



## BENPRES HOLDINGS CORPORATION

July 4, 2006

Philippine Stock Exchange  
PSE Center, Ortigas Center  
Pasig City

Attention: Ms. Jurisita M. Quintos  
Senior Vice President

Madam,

This in reply to your letter of June 30, 2006, requesting for confirmation on the veracity of the news article entitled "Bayantel mobile phone business dream still alive" published in the June 30, 2006 issue of the Philippine Daily Inquirer. The article reported in part that:

"BAYAN TELECOMMUNICATIONS INC. (Bayantel) of the Lopez Family has asked regulators to extend its cellular mobile telephone service (CMTS), which may indicate that the firm has not yet given up on its dream of entering the lucrative mobile phone business. x x x '[Bayantel is] asking for another extension of the provisional authority for a CMTS [license] for another three years, or until 2008,' he said. x x x According to the technical committee's review, Bayantel's CMTS network plan was originally based on GSM (global system for mobile communications) technology. But it has since been modified to a CDMA (code division multiple access) system. The shift was supposedly made to facilitate the migration of existing second-generation mobile phone users to the new third generation system. 'Since Bayantel is proposing to change its CMTS technology platform from GSM to CDMA, [we] requested the company to submit its new detailed technical plan,' the memo said. 'However, despite several requests, the applicant's submission was incomplete.' x x x


We would like to confirm that BayanTel has requested the National Telecommunication Commission (NTC) for an extension on its provisional authority (PA) on a CMTS until 2008.

BayanTel chief executive consultant Tunde Fafunwa has made it clear in previous public statements of its commitment to comply with the conditions prescribed by the provisional authority.

Mr. Fafunwa said BayanTel welcomes the opportunity given by NTC to clarify its position on the matter.

We hope this has clarified the matter.

Very truly yours,

  
Salvador G. Tirona  
Chief Financial Officer