



**PHILIPPINE LONG DISTANCE  
TELEPHONE COMPANY**

**2011**

**NOTICE AND AGENDA OF  
ANNUAL MEETING  
OF STOCKHOLDERS  
AND  
INFORMATION STATEMENT**



## PHILIPPINE LONG DISTANCE TELEPHONE COMPANY

### NOTICE AND AGENDA OF ANNUAL MEETING OF STOCKHOLDERS

NOTICE IS HEREBY GIVEN that the PHILIPPINE LONG DISTANCE TELEPHONE COMPANY (the "**Company**") will hold its Annual Meeting of Stockholders (the "**Annual Meeting**") on Tuesday, June 14, 2011, at 4:00 p.m., at the Grand Ballroom, Dusit Thani Manila, Ayala Center, Makati City, Philippines.

The Agenda of the Annual Meeting is as follows:

1. Call to order
2. Certification of service of notice and quorum
3. President's Report
4. Approval of the audited financial statements for the fiscal year ended December 31, 2010 contained in the Company's 2010 Annual Report
5. Election of 13 directors including 3 independent directors for the ensuing year
6. Approval of the issuance of up to 29,654,378 shares of common stock of PLDT, at the issue price of Php2,500 per share, as payment for the purchase price of properties to be acquired by the Company, consisting of the following:
  - (a) 3,277,135,882 shares of common stock of Digital Telecommunications Philippines, Inc. ("**Digitel**") owned by JG Summit Holdings, Inc. ("**JGS**") and certain other sellers;
  - (b) zero coupon bonds due 2013 and 2014 issued by Digitel and its subsidiary and held by JGS and its subsidiary, with an aggregate redemption value of Php17,745,459,286 as of December 31, 2010, which bonds are convertible or exchangeable into 18,603,265,971 common shares of Digitel, assuming a conversion or exchange date of June 30, 2011 and an exchange rate of Php43.405 per U.S. dollar;
  - (c) advances made by JGS to Digitel with a total principal amount plus accrued interest of Php34,118,544,087 as of December 31, 2010; and
  - (d) all of the remaining 3,079,840,418 shares of common stock of Digitel held by public shareholders tendered pursuant to the tender offer that will be conducted by the Company
7. Other business as may properly come before the meeting and at any adjournments thereof

The Board of Directors has fixed April 15, 2011 as the record date for the determination of stockholders entitled to notice of, and to vote at the Annual Meeting. Only holders of shares of common stock as at the record date will be entitled to vote at the Annual Meeting.

The stock and transfer books of the Company will not be closed.

IF YOU DO NOT EXPECT TO ATTEND THE ANNUAL MEETING, PLEASE EXECUTE AND RETURN THE PROXY FORM IN THE ENVELOPE PROVIDED FOR THAT PURPOSE.

By order of the Board of Directors.

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

**MA. LOURDES C. RAUSA-CHAN**  
Corporate Secretary

May 9, 2011



**PHILIPPINE LONG DISTANCE TELEPHONE COMPANY**  
**SEC Identification Number PW55**  
**BIR Tax Identification Number 000-488-793**  
**Telephone Number (632) 816-8405**

## **INFORMATION STATEMENT**

### **GENERAL INFORMATION**

Philippine Long Distance Telephone Company (the “**Company**” or “**PLDT**”) is a corporation incorporated under the laws of the Philippines, with principal office and mailing address at Ramon Cojuangco Building, Makati Avenue, Makati City 1200.

The Company has issued a total of 189,480,658 shares of common stock, out of which 115,167,285 shares were registered and 74,313,373 shares were issued in transactions exempt from the registration requirement under Section 6 of the Revised Securities Act/Section 10 of the Securities Regulation Code. A total of 186,756,547 shares out of the Company’s issued common stock remained outstanding as of the Record Date stated below.

A total of 194,987,181 shares of the Company’s common stock have been approved for listing on the Philippine Stock Exchange, of which 186,756,547 shares are actually listed. American Depositary Shares, each representing one share of the Company’s common stock, evidenced by American Depositary Receipts are listed on the New York Stock Exchange.

#### **Date, Time and Place of Meeting**

The Annual Meeting of Stockholders of the Company for the year 2011 (the “**Annual Meeting**”) will be held on Tuesday, June 14, 2011 at 4:00 p.m., at the Grand Ballroom, Dusit Thani Manila, Ayala Center, Makati City, Philippines.

#### **Record Date**

The record date for the purpose of determining the stockholders entitled to notice of, and to vote at, the Annual Meeting is April 15, 2011 (the “**Record Date**”).

#### **Approximate Date of First Release of the Information Statement and Proxy Form**

The approximate date on which this Information Statement and the Proxy Form will be first sent or given to the Company’s stockholders is on May 9, 2011.

#### **Dissenter’s Appraisal Right**

The proposed corporate actions to be voted upon at the Annual Meeting are not among the matters provided under Section 81 of the Corporation Code of the Philippines, with respect to which a dissenting stockholder may exercise his appraisal right.

#### **Interest of Certain Persons in or Opposition to Matters to be Acted Upon**

No director/independent director or officer or nominee for election as director/independent director and, to the best knowledge of the Board of Directors and Management of the Company, no associate of any of the foregoing

persons has any substantial interest, direct or indirect, by security holdings or otherwise in any matter to be acted upon at the Annual Meeting, other than election to office.

No director/independent director has informed the Company in writing that he intends to oppose any action to be taken at the Annual Meeting.

## CONTROL AND COMPENSATION INFORMATION

### Voting Securities

Only holders of shares of common stock as of the Record Date are entitled to vote at the Annual Meeting, either in person or by proxy.

As of the Record Date, the number of outstanding shares of common stock entitled to vote was 186,756,547 and each share is entitled to one vote.

A holder of shares of common stock present or represented by proxy at the Annual Meeting may vote such number of shares recorded in his name on the stock and transfer books of the Company as of the Record Date, for as many persons as there are directors to be elected or he may cumulate said shares and give one candidate as many votes as the number of directors to be elected multiplied by the number of his shares shall equal, or he may distribute them on the same principle among as many candidates as he shall see fit.

### Security Ownership of Certain Record and Beneficial Owners

The table below sets forth the record owners and, to the best knowledge of the Board of Directors and Management of the Company, the beneficial owners of more than five percent of the Company's outstanding shares of common stock, the number of shares owned by, and percentage of shareholdings of, each of them, as of the Record Date.

Title of Class	Name and Address of Record Owner and Relationship With Issuer	Citizenship	Name of Beneficial Owner and Relationship with Record Owner	Number of Shares Held	Percentage of Class
Common	Philippine Telecommunications Investment Corporation <sup>1</sup> 12th Floor Ramon Cojuangco Bldg. Makati Avenue, Makati City	Philippine Corporation	Same as Record Owner	26,034,263 <sup>2</sup>	13.94
Common	Metro Pacific Resources, Inc. <sup>3</sup> c/o Corporate Secretary 18th Floor, Liberty Center 104 H. V. dela Costa St. Salcedo Village, Makati City	Philippine Corporation	Same as Record Owner	15,745,172 <sup>2</sup>	8.43

<sup>1</sup> Based on a resolution adopted by the Board of Directors of Philippine Telecommunications Investment Corporation, or PTIC, the Chairman of the Board of PTIC, Mr. Manuel V. Pangilinan, has the continuing authority to represent PTIC at any and all meetings of the stockholders of a corporation in which PTIC owns of record or beneficially any shares of stock or other voting security, and to sign and deliver, in favor of any person he may deem fit, a proxy or other power of attorney, with full power of delegation and substitution, authorizing his designated proxy or attorney-in-fact to vote any and all shares of stock and other voting securities owned of record or beneficially by PTIC at any and all meetings of the stockholders of the corporation issuing such shares of stock or voting securities.

<sup>2</sup> In addition to the 26,034,263 shares and 15,745,172 shares of PLDT common stock owned on record by PTIC and Metro Pacific Resources, Inc., or MPRI, respectively, both of which are Philippine affiliates of First Pacific Company Limited, or First Pacific, 7,653,703 shares representing approximately 4.1% of the outstanding common stock of PLDT are owned by non-Philippine wholly-owned subsidiaries of First Pacific. PTIC, MPRI and the non-Philippine wholly-owned subsidiaries of First Pacific (referred to herein as "First Pacific Group") collectively owned 26.47% of the outstanding common stock of PLDT as of Record Date.

<sup>3</sup> Based on a resolution adopted by the Board of Directors of MPRI, Mr. Manuel V. Pangilinan has been appointed as proxy or duly authorized representative of MPRI to represent and vote the PLDT shares of common stock of MPRI in the Annual Meeting.

Common	NTT Communications Corporation <sup>4</sup> 1-1-6 Uchisaiwai-cho 1-Chome, Chiyoda-ku Tokyo 100-8019, Japan	Japanese Corporation	See Footnote 5	12,633,487	6.76
Common	NTT DoCoMo, Inc. <sup>6</sup> 41 <sup>st</sup> Floor, Sanno Park Tower 2-11-1 Nagata-cho, Chiyoda-ku Tokyo 100-6150, Japan	Japanese Corporation	See Footnote 5	18,234,821 <sup>7</sup>	9.76
Common	Social Security System <sup>9</sup> SSS Building East Avenue, Quezon City	Philippine Corporation	Same as Record Owner	5,024,789 <sup>9</sup>	2.69
Common	PCD Nominee Corporation <sup>10</sup> 37/F Enterprise Building, Tower I Ayala Ave. cor. Paseo de Roxas St., Makati City	Philippine Corporation	See Footnote 10	50,522,974	27.05
Common	J.P. Morgan Asset Holdings (HK) Limited <sup>11</sup> (various accounts) 20/F Chater House, 8 Connaught Road, Central, Hongkong	HongKong Corporation	See Footnote 11	47,546,685	25.46

<sup>4</sup> Based on publicly available information, NTT Communications Corporation, or NTT Communications, is a wholly-owned subsidiary of Nippon Telegraph and Telephone Corporation, or NTT. Based on a certification signed by a duly authorized officer of NTT Communications, Mr. Jun Sawada is authorized to execute for and on behalf of NTT Communications, endorsements, transfers and other matters relating to the PLDT shares of common stock held by NTT Communications.

<sup>5</sup> In publicly available reports filed by NTT Communications and NTT DoCoMo, Inc., or NTT DoCoMo, it is stated that because of NTT's ownership of all the outstanding capital stock of NTT Communications and a majority of the common stock of NTT DoCoMo, NTT, NTT Communications and NTT DoCoMo may be considered to constitute a "group" within the meaning of Rule 18.1(5)(C) of the Amended Implementing Rules and Regulations of the Philippine Securities Regulation Code. Therefore, each of them may be deemed to have beneficial ownership of the 39,401,561 shares in aggregate held by NTT Communications and NTT DoCoMo, representing 21.10% of the outstanding common stock of PLDT as of the Record Date.

<sup>6</sup> Based on publicly available information, NTT DoCoMo is a majority-owned and publicly traded subsidiary of NTT. Based on a certification signed by a duly authorized officer of NTT DoCoMo, Mr. Hajime Kii or Mr. Mutsuo Yamamoto is authorized to execute for and on behalf of NTT DoCoMo, endorsements, transfers and other matters relating to the PLDT shares of common stock held by NTT DoCoMo.

<sup>7</sup> The total PLDT shareholdings of NTT DoCoMo is 26,768,074 common shares, of which 18,234,821 are owned on record by NTT DoCoMo, and 8,533,253 are shares underlying American Depositary Shares, collectively representing 14.33% of the outstanding common stock of PLDT as of the Record Date.

<sup>8</sup> Based on a resolution adopted by the Social Security Commission, or SSC, Mr. Juan B. Santos, Chairman of the SSC, has been authorized to sign the proxy constituting the lawful attorney/proxy of the Social Security System, or SSS, with full power to represent and vote the PLDT shares of common stock of SSS in the Annual Meeting.

<sup>9</sup> The total PLDT shareholdings of SSS is 10,530,618 shares, of which 5,024,789 are owned on record by SSS and 5,505,829 shares are held on record by PCD Nominee Corporation, collectively representing 5.64% of the outstanding common stock of PLDT as of the Record Date.

<sup>10</sup> PCD Nominee Corporation, or PCD, is the registered owner of shares held by participants in the Philippine Depository and Trust Co., or PDTC, a private company organized to implement an automated book entry system of handling securities transactions in the Philippines. Under the PDTC procedures, when an issuer of a PDTC-eligible issue will hold a stockholders' meeting, the PDTC will execute a pro-forma proxy in favor of its participants for the total number of shares in their respective principal securities account as well as for the total number of shares in their client securities account. For the shares held in the principal securities account, the participant concerned is appointed as proxy with full voting rights and powers as registered owner of such shares. For the shares held in the client securities account, the participant concerned is appointed as proxy, with the obligation to constitute a sub-proxy in favor of its clients with full voting and other rights for the number of shares beneficially owned by such clients. Based on available information, none of the owners of the PLDT common shares registered under the name of PCD, owned more than 5% of PLDT's outstanding common stock as of the Record Date, except The Hongkong and Shanghai Banking Corp. Ltd.—Clients, which owned approximately 13.84% of PLDT's outstanding common stock as of such date. PLDT has no knowledge if any beneficial owner of the shares under The Hongkong and Shanghai Banking Corp. Ltd.—Clients owned more than 5% of PLDT's outstanding common stock as of the Record Date.

The PCD account also includes 5,505,829 shares of PLDT common stock beneficially owned by the SSS.

<sup>11</sup> JPMorgan Asset Holdings (HK) Limited holds shares as nominee of JPMorgan Chase Bank, successor depository under the Common Stock Deposit Agreement, dated October 14, 1994, as amended on February 10, 2003, between JPMorgan Chase Bank and the holders of American Depositary Receipts, or ADRs, evidencing American Depositary Shares, or ADSs, representing shares of common stock of PLDT (the "Deposit Agreement"). Under the Deposit Agreement, if the depository does not receive voting instructions from a holder of ADRs, such holder will be deemed to have instructed the depository to provide a discretionary proxy to a person designated by PLDT for the purpose of exercising the voting rights pertaining to the shares of common stock represented by such holder of ADRs, except that no discretionary proxy will be given with respect to any matter as to which substantial opposition exists or which materially and adversely affects the rights of the holders of such ADRs.

This account also includes 8,533,253 shares of PLDT common stock underlying ADS beneficially owned by NTT DoCoMo, and 13,525,292 shares of PLDT common stock underlying ADSs beneficially owned by Lazard Asset Management LLC, or LAMLLC.

Common	Lazard Asset Management LLC <sup>12</sup>	Delaware Corporation	See Footnote 12	13,525,292	7.24
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Except as stated above and in the related footnotes, the Board of Directors and Management of the Company have no knowledge of any other person who, as of the Record Date, was directly or indirectly the beneficial owner of, or who has voting power or investment power with respect to, shares comprising more than five percent of the Company's outstanding common stock.

### Change in Control

There has been no change in control of the Company since the beginning of 2010 and the Company is not aware of any existing or pending transaction which may result in such a change in control.

### Security Ownership of Directors and Key Officers

The table below sets forth the number of shares of PLDT common and preferred stock owned of record and/or beneficially by the directors/independent directors, Chief Executive Officer and key officers of the Company, and the percentage of shareholdings of each, as of the Record Date.

Title of Class	Name & Address of Beneficial Owner	Citizenship	Amount and Nature of Beneficial Ownership		Percentage Of Class
Common	Manuel V. Pangilinan Chairman of the Board 7/F Ramon Cojuangco Bldg. Makati Avenue, Makati City	Filipino	232,450	Direct	0.124467
			1,000	Indirect	0.000535
Preferred			360	Direct	0.000051
Common	Napoleon L. Nazareno Director President and CEO 7/F Ramon Cojuangco Bldg. Makati Avenue, Makati City	Filipino	6,427	Direct	0.003441
			13,500	Indirect	0.007229
Preferred			495	Direct	0.000070
Common	Helen Y. Dee Director 3/F Grepalife Bldg. Sen. Gil Puyat Ave., Makati City	Filipino	98	Direct	0.000052
Preferred			180	Direct	0.000025
Common	Ray C. Espinosa Director Regulatory Affairs and Policies Group 16/F Loocsin Bldg., Ayala Avenue cor. Makati Avenue, Makati City	Filipino	13,043	Direct	0.006984
			5,700	Indirect	0.003052
Preferred			-		-
Common	Tatsu Kono Director 6/F Ramon Cojuangco Building Makati Avenue, Makati City	Japanese	100	Direct	0.000054
Preferred			-		-
Common	Bienvenido F. Nebres Independent Director Ateneo de Manila University 2/F Xavier Hall, Loyola Heights Quezon City	Filipino	2	Direct	0.000001
Preferred			-		-

<sup>12</sup> According to the Schedule 13G/A of LAMLLC filed with the U.S. Securities and Exchange Commission on February 11, 2011 and SEC Form 18-AS filed with the Philippine SEC on February 15, 2011, LAMLLC, as an investment adviser, beneficially owned 13,525,292 shares of PLDT common stock. LAMLLC confirmed that all the 13,525,292 shares of PLDT common stock are underlying ADSs.

Common	Takashi Ooi Director	Japanese	1	Direct	0.000001
Preferred	Granpark Tower 3-4-1 Shibaura Minato-ku Tokyo 108-8118, Japan		-		-
Common	Oscar S. Reyes Director	Filipino	1	Direct	0.000001
Preferred	12/F Lopez Building Meralco Compound Ortigas Avenue, Pasig City		360	Direct	0.000051
Common	Pedro E. Roxas Independent Director	Filipino	21	Direct	0.000011
Preferred	7/F Cacho-Gonzales Bldg. 101 Aguirre St., Legaspi Village Makati City		540	Direct	0.000076
Common	Juan B. Santos Director	Filipino	2	Direct	0.000001
Preferred	12/F SSS Building Ayala Avenue cor. Herrera St. Makati City		360	Direct	0.000051
Common	Tony Tan Caktiong Director	Filipino	1	Direct	0.000001
Preferred	10/F Jollibee Plaza Emerald Avenue, Ortigas Center Pasig City		50	Direct	0.000007
Common	Alfred V. Ty Independent Director	Filipino	1	Direct	0.000001
Preferred	20/F GT Tower Ayala Avenue, Makati City		-		-
Common	Ma. Lourdes C. Rausa-Chan Director	Filipino	39	Direct	0.000021
Preferred	Corporate Secretary, Chief Governance Officer and Senior Vice President Corporate Affairs & Legal Services 9/F PLDT MGO Building Legaspi St. cor. Dela Rosa St. Makati City		660	Indirect	0.000353
			350	Direct	0.000050
Common	Anabelle L. Chua Treasurer and Senior Vice President Corporate Finance and Treasury	Filipino	11,258	Direct	0.006028
Preferred	26/F Smart Tower Ayala Avenue, Makati City		2,620	Indirect	0.001403
			-		-
Common	Ernesto R. Alberto Senior Vice President	Filipino	10,500	Indirect	0.005622
Preferred	Customer Sales & Marketing Group 7/F Ramon Cojuangco Bldg. Makati Avenue, Makati City		-		-
Common	Rene G. Bañez Senior Vice President	Filipino	1	Direct	0.000001
Preferred	Supply Chain, Asset Protection and Management Group 6/F Ramon Cojuangco Bldg. Makati Avenue, Makati City		540	Direct	0.000076
Common	Jun R. Florencio Senior Vice President	Filipino	15	Direct	0.000008
Preferred	Internal Audit and Fraud Risk Management 6/F MGO, Legaspi St. Makati City		530	Direct	0.000075

Common	Menardo G. Jimenez, Jr. Senior Vice President	Filipino	22	Direct	0.000012
Preferred	Human Resources Business Transformation Office 6/F Ramon Cojuangco Bldg. Makati Avenue, Makati City		-		-
Common	George N. Lim Senior Vice President	Filipino	5,256	Direct	0.002814
Preferred	Network Services Assurance Business Transformation Office Network Team 6/F Ramon Cojuangco Bldg. Makati Avenue, Makati City		100	Indirect	0.000054
			360	Direct	0.000051
Common	Claro Carmelo P. Ramirez Senior Vice President	Filipino	11,500	Direct	0.006158
Preferred	Office of the President & CEO 7/F Ramon Cojuangco Bldg. Makati Avenue, Makati City		-		-
Common	June Cheryl A. Cabal First Vice President	Filipino	-		-
Preferred	Financial Reporting and Controllershship 11/F Ramon Cojuangco Bldg. Makati Avenue, Makati City		-		-
Common	Key Officers and Directors (as a group)		280,238	Direct	0.150055
Preferred			34,080	Indirect	0.018248
			4,125	Direct	0.000584

Except for the shareholdings reported above, the Company has not received from any of the abovenamed directors/independent directors, Chief Executive Officer and key officers of the Company, any statement of ownership, whether of record or beneficially, of more than five percent of the Company's outstanding common stock as of the Record Date.

## Directors and Officers

### Term of Office

Each director of the Company holds office until the annual meeting of stockholders held next after his election and his successor shall have been elected and qualified, except in case of death, resignation, disqualification or removal from office. The term of office of the officers is coterminous with that of the Board of Directors that elected or appointed them.

In accordance with the Company's By-Laws, written nominations for election of directors including independent directors were submitted by certain stockholders to the Board of Directors through the President and Corporate Secretary at the Company's principal place of business at least sixty working days before the date of the Annual Meeting.<sup>13</sup>

All of the following incumbent directors/independent directors have been nominated for re-election as such at the Annual Meeting:

<sup>13</sup> Nominations for election of independent directors were made by various individuals and corporate stockholders including Mr. Alfredo B. Carrera, Mr. Celso T. Dimaricut, Ms. Ma. Criselda B. Guhit, Mr. Leo I. Posadas and Mr. Danny Y. Yu, Philippine Telecommunications Investment Corporation (PTIC), Metro Pacific Resources, Inc. (MPRI) and NTT Communications Corporation (NTT Communications). The nomination letters submitted by PTIC and MPRI were signed by Mr. Manuel V. Pangilinan. The nomination letter submitted by NTT Communications was signed by its authorized representative, Mr. Jun Sawada. The above mentioned individual and corporate stockholders have no material business or other relationship or affiliation with any of the nominees for election as independent directors.

Directors		Independent Directors
Helen Y. Dee Ray C. Espinosa Tatsu Kono Napoleon L. Nazareno Takashi Ooi Manuel V. Pangilinan Ma. Lourdes C. Rausa-Chan Oscar S. Reyes Juan B. Santos Tony Tan Caktiong		Bienvenido F. Nebres Pedro E. Roxas Alfred V. Ty

The Governance and Nomination Committee of the Board of Directors of the Company composed of Mr. Manuel V. Pangilinan as Chairman, Mr. Tatsu Kono as member, Rev. Fr. Bienvenido F. Nebres, Mr. Pedro E. Roxas and Mr. Alfred V. Ty as independent members, Former Chief Justice Artemio V. Panganiban as independent non-voting member, and Ms. Ma. Lourdes C. Rausa-Chan and Mr. Menardo G. Jimenez, Jr. as non-voting members, has determined that each of the incumbent directors/independent directors who have been nominated for re-election as such at the Annual Meeting, possesses all of the qualifications and has none of the disqualifications for directorship set out in the Company's By-Laws and Manual on Corporate Governance. In addition, the Governance and Nomination Committee has determined that each of the incumbent independent directors who have been nominated for re-election as such at the Annual Meeting meets the independence criteria set out in SRC Rule 38, the Company's By-Laws and Manual on Corporate Governance, and other standards set by the Governance and Nomination Committee. In general, they are not officers or employees of the Company or any of its subsidiaries, and they are free from any business or other relationships with the Company or any of its subsidiaries which could, or could reasonably be perceived to, materially interfere with the exercise of their independent judgment in carrying out their responsibilities as independent directors. Each of them has submitted a Certificate of Qualification as required by the Securities and Exchange Commission pursuant to its Notice dated October 20, 2006.

### **Background Information**

The following sets forth the background information of the nominees for election as directors/independent directors and officers, which includes their respective business experiences for at least the past five (5) years.

#### **A. Directors**

1. Mr. Manuel V. Pangilinan, 64 years old, has been a director of PLDT since November 24, 1998. He was appointed as Chairman of the Board of PLDT after serving as its President and Chief Executive Officer from November 1998 to February 2004. He is the Chairman of the Governance and Nomination and Technology Strategy Committees of the Board of Directors of PLDT. He also serves as Chairman of Smart Communications, Inc. ("**Smart**"), PLDT Communications and Energy Ventures, Inc. ("**PCEV**"), ePLDT, Inc. ("**ePLDT**"), SPi Technologies, Inc., SPi CRM, Inc., Metro Pacific Investments Corporation, Landco Pacific Corporation, Maynilad Water Services, Inc., Philex Mining Corporation, Manila North Tollways Corporation, Medical Doctors, Inc. (Makati Medical Center), Colinas Verdes, Inc. (Cardinal Santos Medical Center), Davao Doctors, Inc. and Our Lady of Lourdes Hospital. He is also a director and the President and Chief Executive Officer of Manila Electric Company (Meralco).

Mr. Pangilinan founded First Pacific Company Limited in 1981 and served as Managing Director until 1999. He was appointed as Executive Chairman until June 2003, when he was named as Chief Executive Officer and Managing Director. He also holds the position of President Commissioner of P.T. Indofood Sukses Makmur Tbk, the largest food company in Indonesia.

Outside the First Pacific Group, Mr. Pangilinan is the Chairman of the Board of Trustees of San Beda College, PLDT-Smart Foundation, Inc., the Hongkong Bayanihan Trust and the Philippine Business for Social Progress, the Vice Chairman of the Foundation for Crime Prevention, a private sector group

organized to assist the government with crime prevention, and a member of the Board of Trustees of Caritas Manila and Radio Veritas-Global Broadcasting Systems, Inc. In February 2007, he was named the President of the Samahang Basketbol ng Pilipinas (SBP), a newly formed national sport association for basketball, and effective January 2009, he assumed the chairmanship of the Amateur Boxing Association of the Philippines (ABAP), the governing body of amateur boxers in the country. In 2011, he was appointed a member of the ASEAN Business Advisory Council by the Office of the President of the Philippines.

Mr. Pangilinan has received numerous prestigious awards including the Ten Outstanding Young Men of the Philippines (TOYM) Award for International Finance (1983), the President Pamana ng Pilipino Award by the Office of the President of the Philippines (1996), Honorary Doctorate in Humanities by the San Beda College (2002), Best CEO in the Philippines by Institutional Investor (2004), CEO of the Year (Philippines) by Biz News Asia (2004), People of the Year by People Asia Magazine (2004), Distinguished World Class Businessman Award by the Association of Makati Industries, Inc. (2005), Management Man of the Year by the Management Association of the Philippines (2005), Order of Lakandula (Rank of a Komandante) by the Office of the President of the Philippines (2006), Honorary Doctorate in Humanities by the Xavier University (2007), and Global Filipino Executive of the Year (Asia CEO Awards 2010). He was also voted as Corporate Executive Officer of the Year (Philippines), Best Executive (Philippines) at the 2007 and 2008 Best-Managed Companies and Corporate Governance Polls conducted by Asia Money.

Mr. Pangilinan graduated cum laude from the Ateneo de Manila University, with a Bachelor of Arts Degree in Economics. He received his Master's Degree in Business Administration from Wharton School of Finance & Commerce at the University of Pennsylvania.

2. Mr. Napoleon L. Nazareno, 61 years old, has been a director of PLDT since November 24, 1998 and is a member of the Technology Strategy Committee of the Board of Directors of PLDT. He was appointed as President and Chief Executive Officer of PLDT on February 19, 2004 and is concurrently the President and Chief Executive Officer of Smart, PCEV and Connectivity Unlimited Resources Enterprise, Inc., positions he has held since January 2000, November 2004 and April 2008, respectively. He also serves as Chairman of several subsidiaries of Smart including Wolfpac Mobile, Inc., Smart Broadband, Inc., I-CONTACTS Corporation. His other directorships include Mabuhay Satellite Corporation where he is Chairman, President and Chief Executive Officer, ACeS Philippines Cellular Satellite Corporation where he is also the President, PLDT Global Corporation, ePLDT, Inc., SPi Technologies, Inc., SPi CRM Inc. and Manila Electric Company. He is a non-executive director of First Pacific Company Limited.

Mr. Nazareno's business experience spans several countries in over 30 years and his exposure cuts across a broad range of industries, namely, packaging, bottling, petrochemicals, real estate and, in the last decade, telecommunications and information technology. In 1981, he started a successful career in the international firm Akerlund & Rausing, occupying senior management to top level positions and, in 1989, became the President and Chief Executive Officer of Akerlund & Rausing (Phils.), Inc. In August 1995, he moved to Metro Pacific Corporation where he served as President and Chief Executive Officer until December 1999.

In November 2004, Mr. Nazareno was appointed by President Gloria Macapagal-Arroyo as Private Sector Representative of the Public-Private Sector Task Force for the Development of Globally Competitive Philippine Service Industries. In February 2006, he became part of the Private Sector Advisory Board of the Commission on Information and Communications Technology (CITC), under the Office of the President of the Philippines. Mr. Nazareno is also a board member of the GSM Association Worldwide and a director of the Wireless Applications Community (WAC), an international alliance of telecommunications companies. He is also the Chairman of the Board of Trustees and Governors of Asian Institute of Management, member of the Council of Advisors of the DLSU-Graduate School of Business and Philippine-Thailand Business Council, among others. He was voted Corporate Executive Officer of the Year (Philippines) for three consecutive years at the 2004, 2005 and 2006 Best-Managed Companies and Corporate Governance Polls conducted by Asiamoney.

Mr. Nazareno received his Master's Degree in Business Management from the Asian Institute of Management and completed the INSEAD Executive Program of the European Institute of Business Administration in Fountainbleu, France.

3. Ms. Helen Y. Dee, 67 years old, has been a director of PLDT since June 18, 1986. She is the Chairman or a director of several companies engaged in the banking, insurance and real property businesses and the President and/or Chief Executive Officer of GPL Holdings, Inc., House of Investments, Inc., Grepalife Asset Management Corporation, Grepalife Fixed Income Fund Corporation and Chairperson of Rizal Commercial Banking Corporation, RCBC Savings Bank and Malayan Insurance Company. Ms. Dee received her Master's Degree in Business Administration from De La Salle University.
4. Atty. Ray C. Espinosa, 55 years old, has been a director of PLDT since November 24, 1998. He is the Head of the Regulatory Affairs and Policies Group of PLDT since March 2008. He also serves as the President and Chief Executive Officer of MediaQuest Holdings, Inc., ABC Development Corporation (TV5), Mediascape, Inc. (Cignal TV), Nation Broadcasting Corporation and other subsidiaries of MediaQuest Holdings, Inc. and is the Vice Chairman of Philweb Corporation and the Board of Trustees of the PLDT Beneficial Trust Fund. He is a director of several companies engaged in electricity, mining, other public utility and media businesses.

Atty. Espinosa served as President and Chief Executive Officer of ePLDT, Inc. from August 21, 2000 until April 15, 2010. Prior to joining PLDT, he was a partner and member of the Executive Committee of the law firm Sycip Salazar Hernandez & Gatmaitan until June 2000. He topped the Philippine Bar examination in 1982 after graduating Salutatorian of Law Class 1982 from the Ateneo de Manila University and received his Master of Laws Degree from the University of Michigan Law School.

5. Mr. Tatsu Kono, 58 years old, has been a director of PLDT since March 28, 2006. He is a member of the Governance and Nomination, Executive Compensation and Technology Strategy Committees and advisor to the Audit Committee of the Board of Directors of PLDT. He is also the Chief Operating Advisor of PLDT. He joined NTT DoCoMo in 2000 and served as Executive Director of the Global Investment Group. In 2001, he was appointed as a member of the Board of Directors and Vice President In-Charge for Sales and Marketing of KG Telecom. He has been a Managing Director of Corporate Sales Department, Corporate Marketing Division of NTT DoCoMo since 2003. Prior to that, he occupied various management positions in Kokusai Denshin Denwa Co., Ltd. (KDD). Mr. Kono received his Bachelor of Law Degree from the Waseda University.
6. Rev. Fr. Bienvenido F. Nebres, S.J., 71 years old, has been a director of PLDT since November 24, 1998. He is the Chairman of the Audit Committee and a member of the Governance and Nomination and Executive Compensation Committees of the Board of Directors of PLDT. He is the President and a member of the Board of Trustees of the Ateneo de Manila University, the Chairman of the Board of Trustees of the Center for Leadership and Change, Inc., the Vice Chairman of the Board of Trustees of the Asian Institute of Management and a member of the Board of Trustees of several private educational institutions including Loyola School of Theology, and Sacred Heart School – Jesuit Cebu City. He is also a member of the Board of Trustees of Manila Observatory and Philippine Institute of Pure and Applied Chemistry. Rev. Fr. Nebres received his Ph.D in Mathematics from the Stanford University.
7. Mr. Takashi Ooi, 49 years old, has been a director of PLDT since November 6, 2007. He built his career in Nippon Telegraph and Telephone Corporation and its subsidiaries NTT Communications Corporation (NTT Communications) and NTT America. He is presently the Senior Vice President for Global Business of NTT Communications, in charge of product/service development and global network design/engineering and proposal/installation/delivery of global network and solutions for global multi-national companies. Prior to that, he held management positions in various departments of NTT Communications and served as Vice President for Product Management Global Division of NTT Communications, Director of NTT America and Technical Advisor to Telegent, Inc. Mr. Ooi obtained his Master of Science Degree in Physics and Master of Business Administration Degree from the University of Tokyo and Boston University, respectively.

8. Mr. Oscar S. Reyes, 65, has been an independent director of PLDT since April 5, 2005. Effective August 2010, his status changed to a regular director in view of his appointment as Senior Executive Vice President and Chief Operating Officer of Meralco. He serves as a member of the Technology Strategy Committee of the Board of Directors of PLDT. He is the Chairman of Link Edge, Inc. and MRL Gold Phils., Inc. and a director/independent director of various public companies and private firms engaged in electricity, banking, energy, financial and business advisory services, manufacturing, mining, shipping, real estate and related activities.

Mr. Reyes was the Country Chairman of the Shell Companies in the Philippines from 1997 to 2001 and concurrently the Managing Director of Shell Philippines Exploration B.V. until 2002. From 2002 to 2004, he was the Senior Management Adviser of Shell Exploration B.V. and from 2002 to 2006, the CEO Adviser of Pilipinas Shell Petroleum Corporation. Mr. Reyes completed the Master in Business Administration Program of the Ateneo Graduate School of Business and the Program in Management Development of Harvard Business School, and holds a Diploma in International Business from the Waterloo Lutheran University, Canada.

9. Mr. Pedro E. Roxas, 55 years old, has been a director of PLDT since March 1, 2001. He serves as a member of the Governance and Nomination, Audit and Executive Compensation Committees of the Board of Directors of PLDT. He is the Chairman and/or Chief Executive Officer/President of various business organizations in the fields of agri-business, sugar manufacturing and real estate development including Roxas Holdings Inc., Roxas and Company, Inc., Roxaco Land Corporation, Central Azucarera Don Pedro, Inc., Central Azucarera de la Carlota, Inc., Roxol Bioenergy Corporation, Fuego Land Corporation and Hawaiian Philippine Sugar Company, an independent director of Meralco and BDO Private Bank, and a director of Brightnote Assets Corporation. Mr. Roxas received his Bachelor of Science Degree in Business Administration from the University of Notre Dame, Indiana, U.S.A.

10. Mr. Juan B. Santos, 72 years old, has been a director of PLDT since January 25, 2011. He is the Chairman of Social Security Commission, a member of the Board of Directors of Alaska Milk Corporation, First Philippine Holdings Corporation, Grepalife Financials, Inc. Philex Mining Corporation and Zuellig Group, Inc., a member of the Board of Advisors of Coca Cola Bottlers Phils., Inc. and East-West Seeds Co., Inc., a trustee of St. Lukes Medical Center, and a consultant of the Marsman-Drysdale Group of Companies.

Mr. Santos retired as Chief Executive Officer of Nestle Philippines, Inc. (NPI) in 2003 and continued to serve as Chairman of NPI until 2005. Prior to his appointment as President and CEO of NPI, he was CEO of the Nestle Group of Companies in Thailand and Nestle Singapore Pte Ltd. He served as Secretary of Trade and Industry from February 2005 to July 2005. He obtained his Bachelor of Science Degree in Business Administration from Ateneo de Manila University and pursued post graduate studies at the Thunderbird Graduate School of Management in Arizona, USA and Advanced Management Course at IMD in Lausanne, Switzerland.

11. Mr. Tony Tan Caktiong, 58 years old, has been a director of PLDT since July 8, 2008. He is the Chairman and Chief Executive Officer of Jollibee Foods Corporation, a leader in the fastfood business, which owns and operates a chain of restaurants nationwide and abroad. He is also the Chairman of Jollibee Foundation, an independent director of First Gen Corporation, a director of Temasek Foundation, and a member of the Board of Trustees of St. Luke's Medical Center. Mr. Tan Caktiong honed his business skills by attending various courses and seminars in several educational institutions such as the Asian Institute of Management, Stanford University (Singapore) and Harvard University.

12. Mr. Alfred V. Ty, 43 years old, has been a director of PLDT since June 13, 2006. He serves as a member of the Audit, Governance and Nomination and Executive Compensation Committees of the Board of Directors of PLDT. He is the Vice Chairman of Toyota Motor Philippines Corporation, the Chairman of Lexus Manila, Inc. and Asia Pacific Top Management International Resources, Corp. (Marco Polo Plaza Cebu), the President of Federal Land, Inc., the Corporate Secretary of Metropolitan Bank and Trust Company and Metrobank Foundation, Inc., and a director of Global Business Power Corp. Mr. Ty

received his Bachelor of Science Degree in Business Administration from the University of Southern California.

13. Ms. Ma. Lourdes C. Rausa-Chan, 57 years old, was appointed as director of PLDT on March 29, 2011. She has been serving as Corporate Secretary, Corporate Affairs and Legal Services Head and Chief Governance Officer of PLDT since November 1998, January 1999 and March 2008, respectively. She also serves as Corporate Secretary of PCEV and several subsidiaries of PLDT. Prior to joining PLDT, she was the Group Vice President for Legal Affairs of Metro Pacific Corporation and the Corporate Secretary of some of its subsidiaries. Ms. Rausa-Chan obtained her Bachelor of Arts Degree in Political Science and Bachelor of Laws Degree from the University of the Philippines.

Except for Messrs. Tatsu Kono and Takashi Ooi who are Japanese citizens, all of the other directors/independent directors are Filipino citizens.

The following is a list of the directorships in other private and public companies of the directors named below.

Name of Director	Names of Companies	
	Public	Private
Helen Y. Dee	EEI Corporation (Regular Director) National Reinsurance Corporation of the Philippines (Regular Director/Chairman) Petro Energy Resources Corporation (Regular Director) Rizal Commercial Banking Corporation (Regular Director/Chairman) Seafront Resources Corporation (Regular Director) Bankard, Inc. (Regular Director)	AY Holdings, Inc. (Regular Director) Great Life Financial Assurance Corporation (Regular Director) Great Pacific Life Assurance Corp. (Regular Director) Hi-Eisai Pharmaceuticals, Inc. (Regular Director/Chairman) Honda Cars, Kaloocan (Regular Director) Honda Cars Philippines, Inc. (Regular Director) Isuzu Philippines, Inc. (Regular Director) La Funeraria Paz, Inc. (Regular Director/Chairman) Landev Corp. (Regular Director/Chairman) Malayan Insurance Company (Regular Director/Chairman) Manila Memorial Park Cemetery, Inc. (Regular Director/Chairman) Mapua Information Technology Center, Inc. (Regular Director/Chairman) Merchants Bank (Regular Director/Chairman) MICO Equities, Inc. (Regular Director) Pan Malayan Express (Regular Director) Pan Malayan Management and Investment Corporation (Regular Director/Vice Chairman) Pan Malayan Realty Corp. (Regular Director/Chairman) RCBC Forex Brokers Corp. (Regular Director/Chairman) RCBC Savings Bank (Regular Director/Chairman) South Western Cement Corporation (Regular Director/Chairman) Xamdu Motors, Inc. (Regular Director/Chairman)

Ray C. Espinosa	Cyber Bay Corporation (Regular Director) Lepanto Consolidated Mining Company (Independent Director) Manila Electric Company (Regular Director) Metro Pacific Investments Corporation (Regular Director) Philweb Corporation (Regular Director/ Vice Chairman)	ABC Development Corporation (Regular Director) Beacon Electric Asset Holdings, Inc. (Regular Director) Bonifacio Communications Corp. (Regular Director) ePDS, Inc. (Regular Director) Meralco PowerGen Corporation (Regular Director) Metro Pacific Assets Holdings, Inc. (Regular Director) Metro Pacific Resources, Inc. (Regular Director) Philippine Telecommunications Investment Corp. (Regular Director)
Oscar S. Reyes	Alcorn Gold Resources, Inc. (Independent Director) Ayala Land, Inc. (Independent Director) Bank of the Philippine Islands (Regular Director) Basic Energy Corporation (Independent Director) Manila Water Company, Inc. (Independent Director) Pepsi Cola Products Philippines, Inc. (Independent Director)	Mindoro Resources Ltd. (Regular Director) Petrolift, Inc. (Independent Director) Smart Communications, Inc. (Regular Director) Sun Life Dollar Advantage Fund, Inc. (Independent Director) Sun Life Dollar Abundance Fund, Inc. (Independent Director) Sun Life Financial Plans, Inc. (Independent Director)

## B. Officers

The table below sets forth the names, ages, positions and periods of service of the incumbent officers of the Company, all of whom will be nominated for re-election at the Organizational Meeting of the Board of Directors following the Annual Meeting.

Name	Age	Position	Period during which individual has served as such
Manuel V. Pangilinan	64	Chairman of the Board	February 19, 2004 to present
Napoleon L. Nazareno	61	President and Chief Executive Officer	February 19, 2004 to present
Ray C. Espinosa	55	Regulatory Affairs and Policies Head	March 4, 2008 to present
Ma. Lourdes C. Rausa-Chan	57	Corporate Secretary Senior Vice President Corporate Affairs and Legal Services Head Chief Governance Officer	November 24, 1998 to present January 5, 1999 to present March 4, 2008 to present
Anabelle L. Chua	50	Treasurer Senior Vice President Corporate Finance and Treasury Head	February 1, 1999 to present February 26, 2002 to present March 1, 1998 to present
Ernesto R. Alberto	50	Senior Vice President Customer Sales & Marketing Group Head Corporate Business Head	May 15, 2003 to present February 1, 2008 to present May 15, 2003 to January 31, 2008
Rene G. Bañez	56	Senior Vice President Supply Chain, Asset Protection and Management Group Head Chief Governance Officer	January 25, 2005 to present January 1, 2008 to present October 5, 2004 to March 3, 2008
Jun R. Florencio	55	Senior Vice President Internal Audit and Fraud Risk Management Head Audit and Assurance Head	June 14, 2005 to present February 16, 2006 to present Sept. 1, 2000 to February 15, 2006
Menardo G. Jimenez, Jr.	48	Senior Vice President Human Resources Head and Business Transformation Office Head Business Transformation Office Revenue	December 9, 2004 to present August 1, 2010 to present January 1, 2008 to July 2010

		Team Head Retail Business Head Corporate Communications and Public Affairs Head	June 16, 2004 to December 31, 2007 December 1, 2001 to June 15, 2004
George N. Lim	58	Senior Vice President Network Services Assurance Head Business Transformation Office Network Team Head Network Services Head	February 26, 1999 to present October 16, 2010 to present January 1, 2008 to present February 1, 2003 to December 31, 2007
Claro Carmelo P. Ramirez	51	Senior Vice President Office of the President and CEO Consumer Affairs Group Head International and Carrier Business Head Retail Business Head	July 1, 1999 to present January 1, 2008 to present December 5, 2005 to December 31, 2007 June 16, 2004 to December 4, 2005 February 1, 2003 to June 15, 2004
June Cheryl A. Cabal	37	First Vice President Financial Reporting and Controllershship Head	May 6, 2008 to present November 15, 2006 to present
Florentino D. Mabasa, Jr.	52	First Vice President Assistant Corporate Secretary	February 19, 2004 to present August 2, 1999 to present
Alejandro O. Caeg	51	First Vice President	March 1, 2009 to present
Alfredo B. Carrera	56	First Vice President	February 27, 2006 to present
Cesar M. Enriquez	58	First Vice President	February 19, 2004 to present
Leo I. Posadas	44	First Vice President	March 6, 2007 to present
Ricardo M. Sison	50	First Vice President	February 26, 2002 to present
Emiliano R. Tanchico, Jr.	55	First Vice President	May 8, 2001 to present
Miguela F. Villanueva	60	First Vice President	January 31, 2003 to present
Danny Y. Yu	49	First Vice President	May 6, 2008 to present
Katrina L. Abelarde	35	Vice President	May 6, 2008 to present
Jose A. Apelo	52	Vice President	June 14, 2005 to present
Rafael M. Bejar	53	Vice President	March 3, 2009 to present
Marco Alejandro T. Borlongan	43	Vice President	September 14, 2007 to present
Renato L. Castañeda	59	Vice President	March 3, 2009 to present
Arnel S. Crisostomo	52	Vice President	January 31, 2003 to present
Amihan E. Crooc	46	Vice President	September 14, 2007 to present
Rebecca Jeanine R. De Guzman	48	Vice President	March 1, 2003 to present
Alona S. Dingle	37	Vice President	March 26, 2010 to present
Margarito G. Dujali, Jr.	37	Vice President	August 31, 2010 to present
Mario C. Encarnacion	56	Vice President	January 25, 2000 to present
Alejandro C. Fabian	62	Vice President	February 27, 2006 to present
Gil Samson D. Garcia	39	Vice President	March 26, 2010 to present
Elisa B. Gesalta	52	Vice President	February 27, 2006 to present
Ma. Josefina T. Gorres	48	Vice President	June 14, 2005 to present
Ma. Criselda B. Guhit	48	Vice President	February 27, 2006 to present
Emeraldo L. Hernandez	53	Vice President	February 19, 2004 to present
Juan Victor I. Hernandez	37	Vice President	March 3, 2009 to present
Marven S. Jardiel	43	Vice President	March 26, 2010 to present
Alexander S. Kibanoff	47	Vice President	March 3, 2009 to present
Joseph Nelson M. Ladaban	46	Vice President	February 19, 2004 to present
Javier C. Lagdameo	46	Vice President	March 3, 2009 to present
Luis Ignacio A. Lopa	51	Vice President	March 26, 2010 to present
Joseph Homer A. Macapagal	41	Vice President	July 16, 2008 to present
Oliver Carlos G. Odulio	40	Vice President	March 6, 2007 to present
Lilibeth F. Pasa	53	Vice President	January 25, 2005 to present
Jose Lauro G. Pelayo	55	Vice President	January 25, 2005 to present
Gerardo C. Peña	59	Vice President	June 14, 2005 to present
Ricardo C. Rodriguez	52	Vice President	February 26, 2002 to present
Genaro C. Sanchez	49	Vice President	January 25, 2005 to present
Ana Maria A. Sotto	52	Vice President	March 6, 2007 to present
Julietta S. Tañeca	51	Vice President	March 6, 2007 to present
Jesus M. Tañedo	60	Vice President	January 1, 2001 to present
Patrick S. Tang	38	Vice President	August 31, 2010 to present
Victor Y. Tria	41	Vice President	March 26, 2010 to present
Melissa V. Vergel De Dios	48	Vice President	March 6, 2007 to present
Fe M. Vidar	62	Vice President	March 3, 2009 to present

All of the abovenamed officers are Filipino citizens.

Ms. Anabelle L. Chua, 50 years old, Treasurer and Corporate Finance and Treasury Head, concurrently holds the position of Chief Financial Officer of Smart since 2006. She holds directorships in Smart and several subsidiaries of PLDT and Smart including ePLDT, SPi Technologies, Inc., SPi CRM, Inc., PCEV, Wolfpac Mobile, Inc., Smart Broadband, Inc., Connectivity Unlimited Resources, Inc., Airborne Access Corporation, Smart Hub, Inc., and Chikka Holdings Limited. She is a member of the Board of Trustees of the PLDT Beneficial Trust Fund. She has over 20 years of experience in the areas of corporate finance, treasury, financial control and credit risk management and was a Vice President at Citibank, N.A. where she worked for 10 years prior to joining PLDT in 1998. She graduated magna cum laude from the University of the Philippines with a Bachelor of Science Degree in Business Administration and Accountancy.

Mr. Ernesto R. Alberto, 50 years old, Customer Sales and Marketing Group Head, leads all revenue generation relationship initiatives of PLDT including product/market development, product management, marketing, sales and distribution, and customer relationship management. He is the Chairman, director and/or President of PLDT Subic Telecom, Inc., PLDT Clark Telecom, Inc., PLDT-Philcom, Inc., PLDT-Maratel, Inc., Telesat, Inc., SBI-Cruztelco, Bonifacio Communications Corporation, Mabuhay Satellite Corporation, Smart NTT Multi-Media and NTT Communications Phils. He has over 20 years of work experience in the areas of corporate banking, relationship management and business development and, prior to joining PLDT in 2003, was a Vice President and Head of the National Corporate Group of Citibank N.A., Manila from 1996 to May 2003. He previously served as Vice President and Head of the Relationship Management Group of Citytrust Banking Corporation. Mr. Alberto obtained his Master's Degree in Economic Research from the University of Asia & the Pacific.

Mr. Rene G. Bañez, 56 years old, Supply Chain, Asset Protection and Management Group Head, was the Chief Governance Officer of PLDT from October 2004 to March 3, 2008 and the Support Services and Tax Management Group Head of PLDT from January 1999 to January 2001. He served as Commissioner of the Philippine Bureau of Internal Revenue from February 2001 to August 2002. Prior to joining PLDT, he was the Group Vice President for Tax Affairs of Metro Pacific Corporation for 3 years until December 1998. He holds directorships in some subsidiaries of PLDT. He obtained his Bachelor of Laws Degree from the Ateneo de Manila University.

Mr. Jun R. Florencio, 55 years old, Internal Audit and Fraud Risk Management Head, has over 25 years of work experience in the areas of external and internal audit, revenue assurance, credit management, information technology, financial management, and controllership. He was the Financial Controller of Smart for four years before he joined the Company in April 1999. He held various positions in the finance organization of another telecommunications company prior to joining Smart. Mr. Florencio obtained his Bachelor of Science Degree in Commerce, Major in Accounting from the University of Santo Tomas and attended the Management Development Program of the Asian Institute of Management.

Mr. Menardo G. Jimenez, Jr., 48 years old, Human Resources Group Head and concurrently Business Transformation Office Head, was Revenue Team Head of the Business Transformation Office from January 2008 to July 2010, the Retail Business Head of PLDT from June 2004 to December 31, 2007 and, prior to that, the Corporate Communications and Public Affairs Head. He had a stint at GMA Network, Inc., where he served as head of a creative services and network promotions. He won the first CEO Excel Awards (Communications Excellence in Organizations) given by the International Association of Business Communicators mainly for effectively using communications strategies in managing the PLDT retail business team to meet its targets and achieve new heights in the landline business. In 2006, his further achievements in handling the retail business of PLDT and his stint in Smart as officer-in-charge for marketing were recognized by the Agora Awards which chose him as its Marketing Man of the Year. Mr. Jimenez obtained his AB Economics Degree from the University of the Philippines.

Mr. George N. Lim, 58 years old, Network Services Assurance Head and concurrently Network Team Head of Business Transformation Office, has over 30 years of work experience in telecommunications management. He was the Network Services Head from February 2003 to December 2007, Network Development and Provisioning Head from February 1999 to January 2003 and Marketing Head from December 1993 to February 1999. Mr. Lim

holds directorships in some subsidiaries of PLDT. He obtained his Bachelor of Science Degree in Electrical Engineering from Mapua Institute of Technology and Master of Science Degree in Industrial Economics from the University of Asia and Pacific (formerly Center for Research and Communication).

Mr. Claro Carmelo P. Ramirez, 51 years old, has over 20 years of work experience in the field of marketing. Prior to joining PLDT, he held various managerial positions in Colgate Palmolive Philippines, Inc., and served as Associate Director for Global Business Development of Colgate Palmolive Company in New York and as Marketing Director of Colgate Palmolive Argentina, S.A.I.C. and Colgate-Palmolive Phils, Inc. While in PLDT, he was the group head for Consumer Marketing, Retail Business Group (RBG), International Carrier Business Group (ICBG), and Customer Care. He also held director positions in various PLDT subsidiaries and affiliates and served as President and CEO of PLDT Clark Telecom, Inc., PLDT Subic Telecom, Inc., and PLDT Maratel, Inc. He has recently been appointed President of Pilipinas Global Network Limited, the international distribution arm of TV 5. He graduated from the Ateneo de Manila University with a Bachelor of Arts Degree Major in Economics Honors program.

Ms. June Cheryl A. Cabal, 37 years old, Controller and Financial Reporting and Controllershship Head, is also a director and the chief financial officer/treasurer of certain subsidiaries of PLDT and the PLDT-Smart Foundation, Inc. She is also the Chief Finance Officer of the Philippine Disaster Recovery Foundation and the President of Tahanan Mutual Building and Loan Association. Prior to joining PLDT in June 2000 as an executive trainee in the Finance Group, she was a senior associate in the business audit and advisory group of Sycip Gorres Velayo & Co. She was the 2008 Young Achievers Awardee for Commerce and Industry conferred by the Philippine Institute of Certified Public Accountants. In March 2010, she was appointed as a member of the Financial Reporting Standards Council of the Philippines. Ms. Cabal obtained her Bachelor of Science Degree in Accountancy from De La Salle University and Master in Business Management Degree from the Asian Institute of Management.

Atty. Florentino D. Mabasa, Jr., 52 years old, Legal Services Center Head and Assistant Corporate Secretary, served as Acting Corporate Governance Compliance Officer of PLDT from January 2003 to October 2004. Prior to joining PLDT, he was Head of Asset Recovery Management and Legal Services of Export and Industry Bank. Atty. Mabasa obtained his Bachelor of Laws Degree from the Ateneo de Manila University.

Mr. Alejandro O. Caeg, 50 years old, is the President and Chief Executive Officer of PLDT Global Corporation and concurrently the Head of PLDT and Smart International & Carrier Business Groups. He is Smart's representative to the Conexus Mobile Alliance (one of Asia's largest cellular roaming alliances), where he was also designated as its Deputy Chairman since 2010. Prior to joining PLDT in 2009, he worked in PT Smart Telecom (Indonesia) as its Chief Commercial Strategy Officer from July 2008 to December 2008 and as Chief Commercial Officer from January 2006 to June 2008. He also held various sales, marketing and customer service-related positions in Smart Communications including that of Group Head of Sales and Distribution (2003-2005), Group Head of Customer Care and National Wireless Centers (1998-2001) and Marketing Head of International Gateway Facilities and Local Exchange Carrier (1997-1998). He also served as President and Chief Executive Officer of Telecommunications Distributors Specialist, Inc. in 2002 and as Chief Operations Adviser of I-Contacts Corporation (Smart's Call Center subsidiary) from 2001 to 2002. Mr. Caeg graduated from De La Salle University Manila with a Bachelor's Degree in AB Applied Economics.

Mr. Alfredo B. Carrera, 56 years old, Regulatory Strategy and Support Head, has been in PLDT's service for over 25 years and held various positions in the areas of economic planning, network traffic planning, market research and development and carrier relations. Mr. Carrera obtained his Master of Science in Industrial Economics Degree from the University of Asia & the Pacific. He has been a member of the Board of Directors of PLDT's subsidiary, Bonifacio Communications Corporation (BCC).

Mr. Cesar M. Enriquez, 58 years old, Customer Services and Operations Head, has been in PLDT's service from August 2001. He was Vice President of National Retail Sales until February 2003, Vice President for Corporate Sales and Administration until October 2003 and Corporate Business Operations Officer until December 2007. He has extensive banking experience and was the Head of Branches of Citytrust Banking Corporation for 16 years and Head of Consumer Banking of Standard Chartered Bank for 10 years. He obtained his Bachelor of

Science Degree in Business Administration from the University of St. La Salle and Special Studies from the Asian Institute of Management.

Mr. Leo I. Posadas, 44 years old, Treasury Center Head, has been in PLDT's service since September 2000. He handles the cash management and the foreign exchange and interest rate exposures of the Company. Prior to that, he served as Treasury Manager of Total Petroleum Philippines from 2000 to 2001. He also served as Manager for Foreign Exchange Management of San Miguel Corporation. Mr. Posadas obtained his Bachelor of Science Degree in AB Economics and Commerce Major in Finance from the De La Salle University.

Mr. Ricardo M. Sison, 50 years old, Consumer Credit and Business System Management Head, has been in PLDT's service for over 14 years and held various positions in the areas of business systems management, billing, credit, collection and support services for Retail, SME and Carrier Business. He also oversees BSS/OSS transformation projects. He obtained his Bachelor of Science Degree in Business Management from the Ateneo de Manila University.

Mr. Emiliano R. Tanchico, Jr., 55 years old, Human Resources Management and Development Sector Head, has been in PLDT's service for over 20 years. He is in-charge of recruitment and placement, payroll and benefits administration, human resources information system, training and development, career management, industrial and employee relations, and medical services. He graduated with a Master of Science Degree in Guidance Counseling from the De La Salle University and took up Master in Business Administration – Senior Executive Program at the Ateneo de Manila University. He attended various training courses at the United States Telecommunications Institute and Netherlands Post and Telephone Training Academy.

Ms. Miguela F. Villanueva, 60 years old, Cost and Evaluation Head, has been in PLDT's service for over 30 years and held various positions in the areas of pricing, strategic marketing and research, revenue planning, cost and valuation. In October 2008, she was appointed as Business Transformation Office Program Officer in a concurrent capacity. Ms. Villanueva graduated with a Master of Arts Degree in Economics from the University of the Philippines and a Master in Accountancy Degree from the Polytechnic University of the Philippines.

Mr. Danny Y. Yu, 49 years old, joined the Company in March 1999 under the Office of the President and Chief Executive Officer. He was appointed as Chief Financial Officer of ePLDT, Inc. in December 2010. Prior to that, he was assigned to PLDT Global Corporation and served as its Chief Financial Officer from June 2004 to November 2010. He also served as Chief Financial Officer of Mabuhay Satellite Corporation and Aces Philippines Cellular Satellite Corporation from March 1999 to July 1999. Prior to joining PLDT, he was Vice President for Corporate Development of Fort Bonifacio Development Corporation from May 1997 to March 1999 and First Vice President of PDCP Development Bank from October 1998 to March 1999. Mr. Yu graduated with a Master in Management Degree from the Asian Institute of Management.

Ms. Katrina L. Abelarde, 35 years old, Small and Medium Enterprises Business Head, has been in PLDT's service since December 2000 and held various positions in the areas of corporate sales and relationship management. Prior to joining PLDT, she served as Client Services Assistant of Standard Chartered Bank from September 1996 to September 1997 and Senior Sales Manager of Makati Shangri-la Manila from September 1997 to November 2004. She obtained her AB- Interdisciplinary Studies Degree from the Ateneo de Manila University.

Mr. Jose A. Apelo, 52 years old, Outside Plant Network Services Head, has been in PLDT's service for over 25 years and held various positions in engineering operations. He was the Visayas Business District Head from July 2003 until February 2008. He obtained his Bachelor of Science Degree in Mechanical Engineering from the Mapua Institute of Technology.

Dr. Rafael M. Bejar, 53 years old, Medical Services Head, has been in PLDT's service for over 15 years. His past positions were Company Physician under Medical and Dental Services, Liaison Doctor, Manager of Metro Manila Medical Services and Manager of Provincial Medical Services. He obtained his Doctor of Medicine Degree from the Far Eastern University.

Mr. Marco Alejandro T. Borlongan, 43 years old, Customer Service Management Head, joined the Company in March 2007 as an Assistant Vice President in the Consumer Affairs Group and was the Consumer Service Delivery Head until June 2008. Prior to joining PLDT, he served as a Group Manager of Metro Pacific Corporation and as Executive Vice President and Chief Operating Officer of Nation Broadcasting Corporation. He obtained his Bachelor of Science Degree in Industrial Management Engineering from the De La Salle University.

Mr. Renato L. Castañeda, 59 years old, Corporate Relationship Management C Head, has been in PLDT's service for over 30 years and held various positions in the areas of sales and marketing. He is a director of Smart NTT Multimedia, Inc. He obtained his Bachelor of Science Degree in Electronics and Communications Engineering from the University of Santo Tomas.

Mr. Arnel S. Crisostomo, 52 years old, Simple Services Provisioning and Restoration Management Head, has been in PLDT's service for over 30 years and held various positions in the areas of outside plant engineering, quality control and inspection, customer services, facilities records management, fixed products marketing and sales, and outside plant operations. He was also involved in the conceptualization and implementation of several process improvement programs of the Company. He obtained his Bachelor of Science Degree in Electrical Engineering from the Mapua Institute of Technology.

Ms. Amihan E. Crooc, 46 years old, Officer-in-Charge of Information Systems Sector and concurrently the Head of IS Application Development and Management Center, has been in PLDT's service for over 20 years and held various positions in computer operations, IS application, development and management. She obtained her Bachelor of Science Degree in Applied Mathematics Major in Actuarial Science from the University of the Philippines.

Ms. Rebecca Jeanine R. De Guzman, 48 years old, Retail Sales and Distribution Head, has been in PLDT's service since March 2003. Prior to joining PLDT, she was the Chief Operating Officer of C Quadrant Corporation from April 2000 to February 2003, the General Manager for Provincial Sales and Operations (January 1997 to May 1999) and for NCR/Luzon Sales and Operations (June 1999 to August 2000) of Telecommunications Specialists, Inc. Ms. De Guzman graduated with a Bachelor of Arts Degree in Business Administration from Maryknoll College.

Ms. Alona S. Dingle, 37 years old, Financial Reporting Head, joined the Company in July 2002 and served as Manager until July 2004 then as Senior Manager until October 2005 for Subsidiaries and Affiliates Accounting. She was a Senior Manager for Financial Business Consolidation until April 2007 and Assistant Vice President for Financial Reporting until March 25, 2010. Prior to joining PLDT, she served as Audit Manager of Isla Lipana & Co., a member firm of PricewaterhouseCoopers, formerly Joaquin Cunanan & Co., from 1995 to May 2002 and as Accountant of Menzi & Co., Inc. from 1994 to 1995. Ms. Dingle obtained her Bachelor in Accountancy Degree from the Polytechnic University of the Philippines.

Mr. Margarito G. Dujali, Jr., 37 years old, Marketing Head of PLDT myDSL-Retail Data Acquisition, joined the Company in February 2001 and served as PLDT NDD's Senior Product Manager until May 2003 and Assistant Vice President for Long Distance Services until June 2003. He was Assistant Vice President for Retail Voice Usage (PLDT NDD, IDD, Cards) until January 2008 and Assistant Vice President-Category Head for Retail Data Acquisition (PLDT myDSL) until July 2010. Prior to joining PLDT, he served as Junior Consultant of Asian Investments, Limited from 1994 to 1997 and as Senior Product Manager, Brand Management Group for MobileBusiness (Globe Handyphone) of Globe Telecom from 1997 to 2000. Mr. Dujali obtained his Bachelor of Arts in Social Sciences Degree and Master of Arts in Communication Research Degree from the University of the Philippines.

Mr. Mario C. Encarnacion, 56 years old, was appointed as Customer Services Head of the Business Transformation Office in October 2008. He has been in PLDT's service for over 30 years and held various positions in the areas of inside and outside plant engineering, construction management and strategic projects coordination. Prior to his present position, he was the Mindanao Business District Head from July 2003 and

President of PLDT-Maratel, Inc. from April 2003 to June 2008. Mr. Encarnacion graduated with a Bachelor of Science Degree in Electronics Engineering from the University of Santo Tomas.

Mr. Alejandro C. Fabian, 62 years old, Industrial Relations Center Head, has been in PLDT's service for over 35 years and held various positions in the areas of training, manpower administration and industrial relations. He is responsible for developing and implementing industrial and employee relations programs that promote and maintain harmonious labor-management relations as well as assisting line management in the administration of the Company's personnel policies and grievance machinery. Mr. Fabian obtained his Bachelor of Science Degree in Commerce from the Philippine College of Commerce.

Mr. Gil Samson D. Garcia, 39 years old, Head of Revenue Management and Cash Assurance, joined the Company in February 2007 and served as Assistant Vice President for Financial Reporting and Controllershship, heading the Revenue and Cash Accounting until March 25, 2010, and as Vice President of Revenue and Cash Accounting until July 2010. Prior to joining PLDT, he was a Senior Director until January 2007 of the Business Risk Services Group of SyCip Gorres Velayo and Company, where he started his career in November 1992, gaining a wide-range of experiences in various industries, here and abroad, both for public and private sectors, in external audit, internal audit, finance/accounting, business process review and advisory, Sarbanes-Oxley (SOX) evaluation & consultancy, risk management, corporate governance, and business fraud investigation and detection, among others. Mr. Garcia graduated cum laude from the University of Santo Tomas with a Bachelor of Science Degree in Commerce, Major in Accounting. He is a Certified Public Accountant and a globally – Certified Internal Auditor and Certified Fraud Examiner.

Ms. Elisa B. Gesalta, 52 years old, Network Services Program Management Head, has been in PLDT's service for over 25 years and held various positions in engineering operations and provisioning and project management. She obtained her Bachelor of Science Degree in Electronics and Communications Engineering from the University of Santo Tomas.

Ms. Ma. Josefina Tabuena-Gorres, 48 years old, PLDT Corporate Billing and Credit Management Head, has been in PLDT's service since June 2001. She is also the Smart Enterprise Business Group's Customer Operations and Support Head in a concurrent capacity since November 2010. Prior to joining PLDT, she was Head of Quality Management-Sales & Marketing Division of Piltel from November 1997 to June 2001. Ms. Gorres obtained her Bachelor of Science Degree in Business and Economics from the De La Salle University.

Atty. Ma. Criselda B. Guhit, 48 years old, Tax Management Sector Head, joined the Company in January 2000 and served as Tax Compliance Center Head until February 2001 and Coordinator of the Tax Management Sector until February 2006. Prior to joining PLDT, she was the Senior Manager for Tax Affairs of Metro Pacific Corporation. In 2009, she served as President of the Tax Management Association of the Philippines, Inc. Atty. Guhit is both a Certified Public Accountant and a lawyer. She obtained her Juris Doctor Degree from the Ateneo de Manila University.

Mr. Emerald L. Hernandez, 53 years old, Network Operations Head, has been in PLDT's service for over 30 years and held various positions in the technical operations of access, transport and core/data networks nationwide. He graduated with a Bachelor of Science Degree in Electronics and Communications Engineering from Pamantasan ng Lungsod ng Maynila.

Mr. Juan Victor I. Hernandez, 37 years old, Corporate Business Head and concurrently Corporate Relationship Management B Head, joined the Company in October 2000 as Executive Trainee under the Corporate Business Group. He served as Head of Corporate Credit Management from August 2001 to February 2003. He then served as Head of PLDT Corporate Business Group – Visayas from 2003 to 2005 and, thereafter, as Convergence Business B Head until July 2009. He obtained his BS Agricultural Economics Degree from the University of the Philippines and Masters in Business Management Degree from the Asian Institute of Management.

Ms. Marven S. Jardiel, 43 years old, Corporate Process Review and Information Management Head, has been in PLDT's service for over 20 years and held various positions in the areas of performance report and statistics,

strategy and business development support and corporate process review and information management. She is the Officer-In-Charge and General Manager of Telesat, Inc. Ms. Jardiel graduated cum laude from the University of Santo Tomas with a Bachelor of Science Degree in Mathematics and is an MBA Candidate from the Ateneo de Manila Graduate School of Business.

Mr. Alexander S. Kibanoff, 47 years old, Training, Development and Career Management Head, has been in PLDT's service for over 15 years and held various positions in the areas of corporate planning and executive development. He obtained his Master in Communication and Economics Degree from the University of Wollongong, New South Wales, Australia.

Mr. Joseph Nelson M. Ladaban, 46 years old, Consumer Credit and Collection Management Head, has been in PLDT's service since March 2000 and held various positions in the areas of billing, credit and collection. Prior to joining PLDT, he spent 12 years in Citibank with the Retail Bank and Credit Card operations group. He then moved to Asia Capital as Vice President and Head for Credit Cards and Marketing Service. He obtained his Bachelor of Science Degree in Business Management from the Ateneo de Manila University.

Mr. Javier C. Lagdameo, 46 years old, Vice President and Head of Corporate Relationship Management, joined PLDT in November 2003 as a Senior Manager under the Corporate Business Group. From February 2005 to December 2006, he was seconded to Smart and served as Corporate Business Group Advisor. Prior to joining PLDT, he served as Director at Leechiu & Associates, FPD Savills Philippines, Inc., FPD Savills Property Management, Inc. and Senior Vice President, Pacific Plaza Towers – Metro Pacific Corporation. Mr. Lagdameo obtained his Bachelor of Arts Degree in Business Administration from Dominican University of California, San Rafael, CA. USA.

Mr. Luis Ignacio A. Lopa, 51 years old, Corporate Marketing Services Head, has been in PLDT's service for over 15 years and held various positions in the areas of accounts management, sales and marketing. He obtained his Bachelor of Science and Bachelor of Arts Degrees Major in Business Management and Applied Humanities from De La Salle University.

Mr. Joseph Homer A. Macapagal, 41 years old, Property and Facilities Management Head, joined the Company in July 2008. Prior to that, he served as Head for Corporate Real Estate Services of Standard Chartered Bank Manila and as Deputy General Manager for Asset Services of CB Richard Ellis. He had stints with First Pacific Davies Property Management, Incorporated and Cityland Development Corporation as Property Manager. He obtained his Bachelor of Science Degree in Civil Engineering from the University of Santo Tomas.

Atty. Oliver Carlos G. Odulio, 40 years old, Asset Protection Center Head for both PLDT and Smart, has been in PLDT's service since July 2000 and has held various offices in the areas of supply chain management and support services, which covers procurement, logistics, fleet and aviation management. Prior to joining PLDT, he served as an Associate of Tan, Acut & Lopez Law Offices from 1998 to June 2000. Atty. Odulio obtained his Juris Doctor Degree from the Ateneo de Manila University.

Ms. Lilibeth F. Pasa, 53 years old, Retail Market Development Head, joined the Company in September 2000. She is in charge of Retail Business Group's revenue management, retail pricing management, demand forecasting, retail customer products/and information, and retail products and usage studies. Prior to that, she was the Director for Rates and Tariffs of Piltel from April 1997 to September 2000. Ms. Pasa obtained her Bachelor of Science Degree in Statistics and Master of Arts Degree in Economics from the University of the Philippines.

Mr. Jose Lauro G. Pelayo, 55 years old, GMM South/West Business District Head, has been in PLDT's service for over 25 years and held various positions in engineering operations. He was GMM East Operations Head from January 2001 to June 2003 and GMM West Business District Head from July 2003 to February 2008. Mr. Pelayo obtained his Bachelor of Science Degree in Electrical Engineering and Master's Degree in Business Administration from the Mapua Institute of Technology.

Mr. Gerardo C. Peña, 59 years old, GMM North/East Business District Head, has been in PLDT's service for over 30 years and held various positions in Regional and GMM operations. He was GMM North Business District Head from January 2001 to February 2008. Mr. Peña obtained his Bachelor of Science Degree in Electrical Engineering from the University of the East.

Mr. Ricardo C. Rodriguez, 52 years old, Compensation and Rewards Planning and Management Center Head, handles compensation and rewards/incentive planning and management for officers, executives, supervisory and rank-in-file employees. He has been in PLDT's service for over 20 years and held various positions in the areas of systems, management audit, executive development and organization development. Mr. Rodriguez obtained his Bachelor of Science Degree in Industrial Engineering and Master in Business Administration Degree from the University of the Philippines.

Mr. Genaro C. Sanchez, 49 years old, Network Planning Head and concurrently coordinator of International Network Operations, has been in PLDT's service for over 25 years and held various positions in the areas of submarine cable projects, carrier relations, business support systems management, carrier product development and marketing, network planning and engineering and international cable system and gateway operations. He has a Master in Business Administration Degree from the De La Salle University and a Bachelor of Science in Electronics and Communications Engineering Degree from Mapua Institute of Technology.

Ms. Ana Maria A. Sotto, 52 years old, OSS Program Director under the Business Transformation Office, has been in PLDT's service for over 30 years and held various positions in the areas of customer service delivery management, corporate operations support and computer and network operations. She obtained her Bachelor of Science Degree in Industrial Engineering from the University of the Philippines.

Ms. Julieta S. Tañeca, 51 years old, Consumer Business System and Support Management Head, has been in PLDT's service for over 20 years and held various positions in information system planning and billing system. She was the Billing Systems Management Division Head from January 2004 until February 2008. Ms. Tañeca graduated with a Bachelor of Science Degree in Management and Industrial Engineering from the Mapua Institute of Technology.

Mr. Jesus M. Tañedo, 60 years old, Visayas-Mindanao Business District Head and concurrently the President of PLDT-Maratel, Inc. and PLDT Philcom, Inc., was the North Luzon Business District Head until January 2008. Prior to joining PLDT in January 2001, he worked for 16 years with the Philippine Export & Loan Guarantee Corporation, the export credit agency of the Philippine government and held the position of Executive Vice-President from 1987 to 2007. Mr. Tañedo obtained his Bachelor of Science Degree in Business Management from the Ateneo de Manila University.

Mr. Patrick S. Tang, 38 years old, Retail Voice Acquisition-Postpaid Head, joined the Company in September 2000 and served as Product Manager for Consumer Market Products until January 2001, as Senior Product Manager for Local Services until 2003, and as Senior Product Manager for Retail Voice Acquisition until February 2004. He was Assistant Vice President for Retail Voice Acquisition until February 2006 and Assistant Vice President for Retail Voice Acquisition-Postpaid until July 2010. Prior to joining PLDT, he served as Assistant Product Manager for International Long Distance Marketing of Bayan Telecommunications Holdings Corporation from March 2000 to August 2000. Mr. Tang obtained his Bachelor of Arts Degree in Social Sciences from the Ateneo de Manila University.

Mr. Victor Y. Tria, 41 years old, Corporate Business Solutions Head, handles product development and management of the Corporate Business Group. He joined the Company in March 2003 and served as Senior Manager for IP Solutions Category until December 2005 and as Senior Manager for Domestic Data Business Management Category until March 2006. He was Assistant Vice President for Domestic Data Business Management Category from April 2006 to January 2008 and Corporate Business Solutions until March 25, 2010. Prior to joining PLDT, he held various managerial positions in Eastern Telecommunications Phils., Inc. until February 2003, with a brief engagement as Manager of Enhanced and Web Hosting Services in Cable and Wireless, U.S.A Vienna, VA. U.S.A. from July 1999 to January 2000. Mr. Tria Obtained his Bachelor of Science Degree in Electronics and Communications Engineering from the University of Santo Tomas.

Ms. Melissa V. Vergel de Dios, 48 years old, Investor Relations Head, joined the Company in May 2001 and served as Property Management Center Head until May 2003 and as Property and Facilities Management Center Head until September 2007. Prior to joining PLDT, she was the Chief Operating Officer of Wharton Credit Corp. and Group Chief Finance Officer of Global 3 Internet Holdings, Inc. from June 2000 to May 2001. She held various positions in San Miguel Group of Companies from 1984 to 2000. Ms. Vergel de Dios obtained her Bachelor of Science Degree in Marketing and Management and Bachelor of Arts Degree in Economics from Assumption College.

Ms. Fe M. Vidar, 62 years old, Organization, Policies and Procedures Development Head, has been in PLDT's service for over 40 years and held various positions in the areas of customer services, internal audit, systems, and organization, policies, procedures, and development. She is also the Treasurer of Metro South Cooperative Bank since 2009. She obtained her Bachelor of Science Degree in Commerce from the Far Eastern University and Master of Science Degree in Business Administration from the Pamantasan ng Lungsod ng Maynila.

In addition to the aforementioned officers, Mr. Rolando G. Peña was designated, in January 2011, as the Technology Head for PLDT and Smart and is responsible for developing and overseeing the Technology Roadmap for the PLDT Group. He heads the evaluation, analysis, execution of the accelerated network build-out program encompassing fixed, wireless, broadband and IT networks of PLDT and Smart. He is a director of Smart and some subsidiaries of Smart and PLDT. Mr. Peña has over 28 years of experience in telecommunication operations. From 2008 to January 2011, he was the Customer Service Assurance Group Head of PLDT and Smart. From 1999 to 2007, he was the Head of Network Services Division of Smart and prior to joining Smart in 1994, he was the First Vice President in charge of Technical Operations of Digital Telecommunications Philippines, Inc. Mr. Peña obtained his Electronics and Communications Engineering Degree from Pamantasan ng Lungsod ng Maynila and is a Fellow at the Telecommunications Management Institute of Canada (TEMIC).

### **Family Relationships**

None of the directors/independent directors and officers of the Company or persons nominated to become directors/independent directors or officers of the Company has any family relationships up to the fourth civil degree either by consanguinity or affinity.

### **Involvement in Certain Legal Proceedings**

The Company is not aware, and none of the directors/independent directors and officers or persons nominated for election to such positions has informed the Company, of any of the following events that occurred during the past five (5) years: (a) any bankruptcy petition filed by or against any business of which a director/independent director or officer or person nominated for election as a director/independent director or officer was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time; (b) any conviction by final judgment in a criminal proceeding, domestic or foreign, or any criminal proceeding, domestic or foreign, pending against any director/independent director or officer or person nominated for election as a director/independent director or officer, except as noted below; (c) any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, domestic or foreign, permanently or temporarily enjoining, barring, suspending or otherwise limiting the involvement of any director/independent director or officer or person nominated for election as a director/independent director or officer in any type of business, securities, commodities or banking activities; and (d) any finding by a domestic or foreign court of competent jurisdiction (in a civil action), the Securities and Exchange Commission or comparable foreign body, or a domestic or foreign exchange or electronic marketplace or self regulatory organization, that any director/independent director or officer or person nominated for election as a director/independent director or officer, has violated a securities or commodities law or regulation, and the judgment has not been reversed, suspended, or vacated.

The following is a description of the complaints in which our director and President and Chief Executive Officer, Mr. Napoleon L. Nazareno and our director and Corporate Secretary, Ms. Ma. Lourdes C. Rausa-Chan are respondents:

1. Mr. Napoleon L. Nazareno and other directors and officers of the former PDCP Bank (PDCP) and some officers of the Bangko Sentral ng Pilipinas (BSP) and Development Bank of the Philippines (DBP) (hereinafter the "Respondents"), were charged in a complaint docketed as I.S. No. 2004-631 filed by Chung Hing Wong/Unisteel/Unisco Metals, Inc. (the "Complainants") with the Department of Justice (DOJ), for alleged syndicated estafa, estafa thru falsification of documents, other deceits, malversation and robbery. In the complaint-affidavit, the Complainants alleged that the officers and directors of PDCP deceived the Complainants to secure a loan from PDCP through misrepresentation and with the sinister purpose of taking over the Complainants' corporation. As stated in Mr. Nazareno's counter-affidavit, the charges against him are manifestly unmeritorious since he has not personally met the Complainants, nor is he a party to the questioned transactions and, as such, could not have deceived the Complainants in any manner. The complaint was referred to the Office of the Ombudsman (OMB) by the DOJ on October 30, 2007 considering that some of the Respondents are public officers and the offenses charged were committed in the performance of their official functions.

Meanwhile, on July 23, 2008, the Complainants filed with the DOJ a Motion for Reconsideration of a Resolution of the DOJ dated September 7, 2007 dismissing their complaint. It appears that prior to forwarding the case records to the OMB, the DOJ has prepared a Resolution recommending the dismissal of all the charges against the Respondents but did not release the said Resolution to the parties because it wanted the OMB to conduct a review of the DOJ Resolution in view of the fact that some of the Respondents are public officers.

In an Order dated July 30, 2008, the OMB confirmed that it was conducting a review of the said DOJ Resolution for the abovestated reason and that its authority relative to the case forwarded to it by the DOJ is limited to conducting a review of the DOJ Resolution and not to conduct another preliminary investigation of the case.

In the OMB's Review and Recommendation dated November 28, 2008, the OMB approved the DOJ Resolution dated September 7, 2007 dismissing the complaint and referred the case to the DOJ for appropriate action.

The Complainants filed separate Motions for Reconsideration before the DOJ and OMB on July 16, 2008 and December 1, 2009, respectively. On December 16, 2009, the DOJ issued a Resolution denying the Complainants' Motion for Reconsideration for lack of merit. In response, the Complainants filed a Petition for Review with the Secretary of Justice on March 2, 2010. Mr. Nazareno and the other Respondents have filed their respective Comments to the petition, which remain pending to date with the Office of the Secretary of Justice.

With respect to the Complainants' Motion for Reconsideration with the OMB, the latter issued an Order dated December 4, 2009 denying the same and affirming its Review and Recommendation of November 28, 2008. In response, the Complainants filed a Petition for Certiorari with the Court of Appeals ("CA") on July 12, 2010. In a Resolution dated July 26, 2010, the CA dismissed the petition for lack of jurisdiction. The Complainants filed a Motion for Reconsideration on August 17, 2010. Acting on the said motion, the CA issued a Resolution dated September 1, 2010, requiring the Respondents to file their Comment to the motion. On September 28, 2010, the Respondents through counsel filed their Opposition to the Complainants' Motion for Reconsideration. In a Resolution dated December 1, 2010, the CA noted the respective Comments and/or Opposition filed by the Respondents and considered the Complainants' Motion for Reconsideration submitted for resolution.

2. Ms. Ma. Lourdes C. Rausa-Chan and other former corporate secretaries/assistant corporate secretaries of Steniel Cavite Packaging Corporation, Metro Paper and Packaging Products, Inc., AR Packaging Corporation and Starpack Philippines Corporation, are respondents in a complaint docketed as OMB C-C-04-0363-H (CPL No. C-04-1248), filed with the OMB. The complaint is for alleged: (a) violation of Republic Act No. 3019 (otherwise known as the Anti-Graft and Corrupt Practices Act); (b) estafa through

falsification of public documents; (c) falsification of public documents under Article 171, in relation to Article 172, of the Revised Penal Code (RPC); (d) infidelity in the custody of public documents under Article 226 of the RPC; and (e) grave misconduct. It relates to various tax credit certificates (allegedly fraudulent, with spurious and fake supporting documents) issued to Victory Textile Mills, Inc. (allegedly, a non-existent corporation with fictitious incorporators and directors) and transferred to several companies including the aforesaid companies. The complaints against Ms. Rausa-Chan involve the first two offenses only and in her capacity as corporate secretary of Metro Paper and Packaging Products, Inc. In the opinion of the legal counsel of Ms. Rausa-Chan, there are no legal and factual bases for her inclusion as respondent in this complaint. Ms. Rausa-Chan had no participation or involvement in the alleged anomalous acquisition and transfer of the subject tax credit certificates. The case is still pending with the OMB.

## **Compensation**

The table below sets forth the aggregate amount of compensation paid in 2009 and 2010 and estimated amount of compensation expected to be paid in 2011: (1) to the Chief Executive Officer and four most highly compensated officers of the Company, as a group; and (2) to all other key officers, other officers and directors, as a group.

Name and Principal Position	Year	Salary <sup>14</sup> (In Million)	Bonus <sup>15</sup> (In Million)	Other Compensation <sup>16</sup> (In Million)
1. Napoleon L. Nazareno President & CEO <sup>17</sup>				
2. Anabelle L. Chua Senior Vice President				
3. Ernesto R. Alberto Senior Vice President				
4. Ma. Lourdes C. Rausa-Chan Senior Vice President				
5. Menardo G. Jimenez, Jr. Senior Vice President				
CEO & four most highly compensated key officers	Actual 2009 <sup>18</sup>	47	10	52
	Actual 2010	51	12	225
	Projected 2011	55	14	46
All other key officers, other officers and directors as a group (excluding the CEO and four most highly compensated key officers)	Actual 2009	204	54	246
	Actual 2010	232	61	1,087
	Projected 2011	227	62	215

Each of the directors of the Company is entitled to a director's fee for each meeting of the Board of Directors attended. In addition, the directors who serve in the committees of the Board of Directors, namely, the Audit, Governance and Nomination, Executive Compensation and Technology Strategy Committees, are each entitled to a fee for each committee meeting attended.

<sup>14</sup> Basic Monthly Salary

<sup>15</sup> Includes Longevity Pay, Mid-year Bonus, 13<sup>th</sup> Month Pay and Christmas Bonus

<sup>16</sup> Includes Variable Pay and other payments. Variable Pay is based on an annual incentive system that encourages and rewards both individual and group/team performance and is tied to the achievement of Corporate/Unit/Customer Satisfaction Objectives. It covers regular officers and executives of the Company and is based on a percentage of their Guaranteed Annual Cash Compensation. Included in the 2010 figure is the amount of cash award under the Long Term Incentive Plan paid in May 2010.

<sup>17</sup> The President & CEO receives compensation from Smart but not from PLDT.

<sup>18</sup> The four most highly compensated officers of the Company in 2009 were the following: Ms. Anabelle L. Chua, Mr. Victorico P. Vargas, Mr. Ernesto R. Alberto and Ms. Ma. Lourdes C. Rausa-Chan.

On January 27, 2009, the Board of Directors of the Company approved the increase in director's fee to P200,000 from P125,000, for Board meeting attendance and to P75,000 from P50,000, for Board Committee meeting attendance. The director's fee was last adjusted in July 1998. The Executive Compensation Committee recommended the increase taking into consideration PLDT's profitability growth (versus Board remuneration) and the results of the survey on Board remuneration conducted by Watson Wyatt, which showed that PLDT directors' remuneration consisting only of fees for meeting attendance were below the median of directors' remuneration among the participating companies consisting of fees for meeting attendance and/or retainer fees and profit share.

Except for the fees mentioned above, the directors are not compensated, directly or indirectly, for their services as such directors.<sup>19</sup>

## **Incentives and Benefits Plans**

### **A. Executive Stock Option Plan**

On April 27, 1999 and December 10, 1999, the Board of Directors and stockholders, respectively, approved the establishment of a Executive Stock Option Plan (the "ESOP") pursuant to which stock options were granted to management executives, which include officers with the rank of Vice President up to President, executives with the rank of Manager up to Assistant Vice President, and advisors/consultants engaged by the Company. A total of 1,289,745 shares of common stock of the Company had been allocated for the ESOP. Stock options granted under the ESOP became fully vested in December 2004. An option holder may exercise his option to purchase the number of vested shares of common stock underlying his option, in whole or in part, at the price of P814 per share, subject to adjustment upon the occurrence of specific events described in the ESOP. The option exercise period ended on December 9, 2009.

The key officers of the Company were granted options to purchase a total of 206,942 shares of common stock, all of which had been exercised as of December 9, 2009, the last day of the option exercise period.

The total shares of common stock allocated for options granted to all the officers of the Company, as a group, was 402,510, out of which a total of 402,509 shares of common stock had been exercised as of December 9, 2009.

### **B. Long Term Incentive Plan**

On August 3, 2004, PLDT's Board of Directors approved the establishment of a Long Term Incentive Plan (the "LTIP1") for eligible executives, officers and advisors of PLDT and its subsidiaries, which was administered by the Executive Compensation Committee. The LTIP1 was originally a four-year cash-settled share based plan covering the period January 1, 2004 to December 31, 2007 (the "LTIP1 Performance Cycle"). The payment was intended to be made at the end of the LTIP1 Performance Cycle (without interim payments) contingent upon the achievement of the approved target increases in PLDT's common share price by the end of the LTIP1 Performance Cycle and the cumulative consolidated net income target for the LTIP1 Performance Cycle.

On August 28, 2006, PLDT's Board of Directors approved the broad outline of the PLDT Group's strategic plans for 2007 to 2009 focusing on the development of new revenue streams to drive future growth while protecting the existing core communications business. To ensure the proper execution of the three-year strategic plans, particularly with respect to the manpower resources being committed to such plans, a new Long Term Incentive Plan (the "LTIP2") covering a three-year period of performance commencing on January 1, 2007 and ending on December 31, 2009 (the "LTIP2 Performance Cycle") was approved by PLDT's Board of Directors. LTIP2 follows the same general framework as LTIP1. As a result of the establishment of LTIP2, PLDT's Board of Directors also approved the early vesting under LTIP1 by the end of year 2006. The awards pay-out for LTIP2

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<sup>19</sup> The aggregate amount of per diems paid to the directors for their attendance in Board and Board Committee meetings is included in Other Compensation. The total amount of per diems paid in 2009 and 2010 were P35,650,000.00 and P35,275,000.00 respectively. The total amount of per diems estimated to be paid in 2011 is P38,700,000.00.

was made in the second quarter of 2010 based on the attainment of the cumulative consolidated net income target for the LTIP2 Performance Cycle.

On July 7, 2010, PLDT's Board of Directors approved the third Long Term Incentive Plan (the "LTIP3") covering the performance cycle January 1, 2010 to December 31, 2012 (the "LTIP3 Performance Cycle"). LTIP3 aims to focus the efforts and attention of officers and executives on the achievement of the long-term strategic plans and objectives of the PLDT group including new business strategies in respect of fixed and wireless broadband, next generation network products and services and expansion in the outsourcing and communications technology areas. Under LTIP3, selected officers and executives shall be attributed an Individual Target Award. The Actual Award under LTIP3 is contingent on the achievement of the cumulative consolidated core earnings target by the end of the Performance Cycle and the consolidated core earnings target for each year of the Performance Cycle.

### C. Benefit Plan

The Company has a trustee, non-contributory defined benefit plan (the "Benefit Plan") covering all permanent and regular employees. The Benefit Plan provides benefits upon normal retirement beginning at age 65, early retirement beginning at age 50 or completion of at least 30 years of credited service, voluntary separation beginning at age 40 or completion of at least 15 years of credited service, total and physical disability, death and involuntary separation. Benefits are based on the employee's final monthly basic salary and length of service.

Except as provided in the plans described above, there are no other agreements or arrangements pursuant to which officers and directors of the Company may be entitled to receive any cash or non-cash compensation, or any benefits or payments in case of termination of employment or a change in control of the Company.

## CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Except for the Related Party Transactions described in Note 24 to the audited financial statements contained in the Company's Annual Report for the year 2009 and Note 24 to the audited financial statements contained in the Company's Annual Report for the year 2010, there has been no material transaction during the last two fiscal years, nor is there any material transaction currently proposed, to which the Company or any of its subsidiaries was or is to be a party in which any incumbent director/independent director or officer of the Company, or any person nominated for election to such positions, or any owner of more than ten percent of the Company's outstanding voting stock, or any member of the immediate family of any of the foregoing, had or is to have a direct or indirect material interest. In the ordinary course of business, the Company has transactions with other companies in which some of such persons or former officers of the Company or its subsidiaries may have an interest, but these transactions have been negotiated on an arm's length basis and are not material.

No director/independent director or officer of PLDT or associate of any director/independent director or officer of PLDT was indebted to PLDT at any time during the past two years.

### Issuance of PLDT Shares of Common Stock as Payment of the Purchase Price for the Acquisition of Shares of Stock, Convertible Bonds and Advances

#### Description of the Proposed Transactions

- A. On March 29, 2011, the Company and the Sellers (as this term is defined below) (collectively, the "**Parties**") entered into a Sale and Purchase Agreement (the "**Agreement**") under which the Company has agreed to purchase all the rights, title and interest in and to the assets described below (the "**Acquisition**"):
  1. a total of 3,277,135,882 shares of common stock of Digital Telecommunications Philippines, Inc. ("**Digitel**"), representing approximately 51.55% of the issued and outstanding capital stock of Digitel (the "**Sale Shares**") registered in the names of, and/or beneficially owned by, JG Summit Holdings, Inc. ("**JGS**"), Express Holdings, Inc. ("**Express Holdings**" and together with JGS, the "**JGS Group**"), and certain other individual and corporate stockholders of Digitel (collectively, the "**Sellers**");

2. zero coupon bonds due 2013 and 2014 issued by Digitel and its subsidiary, with an aggregate redemption value of Php17,745,459,286 as of December 31, 2010 (the “**Convertible Bonds**”), which bonds are, at the option of the Convertible Bondholders, convertible or exchangeable into common shares in the capital stock of Digitel at the par value of Php1.00 per share. On Closing (as this term is defined in Paragraph B.1 below), all of the Convertible Bonds will be held by JGS. Although the exact number of Digitel common shares that the Convertible Bonds are convertible or exchangeable into depends on the timing of conversion/exchange and the exchange rate at the time of conversion/exchange, for purposes of setting the purchase price for this transaction, JGS and PLDT have assumed that the Convertible Bonds are convertible or exchangeable into 18,603,265,971 common shares of Digitel. This assumes a conversion/exchange date of June 30, 2011 and an exchange rate of Php43.405 per US dollar; and
3. advances made by JGS to Digitel, with a total principal amount plus accrued interest of Php34,118,544,087 as of December 31, 2010 (the “**Advances**”) (the Sale Shares, Convertible Bonds and Advances are collectively referred to as the “**Enterprise Assets**”);

The rights, title and interest of the Sellers in the Sale Shares, Convertible Bonds or Advances, as the case may be, shall include, (i) any stock dividends issued, declared or accrued on the Sale Shares from December 31, 2010, (ii) any property or cash dividend, interest or other sum payable, paid or accruing on the Enterprise Assets (including any shares that may be issued upon exercise of the conversion or exchangeable feature of the Convertible Bonds) from December 31, 2010; (iii) all rights accruing on the Enterprise Assets from December 31, 2010 (including any right to subscribe for Digitel shares pertaining to the Convertible Bonds and Advances from December 31, 2010); and (iv) the proceeds of any of the foregoing.

The total consideration for the Enterprise Assets is Php69,198,024,410 (equivalent to US\$1,594,240,857) (the “**Purchase Price**”), allocated as follows: Php5,254,027,072 (equivalent to US\$121,046,586) for the Sale Shares, Php29,825,453,251 (equivalent to US\$687,143,261) for the Convertible Bonds, and Php34,118,544,087 (equivalent to US\$786,051,010) for the Advances.

PLDT has agreed to issue 27,679,210 new shares of common stock of PLDT (the “**PLDT Consideration Shares**”), at the issue price of Php2,500 per share, as payment for the Purchase Price of the Enterprise Assets.

- B. The principal terms and conditions of the Agreement include the following:
1. Closing of the transactions contemplated in the Agreement (respectively, the “**Closing**” and the “**Transactions**”) shall take place on June 30, 2011 or such later date as may otherwise be agreed upon by the Parties (the “**Closing Date**”), subject to certain conditions precedent including the following common conditions (the “**Common Conditions**”):
    - (a) the procurement of all consents, approvals or waivers required or necessary to give effect to the Transactions, such as but not limited to, the (i) approval by the stockholders of PLDT of the issuance of the PLDT Consideration Shares as payment of the Purchase Price for the Enterprise Assets (the “**PLDT Stockholders Approval**”), (ii) approval by the National Telecommunications Commission (“**NTC**”) of the sale and transfer of the Sale Shares (the “**NTC Approval**”), (iii) approval by the Securities and Exchange Commission (the “**SEC**”) of the valuation of the Enterprise Assets to be acquired by PLDT in exchange for the PLDT Consideration Shares (the “**SEC Approval**”), (iv) confirmation by the SEC that the issuance of the PLDT Consideration Shares is exempt from the registration requirement under the Philippine Securities Regulation Code (the “**SEC Confirmation**”), and (v) approval by the Philippine Stock Exchange (the “**PSE**”) of the block sale of the Sale Shares (the “**PSE Approval**”); and
    - (b) no statute or regulation which would prohibit, restrict or materially delay the Transactions shall have been enacted by any governmental authority, and no writ of preliminary injunction, restraining order

or other judgment, decree, order or resolution of any governmental authority shall have been issued against any of the Parties, restraining or enjoining the Transactions.

2. PLDT shall conduct a mandatory tender offer in accordance with the Philippine Securities Regulation Code and applicable rules and regulations (the “**Tender Offer**”) to acquire all of the 3,079,840,418 remaining Digitel common shares representing approximately 48.45% of the issued and outstanding common stock of Digitel held by the public (respectively, the “**Digitel Public Shares**” and the “**Digitel Public Shareholders**”).

The Tender Offer shall include the following terms and conditions:

- (a) PLDT shall purchase the Digitel Public Shares which shall have been tendered by the Digitel Public Shareholders (the “**Tendering Shareholders**”), at the price of Php1.6033 per share (the “**Tender Offer Price**”), payable by the issue of new PLDT common shares valued at Php2,500 per PLDT common share or one PLDT common share for every 1,559.28 Digitel Public Shares or, alternatively, PLDT shall, at the Tendering Shareholder’s option, pay such shareholder in cash, at Php1.6033 per Digitel Public Share, provided that, for non-Philippine resident Tendering Shareholders, the Tender Offer Price shall be payable only in cash. In case of any resulting fractional PLDT share from the above exchange ratio, each Digitel Public Shareholder who would otherwise be entitled to such fractional PLDT share shall be entitled to an amount in cash, without interest, rounded to the nearest centavo equal to the product of (i) the amount of fractional share interest in a PLDT common share to which such holder is entitled and (ii) Php2,500; and
- (b) the Tender Offer shall be completed on the Closing Date unless the Parties shall have obtained SEC’s approval for an exemption from the requirement that the Tender Offer and Closing of the Transactions shall take place simultaneously.

If all of the Digitel Public Shares will be tendered and the Tender Offer Price will be paid solely in the form of PLDT common shares, a total of 1,975,168 PLDT common shares will be issued as payment for such Digitel Public Shares.

3. Upon Closing, and for as long as the Sellers own shares representing at least 5% of the issued and outstanding common stock of PLDT, JGS shall be entitled to nominate one representative on the PLDT Board of Directors, and JGS’s involvement in designated PLDT Board committees will be favorably considered, (in each case, provided that such Board and Board committee nominees shall possess all of the required qualifications and none of the disqualifications under PLDT’s By-Laws and applicable laws, rules and regulations).
4. From the Closing Date up to the first anniversary thereof, none of the Sellers shall, without the prior written consent of PLDT, transfer or create or permit to exist any Encumbrance (as this term is defined in the Agreement) on, the PLDT Consideration Shares issued to them in connection with the Acquisition, including all stock dividends paid or accruing on such shares.
5. To allow PLDT to maintain a substantial public float, the total number of PLDT common shares that JGS and its subsidiaries may hold legal and/or beneficial title to shall not exceed 12% of the total issued and outstanding common stock of PLDT at any given time, for as long as the two groups of strategic investors in PLDT, and their associated companies, continue to hold legal and/or beneficial rights to shares representing at least 40% of the issued and outstanding common stock of PLDT.
6. PLDT shall pay the Sellers a break-up fee of US\$150,000,000 if: (a) PLDT terminates the Agreement before Closing Date despite the fact that the Sellers are not in breach of their obligations, covenants or warranties under the Agreement, or (b) PLDT terminates the Agreement or the Closing cannot take place due to the failure to obtain the PLDT Stockholders Approval after the expiration of the extension period for fulfilling such condition, as provided in the Agreement. No break-up fee shall be payable if the Common Conditions described in Part B.1 above have not been fulfilled.

## Rationale and Expected Benefits of the Transactions

PLDT's investment in Digitel is expected to achieve substantial benefits for the consumers, the general public and the shareholders of PLDT and JGS. It will leverage the combined expertise of the PLDT Group and Digitel to create an even more capable telecommunications company which will be better positioned to provide higher quality and even more affordable services to fixed line, wireless, and broadband subscribers addressing a wide range of consumer demand – from voice to SMS to data and Internet and video services.

PLDT intends to keep the mobile operations of Digitel separate and intact, and to maintain and capitalize on Sun Cellular's operations and significant brand equity to continue serving specific segments of the market, especially those who prefer "unlimited" type of services.

Digitel's fixed line operations can complement those of PLDT's in terms of both geographic and population reach, while adding approximately 450,000 subscribers to PLDT's current base of 1.8 million subscribers. PLDT can quickly provide enhanced broadband services in Digitel's service areas. Digitel's subscribers are also expected to benefit from PLDT's extensive infrastructure, particularly its nationwide fiber optic network and its international cable and satellite facilities.

PLDT can also make available to Sun Cellular subscribers its wide range of service offerings, particularly in terms of 3G and broadband. Over the last few years, PLDT's wireless subsidiary, Smart Communications, Inc. ("**Smart**") has been steadily advancing its Internet for All advocacy and making mobile broadband more affordable and widely available so that all Filipinos may benefit from it. Mobile broadband networks can generate economic activity as they enable fast-developing, technology-driven ecosystems.

PLDT also envisages significant cost efficiencies from the Acquisition via capex optimization, co-location of base stations, consolidation of overlapping technical systems, implementation of shared services, bulk purchasing of network equipment, communication devices and other materials and elimination of other duplicated costs. Improved network utilization and service quality can also be achieved through complementary technologies and greater network density.

The Acquisition will also help reinforce PLDT's ability to withstand competition not only from existing telecommunications operators and new entrants which are formidable and well-funded, but also from so-called "over the top" or OTT service providers that offer social networking, instant messaging and VoIP services, while enhancing shareholders' value.

Based on the foregoing, the PLDT Board of Directors (the "**PLDT Board**") believes that the Transactions are beneficial to and in the best interest of the Company and its stockholders as a whole, and authorized the Transactions in its meeting held on March 29, 2011. Therefore, the PLDT Board recommends to the stockholders of PLDT the approval of the issuance of up to 29,654,378 shares of common stock of PLDT in connection with the Acquisition and Tender Offer.

## Valuation and Fairness Opinion

The consideration for the Enterprise Assets was determined after discussions between the Parties and based on a review of the historical and prospective performance of Digitel.

The Company will submit to the SEC a written application for approval of the valuation of the Enterprise Assets which the Company will acquire or receive in exchange for the PLDT Consideration Shares. The Company expects to receive the SEC's approval on or before the Annual Meeting or, if later, prior to the Closing Date.

On March 29, 2011, the PLDT Board formed an independent committee, composed of three independent directors (the "**Independent Committee**"), to review the fairness and reasonableness of the acquisition of the Enterprise Assets and the Purchase Price payable by PLDT.

The PLDT Board appointed CLSA Exchange Capital ("**CLSA**"), an independent financial advisory firm, as independent financial advisor to advise the Independent Committee and the Board of Directors for the

forementioned purpose and to render an opinion on whether or not the acquisition of the Enterprise Assets is fair and reasonable and in the interest of the Company and its shareholders as a whole.

In a letter dated April 19, 2011 (the “**CLSA Letter**”), CLSA concluded that based upon their analysis and subject to the considerations set forth in the CLSA Letter, the acquisition of the Enterprise Assets is fair and reasonable and in the interest of the shareholders of PLDT as a whole. A copy of the CLSA Letter is attached hereto as Annex A.

CLSA has no material relationship with PLDT in the past two (2) years which may have influenced, or tended to influence, the objectivity and reliability of their fairness opinion. For the services of CLSA as independent financial advisor in connection with the Transactions, CLSA will be paid an advisory fee and reimbursed for all reasonable and documented out-of-pocket expenses incurred by it.

None of PLDT’s subsidiaries had any material relationship with CLSA in the past two (2) years, except for CLSA’s engagement, in 2009, as independent financial advisor to advise the Independent Board Committee of Pilipino Telephone Corporation (renamed PLDT Communications and Energy Ventures, Inc., or “**PCEV**”), acting on behalf of the minority stockholders of PCEV, in connection with the tender offer of Smart Communications, Inc. for the shares held by the minority stockholders of PCEV. For the said engagement, CLSA was paid an advisory fee and reimbursed for all reasonable and documented out-of-pocket expenses incurred by it.

In selecting the independent financial advisor, the PLDT Board considered, among other factors, the qualifications and industry experience of their top management and key personnel, their track record, their independence, and the reasonableness of their advisory fees.

### **Effects On the Rights of Existing Stockholders of PLDT of the Issuance of Shares**

Section 39 of the Corporation Code of the Philippines provides:

*“Section 39. Power to deny pre-emptive right. – All stockholders of a corporation shall enjoy pre-emptive right to subscribe to all issues or disposition of shares of any class, in proportion to their respective shareholdings, unless such right is denied by the articles of incorporation or an amendment thereto. Provided, that such pre-emptive right shall not extend to shares to be issued in compliance with laws requiring stock offering or minimum stock ownership by the public; or to shares to be issued in good faith with the approval of the stockholders representing two thirds (2/3) of the outstanding capital stock, in exchange for property needed for corporate purposes or in payment of a previously contracted debt.”*

Accordingly, since the Enterprise Assets are property needed by PLDT in pursuit of its corporate purposes, and provided that the stockholders representing at least two thirds (2/3) of PLDT’s outstanding capital stock entitled to vote, approve the issuance of PLDT common shares in connection with the Acquisition and the Tender Offer, the stockholders of PLDT shall have no right to proportionately subscribe or to have offered to them for subscription the PLDT common shares that will be issued in connection with the Acquisition and Tender Offer (collectively, the “**New PLDT Shares**”). Furthermore, under Paragraph A(6) of the Seventh Article of the Articles of Incorporation of PLDT, owners of shares of serial preferred stock of PLDT are not entitled to subscribe for or to purchase or to have offered to them for subscription or purchase any shares of any class of stock or other securities of PLDT.

The estimated number of New PLDT Shares that will be issued as payment of the Purchase Price and assuming all Digitel Public Shares shall have been tendered pursuant to the Tender Offer is up to 29,654,378 shares, representing approximately 13.7% of the enlarged issued and outstanding common stock of PLDT. The table below shows the ownership distribution of PLDT common shares before and after the issue of the New PLDT Shares.

Stockholders	Number of Shares	Percentage of Common Stock Before Issuance of New Shares	Percentage of Common Stock After Issuance of New Shares
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Owners of More than 5%			
Philippine Telecommunications Investment Corporation (PTIC)	26,034,263 <sup>20</sup>	13.94	12.03
Metro Pacific Resources, Inc. (MPRI)	15,745,172 <sup>20</sup>	8.43	7.28
Non-Philippine subsidiaries of First Pacific Company Limited	7,653,703 <sup>20</sup>	4.10	3.54
NTT Communications Corporation	12,633,487	6.76	5.84
NTT DoCoMo, Inc.	26,768,074 <sup>21</sup>	14.33	12.37
Social Security System	10,530,618 <sup>22</sup>	5.64	4.87
PCD Nominee Corporation	45,017,145 <sup>23</sup>	24.10	20.80
JPMorgan Asset Holdings (HK) Limited	31,359,729 <sup>24</sup>	16.79	14.49
Directors and Key Officers as a group	314,318	0.17	0.15
Other Existing Stockholders	10,700,038	5.73	4.94
Holdings of New PLDT Shares			
JGS Group/Bondholder/Noteholders	27,598,520		12.75
Other Sellers	80,690		0.04
Digitel Public Shareholders	1,975,168		0.91

Notes: Number of PLDT common shares before issuance of new shares refers to the number as of Record Date. Number of PLDT common shares to be owned by Digitel Public Shareholders assumes that all Digitel Public Shareholders tender their shares and choose to be paid with PLDT common shares.

## Accounting Treatment of the Proposed Transactions

PLDT will account for the Proposed Transactions, as follows:

PLDT's acquisition of the Enterprise Assets will be accounted as a business combination under Philippine Financial Reporting Standards 3, *Business Combinations*, using the acquisition method of accounting. PLDT's acquisition of equity interest, convertible bonds and advances owned by JGS Group, and the mandatory tender offer are linked transactions and will be accounted for as a single business combination transaction. The mandatory tender offer is treated as part of acquisition of controlling interest and therefore goodwill is recognized as if all outstanding equity instruments of Digitel was acquired by PLDT. At the date of closing of the acquisition and as the mandatory tender offer is required by the Securities Regulation Code, a compound financial instrument is recognized for the statutory put option liability representing the option of non-JGS Group shareholders of Digitel to sell their shares for PLDT common shares or opt for cash.

At initial recognition of the compound financial instrument, a put option financial liability and an embedded equity conversion option are recognized simultaneously. The put option financial liability is recognized at present value of cash settlement at the end of the mandatory tender offer period, and the embedded equity conversion option is recognized at fair value of the option at grant date using certain valuation model. Subsequent to initial recognition, any changes in the present value of the put option financial liability upon exercise that are due to the unwinding of the discount are recognized as financing cost. Settlement of the mandatory tender offer in PLDT common shares or in cash are treated as reduction of put option financial liability. At the end of the mandatory tender offer period, the put option financial liability is derecognized, non-controlling interest measured as of the date of acquisition (either at proportionate share or at fair value) for any shares for which the put option expires unexercised is recognized, and any difference is treated as adjustment to goodwill. The equity reserve resulting from recognition of embedded equity conversion option is then reclassified to paid-in capital in excess of par at end of the mandatory tender offer period.

<sup>20</sup> PTIC and MPRI, both of which are Philippine affiliates of First Pacific Company Limited ("First Pacific"), and the non-Philippine subsidiaries of First Pacific (referred to herein as "First Pacific Group") collectively owned 26.47% of the outstanding common stock of PLDT as of the Record Date.

<sup>21</sup> Includes 8,533,253 common shares underlying American Depositary Shares (ADS)

<sup>22</sup> Includes 5,505,829 common shares held on record by PCD Nominee Corporation

<sup>23</sup> Excludes 5,505,829 common shares beneficially owned by SSS

<sup>24</sup> Excludes 8,533,253 common shares underlying ADS beneficially owned by NTT DoCoMo and 7,653,703 common shares underlying ADS beneficially owned by non-Philippine subsidiaries of First Pacific

Under the acquisition method, the total purchase consideration is the sum of the fair value of PLDT's newly issued common shares in exchange for the equity interest, convertible bonds and advances owned by JGS Group, and the fair value of compound financial instruments arising from the statutory put option for the mandatory tender offer. The fair value of PLDT's newly issued common shares will be based on the quoted fair market value per share at the closing date of the transaction. The total purchase consideration will then be allocated to the fair value of the net identifiable assets and liabilities (including the convertible bonds and advances) of Digitel at the date of business combination and any unallocated amount will be recognized as goodwill. PLDT will engage an independent appraiser to determine the fair value of Digitel's identifiable assets and liabilities at the closing date of the transaction including any identified intangible assets acquired. Goodwill and intangible assets shall be subject to regular impairment testing and will be subsequently measured at cost less any accumulated impairment losses.

Digitel will be consolidated starting from the date of acquisition, being the date on which the PLDT Group obtains control, and will continue to be consolidated until the date when such control ceases. The financial statements of Digitel will be prepared using accounting policies consistent to PLDT Group. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends will be eliminated in full.

### Pro-forma Accounting Information

Below is the pro-forma condensed statement of financial position and income statement as at and for the year ended December 31, 2010 which should be read in conjunction with the historical financial statements and notes thereto of PLDT and Digitel included elsewhere in this Information Statement and in their respective Annual Reports. The pro-forma accounting information was prepared only for the purpose of presenting the impact of the Proposed Transactions with the assumption that the closing date thereof is December 31, 2010 for pro-forma statement of financial position and January 1, 2010 for income statement. Additional assumptions used in preparing the pro-forma are detailed in the footnotes provided below:

The pro-forma adjustments will not affect the audited consolidated financial statements of PLDT and Digitel as at and for the year ended December 31, 2010 as business combinations are accounted for at the date of business combination and prospectively. Prior year financial statements are not restated as a result of business combination transaction.

In the pro-forma condensed statement of financial position below, the purchase consideration was allocated on the assumption that the book values at December 31, 2010 equal their fair values. Allocation of the purchase consideration and the amount of goodwill recognized will be adjusted accordingly based on the result of the valuation by an independent appraiser, which will be engaged by PLDT upon completion of the acquisition.

	PLDT	DIGITEL	PRO-FORMA ADJUSTMENT	PRO-FORMA RESULTS
<b>ASSETS</b>				
<b>Noncurrent Assets</b>				
Property, plant and equipment	163,184	81,327	-	244,511
Investments in associates and joint ventures	23,203	-	-	23,203
Goodwill and intangible assets	11,485	-	22,065 <sup>25</sup>	33,550
Other noncurrent assets	18,345	2,926	-	21,271
<b>Total Noncurrent Assets</b>	<b>216,217</b>	<b>84,253</b>	<b>22,065</b>	<b>322,535</b>

<sup>25</sup> Includes pro-forma adjustments on the acquisition of the Enterprise Assets and the accounting of the mandatory tender offer assuming all non-JGS Group shareholders will exchange their Digitel common shares for PLDT common shares and not for cash. The acquisition of the Enterprise Assets and mandatory tender offer are treated as linked transactions and were assumed completed simultaneously on December 31, 2010, thus, PLDT acquired 100% equity interest of Digitel as of such date. In addition, the pro-forma adjustment further assumes that at the closing date of the transaction, the share price of PLDT common shares is Php2,500 per share. The amount allocated to net assets of Digitel is based on provisional accounting wherein it was assumed that the carrying value of Digitel net assets approximate their fair values as at December 31, 2010 and the difference between the total consideration transferred and the carrying value of the net assets at acquisition date refers entirely to goodwill. The value of embedded equity option resulting from the option granted to the non-JGS Group shareholders to avail of the mandatory tender offer in the form of PLDT common shares instead of cash was assumed to have a value of zero as at December 31, 2010.

	PLDT	DIGITEL	PRO-FORMA ADJUSTMENT	PRO-FORMA RESULTS
<b>Current Assets</b>				
Cash and cash equivalents	36,678	1,107	-	37,785
Other current assets	24,920	5,538	-	30,458
Total Current Assets	61,598	6,645	-	68,243
<b>TOTAL ASSETS</b>	<b>277,815</b>	<b>90,898</b>	<b>22,065</b>	<b>390,778</b>

#### **EQUITY AND LIABILITIES**

##### **Equity**

Paid in capital	61,751	8,976	65,151 <sup>26</sup>	135,878
Retained earnings	36,594	(7,100)	6,709 <sup>27</sup>	36,203
Equity reserve	-	(1,831)	1,831 <sup>27</sup>	-
Other comprehensive income	(1,276)	-	-	(1,276)
Total Equity Attributable to Equity Holders of PLDT	97,069	45	73,691	170,805
Non-controlling interests	316	-	-	316
<b>TOTAL EQUITY</b>	<b>97,385</b>	<b>45</b>	<b>73,691</b>	<b>171,121</b>

##### **Noncurrent Liabilities**

Interest-bearing financial liabilities – net of current portion	75,888	12,258	-	88,146
Other noncurrent liabilities	22,327	66,365	(52,017) <sup>28</sup>	36,675
Total Noncurrent Liabilities	98,215	78,623	(52,017)	124,821

##### **Current Liabilities**

Accounts payable	25,804	9,226	-	35,030
Accrued expenses and other current liabilities	35,959	-	559	36,518
Other current liabilities	20,452	3,004	(168)	23,288
Total Current Liabilities	82,215	12,230	391	94,836
<b>TOTAL LIABILITIES</b>	<b>180,430</b>	<b>90,853</b>	<b>(51,626)</b>	<b>219,657</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>277,815</b>	<b>90,898</b>	<b>22,065</b>	<b>390,778</b>

<sup>26</sup> Includes pro-forma adjustments on the issuance of PLDT New Shares at the issue price of P2,500 per share, net of elimination of Digitel Paid-in Capital

<sup>27</sup> Relates to transaction costs incurred, net of tax, and the elimination of Digitel equity upon consolidation

<sup>28</sup> Relates to the elimination upon consolidation of Convertible Bonds and Advances that are part of the Enterprise Assets acquired by PLDT from JGS Group

	PLDT	DIGITEL	PRO-FORMA ADJUSTMENT	PRO-FORMA RESULTS
<b>REVENUES</b>				
Service revenues	142,242	16,314	-	158,556
Non-service revenues	2,217	230	-	2,447
	144,459	16,544	-	161,003
<b>EXPENSES</b>				
Depreciation and amortization	26,277	4,372	-	30,649
Compensation and employee benefits	24,070	1,469	-	25,539
Repairs and maintenance	9,434	2,569	-	12,003
Selling and promotions	5,284	1,076	-	6,360
Professional and other contracted services	4,853	561	559 <sup>29</sup>	5,973
Cost of sales	4,771	2,075	-	6,846
Rent	3,970	1,488	-	5,458
Taxes and licenses	2,571	738	-	3,309
Asset impairment	2,438	360	-	2,798
Other expenses	5,235	605	-	5,840
	88,903	15,313	559	104,775
	55,556	1,231	(559)	56,228
<b>OTHER EXPENSES</b>	(1,871)	(6)	1,072 <sup>30</sup>	(805)
<b>INCOME BEFORE INCOME TAX</b>	53,685	1,225	513	55,423
<b>PROVISION FOR INCOME TAX</b>	13,426	698	154 <sup>31</sup>	14,278
<b>NET INCOME FOR THE YEAR</b>	40,259	527	359	41,145
<b>ATTRIBUTABLE TO:</b>				
Equity holders of Parent Company	40,217	527	359	41,103
Non-controlling interests	42	-	-	42
	40,259	527	359	41,145
<b>Earnings Per Share For The Year</b>				
<b>Attributable to Common Equity Holders</b>				
Basic	212.85	0.08		187.79
Diluted	212.85	0.08		187.79

<sup>29</sup> Relates to transaction costs incurred to close the transaction. Under PFRS 3, such expenses are treated as period cost.

<sup>30</sup> Relates to the assumed interest income recognized by PLDT on the Convertible Bonds, which is part of the Enterprise Assets, and is eliminated upon consolidation against the financing costs recognized by Digitel

<sup>31</sup> Relates to the tax effects of the adjustments of the transaction cost and interest income

## Historical Accounting Information

The audited historical accounting information follows:

In Pesos Million (except per share amounts)	PLDT		Digitel	
	2009	2010	2009	2010
Revenues	147,993	144,459	14,020	16,544
Net Income	40,095	40,259	260	527
Non-current liabilities and Preferred stock	111,545	102,634	69,123*	78,623*
Book value per common share <sup>32</sup>	504.07	496.10	0.21	0.01
Dividend declared per common share <sup>33</sup>	207.00	219.00	-	-
Earnings per common share				
Basic	210.38	212.85	0.04	0.08
Diluted	210.36	212.85	0.04	0.08

\*Digitel has no preferred stock. This represents non-current liabilities only

## Regulatory Requirements and Approvals

In addition to the NTC Approval, SEC Approval, SEC Confirmation and PSE Approval described in Part B of the segment captioned "Description of the Proposed Transactions", the listing on the PSE of the PLDT Consideration Shares and the PLDT common shares that will be issued pursuant to the Tender Offer is subject to approval by the PSE (the "**PSE Listing Approval**"). As of the date hereof, PLDT has filed the relevant application or letter-request for purposes of procuring the NTC Approval and SEC Confirmation.

## Material Contracts or Transactions Between PLDT or its Subsidiaries and Digitel or its Subsidiaries

Except for the Transactions described above, PLDT does not have, and to the best of its knowledge, none of its subsidiaries has, any material contracts or transactions with Digitel or any of its subsidiaries.

## FURTHER INFORMATION ON PLDT

### Description, Market, Dividend and Other Information on PLDT Common Stock

#### Authorized and Issued and Outstanding Common Stock

The Company's authorized capital stock is P9,395,000,000 divided into two classes consisting of 822,500,000 shares of serial preferred stock, each with a par value of P10.00 and 234,000,000 shares of common stock, each with a par value of P5.00. As of the Record Date, 186,756,547 shares of common stock (net of treasury shares) were issued and outstanding.

#### Rights of Holders of Common Stock

The following is a statement of the dividend, voting, pre-emption and other rights of the holders of common stock of the Company:

- (a) After the requirements with respect to preferential dividends on the serial preferred stock shall have been met and after PLDT shall have complied with all the requirements, if any, with respect to the setting aside of sums as purchase, retirement or sinking funds, the holders of the common stock shall be entitled to receive such dividends as may be declared from time to time by the Board of Directors out of funds legally available therefor.

<sup>32</sup> The book value per common share is computed based on the stockholder's equity, after excluding that portion allocable to preferred stockholders, divided by the resulting number of outstanding common shares

<sup>33</sup> The dividend declared per common share is computed based on the actual cash dividends declared for the common shares, divided by the resulting number of common shares

- (b) After distribution in full of the preferential amounts to be distributed to the holders of serial preferred stock in the event of the voluntary or involuntary liquidation, dissolution, distribution of assets or winding up of PLDT, the holders of common stock shall be entitled to receive all the remaining assets of PLDT of whatever kind available for distribution to stockholders ratably in proportion to the number of common stock held by them, respectively.
- (c) Except as may be otherwise required by law, or by the Articles of Incorporation of PLDT, each holder of common stock shall have one vote in respect of each share of such stock held by him on all matters to be voted upon by the stockholders, and the holders of common stock shall have the exclusive right to vote for the election of directors and for all other purposes (except for matters enumerated in Section 6 of the Corporation Code of the Philippines in respect of which owners of non-voting stocks shall also be entitled to vote).
- (d) The ownership of common stock shall not entitle the owner thereof to any right (other than such right, if any, as the Board of Directors in its discretion may from time to time grant) to subscribe for or to purchase or to have offered to him for subscription or purchase any issue of shares of any series of preferred stock of PLDT.

### **Trading Markets of Common Stock**

The shares of common stock of PLDT are listed and traded on the PSE and, prior to October 19, 1994, were also listed and traded on the American Stock Exchange and Pacific Exchange in the United States. On October 19, 1994, an American Depositary Receipt facility was established, pursuant to which Citibank, N.A., as the Depositary, issued American Depositary Receipts, or ADRs, evidencing American Depositary Shares, or ADSs, with each ADS representing one PLDT common share with a par value of Php5 per share. Effective February 10, 2003, PLDT appointed JP Morgan Chase Bank as successor depositary of PLDT's ADR Facility. The ADSs are listed and traded on the New York Stock Exchange, or NYSE, under the symbol of "PHI".

### **Market Prices of Common Stock**

The high and low market prices for PLDT's common shares on the PSE and ADSs on the NYSE for each of the full quarterly period during 2010 and 2009 and for the first quarter of 2011 were as follows:

	PSE		NYSE	
	High	Low	High	Low
2011 First Quarter	Php2,550.00	Php1,990.00	US\$58.80	US\$46.08
2010 First Quarter	2,775.00	2,420.00	60.65	53.05
Second Quarter	2,540.00	2,320.00	57.49	50.04
Third Quarter	2,630.00	2,355.00	59.92	51.47
Fourth Quarter	2,764.00	2,360.00	64.35	53.61
2009 First Quarter	2,310.00	1,830.00	49.80	38.43
Second Quarter	2,620.00	2,125.00	52.16	43.01
Third Quarter	2,625.00	2,300.00	54.50	48.12
Fourth Quarter	2,670.00	2,405.00	58.17	51.12

The high and low market prices of PLDT common shares as of March 28, 2011, the trading day preceding the date of the announcement of the Transactions were Php 2,046.00/share and 2,018.00 /share, respectively.

### **Dividends On Common Stock**

The following table shows the dividends declared on PLDT's common shares from the earnings for the years ended December 31, 2009 and 2010:

Earnings	Date			Amount	
	Approved	Record	Payable	Per Share (In Pesos)	Total Declared (in million pesos)
2009	August 4, 2009	August 20, 2009	September 22, 2009	77	14,384
2009	March 2, 2010	March 17, 2010	April 20, 2010	76	14,197
2009	March 2, 2010	March 17, 2010	April 20, 2010	65	12,142
				-----	-----
				218	40,723
2010	August 3, 2010	August 19, 2010	September 21, 2010	78	14,570
2010	March 1, 2011	March 16, 2011	April 19, 2011	78	14,567
2010	March 1, 2011	March 16, 2011	April 19, 2011	66	12,326
				-----	-----
				222	41,463

PLDT's current policy is to declare and pay dividends taking into consideration the interests of its shareholders as well as its working capital, capital expenditures and debt servicing requirements. PLDT also takes into consideration its ability to meet loan covenant requirements in the declaration and payment of dividends as discussed in Note 19 – Equity and Note 20 – Interest-bearing Financial Liabilities to the consolidated financial statements contained in the accompanying 2010 Annual Report of PLDT.

#### **Holders of Common Stock**

There were 11,984 holders of PLDT common shares as of the Record Date and the following were the top 20 registered stockholders of said shares:

<b>Stockholders' Name</b>	<b>Total Shares Subscribed</b>	<b>% of Ownership</b>
PCD Nominee Corporation	50,522,974	27.05
J.P. Morgan Asset Holdings (HK) Limited	47,546,685	25.46
Philippine Telecommunications Investment Corporation	26,034,263	13.94
NTT DoCoMo, Inc.	18,234,821	9.76
Metro Pacific Resources, Inc.	15,745,172	8.43
NTT Communications Corporation	12,633,487	6.76
HSBC OBO A/C 000-370817-550	5,914,862	3.17
Social Security System	5,024,789	2.69
Great Pacific Life Assurance Corp.	726,374	0.39
Pan Malayan Mgt & Inv	640,000	0.34
Manuel V. Pangilinan	232,450	0.12
Land Bank of the Philippines	140,850	0.08
Albert &/or Margaret del Rosario	140,004	0.07
Alfonso T. Yuchengco	118,458	0.06
Edward &/or Anita Tortorici	96,874	0.05
Enrique T. Yuchengco Inc.	59,868	0.03
JDC Investment Realty Enterprise, Inc.	47,708	0.03
Par Investment & Realty	38,390	0.02
Hare & Co.	34,811	0.02
Pacific Fund Inc.	30,678	0.02
<b>Top 20 total</b>	<b>183,963,518</b>	<b>98.49%</b>

#### **Information on PLDT's Business, Property, Legal Proceedings and Other Matters**

Please refer to the Management's Discussion and Analysis of Financial Condition and Results of Operations and Audited Consolidated Financial Statements of PLDT as at and for the year ended December 31, 2010 contained in the accompanying 2010 Annual Report of PLDT for a description of the business and properties of PLDT and

legal proceedings involving PLDT. Information on PLDT's directors and officers, and PLDT's independent auditors are set forth in the segments captioned "CONTROL AND COMPENSATION INFORMATION", "DIRECTORS AND OFFICERS" and "Information on Independent Auditors and Other Related Matters", respectively, of this Information Statement.

## Information on Digitel

### Principal Office

Digitel's principal office address is at 110 E. Rodriguez Jr. Avenue, Bagumbayan, Quezon City, with telephone number 397-8888.

### Description of Business

Established in August 1987, Digitel is 47.45% directly owned by JG Summit Holdings Inc. ("**JGS**"). Digitel has expanded its interests in wireline services in recent years and currently provides wireless/mobile telecommunication services, wireline telecommunications, hi-speed data transmission and internet services.

Digitel's operations are divided into three key business segments: wireless telecommunication services, data transmission and internet services, and wireline telecommunication services. Digitel also provides a range of value-added services and products in each of its segments. As of December 31, 2010, Digitel has approximately 14.04 million wireless subscribers (across its prepaid and postpaid options and its 2G and 3G networks) and over 450,000 subscribers across its data and wireline segments.

- **Wireless telecommunication services:** In September 2001, Digitel established a wholly-owned subsidiary, Digitel Mobile Philippines, Inc. ("**DMPI**"), to provide wireless telecommunications services in the Philippines. DMPI is one of the Philippines' leading mobile telecommunications companies. DMPI has operated its wireless mobile service under the "Sun Cellular" brand since 2003, Sun Cellular uses Global Service for Mobile (GSM) technology to provide voice services (local, national, international calling), messaging services (short text or multimedia messaging), outbound and inbound international roaming, broadband wireless technology, and various value-added services.
- **Data transmission and internet services:** Digitel's data division, the Enterprise Business Unit, offers consumer and corporate customers access to high-speed data transmission and internet services through domestic and international leased line services, frame relay, and dedicated internet lines. Digitel provides enterprise grade services and solutions to some of the top enterprise customers in the Philippines, with customer relationships in the banking, manufacturing, logistics, utilities, trading, business process outsourcing (BPO) companies, hospitality and real estate sectors.
- **Wireline telecommunication services:** Digitel is one of the major providers of wireline communication systems in Luzon Island. Through over 600 regional and local exchanges, Digitel telephones are now available in 281 towns and cities throughout Luzon. As of December 31, 2010, Digitel had a total of almost 600,000 installed lines and over 450,000 working lines. Digitel's voice products and value-added services include local call, national, and international toll services, payphones and prepaid phone cards.

Digitel has recently introduced the SunTel Wireless Landline to extend its landline coverage by employing GSM technology using Sun Cellular's network to provide an alternative last mile solution to traditional copper cable facilities.

Digitel's 100% owned subsidiaries are:

- DMPI;
- Digitel Capital Philippines Ltd. ("**DCPL**"), a British Virgin Islands corporation, which was established to issue US\$590 million face value zero coupon bonds due 2014; and

- Digitel Information Technology Services Inc. (“DITSI”), a Philippine corporation, which previously engaged in developing, operating, and maintaining computer-based IT support systems and operations and was integrated into and became a division of Digitel in 2002.

Digitel also owns a 40% equity interest in Digitel Crossing, Inc., a joint venture with Asia NetCom Philippines, Inc. and East Asia Netcom Philippines, Inc., which operates an optical fiber transmission system from Naic, Cavite to Makati to form part of NetCom’s submarine cable system expansion in the East Asia region known as EAC2. In addition, Digitel owns 12% of Digitel Crossing, Inc. through Asia Netcom Philippines, Inc.

There is no bankruptcy, receivership or similar proceeding, and no material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets not in the ordinary course of business involving Digitel or any of its significant subsidiaries, including DMPI.

## **Description of Properties**

Digitel’s major properties, located in its various areas of operation, consist of telecommunications equipment, land, buildings and improvements, vehicle and work equipment, and telecommunications projects under construction. Digitel’s properties are all in good operating condition.

In 2005, Digitel expanded its fiber optic backbone coverage to include strategic areas in Cavite, Rizal, Laguna, Batangas and Quezon provinces. The new infrastructure, made up of New Generation SDH Multiplexers, Core and Edge Routers (all MPLS), is envisioned to address new services such as IPVPN and IP-based mission critical services requiring Quality of Service (QoS). It is also intended to support the high bandwidth requirements of IP DSLAM and to complement the NGN switch and Video Conference Platform in providing VOIP and video conferencing services. IVPN services were introduced in 2005 with the completion of the IP-MPLS core network covering Binalonan, Balagtas and Galleria Corporate Center in Quezon City. This is the first step on the road to building a convergent IP-based network supporting VOIP, broadband internet and video services.

As of December 31, 2010, Digitel had a total of almost 600,000 lines system-wide. Its fully digital telecommunications facilities include a Luzon-wide “backbone” (long distance) transmission system consisting of radio stations and fiber optic cables and a transit exchange with interconnections with other operators in Metro Manila. Digitel also has an International Gateway Facility (IGF), made up of two IGF switches, one in Binalonan, Pangasinan and another in Quezon City, which provides instant connectivity to more than 200 international destinations. With Digitel’s participation in the National Digital Transmission Network (NDTN) undertaken by the Telecoms Infrastructure Corp. of the Philippines (Telicphil), the Luzon-wide “backbone” transmission facility now extends to the Visayas and Mindanao.

Digitel also owns submarine cable capacities in the Trans-Pacific Cable-5 (TPC-5), the Asia-Pacific Cable Network (APCN), and the Southeast Asia-Middle East-Western Europe (SEA-ME-WE) cable systems. It also purchased capacities from the China-United States cable systems and the Guam-Philippines cable systems.

Digitel has deployed ADSL ports via DSLAMS installed in the various telephone switch central offices to provide connectivity to subscribers via copper wires within a 5-kilometer radius. Parts of this deployment are high temperature low tolerant DSLAMS installed inside remote switch cabinets to serve clients remotely situated from main central office exchanges. The ADSL layers also serve as the transport in providing hosted content applications services, such as Netmedic, NetAcademy, NetInventory and NetPayroll and others.

Digitel’s Wireless network expansion continues to be carried out by global partners Huawei and Ericsson. The principal components of Digitel’s digital wireless network are:

- Cell sites, which contain transmitters, receivers and other equipment that communicate by radio signals with the wireless handsets within the range of the cell sites;
- Digital switching centers to route the calls to the proper destinations; and
- Transmission facilities to link the switching centers to the cell sites.

## Legal Proceedings

There are no pending material legal proceedings, or to the best of Digitel's knowledge, threatened against Digitel and any of its subsidiaries and in which any of their property is the subject.

## Market Price of and Dividends on Common Shares and Related Stockholders' Matters

Digitel was officially listed in the PSE (PSE: DGTL) on September 1996.

Digitel's authorized capital stock is Php9,000,000,000 consisting of 9,000,000,000 common shares, each with a par value of Php1.00. As of March 31, 2011, 6,356,976,300 common shares were issued and outstanding.

Digitel has historically not paid cash dividends on the common shares. Any payment of cash dividends on its shares in the future will depend upon the Digitel's earnings, cash flow, financial condition, capital investment requirement and other factors, including certain restrictions on dividends imposed by the terms of Digitel's credit and loan agreement.

Quarter end stock price ranges for 2009 and 2010 and the first quarter of 2011 are as follows:

Quarter-End dates (Pesos)	High	Low	Close
31 Mar 2011	2.00	1.20	1.54
31 Dec 2010	1.67	1.41	1.48
30 Sep 2010	1.74	1.37	1.57
30 Jun 2010	1.78	1.28	1.50
31 Mar 2010	1.46	1.28	1.34
31 Dec 2009	1.50	1.28	1.38
30 Sep 2009	1.64	1.28	1.44
30 Jun 2009	1.46	0.99	1.34
31 Mar 2009	1.14	0.96	1.06

The high and low market prices of Digitel common shares as of March 28, 2011, the trading day preceding the date of the announcement of the Transactions were Php 2.00/share and 1.57/share, respectively.

The top 20 stockholders of Digitel as of March 31, 2011 were:

Stockholders' Name	Total Shares Subscribed	% of Ownership
JG Summit Holdings, Inc. (Phil. Corp.) Seller	3,016,079,550	47.45%
PCD Nominee Corp. (Filipino)	2,412,426,841	37.95%
PCD Nominee Corp. (Non-Filipino)	291,509,279	4.59%
Express Holdings, Inc. (Phil. Corp.) Seller	135,231,332	2.13%
Solid Finance (Holdings), Limited (Vanuatu) Seller	110,000,000	1.73%
Makati Supermarket Corp.	56,245,330	0.88%
Paul Gerard B. Del Rosario	33,757,000	0.53%
ABV Inc.	33,358,590	0.52%
Thorton Holdings, Inc.	26,680,810	0.42%
United Phils. Realty Corp.	17,566,550	0.28%
Elizabeth Yu Gokongwei (Filipino) Seller	15,825,000	0.25%
Lucio W. Yan &/or Clara Y. Yan	15,050,000	0.24%
Aurora Villanueva &/or Edwin Villanueva	13,488,550	0.21%
BDO Strategic Holdings, Inc.	11,625,000	0.18%
Roger C. Ang	7,100,000	0.11%
Gregorio B. Trinidad &/or Cynthia M.	7,000,000	0.11%
Gregorio B. Trinidad &/or Enrico M.	7,000,000	0.11%
Gregorio B. Trinidad &/or Monique	7,000,000	0.11%
Gregorio B. Trinidad &/or Salome S. Adajar	7,000,000	0.11%

Chak Ching Chan	6,362,000	0.10%
Seven (7) R. Port Services, Inc.	5,000,000	0.08%
Edwin Villanueva	4,887,630	0.08%
Feliza and/or KT Lim Lim	4,625,580	0.07%
<b>Top 20 total</b>	<b>6,244,819,042</b>	<b>98.23%</b>

## Directors and Executive Officers

Digitel had the following Directors and Executive Officers, as of March 31, 2011:

Name	Age	Citizenship	Position	Period during which the person has served as such
Ricardo J. Romulo	78	Filipino	Chairman & Director	August 1987 to present
James L. Go	71	Filipino	Vice Chairman, President, Chief Executive Officer & Director	April 1993 to present
John L. Gokongwei, Jr.	84	Filipino	Director	May 1993 to present
Lance Y. Gokongwei	44	Filipino	Director	April 1993 to present
Octavio Victor R. Espiritu*	67	Filipino	Director	May 2006 to present
Antonio L. Go *	71	Filipino	Director	May 2006 to present
Charles A. Lim	49	Filipino	Business Unit Head-CMTS/LEC	February 1, 2002 to present
Jaime I. Cabangis	58	Filipino	Chief Financial Officer	July 1, 2001 to present
William S. Pamintuan	49	Filipino	SVP-Legal Services/Group Head-HRD/Corporate Secretary	April 1 1991 to present
Arlene Sta. Rosa-Denzon	43	Filipino	SVP-Group Risk Management	June 2004 to present
Francisco L. Araña	38	Filipino	VP-Product Development-CMTS	November 15, 2001 to present
Adolfo C. Areola	47	Filipino	VP-Service Delivery Group-LEC	June 1, 1993 to present
Carlo Dominic B. Benesa	41	Filipino	VP-Core and Data Networks-CMTS	February 22, 2008 to present
Miles Tonn C. Chua	42	Filipino	VP-Network Implementation and Project Management-CMTS	July 16, 2007 to present
Carlos Miguel S. Concio	37	Filipino	VP-Sales-LEC	August 1, 2008 to present
Joan Marie C. Dueñas	38	Filipino	VP-Marketing Prepaid and Loyalty-CMTS	December 1, 2001 to present
Noel F. Del Mundo	54	Filipino	VP-Human Resources-CMTS	August 1, 2004 to present
Ma. Liza M. Delos Reyes	51	Filipino	VP-Group Treasury	September 13, 1995 to present
Alberto I. Entao, Jr	46	Filipino	VP-Human Resources-LEC	June 1, 2010 to present
Artemio P. Ermita, Jr	59	Filipino	VP-Technical Support Group-LEC	January 24, 2000 to present
Enrique D. Feliciano	51	Filipino	VP-Business Center Operations Support-LEC	June 16, 1997 to present
Faraday D. Go	35	Filipino	VP-Retail Management-CMTS/LEC	November 18, 2002 to present
Joycelyn R. Hilao	46	Filipino	VP-Corporate Sales CMTS	December 1, 2010 to present
Naser S. Huab	50	Filipino	VP-Group Internal Audit	June 1, 1995 to present
Susana O. Ligeralde	51	Filipino	VP-Comptrollership-CMTS/LEC	April 16, 2004 to present
Roderick U. Liwanag	35	Filipino	VP-Business Development and Channels-LEC	August 1, 2008 to present
Edgardo S. Macam	47	Filipino	VP-Corporate Solutions Group-LEC	July 16, 2008 to present
Carmelo C. Ocampo	53	Filipino	VP-Administration, Logistics and Procurement-CMTS/LEC	April 15, 2004 to present
Luciano V. Ongkingko, Jr	52	Filipino	VP-Sales-LEC	September 11, 2006 to present
Reuben S. J. Pangan	45	Filipino	VP-Customer Relationship Management-CMTS/LEC	January 2, 2006 to present
Patrick Vincent G. Peña	45	Filipino	VP-Postpaid Acquisition and Loyalty-CMTS	August 8, 2007 to present
Baby Jane T. Quiambao	42	Filipino	VP-Information Technology-CMTS/LEC	May 1, 2006 to present
Edgardo G. Razon	46	Filipino	VP-Dealer Sales-CMTS	July 16, 2007 to present
Ramon B. Rivera, Jr	61	Filipino	VP-Service Delivery Group-LEC	September 1, 2008 to present
Orlando C. Sibug	57	Filipino	VP-Core Operations and Admin-CMTS	October 1, 2006 to present
Virgilio S. Trinidad	49	Filipino	VP-Group Billing Division and Information Technology-LEC	September 7, 1998 to present

Filomena D. Veto	52	Filipino	VP-Project Finance and Monitoring Division-CMTS and Carrier Services-CMTS/LEC	September 15, 2004 to present
Emerlyn C. Villa	45	Filipino	VP-Business Operations Support and Logistics-LEC	March 1, 2006 to present

\*Independent Directors

Digitel has no employee who is not an Executive Officer but is expected to make a significant contribution to the business.

None of the Directors and Executive Officers of Digitel are related to each other except for John Gokongwei, Jr. and James L. Go, who are brothers and Lance Gokongwei who is the son of John Gokongwei, Jr.

None of the Directors or Executive Officers of Digitel is involved in any material pending legal proceedings or of which any of their properties is the subject during the last five years up to March 31, 2011.

### Further Information on Digitel

More detailed information on the business of Digitel, the background information, shareholdings and compensation of its Directors and Executive Officers, its financial condition, changes in financial condition and results of operations, and information on its independent auditors are contained in Digitel's Annual Report on SEC Form 17-A for the year ended December 31, 2010 accompanying this Information Statement.

## OTHER MATTERS

### Information on PLDT's Independent Auditors and Other Related Matters

Sycip Gorres Velayo & Co. (SGV), a member practice of Ernst & Young, are the Company's independent auditors and have served as such for the past eight calendar years. In compliance with the five-year rotation requirement with respect to independent auditors, as provided under the Company's By-Laws and applicable laws and rules, a new lead engagement/audit partner from SGV took over the primary responsibility for the audit of the Company's financial statements beginning in calendar year 2008. The same lead partner was appointed to audit the Company's financial statements for 2011.

The Company has no disagreement with SGV on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

The audit fees paid to SGV or accrued by the Company for the audit of the Company's financial statements, review of interim financial statements and services that are normally provided by the independent auditors in connection with statutory and regulatory filings amounted to approximately Php39 million in 2010 and Php45 million in 2009. The Company also paid other fees of approximately Php15 million in 2010 and Php19 million in 2009 to SGV with respect to the audit of the Company's Sarbanes-Oxley Act Section 404 assessment. Out-of-pocket and incidental expenses do not exceed five percent of the agreed engagement fees. In year 2011, the Company expects to pay or accrue the same level of audit and audit-related fees accrued in 2010.

The Audit Committee pre-approves all audit and non-audit services as these are proposed or endorsed before these services are performed by the independent auditors.

The representatives of SGV are expected to be present at the Annual Meeting and will have an opportunity to make a statement if they desire to do so and to respond to appropriate questions.

### Voting Procedures

#### 1. Voting Rights

Only owners of shares of common stock as at the Record Date present or represented by proxy at the Annual Meeting shall be entitled to vote on the election of directors and the matters set forth in Items 4 and 6 of the Agenda of the Annual Meeting which will be submitted for stockholders' approval.

The matters set forth in Items 4 and 6 of the Agenda of the Annual Meeting which will be submitted for stockholders' approval, do not fall within the matters enumerated in Section 6 of the Corporation Code of the Philippines in respect of which owners of non-voting shares shall be entitled to vote. Accordingly, owners of shares of serial preferred stock of PLDT shall not be entitled to vote on any of those matters.

2. Votes Required

Approval of audited financial statements for the fiscal year ended December 31, 2010	Majority of outstanding common stock
Election of 13 directors including 3 independent directors for the ensuing year	13 nominees receiving the highest number of votes shall be declared elected and 3 of them who have been pre-qualified as independent directors will be declared elected as such
Approval of the issuance of up to 29,654,378 shares of common stock of PLDT, at the issue price of Php2,500 per share, as payment for the purchase price of properties to be acquired by the Company, consisting of the following:  (a) 3,277,135,882 shares of common stock of Digital Telecommunications Philippines, Inc. (" <b>Digitel</b> ") owned by JG Summit Holdings, Inc. (" <b>JGS</b> ") and certain other sellers;  (b) zero coupon bonds due 2013 and 2014 issued by Digitel and its subsidiary and held by JGS and its subsidiary, with an aggregate redemption value of Php17,745,459,286 as of December 31, 2010, which bonds are convertible or exchangeable into 18,603,265,971 common shares of Digitel, assuming a conversion or exchange date of June 30, 2011 and an exchange rate of Php43.405 per U.S. dollar;  (c) advances made by JGS to Digitel with a total principal amount plus accrued interest of Php34,118,544,087 as of December 31, 2010; and  (d) all of the remaining 3,079,840,418 shares of common stock of Digitel held by public shareholders tendered pursuant to the tender offer that will be conducted by the Company	Two-thirds of outstanding common stock

3. Manner of Voting

Voting will be by show of hands taking into account the number of shares which the stockholders present or represented by proxy at the Annual Meeting and entitled to vote thereat own directly or for which they hold proxies. For the purpose of electing directors, voting will be by ballot only if demanded by a holder of shares of common stock present or represented by proxy at the Annual Meeting and entitled to vote thereat. If by ballot, each ballot shall be signed by the stockholder voting or in his name by his proxy if there be such a proxy, and shall state the number of shares of common stock voted by him.

#### 4. Method of Counting Votes

Counting of votes will be done by the Corporate Secretary or her authorized representative(s) with the assistance of the representative(s) of the Company's independent auditors, Sycip, Gorres, Velayo & Co., and stock transfer agent for shares of common stock, Hongkong and Shanghai Banking Corporation. All votes attaching to the shares of common stock owned by stockholders whose proxies were received by the Company will be cast in accordance with the voting instructions given or authority granted under the proxies.

#### **Special Note Regarding Forward Looking Statements**

This Information Statement contains some statements which constitute "forward-looking statements". We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as "believe", "plan", "anticipate", "continue", "estimate", "expect", "may" or other similar words.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We have chosen these assumptions or bases in good faith and we believe they are reasonable in all material respects. However, we caution that assumed facts or bases almost always vary from actual results and the differences between assumed facts and actual results can be material depending on the circumstances. These forward-looking statements are subject to risks and uncertainties, some of which are beyond our control. In addition, any forward-looking statement made by us in this Information Statement or elsewhere speaks only as at the date on which we made it. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the statements in this Information Statement after the date hereof. In light of these risks or uncertainties, any forward-looking statement made in this Information Statement or elsewhere might not occur.

**The Company will provide without charge to each person solicited, upon the written request of any such person, a copy of the Company's Annual Report on SEC Form 17-A. Such written request should be directed to the Corporate Secretary, Philippine Long Distance Telephone Company, 9th Floor, PLDT MGO Building, Legaspi St. cor. Dela Rosa St., Makati City, Philippines.**

#### **SIGNATURE**

**After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Information Statement is true, complete and correct in all material respects.**

**Signed in the City of Makati, Philippines on the 9<sup>th</sup> day of May, 2011.**

**PHILIPPINE LONG DISTANCE TELEPHONE COMPANY**



**MA. LOURDES C. RAUSA-CHAN**  
Corporate Secretary