



ODiSy

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Company : DIGITAL TELECOMMUNICATIONS PHILS., INC.
Attention : ATTY. WILLIAM PAMINTUAN
Senior Vice President – Legal Services Department
Subject : “Digitel spending to stay at \$350-M level this year”
Date : January 24, 2011

Gentlemen:

We write with respect to the attached news article entitled “Digitel spending to stay at \$350-M level this year” published in the January 22, 2011 issue of *The Philippine Star*. The article reported in part that:

Digital Telecommunications Phils. Inc. (Digitel) is spending \$350 million this year, or roughly the same amount as last year, for its capital expenditures, primarily to boost its wireless mobile services network nationwide. Digitel president James Go told **The STAR** that by the end of this year, their mobile brand Sun Cellular would have the same number of cellsites as the other two telco players (Smart Communications and Globe Telecom) in almost all regions of the country. . . .

We would like to seek clarification and/or confirmation of the above-quoted news article. In view thereof, please make a full, fair, accurate and timely disclosure on the foregoing matter via **ODiSy** before **11:00 a.m. today, January 21, 2011**, so that we may properly apprise the Trading Participants and the investing public of the same.

Very truly yours,


KRISTINA S. WY
Specialist, Disclosure Department

Noted by:


JANET A. ENCARNACION
Head, Disclosure Department

Digital spending to stay at \$350-M level this year

Digital Telecommunications Phils. Inc. (Digitel) is spending \$350 million this year, or roughly the same amount as last year, for its capital expenditures, primarily to boost its wireless mobile services network nationwide.

Digitel president James Go told The STAR that by the end of this year, their mobile brand Sun Cellular would have the same number of cellsites as the other two telco players (Smart Communications and Globe Telecom) in almost all regions of the country.

Digitel's wholly-owned subsidiary Digitel Mobile Phils. Inc. (DMPI) operates the Sun Cellular brand which currently has 16 million subscribers.

"In 2010, Sun Cellular is the

first telco in the Philippines to achieve one million postpaid GSM subscribers. In 2011, we are confident we can achieve robust growth in both 2G and 3.5G as we continue our strong rollout of cellsites," Go said.

He noted that 2010 was a competitive year for the telecommunications industry as it experienced a single-digit growth.

"The industry also achieved breakthroughs in both 3G and 3.5G (HSDPA) offerings. Consumers have had good experience, especially as new terminals came on Android, Blackberry, iPhone, among others. All in all, it was an exciting year for technology. This year, we expect fur-

By MARY ANN LL. REYES

ther developments in 3.5G. New Android phones are also getting exciting. We are optimistic both about the telco industry and the economy in general. The people have also increased confidence and trust," he added.

From almost 7,000 cellsites as of end-2010, Digitel aims to end 2011 with 8,500 to 9,000 cellsites.

Digitel plans to tap internally-generated funds and bank loans to finance this year's capex. In 2009, the company also spent about \$350 million mainly to expand and strengthen its network coverage.

In a report recently submitted to the Securities and Exchange Commission (SEC), the

company said as of end-2010, JG Summit Holdings Inc., the investment holding company of the Gokongwei Group, owns 47.43 percent of Digitel.

During the first nine months of 2010, Digitel reported that of its P12.1 billion service and non-service revenues, its wireless communications services group contributed P9.53 billion or 27 percent of total. The company ended the period with P850.8 million in net income, with the P1.28-billion bottom line of the wireless communications services and wireline data communication services groups more than offsetting the P551.9-million loss suffered by the wireline voice group.