



January 25, 2008

The Philippine Stock Exchange
4th Floor PSE Centre
Exchange Road, Ortigas Center
Pasig City

Attention: Atty. Pete M. Malabanan
Head, Disclosure Department

Ladies and Gentlemen:

We refer to your letter dated January 24, 2008 requesting us to confirm the information contained in the news article entitled "PLDT to buy back shares; Piltel to give dividends", published in the January 24, 2008 issue of the Philippine Daily Inquirer, quoted as follows:

"... Philippine Long Distance Telephone Co. (PLDT) and subsidiary Pilipino Telephone Inc. (Piltel) are considering buying back shares and declaring dividends, respectively, according to PLDT group chair Manuel Pangilinan.... Pangilinan said that the telco was set to top its 2006 core net income of P31.5 billion and reported income of P35.1 billion. 'Both at the level of core and reported we will (go) above' he said..."

PLDT affirms its commitment to capital management and will continue to assess options as to how to achieve the most efficient capital structure. This includes the possibility of a special dividend declaration to augment the Company's regular dividend payout of 70% on a "look back" approach, as well as a share buy-back, among others.

Regarding Mr. M. Pangilinan's comment that PLDT is set to top its 2006 core and reported net income of ₱31.5 billion and ₱35.1 billion, respectively, this statement is consistent with the Company's latest guidance for core income of ₱34.5-35 billion.

PLDT will announce its full year 2007 audited results on 4 March 2007.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Lourdes C. Rausa-Chan".

MA. LOURDES C. RAUSA-CHAN
Corporate Secretary

MLCRC:amq