

MINUTES
ANNUAL MEETING OF STOCKHOLDERS
PHILIPPINE LONG DISTANCE TELEPHONE COMPANY
JUNE 10, 2014

The Annual Meeting of Stockholders of Philippine Long Distance Telephone Company (the "Company") was held at Rizal Ballroom AB, Makati Shangri-La, Ayala Avenue corner Makati Avenue, Makati City, Metro Manila, Philippines on June 10, 2014 at 4:00 o'clock p.m.

The meeting started with an invocation led by Rev. Fr. Aloysius Ma. A. Maranan, OSB, Rector-President of the San Beda College. Thereafter the Chairman of the Board, Mr. Manuel V. Pangilinan welcomed the stockholders and guests to the 62nd Annual Meeting of Stockholders.

1. CALL TO ORDER

The Chairman called the meeting to order and requested the Corporate Secretary to report on the service of notice of, and existence of a quorum at, the meeting.

2. CERTIFICATION OF SERVICE OF NOTICE AND QUORUM

The Corporate Secretary reported that copies of the printed Notice and Agenda of the meeting together with the Information Statement, 2013 Annual Report and Proxy Form were delivered personally or by mail to Philippine residents and overseas holders of the Company's shares of stock as of the Record Date, April 11, 2014.

Based on the record of attendance and report on proxies received by the Office of the Corporate Secretary with the assistance of the Company's transfer agent for Common Stock and Voting Preferred Stock, The Hongkong and Shanghai Banking Corporation, and the Company's transfer agent for Non-Voting Serial Preferred Stock, Rizal Commercial Banking Corporation, stockholders who own or hold a total of 630,559,781 shares¹ or 94.67% per cent of the outstanding shares of stock² as of the

¹ The following members of the Board of Directors and Advisory Board/Committee and other Board Committees of PLDT were present in the meeting: Directors – Manuel V. Pangilinan (Chairman of the Board of Directors and the Governance and Nomination, Executive Compensation and Technology Strategy Committees), Napoleon L. Nazareno (member of the Technology Strategy Committee), Tony Tan Caktiong, Helen Y. Dee, Ray C. Espinosa (member of the Technology Strategy Committee), James L. Go (member of the Technology Strategy Committee and advisor to the Audit Committee), Setsuya Kimura (member of the Governance and Nomination, Executive Compensation and Technology Strategy Committees and advisor to the Audit Committee), Hideaki Ozaki, Artemio V. Panganiban (member of the Governance and Nomination, Audit and Executive Compensation Committees), Pedro E. Roxas (Chairman of the Audit and member of the Governance and Nomination and Executive Compensation Committees), Juan B. Santos, Alfred V. Ty (member of the Governance and Nomination, Audit and Executive Compensation Committees) and Ma. Lourdes C. Rausa-Chan (non-voting member of the Governance and Nomination Committee); Members of the Advisory Board/Committee – Oscar S. Reyes (non-voting member of the Technology Strategy Committee), Roberto R. Romulo (advisor to the Audit Committee), Orlando B. Veja (non-voting member of the Technology Strategy Committee), Washington Z. SyCip and Christopher H. Young.

Record Date were present in person or represented by proxies in the meeting. The Corporate Secretary then certified the existence of a quorum.

Based on the certification by the Corporate Secretary on the existence of a quorum, the Chairman declared the meeting duly convened and open for business.

As requested by the Chairman, the Corporate Secretary announced the rules governing the conduct of the meeting, as follows:

1. Any stockholder who desires to ask a question pertaining to any item of the Agenda presented for approval:
 - (a) Must first identify himself and request to be recognized by the Chair.
 - (b) Once recognized, the stockholder will be allowed to ask only one question and the Chair has the discretion to entertain or not to entertain a follow-up or second question.
 - (c) A maximum of 3 minutes will be allotted for any questions or comments from the stockholder.
2. Any stockholder who desires to raise questions or comments unrelated to the main items of the Agenda may do so under Other Matters or immediately prior to the end of the meeting. The same procedure described earlier shall apply.
3. All stockholders must observe proper decorum. In case a stockholder fails to observe the rules, the Chair has the discretion to declare him out of order and exclude him from this meeting.
4. Only holders of outstanding shares of stock as of the Record Date, April 11, 2014, are entitled to vote in this meeting. For Items 4, 5 and 6 of the Agenda, shares of Common Stock and Voting Preferred Stock are entitled to vote. Shares of Non-Voting Serial Preferred Stock are only entitled to vote on Item 6 of the Agenda regarding the amendment to the Third Article of the Articles of Incorporation, pursuant to Section 6 of the Corporation Code.
5. Each item in the Agenda for stockholders' approval will be voted upon by means of written voting instructions. The Company earlier sent to the stockholders a form of proxy which contains items for stockholders' approval and spaces where stockholders can indicate their voting instructions (For, Against or Abstain). Those stockholders present in person who did not submit their proxy forms have been requested to complete the form of voting instructions at the start of or during this meeting. The votes of stockholders present in person will be added to the votes of the stockholders whose proxies

² The total outstanding common shares, voting preferred shares and non-voting serial preferred shares as of the Record Date, April 11, 2014, were 216,055,775, 150,000,000 and 300,000,570 shares, respectively.

were received by the Corporate Secretary on or before the cut-off date, June 3, 2014. The proxy votes have been tabulated by our transfer agents – Hongkong and Shanghai Banking Corporation, for Common and Voting Preferred Shares and Rizal Commercial Banking Corporation for Non-Voting Serial Preferred Shares.

6. The actual number of votes for or against, and the abstentions will not be announced in this meeting, but will be disclosed to the SEC and PSE immediately after this meeting for public information.
7. The Corporate Secretary's decision on matters pertaining to proxies is final and binding unless set aside by a court of competent jurisdiction.

The Corporate Secretary also informed the body that the Company's tabulation, registration and reporting system has been reviewed and tested by Sycip Gorres Velayo & Co. (SGV) in accordance with the Philippine Standards on Related Services 4400 Agreed-upon Procedures issued by the Auditing Standards and Practices Council and that representatives from SGV are present in the meeting to check the completeness and accuracy of the encoded proxies and voting instructions received as well as the attendance and voting results generated by the system.

3. PRESIDENT'S REPORT

The Chairman announced that the next item on the Agenda is the President's Report. He called on the President and Chief Executive Officer, Mr. Napoleon L. Nazareno to render his report.

After greeting the stockholders and guests, the President and Chief Executive Officer proceeded to render his report.

The President's report is set out below. In the course of his report, there was a slide presentation of the financial and operating results.

"Good afternoon, fellow shareholders.

I am pleased to share with you selected highlights of PLDT's financial and operating results for 2013 and the first quarter 2014.

In the last two years, PLDT operated in a challenging competitive environment, while at the same time, undertaking important internal changes that involved the integration of Digitel and Sun Cellular into the Group as well as a massive network transformation program.

At this point, we are proud to announce that after two years of declines in our profitability, PLDT is firmly back on the growth track.

Consolidated service revenues grew by 3% year-on-year to 164.1 billion pesos following a 3% increase in Wireless service revenues and a 5% rise in Fixed Line revenues.

Consolidated EBITDA was higher by 3% at 77.6 billion pesos with EBITDA margin stable 47%.

Reported net income for 2013 of 35.4 billion pesos was lower by 2% compared with 2012 reflecting higher foreign exchange and derivative losses and the adverse impact of Typhoon Yolanda. Excluding the typhoon losses, reported net income would have been stable year-on-year.

Core income, excluding exceptional items, grew by 5% from 36.9 billion pesos in 2012 to 38.7 billion pesos in 2013, or an earnings per share of 179 pesos.

The growth momentum we saw in 2013 carried into the first quarter of 2014. Consolidated service revenues were higher by 3% at 41.2 billion pesos, underpinned by a rise of 2% and 5% in Wireless and Fixed Line revenues, respectively. EBITDA margin for the first quarter stood at 48%, an improvement over 47% for 2013. Consolidated EBITDA was lower by 2% year-on-year at 19.7 billion pesos due to higher cash operating expenses and an increase in subsidies resulting from a greater push to grow our postpaid business. Nonetheless, reported and core income were each 2% higher year-on-year at 9.4 billion pesos and 9.8 billion pesos, respectively.

Allow me now to discuss some of these highlights in more detail.

The on-going structural change in our revenue mix continues to temper revenue growth. About 60% of our revenues from cellular voice and SMS as well as Fixed Line voice businesses remain fairly steady. However, double digit growth in data and broadband revenues are partly offset by the declines in our legacy revenues consisting of international inbound voice revenues and national long distance revenues. As a result, consolidated service revenues registered a 3% increase year-on-year to 164.1 billion pesos. It is worth noting that the contribution from data and broadband to total revenues now exceed the contribution from the legacy revenues.

As mentioned earlier, PLDT is firmly back on the growth track with core income for 2013 of 38.7 billion pesos higher by 1.8 billion pesos or 5% year-on-year. For 2014, we expect to sustain this momentum in profitability and anticipate core income to rise further by 2% to 39.5 billion pesos.

PLDT's dividend policy is the payment of 70% of its core earnings as regular dividends, with a "look back" to determine the possibility of a special dividend. I am proud to announce that for the seventh consecutive year, PLDT declared 100% of its core earnings as dividends. For 2013, PLDT paid out 125 pesos of regular dividends representing 70% of 2013 core earnings, plus an additional special dividend of 54

pesos, for a total dividend payout of 179 pesos per share. Based on PLDT's closing share price for 2013 of 2,666 pesos, PLDT's dividend yield stood at 6.7%, one of the highest, not only in the Philippines, but also in the region.

At the end of March 2014, the PLDT Group had a total subscriber base of 76.2 million, consisting of 70.5 million cellular subscribers, 2.1 million fixed line subscribers, and 3.6 million broadband subscribers. The Group has maintained its market leadership in fixed, mobile and broadband markets.

Let me now share with you some highlights of our balance sheet.

At the end of 2013, PLDT's net debt stood at 1.6 billion U.S. dollars with net debt to EBITDA at 0.9x. Both were lower compared with 2012. Gross debt declined by 500 million U.S. dollars to 2.4 billion U.S. dollars at the end of 2013. 57% of gross debt was dollar-denominated, with 41% unhedged. 54% of our loans were fixed rate loans. Debt maturities continue to be well spread out, with 44% of total debt maturing beyond 2018, including the 15 billion peso retail bonds issued in the first quarter of 2014.

PLDT continues to be rated investment grade by the three international ratings agencies, namely: Fitch, Moody's and Standard and Poor's.

Following the completion of our 67.6 billion peso two-year network transformation program in 2012, PLDT expects capex to normalize at less than 20% of service revenues. Capex for 2013 was lower by 7.6 billion pesos at 28.8 billion pesos, or 18% of service revenues. This enabled PLDT to expand our 2G coverage to 99%, 3G to 71% and 4G to about 27% last year. Our capex investment also increased our fiber footprint to around 78,000 kilometers, as of end-2013. At this time, we already have about 85,000 kilometers of fiber. This includes providing fiber connectivity to a growing number of mobile base stations, additional international cable capacity, and domestic fiber passing about 2 million homes.

For 2014, capex is projected to reach between 31 to 32 billion pesos or around 18-20% of service revenues, to further fortify the PLDT Group's network advantage which is key in the delivery of data and broadband. This year's capex aims to extend 3G HSPA coverage to all of the country's 1,600 cities and municipalities and provide LTE coverage for nearly half of the population. We will also expand our fiber footprint to over 90,000 kilometers, including an increase in international cable capacity. Taking to heart the lessons from Typhoon Yolanda and Bohol earthquake last year, we are also fortifying our network in anticipation of more severe weather events and other calamities. As a result of these investments, we shall be able to make both basic and internet services even more widely available to more Filipinos and thus continue to support the country's development.

The Company's free cash flow remained robust at 42 billion pesos at the end of 2013, an increase of 4.4 billion pesos or 12% from 2012. Free cash flow, together with the proceeds from the sale of our BPO business and the last two tranches of our

Philweb shares, were used to pay cash dividends amounting to 37.7 billion pesos, repayment of debt of 17.2 billion pesos, and subscription payment for Mediaquest Philippine Depository Receipts or PDRs of P5.6 billion pesos.

At this point, I would like to share with you a few updates on our multi-media initiatives.

As the worlds of telecommunications, media and the internet continue to converge, we are pursuing more aggressively our strategy to transform PLDT into a multimedia services organization. Thus, we are stepping up our efforts to integrate content with our fixed and wireless offers.

We have expanded content available to our DSL and Fibr subscribers to include more movies, TV series, music, games and sports. Our Wireless subscribers, on the other hand, can access music from Spinnr, the biggest mobile online music portal in the country. For gamers, EPINS are available from our gaming portal, GameX. Given low credit card penetration in the country, payments for content services can be conveniently charged to prepaid loads or postpaid bills.

As for Cignal TV, the direct to home business that PLDT has invested in via PDRs, the growth in subscriber base continues unabated, now currently at over 700,000. Cignal TV's portfolio continues to broaden, parts of which are able to bundle with our fixed line triple play service and TV-to-Go mobile offering.

We firmly believe we can create new revenue sources by capitalizing on our network strengths and combining this with new ways of providing our customers with engaging and compelling content.

Now that we have steered PLDT back into the growth path, our focus for 2014 is to maintain the momentum in profitability while we manage the transformation of our revenue mix. This involves expanding our data businesses while maintaining the equilibrium of our core businesses and managing the declines in our legacy services.

There is a larger purpose to be served by our efforts. The key to our digital future lies in continued investment and innovation to provide progressively better, more relevant services to our people. This is vital not only for PLDT but more importantly for the country. Your Company has taken the lead in this undertaking by building the country's largest and most extensive internet infrastructure. We are also aggressively developing our content and multi-media services as well as our digital solutions for business and daily living. These are the technologies and services that the country needs to improve the welfare of our people, and to raise the global competitiveness of our enterprises and industries.

We at PLDT are firmly committed to helping pave the way for the country's digital future.

Thank you and good afternoon."

The Chairman asked if there are questions on the President's Report. There was none.

4. **APPROVAL OF THE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013 CONTAINED IN THE COMPANY'S 2013 ANNUAL REPORT**

The Chairman announced that the next item on the Agenda is the approval of the audited financial statements of the Company for the fiscal year ended December 31, 2013 contained in the Company's 2013 Annual Report.

The Chairman inquired if there are any questions on the financial statements. There was none.

Ms. Portia Shirley V. Bondoc (a proxy holder) moved for the approval of the audited financial statements of the Company for the fiscal year ended December 31, 2013, and that the votes be cast in accordance with the instructions of the stockholders present or represented by proxies. The said motion was duly seconded.

There being no objection to the motion, the Chairman instructed the Corporate Secretary to cast the votes.

The Corporate Secretary informed the body that the approval of the audited financial statements requires the votes of the stockholders representing at least a majority of the outstanding shares of stock entitled to vote consisting of shares of Common Stock and Voting Preferred Stock. After casting the votes, she reported that more than a majority of the outstanding shares of stock entitled to vote have been cast in favor of the approval of the audited financial statements³. Thereafter, the Chairman declared that the Company's audited financial statements for the year ended December 31, 2013 are approved.

5. **ELECTION OF 13 DIRECTORS INCLUDING 3 INDEPENDENT DIRECTORS FOR THE ENSUING YEAR**

The Chairman announced that the next item on the Agenda is the election of 13 directors including 3 independent directors of the Company for the ensuing year.

³ Total FOR Votes: 330,141,159 (329,876,897 proxy votes + 264,039 votes of stockholders present in person but with proxies previously filed + 223 votes of stockholders present in person with no proxy previously filed but with voting instructions filed at the annual meeting). Total AGAINST Votes: 7,218 proxy votes. Total ABSTAIN Votes: 351,942 proxy votes.

As requested by the Chairman, the Corporate Secretary announced the names of the persons nominated for election as directors/independent directors of the Company as follows:

Directors

- | | |
|-----------------------------|-----------------------------------|
| 1. Mr. Manuel V. Pangilinan | 6. Mr. Tony Tan Caktiong |
| 2. Mr. Napoleon L. Nazareno | 7. Mr. James L. Go |
| 3. Atty. Ray C. Espinosa | 8. Mr. Juan. B. Santos |
| 4. Mr. Setsuya Kimura | 9. Ms. Helen Y. Dee |
| 5. Mr. Hideaki Ozaki | 10. Ms. Ma. Lourdes C. Rausa-Chan |

Independent Directors

- | | |
|--|----------------------|
| 11. Former Chief Justice Artemio V. Panganiban | 13. Mr. Alfred V. Ty |
| 12. Mr. Pedro E. Roxas | |

The Corporate Secretary stated that the background information of each of the nominees is contained in the Information Statement that was delivered to the stockholders.

The Chairman informed the body that the Governance and Nomination Committee of the Board (the "Committee"), which is currently chaired by himself, and comprised of 4 other voting members, namely Mr. Setsuya Kimura, and 3 independent directors, Former Chief Justice Artemio V. Panganiban, Mr. Pedro E. Roxas and Mr. Alfred V. Ty, has reviewed and evaluated the background information of the persons nominated for election as directors. The Committee has determined that the nominees possess all of the qualifications, and have none of the disqualifications, for directorship specified in the Company's Amended By-Laws and Manual on Corporate Governance and in the Governance and Nomination Committee Charter. The Committee has also determined that the independent director-nominees meet the independence criteria specified in SRC Rule 38, the Company's Amended By-Laws and Manual on Corporate Governance as well as the other independence standards set by the Governance and Nomination Committee. None of the independent director-nominees is involved in the Company's management or has any business or other relationships which could, or could be reasonably perceived to, materially interfere with their exercise of independent judgment in carrying out their responsibilities as independent directors. The Chairman further stated that three individuals have been nominated for election as independent directors surpassing the legal requirement that there shall be at least 2 independent directors or such independent directors shall constitute 20% of the members of the Board, whichever is lesser.

A motion was duly made by Ms. Dinah Rose C. Bala (a proxy holder) that the votes be cast in accordance with the voting instructions of the stockholders present in person or represented by proxies in the meeting and since there are only 13 board seats and all of the 13 nominees are qualified to be elected as directors, including 3

who are qualified to be independent directors, all of the nominees be declared elected as directors, with Former Chief Justice Artemio V. Panganiban, Mr. Pedro E. Roxas and Mr. Alfred V. Ty, as independent directors. The said motion was duly seconded.

There being no objection to the motion, the Chairman instructed the Corporate Secretary to cast the votes.

The Corporate Secretary informed the body that only shares of Common Stock and Voting Preferred Stock are entitled to vote for the election of directors. After casting the votes, she reported that each nominee received the votes of more than a majority of the outstanding shares of stock entitled to vote⁴. Thereafter, the Chairman declared the above-named nominees as the duly elected directors of the Company, with Former Chief Justice Artemio V. Panganiban, Mr. Pedro E. Roxas and Mr. Alfred V. Ty as independent directors.

The Chairman introduced to the stockholders the newly re-elected directors.

The Chairman also informed the stockholders that at the Organizational Meeting following the Annual Meeting of Stockholders, the newly elected Board will

⁴ Stockholders have cumulative voting right for the purpose of election of directors.

NAME OF DIRECTOR/ INDEPENDENT DIRECTOR	VOTING REQUIREMENT			
	Thirteen (13) nominees receiving the highest number of votes from the holders of Common Shares and Voting Preferred Shares shall be declared elected and three (3) of them who have been pre-qualified as independent directors will be declared elected as such.			
	VOTES CAST			TOTAL NUMBER OF VOTES
Stockholder 1	Stockholder 2	Stockholder 3		
Former Chief Justice Artemio V. Panganiban (Independent Director)	223	119	327,738,203	327,738,545
Mr. Pedro E. Roxas (Independent Director)	223	119	328,526,670	328,527,012
Mr. Alfred V. Ty (Independent Director)	223	119	330,712,899	330,713,241
Ms. Helen Y. Dee	223	119	324,381,823	324,382,165
Atty. Ray C. Espinosa	223	169,678	327,278,786	327,448,687
Mr. James L. Go	223	119	324,053,341	324,053,683
Mr. Setsuya Kimura	223	119	326,394,277	326,394,619
Mr. Napoleon L. Nazareno	223	83,670	329,253,142	329,337,035
Mr. Hideaki Ozaki	223	119	324,377,673	324,378,015
Mr. Manuel V. Pangilinan	223	3,177,969	327,392,122	330,570,314
Atty. Ma. Lourdes C. Rausa-Chan	223	119	326,895,761	326,896,103
Mr. Juan B. Santos	223	119	326,444,013	326,444,355
Mr. Tony Tan Caktiong	223	119	326,444,023	326,444,365

Legend:

- Stockholder 1 - Stockholders present in person with no proxy previously filed but with voting instructions filed at the annual meeting
- Stockholder 2 - Stockholders present in person with proxy previously filed
- Stockholder 3 - Stockholders represented by proxy

vote for the appointment of the members of the Advisory Board/Committee, namely, Mr. Oscar S. Reyes, Mr. Roberto R. Romulo, Mr. Benny S. Santoso, Mr. Orlando B. Vea, Mr. Washington SyCip and Mr. Christopher H. Young. He then introduced each of them, except Mr. Benny S. Santoso who was not able to attend the meeting due to an important business commitment.

6. APPROVAL OF THE AMENDMENT OF THE THIRD ARTICLE OF THE ARTICLES OF INCORPORATION

The Chairman announced that the next item on the Agenda is the approval of the amendment of the Third Article of the Articles of Incorporation of the Company to indicate the specific address of principal office of the Company as Ramon Cojuangco Building, Makati Avenue, Makati City. He requested the Corporate Secretary to explain the proposed corporation action.

The Corporate Secretary informed the body that SEC Memorandum Circular No. 6 dated February 20, 2014 requires corporations like PLDT whose Articles of Incorporation indicate only a general address (such as Metro Manila) to amend their Articles of Incorporation to state the complete address of their principal office including the name and number of the building, name and number of the street, and name of the barangay and city/municipality. To comply with SEC Memorandum Circular No. 6, the Board approved, on April 1, 2014, the amendment of the Third Article of the Articles of Incorporation to state the specific address of the Company's principal office as Ramon Cojuangco Building, Makati Avenue, Makati City.

The Chairman inquired if there are any questions on the proposed corporate action. There was none.

Ms. Mildred A. Fabian (a proxy holder) moved for the approval of the proposed corporate action and that the votes be cast in accordance with the instructions of the stockholders present or represented by proxies. The said motion was duly seconded.

There being no objection to the motion, the Chairman instructed the Corporate Secretary to cast the votes.

The Corporate Secretary informed the body that the approval of the amendment of the Third Article of the Articles of Incorporation requires the votes of stockholders representing at least two thirds of the outstanding capital stock consisting of shares of Common Stock and Preferred Stock (sub-classified into Voting Preferred Stock and Non-Voting Serial Preferred Stock). She reported that more than two-thirds of the outstanding capital stock have been cast in favor of proposed corporate action⁵.

⁵ Total FOR Votes: 630,188,769 (629,924,507 proxy votes + 264,039 votes of stockholders present in person but with proxies previously filed + 223 votes of stockholders present in person with no proxy previously filed but with voting instructions filed at the annual meeting). Total AGAINST Votes: 10,627 proxy votes. Total ABSTAIN Votes: 301,293 proxy votes.

Thereafter, the Chairman declared that the amendment of the Third Article of the Articles of Incorporation of the Company is approved.

7. OTHER MATTERS

The Chairman inquired if there are other matters for discussion.

With the permission of the Chairman, the Corporate Secretary informed the body that under the Company's By-Laws, it is the Audit Committee that has the power to appoint the Company's external auditors. On May 5, 2014, the Audit Committee appointed Sycip Gorres Velayo and Co. (SGV) to audit the Company's financial statements for the year 2014. In their meeting held on May 6, 2014, the Board of Directors confirmed such appointment of SGV.

The Chairman asked if there are any questions on the appointment of SGV. There was none.

The Chairman asked if there are other questions or other items for consideration in the Agenda.

A stockholder who identified himself as Mr. Guillermo Gili stated that some stockholders asked him to move for the change of PLDT's transfer agent, The Hongkong and Shanghai Banking Corporation (HSBC), and that this matter be put to a vote.

The Chairman noted his motion but considering that the matter is not in the Agenda and the stockholders' meeting is not the proper forum to act on such matter, the Chairman did not put it to a vote. The Chairman also commented that HSBC's main function for PLDT is to act as its registrar and transfer agent for common shares but, as a bank, it could also be a trustee for certain trust accounts whose assets include PLDT shares.

The same stockholder also expressed that the signal of Sun Cellular is not very clear in Bulusan, Sorsogon. The President stated that Smart is in the process of consolidating the cellular network of Sun with Smart's. The program will be implemented nationwide. It was launched in the beginning of the year, starting in Mindanao, then in Visayas and Luzon. It is expected that by the second quarter of next year the signal should be the same for Smart and Sun.

An attendee who identified himself as Atty. Michael G. Ureta solicited the comment of the Chairman regarding published reports that the Philippines lags behind other ASEAN countries in terms of internet speed and infrastructure, and its internet service is more expensive compared with the other ASEAN countries.

The Chairman requested Director Ray C. Espinosa, who is also the Regulatory Affairs and Policies Head, to respond to the query.

Director Espinosa stated that these claims are not exactly true and are very misleading. Several international studies conducted by official multilateral organizations actually show that internet in the Philippines is not the slowest and neither is it the most expensive. On balance, as to speed and price, the Philippines is moderate. In terms of pricing, a study done by the UN Economic and Social Commission for Asia and the Pacific (UN ESCAP) in 2013 found that the Philippines ranked 5th in a field of nine ASEAN countries in terms of broadband service pricing. Also, a study done by the International Telecommunications Union (ITU) in 2012 ranked the Philippines 5th in a field of eight ASEAN countries in terms of internet service pricing. In terms of internet access speed, the Philippines was ranked the 3rd fastest out of six ASEAN countries in the State of the Internet Report of Akamai as of end 2013. The said Akamai report highlighted that the average connection speed in the Philippines increased by 42% year-on-year in 2013, while the average peak connection speed jumped by 144% in the same period – the largest increases in the region. Director Espinosa added that the price and speed are expected to increasingly improve as more subscribers get on board and as we complete the roll out of our FTH, 3G and LTE networks.

8. ADJOURNMENT

There being no other questions or matters for discussion, upon motion duly made, seconded and carried, the Chairman declared the meeting adjourned and conveyed his gratitude to the stockholders for attending the meeting and for their support.

CERTIFIED CORRECT BY:



MA. LOURDES C. RAUSA-CHAN
Corporate Secretary

ATTESTED BY:



MANUEL V. PANGILINAN
Chairman of the Board