



July 21, 2008

The Philippine Stock Exchange
4/F PSE Center, Exchange Road
Ortigas Center, Pasig City

Attention: **ATTY. PETE M. MALABANAN**
Head, Disclosure Department

Gentlemen:

As required by the Exchange under the Revised Disclosure Rules, attached is a press release issued by the Company today entitled Philweb Corp. posts 78% increase in net income.

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 fluid and cursive, with a long horizontal line extending to the right.

Atty. Cliburn Anthony A. Orbe
Corporate Information Officer

Philweb Corp. posts 78% increase in net income

Philweb Corp. reported unaudited Net Income of P149.6 million for the first half of 2008, higher by 78% from last year's income for the same period of P84.2 million. This improvement reflects the sustained rapid growth of the PAGCOR e-Games café system managed by the Company on behalf of PAGCOR, as well as strong gains from PhilWeb's investment in ISM Communications Corp.

Revenues totaled P171.4 million, a 34% growth vs. the same period last year. The key revenue driver was the opening of 21 new PAGCOR e-Games cafés since December 2007, bringing the total nationwide network to 97. This represents the fastest store growth since the network was launched in March 2004.

Additionally, the strong growth in PhilWeb's business was demonstrated by the increase in average daily bet volumes which are now close to 150 million as opposed to less than P80 million this time last year. The number of players patronizing internet cafés have also increased to an average of 45,000 per day versus less than 25,000 this time last year.

PhilWeb's investments in ISM Communications Corp. returned P49.6 million for the period, primarily from the excellent results delivered by ISM's investment in Eastern Telecommunications Philippines.