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Attention: **MS. JANET A. ENCARNACION**
Head
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This is in reply to a column written by Mr. Rey S. Eñano in the May 12, 2011 issue of Manila Standard Today (Page B3), entitled "*Globe, Liberty in negotiations; Phoenix is Customs' latest 'victim'*," which reported in part that:

...

Conglomerate Ayala Corp. and food and drinks giant San Miguel Corp. are also in talks for some cooperation between Globe Telecom Inc. and Liberty Telecoms Holdings Inc., their respective telecoms units. A source privy to the negotiations told this writer that such cooperation could include a merger between Globe and Liberty.

The source said San Miguel president and chief operating officer Ramon S. Ang was on top of the negotiations with the Ayala group. Ang cited the compatibility of the telecommunications systems of Globe and Liberty, especially their underground cables.

"Mr. Ang was confident that a merger would enable Globe and Liberty to compete in a more intense price war. The two are inclined to bring prices down to what PLDT could offer," the source said.

...

Globe Telecom denies having merger discussions with San Miguel Corporation or Liberty Telecom.

Globe remains focused on its current strategies to aggressively compete and gain market share. On Tuesday May 10th, the Company released its first quarter financial results this year which indicate sustained growth in revenues and subscriber base.

We hope this clarifies the quoted column in the interest of keeping trading participants and the investing public informed.

Very truly yours,


ALBERT M. DE LARRAZABAL
Chief Financial Officer

