



September 28, 2017

Philippine Stock Exchange
3/F Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: Mr. Jose Valeriano B. Zuño III
OIC - Head, Disclosure Department

Dears Sirs and Mesdames:

We refer to your letter dated September 27, 2017 in connection with the disclosure dated September 26, 2017 of PLDT Inc. ("PLDT" or the "Company") regarding the approval by its Board of Directors of its Transformation Incentive Plan ("TIP") which is intended to provide incentive compensation to key officers, executives and other eligible participants in the form of PLDT common shares of stock (the "Performance Shares").

Per your request, we provide below additional information on (1) how the Performance Shares would be treated in the books of the Company once such shares have been acquired in the open market, and (2) the Company's current number of issued shares and outstanding shares.

1. The Performance Shares will not be reacquired by the Company for its account and ownership of such shares will not revert the Company. Therefore, such shares will not be treated as treasury shares in the books of the Company. Rather, the Performance Shares will be purchased and held for the account and in the name of a trustee until the awards shall have vested and become payable upon achievement of the pre-determined performance objectives (including the Consolidated Core Net Income Targets) for the relevant performance period, as set out in the TIP. On the payment dates of the vested awards, as set by the Executive Compensation Committee, the trustee will transfer the Performance Shares to each of the Participants under the TIP entitled to receive such shares pursuant to the terms and conditions of the TIP, through the facilities of the Philippine Stock Exchange.

Since the Performance Shares will not become treasury shares, these will continue to have all the rights appurtenant to issued and outstanding shares of the Company, such as voting rights and dividend rights. Such voting rights will be exercisable by the trustee and the dividends on the Performance Shares will be payable to the trust account and used for, among other purposes, the purchase of PLDT common shares that will comprise the Performance Shares.

2. As of the date hereof, the total issued and outstanding common shares of the Company are 218,779,886 (inclusive of 2,724,111 treasury shares) and 216,055,775 (net of treasury shares) respectively, and the total Performance Shares of up to 860,000 represents approximately 0.40% of the issued and outstanding common shares of the Company.

Respectfully yours,

A handwritten signature in black ink, appearing to read "LR Chan", is written over a horizontal line.

MA. LOURDES C. RAUSA-CHAN
Corporate Secretary