



November 18, 2008

THE PHILIPPINE STOCK EXCHANGE
Issuer Regulation Division
Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

Attention: Atty. Roy Joseph M. Rafols
COO/Head, Issuer Regulation Division

Dear Sirs/Mesdames:

In compliance with PSE Memorandum No. 2008-0525 dated November 3, 2008, below is the dividend policy statement of Pilipino Telephone Corporation (the "Company").

Following the successful implementation of the Company's debt restructuring and its return to profitability, the Company adopted a dividend policy in May 2008, which provides that dividends will be declared and paid, on a regular basis, to holders of shares of common stock of the Company, provided that the Company has sufficient unrestricted retained earnings and, provided further, that the dividend ratio shall be subject to evaluation by the Board of Directors based on the Company's cashflow requirements.


The Company's goal is to maximize the amount that it pays out as dividends to its common shareholders, barring any major investment program. For 2008, the Company intends to pay dividends on its outstanding common shares in such amount close to 100% of its core earnings.

For the Company's preferred shares, the amount or rate of annual dividends for the outstanding Series A, C and D, as provided in the Board resolutions creating each of such series, is as follows:

<u>Series</u>	<u>Amount/Rate of Annual Dividends</u>
A	not more than Php124,600
C	10% of par value
D	10% of par value

Dividends on preferred shares enjoy preference over dividends on common shares and no dividends shall be declared and paid on common shares before dividends on preferred shares have been paid or set apart for payment.

Very truly yours,


MA. LOURDES C. RAUSA-CHAN
Corporate Secretary