

PRESS RELEASE

Telco deal not deemed approved, PCC to do comprehensive review

In separate letters addressed to Globe and PLDT today, we have formally put the parties on notice that we will pursue a comprehensive review of their acquisition of SMC's telco businesses, and we shall approve or disapprove the subject transaction after the conduct of such full review.

We assessed the new submissions of the parties, and based on the totality of information available to us, including public statements made by the parties, we believe there is a basis to conduct this review by virtue of the powers granted to the Philippine Competition Commission (PCC) by the Philippine Competition Act (PCA).

Memoranda Circulares 16-001 and 16-002 are transitory in nature and do not dilute the authority of the PCC to conduct substantive review under PCA, especially where national interest and public policy require it.

A comprehensive review includes a determination of the relevant market, whether there will be substantial changes to the market structure, and the potential impact of the transaction on public welfare.

The review is intended to ensure that the transaction will, in the end, result in sustained gains for the public by not restricting competition.

The Philippine Competition Commission

June 17, 2016

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