



July 12, 2016

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

Gentlemen:

We refer to your letter dated July 12, 2016 requesting for clarification and/or confirmation of the news article entitled "Globe, PLDT ask court to stop govt review of mega deal" posted in ABS-CBN (Internet Edition) on July 12, 2016. The article reported in part that:

*"MANILA - Globe Telecom Inc. and Philippine Long Distance Telephone Co. asked the Court Appeals on Tuesday to stop the government's anti-trust watchdog from reviewing their acquisition of San Miguel Corp.'s telecommunications business.*

*The country's two dominant carriers filed separate petitions seeking a temporary restraining order against the Philippine Competition Commission. The pleadings were seen by ABS-CBN News.*

*The two companies argued that the P70-billion deal was deemed approved after it notified the PCC of the transaction and that the anti-trust body violated its own rules by insisting on a review.*

...."

We confirm that the Company filed a Petition for Certiorari and Prohibition with Urgent Application for Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction ("Petition") against the Philippine Competition Commission ("PCC") before the Court of Appeals on July 12, 2016.

The Petition seeks to enjoin the PCC from proceeding with the review of the acquisition by PLDT and Globe Telecom, Inc. ("Globe") of the telecommunications business of San Miguel Corporation ("SMC"), which was executed and completed on May 30, 2016 (the "Transaction") and performing any act which challenges or assails the deemed approved status of the Transaction.

Attached is a copy of our press announcement on this subject.

Respectfully yours,

A handwritten signature in black ink, appearing to read "Ma. Lourdes C. Rausa-Chan", is written over a horizontal line.

**MA. LOURDES C. RAUSA-CHAN**  
Corporate Secretary

 **PLDT** pressrelease

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**PLDT asks CA for certiorari on PCC review of co-purchase of SMC telco assets**

**MANILA, Philippines, July 12, 2016** – Leading telco and digital services provider PLDT has filed before the Court of Appeals (CA) a Petition for Certiorari and Prohibition with Urgent Application for Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction against the Philippine Competition Commission (PCC) which sought for a full investigation of PLDT's co-purchase of the telco assets of San Miguel Corp.

"We were constrained to file the Petition to uphold the deemed approved status of the transaction under the terms of the PCC's transitory circulars," said PLDT Regulatory Affairs Head Atty. Ray C. Espinosa.

"The transaction has been deemed approved by operation of law. The transitory circulars issued by the PCC have the force and effect of law. We complied fully with the terms of the circulars. The legal effects and consequences of such compliance cannot be reversed or undone by the PCC," he stressed.

He said PLDT through its wireless subsidiary Smart has been implementing the transaction and using the frequencies as part of its nationwide rollout. "The new frequencies are now providing Smart with much needed additional capacities which are crucial in its efforts to provide faster, reliable and affordable mobile internet services throughout the country. Already, tens of millions of Smart subscribers are benefitting from the improved services brought about by the effective and efficient use of the new frequencies," he pointed out.

He reiterated that to reverse or undo the transaction will result in irreparable and incalculable injury to the public service. He also explained that "the use of the new

frequencies is also in compliance with the order and directive of the National Telecommunications Commission, when it approved the specific frequency co-use arrangement between Smart and BellTel Telecommunications Philippines, Inc., that such co-use arrangement be implemented immediately."

In summary Atty. Espinosa stated that "the terms of the transitory circulars were clear. We, like many others before us, relied in good faith on these circulars, and we diligently and faithfully complied with their terms. We are now entitled to the full legal benefits and effects of the circulars, and are asking the Court of Appeals to uphold and enforce our rights and also to prevent the PCC from depriving the public of the benefits of improved telecommunications services arising from the efficient and effective use of the new frequencies which for the longest time have remained idle and unutilized. The PCC must be aware of the declared national policy that government shall allocate the spectrum to service providers who will use it efficiently and effectively to meet the demand for telecommunications service."

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#### **About PLDT**

PLDT is the leading telecommunications and digital services provider in the Philippines. Through its principal business groups – fixed line, wireless and others – PLDT offers a wide range of telecommunications and digital services across the Philippines' most extensive fiber optic backbone, and fixed line and cellular 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). PLDT has one of the largest market capitalizations among Philippine-listed companies.

#### **Contact person:**

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