are geared towards shaping the market and harnessing its untapped potential. In addition to PLDT Group's superior

network, our leadership in broadband is enhanced by the availability of various DSL and wireless broadband offers which cater to the subscribers' varying budgets, usage patterns and preferences for speed.

Moving now to our wireless business, our mobile subscriber numbers continued to grow strongly in 2009.

The combined Smart subscriber base exceeded 41 million at the end of 2009. Total net adds for 2009 reached 6.1 million, of which 3.3 million were Buddy subscribers, while 2.7 million were Talk 'N Text or TNT subscribers.

Our subscriber base continues to reach new heights, having crossed the 44 million subscriber mark last month. While competition either showed decreases in subscriber base or a slowing down in net adds, Smart posted positive net adds in the last five quarters.

As part of our marketing strategy, we re-launched Red Mobile as an unlimited service targeting second SIM users in order to recapture the telco spend on the second SIM.

Despite intense competition from the other industry players, Smart maintained market leadership in both subscriber and revenue terms at approximately 55 percent and 59 percent, respectively at the end of 2009, and revenue market share improving to 60 percent at the end of the first quarter of 2010.

Wireless service revenues grew 2 percent to P95.8 billion in 2009, and accounted for 66 percent of consolidated group revenues. Growth in 2009 was driven by the 24 percent increase in wireless broadband revenues, and 4 percent rise in voice revenues, which more than offset the 1 percent decline in data revenues.

At the end of the first quarter of 2010, wireless service revenues declined by 1 percent year-on-year to P23.7 billion. Wireless broadband and voice revenues grew by 23 percent and 13 percent, respectively. On the other hand, data and satellite revenues decreased by 14 percent and 32 percent, respectively.

The change in market dynamics is felt most by our wireless business and is manifested in the revised revenue mix. Not since the first quarter of 2005 have voice revenues been higher than data revenues. As a result of the various offers designed to stimulate voice usage such as SmartTalk, SmartTalk Plus and Red Mobile unlimited, domestic call minutes grew 310 percent in 2009 compared to last year. Consequently, our voice revenues now account for 49 percent of total cellular revenues from 43 percent last year.

Looking forward, we expect voice and wireless broadband revenues to drive the overall growth of the wireless business.

The fixed line business maintained its growth momentum as seen in the 4 percent growth in 2009 service revenues to P51.1 billion over 2008. This was largely on account of the increase in corporate data and DSL service revenues, which more than offset the declines in LEC, NLD and ILD revenues.

In the first quarter of 2010, fixed line service revenues registered a 1 percent growth year-on-year to reach P12.9 billion. Corporate data and DSL revenues continue to drive this growth, propelled by higher revenues from SMEs as well as continued resiliency of the off-shoring and outsourcing industry as well as from the emerging recovery of the Philippine business.

At the end of 2009, our fixed line subscriber base registered a 2 percent increase to reach 1.8 million. The shift in our subscriber mix from a largely retail/residential base to more of corporate and SMEs continues. We continue to make available to our fixed line subscribers various offers designed to make the fixed line service relevant to them, whether these be landlines bundled with DSL, or business solutions for our corporate and SME customers. As soon as our NGN roll-out completes in early 2012, we expect to have even more flexibility to offer more products and services to our customer base.

The benefits of the rationalization of our BPO operations in 2008 started to become evident in the 2009 results.

ePLDT, our ICT business, registered a 5 percent increase in service revenues for 2009 reaching P10.9 billion and now accounting for 8 percent of total PLDT group service revenues. ePLDT's service revenues, being largely dollar-denominated, were again impacted by the 7 percent average appreciation of the peso in 2009.

To further improve the business, we restructured ePLDT. The call center and the BPO operations have been consolidated into SPi Global Solutions. The fast-growing data center business along with the rest of the ICT businesses remain under ePLDT.

Now for a few highlights on Meralco.

PLDT's 2009 results included P398 million equity share in earnings of Meralco for the period July 15 to December 31, 2009.

Our Meralco's full year results, revenues declined by 4 percent due to lower generation and transmission charges, offset by a slight increase in energy sales and the impact of the PBR approval effective May 2009.

Meralco's core income however grew 169 percent to P7 billion compared to previous year, while reported income increased by 114 percent to P6 billion year-on-year.

The Energy Regulatory Commission approved another rate hike of P0.27 per kilowatt-hour effective January 2010 which became effective May 2010. Meralco's subscriber base grew to 4.7 million at the end of 2009.

Following its recently approved dividend policy, Meralco declared a dividend of P3.15 per share paid in May 2010. This dividend is equivalent to 50 percent of 2009 core earnings per share.

The prospects of our investment in Meralco continue to look brighter. In addition, our joint teams have made significant progress in pursuing the various areas of synergy from both businesses.

PLDT group's capex for 2009 grew by P2.9 billion to P28.1 billion, as we continued to invest in the business, most especially in the growth of broadband and the continued roll-out of Next Generation Network facilities for our fixed line business.

For 2010, we expect our capex to be higher at P28.6 billion, reflecting our unrelenting support of the growth of the broadband business.

In 2009, in the midst of the global recession, we said we would take the long view and invest in the infrastructure of the future. That decision has proven to be the right one as we now leverage our investments to forge our leadership position in our various businesses.

The group's net debt declined to U.S. Dollar 1.3 billion at the end of 2009, with Net Debt to EBITDA at 0.6x. At the end of the first quarter 2010, net debt increased to U.S. Dollar 1.6 billion with Net Debt to EBITDA at 0.9x. PLDT's debt profile remains healthy, with maturities well spread out.

We do not expect to raise a significant amount of debt in 2010 and as a result, we expect our net debt to EBITDA to remain below 1x.

PLDT generated P44 billion of free cash flow in 2009. Although lower than previous year, our free cash flow of P44 billion is higher than our core income of P41.1 billion.

Almost P27 billion of free cash flow was utilized for our 20 percent investment in Meralco and for the tender offer to Piltel's minority shareholders. Another P38.6 billion were paid out in dividends and P1.8 billion were used for PLDT share buybacks.

For this year, our free cash flow position remains strong, having generated P12.8 billion in free cash flow during the first quarter of 2010 compared to 10.6 billion in the same quarter last year.

Consistent with our commitment to pay 70 percent of our core earnings as dividends, PLDT paid a regular dividend of P153 per share in 2009.

Following the Company's robust performance in 2009 and in accordance with the "look back" approach, a special dividend of P65 per share was also declared and paid. This brought total dividends for 2009 to P218 per share, or a 100 percent payout of our core earnings as dividends.

For this year, we remain committed to a 70 percent regular dividend payout and will again assess the possibility of any special dividends.

For 2010, PLDT must continue to strike a fine balance between protecting our traditional businesses where market dynamics are changing, while strengthening our leadership in the emerging area of broadband.

On one hand, we need to refine our strategies to respond to the impact of the high market penetration in the wireless space, aggressive competition, changing subscriber preferences and usage patterns. On the other hand, we must harness the growth that comes with improved economic conditions which will fuel demand from corporates and SMEs. We need to take the lead in shaping the future, riding on the growing demand for broadband. All these as we manage our costs and cash flows to ensure that we balance the provision of quality of service with fair returns to our shareholders.

I have said time and again that the PLDT group is never one to back down from a challenge. On behalf of the PLDT group organization, we renew our commitment to you, our shareholders, to aim to reach even higher peaks in 2010 and beyond.

Good afternoon and thank you for joining us today!"

The President then called on the Chairman to deliver his message and to discuss the Company's outlook and prospects for 2010 and beyond.

The Chairman's message is set out below.

"Let me start by saying how grateful I am to the men and women of PLDT, Smart and ePLDT for achieving another year of historic high profitability – six years in a row in fact, starting 2004 – to everyone who poured their hearts and their hopes last year, who knocked on doors and made sales calls, who drove for miles and climbed mountains to build our networks, who braved typhoons and floods to keep our service going, who worked so hard in our common enterprise.

Thank you to Rowel Selom of Smart for his inspiring example. At the height of typhoon Pepeng last year, Rowel traveled to Pangasinan on a dump truck to secure our base stations from 7-foot high floodwaters. He stayed overnight at our

cell site in Villasis and, despite injuries he suffered, built a makeshift raft to get help for his colleagues who did not know how to swim.

Thank you also to Christian Lim, who joined PLDT five years ago as a student camper on a probationary basis. He is now our most prolific innovator in our Small and Medium Enterprises, or SME Group. Christian has launched a series of ingenious DSL and hardware bundles which increased our average revenue per user from P3,000 to P4,500 per month. So we welcome him as our newest permanent executive of PLDT.

(Pictures of incidents during and after typhoons Ondoy and Pepeng were shown on the screen). The sight of flooded cities and of families stranded on rooftops of their watery homes due to typhoons Ondoy and Pepeng could be the defining image of 2009. Indeed, these photos are a metaphor for a turbulent year that was – storms that were both real and financial – which inflicted considerable harm on the economy, and on our people.

The Year 2009

As Polly reported to you, times are tougher for our business. It wasn't that way a few years ago. The financial crisis which started with the collapse of Lehman Brothers in September 2008 taught all of us about the "Black Swan" – a defining event which comes suddenly, and without any warning. But our business managed to escape that crisis, with margins still attractive and cash flows strong. But as we look ahead, market penetration at 85 percent on our cellular business can put a ceiling on our future growth, competitive bucket pricing is pushing usage on text and voice higher but without improvement in revenue, regulations have gotten tougher, and the new services – especially broadband – are driving revenues higher but at the penalty of lower margins. So our task as managers is precisely to understand these new challenges, shape the response, and move forward decisively into the new world, with new paradigms.

As a result, for the first time in a long while, growing our revenue line has been really challenging. Yet despite the obstacles, we produced strong financial results that have set another record profitability in 2009.

Thus, we were able to shatter again that highest glass ceiling last year, with over 40 billion cracks in it – with our P41 billion in net profit and 43 million fixed line, cellular and broadband users. And the light is shining through those cracks, illuminating the way forward, and filling us with the hope for our future.

Our core profit for the past six years – starting with P28 billion in 2004 and rising to P41.1 billion in 2009, translates to a compounded growth rate of 8 percent per year. PLDT was, and still remains, the country's most profitable company.

More importantly, our cash dividends these past six years show the following trajectory – P14 per share paid in 2004, escalating to P218 in 2009 – more than 15

times what was paid out six years ago. And in those six years, PLDT's dividends totaled P826 pesos per share – equivalent to about P153 billion cash dividends in aggregate. This makes your company the highest dividend paying company in the country.

The value of your shares in the stock exchange rose significantly in 2009. As I reported to you last year, PLDT's market cap dropped to P396.5 billion as of year-end 2008 because of the financial crisis in Wall Street. In December 2008, our share price stood at P2,115 per share. In 2009, we closed at P2,620 pesos per share, or an increase of 23 percent - equivalent to a market value of P489.4 billion – an improvement in the value of your Company of P92.9 billion. We remain the country's most valuable company.

Recognizing that status, Forbes Magazine in its May 2010 edition has ranked PLDT Number 1,080 of the world's 2,000 biggest listed companies – the highest-ranked Philippine firm in that global survey.

Broader Social Agenda

At this point, let me say a few words about our work in the area of Corporate Social Responsibility (CSR).

In 2009, we continued to pursue vigorously our CSR work through the PLDT-Smart Foundation and the Philippine Business for Social Progress. Our core programs relate to education such as Gabay Guro representing scholarships for teachers' education, livelihood by means of micro-finance and job creation, health care – tuberculosis in particular – where we recently obtained a grant in the equivalent amount of about P2.5 billion.

Last year, our social agenda was expanded by the force of unexpected events. Due to the destruction caused by Ondoy and Pepeng, we were asked by the government to lead the private sector in the overall rehabilitation effort. We established a private sector foundation called the Philippine Disaster Recovery Foundation or PDRF, to work hand-in-hand with the government commission.

PDRF has focused on these key projects for the past twelve months:

First, the improvement of the early warning capabilities of PAGASA which could help forecast possible flooding of Metro Manila. All 3 cellular companies – Smart, Globe and Sun – are now working with PAGASA to deploy automated rain gauges in their cell sites. And the first of these rain gauges was recently installed in a Smart cell site in Montalban, Rizal.

Second, we're providing technical assistance to MMDA to help repair its early warning and flood control system which has been out of operation since 2006.

Third, we're also working to review, update and consolidate all previous plans by the government for flood mitigation, control and management, plans which have practically slept for more than 30 years.

Fourth, PDRF is working with NGOs, government agencies and international aid organizations like the World Bank in developing innovative, low-cost housing for squatters living along Metro Manila waterways – such as the Pasig River, the Mangahan Floodway, and the Napindan Channel.

Finally, we're spearheading the development of a reforestation and upland livelihood program for the Marikina Watershed – the source of much of the floodwaters that inundate Metro Manila every year.

The task of reconstruction is undoubtedly a massive and enormous undertaking. We are dealing with deeply rooted problems that require considerable resources and the stout political will to overcome. But they are not beyond solution. Our experience with the PDRF has demonstrated that the private sector can collaborate with government in addressing a common problem. And although this public-private sector partnership is unprecedented but unproven, we simply cannot afford to be indifferent. The truth is – government alone cannot solve these problems.

Fast Forward Transformation

Before I close, and as we consider the future of PLDT, I would like to step back and describe the broader context under which PLDT would operate in the years to come.

Most critically, the slowing growth rates of the telco industry, not only here but elsewhere in the world, emphasizes the need to innovate, to explore new avenues for growth, and transform our people, processes and organization. Again, the time for change has come.

This broad view underscores the importance of our investment in Meralco, and the potentially significant synergies between PLDT and the water distribution, toll ways and hospitals of Metro Pacific Investments Corporation – not to mention the various media properties of MediaQuest Holdings – particularly TV5 and Signal TV – which provides direct broadcast satellite television service.

From that perspective, a telco like PLDT can become a provider of rich, multi-media services, and serve as a powerful enabler of vital infrastructure networks – through such future innovations as prepaid electricity, prepaid water, payment of toll way fees with cell phones, telemedicine, and broadband over power lines.

Our business in this country has significantly expanded since 1998, when we first invested in PLDT. Since then, as our portfolio of companies have expanded, our role and presence have correspondingly grown in size and diversity. Taken

together, we may be regarded as the biggest business group today – in terms of the core net profits we made – P55 billion in total, the cash flows we generated - P113.6 billion in EBITDA, and the market value of our companies listed in the exchange - P841 billion.

Conclusion: The Way Forward

I would like to now conclude by saying that I look forward to this year with continued optimism and confidence that we can do the job, that we can meet our budgets, that we can achieve our goal of realizing our core profitability that will be greater than last year's. Despite the fact that the European Union – Greece, Spain, Portugal, Iceland, and now Hungary – are under severe economic stress. And the U.S. economic recovery is looking tentative and fragile. Again, only 18 months after the collapse of Lehman Brothers, we see an economic storm brewing ahead of us.

We know the journey ahead will be long, and our climb will be steep. We know that we must stretch the boundaries of the possible through hard work, determination, and innovation. We know that we need to summon a new spirit of service and responsibility, where each of us resolves to pitch in, and work harder.

Let us remember that if the year 2009 taught us anything, it is that we rise or fall as one company, as one family. And what has been achieved in these past years give us hope for what we can, and must achieve, this year – and in the many years ahead.

Thank you so much for joining us and mabuhay kayong lahat!"

The Chairman asked if there are any questions on the President's Report. He reminded the body that only stockholders of the Company are entitled to ask questions and the stockholder should state his or her name before asking a question. He also reminded the body to observe the rules announced by the Corporate Secretary for the orderly conduct of the meeting.

There being no questions, the Chairman proceeded to the next item of the Agenda.

APPROVAL OF THE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009 CONTAINED IN THE COMPANY'S 2009 ANNUAL REPORT

The Chairman announced that the next item on the Agenda is the approval of the audited financial statements of the Company for the fiscal year ended December 31, 2009 contained in the Company's 2009 Annual Report.

The Chairman asked if there are any questions on the financial statements. There being none, a motion was duly made and seconded for the approval of the

audited financial statements of the Company for the fiscal year ended December 31, 2009.

The Chairman put the motion to a vote by show of hands. There being no objection to the motion, the Chairman declared that the Company's audited financial statements for the year ended December 31, 2009 are approved.³

ELECTION OF DIRECTORS INCLUDING INDEPENDENT DIRECTORS FOR THE ENSUING YEAR

The Chairman announced that the next item on the Agenda is the election of directors including independent directors of the Company for the ensuing year.

The Corporate Secretary announced the names of the persons nominated for election as directors/independent directors of the Company as follows:

Directors

Mr. Manuel V. Pangilinan	Atty. Ray C. Espinosa
Mr. Napoleon L. Nazareno	Mr. Tatsu Kono
Mr. Tony Tan Caktiong	Mr. Takashi Ooi
Mr. Donald G. Dee	Mr. Albert F. Del Rosario
Ms. Heien Y. Dee	

Independent Directors

Rev. Fr. Bienvenido F. Nebres	Mr. Oscar S. Reyes
Mr. Pedro E. Roxas	Mr. Alfred V. Ty

The Chairman informed the body that the Governance and Nomination Committee of the Board (the "Committee"), which is currently chaired by himself, with Rev. Fr. Bienvenido F. Nebres, Mr. Oscar S. Reyes, Mr. Alfred V. Ty and Mr. Tatsu Kono as voting members and Mr. Victorico P. Vargas and Ms. Ma. Lourdes C. Rausa-Chan as non-voting members, has reviewed and evaluated the background information of the persons nominated for election as directors/independent directors. The Committee has determined that the nominees possess all of the qualifications, and have none of the disqualifications for directorship, specified in the Company's Amended By-Laws and Manual on Corporate Governance and in the Committee Charter. In addition, the Committee has determined that the persons nominated for election as independent directors meet the independence criteria specified in SRC Rule 38, the Company's Amended By-Laws and Manual on Corporate Governance as well as the other independence

³ Total For Votes: 156,069,455 (156,682,857 proxy votes + 386,598 votes of holders of common shares present in person which were counted as FOR votes since none objected to the motion). Total Against Votes: 2,403 proxy votes. Total Abstain Votes: 2,179,780 (2,179,759 proxy votes + 21 votes of holder of common share present in person with ABSTAIN vote).

standards set by the Committee. None of them is involved in the Company's management or has any business or other relationships which could, or could be reasonably perceived to, materially interfere with the exercise of independent judgment in carrying out their responsibilities as independent directors. The Chairman further stated that four individuals have been nominated for election as independent directors surpassing the legal requirement that at least 2 independent directors or such independent directors shall constitute 20% of the members of the Board, whichever is fewer.

A stockholder who introduced himself as Atty. German Lichauco moved that all nominees be declared elected as directors since there are only 13 board seats and the 13 nominees are qualified to be elected as directors including Rev. Fr. Bienvenido F. Nebres, Mr. Pedro E. Roxas, Mr. Oscar S. Reyes and Mr. Alfred V. Ty, who are qualified to be elected as independent directors.

The Chairman then put the motion to a vote by show of hands. There being no objection to the motion, the Chairman instructed the Corporate Secretary to cast the votes and with more than two-thirds of the outstanding common shares having been voted in favor of the election of each of the nominees⁴ the Chairman declared the above-named nominees as the duly elected directors of the Company, with Rev. Fr. Bienvenido F. Nebres, Mr. Pedro E. Roxas, Mr. Alfred V. Ty and Mr. Oscar S. Reyes as independent directors

The Chairman introduced to the stockholders the newly re-elected directors who were present in the meeting.

The Chairman also informed the stockholders that at the Organizational Meeting following the Annual Meeting of Stockholders, the newly elected Board will

⁴ Stockholders have cumulative voting right for the purpose of election of directors.

Name	For All (A)	Withhold For All (B)	Exceptions (C)	Number of Proxy Votes [A + C] (D)	Number of Votes of Stockholders Present in Person (E)	Total For Votes [D + E] (F)
Mr. Donald G. Dee	157,555,060	81,181	154,471	157,709,531	2,693	157,712,224
Ms. Helen Y. Dee	157,555,060	81,181	113,235	157,668,295	2,693	157,670,988
Atty. Ray C. Espinosa	157,555,060	81,181	154,471	157,709,531	172,252	157,881,783
Mr. Tatsu Kono	157,555,060	81,181	154,759	157,709,819	2,693	157,712,512
Mr. Napoleon L. Nazareno	157,555,060	81,181	154,471	157,709,531	86,244	157,795,775
Rev. Fr. Bienvenido F. Nebres*	157,555,060	81,181	433,683	157,988,743	2,693	157,991,436
Mr. Takashi Ooi	157,555,060	81,181	113,523	157,668,583	2,693	157,671,276
Mr. Manuel V. Pangilinan	157,555,060	81,181	125,871	157,680,931	2,920,543	160,601,474
Mr. Oscar S. Reyes*	157,555,060	81,181	392,447	157,947,507	2,693	157,950,200
Mr. Albert F. del Rosario	157,555,060	81,181	154,183	157,709,243	1,822,758	159,532,001
Mr. Pedro E. Roxas*	157,555,060	81,181	422,029	157,977,089	2,693	157,979,782
Mr. Tony Tan Caktiong	157,555,060	81,181	154,759	157,709,819	2,693	157,712,512
Mr. Alfred V. Ty*	157,555,060	81,181	433,971	157,989,031	2,693	157,991,724

* Independent Director

vote for the appointment/election of the members of the Advisory Board, namely, Mr. Manuel M. Lopez, Former Chief Justice Artemio V. Panganiban, Mr. Roberto R. Romulo, Mr. Benny S. Santoso, Mr. Orlando B. Vea and Mr. Christopher H. Young. He introduced to the stockholders those who were present in the meeting.

OTHER MATTERS

The Chairman asked if there are other matters for discussion.

A stockholder congratulated the Board, management and staff of the Company for the Company's very healthy balance sheet for the year 2009. He also congratulated the Chairman for having been conferred the Order of Lakandula pursuant to Executive Order No. 236 issued by President Gloria M. Arroyo and for his appointment as the new Chairman of Meralco, effective July 1, 2010.

The same stockholder expressed that whenever he makes a telephone call from Bacoor, Cavite to Metro Manila, the call is billed as a long distance call. He asked if the Company can treat the call as a local call considering that the Company has enough earnings already. The President replied that management will look into this matter, and he then thanked the stockholder.

ADJOURNMENT

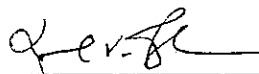
There being no further business presented, upon motion duly made, seconded and carried, the Chairman declared the meeting adjourned and conveyed his gratitude to the stockholders for attending the meeting and for their support.

CERTIFIED CORRECT BY:



MA. LOURDES C. RAUSA-CHAN
Corporate Secretary

ATTESTED BY:



MANUEL V. PANGILINAN
Chairman of the Board