



JG SUMMIT HOLDINGS, INC.

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29 March 2011

Securities and Exchange Commission

Attention: Corporation and Finance Department
SEC Building, EDSA
Mandaluyong City

Philippine Stock Exchange

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department
4F PSE Center, Exchange Road
Ortigas Center, Pasig City

Subject: **JG SUMMIT TO ACQUIRE STAKE IN PLDT IN ALL-SHARE
TRANSACTION**

Gentlemen:

We would like to disclose the attached press release on the above subject matter.

Very truly yours,

B.J. Sebastian
Senior Vice President
Chief Strategist
Corporate Information Officer

JG SUMMIT TO ACQUIRE STAKE IN PLDT IN ALL-SHARE TRANSACTION

- JG Summit to acquire shares in PLDT in exchange for its entire holdings in Digitel
- Transaction to have an equity value of P74.1 billion
- Consumers to benefit from wider and complementary array of products and improved quality of service
- Paired networks to accelerate continued expansion of broadband rollout and other next-generation technologies in both fixed and wireless space

MANILA, Philippines : 29th March 2011 - JG Summit Holdings, Inc (“JGS”) (PSE:JGS) and Philippine Long Distance Telephone Company (“PLDT”) (NYSE: PLDT) (PSE: TEL) announced that at meetings held earlier today, their respective Boards of Directors approved the acquisition by PLDT of JGS’s and certain other parties’ ownership interest in Digital Telecommunications Philippines, Inc. (“Digitel”) (PSE:DGTL), comprising (i) 3,277,135,882 common shares in Digitel, representing a 51.55% equity stake; (ii) zero-coupon convertible bonds issued by Digitel and its subsidiaries to the JGS Group which are assumed to be convertible into approximately 18.6 billion shares of Digitel by 30 June 2011; and (iii) intercompany advances of P34.1 billion made by the JGS Group and certain of such parties to Digitel and its subsidiaries (the “Assets”).

Terms of the Transaction

The agreed consideration for the Assets is P69.2 billion which will be settled by the issuance of one (1) new PLDT share for every P2,500 consideration payable for the Assets. PLDT will be required as well to undertake a mandatory tender offer for all the remaining common shares of Digitel held by minority shareholders. The tender offer price for Digitel shares will be P1.60 per share, which will be paid in the form of either PLDT shares issued at P2,500 per share or cash, at the option of the Digitel shareholder. This is equivalent to the fully diluted price per share of the consideration net of the value of the intercompany advances. Should all the minority shareholders of Digitel accept the offer by PLDT, PLDT will issue a total of 29.65 million new shares, representing 13.7% of the enlarged share capital of PLDT. Assuming full acceptance by the minorities of Digitel, the total transaction consideration would be P74.1 billion.

This transaction is intended to be completed by the end of the second quarter of 2011.

JG Summit is expected to own approximately 12.8% of PLDT’s enlarged share capital post the transaction. A representative of JGS is expected to join the Board of Directors of PLDT.

Strategic Rationale and Benefits

This transaction is expected to achieve substantial benefits for the consumers, the general public and the shareholders of PLDT and JGS. It will leverage the combined expertise of the PLDT Group and Digitel to create a more capable telecommunications company which will be better-positioned to provide higher quality and even more

affordable services to fixed line, wireless, and broadband subscribers addressing a wide range of consumer demand – from voice to SMS to data and Internet and video services.

The mobile operations of Digitel will remain separate and intact, to maintain and capitalize on Sun Cellular's operations and significant brand equity to continue serving specific segments of the market, especially those who prefer "unlimited" type of services.

Digitel's fixed line operations can complement those of PLDT's in terms of both geographic and population reach, while adding approximately 450,000 subscribers to PLDT's current base of 1.8 million subscribers. PLDT can quickly provide enhanced broadband services in Digitel's service areas. Digitel's subscribers are also expected to benefit from PLDT's extensive infrastructure, particularly its nationwide fiber optic network and its international cable and satellite facilities.

PLDT will also make available to Sun subscribers its wide range of service offerings particularly in terms of 3G and broadband. Over the last few years, PLDT's wireless subsidiary, Smart Communications, Inc., has been steadily advancing its Internet for All advocacy and making mobile broadband more affordable and widely available so that all Filipinos may benefit from it. Mobile broadband networks can generate economic activity as they enable fast-developing, technology-driven ecosystems.

Significant cost efficiencies are envisaged from the transaction via capex optimization, co-location of base stations, consolidation of overlapping technical systems, implementation of shared services, bulk purchasing of network equipment, communication devices and other materials and elimination of other duplicated costs. Improved network utilization and service quality can also be achieved through complementary technologies and greater network density.

Option Agreement

An associate company of First Pacific will enter into a put and call option agreement with JGS that will allow such associate company to acquire 5.81 million PLDT shares from JGS at a price of P2,500 per share.

JG Summit Stake in PLDT

JG Summit expects to own approximately 10.1% of the total share capital of PLDT after the option is exercised.

"In making this decision, JG Summit went through a rigorous review of its strategic options and concluded that PLDT is the best partner for all our stakeholders - Digitel subscribers should reap benefits from PLDT's sizeable infrastructure and leading-edge platforms. The transaction should also bring significant value to JG Summit's shareholders without relinquishing our participation in the Philippine telecommunications

industry”, stated **James Go, JGS Chairman and CEO**.

“For PLDT, this transaction fortifies its position as the leading telecommunications company in the Philippines,” said **Manuel V. Pangilinan, Chairman of PLDT**. “The valuation that this transaction puts on PLDT is a strong signal of the confidence we have in the company and its future.”

ING Bank N.V. acted as financial advisor, and SyCip Salazar Hernandez and Gatmaitan and Romulo Mabanta Buenaventura Sayoc & De Los Angeles provided legal advice, to PLDT and JG Summit, respectively. HSBC advised First Pacific on this transaction.

About JGS

JGS is the listed holding company of the Gokongwei family, one of the country’s foremost business groups. JGS has a diversified portfolio of businesses spanning consumer food manufacturing, aviation, real estate, petrochemicals, banking, and telecommunications. It is a member of the Philippine Composite Index, and has a market capitalization of P166.5 billion as of 28 March 2011.

About Digitel

Established in 1987, Digitel is one of the major providers of wireline communication systems in Luzon. In 2003, Digitel entered the wireless communications business through the Sun Cellular brand and has since then been recognized as one of the fastest-growing wireless communications providers in the country, with 14 million wireless subscribers as of the end of 2010. Through Sun Cellular, Digitel is able to expand its portfolio of telecommunications services to include wireless voice and internet together with its array of fixed-line telephony products. Digitel is listed on the Philippine Stock Exchange and is a subsidiary of JGS.

About PLDT

PLDT is the leading telecommunications provider in the Philippines. Through its three principal business groups – fixed line, wireless, and information and communications technology – PLDT offers a wide range of telecommunications services across the Philippines’ most extensive fiber optic backbone and fixed line and cellular networks.