

**NOTICE OF MANDATORY CONVERSION OF  
SERIES VI CONVERTIBLE PREFERRED STOCK  
OF PHILIPPINE LONG DISTANCE TELEPHONE COMPANY**

**To the Holder(s) of Series VI Convertible Preferred Stock of  
Philippine Long Distance Telephone Company**

We wish to advise that pursuant to the terms of the Company's Series VI Convertible Preferred Stock ("CPS VI"), all outstanding shares of CPS VI originally issued on November 8, 2002 (the "November 8, 2002 CPS") will be mandatorily converted into shares of the Company's Common Stock effective on November 9, 2009 (respectively, the "Mandatory Conversion" and the "Mandatory Conversion Date").

The Company has fixed November 8, 2009 as the Record Date for the determination of holder(s) of outstanding November 8, 2002 CPS subject to Mandatory Conversion. On Mandatory Conversion Date, each share of November 8, 2002 CPS VI outstanding as of the Record Date will be converted into one (1) share of Common Stock of the Company (the "Converted Common Shares"). The stock certificate(s) representing the Converted Common Shares will be registered in the name(s) of the registered owner(s) of the converted November 8, 2002 CPS.

The Hongkong and Shanghai Banking Corporation (HSBC), transfer agent of the Company, will notify the registered owner(s) of the converted November 8, 2002 CPS (the "Holder") of the availability of the stock certificate(s) representing the Converted Common Shares. HSBC will release the stock certificate(s) to each Holder only upon compliance by such Holder of the following: (1) surrender to HSBC of duly endorsed certificate(s) representing its converted November 8, 2002 CPS; (2) submission to HSBC of a letter in the form of Annex A hereof, containing representations, warranties and undertakings in favor of PLDT; and (3) payment of any taxes, duties and fees which are for such Holder's account.

Holder(s) will have the right to require the Company to repurchase the Converted Common Shares within 30 days following the Mandatory Conversion Date (the "Put Option"). We will provide more details regarding the Put Option, including exercise and price information, on the Mandatory Conversion Date.

Payment of dividends on the converted November 8, 2002 CPS accruing from October 16, 2009 to November 8, 2009, will be made on December 8, 2009, and the corresponding dividend check(s) will be delivered to the respective addresses on record of the Holder(s) of converted November 8, 2002 CPS.

Any inquiries you may have with respect to the Mandatory Conversion should be addressed to HSBC c/o Mr. Weiser Co at telephone number (632) 5817516 or via e-mail at [weiserco@hsbc.com.ph](mailto:weiserco@hsbc.com.ph).

PHILIPPINE LONG DISTANCE TELEPHONE COMPANY

By : FLORENTINO D. MABASA, JR.

Title : FVP and Assistant Corporate Secretary

## ANNEX A

Date:

To: Philippine Long Distance Telephone Company  
("PLDT")

- (A) We are the registered holders, as of November 8, 2009, of \_\_\_\_\_ Series VI Convertible Preferred Shares of PLDT originally issued on November 8, 2002 (our "November 8, 2002 CPS VI"). In connection with the Mandatory Conversion of our November 8, 2002 CPS VI, on November 9, 2009, we agree to accept \_\_\_\_\_ shares of common stock of Pesos 5.00 each in the capital of PLDT (the "Converted Common Shares") issued upon mandatory conversion of our November 8, 2002 CPS VI, and hereby authorize the entry of our name in the register of stockholders of PLDT in respect thereof.
- (B) We, or the person(s) who own the beneficial interest in the November 8, 2002 CPS VI, understand that the Converted Common Shares issued upon mandatory conversion of such November 8, 2002 CPS VI have not been and will not be registered under the Securities Act and agree that if we, or such person(s), should sell or transfer such Converted Common Shares we, or such person(s), will do so only in compliance with the Securities Act and other applicable laws and only:-
- (a) outside the United States in accordance with Regulation S; or
  - (b) in accordance with Rule 144 under the Securities Act, if available.

We, or the person(s) who own the beneficial interest in the November 8, 2002 CPS VI, understand and agree that the Converted Common Shares issued on conversion of the November 8, 2002 CPS VI shall not be deposited into any unrestricted depository receipt facility for Common Shares established or maintained by a depository bank unless and until such Common Shares are no longer "restricted securities" within the meaning of Rule 144 under the Securities Act.

We, or the person(s) who own the beneficial interest in the November 8, 2002 CPS VI, understand and agree that the Converted Common Shares issued on conversion of the November 8, 2002 CPS VI will bear a legend substantially as follows.

THE COMMON SHARES REPRESENTED BY THIS SHARE CERTIFICATE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR ANY OTHER APPLICABLE SECURITIES LAWS, AND NEITHER SUCH COMMON SHARES NOR ANY

INTEREST THEREIN MAY BE OFFERED, SOLD, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED OR DISPOSED OF UNLESS SO REGISTERED, EXCEPT (I) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT, OR (II) IN ACCORDANCE WITH RULE 144 UNDER THE SECURITIES ACT, IF AVAILABLE. THE COMMON SHARES REPRESENTED BY THIS CERTIFICATE SHALL NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY FOR COMMON SHARES ESTABLISHED OR MAINTAINED BY A DEPOSITARY BANK UNLESS AND UNTIL SUCH COMMON SHARES ARE NO LONGER "RESTRICTED SECURITIES" WITHIN THE MEANING OF RULE 144 UNDER THE SECURITIES ACT.

Upon receipt by PLDT at its principal office of a written request from the beneficial holder of the securities represented by such certificate, such legend shall be removed from such certificate in connection with a sale by such holder if such holder has delivered to PLDT at such office an opinion of U.S. counsel reasonably satisfactory to PLDT that such sale is exempt from the registration requirements of the Securities Act pursuant to Rule 904 under Regulation S or, if available, Rule 144.

Yours faithfully,

For and on behalf of  
[Name of Registered Owner]

By : \_\_\_\_\_

Name : \_\_\_\_\_

Title : \_\_\_\_\_