



## Information, Communications & Entertainment (ICE)



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

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If you want us to send this to any other member of your company, please contact Gillian D. De Guzman, KPMG Markets Communications Officer, at 8857000 loc 369 or at [gddeguzman@kpmg.com](mailto:gddeguzman@kpmg.com).

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#### **PSBank extends loan to Smart**

PHILIPPINE Savings Bank (PSBank ) said it extended a loan to Smart Communications Inc. arranged by First Metro Investment Corp. (FMIC). The proceeds will be used to finance capital expenditures, particularly the telecom company's network expansion.

In a statement, PSBank said it extended a P1-billion loan to the mobile unit of Philippine Long Distance Telephone Co. (PLDT), joining other financial institutions in a P5-billion fixed rate note facility.

The lender said its P1 billion booking is the largest loan release in its history, representing 20 percent of the entire loan and was the largest among the banks in the loan syndication.

The participating financial institutions were a mix of major players in the banking industry, insurance companies, retirement and provident funds. <http://www.manilatimes.net/national/2008/dec/22/yehey/business/20081222bus8.html>

#### **Broadband growth to pick up, says regulator**

THE National Telecommunications Commission (NTC) said Internet broadband subscribers' growth would grow faster next year, boosted by rising consumer demand and promotional offerings.

Edgardo Cabarrios, director of NTC's common carrier and authorization department said the number of Internet broadband subscribers is projected to triple next year as more telecommunication companies enter the broadband business.

Earlier, San Miguel Corp. (SMC) and Qatar Telecom announced a partnership to enter the wireless Internet broadband business in the country.

Cabarrios said the entry of SMC in the broadband business would create tighter competition among telcos that would benefit consumers. The NTC had reported that broadband Internet access in the country is available only to a small segment of the population and there is a significant penetration discrepancy not only between different regions but also between provinces.

As of mid-October, the total number of digital subscriber lines (DSL) stood at 739,989.

<http://www.manilatimes.net/national/2008/dec/22/yehey/business/20081222bus5.html>

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### **Mining, Property, BPO among hardest hit next year**

DEUTSCHE Bank said the Philippine property, electronics, commodity and mining, as well as the business process outsourcing (BPO) sectors would be hardest hit by the global financial crisis next year.

The bank said the country's economy is less susceptible to extreme risk aversion in this round than during the Asian financial crisis, thanks to strong ties to global trade and overseas Filipino worker (OFW) remittances.

Deutsche also said the country's "economy will see its slowest rate of growth since 2001," projecting a gross domestic product (GDP) expansion of 3.3 percent next year.

Deutsche said the once-soaring property or construction sector has begun to cool as jobs and income prospects wane, while businesses related to the electronics sector have been receiving the worst impact of the global slowdown.

After enjoying a surge in prices during the first part of the year, the commodities and mining sector next year is looking at some of the lowest prices seen in this decade, with the demand outlook weak as well.

The BPO sector, a dynamic and fast growing sector in recent years, will likely see much lower growth due to economic activities being scaled back by multinational companies, Deutsche said.

<http://www.manilatimes.net/national/2008/dec/22/yehey/business/20081222bus2.html>

### **ISM board approves sweetener**

The board of ISM Communications Corp. has approved the sweetener to make the company's stock rights more attractive to its existing investors.

In a statement, the company, which is controlled by Ashmore Group Plc and PhilWeb Corp. said its board of directors approved on Tuesday the revised terms of the stock rights offering that was approved on June 6. ISM would now offer 5.6 billion shares at par value of P0.01 a share with one common share available for every 1.92 common shares.

ISM expects to raise P655 million from the rights offering, which it would use to bankroll the acquisitions it is presently evaluating.

Eric Recto, ISM president, had said the company plans to acquire a technology for mobile TV to complement its Internet broadband services.

<http://www.manilatimes.net/national/2008/dec/19/yehey/business/20081219bus11.html>

### **SMIC forms consortium for entertainment project**

THE SM group is forming a consortium that would develop the integrated entertainment hub under state-run Philippine Amusement and Gaming Corp.'s (Pagcor) Bagong Nayong Pilipino Entertainment City along Manila Bay.

SM Investments Corp. (SMIC) told the Philippine Stock Exchange that it would tie up with units SM Land Inc., SM Development Corp., SM Commercial Properties Inc., SM Hotels Corp. and Premium Leisure and Amusement Inc. to undertake the said project.

Next year, the group would start building its hotels and casino after securing the necessary license and permits from the government. This would be followed by the construction of an arena that can host sporting events and concerts. A theme park is also in the pipeline to complete the company's family-friendly project.

SMIC committed \$1 billion for the project, and recently engaged hotel services provider Carlson Hotels Worldwide-Asia Pacific to manage Regent and Radisson branded hotels. The conglomerate is building within the MOA area.

<http://www.manilatimes.net/national/2008/dec/16/yehey/business/20081216bus9.html>

### **Qatar Telecom signs MOU with San Miguel**

MANILA, Philippines—Qatar Telecoms QSC (Qtel), the sole telecommunications provider in Qatar, said it signed a memorandum of understanding with food and beverage giant San Miguel Corp. as part of the former's expansion and consolidation in Southeast Asia.

In a statement, Qtel said the strategic agreement will allow the two companies to explore joint opportunities in the broadband and mobile telecom services in the Philippines.

Qtel, through its wi-tribe brand, already supports broadband wireless services in the emerging markets. The wi-tribe provides Wi-MAX services in Jordan and is in the process of launching new offerings in Pakistan.

Senior Qtel executives met President Gloria Macapagal-Arroyo to review potential areas of cooperation in broadband Internet technology in the Philippines.

The meeting is part of Arroyo's working visit to Qatar to strengthen economic ties between the two countries.

[http://business.inquirer.net/money/topstories/view/20081215-178108/Qatar\\_Telecom\\_signs\\_MOU\\_with\\_San\\_Miguel](http://business.inquirer.net/money/topstories/view/20081215-178108/Qatar_Telecom_signs_MOU_with_San_Miguel)

### **Philippine Stock Exchange Weekly Top Gainers**

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	Information Capital Technology Ventures, Inc.	1.40	57.30	129.51	894
2	First Abacus Financial Holdings Corporation	0.57	42.50	14.00	358
3	Benguet Corporation "A"	6.6000	36.08	13.79	191
4	Empire East Land Holdings, Inc.	0.33	32.00	57.14	24,858
5	Oriental Peninsula Resources Group, Inc.	0.44	29.41	(34.33)	168
6	Premiere Entertainment Productions, Inc.	0.72	26.32	16.13	1,091
6	Uniwide Holdings, Inc.	0.1200	26.32	20.00	52
8	Abacus Consolidated Resources and Holdings, Inc. "A"	0.63	26.00	14.55	1,502
9	Mabuhay Holdings Corporation	0.2000	25.00	29.03	46
10	Belle Corporation	0.71	22.41	31.48	12,948

### **Philippine Stock Exchange Weekly Top Gainers**

PER, EPS & BPV

Rank	Stock	PER	EPS	BPV
1	Information Capital Technology Ventures, Inc.	(4,733.38)	(0.0003)	1.40

2	First Abacus Financial Holdings Corporation	(10.44)	(0.05)	1.00
3	Benguet Corporation "A"	25.09	0.26	(0.69)
4	Empire East Land Holdings, Inc.	11.29	0.03	0.21
5	Oriental Peninsula Resources Group, Inc.	(8.06)	(0.05)	0.37
6	Premiere Entertainment Productions, Inc.	(16.56)	(0.04)	2.68
6	Uniwid Holdings, Inc.	(0.65)	(0.19)	(0.12)
8	Abacus Consolidated Resources and Holdings, Inc. "A"	3.98	0.16	0.86
9	Mabuhay Holdings Corporation	(17.99)	(0.01)	0.37
10	Belle Corporation	14.42	0.05	0.86

Source: Philippine Stock Exchange, Weekly Market Watch, VOL. II NO. 52

### Philippine Stock Exchange Index Composition for Services As of Jan. 5, 2009

SECURITY NAME	PRICE	OUTSTANDING SHARES	FREE FLOAT LEVEL	FREE FLOAT - ADJUSTED MARKET CAPITALIZATION	% WT
ABS-CBN BROADCASTING CORP.	12.00	779,583,312	42.0%	3,929,099,892.48	1.41
APC GROUP, INC	0.20	7,511,809,997	43.0%	646,015,659.74	0.23
DIVERSIFIED FINANCIAL NETWORK, INC.	5.00	100,000,000	61.0%	305,000,000.00	0.11
DIGITAL TELECOMMUNICATIONS PHILIPPINES, INC.	0.96	6,356,976,300	22.0%	1,342,593,394.56	0.48
GLOBE TELECOM, INC	795.00	132,340,152	22.0%	23,146,292,584.80	8.33
GMA NETWORK, INC. (Common)	3.45	3,361,047,000	30.0%	3,478,683,645.00	1.25
INTERNATIONAL CONTAINER TERMINAL SERVICES, INC	12.75	1,919,057,360	47.0%	11,499,951,229.80	4.14
IPVG CORPORATION	1.20	675,501,163	37.0%	299,922,516.37	0.11
ISLAND INFORMATION AND TECHNOLOGY, INC.	0.046	4,885,748,685	83.0%	186,537,884.79	0.07
ISM COMMUNICATIONS CORPORATION	0.035	126,066,985,629	35.0%	1,544,320,573.96	0.56
PACIFIC ONLINE SYSTEMS CORPORATION	8.00	195,306,000	49.0%	765,599,520.00	0.28
LEISURE & RESORTS WORLD CORPORATION	0.72	772,614,784	61.0%	339,332,413.13	0.12
MACROASIA CORPORATION	3.75	1,250,000,000	35.0%	1,640,625,000.00	0.59
PAXYS, INC.	0.60	955,312,389	25.0%	143,296,858.35	0.05
PREMIERE ENTERTAINMENT PHILIPPINES, INC.	0.72	795,000,000	71.0%	406,404,000.00	0.15

**Feedback**

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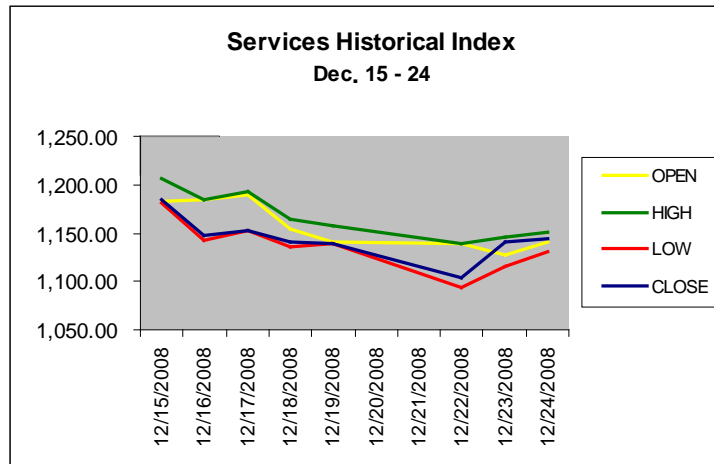
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PILIPINO TELEPHONE CORPORATION	7.00	11,725,155,390	7.8%	6,401,934,842.94	2.31
TRANSPACIFIC BROADBAND GROUP INTERNATIONAL, INC.	2.80	222,019,330	47.0%	292,177,438.28	0.11
PHILIPPINE LONG DISTANCE TELEPHONE COMPANY "Common"	2,215.00	187,496,082	53.0%	220,111,025,463.90	79.25
PHILWEB CORPORATION	0.028	123,792,840,094	25.0%	866,549,880.66	0.31
WATERFRONT PHILIPPINES, INC.	0.23	2,498,991,753	67.0%	385,094,629.14	0.14



Source: Philippine Stock Exchange, PSE Composite and Sectoral Indices