



June 18, 2012

The Philippine Stock Exchange
3rd Floor Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Mr. Juan Federico C. De Leon
Disclosure Department

Dear Sirs and Mesdames:

We refer to your letter dated June 18, 2012 requesting for clarification and/or confirmation of the news articles entitled:

1. "PLDT sees core earnings easing to P37B in 2012" published in the June 16, 2012 issue of the Philippine Daily Inquirer. The article reported in part that:

NETWORK leader Philippine Long Distance Telephone Co. (PLDT) is sticking to its profit forecast for the year despite losing market share to rival Globe Telecom and incurring additional costs from its integration with Sun Cellular.

PLDT chair Manuel V. Pangilinan said the company would hit the bottom of its profit downtrend this year with core earnings expected to slump to P37 billion – lower than last year's P39 billion.

'We're sticking to that target and it looks like it's going to happen', Pangilinan told reporters last Thursday.

At the sidelines of the company's shareholders' meeting, Pangilinan said the company would likely end the second quarter with around P9.2 billion in core profit, which strips out non-recurring gains or losses.

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By next year, he said PLDT's profit would start growing again and by 2014, earnings would be back at its peak level of P42 billion. PLDT's profits reached P42 billion in 2010 – the highest in the company's history."

2. "Telecom industry to remain competitive – MVP" posted in philSTAR.com on June 18, 2012. The article reported in part that:

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Within this year, he said that they will have upgraded their transport network with over 54,000 km of fiber optic cable assets that will allow the group to carry up to 10 times more data to handle the rapidly growing traffic in voice, SMS and data traffic. In addition, PLDT will be installing its third and fourth cable landing station to enhance international cable links. The company will also finish the upgrade of its core networks and backroom facilities for both fixed and mobile by yearend.

At this, he stressed, will require an investment of about P38 billion this year, bringing the total bill for PLDT's modernization program to about P67 billion."

We confirm the statements made by our Chairman as reported in the abovementioned articles in the Philippine Daily Inquirer and The Philippine Star.

Our guidance for core income for 2012 of P37 billion, its increase starting 2013, the completion of our network modernization program by 2012 and the capex estimate of P38 billion for 2012 were all previously disclosed to the public and contained in the Full Year 2011 and First Quarter 2012 presentation materials we filed with the Exchange on 6 March and 8 May, respectively.

Thank you.

Respectfully yours,



MA. LOURDES C. RAUSA-CHAN
Corporate Secretary

MLCRC:amq