



Manabat Sanagustin & Co., CPAs

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Newsletter

Information, Communications & Entertainment (ICE)

April 21, 2010 – May 5, 2010



This industry update from Manabat Sanagustin & Co. CPAs is a biweekly collection of the latest news and developments from the country's Information, Communications & Entertainment segment. We hope that you will find this service, which the Firm provides its clients for the different Lines Of Business (LOB), interesting and useful.

VOM loses first round vs NTC at Pasig court

Voice of Manila (VOM) Broadcasting Corp. lost its first effort to reacquire its frequencies it lost after the National Telecommunications Commission (NTC) revoked VOM assignment for the frequencies and reallocated them to other broadcasting companies on the grounds that VOM failed to fully use the frequencies. Pasig City Regional Trial Court Judge Danilo Buemio has denied a VOM request for preliminary injunction for the NTC to return to the status quo of a 1995 memorandum circular (MC) reallocating frequencies for broadband use. He said that VOM failed to present enough evidence to support its petition. The frequencies had now been reallocated to several entities among whom are Broadband Everywhere, Globe Telecom Inc., Bayan Telecommunications Inc. and Digital Telecommunications Inc. The court said it was even VOM chairman and president Jaime Sarraga, a former congressman, who admitted the broadcasting firm had not complied with the reportorial requirement as mandated by the provisions of VOM's franchise. He likewise admitted that VOM had not rolled out its operation since the granting of their provisional authority to install, operate and maintain a Digital Multi-Channel, Multi-Point Distribution System in the Metro Manila, Bulacan and Calabarzon areas, because they failed to act on the application for renewal and application for a permit to purchase equipment. The NTC also belittled VOM's finances. At end-2008, VOM only had total assets amounting to P6.47 million, of which P4.94 million is cash on hand and in banks, while no capital expenditure of any kind was presented.

http://www.businessmirror.com.ph/index.php?option=com_content&view=article&id=24775:vom-loses-first-round-vs-ntc-at-pasig-court&catid=23:topnews&Itemid=58

Tech-Transfer law seen to boost R&D, economy

Leaders of the science community in the Philippines, led by the Department of Science and Technology (DOST), lauded the recent signing of the Philippine Technology Transfer Act of 2009, saying the new law would hasten the process of technology commercialization and broaden the scope of protection of intellectual-property rights in government research-and-development institutions (RDIs). "We are optimistic that this new law, a landmark policy on technology transfer, will revolutionize the commercialization of technologies generated by researches funded by taxpayers' money," Science Secretary Estrella Alabastro said. The bill seeks to commercialize technologies generated by government-funded researches. Such conditions have resulted in a low rate of patent application in the country. Despite the enactment of the IP Code in 1998, RDIs still lack well-defined IP policies and support systems for protecting and utilizing their IPs. At present, the number of technologies developed by local researchers and protected under the patent system is alarmingly low, the DOST said. The DOST and IPO are currently preparing the basis for the bill's implementing rules and regulation as provided for in the Act.

http://www.businessmirror.com.ph/index.php?option=com_content&view=article&id=24453:tech-transfer-law-seen-to-boost-rad-economy&catid=23:topnews&Itemid=58

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Extelcom willing to advance \$50M for last unassigned 3G frequency

AWASH with cash, Express Telecommunications Co. Inc. (Extelcom) is willing to advance to the National Telecommunications Commission (NTC) \$50 million, roughly P2.25 billion, in exchange for a "favorable response" from the regulators who will determine which of the aspiring 3G (third generation) applicants will be awarded with the remaining frequency bandwidth. The \$50-million so-called "upfront fee" is on top of the \$100-million initial investment Extelcom will pour into its new network, the extended global system for mobile communications (E-GSM) technology. The oldest mobile phone company in the country is also committed to increase equity and company net worth to at least \$100 million. Moreover, it expects to post a performance bond equivalent to 30 percent of its rollout cost for the first two years until the fifth year, or upon completion of the rollout program. "Extelcom is determined to apply for a 3G license. In its serious desire to establish and operate a 3G network, Extelcom submitted on March 1 a proposal before the NTC requesting for the assignment of the 1965-1975/2155-2165 Megahertz (MHz) frequency band for use in its proposed telecommunications network," said Extelcom in its motion for intervention filed before the Court of Appeals (CA). The phone firm, which is being bought by conglomerate San Miguel Corp. (SMC), is joining the NTC in its appeal to set aside the permanent injunction issued by the CA. The appellate court's decision prevents the NTC from bidding out the precious frequency which is being eyed by some 10 applicants

http://www.businessmirror.com.ph/index.php?option=com_content&view=article&id=24513:extelcom-willing-to-advance-50m-for-last-unassigned-3g-frequency&catid=24:companies&Itemid=59

Anscor to expand telecom venture; appeals 3G bid

A. Soriano Corporation (ANSCOR) plans to expand the network service facilities of its niche telecommunication business Multi-Media Telephony Inc. (MTI) to take advantage of "untapped" opportunities in broadband and voice markets. MTI, also known as Broadband Philippines, will construct 200 base stations in the first half of 2010 to improve service quality for existing areas of operations and to encourage subscriber uptake, the company announced during its stockholders' meeting Wednesday. The company also continues to seek opportunities to offer 3G services despite the National Telecommunications Commission's refusal to give it a license. The company has filed a petition at the Court of Appeals to reverse the NTC's unfavorable ruling on its 3G quest. "Market trends indicate the coming dominance of data service, hence the company's choice of CDMA technology and its efforts to offer 3G services," chair and president Andres Soriano III said. The company is confident of gaining market share, undaunted by stiff competition in the capital intensive telecommunications industry, with its tie-up with the Lopez group, Soriano said. MTI has a co-branding arrangement with Bayan Telecommunications Inc. that allows the sharing of revenues and facilities. In the event that MTI cannot get a 3G license, the company still has some backup plans that cannot be disclosed at the moment, Soriano said.

http://archive.inquirer.net/view.php?db=1&story_id=265667

Davao hones edge as BPO hub

The city's information and communications technology sector will focus on four concerns, namely: building up a sustainable pool of talent, improving infrastructure, enhancing the business environment, and reducing cost to do business in order to maintain its edge as choice location for business process outsourcing (BPO) firms. "These are crucial in bringing us to the next level," Lizabel G. Holganza, president of the Information and Communications Technology Association of Davao Inc., said in a recent e-mail. Davao topped other so-called "next wave" cities cited last Apr. 15 by the Business Processing Association of the Philippines, the Commission on Information and Communications Technology and the Department of Trade and Industry as locations best prepared to accommodate BPO firms that are seeking sites other than already-congested centers like Metro Manila and Metro Cebu. The other "next wave" cities were listed as: Sta. Rosa in Laguna, Bacolod in Negros Occidental, Iloilo City in Iloilo, Metro Cavite (Bacoor, Imus and Dasmariñas cities), Lipa in Batangas, Cagayan de Oro in Misamis Oriental, Malolos in Bulacan, Baguio in Benguet and Dumaguete in Negros Oriental.

<http://www.bworldonline.com/main/content.php?id=9718>

10K machines need satellite links

Nearly 4,700 polling centers in the country with some 10,000 voting machines will have to use a satellite connection to transmit tallies because they have no mobile-network coverage, said a document from the Commission on Elections (Comelec). These areas have about 5 million registered voters. A master list of precinct count optical scan (PCOS) machines obtained by the Philippine Daily Inquirer shows that 4,690 polling centers have no cell phone signal from telecommunication firms Globe Telecom, Smart Communications and Sun Cellular. The rest of the precincts in the country are covered by one or two of the telecommunication networks, the list said. The affected polling centers

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have about 10,000 PCOS machines, accounting for 13 percent of the 76,300 total voting machines to be used on Election Day on May 10. Due to the lack of cell phone signals in these localities, the precincts have been allocated Broadband Global Area Network (BGAN) equipment so they can transmit the results via satellite. A total of 5,600 BGAN equipment and 680 Very Small Aperture Terminals have been assigned to the areas where cell phone signal is unreliable. Precincts with two or more voting machines will have to share one BGAN unit. The precincts with unreliable signal are mostly in rural areas, according to the list.

http://archive.inquirer.net/view.php?db=1&story_id=268138

**Philippine Stock Exchange Weekly Top Gainers
April 26 - 30, 2010**

Last Trade Price, Comparative Price Change & Total Value

Rank	Stock	Last Traded Price (in P)	Comparative Price Change (%)		Total Value (in P'000)
			1 Week	4 Weeks	
1	Active Alliance, Inc.	14.50	81.25	62.92	2,753
2	Bogo Medellin Milling Company	92	49.59	-9.80	920
3	Atok-Big Wedge Company, Inc. "B"	55	37.50	12.24	6
4	Alcom Gold Resources Corporation	0.0110	37.50	37.50	25,867
5	Ginebra San Miguel, Inc.	32	33.33	37.63	142,199
6	Vivant Corporation	6	33.33	33.33	24
7	Vulcan Industrial & Mining	0.79	27.42	51.92	6,015
8	Cityland Development Corporation	1.80	26.76	26.76	858
9	RFM Corporation	0.86	22.86	38.71	39,932
10	Interport Resources Corporation "A"	0.76	20.63	--	168

**Philippine Stock Exchange Weekly Top Gainers
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PER, EPS & BPV

Rank	Stock	PER	EPS	PBV
1	Active Alliance, Inc.	1,107.76	0.01	14.70
2	Bogo Medellin Milling Company	-1,610.17	-0.06	3.54
3	Atok-Big Wedge Company, Inc. "B"	-234.23	-0.23	107.57
4	Alcom Gold Resources Corporation	73.55	0.00	0.99
5	Ginebra San Miguel, Inc.	12.81	2.50	1.10
6	Vivant Corporation	26.61	0.230	2.24
7	Vulcan Industrial & Mining	-259.45	0.00	0,73
8	Cityland Development Corporation	7.18	0.25	0.93
9	RFM Corporation	7.46	0.12	0.54
10	Interport Resources Corporation "A"	-5.58	-0.14	5.84

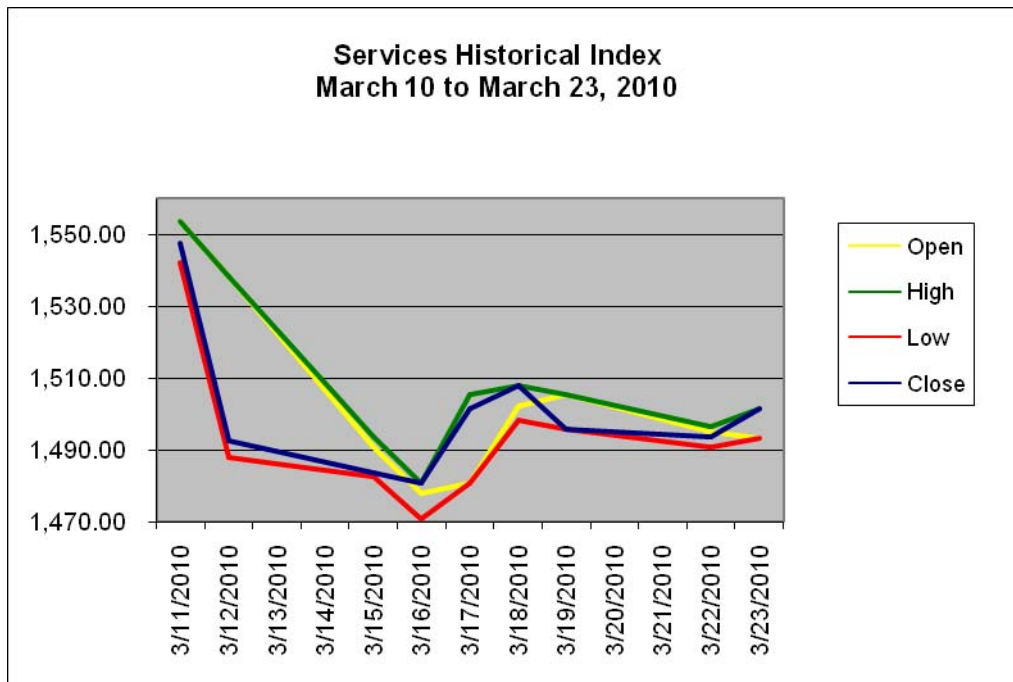
Source: Philippine Stock Exchange, Weekly Market Watch,

**Philippine Stock Exchange Index Composition for Services
As of TUE MAR 23, 2010 12:10:00 PM**

SECURITY NAME	PRICE	OUTSTANDING SHARES	FREE FLOAT LEVEL	FREE FLOAT - ADJUSTED MARKET CAPITALIZATION	% WT
ABS-CBN BROADCASTING CORPORATION	30.00	779,583,312	43.0 %	10,056,624,724.80	3.18
GLOBE TELECOM, INC.	995.00	132,348,152	22.0 %	28,971,010,472.80	9.17
GMA Network, Inc. (Common)	7.30	3,361,047,000	30.0 %	7,360,692,930.00	2.33

INTERNATIONAL CONTAINER TERMINAL SERVICES, INC.	23.00	1,935,807,860	46.0 %	20,480,847,158.80	6.48
IPVG CORPORATION	1.84	675,501,163	37.0 %	459,881,191.77	0.15
ISM COMMUNICATIONS CORPORATION	0.0525	191,621,818,157	21.0 %	2,112,630,545.18	0.67
PAXYS, INC.	2.14	1,148,534,866	26.0 %	639,044,799.44	0.20
PREMIERE ENTERTAINMENT PHILIPPINES, INC.	0.32	1,648,592,000	37.0 %	195,193,292.80	0.06
PILIPINO TELEPHONE CORPORATION	7.90	11,683,156,455	7.2 %	6,645,379,391.60	2.10
TRANSPACIFIC BROADBAND GROUP INTERNATIONAL INC.	3.55	222,019,330	49.0 %	386,202,624.54	0.12
PHILIPPINE LONG DISTANCE TELEPHONE COMPANY "Common"	2,550.00	186,797,310	49.0 %	233,403,238,845.00	73.85
PHILWEB CORPORATION	17.00	1,257,922,727	25.0 %	5,346,171,589.75	1.69

Source: Philippine Stock Exchange, PSE Composite and Sectoral Indices



Source: Philippine Stock Exchange, PSE Composite and Sectoral Indices

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