



CIRCULAR FOR BROKERS No.

2327-2002

Philippine Stock Exchange, Inc.

<input checked="" type="checkbox"/> Disclosures	<input type="checkbox"/> Stockholders' Meeting	Others:	
<input type="checkbox"/> Dividend Notice	<input type="checkbox"/> SEC / Gov't. Issuance		
<input type="checkbox"/> Stock Rights Notice	<input type="checkbox"/> Transfer Agent's Notice		

Posted September 4, 2002

Date : September 4, 2002

Subject : ABS-CBN BROADCASTING CORPORATION

Further to Circular for Brokers No. 2315-2002 dated September 3, 2002, please be informed that the Exchange is in receipt, at 7:09 p.m. yesterday, of a letter from BNP Paribas and Standard Chartered Bank in relation to the disclosure made by ABS-CBN Broadcasting Corporation ("ABS" or the "Company") pertaining to the Company's Php 3.0 billion Exchangeable Notes Facility.

Attached herewith is a copy of the following:


1. BNP Paribas and Standard Chartered Bank's letter to the Exchange; and
2. ABS's reply to the Exchange's query on the said matter.

For your information.


TRISHA M. ZAMESA
Head, Disclosure Department

Noted by:


JOSE G. CERVANTES
Senior Vice President

					
Finance / Admin / Membership	Compliance & Surveillance Grp.	Listings & Disclosure Grp.	COO / Automated Trading Grp.	Business Dev't Group	CEO / Legal
Tel. No. 634-5112	Tel. No. 634-6903	Tel. No. 636-0122	Tel. No. 633-1311	Tel. No. 634-5089	Tel. No. 637-8805

**ABS-CBN Broadcasting Corporation**

Sgt. Esguerra Avenue, Quezon City, Philippines

September 4, 2002

To: **Jose G. Cervantes**
SVP, Disclosure Department
Philippine Stock Exchange

Tel No.: (632) 636-0122
Fax No.: (632) 636-0809

From: **Oliver C. Calma**
Director – Finance

Tel No.: (632) 924-4101/415-2272 loc. 4323
Fax No.: (632) 431-9368

Subject: **Response to letter from the PSE dated September 4, 2002**

Gentlemen:

In response to your letter dated September 4, 2002, concerning the claims of our two creditor banks, BNP Paribas (BNP) and Standard Chartered Bank (SCB), in their letter to you dated September 3, 2002, we would like to clarify and confirm the following matters:

1. Timing of disclosure

On August 30, 2002, Friday at approximately 5:40 in the evening, our message center at ELJ Communications Center received two separate letters from BNP and SCB. In their letters, both banks advised ABS-CBN that due to our failure to pay on their demand letters dated August 27, 2002, they are calling us in default of our obligations per our respective Loan Agreements with them. Consequently, the letters were officially received by the addressee only on the morning of Monday, September 2, 2002. Prompt action was then taken immediately by ABS-CBN management upon receipt of the letters in substantial compliance with the rules of the PSE.

2. Use of the word default

Although the word default was not explicitly used in the statement, in essence and in content, our disclosure sufficiently conveyed the facts constituting default. There was no intent to mislead and we regret if our disclosure was misconstrued as such.

Visit our website at www.abscbn-ir.com


**ABS-CBN Broadcasting Corporation**

Sgt. Esguerra Avenue, Quezon City, Philippines

Rest assured that we would like to maintain an open and honest relationship with your good office and that future disclosures will be handled appropriately.

Thank you for your kind attention and consideration.

Very truly yours,


Oliver C. Calma
Director - Finance

Visit our website at www.abscbn-ir.com

FROM

PHDI

03 September 2002

THE PHILIPPINE STOCK EXCHANGE
Makati City

Attention **MR. JOSE CERVANTES**
Manager/Head of Disclosure Department

Gentlemen:

This is with reference to the disclosure made today by ABS CBN BROADCASTING CORPORATION (ABS CBN) on the Php 3.0 Billion Exchangeable Notes Facility.

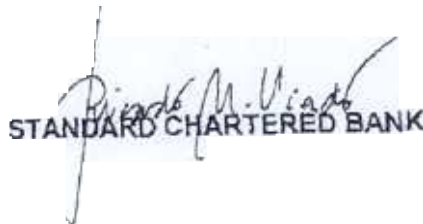
We, BNP Paribas and Standard Chartered Bank, are the short-term creditor banks that are referred to in the disclosure statement as not having participated in said facility. We wish to clarify that after giving separate written notices of demand for payment, we subsequently issued letters of default dated 29 August 2002. We were made to understand that the loan agreement has not yet been signed at that time. Attached are the two (2) copies received by ABS CBN.

ABS CBN has been in default since 30 August 2002. This material information was not indicated in their disclosure of today.

Very respectfully yours,



BNP PARIBAS



STANDARD CHARTERED BANK

**MANILA OFFSHORE BRANCH**

30th Floor, Philamlife Tower
8787 Paseo de Roxas
1226 Makati City, Philippines
Tel. (832) 885-0252
Fax (832) 885-7076
Telex: 63707 BNP PN ETPI
Swift Address: BNPAPHMM
P.O. Box 2265 MCPO
1262 Makati City, Philippines
Website: www.bnpparibas.com.ph -

30 August 2002

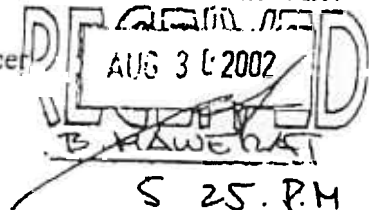
ABS-CBN BROADCASTING CORP.

Sgt. E. A. Esguerra Ave. corner
Mother Ignacia St., Quezon City

Attention: **Mr. Randolph Estrellado**
Vice President & Chief Financial Officer

Re

ABS-CBN BROADCASTING CORP.
MESSAGE CENTER



Gentlemen

In view of your long outstanding and unpaid obligation to us under your four (4) Promissory Notes with a total aggregate principal amount of UNITED STATES CURRENCY THREE MILLION SIX HUNDRED THOUSAND DOLLARS (US\$3,600,000.00), all of which have matured and are past due, we hereby give you notice of and declare the occurrence of an **Event of Default** pursuant to Section 19 of the captioned Agreement.

Your continued non-payment of your outstanding loans under the Promissory Notes totaling US\$3,701,432.68 Million, inclusive of accrued interest, penalties and other charges as of 30 August 2002, notwithstanding our repeated demands for repayment, leaves us with no other alternative but to take such actions as are necessary to protect our interests.

We trust you understand our position on this matter.

Very truly yours,

BNP Paribas

By:

Pierre Imhof
Country Manager

Richard Lee
Head Corporate Banking

FROM

PHONE NO. : 8867162

Sep. 03 2002 03:40PM P2

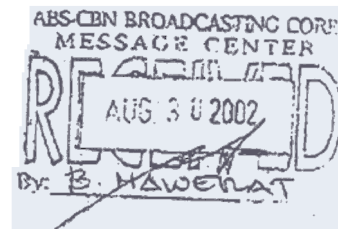
August 30, 2002

ABS CBN BROADCASTING CORPORATION
Sgt. E. A. Esguerra Avenue cor. Mother Ignacia Street
Quezon City

ATTENTION

MR. RANDOLPH T. ESTRELLADO
Chief Finance Officer

MR. OLIVER C. CALMA
Director - Finance

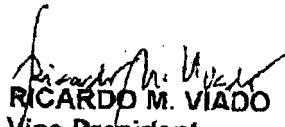
**NOTICE OF DEFAULT**

Gentlemen:

In our letter of 27 August 2002, we made a final demand for the full payment of your outstanding loan obligations in the total amount of P100,000,000.00 with the Bank under PN #0110048015021 (P30,000,000.00) and PN#0110048015013 (P70,000,000.00). Despite such demand, you have failed to remit said amount.

In view of the foregoing, we hereby declare your obligations as mentioned above in default.

Very truly yours,


RICARDO M. VIADO
Vice President