



March 17, 2009

The Philippine Stock Exchange
Listing and Disclosure Group
4th Floor Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

Attention: Atty. Pete M. Malabanan
Head, Disclosure Department

Ladies and Gentlemen:

We refer to your letter dated March 16, 2009 requesting for additional information regarding Pilipino Telephone Corporation's ("PLTL" or the "Corporation") board of directors approval on March 13, 2009 of the following transactions/arrangements entered into with Smart Communications, Inc. ("Smart"):

1. Licensing of the use of PLTL's "Talk 'N Text" brand to Smart for which Smart will pay a lump sum royalty fee based on a percentage of projected net service revenues.
2. Transfer of PLTL's existing Talk 'N Text subscriber base to Smart in consideration of a one time payment equivalent to the subscriber acquisition cost which Smart would have incurred for the acquisition of its own subscribers.
3. Sale of Smart to PLTL's GSM Fixed assets at net book value.

We advise that the definitive agreements covering the foregoing transactions/arrangements are still being prepared. We will provide a more detailed description of the terms and conditions, and other information requested in your letter dated March 16, 2009 once the Board shall have approved the same in a Special Meeting scheduled on April 20, 2009.

Thank you.

Very truly yours,


MA. LOURDES C. RAUSA-CHAN
Corporate Secretary