



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	_____
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Posted August 8, 2002

Date : **August 12, 2002**

Subject : **DIGITAL TELECOMMUNICATIONS PHILIPPINES, INC.**

This is with reference to the news article entitled "Smart asks gov't to cancel Digitel license" published in the August 8, 2002 issue of The Philippine Star. The article reported that: "x x x PLDT subsidiary Smart Communications Inc. asked the government to cancel the provisional license of Gokongwei wireless firm Digital Telecommunications Inc. (Digitel). In a petition filed with the National Telecommunications Commission yesterday, a copy of which was obtained by The STAR, Smart said Digitel failed to complete the installation and commence commercial operations of its cellular mobile system within the prescribed period. x x x 'Apparently, Digitel has shifted its strategy. From operating as the third CMTS operator next to Smart and Globe Telecom, Digitel is now seeking to take over the leading position through the acquisition by the Gokongweis of PLDT. This defeats the purpose for which the provisional authority was granted to it, Smart legal affairs division head Rogelio Quevedo told The STAR. It was also alleged in the complaint seeking to cancel Digitel's CMTS license that based on the findings of the NTC common carriers accreditation department itself, Digitel incurred considerable delay in the implementation of phase one of its mobile telephony project, which is to put up 98,696 lines within 18 months from the grant of the provisional authority. x x x According to Smart, failure by Digitel to fulfill the conditions set in its provisional authority is a ground for the cancellation of its provisional authority to engage in the CMTS business. x x x"

Digital Telecommunications Philippines, Inc. ("DGTL"), in its letter dated August 8, 2002, clarified that:

"x x x

Please be informed that there is no truth to the news report that Digitel is holding back on its investments in the cellular network

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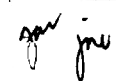
infrastructure. Digitel is proceeding with the implementation of its CMTS network. In fact, Digitel already has a working CMTS network and it had already asked the NTC to intervene in its interconnection negotiation with SMART in view of the latter's refusal to interconnect Digitel's CMTS network.

The NTC has scheduled another meeting this Friday in this regard and the present administrative case subject of the press release is merely a dilatory tactic being used by SMART to frustrate the implementation of the government's mandate for the interconnection of all telecommunications network as embodied in Executive Order 59 and Republic Act 7925 of the Public Telecoms Act of 1995. x x x"

For your information.


JOSE G. CERVANTES
Senior Vice President *JG*

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