



2 June 2009

The Philippine Stock Exchange, Inc.
PSE Centre, Exchange Road
Ortigas Center, Pasig City

Attention: **MS. JANET A. ENCARNACION**
Head, Disclosure Department

Gentlemen:

This refers to your letter dated June 1, 2009 requesting additional information on the approval by the Board of Directors of the resolution to increase the par value of the company's shares of stock from Php 0.01 per share to Php1.00 per share.

1. Effect on the capital structure

The authorized capital stock of the company will remain at Two Billion Six Hundred Million Pesos (Php 2,600,000,000). The number of shares will decrease from 260 Billion common shares at Php 0.01 per share to Two Billion Six Hundred Million common shares at Php1.00 per share. Thus, if the change in par value would be effected today, it would have the following effect on the company's capital structure:

	BEFORE	AFTER
Authorized Capital Stock	Php 2,600,000,000.00	Php 2,600,000,000.00
Issued Shares	124,151,102,725	1,241,511,027
Outstanding Shares	124,138,453,025	1,241,384,530
Listed Shares	100,276,648,857	1,002,766,488

2. Procedure for updating stock certificates

Upon approval by stockholders expected during a special meeting scheduled for August 14, 2009, the following procedure will be adopted for the replacement of old stock certificates with new ones bearing the new par value:

- a. Old stock certificates will be replaced with new stock certificates as the PhilWeb shares are traded or transacted through:
 - i. Settlement of an over-the-counter trade;
 - ii. An upliftment request by an investor having position in the PCD;
 - iii. A direct transfer request; or

- iv. Other similar situation that would require cancellation of old stock certificates and issuance of replacements thereof;
- b. Stockholders who wish to replace their old stock certificates without trading them, without any change in the beneficial ownership thereof, may surrender their old certificates to the stock transfer agent of PhilWeb, as follows:

Emerald Stock Transfer Services, Inc.
c/o Fernandez, Santos & Lopez, CPAs
16th Floor Pacific Star Building
Sen Gil Puyat Avenue corner Makati Avenue
1200 Makati City Metro Manila

Tel No. (02) 840-1604 local 33; Fax No. (02) 812-8342
Attention: Mr. Benedicto V. Tan

- c. Old stock certificates representing outstanding and issued PhilWeb shares shall continue to be valid and honored as evidence of ownership of the PhilWeb shares represented therein.
- d. The new stock certificates will be available with the above mentioned stock transfer agent not later than three months after the stockholder and SEC approval of the change in par value.

We hope that we have sufficiently addressed your request for additional information.

Very truly yours,



Cliburn Anthony A. Orbe
Corporate Information Officer