



December 22, 2009

PHILIPPINE STOCK EXCHANGE, INC.

4th Floor, The Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

Attention: **Ms. Janet A. Encarnacion**
Head, Disclosure Department

Ladies and Gentlemen:

Re: Philweb & ISM acquire leading European hotel internet service provider

Philweb Corporation (WEB) and ISM Communications Corporation (ISM) wish to inform the Philippine Stock Exchange that WEB and ISM (through a jointly and equally owned Hong Kong special purpose vehicle) have entered into a binding agreement with Global Innovation Partners (GI Partners), a private equity firm based in the United Kingdom (UK), for the acquisition of a controlling 65% stake in Acentic GmbH (Acentic), a limited liability company registered in Germany but headquartered in the UK.

Under the Share Purchase Agreement (SPA) executed by Host Union International Limited (Host Union) (the Hong Kong special purpose vehicle jointly and equally owned by WEB and ISM) and LBC Capital S.A.R.L. (LBC) (a Luxembourg company wholly-owned by GI Partners), 650,000 shares in Acentic (representing 65% of Acentic's outstanding capital) will be acquired by Host Union from LBC for a total consideration of Euro 19.5 million (or approximately 1.3 billion pesos).

The acquisition is scheduled to close on 11 January 2010.

The acquisition of the Acentic stake will be shared equally by WEB and ISM. As previously disclosed, ISM will utilize funds it has raised from last January 2009's P655 million stock rights offering as well as the US\$10 million private placement made by the Ashmore Group in November 2007 and the remainder of the P300 million stock rights offering conducted in June 2007. WEB will utilize internally-generated funds from its operations.

The remaining 35% of Acentic will continue to be owned by Niantic Holdings GmbH, a German company controlled by Dr. Andreas Jacobs. Dr. Jacobs is a well-known and highly-regarded industrialist in Germany and Switzerland. His many business interests include providing minibar services to over a million hotel rooms worldwide in addition to his major interest as the leading chocolate manufacturer in the world.

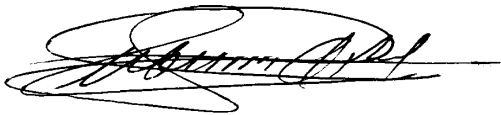
Acentic is an international provider of digital and internet protocol (IP) converged services to hotels, tourism facilities, healthcare premises as well as to other facilities eligible for its services. Acentic's

digital content, technology, support and services deliver entertainment (including pay-per-view, video on demand) and other revenue generation tools, providing a unique communication system that meets the evolving lifestyles of guests. Acentic's digital television (TV) services and high speed internet access (HSIA) are in many of the world's leading hotel chains including Accor, Dorint, Intercontinental Hotel Group, Hilton, Hyatt, Maritim, Marriott, Mövenpick and Starwood in more than 30 countries in Europe, Middle East and Africa. Acentic has approximately 200,000 hotel rooms under contract, making it a leading hospitality service provider in Europe.

Acentic is a perfect fit to the information technology and telecommunications business of ISM as well as the gaming expertise of WEB. The entry of WEB and ISM in Acentic will enable Acentic to grow its predominantly European market to include the Asia-Pacific region, the fastest growing hotel market in the world. For this purpose, it is the intention of WEB and ISM to organize and launch Acentic Asia, a subsidiary of Acentic GmbH, to take advantage of the rapidly growing Asia-Pacific market.

More significantly, the substantial number of hotel rooms currently under contract to Acentic and the imminent roll out of Acentic Asia provides WEB with enormous opportunities to expand its gaming business, which is today limited only to the Philippine market, to many other major countries principally in Europe and the Middle East. WEB will have an instant platform of 200,000 rooms in Europe as a market for its internet gaming offerings. Thus, WEB's participation in the acquisition of Acentic will enable WEB to have a quantum increase in its business prospects worldwide and well beyond just the Philippine market.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Cliburn Anthony A. Orbe', with a long horizontal flourish extending to the right.

Cliburn Anthony A. Orbe
Corporate Information Officer