2009 ANNUAL REPORT

FAST FORWARD
About the Cover

The transformation of icons on the cover – landlines, cellphones, personal computers, television sets – shows how quickly the country’s technological and business landscapes are changing. It is as if someone is pressing the fast forward button. This report on the PLDT Group’s activities, as well as the results for the year 2009, bears this out.
PLDT is the leading telecommunications service provider in the Philippines. Through its three principal business groups—wireless, fixed line, and information and communications technology—PLDT offers the largest and most diversified range of telecommunications services across the Philippines’ most extensive fiber optic backbone and wireless, fixed line, broadband and satellite networks.

PLDT is listed on the Philippine Stock Exchange (PSE:TEL) and its American Depositary Shares are listed on the New York Stock Exchange (NYSE:PHI). In 2009, PLDT was one of the largest Philippine-listed companies in terms of market capitalization.

Mission/Vision

PLDT will be the preferred full service provider of voice, video and data at the most attractive levels of price, service quality, content and coverage, thereby bringing maximum benefit to the Company’s stakeholders.

Values

**Accountability**
We take full responsibility for our actions and decisions.

**Integrity**
We are honest, moral and legal. We do the right thing.

**Fairness**
We uphold justice and fair play.

**Transparency**
We are truthful. We disclose accurate and prompt information.

Subsidiaries

**Wireless**
Smart Communications, Inc. and Subsidiaries
Filipino Telephone Corporation
Smart Broadband, Inc. and Subsidiaries
Chikka Holdings Limited and Subsidiaries
Connectivity Unlimited Resources Enterprise, Inc.
ACeS Philippines Cellular Satellite Corporation
Mabuhay Satellite Corporation

**Fixed Line**
PLDT Clark Telecom, Inc.
PLDT Subic Telecom, Inc.
PLDT Global Corporation and Subsidiaries
PLDT-Philcom, Inc. and Subsidiaries
PLDT-Maratel, Inc.
Bonifacio Communications Corporation
Smart-NTT Multimedia, Inc.

**Information and Communications Technology**
ePLDT, Inc. and Subsidiaries
SPI Technologies, Inc. and Subsidiaries
ePLDT Ventus, Inc.
Vocativ Systems, Inc.
Parlance Systems, Inc.
Infocom Technologies, Inc.
BayanTrade, Inc. and Subsidiaries
Digital Paradise, Inc.
etGames, Inc.
Level Up! (Philippines), Inc.
## FINANCIAL INFORMATION (in millions, except cash dividends declared per common share)

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Service Revenues</td>
<td>Php121,104</td>
<td>Php124,976</td>
<td>Php135,478</td>
<td>Php142,873</td>
<td>Php145,647</td>
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<tr>
<td>Non-Service Revenues</td>
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<td>2,967</td>
<td>2,480</td>
<td>2,709</td>
<td>2,346</td>
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<tr>
<td><strong>Total Revenues</strong></td>
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<td>127,943</td>
<td>137,958</td>
<td>145,582</td>
<td>147,993</td>
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<tr>
<td><strong>Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and Amortization</td>
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<td>31,869</td>
<td>28,613</td>
<td>24,709</td>
<td>25,607</td>
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<td>Compensation and Employee Benefits</td>
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<td>18,359</td>
<td>20,470</td>
<td>20,709</td>
<td>23,100</td>
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<td>Repairs and Maintenance</td>
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<td>6,886</td>
<td>7,310</td>
<td>8,569</td>
<td>8,631</td>
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<td>Selling and Promotions</td>
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<td>4,907</td>
<td>5,341</td>
<td>5,695</td>
<td>5,749</td>
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<td>Cost of Sales</td>
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<td>5,625</td>
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<td>5,252</td>
<td>5,432</td>
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<td>Asset Impairment</td>
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<td>2,766</td>
<td>1,317</td>
<td>4,180</td>
<td>5,061</td>
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<td>Others</td>
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<td>11,643</td>
<td>16,078</td>
<td>16,672</td>
<td>16,531</td>
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<td><strong>Total Expenses</strong></td>
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<td>82,055</td>
<td>84,456</td>
<td>85,786</td>
<td>90,111</td>
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<td><strong>Net Income Attributable to Equity Holders of PLDT</strong></td>
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<td></td>
<td></td>
<td></td>
<td>Php39,781</td>
</tr>
<tr>
<td></td>
<td>Php34,135</td>
<td>Php35,138</td>
<td>Php36,004</td>
<td>Php34,635</td>
<td>Php39,781</td>
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<tr>
<td><strong>Property, Plant and Equipment</strong></td>
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<td></td>
<td></td>
<td></td>
<td>Php390,692</td>
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<tr>
<td></td>
<td>Php331,537</td>
<td>Php347,407</td>
<td>Php364,972</td>
<td>Php377,220</td>
<td>Php390,692</td>
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<td><strong>Accumulated Depreciation, Amortization and Impairment</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>229,436</td>
</tr>
<tr>
<td></td>
<td>154,563</td>
<td>183,217</td>
<td>205,558</td>
<td>216,894</td>
<td>229,436</td>
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<td><strong>Net</strong></td>
<td>Php176,974</td>
<td>Php164,190</td>
<td>Php159,414</td>
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<td><strong>Capital Expenditures</strong></td>
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<td></td>
<td></td>
<td>Php81,069</td>
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<td></td>
<td>Php14,990</td>
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<td>Php24,824</td>
<td>Php25,203</td>
<td>Php28,069</td>
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<td><strong>Short and Long-Term Debts</strong></td>
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<td></td>
<td></td>
<td></td>
<td>Php98,729</td>
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<td></td>
<td>Php103,544</td>
<td>Php80,154</td>
<td>Php60,640</td>
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<td>Php98,729</td>
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<td><strong>Equity Attributable to Equity Holders of PLDT</strong></td>
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<td></td>
<td></td>
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<td>Php98,575</td>
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<td>Php72,729</td>
<td>Php102,521</td>
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<td><strong>Cash Dividends Declared Per Common Share</strong></td>
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<td></td>
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<td>Out of the Earnings for the Year</td>
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<td></td>
<td></td>
<td></td>
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<td></td>
<td>Php70</td>
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<td>Php184</td>
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## OPERATING INFORMATION

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<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
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<tbody>
<tr>
<td><strong>Number of Cellular Subscribers</strong></td>
<td>20,408,621</td>
<td>24,175,384</td>
<td>30,041,030</td>
<td>35,224,604</td>
<td>41,328,641</td>
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<tr>
<td><strong>Number of Fixed Line Subscribers</strong></td>
<td>1,842,507</td>
<td>1,776,647</td>
<td>1,724,702</td>
<td>1,782,356</td>
<td>1,816,541</td>
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<tr>
<td><strong>Number of Broadband Subscribers</strong></td>
<td>117,586</td>
<td>264,649</td>
<td>579,095</td>
<td>995,916</td>
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<td>Wireless</td>
<td>28,775</td>
<td>131,490</td>
<td>314,804</td>
<td>563,333</td>
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<tr>
<td>Fixed Line</td>
<td>88,811</td>
<td>133,159</td>
<td>264,291</td>
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<td><strong>Number of Stockholders</strong></td>
<td>2,193,525</td>
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<td><strong>Number of Employees</strong></td>
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<td>28,225</td>
<td>30,255</td>
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<td>Wireless</td>
<td>5,137</td>
<td>5,358</td>
<td>5,415</td>
<td>5,602</td>
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<td>Fixed Line</td>
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<td>8,711</td>
<td>8,080</td>
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<td>ICT</td>
<td>4,592</td>
<td>14,156</td>
<td>16,760</td>
<td>16,489</td>
<td>15,581</td>
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CONSOLIDATED FINANCIAL PERFORMANCE HIGHLIGHTS

Service Revenues
(in billion pesos)

<table>
<thead>
<tr>
<th>Year</th>
<th>Wireless</th>
<th>Fixed Line</th>
<th>ICT</th>
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<tr>
<td>'05</td>
<td>73.9</td>
<td>44.4</td>
<td>2.8</td>
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<tr>
<td>'06</td>
<td>77.8</td>
<td>41.3</td>
<td>5.9</td>
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<tr>
<td>'07</td>
<td>86.1</td>
<td>39.8</td>
<td>9.6</td>
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<tr>
<td>'08</td>
<td>93.1</td>
<td>40.3</td>
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<tr>
<td>'09</td>
<td>94.9</td>
<td>41.1</td>
<td>9.7</td>
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</table>

Subscriber Base
(in millions)

<table>
<thead>
<tr>
<th>Year</th>
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<th>Fixed Line</th>
<th>Broadband</th>
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<tbody>
<tr>
<td>'05</td>
<td>22.3</td>
<td>44.7</td>
<td>38.0</td>
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<tr>
<td>'06</td>
<td>26.3</td>
<td>41.3</td>
<td>44.7</td>
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<tr>
<td>'07</td>
<td>30.0</td>
<td>1.8</td>
<td>1.6</td>
</tr>
<tr>
<td>'08</td>
<td>35.2</td>
<td>1.8</td>
<td>1.6</td>
</tr>
<tr>
<td>'09</td>
<td>41.3</td>
<td>1.8</td>
<td>1.6</td>
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</table>

Cash Flows from Operations
(in billion pesos)

<table>
<thead>
<tr>
<th>Year</th>
<th>Wireless</th>
<th>Fixed Line</th>
<th>ICT</th>
</tr>
</thead>
<tbody>
<tr>
<td>'05</td>
<td>76.7</td>
<td>69.2</td>
<td>7.4</td>
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<tr>
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<td>77.4</td>
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<td>'07</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>'09</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Market Capitalization
(Year-end, in billion pesos)

<table>
<thead>
<tr>
<th>Year</th>
<th>Wireless</th>
<th>Fixed Line</th>
<th>Broadband</th>
</tr>
</thead>
<tbody>
<tr>
<td>'05</td>
<td>331.7</td>
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<td>'06</td>
<td>480.5</td>
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<tr>
<td>'07</td>
<td>599.3</td>
<td>396.5</td>
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<td>489.4</td>
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<tr>
<td>'09</td>
<td>449.4</td>
<td>396.5</td>
<td>2,620</td>
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</table>

Share Price
(Year-end, in pesos)

<table>
<thead>
<tr>
<th>Year</th>
<th>Wireless</th>
<th>Fixed Line</th>
<th>Broadband</th>
</tr>
</thead>
<tbody>
<tr>
<td>'05</td>
<td>76.7</td>
<td>69.2</td>
<td>7.4</td>
</tr>
<tr>
<td>'06</td>
<td>77.4</td>
<td>78.3</td>
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<tr>
<td>'08</td>
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<td></td>
</tr>
<tr>
<td>'09</td>
<td></td>
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</tbody>
</table>
The sight of flooded cities and of families stranded on the rooftops of their watery homes could be the defining image of 2009. It was indeed a year when storms – both physical and financial – inflicted considerable harm on the country. Through it all, however, your Company continued to produce strong financial results that have set another historic high in core profitability, whilst providing the consumer with essential communications services.
Core income for the Group reached Php41.1 billion in 2009, up 8% from the previous year. Core profitability was the highest even for a Philippine company. Reported net income rose 15% to Php39.8 billion.

PLDT generated Php44 billion of free cash flow in 2009, lower by 8% than the previous year due to higher compensation and maintenance costs, in addition to interest expense being higher for the year. Additional loans were contracted to make up for internally-generated funds used to fund new investments – principally the 20% equity interest in Manila Electric Company (Meralco) through Pilipino Telephone Corporation (Piltel) – for our capital expenditures and, to a certain extent, refinancing of maturing loan obligations.

Overall, the Company’s cash position remained robust, making it possible for PLDT to declare a 100% cash dividend payout for the third consecutive year. This consisted of regular and special cash dividends totaling Php218 per share, translating to an aggregate sum of Php40.7 billion dividends paid out of 2009 income.

Changing Dynamics
It is important to bear in mind the changing context within which PLDT attained this level of financial performance. In our Annual Report for 2008, I stated that the global recession had cast a long shadow on prospects for the following year. For a while, it seemed that the Philippines had somehow managed to stay out of that shadow. By mid-2009, however, the impact of the slowdown was finally felt in the country, dampening consumer spending and adversely affecting a broad range of industries.
The downturn was deepened by the onslaught of Typhoons Ondoy and Pepeng which ravaged Metro Manila and Northern Luzon in September, causing damages and losses in excess of US$4 billion, representing approximately 2.5% of the Philippine gross domestic product in 2009.

Moreover, the telecommunications industry itself went through major changes that manifested themselves in 2009. Further growth in the mobile phone business, for instance, was constrained by the attainment of approximately 83% market penetration (in terms of the number of SIMs) and the proliferation of multiple-SIM usage.

Subscriber behavior continued to shift in favor of bucket or flat-rate plans and increased usage of social networking as a means of communication, affecting both mobile and fixed voice services – especially texting. Indeed, the internet became increasingly fused with telecommunications, undermining prevailing business models and creating new ones.

The changing dynamics of the telecommunications industry have not invalidated the four-pronged strategy that has served us well in the past three years. We must and shall continue to (i) optimize our mainstream voice and text businesses; (ii) build aggressively our data and broadband operations; (iii) continue to invest heavily in our network infrastructure; and (iv) keep our cash operating expenses under tight control.

The intense attention to broadband has been accompanied by continued innovation in our mainstream voice and text businesses. Our bucket-price offers have, for example, enabled us to grow voice usage by 4%, reversing the trend of the past few years.

Transformation: The Next Level
Maximizing our mainstream businesses has given us the space and the means to pursue the ongoing transformation of PLDT.

First, we are continuing to transform our people and organization through a process driven by our Business Transformation Office. Now on its 3rd year, our transformation program, as described on page 16 of this Annual Report, is now extending its reach and deepening its roots within the entire PLDT organization.

Second, we are shifting our networks to an all-internet protocol (IP), broadband platform, enabling us to introduce progressively richer multimedia content and services as we are seeing in our PLDT myDSL and SmartBro platforms.

Third, the events of the past year highlight the need to consider new directions for pursuing growth in light of changing realities. This rethinking process must embrace not only the ongoing shifts in industry business models but also the changed internal circumstances of the PLDT Group itself, particularly in view of its investment in Meralco.

Transformation in PLDT has taken on an added dimension as a result of our investment in Meralco. Teams from PLDT, Smart Communications, Inc. (Smart) and Meralco are now busy pursuing operational and revenue-generating synergies among their respective organizations. They are working on eight areas of cooperation that include infrastructure, networks, facilities, mapping systems, platforms, procurement, marketing and customer service that could offer either significant gains in efficiencies or new revenue sources in the medium-term.

The recent consolidation of Piltel’s Meralco holdings with those of Metro Pacific Investments Corporation (MPIC) via Beacon Electric Asset Holdings, Inc. (Beacon) has enhanced the controlling position of Piltel and MPIC as common shareholders in Meralco, and further emphasizes the importance of synergies between PLDT and Meralco moving forward.

“Our strategic focus on broadband has enabled PLDT to fortify its leadership in this fast-growing business. The combined subscriber base of our PLDT myDSL, SmartBro and WeRoam services grew to more than 1.6 million, a 62% increase from end-2008.”
PLDT and Smart are pursuing similar cooperative activities with Maynilad Water Services, Inc. (Maynilad), the Manila North Tollways Corp., and the various hospitals of MPIC. Taken together, these synergy initiatives are bringing the Group’s transformation process to the next level—where telecommunications also serves as a powerful enabler for vital infrastructure networks and services. Given the rapidly changing industry landscape and the need to generate more revenues, it is imperative that we fast forward our transformation efforts not only within the PLDT Group itself but also with our sister companies.

Our Awards
As in previous years, 2009 yielded a bountiful harvest of major awards and recognition for PLDT. Among the most gratifying were the Employer of the Year Award given to PLDT by the People Management Association of the Philippines (PMAP) and the Support and Improvement of Education Award given to Smart for its Kabalikat sa Edukasyon (Your Partner in Education) by the Asian CSR Awards.

It is also noteworthy that Smart’s special programs to serve the “bottom of the pyramid” market won the support of major international groups. The GSM Association, through its Development Fund, provided financing to support Smart’s “Islands Activation Program” which seeks to bring mobile money services to poor, remote communities. Smart, working with the Philippine Business for Social Progress (PBSP), developed an innovative project that will apply SMS technology to disaster management—this won a US$200,000 grant for this purpose in an international competition organized by the World Bank.

Broadening Our Social Commitment
PLDT, Smart and the PLDT-Smart Foundation, Inc. (PSF) stepped up their corporate social responsibility programs in the fields of education, livelihood through microfinancing, community-building and youth development (discussed in more detail on pages 17-21 of this Annual Report).

The Group’s social agenda has significantly broadened as a result of my involvement as Chairman of the Philippine Disaster Recovery Foundation (PDRF) which was set up to work with the Government to help rebuild communities ravaged by Typhoons Ondoy and Pepeng. The PDRF has initiated projects which aim to help improve the country’s early warning system for typhoons, develop private sector housing initiatives for displaced communities, and rehabilitate and reforest the Marikina Watershed.

There is a third dimension of the Group’s social involvement that is often and easily overlooked, because it is in plain view of everybody. And that is the great lengths that we go to ensure that the public’s communications needs are served even under the most extreme circumstances. This usually comes to the fore during natural disasters when our infrastructure is under greatest stress—at a time precisely when our services are most needed by the public.

In this regard, I must commend the men and women of PLDT, Smart and ePLDT for keeping our networks and services running despite the extraordinary dislocations caused by Typhoons Ondoy and Pepeng. Careful planning and quick, courageous action before and during the time of the emergencies enabled us to provide the uninterrupted services that the national and local governments, relief agencies (domestic and international) and the affected communities needed to respond to the exigencies of these disasters.

Conclusion
It is a truism that crises compel us to focus on the essential. They focus the mind, and they show that what matters is a single-minded pursuit to serve the public in the best and worst of times. That is what inspired PLDT, and infuses it with the energy and enthusiasm needed in fast tracking the transformational process.

In closing, allow me to extend my sincerest gratitude to our entire Management and staff for their excellent work in the past year. I wish to thank as well, the Board of Directors for their wise counsel, and our shareholders for their continued generous support. With your continuing help, we shall build a new and better future for PLDT.

MANUEL V. PANGILINAN
Chairman of the Board

A MESSAGE FROM THE CHAIRMAN

A MESSAGE FROM THE CHAIRMAN
Dear Fellow Shareholders:

You will be pleased to note that your Company registered another year of solid performance in 2009 in the face of difficult challenges.

PLDT’s consolidated service revenues grew 2% to Php145.6 billion in 2009. The increase was propelled by the continued momentum of our data and broadband business which increased 3% from the prior year and now accounts for 54% of total service revenues.

Reported net income for 2009 improved by 15%, or Php5.2 billion, to Php39.8 billion year-on-year. Core income increased by Php3 billion, or 8%, to Php41.1 billion in 2009. The growth in core income resulted from the surge in service revenues, reduced corporate income tax rate and the recognition of our share in the earnings of Meralco.

EBITDA declined by 2% to Php86.2 billion year-on-year, with margin lower at 59%. This reflects the impact of softer revenues, some one-off cost increases such as bandwidth rental expense, and the growth of the broadband business, where margins are lower than our traditional cellular and fixed line businesses.

At Php44 billion, free cash flow was lower by Php3.9 billion compared to previous year, as a result of higher capital expenditures (capex) and interest expense.

In line with our dividend policy, the Board approved the payment of Php76 per share final dividend for 2009, in addition to the interim cash dividend of Php77 per share paid earlier, for a total of Php153 regular cash dividend per share equivalent to 70% cash dividend payout. In addition, and consistent with the “look back” approach, the Board also approved the payment of a special cash dividend of Php65 per share, or another 30% cash dividend payout, bringing total dividend payout to 100% for the third consecutive year.

Financial Position
PLDT’s consolidated statements of financial position remained strong in 2009 despite an increase in consolidated gross debt to US$2.2 billion, due to additional borrowings to finance capital expenditures and refinance maturing loan obligations as our cashflows were redirected to fund the Meralco acquisition. Net debt to EBITDA rose slightly to 0.7 times, but remains well within optimum gearing levels. PLDT maintained a healthy debt profile with maturities well spread out.
In 2009, capex rose by 11% over 2008 to Php28.1 billion. The increase went largely to support broadband takeup and to further seed its growth. About 58% of total capex was for the wireless business, while about 40% went to fixed line business.

In 2010, we expect capex to increase to about Php29 billion, representing continued investment in our broadband business and in the roll-out of our Next Generation Network, as well as network upgrades to enable more aggressive voice offers.

**Broadband: Leading the Change**

Our broadband business led the way in 2009 as PLDT further strengthened its market leadership in this segment.

PLDT’s combined broadband subscriber base grew by 62% to 1.6 million in 2009. Of this total, there were 1 million wireless broadband subscribers and 560,000 DSL subscribers. Broadband and internet revenues for 2009 grew by 25% year-on-year to Php13.8 billion, and now accounts for 9% of total service revenues.

The combined strength of our fixed and wireless networks has given the group the edge in the market, establishing PLDT as the clear leader in subscribers and revenues, and bringing us nearer to our objective of “broadbanding the nation.”

**Wireless: Managing New Dynamics**

Smart’s combined cellular subscriber base grew by 17% to 41.3 million in 2009. This represents net additions of 6.1 million cellular subscribers, surpassing the net additions of 5.2 million cellular subscribers in 2008. This was a notable achievement given the already high market penetration.

Wireless service revenues for 2009 reached Php95.8 billion, or 2%, year-on-year. This relatively less vigorous growth in wireless service revenues reflects both the impact of weak consumer spending in 2009 as well as the changing consumer preferences. In response to growing market appetite for voice services, Smart introduced more voice plans in 2009. These included Smartalk and Smartalk Plus, which allowed subscribers to make unlimited voice calls.

EBITDA declined by 2% in 2009 to Php59.4 billion due to softer revenues and higher cash operating expenses such as rental expense, and taxes and licenses.

**Fixed Line: Growing Steadily**

Our fixed line service revenues rose 4% in 2009 to Php51.1 billion. This growth was driven chiefly by corporate and data revenues which grew 16% year-on-year to Php21.6 billion and now accounts for 42% of total fixed line service revenues.

The changing revenue mix of our fixed line business in favor of corporate business and small-and-medium enterprises (SMEs) is a positive development as this
presents a more stable customer base and a rich revenue source.

At the same time, DSL has given retail fixed lines a fresh boost even as long distance toll revenues declined due to the prevalence of cellular and the growing popularity of voice over internet protocol (VoIP) and other web-based communications services.

**ePLDT: Moving Forward**

ePLDT, Inc. (ePLDT) service revenues grew by 5% to Php10.9 billion in 2009, accounting for 7% of total service revenues. This improved performance reflects the gains resulting from the streamlining of the business which we undertook in 2008.

ePLDT’s data center operations registered the strongest growth with a 67% increase in service revenues year-on-year. On the other hand, our customer interaction solution and knowledge processing solution operations showed declines due to the impact of adverse global conditions on their clients’ businesses.

EBITDA posted a 26% growth in 2009, with margin having improved to 12% compared to 10% in 2008. To sustain this momentum and to allow greater focus, we are reorganizing our knowledge processing solutions businesses by combining the voice and non-voice operations in one entity.

**Meralco: Fortifying our Stake**

Our 2009 results reflected our share in the earnings of Meralco following the acquisition of a 20% stake in the power distribution utility in March 2009.

Furthermore, as a result of its investment in the upgrade of its systems, Meralco also showed improvements in operating performance with its systems loss below the 9.5% cap in 2009.

In March 2010, we announced our plan to contribute 154.2 million of our 223 million Meralco shares, held by Piltel together with the 163.6 million Meralco shares held by MPIC into a special purpose vehicle to be named Beacon. Piltel and MPIC would each own a 50% stake in Beacon. In addition, Beacon was granted a call option on approximately 6.6% of Meralco shares owned by the Lopez group. With the call option having been exercised on March 30, 2010, the combined Beacon and Piltel stake in Meralco will now amount to approximately 40.9%, including the 68.8 million Meralco shares retained by Piltel. These initiatives are expected to strengthen our ownership of Meralco.

Both PLDT and Meralco have been working more closely to pursue possible synergies between their respective businesses. Early wins include the signing of a three-year joint pole agreement allowing PLDT the use of Meralco’s towers and poles. There are initiatives involving co-location of facilities and the use of each other’s fiber optic networks, among others. Medium-term initiatives are in the areas of prepaid metering and the delivery of broadband over the power lines, both of which are presently undergoing technical trials.

**Striking a Fine Balance**

For 2010, PLDT must continue to strike a fine balance between protecting our traditional businesses while strengthening our leadership in the emerging broadband arena.

Within our traditional businesses, market dynamics are changing. With high market penetration and increasing subscriber preference for bucket plans, we face headwinds in growing our wireless business. Nonetheless, there are new opportunities to exploit. We need to respond to the demand for lower-priced voice services in wireless business. Economic recovery is expected to boost growth, particularly in the outsourcing industry as well as the SMEs. This will increase demand for corporate and SME telecommunications services. Our ICT businesses have gone through streamlining and are better positioned to capitalize on growth opportunities.

One of our key objectives for 2010 is to sustain the growth in our broadband subscriber base and revenue streams. This will require not only considerable investments in our networks but also leaps in developing and aggregating content. We have already made significant progress in this direction as evidenced by the provision of video and audio content by services such as **PLDT Watchpad** and **SmartBro Sandbox**. We shall pursue even more ambitious initiatives as PLDT moves further down the path of transforming itself into a communications and multi-media group.

Even as PLDT pursues this transition, we shall continue to control our costs. Cash operational expenses shall be managed prudently and greater efficiencies pursued relentlessly.

I see PLDT’s journey as being similar to climbing a mountain peak and 2010 as the point in time where we reach base camp. Getting to this point has already required much effort, but there are greater heights to scale. Base camp is just a stop over, where the climbers get a chance to regroup and prepare to climb the summit.

Rest assured that your team at PLDT remains undaunted and are committed to bringing your Company to greater heights.

**NAPOLEON L. NAZARENO**

President and CEO
Broadband continued to be the growth story – and the new battleground – for Philippine telecoms in 2009. The PLDT Group led the way, offering wired and wireless services that have brought high-speed internet services to many more homes, offices, shops and schools all over the country.
Pushing Activation
Broadband has breathed new life into fixed lines. Growth in DSL combined with corporate data have enabled fixed line service revenues to improve by 4% despite the continued decline in toll revenues from domestic and international calls.

Last year, the combined broadband subscriber base of PLDT and Smart grew by 62% to more than 1.6 million broadband subscribers, raising service revenues by 25% to Php13.8 billion.

This growth was achieved through a series of aggressive activation programs. The first shot in this drive was fired in February 2009 when PLDT staged the country’s biggest broadband and PC event at the Virra Mall in Greenhills called the “Ultra Broadband Blowout”. Attractive PC and laptop deals were bundled with PLDT myDSL. The event was supported by leading PC and laptop brands such as Lenovo, Acer, HP and Neo, and various major PC dealers.

Bundling terminals with connectivity proved to be a powerful approach and this was used by both PLDT and Smart repeatedly in promos and events throughout the year.

These efforts were complemented by several activation programs offering quick installation of DSL and/or phone line connections. In June, PLDT relaunched its myDSL Quick Install Kit (QIK). Many subscribers enjoyed instant, plug-'n-play DSL in key areas all over the country. This was followed through by the Bilis Kabit (Quick Connect) campaign, which offered installation of phones, and myDSL and PLDT Call All (wireless landline) services within 24 hours in key areas nationwide. From June to December 2009, PLDT connected 143,000 Call All subscribers.

Capitalizing on Wireless
The largest gains in subscriber base were attained in wireless. Banking on its High Speed Packet Access (HSPA) network and its fixed wireless service, Smart grew its broadband base beyond the one-million mark. Activations were driven by a strong advertising campaign that highlighted the results of speed tests in various parts of the country showing that SmartBro’s Plug-It service delivers clearly superior performance versus competing services.

Various services have been launched on the back of the Group’s extensive wireless networks. One innovative service introduced in 2009 was SmartBro Share-It. Using a wireless router running on Smart’s HSPA network, this service can connect several PCs and laptops to the internet via WiFi.

Another was the PLDT Internet@Home service, dubbed as the “Take Home Instant Landline and Internet” service. A wireless landline and internet package that can be installed in minutes, this new offer became an instant hit. This was followed in early 2010 by the launch of SmartBro SurfTV which enables users to connect to the Web using an affordable set-top box with a TV set.

Content and Connectivity
Content enhances the value of connectivity. So, both PLDT and Smart have launched content packages to boost their respective offers.

In October, PLDT Watchpad was launched. It was the country’s first video streaming service, enabling PLDT customers to watch popular TV channels, award-winning movies, documentaries and other video materials via their myDSL-powered PCs.

Smart’s Sandbox enables Smart subscribers to keep in touch through a portal they can tap online or through their cellphones.

PLDT Watchpad allows subscribers to watch the hottest TV channels, movies, exclusive live streaming and more, with every PLDT myDSL subscription.
PLDT Watchpad was launched with 18 channels, including CNN, National Geographic, MTV, CNBC, Go, PBO, Animax, Cartoon Network, E! Entertainment, History Channel, Bio Channel, Crime and Investigation, Smart Shopping Network, TBN Word, Living Asia Channel, Splash, RCTV and PLDT’s own myView Channel. The following month, PLDT Watchpad featured the “Fight of the Century” between Manny Pacquiao and Miguel Cotto Live, exclusive and commercial-free to PLDT myDSL subscribers.

For its part, SmartBro improved both activations and usage by offering free music downloads from a library of over 200,000 licensed songs hosted by its content portal Sandbox.

Enterprise Solutions
Data communications and IT solutions for corporate and SME clients were major positive contributors to PLDT’s overall performance in 2009.

Corporate private data networking portfolio introduced higher speed PLDT IP-VPN and Metro Ethernet, and established NNI (Network-to-Network Interface) interconnections with more International Data Service Providers.

Enhancing further the corporate portfolio are PLDT Sweetspots, the first fully-managed digital signage network solution in the country, and PLDT SNAP, a suite of managed networking, customer premise equipment and IT services. Both services garnered first and runner-up honors, respectively, for “Groundbreaking Technology of the Year Award” during the 9th eServices Awards in February 2009.

PLDT also launched PLDT Telepresence, a solution that enables face-to-face, life-like conferencing experience and assures participants of unmatched high-definition audio and video, all on a highly secure and reliable global network environment. PLDT Shops.Work Unplugged (SWUP) All-Access, another pioneering and groundbreaking solution, allowed merchants to have wireless swipe card terminals that accept all ATM debit and credit cards, giving them flexibility in accepting payments.

The opening of two more Innovation Laboratories (Innolabs) in Davao and Subic, both major economic hubs, highlighted the latest in PLDT’s business solutions. This brings the total PLDT Innolabs to five, supporting and fueling innovation across the country.

A sustaining campaign for PLDT myDSL Biz PC Bundle was launched early during the year which highlighted how high-speed broadband internet combined with fast-computing devices can help SMEs nationwide become more efficient and profitable. PLDT Watcher was also re-launched, allowing SMEs to see what is
happening in their business via internet and 3G mobile phones.

New bundled services were also developed. PLDT Negosyo Boost featured various bundled services such as business line, fixed and wireless internet access, a netbook and a 3-in-1 printer, enabling start-up and allowing SMEs to immediately start their business operations and be on-line.

Lastly, PLDT Suki, the first online marketplace site for SMEs, was launched in October, allowing business-to-business and business-to-customer transactions.

Enhancing Mainstream Businesses
The Group continued to offer innovative and affordable voice and text packages as it sought to enhance its mainstream businesses.

PLDT Landline Plus, the wireless fixed line service of PLDT, provided value offers such as its Todo-DisKwento Plans, where customers enjoyed not just discounted NDD and IDD rates but also a month of free unlimited local calls. PLDT Touch Card, PLDT Budget Card and PLDT Vibe Prepaid Internet Card offered attractive discounted rates, new denominations and more calling destinations. To reward loyal customers, PLDT launched PLDT Telerewards in October where it partnered with SM Advantage Card (SMAC), one of the biggest loyalty programs in the country. Under this partnership, PLDT subscribers can earn SMAC points whenever they pay their phone bills on time, use other PLDT services and subscribe to new services.

In June, Smart launched Smartalk, an unlimited voice offer available to Smart Buddy and Smart Gold subscribers. Later, it also introduced Smartalk Plus, a variant that offers unlimited calling and on-net texting during off-peak hours and reduced rates during peak hours. Taken together, these offers helped raise overall voice revenues of the mobile business. These also complemented the various bucket or flat-rate promos being offered by Smart and Talk ‘N Text.

In November, Smart won three innovation awards at the Asia Mobile Awards of the GSM Association. The awards were for the “Best Mobile Money Service,” Mobile Money for the Unbanked and Best Mobile Marketing. Smart also received three awards at the Asian CSR Awards for its education and environmental programs.

ePLDT: Moving Forward
Vitro™ data center set the pace for ePLDT as its revenues grew by 67% due to increased contracts for server hosting, disaster recovery and business continuity service. Customer interaction solutions (ePLDT Ventus, Inc.) and knowledge processing solutions (SPI Global Solutions) revenues declined slightly due to adverse global economic conditions.
PLDT Employees’ Transformation Journey

PLDT’s transformation journey marked a major milestone in 2009 when the Company was cited as the “Employer of the Year” by the People Management Association of the Philippines (PMAP).

A recognition of PLDT’s outstanding accomplishments in people management, the award also signaled that the Company was making major strides in its efforts to become an innovative communications and multi-media services group.

People are at the heart of this transformation process. Thus we have a campaign anchored on the theme: “Yakapin ang Pagbabago” (Embrace Change).

These were the initiatives conducted to rally all PLDT employees in support of change:

**Jolly Ring-O: The Icon of Change.** Jolly Ring-O represents the new and dynamic PLDT Employee who not only keeps up with change but embraces change.

**The PLDT Group Way: The Common Way of Thinking, the Language of Change.** Training on the PLDT Group Way, a unique 3-lens framework for analyzing problems and finding holistic solutions, was developed and used to train over 7,000 employees of PLDT.

**PLDT Transformation Academy: The Learning Vehicle for the Transformation Journey.** The PLDT Training Center established the “Transformation Academy” within its Innolab Training Center to help re-tool employees in new technologies and skills and mindset development programs, as well as help everyone understand and imbibe the new PLDT Group Way. The Academy produced more than 20,000 training graduates in 2009.

**Employee Engagement Programs: The avenues to get involved and engaged in transformation.** These programs include the following: e-Suggest encourages employees to make suggestions to improve the way PLDT does business, such as the development of new systems and invention of new tools to speed up service delivery; e-Refer encourages employees to refer new customers to PLDT to help increase revenues; e-Care makes it easier for employees to report service outages through texting; i-Excel recognizes exemplary employees who embody the spirit of excellence in transformation. As of end 2009, more than 6,000 employees, or 80% of the total, have joined at least one of these engagement programs.

Creating excitement and awareness was important. Elevators in PLDT buildings were wrapped with posters containing the business transformation theme and message. Jolly Ring-O was also put on the cover of the PLDT corporate magazine, ACCESS:ESS. Brochures and posters for e-Care, e-Suggest, e-Refer and i-Excel were printed and distributed to employees. The PLDT Group Way Newsletter was published in “Taglish,” a combination of Tagalog and English. There were also nationwide roadshows with President Napoleon Nazareno reaching out to all PLDT business zones where PLDT top management was able to hear directly the concerns and suggestions of employees. And to capture the spirit of transformation in music and words, the “Yakapin ang Pagbabago” anthem was composed, arranged and recorded by in-house talent. The song was played in major buildings and in all BTO roadshows and events.

Meanwhile, PLDT’s ICT subsidiary completed various acquisitions in anticipation of an upswing in business. In April, ePLDT has increased to 93.5% its equity interest in BayanTrade, a technology provider for sourcing and supply management, business solutions, and operational and business applications support. In September, SPI purchased Laguna Medical Systems, Inc., a medical coding consulting firm.

SPI continued to win awards and recognition as a leading knowledge processing solutions company in the world. It was named as one of the world’s best outsourcing providers in the 2009 International Association of Outsourcing Professionals (IAOP) Global Outsourcing 100. It also won the 2009 ICT Award for Multi-Sourcing Company of the Year given by the Business Process Association of the Philippines and the Canadian Chamber of Commerce of the Philippines.

**“PLDT also completed its Php3-billion DFON expansion, laying an additional 2,000 kilometers of fiber optic cables.”**

Strengthening Network Infrastructure

To support its growing broadband business, the Group continued to build up its network infrastructure.

In March, Smart launched its HSPA network, which is capable of supporting speeds of up to 7 Mbps. This significantly boosted its ability to provide mobile broadband services and made possible the rapid growth of its SmartBro Plug-It service. During the year, it also began to deploy HSPA Plus which is capable of even higher speeds of up to 20 Mbps.

In November, Smart marked another major milestone as its network hosted the first network trial in the Philippines using 4G or Long-Term Evolution (LTE) technology. LTE is a further enhancement of mobile phone networks with speeds of up to 100 Mbps.

PLDT also completed its Php3-billion DFON expansion, laying an additional 2,000 kilometers of fiber optic cables in key cities around the country, expanding operating capacity to more than 1,000 Gigabytes, or double that of other networks.
In 2009, natural calamities added greater urgency to the community service initiatives undertaken by the PLDT Group.
In September, Typhoons Ondoy and Pepeng unleashed massive floods in Metro Manila, North and Central Luzon, dislocating millions of people. The PLDT Group did its share in responding to this unprecedented crisis.

PLDT and Smart personnel, along with their distributors, set up 38 Libreng Tawag (Free Calls) Centers and staged 35 missions to distribute over Php10 million worth of relief goods to disaster victims in the six cities and towns of eastern Metro Manila and in nine provinces of Northern, Central and Southern Luzon that were worst hit by the storms. They also held six medical missions through which they treated several thousand typhoon victims in Metro Manila and in Pampanga. In these relief and medical missions, they worked with their colleagues from Manila North Tollways Corp., doctors and nurses from the Makati Medical Center, Cardinal Santos Hospital and PLDT Medical Services, and volunteers from the PBSP.

The Group has since become deeply involved in the post-disaster and reconstruction effort. PLDT and Smart Chair Manuel V. Pangilinan was tapped by President Gloria Macapagal-Arroyo to head the PDRF, the private sector commission tasked to work with the Special National Public Reconstruction Commission in rebuilding the badly affected areas.

Working with government agencies, private companies, non-government organizations, church and civic organizations, and local communities, the PDRF has initiated various programs that aim not only to “build back” but also to “build better”. These include programs to set up an enhanced early flood warning system for Metro Manila in cooperation with the Metro Manila Development Authority and Philippine Atmospheric, Geophysical and Astronomical Services Administration, to help develop a master flood control plan for Metro Manila, to repair damaged public schools, to develop housing and relocation plans for informal settlers living along the waterways and to reforest and rehabilitate the denuded Marikina Watershed.

ENVIRONMENT

PLDT’s environmental initiatives made major strides in 2009. Smart’s program using wind and solar energy to power over 100 cell sites in remote areas won two international awards in 2009: the “Green Mobile Award” at the 14th GSMA Global Mobile Awards in Barcelona, Spain, in February and an Award of Excellence at the Asian CSR Awards in Manila, Philippines, in November.
The Group also stepped up its tree-planting activities. Over 340,000 seedlings and mangrove propagules were planted in 13 provinces by employees, partner schools, local governments and civic organizations under PLDT, Smart, and NTT DoCoMo’s joint SMARTrees program. This was double the number in the prior year.

PLDT launched its TelePUNO tree-planting project, a five-year program in partnership with the Department of Environment and Natural Resources, PBSP, the Multi-sectoral Watershed Management Council, Inc. and the local governments of Real and Infanta, Quezon. Under the program, 80,000 seedlings will be planted in the 80-hectare Real-Infanta Watershed Forest Reserve. PLDT and Makati Medical Center conducted a tree-planting activity in the Quezon Watershed Forest Reserve. PLDT also participated in the PBSP Cebu Hilolands Reforestation Caravan. To date, 55,317 trees have been planted.

PLDT and the Philippine Eagle Foundation, Inc. signed an agreement to restore the denuded lands within the Arakan Valley Conservation Area into viable habitats for the Philippine Eagle and other wildlife. PLDT will also help partner communities in the conservation area through various projects such as a potable water system, which was turned-over in March 2010, for Sitio Enamong in Barangay Datu Ladayon.

Smart supported the National Search for Sustainable Schools, a nationwide search for the cleanest and greenest school (elementary, high school and tertiary levels) in partnership with the environment and education departments. Smart likewise supported Earth Hour, in partnership with World Wide Fund for Nature – Philippines.

EDUCATION
The PSF helped the Philippine Christian Foundation, headed by British national Ms. Jane Walker, construct an elementary school at “Smokey Mountain,” a former garbage dump in Manila’s depressed area. Built for poor children in Tondo, Manila, the school used container vans to set up classrooms, including a computer lab, in line with a commitment to former British Prime Minister Tony Blair during his 2009 visit.

As part of its continuing Employees Education Grant program, PSF also gave educational grants to 100 children of PLDT and Smart employees.

In 2009, the PLDT-SME Nation awarded 18 scholarships to Education students through the Gabay Guro (2G) Program, a joint activity of the PSF and the PLDT Manager’s Club, Inc. The scholars came from Bicol University, Eastern Samar State University, Mt. Province State University, Negros Oriental State University, Philippine Normal University-Agusan, Philippine Normal University-Isabela, Philippine Normal University-Quezon, and Western Mindanao State University.

2G was certified by the Department of Social Welfare and Development to be a sustainable and strategic project of PSF encompassing the PLDT Group’s various businesses involving PLDT Group employee volunteers. It was considered a key factor for the PLDT Group winning the Employer of the Year Award from the People Management Association of the Philippines (see page 16).

2G already has 180 scholars in state universities nationwide and plans to have at least five scholars per year in every province. The program also encompasses teachers’ training, teachers’ tribute, livelihood, broadbanding and computerization of public schools, and housing for teachers with the Department of Education’s Project Shelter program.

Over 1,000 teachers and students from 60 public schools in different parts of the country received basic and advanced computer and internet literacy training under PLDT’s Infoteach Outreach Program in 2009. This brings the total number trained under this program to over 6,000. For this program, PLDT partnered with Netopia Training Academy.
teachers and administrators have participated in lectures, field visits and courses, including a Leadership Forum conducted by former British Prime Minister Blair.

The SPi Technologies Foundation, Inc. (SPI Foundation) continued to help financially-disadvantaged students in completing their education, improving their employment skills and securing a job after graduation. The SPI Foundation supports the SPI College Scholarship Program, the Computer Training Program conducted in SPI's Computer Learning Centers in various locations in the Philippines and Job Search Seminars, among others.

In 2009, the SPI Foundation awarded ten more scholarships to students of partner schools Polytechnic University of the Philippines in Batangas, Negros Oriental State University and Siliman University in Negros Oriental. It also trained 165 students from public colleges in Laguna and Batangas in Adobe Acrobat/Adobe Photoshop computer software applications.

The Smart Schools Program (SSP) has shifted its focus to teachers' training and content development. As a result, 160 of its partner high schools have been able to set up their websites. These high schools have also been assisted in developing online coursework through the Doon Po Sa Amin program, which helps teachers and students prepare course materials based on local history, culture and economy. Since 2004, the SSP training activities have benefited 11,527 teachers and over 430,000 students from 180 public elementary and high schools. The training activities include computer literacy, ICT integration in the classroom, computer troubleshooting, web page development, content generation, leadership and scholarships for teachers for a Master of Arts degree in Education, Major in Instructional Media and Design.

Smart continued its program of helping upgrade the quality of electronics and communications engineering and information technology courses of its partner colleges and universities. This is being done through the Smart Wireless Engineering Education Program (SWEEP) and information technology under the Application Developers Intro School (ADIS). The focus in 2009 was to provide training in wireless broadband technologies. Under SWEEP, over 3,000 faculty and students have been trained and over 1,500 students have gone through on-the-job-training. Over 2,200 teachers and administrators have participated in lectures, field visits and courses, including a Leadership Forum conducted by former British Prime Minister Blair.

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COMMUNITY DEVELOPMENT AND LIVELIHOOD

PSF, PLDT and Smart have adopted 10 PLDT-Smart Amazing GK Villages nationwide. In 2009, 30 more houses were completed in PLDT-Smart Amazing GK Village in Sooc, Iloilo.

SPI and Springer Science + Business Media also have an ongoing partnership with GK to build 56 houses in the SPI-Springer Sunshine Village. Almost 40 houses have been completed. SPI also built a three-storey multi-purpose hall which houses a day care center for children ages three to six, and a computer learning center for the young adults. Together with employee volunteers, SPI also conducted a medical mission to more than 200 residents of the SPI-Springer Sunshine Village.
In the past few years, the Group’s focus has shifted from building villages to developing livelihood programs for GK villages. With the help of Smart, the GK Sooc Terracotta Youth Artists, residents of the GK Village in Iloilo City, held their first exhibit in SM Iloilo in partnership with artist PG Zuluaga and the GK Foundation. In partnership with Earth Day Network and iServe, Smart also launched the Tarp Bag Recycling Program in Iloilo and trained GK beneficiaries in bag-making using recycled tarpaulins. Smart has continued to support the Banglos Sculptors in its community art program.

PSF continued its program with ASA Philippines Foundation, giving micro-finance loans to janitors, waiters, drivers and security guards of PLDT and Smart to help them start small businesses.

PLDT’s “Pila na, may Doktor Tayo” project brings doctors and dentists to remote areas and those affected by calamities for free consultations and medicines. In 2009, more than 7,000 patients from seven communities in Bulacan, Laguna, Iloilo and Pangasinan benefited from this project.

SPORTS
Through Smart, the Group continued to support sports by sponsoring events and also identifying, training, and rewarding promising Filipino athletes, coaches, officials and sports organizations.

Working with the Amateur Boxing Association of the Philippines, Smart supported the Filipino boxers who brought home gold medals from the 3rd Asian Indoor Games held in Vietnam and from the 25th Southeast Asian Games in Laos. In partnership with the Philippine Taekwondo Association, Smart supported the taekwondo national team that harvested gold medals during the Southeast Asian Games.

Organized in March 2009, with the blessings of the Samahang Basketbol ng Pilipinas, the Smart Gilas Pilipinas national basketball team won at the Asian Men’s Invitational Cup in China, finished 5th in the FIBA (Fédération Internationale de Basketball) Asia Men’s Cup in Indonesia, and 3rd in the 21st Dubai International Basketball Championship. In the professional league, the Talk ‘N Text Tropang Texters emerged as the Philippine Basketball Association’s 2009 Philippine Cup Champion.

Smart also sponsored the International Tennis Federation Women’s Circuit attended by 30 foreign players, and helped put together the Smart-Head Junior Tennis Satellite Circuit and the Butch Bacani Summer Tennis Camps. It also helped organize the 2009 Padyak Pinoy Tour of Champions, joined by over 150 of the country’s best cyclists. Over 9,000 running enthusiasts, meanwhile, joined the Smart Subic International Marathon in Subic, Zambales.

JUVENILE REHABILITATION
PSF organized a charity film showing for the benefit of the PLDT-Smart Bahay Pag-asa Youth Center, a transformative facility built by De La Salle University-Dasmariñas, De La Salle Health Sciences Institute and PSF.
PLDT recognizes the value of good corporate governance in building and sustaining its long-term growth and profitability. Our corporate governance philosophy endeavors to move beyond mere compliance with rules and legislation, through a process of developing the proper competencies in order to establish an ethical corporate culture of principled business within the framework of its core values of accountability, integrity, fairness and transparency.

PLDT’s Board of Directors is committed to a keen observance of corporate governance principles and policies.
Everyone in the Company, from a director to an employee, is responsible for creating this desired culture. All share in contributing to the adoption of appropriate policies and the latter's firm, yet even-handed enforcement. More importantly, everyone is charged with the duty of promoting the proper attitudes and mindsets to allow genuinely good corporate governance to take root and flourish in PLDT.

PLDT's comprehensive corporate governance program is made necessary by very weighty reasons. First, unlike most Philippine companies, PLDT's American Depositary Receipts (ADRs) are listed in the New York Stock Exchange (NYSE). Hence, we endeavor to conform with the standards set forth in the U.S. Securities Law and the NYSE Listing Rules. Furthermore, as an investee company of various Philippine and other affiliates of First Pacific Company Ltd. (First Pacific), PLDT also endeavors to conform with certain corporate governance guidelines of First Pacific which are based on the rules of the Hong Kong Stock Exchange in which First Pacific's shares are listed. Second, PLDT recognizes the reputational and commercial benefits of good corporate governance, a fact that is supported by recent developments in the world economy.

Ultimately, however, our most important reason for continuing our good corporate governance program is that PLDT considers it to be a duty that all corporate citizens should fulfill. It is a duty we take seriously, a duty we owe to all of our stakeholders: shareholders, employees, customers, partners, suppliers, contractors, and the community at large.

Our Policies

The starting point for PLDT's corporate governance program is our policies. These policies were derived from and benchmarked against global best practices in corporate governance, but nevertheless finely-tailored to be of practical application to PLDT's unique conditions and culture. PLDT's two fundamental policies are its Corporate Governance Manual and the Code of Business Conduct and Ethics.

Our Corporate Governance Manual (Governance Manual), which was adopted and approved by our Board of Directors (Board) in September 2002 and revised and amended on January 30, 2007, seeks to institutionalize the principles of good governance that our Board and Management believe to be a necessary component of sound business management. It was adopted pursuant to the Code of Corporate Governance (Philippine SEC Governance Code) that was promulgated by the Philippine SEC under SEC Memorandum Circular No. 2, Series of 2002, dated April 5, 2002.

In compliance with the Philippine SEC Governance Code and consistent with the relevant provisions of the Securities Regulation Code and Corporation Code of the Philippines, our Governance Manual covers the following key areas:

1. The qualifications and grounds for disqualification for directorship;
2. The requirement that at least two or 20% of the members of our Board, whichever is lesser, must be independent directors and the standards/criteria for the determination of independent directors;
3. The duties and responsibilities of our Board of Directors and the individual directors;
4. Our Board committees, specifically, the governance and nomination committee, audit committee and executive compensation committee, the composition and the principal duties and responsibilities of such committees;
5. The role of our chairman in ensuring compliance with the corporate governance principles;
6. The role of our president/chief executive officer in ensuring that our organizational and procedural controls are adequate and effective to ensure reliability and integrity of financial and operational information, effectiveness and efficiency of operations, safeguarding of assets and compliance with laws, rules, regulations and contracts;
7. The duties and responsibilities of our corporate secretary/assistant corporate secretary in terms of the support services that they need to provide our Board in upholding sound corporate governance;
8. The duties and responsibilities of the head of our internal audit organization that would provide our Board, Management and shareholders with reasonable assurance that our key organizational and procedural controls are appropriate, adequate, effective and reasonably complied with;
9. The functions of our independent auditors that would reasonably ensure an environment of sound corporate governance as reflected in our financial records and reports; the requirement that non-audit work of the independent auditors should not conflict with their function as independent auditors; the requirement to rotate, at least once every five years, the independent auditors or the lead partner assigned to handle the independent audit of our financial statements;
10. Our commitment to respect and promote shareholders' rights such as voting right, pre-emptive right, inspection right, dividend right, appraisal right, and right to receive information about the background, business experience, compensation and shareholdings of our directors and officers and their transactions with us;
11. The requirement to appoint a compliance officer and the duties and responsibilities of such compliance officer including the establishment of an evaluation system to determine and measure compliance with the provisions of our Governance Manual; and
12. The penalties for violations of our Governance Manual.

Our Code of Business Conduct and Ethics (Code of Ethics) was adopted to strengthen the implementation of our Governance Manual. Approved by our Board on March 30, 2004 and subsequently updated on July 11, 2006, our Code of Ethics sets out our business principles and values, which aim to promote a culture of good corporate governance in our Company. It provides standards that govern and guide all business relationships of our Company, its directors, officers and employees, especially with respect to the following:

1. Compliance with applicable laws, rules and regulations;
2. Ethical handling of conflicts of interest, corporate opportunities and confidential information;
3. Protection and proper use of Company assets;

4. Fair dealing with our employees, customers, service providers, suppliers, and competitors;

5. Compliance with our reporting and disclosure obligations to the relevant regulators and to investors;

6. Compliance with our disclosure and financial reporting controls and procedures;

7. Assessment and management of risks involved in our business endeavors; and

8. Adoption of international best practices of good corporate governance in the conduct of our business.

We also have enabling policies adopted by our Board to provide specific guidelines on the provisions of the Code of Ethics:

(a) Conflict of Interest Policy approved on October 24, 2005 – This Policy aims to ensure that work-related actions of our directors, officers, employees and consultants are based on sound business principles and judgment devoid of bias or partiality. It enjoins all employees to be aware of the possibility of such bias and partiality in dealings with various entities or individuals in the course of or in relation to their work. The policy likewise mandates that employees who find themselves in a possible conflict of interest situation should promptly disclose the matter to the relevant authorities, as stated in the policy. If warranted, the employee concerned should also obtain appropriate approvals and inhibit himself from any action, transaction or decision involving an existing or potential conflict of interest.

(b) Policy on Gifts, Entertainment and Sponsored Travel approved on January 31, 2006 – This Policy provides safeguards so that the custom of giving gifts is handled in accordance with the principles of integrity, accountability, fairness and transparency. It aims to prevent the occurrence of situations or actions that could significantly affect objective, independent or effective performance of an employee’s duties. Specifically, it prohibits the solicitation of gifts, sponsored travel and entertainment from third parties. On the other hand, receipt and acceptance of gifts voluntarily given by such third parties. On the other hand, receipt and acceptance of gifts voluntarily given by such third parties are handled according to this policy.

(c) Supplier/Contractor Relations Policy approved on January 31, 2006 – This Policy seeks to ensure that our Company upholds the highest professional standards in business practices and ethics in its dealings with suppliers and contractors in the procurement of goods and services. The policy seeks to maintain PLDT’s reputation for equal opportunity and honest treatment of suppliers in all business transactions. The policy establishes clear rules for arm’s-length transactions and fair treatment of prospective and existing suppliers with the objective of always obtaining the best value for the Company.

(d) Policy on Employee Disclosure on Violations of the Corporate Governance Rules, Questionable Accounting or Auditing Matters, and Offenses covered by PLDT’s Table of Penalties (Expanded Whistleblowing Policy) approved on May 9, 2006 – This Policy provides guidelines on handling employee complaints, protects whistleblowers from retaliation and ensures confidentiality and fairness in the handling of a disclosure or complaint. An Expanded Whistleblowing Hotline and other reporting facilities, such as a dedicated electronic mailbox, post office box and facsimile transmission have been installed and are maintained. Any employee may submit a complaint or disclosure of the nature of the violation to the Corporate Governance Office (CGO), or the chief governance officer, verbally or in writing. The CGO then conducts a preliminary evaluation to determine the appropriate investigating unit to which the case shall be assigned for further action. The CGO monitors the cases reported and ensures appropriate reporting to our audit committee, governance and nomination committee, or any other relevant committee or body on the results of the investigations and the prompt referrals of findings to the appropriate units concerned. Our committees on officer or employee discipline, as the case may be, are responsible for evaluating and approving the appropriate disciplinary action against erring officers and employees.

All these policies and rules (collectively, the Corporate Governance Rules or CG Rules) are periodically reviewed to ensure that they are appropriate for PLDT and are compliant with the requirements of the Philippine and U.S. SEC, NYSE and Hong Kong Stock Exchange corporate governance rules, as may be applicable.

We have summarized in our website the differences between our corporate governance practices and those required of U.S.-listed companies under NYSE Section 303A. To access our Code of Ethics, Governance Manual or information on how our corporate governance practices and those required of U.S. listed companies under NYSE Section 303A.11 differ, please refer to:


http://www.pldt.com.ph/governance/about/Documents/f7933d17962d4b2c942e50ba4980f21bpldtdisclosure.pdf

As part of embedding corporate governance standards in performance evaluation of our personnel, we amended our Policy on Employee Qualification for Incentives and Rewards in 2007 to include corporate governance policy violations as a disqualification factor.

To ensure that relations between our Company and its business partners are imbued with our standards on good corporate governance, we have developed written corporate governance guidelines for suppliers and contractors, to which our suppliers and contractors are expected to consent in writing, thereby ensuring that they understand and accept these standards as indispensable in doing business with us. We have also conducted suppliers’/contractors’ briefings and communicate to our business partners, including suppliers, our commitment to, as well as expectations on, good corporate governance.

Our subsidiaries, and their respective subsidiaries, have also adopted corporate governance rules and policies substantially similar in substance and form to our CG Rules, as well as appointed their respective corporate governance officers.
Implementing Structures
Our corporate governance program is being implemented through the governance structure shown below.

Our Board of Directors
Our Board is composed of 13 highly competent individuals with diverse yet complementary skills and expertise. They bring together immense value in terms of experience in running and directing various businesses and organizations. This expertise is applied in good measure to the pursuit of the Company's continued growth and profitability. Such a commitment requires, as well, a keen observance of corporate governance principles and policies adopted to ensure the objective performance of its oversight functions over management.

Chief among the requirements for the smooth performance of its oversight function is that of board independence. PLDT has four duly-screened and qualified independent directors, namely: Rev. Fr. Bienvenido F. Nebres, S.J., Mr. Oscar S. Reyes, Mr. Pedro E. Roxas and Mr. Alfred V. Ty. These four independent directors comprise 30% of the entire membership of the PLDT Board. This number surpasses the required number of independent directors under local regulations of at least two independent directors or 20% of the entire board membership, whichever is lower.

To further enhance board independence, PLDT maintains the practice of keeping the posts of Chairman of the Board and the President and CEO separate. Each position has been given distinct and separate duties and responsibilities pursuant to the provisions of PLDT’s By-Laws and Governance Manual.

Our Board has also pioneered in the Philippines the practice of conducting a periodic performance self-assessment. It is a process whereby the Board, through its individual members, assesses its collective performance as well as that of the individuals that comprise it. Special interest is given to the Board's structures, processes and responsibilities, through a self-assessment tool developed by taking into consideration the Philippine SEC’s Governance Code and Self-Rating Form, PLDT’s Governance Manual and Code of Ethics, Sarbanes-Oxley Act (of the United States), NYSE Rules, the survey questions of the Institute of Corporate Directors (ICD) and established global best practices. In 2009, the evaluation process included the Board’s assessment of the board’s committees and each committee’s self-assessment of their performance. Results of the assessment are used to develop strategies to ensure the Board’s, Board committees’ and directors’ optimal performance of its fiduciary duties.

Our Board endeavors to continuously enhance corporate governance in the PLDT Group. Earlier, in 2008, our Board, in coordination with Management, defined our Corporate Social Responsibility (CSR) philosophy through the formal articulation of the PLDT Group Statement on CSR, which directs all companies in the PLDT Group to develop a more meaningful and authentic approach to our corporate sharing. In 2009, our Board, through the Audit Committee, moved to further strengthen our enterprise risk management which is now integrated in the PLDT Group's strategic planning and business processes.

Summarized below are the number of meetings and the attendance record of the individual directors for the year 2009. The total amount of per diem paid for the Directors’ attendance in the meetings in 2009 was Php44.5 million.

### Number of Meetings Attended

<table>
<thead>
<tr>
<th>Position</th>
<th>Directors</th>
<th>Chairman</th>
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<tbody>
<tr>
<td>Director</td>
<td>Tony Tan Caktiong</td>
<td>13/15</td>
</tr>
<tr>
<td></td>
<td>Donald G. Dee</td>
<td>14/15</td>
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<tr>
<td></td>
<td>Helen Y. Dee</td>
<td>14/15</td>
</tr>
<tr>
<td></td>
<td>Albert F. del Rosario</td>
<td>15/15</td>
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<td></td>
<td>Ray C. Espinosa</td>
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<td>Tatsu Kono</td>
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<td></td>
<td>Napoleon L. Nazareno</td>
<td>15/15</td>
</tr>
<tr>
<td></td>
<td>Bienvenido F. Nebres, S.J.*</td>
<td>14/15</td>
</tr>
<tr>
<td></td>
<td>Takashi Ooi</td>
<td>12/15</td>
</tr>
<tr>
<td></td>
<td>Oscar S. Reyes*</td>
<td>15/15</td>
</tr>
<tr>
<td></td>
<td>Pedro E. Roxas*</td>
<td>13/15</td>
</tr>
<tr>
<td></td>
<td>Alfred V. Ty*</td>
<td>12/15</td>
</tr>
</tbody>
</table>

*Independent Director

Board Committees
The Board has constituted four working committees, namely: the Audit Committee, Governance and Nomination Committee, Executive Compensation Committee and the Technology Strategy Committee.

The Audit Committee is composed of three independent directors, and three advisors. Each of the members of the Audit Committee is financially literate and one of the advisors is a certified public accountant with financial management expertise.

The Audit Committee has its own Board-approved written charter, which includes its purposes, functions and responsibilities. Among the primary purposes of this committee is oversight responsibility for the external auditor’s qualifications and independence, the Company’s financial reporting principles, policies and system of internal controls, and the integrity of its financial statements. The charter of the Audit Committee may be viewed and downloaded from the PLDT website through the following link: http://www.pldt.com.ph/about/management/Documents/a5730bbf77974d12b4a38cf9772830f6AuditCommittee_Charter.pdf

In 2009, the Audit Committee discussed, among other matters, the external auditor’s reports on their integrated audit of the 2008 financial statements prepared in accordance with Philippine Financial Reporting Standards (PFRS) and International Financial Reporting Standards (IFRS) and the internal controls over financial reporting. An evaluation and assessment conducted by the Audit...
Committee with respect to the independence of the external auditors and their performance for the year 2008 resulted in the reappointment of SGV&Co. as PLDT’s external auditors for the year 2009. The Audit Committee also reviewed the external auditor’s integrated plan for the audit of the 2009 financial statements, as well as the internal controls over financial reporting of PLDT and its subsidiaries.

In terms of its work with internal auditors, the Audit Committee reviewed the Internal Audit and Fraud Risk Management Group’s major accomplishments for the year 2008, approved the internal audit plan for 2009, discussed the periodic status reports on PLDT’s Sarbanes-Oxley Section 404 (SOX 404) compliance and recommended approaches for SOX 404 compliance and reporting for 2009, and reviewed other internal audit and fraud risk management activities and accomplishments.

Relative to financial reporting and controls, the Audit Committee reviewed with the financial officers of PLDT, the Company’s full year 2008 audited financial statements and unaudited financial results and reports for the first three quarters of 2009.

With respect to its functions relative to governance, general internal controls and risk management, the Audit Committee discussed the status of PLDT’s compliance with policies and applicable laws, updates on significant legal matters, and the status of whistleblowing complaints received by the CGO. The Audit Committee also reviewed with the Enterprise Risk Management Committee updates on the enterprise risk management (ERM) activities including results of internal risk assessments and various ERM initiatives.

Shown in the table below are the number of meetings held by the Audit Committee and the individual attendance record of each member for the year 2009. A total of Php3.4 million was paid as per diem to the members of the Audit Committee.

<table>
<thead>
<tr>
<th>Voting Members</th>
<th>Meetings Attended</th>
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<tbody>
<tr>
<td>Bienvenido F. Nebres, S.J. (Chairman)*</td>
<td>8/8</td>
</tr>
<tr>
<td>Oscar S. Reyes*</td>
<td>8/8</td>
</tr>
<tr>
<td>Pedro E. Roxas*</td>
<td>8/8</td>
</tr>
</tbody>
</table>

<table>
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<tr>
<th>Advisors</th>
<th>Meetings Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corazon S. de la Paz-Bernardo</td>
<td>8/8</td>
</tr>
<tr>
<td>Tatsu Kono</td>
<td>8/8</td>
</tr>
<tr>
<td>Roberto R. Romulo</td>
<td>7/8</td>
</tr>
</tbody>
</table>

*Independent Director

The Governance and Nomination Committee (GNC) is composed of five voting members, three of whom are independent directors and the other two are non-executive directors. The GNC also has three non-voting members, composed of an independent advisor, the Human Resources Group Head and the Chief Governance Officer of the Company. The GNC has its own Board-approved written charter, which includes its purposes, functions and responsibilities. Among the purposes of this committee are to develop and oversee the implementation of the Company’s corporate governance standards and evaluate the qualifications of persons nominated to the board, its committees, or any other position requiring board-appointment. The charter of the GNC may be viewed and downloaded from the PLDT website through the following link: http://www.pldt.com.ph/about/management/Documents/91f852cbeac24f629c6a a0e8f74b4ac96GNC_Charter.pdf.

In 2009, with respect to its governance function, the GNC: (a) performed a review and assessment of our Governance Manual, Expanded Whistleblowing Policy and Supplier/Contractor Relations Policy and while the committee determined that they remain to be compliant, it recommended improvements in the implementation thereof; (b) assisted in the conduct of the self-assessment process of the Board, the Board committees and the individual directors; and (c) also approved the corporate governance enhancement sessions for the Board and the PLDT Group senior management, as well as other corporate governance trainings and seminars for all other employee classifications.

In the performance of its nomination function, the GNC screened persons nominated as directors or independent directors and determined, identified and recommended the final list of director/independent director nominees who were recommended to the stockholders for election in the 2009 annual meeting of stockholders.

Summarized in the table below are the number of meetings held by the GNC and the individual attendance record of each member for the year 2009. A total of Php1.6 million was paid as per diem to the members of the GNC.

The Executive Compensation Committee (ECC) is composed of five voting members, three of whom are independent directors, and one non-voting member, who is the Human Resources Group Head of the Company. The ECC has its own Board-approved written charter, which includes its purposes, functions and responsibilities. Among the primary duties of this committee is to provide guidance and assistance to the Board in developing a compensation philosophy consistent with the culture, strategy and control environment of the Company. The charter of the ECC may be viewed and downloaded from the PLDT website through the following link: http://www.pldt.com.ph/about/management/Documents/b6e66b0a4e2a5a79f9de96a335f56e56fECC_Charter.pdf.

In 2009, the ECC reviewed, discussed and approved various compensation-related matters for officers and executives such as the variable pay (for the years 2008 and 2009) and

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1 Former Chief Justice Artemio V. Panganiban was appointed an independent non-voting member only on June 9, 2009 and attended both meetings of the GNC held after such appointment.
the 2009 merit increase. Non-monetary benefits such as the proposed life insurance for executives and enhanced life insurance for officers were likewise the subject of discussion and approval by the ECC.

Summarized in the table below are the number of meetings held by the ECC and the individual attendance record of each member for the year 2009. A total of Php1.6 million was paid as per diem to the members of the ECC.

<table>
<thead>
<tr>
<th>Voting Members</th>
<th>Meetings Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albert F. del Rosario (Chairman)</td>
<td>4/4</td>
</tr>
<tr>
<td>Tatsu Kono</td>
<td>4/4</td>
</tr>
<tr>
<td>Oscar S. Reyes*</td>
<td>4/4</td>
</tr>
<tr>
<td>Pedro E. Roxas*</td>
<td>4/4</td>
</tr>
<tr>
<td>Alfred V. Ty*</td>
<td>3/4</td>
</tr>
<tr>
<td>Non-Voting Member</td>
<td></td>
</tr>
<tr>
<td>Victorico P. Vargas</td>
<td>4/4</td>
</tr>
</tbody>
</table>

*Independent Director

The Technology Strategy Committee (TSC) is composed of five voting members, one of whom is an independent director, and two non-voting members. The TSC has its own Board-approved written charter, which includes its purposes, functions and responsibilities. Among the primary responsibilities of the TSC is to provide oversight to management on the strategic vision, and execution of such vision, for the role of technology in the Company’s business.

The charter of the TSC may be viewed and downloaded from the PLDT website through the following link: http://www.pldt.com.ph/about/management/Documents/5af88909125643808bf1f120f500db878cTS_Charter.pdf.

The TSC had one meeting in 2009 where it evaluated, discussed and recommended to the Board the adoption of a multi-vendor solution for the Company’s critical network elements projects and reviewed the soundness of and risks associated with the solution for the Company’s critical network elements projects and reviewed the soundness of and risks associated with the engagement of supplier/s and the technologies in the Company’s major investments.

Summarized in the table below are the number of meetings held by the TSC and the individual attendance record of each member for the year 2009. A total of Php0.4 million was paid as per diem to the members of the TSC.

<table>
<thead>
<tr>
<th>Voting Members</th>
<th>Meetings Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>Manuel V. Pangilinan (Chairman)</td>
<td>1/1</td>
</tr>
<tr>
<td>Ray C. Espinosa</td>
<td>1/1</td>
</tr>
<tr>
<td>Tatsu Kono</td>
<td>1/1</td>
</tr>
<tr>
<td>Napoleon L. Nazareno</td>
<td>1/1</td>
</tr>
<tr>
<td>Oscar S. Reyes*</td>
<td>1/1</td>
</tr>
<tr>
<td>Non-Voting Member</td>
<td></td>
</tr>
<tr>
<td>Manuel M. Lopez</td>
<td>0/1</td>
</tr>
<tr>
<td>Orlando B. Vea</td>
<td>0/1</td>
</tr>
</tbody>
</table>

*Independent Director

Enancements and Education

To keep us informed on corporate governance and help in developing an ethical culture, we have continued our active and engaging corporate governance education and communication program. In 2009, we sought to reach out to all PLDT personnel through face to face and on-line trainings and workshops, and the production and dissemination of relevant corporate governance materials. For 2009, the underlying message for the education and communication program was for each individual to remain steadfast to his or her commitment to the four core values of accountability, integrity, fairness and transparency, even in the trying economic conditions.

In order to achieve this, we conducted various activities such as:

- Directors’ Corporate Governance Enhancement Session – The session was conducted on December 10, 2009 with Mr. Keith Darcy, Executive Director of the Ethics and Compliance Officer Association (ECOA), as the guest speaker. The ECOA is the largest and most respected organization of Ethics and Compliance Officers in the world and is based in Massachusetts, USA. Mr. Darcy discussed the topic of Governing in a Global Crisis: Lessons from the Great Recession which centered on points to consider for corporate directors in performing their fiduciary duties in the light of the current financial crisis.

- Officers’ Corporate Governance Enhancement Session – Mr. Keith Darcy also addressed the PLDT Officers on December 9, 2009 to talk about corporate governance for senior management in the light of the current financial crisis. The title of the session was “A Crisis is a Terrible Thing to Waste: Lessons from the Great Depression”.

- Implementation of an Expanded e-Learning Program for PLDT Employees – Two e-Learning modules were released for mandatory access and compliance. The first, on the Conflict of Interest Policy, targets supervisory and rank and file employees. The second is about the Expanded Whistleblowing Policy which was for PLDT executives with the rank of manager, senior manager and assistant vice president.

- Refresher for Selected Units (pilot course) – As part of our efforts to develop measurable outcomes for the impact of PLDT corporate governance program, a series of workshops was conducted for critical business units. Personnel of the concerned units (executives all the way to rank and file employees) went through a refresher workshop on corporate governance policies and the Company’s four core values. The participants were also required to provide inputs on what they consider to be the best indicators of improved accountability, integrity, fairness and transparency. These inputs will be consolidated and transformed into measurable indicators for the concerned business unit.

- Workshop on Ethical Decision Making – Newly-promoted executives undergo a 1½ day seminar on Ethical Decision Making as part of their competency development as managers. All other executives, promoted and hired in the past years, have already attended the said workshop.

- Continuing Orientation for New Hires – All newly-hired employees are given a basic orientation on corporate governance.

- Internal Corporate Governance Campaign Materials – The internal campaign materials for 2009 centered around the theme “Buhayin ang galing nating mga Pinoy” (Bring back to life our strengths as Filipinos). Five posters carrying the theme were developed for display in PLDT offices nationwide. Each poster exhorts PLDT employees to live out the Company...
values of accountability, integrity, fairness and transparency. A 2009 calendar of the same theme was distributed to all PLDT employees.

The general outcome for our corporate governance program remains to be “embedding and integrating” good corporate governance and ethical behavior to achieve a desired culture that embraces and practices the four core values at every instance of our employees’ work.

In addition to and in support of this, we recognize the very important role that the over-all business and societal environment plays in either encouraging or stifling a desired culture. Thus, in 2009, we reached out to like-minded groups which promote good governance in both the public and private spheres. We are continuing our external advocacy and networking activities to further good governance in the country.

First of all, we have kept our very strong ties with the ECOA, as the first and only sponsoring partner of the association coming from the Philippines. We participated in the ECOA’s Annual Business Ethics and Compliance Conference which was held in September 2009 at Rosemont, Illinois, U.S.A.

PLDT was also involved as a Diamond Sponsor in the 10th Asian Corporate Governance Roundtable of the Organization for Economic Cooperation and Development, which was held in Manila in September 2009. The theme of the Round table conference was Corporate Governance in Asia: Ten Years From Now. Our corporate governance executives attended and participated in the various workshops and breakout groups. PLDT likewise set up an interactive display at the exhibit area of the conference where delegates and participants had an opportunity to learn our company’s corporate governance story and get a better idea of our corporate governance program.

As part of reaching out internationally, PLDT also participated in the Asian Investors’ Forum on September 11, 2009. The forum was organized by the Institute of Corporate Directors (ICD) and brought together corporate governance advocates and international investor groups into one forum to discuss trends, best practices and collective steps in pushing good corporate governance into the consciousness of more stakeholders.

Our Company also cooperates with our regulators in the development of corporate governance policies for Philippine companies by providing feedback on proposed policies posted by the PSE and Philippine SEC for public comment, as well as participating in the Companies’ Circle of the ICD, where the top publicly-listed companies are given the opportunity to discuss with the Philippine SEC and PSE corporate governance rules promulgated by said regulators.

We have also continued our active involvement in other activities organized by the ICD such as the Companies’ Circle meetings, Breakfast Roundtable conferences and annual working sessions.

In addition, PLDT is the only private business organization that participated in the Office of the Ombudsman’s activities relative to the United Nations Covenant against Corruption. PLDT was a participant in the Ombudsman’s focus group discussions on anti-corruption efforts in 2008.

In 2009, PLDT was again part of a write-shop, organized by the Office of the Ombudsman to develop monitoring systems for the commitments of various organizations in anti-corruption programs.

**Performance Evaluation and Continuous Improvement**

As previously mentioned, our Board of Directors conducts an annual evaluation process of its collective performance and that of the individual directors through a self-rating questionnaire accomplished individually by our directors. In 2009, the evaluation process included the Board's assessment of the Board's committees and each committee’s self-assessment of its performance. Through this process, performance gaps are identified and next-step recommendations are converted into an action agenda for our Board and its individual members, where applicable, to observe and accomplish.

It is our Chief Governance Officer who is responsible for monitoring compliance with, interpreting and deciding any issues arising from, investigating and determining violations and recommending the disciplinary actions against violators of our Governance Manual, Code of Ethics and other corporate governance policies. It is also the Chief Governance Officer who directs the daily operations of the CG office.

On January 26, 2010, our Chief Governance Officer submitted to the Philippine SEC and PSE our annual certification confirming, among others, that PLDT’s Governance Manual conforms with the provisions of the Philippine SEC’s Governance Code, as well as adopted the leading practices and principles on good corporate governance; and PLDT has not deviated from the provisions of the Governance Manual and has complied therewith and with certain other corporate governance standards set out in the Sarbanes-Oxley Act, Section 303A of the NYSE Listing Standards and implementing rules issued by the U.S. SEC and NYSE.

The said certification was based on the annual evaluation conducted by our President and Chief Executive Officer, Treasurer and Chief Financial Officer, and Chief Governance Officer of our Company’s compliance with the Governance Manual. In making such evaluation, said officers used our board-approved corporate governance self-rating form which has been patterned after a similar form that was issued by the Philippine SEC under SEC Memorandum Circular No. 5, Series of 2003, dated April 3, 2003.

Much has been done but still even more work remains in the future. What sustain the effort in implementing PLDT’s corporate governance program are the visible and palpable gains. Early last year, we conducted a preliminary assessment of PLDT’s corporate governance program. Results of the assessment show that PLDT executives recognize corporate governance and ethics as key components of PLDT’s business and operations. The same can be said about corporate governance in terms of fighting fraud and irregularities, establishing a solid and reliable reputation in the community and ensuring compliance with legal and regulatory requirements. Supervisors and rank and file employees also validated the results obtained from the executives when they expressed appreciation for the continued corporate governance program which at the start, was widely seen as mere compliance and window-dressing rather than a serious and sustained program. Certainly, these results reveal modest but encouraging progress in working for the desired outcome of PLDT’s corporate governance program – a well-established and widely-shared ethical corporate culture built on the values of accountability, integrity, fairness and transparency.
In 2009, PLDT reinforced its commitment to strengthening its enterprise-wide risk management mandate by reconstituting the Group’s Enterprise Risk Management Committee (ERMC). With new leadership and composition, the ERMC has been tasked to promulgate, encourage and practice an integrated risk management framework for the organization, focusing on ensuring critical risks are identified, evaluated, treated and monitored across all functions and units within the PLDT Group.

With the renewed mandate, the ERMC set out to redefine its objectives and identified key elements needed to enhance its integrated framework.

**Imperatives of Enterprise Risk Management**

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<th>Imperative</th>
<th>Status</th>
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| Involvement of the Board of Directors | • Issued a mandate and formed the ERMC
| | • Defined the Group’s risk philosophy and appetite |
| Creation of a central risk function | • Formed the ERMC
| | • Hired additional staffing support |
| Establishment of a common definition for risk | • Set a standard definition for risk; cascade to organization units on-going; to be formalized and documented in the Risk Management Manual due by the end of the first half of 2010 |
| Adoption of a standard risk evaluation process | • Selected a risk evaluation process based on the Draft International Standard ISO 31000 (discussed below); cascade and workshops with organizational units on-going; to be formalized and documented in the Risk Management Manual due by the end of the first half of 2010 |
| Creation of an Enterprise Risk Management Knowledge Warehouse | • To be developed as a tool for sharing of information on identified risks |

The ERMC’s vision is to cultivate a risk-conscious culture within the organization that recognizes not only the defensive nature of risk management but also the opportunity-creating value of risk.

In 2009, the ERMC updated its risk identification survey and benchmarked this against the top ten global business risks for telecommunications companies as identified by Ernst and Young. It was concluded from the assessment that the majority of the Group’s key risk areas are aligned with the top global risks and the Group had mitigation programs in place for such risks.

**Risk Area**

<table>
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<tr>
<th>Risk Area</th>
<th>PLDT Group Initiatives</th>
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| Ownership of the client | • Offered converged data/voice programs to increase “stickiness”
| | • Promoted on-net plans to encourage higher margin users and brand loyalty
| | • Developed related businesses that create additional “touch” points and revenue opportunities – content, mobile money, etc |
| Regulatory risks | • Strong Group regulatory organization
| | • Improved coordination across PLDT Group of companies |
| Forecasting returns from technology and infrastructure investments | • Managed capex within an agreed capex-to-service revenue parameters
| | • Coordinated closely with strategic partners regarding technology upgrades
| | • Maximized Group infrastructure |
| Generating sustainable cash flows from new business models | • Continued to lower network costs and subscriber acquisition costs to help preserve margins
| | • Aggressively expanded into the broadband space while offering reasonable price points |
| Manage consolidation and M&A | • Enhanced post-acquisition analysis under ERMC, including review of post-acquisition integration |
| Attracting and managing talent and intellectual capital | • Deepened the skills pool by creating/strengthening technical and engineering recruitment
| | • Recognized need to develop optimal mix of long-term and short-term compensation to incentivize and retain key employees |
| Processes and systems to support new business strategies | • Organized virtual cross-functional teams to review systems and processes to ensure relevance to current business models and new business strategies |
| Strategic partnerships | • Maintained regular and open communications with strategic partners
| | • Expanded and enhanced corporate communications and Investor Relations |
| Privacy and security risks | • Appointed IT security consultant to review and reinforce all information security
| | • Maximized membership and involvement in GSMA to stay abreast of new developments |
| Contain and reduce costs | • Reviewed costs periodically to ensure relevance of assumptions and methodology
| | • Benchmarked costs and capex against local and regional peer groups |

Moving forward, the ERMC will be employing a standard risk management process based on the Draft International Standard of ISO 31000.

From this process, the ERMC will elevate critical findings and risk treatment progress to Senior Management and to the PLDT Board of Directors on a regular basis. The ERMC will report quarterly to the PLDT Audit Committee and bi-annually to the PLDT Board of Directors.
MANUEL V. PANGILINAN  
63, Filipino  
Director of the Company since November 24, 1998. He continues to serve as Chairman of the Board since February 2004, after serving as President and CEO for five years from November 1998. He is the Chairman of the Governance and Nomination and the Technology Strategy Committees of the PLDT Board. He also serves as Chairman of Smart, Pil net, ePLDT, MPIC, Landco Pacific Corporation, Maynilad, Manila North Tollways Corporation, Colinas Verdes, Inc. (Cardinal Santos Medical Center), Davao Doctor, Inc., Medical Doctors, Inc. (Makati Medical Center), Philips Mining Corporation, PSE, and PBSP. He is a member of the Board of Meralco, where he is also the Chairman of its Executive Committee. He is the CEO and Managing Director of First Pacific and President Commissioner of P.T. Indofood Sukses Makmur Tbk, the largest food company in Indonesia. He also serves as Chairman of the Board of Trustees of Ateneo de Manila University and San Beda College.

NAPOLEON L. NAZARENO  
60, Filipino  
Director of the Company since November 24, 1998. He has served as President and CEO since his appointment on February 19, 2004, and is concurrently the President and CEO of Smart, Pil net and Connectivity Unlimited Resources Enterprise, Inc., positions he has held since January 2000, November 2004 and April 2008, respectively. He is a member of the Technology Strategy Committee of the PLDT Board. He also serves as Chairman of Smart subsidiaries including Wolfpac Mobile, Inc.; Smart Broadband, Inc.; and i-CONTACTS Corporation. His other directorships include Mabuhay Satellite Corporation, where he is Chairman; ACeS Philippines Cellular Satellite Corporation, where he is the President; PLDT Global Corporation; ePLDT, Inc.; and Metalco. He is a non-executive director of First Pacific. Mr. Nazareno is also a Board Member of the Philippine Chamber of Commerce and Industry and the Employers’ Confederation of the Philippines, and a member of the Export Development Council.

DONALD G. DEE  
63, Filipino  
Director of the Company since September 30, 2008. He is a Commissioner of the Social Security System and the Special Envoy of the President of the Philippines for Trade Negotiations. He is the Chairman of Zest Airways, Inc. (formerly “Asian Spirit”) and Central Peak Leisure & Development, Inc., where he is also the President; the President of Phoenix Resource and Management Corp. and a director of Manila Exposition Complex, Inc. He serves as Chairman Emeritus of the Philippine Chamber of Commerce and Industry and the Employers’ Confederation of the Philippines, and a member of the Executive Committee of the Export Development Council.

HELEN Y. DEE  
66, Filipino  
Director of the Company since June 18, 1986. She is the Chairman or a director of several companies engaged in the banking, insurance, real property and other lines of businesses including Rizal Commercial and Banking Corporation; RCBC Savings Bank, Merchants Bank, Malayan Insurance Company, National Reinsurance Corporation of the Philippines, Great Pacific Life.

RAY C. ESPINOSA
54, Filipino
Director of the Company since November 24, 1998. He is the President and Chief Executive Officer of Mediaquest Holdings, Inc., ABC Development Corporation (TV5), Mediscap, Inc. (Cignal TV), Nation Broadcasting Corporation, and other subsidiaries of Mediaquest. He is also the Chairman of the Board of Trustees of the PLDT Beneficial Trust Fund and Head of PLDT Regulatory Affairs and Policy. He is also a director of Meralco and MPIC, an independent director of Japanto Consolidated Mining Corporation, and the Vice Chairman of Phlweb Corporation.

TATSU KONO
57, Japanese
Director of the Company 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 has been a Managing Director of Corporate Sales Department, Corporate Marketing Division of NTT DoCoMo since 2003.

REV. FR. BIENVENIDO F. NEBRES, S.J.
70, Filipino
Director of the Company since November 24, 1998. He is the Chairman of the Audit Committee and a member of the Governance and Nomination Committee of the Board of Directors of PLDT. He is the Chairman of the Board of Trustees of the Assumption College, President and a member of the Board of Trustees of the Ateneo de Manila University, 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.

TAKASHI OOI
48, Japanese
Director of the Company since November 6, 2007. 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 multinational companies.

OSCAR S. REYES
64, Filipino
Director of the Company since April 5, 2005. He serves as a member of the Audit, Governance and Nomination, Executive Compensation and Technology Strategy Committees of the Board of Directors of PLDT, and is an independent director of Smart. He is
the Chairman of Link Edge, Inc., and MRL Gold Phils., Inc., an independent director of Ayala Land, Inc., Basic Energy Corporation, Manila Water Company, Pepsi Cola Products Phils., Inc., Sun Life Financials Phils., Inc., and a director of various private firms engaged in banking, energy, financial and business advisory services, manufacturing, mining, shipping, real estate and related activities.

PEDRO E. ROXAS
54, Filipino
Director of the Company since March 1, 2001. He serves as a member of the Audit and Executive Compensation Committees of the Board of Directors of PLDT, and is an independent director of ePLDT. 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, Fuego Land Corporation and Hawaiian Philippine Sugar Company, and a director of Brightnote Assets Corporation and BDO Private Bank.

AMB. ALBERT F. DEL ROSARIO
70, Filipino
Director of the Company since November 24, 1998. He serves as Chairman of the Executive Compensation Committee of the Board of Directors of PLDT. He is the President of Gotuaco, del Rosario Insurance Brokers, Inc. and of the Philippine Telecommunications Investment Corporation. He is the Chairman of Philippine Stratbase Consultancy, Inc., the Vice Chairman of Asia Insurance (Philippines) Corporation and is a director of several companies engaged in infrastructure, property development, media, public utility and mining businesses. He also sits in the board of First Pacific and is Chairman of its Remuneration Committee, and is a Commissioner of P.T. Indofood Sukses Makmur Tbk. He served as the Ambassador Plenipotentiary and Extraordinary of the Republic of the Philippines to the United States of America from 2001 to 2006.

TONY TAN CAKTIONG
57, Filipino
Director of the Company since July 8, 2008. He is the
Chairman and Chief Executive Officer of Jollibee Foods Corporation and the Chairman of Jollibee Foundation. He is also a director of First Gen Corporation and a member of the Board of Trustees of Temasek Foundation, Asian Institute of Management and St. Luke’s Medical Center.

ALFRED V. TY
42, Filipino
Director of the Company since June 13, 2006. He serves as a member of the Governance and Nomination, and Executive Compensation Committees of the Board of Directors of PLDT. He is the Chairman of Lexus Manila, Inc., and Asia Pacific Top Management International Resources, Corp. (Marco Polo Plaza Cebu), the Vice Chairman of Toyota Motors Philippines Corporation, the President of Federal Land, Inc., a director of Global Business Power Corp. and the Corporate Secretary of Metropolitan Bank and Trust Corporation and Metrobank Foundation, Inc.

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

ADVISORY BOARD
14 MANUEL M. LOPEZ
15 ARTEMIO V. PANGANIBAN
16 ROBERTO R. ROMULO
17 BENNY S. SANTOSO
18 ORLANDO B. VEA
19 CHRISTOPHER H. YOUNG
From left: Ernesto R. Alberto, Christopher H. Young (Chief Financial Advisor), Anabelle L. Chua, Napoleon L. Nazareno, René G. Bañez, Jun R. Florencio

From left: Menardo G. Jimenez, Jr., Alfredo S. Panlilio, June Cheryl A. Cabal, George N. Lim, Ma. Lourdes C. Rausa-Chan, Victorico P. Vargas
PLDT Key Officers

Emeesto R. Alberoro, 49, Filipino, Customer Sales and Marketing Group Head, leads all revenue generation relationship initiatives of PLDT including product/market development, product marketing, management, sales and distribution, and customer relationship management. 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.

René G. Bafnas, 55, Filipino, Administration and Materials Management Group Head. He was the Chief Governance Officer of PLDT from October 2004 to March 1, 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 three years until December 1998.

Anabelle L. Chua, 49, Filipino, Treasurer and Corporate Finance and Treasury Head of PLDT, 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 iPLDT, Pittel, 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 Benefits Fund, and a director of the Philippine Stock Exchange, Inc., and Securities Clearing Corporation of the Philippines. She has over 15 years of work experience in the areas of corporate finance, treasury, financial control and risk management, and was a Vice President at Citibank, N.A. where she worked for 10 years prior to joining PLDT in 1998.

Jun R. Florencio, 54, Filipino, Head of Internal Audit and Fraud Risk Management, has over 20 years of work experience in the areas of external and internal audit, credit management, information technology, financial management, and control. He joined the Company in April 1999 and previously had various positions in the finance organization of Eastern Telecommunications and was the Finance Controller of Smart for four years until March 1999.

Menardo G. Jimenez, Jr., 47, Business Transformation Office Lead for Revenue Workstream, was the Retail Business Head of PLDT from June 2004 to December 2006, 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 creative services and network promotions. In 2005, he won the first CEO Excel Award (Communications Excellence in Organizations) given by the International Association of Business Communicators mainly for effectively using communication strategies in managing the PLDT retail business team to meet its targets and achieve new heights in the livelihood business.

George N. Lim, 57, Filipino, Business Transformation Office Lead for Network Workstream, has over 25 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.

Officers

Manuel V. Pangilinan
Chairman of the Board

Napoleon L. Nazareno
Chairman of the Board

Manuel V. Pangilinan
SVP, Corporate Affairs and Legal Services/Chief Counsel

Emeesto R. Alberoro
SVP, Customer Sales and Marketing Group

René G. Bafnas
SVP, Administration and Materials Management Group

Anabelle L. Chua
SVP, Corporate Finance and Treasury/Corporate Treasurer

Jun R. Florencio
SVP, Internal Audit and Fraud Risk Management

Menardo G. Jimenez, Jr.
SVP, Business Transformation Office/Revenue Team

George N. Lim
SVP, Business Transformation Office/Network Team

Alfredo S. Panlilio
FVP, PLDT Global Corporation

Claro Carmelo R. Ramirez
FVP, Office of the President and CEO

Mia. Lourdes C. Rausa-Chan
FVP, Corporate Affairs and Legal Services/Chief Governance Officer/Corporate Secretary

Vicente R. Vargas
FVP, Human Resources Group/Business Transformation Office Head

June Cheryl A. Cabal
VP, Financial Reporting and Control/Controller

Alejandro O. Cagw
VP, International and Carrier Business

Alfredo B. Carrera
VP, Regulatory and Telecom Industry Relations

Cesar M. Enriquez
VP, Retail Sales and Services and Operations

Florentino D. Mabasa, Jr.
VP, Legal Services and Assistant Corporate Secretary

Ramon Alper P. Olias
VP, Carrier Sales and Management Operations

Leo J. Punsal
VP, Treasury

Nerissa S. Ramos
VP, Corporate Business

Raymond S. Relucio
VP, Core Network Operations

Ricardo M. Sison
VP, Consumer Credit and Business System Management

Emiliano R. Tancito
VP, Human Resources Management and Development

Miguela F. Villanueva
VP, Revenue Planning, Cost and Valuation

Danny Y. Yu
VP, PLDT Global Corporation

Kathrina M. Ababane
VP, Small and Medium Enterprises Business

Jose A. Apido
VP, Outside Plant Service Improvement Management

Rafael M. Bejar
VP, Medical Services

Marco Alejandro T. Bertong
VP, Customer Care

Renato L. Costaleza
VP, Corporate Relationship Management

Arnulfo R. Cristobal
VP, Corporate Provisioning and Facilities Management

Apolo C. Cruz
VP, Information Systems/Applications Development and Management

Rebecca Jeanine R. de Guzman
VP, Retail Sales and Distribution

Alona S. Dingling
VP, Financial Reporting

Marcio C. Encarnacion
VP, Business Transformation Office/Consumer Services Team

Alejandro C. Fabian
VP, Industrial and Employee Relations

Gil Samson D. Garcia
VP, Revenue Management and Cash Assurance

Eliza B. Gesalta
VP, Network Services/Project Management

Ma. Josefina T. Gomes
VP, Corporate Billing and Credit Management

Ma. Chisaida B. Guhit
VP, Tax Management

Emmanuel L. Hernandez
VP, Network Migration Office

Juan Victor I. Hernandez
VP, Corporate Relationship Management-8

Marven S. Jardiel
VP, Consumer Product Review and Information Management

Alexandre S. Kibano
VP, Training Development and Career Management

Joseph Nelson M. Labrador
VP, Consumer Credit and Churn Management

Javier C. Lagdameo
VP, Corporate Relationship Management-2

Luis Ignacio A. Lopez
VP, Corporate Marketing Services

Joseph Homer A. Macapagal
VP, Property and Facilities Management

Emmanuel B. Ouzen
VP, Luzon Customer Service District

Oliver Carlos G. Odulio
VP, Asset Protection

Libelith F. Pasa
VP, Retail Market Development

Enrique S. Pascual, Jr.
VP, Customer Installation and Repair Management

Jose Leanne G. Poloa
VP, GMM SouthWest Customer Service District

Gerardo C. Pulia
VP, GMM NorthEast Customer Service District

Ricardo C. Rodriguez
VP, Compensation and Research Planning Management

Genaro C. Sanchez
VP, International Network Operations

Reuter I. Santos
VP, Network Operations Control and Assurance

Ana Maria A. Sotto
VP, Business Transformation Office/Project Manager

Julieta S. Tarca
VP, Consumer Business System Management

Jesus M. Talved
VP, VisMin Customer Service District

Victor Y. Tsai
VP, Corporate Business Solutions

Jose Antonio T. Vidal
VP, Retail Marketing

Melissa V. Vergel de Dios
VP, Investor Relations

Fe M. Vidar
VP, Organization, Policies and Procedures Development

1 Effective October 1, 2009.
2 Effective March 26, 2010.

Emeesto S. Panlilio, 47, Filipino, is the President of PLDT Global Corporation with general management and strategic responsibilities for the international retail business. He has over 15 years of work experience in the fields of business development and information technology. Prior to joining PLDT in July 1999, he held management positions at IBM Philippines, Inc., and was the Vice President for Business Development of the Lopez Communications Group (ABS-CBN Broadcasting, BayarTel and Sky Cable) until June 1999. He holds directorships in some subsidiaries of PLDT and PLDT Global Corporation.

Claro Carmelo R. Ramirez, 50, Filipino, 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.L.C. He holds directorships in Intelligent Network Plus, Inc., and Sidera Technologies, Inc.

Ma. Lourdes C. Rausa-Chan, 56, Filipino, Corporate Secretary and Corporate Affairs and Legal Services Head. She also serves as Corporate Secretary of Pitel and several subsidiaries of PLDT. She concurrently holds the position of Chief Governance Officer of PLDT since March 30, 2008 and represents PLDT as Sponsoring Member in the Ethics and Compliance Officers Association (USA) and is a non-voting member of the Governance and Nomination Committees. 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.

Victorio P. Vargas, 58, Filipino, was appointed as Business Transformation Office Head in January 2008, concurrent with his position as Human Resources Group Head, to lead the business transformation initiatives of PLDT. He has over 20 years of work experience in various industries (insurance, consumer goods, real estate, banking and Finance, telecommunications/information technology) in the area of human resource management. Prior to joining PLDT in February 2000, he served as the Country Human Resources Director of Citibank N.A., Manila and spent two years outside the Philippines as Country Human Resources Director of Citibank, N.A. Bangkok.

June Cheryl A. Cabal, 36, Filipino, Controller and Financial Reporting and Controllship Head. She is the President of the Institute of Management Accountants of the Philippines - a body that sets the accounting and financial reporting standards that all companies in the country must follow to help ensure the financial health of businesses and protect stakeholders.

Christopher H. Young, 52, British, is PLDT’s Chief Financial Advisor. He worked in PriceWaterhouseCoopers in London and Hong Kong from 1979 until 1987, at which time he joined First Pacific in Hong Kong as Group Financial Controller. He joined Metro Pacific Corporation in 1995 as finance director, a position he held until he joined PLDT in November 1998.
Smart

From left: René G. Bañez, Anabelle L. Chua, Danilo J. Mojica, Napoleon L. Nazareno, Mario G. Tamayo, Rolando G. Peña, Orlando B. Vea

ePLDT

From left: Ian Wilson, Jane C. Walker, Mariano L. Galicia, Jr., Ray C. Espinosa, Helen T. Marquez, Emmanuel P. Dizon, Celso T. Dimarucut, George H. Tan