



9 July 2010

**Philippine Stock Exchange, Inc.
PSE Center, One Exchange Road
Ortigas Center, Pasig City**

Attention: Ms. Janet Encarnacion
Head, Disclosure Department

Gentlemen:

In accordance with the Revised Disclosure Rules, we are furnishing the Exchange with a copy of a press release issued by the Company entitled: PHILWEB H1 Profit Growth hits 41%.

We hope you will find everything in order.

Very truly yours,

A handwritten signature in black ink, appearing to read "Cliburn Anthony A. Orbe". The signature is stylized and includes a horizontal line extending to the right.

Cliburn Anthony A. Orbe
Corporate Information Officer

PHILWEB H1 Profit Growth hits 41%

PhilWeb Corp., the country's first and largest listed online technology firm, had net income of P322 million for the first half of 2010, 41% higher than the P228 million it posted for the same period last year. Revenues totaled P508 million, up 40% year on year, compared to P362 million in H1 2009.

PhilWeb president Dennis Valdes attributed the results to strong growth in core business units, as well as several new projects that have recently been launched. "Our core business is managing the network of PAGCOR's e-Games or PEGS cafés," said Valdes. "This network now has 188 stores nationwide and the results from operations continue to show double-digit increases versus last year. We are excited to work with the new team at PAGCOR headed by their new chairman, Bong Naguiat, to keep growing this network of PEGS cafés."

Valdes further explained that the PEGS business is instrumental to the growth of PAGCOR itself. "Last year, we contributed over one billion pesos to PAGCOR from our PEGS business alone. This amount flows directly to PAGCOR's net income, as they do not have any capital expenditures or operating costs associated with this revenue. As of June 2010, our PEGS business alone has remitted over P600 million to PAGCOR, a growth rate of 33%."

"More importantly, our new product launches are performing well," he continued. "We just launched Basketball 38 into our network of 185 Internet Sports Betting Stations or ISBS kiosks. Basketball 38 is growing very rapidly as it offers a P1 million prize to punters who correctly guess the four winning numbers that the basketball lands on in our special domed court. Interested viewers can watch the live game on its thrice-daily webcasts at www.basketballjackpot.net/bb38."

"When added to our earlier launches this year, that of Home Play, the only peso-based, truly online PAGCOR casino, and of MegaSportsWorld, a sports betting offering done in partnership with Asian Logic, we can see that 2010 will be a record year for PhilWeb, both in terms of revenues and net income," said Valdes.

"Additionally, we have been focusing on our international expansion strategy," Valdes continued. "We are working to obtain licenses in Cambodia, Laos, Vietnam, Saipan, Palau, Papua New Guinea, East Timor, Nepal and others, and hope to have successful disclosure on these shortly."

"Our other products are also performing well," he continued. "Our Instant Premyo Sa Resibo text raffle, which we conduct on behalf of the Bureau of Internal Revenue, has seen consistent volumes as consumers have reacted positively to the instant-win formula. We are proud to have given away several new cars and several more million-peso checks to the winners already, and we are looking forward to working closely with new BIR Commissioner Kim Henares."

"We are confident that 2010 will be another banner year for PhilWeb and are happy that the results of the first half show that our business plans are progressing very solidly."