



April 23, 2007

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

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

Ladies and Gentlemen:

Further to our disclosure dated March 5, 2007, the Securities and Exchange Commission (the "Commission") issued the Certificate of Approval of Equity Restructuring dated April 20, 2007 to wipe out the deficit of the Company as of December 31, 2006 amounting to Php22,250,462,141.74 against an equivalent amount of additional paid-in capital (APIC) of the Company, subject to the condition that the remaining APIC of Php2,800,537,858 shall not be used to wipe out losses that may be incurred in the future without prior approval of the Commission. Attached is a copy of the Certificate of Approval of Equity Restructuring dated April 20, 2007.

Thank you.

Very truly yours,

DEBORAH ANNE N. TAN  
Corporate Information/Investor Relations Officer

/amy  
Enc.



REPUBLIC OF THE PHILIPPINES  
**SECURITIES AND EXCHANGE COMMISSION**  
SEC Building, EDSA, Greenhills  
City of Mandaluyong, Metro Manila

**COMPANY REG. No. 35815**

**CERTIFICATE OF APPROVAL OF  
EQUITY RESTRUCTURING**

**KNOW ALL PERSONS BY THESE PRESENTS:**

**THIS IS TO CERTIFY** that the request to undergo equity restructuring to wipe out the deficit of the company as of **December 31, 2006** amounting to **P22,250,462,141.74** against the Additional Paid-in Capital amounting to **P25,051,000,000.00** of

**PILIPINO TELEPHONE CORPORATION**

was approved by the Commission on this date subject to the condition that the remaining **APIC of P2,800,537,858** shall not be used to wipe out losses that may be incurred in the future without prior approval of the Commission.

**IN WITNESS WHEREOF**, I have hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong City, Metro Manila, Philippines, this 20<sup>th</sup> day of **April**, Two Thousand Seven.

**BENITO A. CATARAN**  
Director

Company Registration and Monitoring Department

