

Corporate Services

Customer Support

In 2014, changes were made to the Customer Support Department in an effort to streamline the service. The Field Support Group was merged into the IT Division to exploit possible synergies; and the remaining Contact Center operation was merged into the Gaming Division to provide a venue for customer feedback on the various projects that were being undertaken.

Despite these changes, the team continued to render multi-channel support 365 days a year, 24 hours a day for all PhilWeb products, to include e-Games members and operators and site staff, as well as customers of Premyo sa Resibo and MegaSportsWorld. There was an 8% increase in the number of transactions in 2014 -- over 300,000 calls and e-mails. Despite the volume, CS has maintained low single-digit call abandonment rates, enabling the team to answer at least 92% of all calls in 20 seconds coming from a 90% average in 2013, while majority of emails were responded to within the first 30-minutes. The nature of transactions were varied. Apart from incoming queries from customers and various stakeholders, the group also provided outbound call and e-mail support for other departments: Marketing - for promo announcements, reminders and contacts with promo winners; Information Technology - for advisories on the terminal migrations and other maintenance activities; and Finance - for cash collection and replenishment.

The team believes that the past year's success is the product of their sustained focus on (1) process improvements - to simplify handling of inquiries or fast track processing of requests and complaints, and (2) weekly team calibrations, mentoring and targeted coaching - to reinforce soft skills.

In 2015, the encompassing goal for all CS activities is to maximize significant opportunities for customer engagement with focus on strengthening direct to player relationships. The group plans to achieve this through expanded contact channels, a more regular and extended Customer Satisfaction survey, staff empowerment, new processes and support systems to better serve our customers, reduce service times and better tailoring of the customer experience.

Finance

The PhilWeb Finance Department demonstrates excellence in maintaining the integrity of our financial reports. It continuously develops and implements financial systems and internal control policies to safeguard the Company's assets and resources. Its role has also evolved from pencil pushers or number generators for the organization to a business partner of the other departments. Our Finance Department has become the catalyst for other areas to achieve their respective cost and revenue targets, thereby allowing the whole organization to achieve its objective for the Stakeholders.

One of the critical, if not the most critical, role of finance is to make sure that all cash from the nationwide network of e-Games are collected in a timely and accurate manner. Thru our Company-proprietary POS system and 24/7 operation of our Cash Centers, we are able to monitor cash exposure thereby making it possible for us to collect or replenish the cash needs of each site almost immediately. Coupled with the strict implementation of collection policies, we are able to manage our cash with very minimal risk to the Company. The Company also has partner banks that accept payments or fund transfers on behalf of the Company.

In 2014, we established another business location right in the heart of the business district of Pasig City. The new location includes Field, IT, Customer Service and Cash Center departments. This enabled us to provide faster and more efficient services to our clientele and partners.

Information Technology

PhilWeb's Information Technology group is composed of five functional departments. These departments were put in place to support the Company's 24/7 operations. The IT division consists of the following: Infrastructure, Software Development, Service Delivery, Service Support, and Security & Compliance. Each department's functions are aligned with PhilWeb's operational requirements as well as its corporate needs.

The Infrastructure Department's primary role is to provide all the components - hardware, software, network resources, facilities and services - needed to deliver IT services for PhilWeb's casino and corporate operations. The team is also responsible for the monitoring and maintenance of these components to ensure that operations are supported 24/7.

The Software Development Department is in charge of creating and implementing software vital to PhilWeb's casino operations. As of this writing, a number of homegrown applications are in production which will allow PhilWeb to provide a better gaming experience to its customers through the management of their membership credentials and loyalty points. Internally, the group has also developed tools to provide the operational teams such as Customer Support, Finance Operations, and Casino Operations with the information they need for their day-to-day activities.

The Service Delivery Department is responsible for the implementation and management of quality IT services. Guided by industry best practices, the group manages delivery of services through the disciplines of Project Management and Change Management. In line to its vision to ensure quality, the team also has a Quality Assurance unit which conducts testing on homegrown software prior to customer endorsement in order to ensure that business requirements are met.

The Service Support Department is charged with providing first level technical support and ensuring that IT services are available 24/7 to both internal and external customers of the Company. There are two groups under this department: a) the Technical Support team, which monitors and performs first level troubleshooting on services pertaining to PhilWeb's corporate & casino infrastructure and b) Field Support, which is tasked to providing first level troubleshooting for e-Games sites. Tickets reported by site personnel and operators are first escalated to this team for validation and resolution.

The Security and Compliance Department is primarily concerned with ensuring that proper security measures are in place. These measures cover network, software, application, and the social engineering of PhilWeb's IT infrastructure.

Highlights in 2014

After strengthening network security in 2013, the objective for 2014 was focused on supporting Philweb's goals in providing a better gaming experience for its E-Games patrons. This year, the account-based play, for which IT has provided a new infrastructure, will be fully integrated with the existing e-Games Membership and Rewards platform, which will also include enhanced monitoring, management and support tools.

2015 Goals

While its goal of providing the right technology and technical services remains unchanged, PhilWeb's IT Department is also looking to enhance the Company's operations through the efficient delivery of IT services. The group will also focus on aligning its services to the industry's best practices and trends to improve both the external and internal customer experience.

RESULTS OF OPERATION

	For the First Quarter Ended March 31, 2015	For the First Quarter Ended March 31, 2014
Income Statement		
Revenues	396,282,690	390,333,695
Costs and Expenses	146,957,936	151,342,321
Other Income (Expense) - Net	(4,413,337)	(9,237,684)
Income Tax Expense	34,950,506	10,211,539
Net Income After Tax	209,960,911	219,542,151
Retained Earnings at Beginning of Period	2,521,083,685	2,085,982,906
Retained Earnings at End of Period	2,555,123,604	2,188,258,255
Balance Sheet		
Current Assets	1,199,512,667	1,185,334,856
Total Assets	2,057,169,430	2,155,198,353
Total Liabilities	1,034,733,389	1,495,123,052
Total Equity	1,022,436,041	660,075,301

Total revenues increased by P6.0 million, or 1.5%, to P396.3 million as of the first quarter of 2015 from P390.3 million registered in the same period last year. The increase was contributed mainly by the PeGS business.

Cost and expenses decreased by P4.4 million, or 2.9%, to P146.9 million for the three months ended March 31, 2015 from P151.3 million posted in the same period last year. This was mainly due to lesser rental rate of the new office location and operating cost in Asia-Pacific businesses.

Other expense - net decreased by P4.8 million, or 52.2%, to P4.4 million as of the first quarter of 2015 from P9.2 million recorded in the same period last year. This was mainly due to lower interest expense as a result of payment of loans.

Overall, the Company's operating income grew by 4.3% and EBITDA also increased by 5.2%. Net income however, declined mainly due to higher income tax expense recognized in 2015.

The Company's key performance indicators for the three months ended March 31, 2015 and 2014 are the following:

Financial Ratios	March 31, 2015	March 31, 2014
Net Income Margin (Net Income / Net Revenues)	53.0%	56.2%
Operating Income Margin (Operating Income / Net Revenue)	62.9%	61.2%
Current Ratio (Current Assets/Current Liabilities)	1.25:1.00	0.84:1.00
Asset to Equity Ratio (Total Assets / Total Equity)	2.01:1.00	3.27:1.00
Debt to Equity Ratio (Total Liabilities / Total Equity)	1.01:1.00	2.27:1.00
Return on Total Assets (Net Income / Total Assets)	10.2%	10.2%
Return on Total Equity (Net Income / Total Equity)	20.5%	33.3%
Interest Rate Coverage Ratio (EBIT / Interest Expense)	28.6:1.00	15.7:1.00

Performance for the Period January 1, 2015 to March 31, 2015
(Comparison of Balance Sheets as of March 31, 2015 and December 31, 2014)

Cash and Cash Equivalents

The cash and cash equivalents decreased by P38.8 million or 10.3% versus last year. The Company operations generated cash amounting to P316.4 million and used its cash mainly for CAPEX P6.8 million, payments of dividends P175.8 million and payment of loan P165.0 million.

Receivables

The receivables increased by P18.4 million or 6.2% versus last year mainly due to advances and deposits to suppliers.

Inventories

The increased in inventories amounting to P3.4 million or 3.2% mainly pertains to the increase of inventory of raw materials for the production of gaming terminal of e-Magine Gaming Corporation.

Notes Receivable

The decreased in notes receivable of P23.1 million or 6.4% versus last year, was mainly due to foreign exchange losses on notes receivable that are being charged to advances to non-affiliate.

Prepayments and Other Current Assets

Prepayments and other current assets increased by P5.8 million or 6.3% versus last year mainly due to input VAT claimed on purchases and prepaid rent.

Investment in Associates

Investment in associates of P15.1 million pertains to investment in Alphaforce Security Agency, Inc. of P9.3 million and Choice Insurance Brokerage, Inc. of P5.8 million.

Noncurrent Receivable

Noncurrent receivable of P583.2 million represents the noncurrent portion of the receivables arising from the sale of investment in Acentic.

Property and Equipment

The decreased in property and equipment of 15.1 million or 6.9% represents the total acquisitions of P6.8 million less depreciation amounting to P21.9 million.

Deferred Tax Assets

Deferred tax assets decreased by P14.7 million due to application of deferred tax asset during the period.

Other Noncurrent Assets

Other noncurrent assets increased by P6.8 million or 13.6% mainly due to the increase in rental deposits as a result of BGI business expansions.

Accounts Payable and Accrued Expenses

Accounts payable and accrued expenses increased by P52.2 million or 22.9% mainly due to increase in trade payable and accrual of expenses.

Income Tax Payable

The increased in income tax payable by P20.2 million or 16.0% was due to provision for income tax during the period.

Notes payable

Notes payable pertains to unpaid bank loans amounting to P535.0 million. P165.0 million was paid during the period.

Retirement Benefits Liability

The increase in retirement benefits liability of P1.7 million or 9.2% represents additional provision for employees' retirement benefits.

Operators' deposit

The increase of operators' deposit of P1.2 million or 2.3% represents the cash received from operators that serves as a bond/security in case the operators defaults from payments. This deposit is to be returned to the operators after termination of the contract.

Retained earnings

The increase in retained earnings of P34.0 million or 1.4% was attributable to the net income during the period of P202.9 million, net of cash dividends of P175.8 million.

Cumulative translation adjustment

The cumulative translation adjustment represents the foreign currency differences that are recognized in other comprehensive income.

Quantitative and Qualitative Disclosures on Financial Instruments

The Company's principal financial instruments consist of cash and cash equivalents, receivables, due from related parties and accounts payable and accrued expenses.

The main risks arising from the Company's financial instruments are liquidity risk, credit risk and market risk. The policies for managing each of these risks are provided below:

- a. Credit Risk is limited to the risk arising from inability of a debtor to make payments when receivables are due. The Company's internet gaming business is made on cash basis and internet gaming operators are covered by required security deposits. Other receivables arise from one of transactions and are due and demandable on a short-term basis. Due to this reasons, the Company has no significant exposures to credit risk as of March 31, 2015.

The carrying amount of receivables represents the Company's maximum exposure to credit risks in relation to financial assets.

- b. Liquidity risk is the risk that the Company will be unable to meet its obligations as they fall due. To effectively manage liquidity risk, the Company monitors its cash flows and ensures that credit facilities are available to meet its obligation when they fall due.
- c. Market risks is the risk that changes in market prices, such as foreign exchange rates, interest rates and other market prices will affect the Company's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Fair values

The fair values of the Company's financial instrument approximate their carrying amounts as of balance sheet date either because of their relatively short-term nature or the interest rates they carry approximate interest rates for comparable instruments in the market.

Key Performance Indicators of Subsidiaries for the three months ended March 31, 2015.

BigGame, Inc. is the operating subsidiary as of March 31, 2015. Thus, there is no key performance indicators discussed herein for other subsidiaries.

BigGame, Inc. (BGI), is a wholly owned subsidiary that started commercial operations in July 2005. BGI's total revenue for the three months ended March 31, 2015 was at P49.3 million, 3.9% lower as compared to 2014 total revenue of P51.3 million of the same period.

Premyo sa Resibo Program (PSR), a joint activity among Department of Finance, BIR and PhilWeb's fully owned subsidiary, Premyo sa Resibo, Inc., was launched in June 2006. The main objective of PSR was to encourage consumers to ask for their Official Receipts (OR) and find

innovative solutions to our government's massive tax leakage problem. The program is currently providing vital information to BIR for its tax collection campaign.

On October 1, 2014, PSR ceased operation as agreed with BIR and PhilWeb.

Philweb Asia-Pacific, thru its subsidiaries, started commercial operations in Timor in November 2011, in Cambodia in March 2012, and in Guam in October 2011.

The respective Board of Directors of the following subsidiaries, in their meeting held on May 31, 2007 had approved the amendment in the corporate existence of the companies from 50 years to a period ending September 30, 2007:

1. PhilWeb Software Corporation
2. PhilWeb Cyberworld Corporation

Clearances from the Bureau of Internal Revenue are presently being obtained in relation to the shortening of the corporate existence of the above mentioned subsidiaries.

There were no events that triggered direct or contingent financial obligation that is material to the Company, including any default or acceleration of an obligation.

There were no material off-balance sheet transactions, arrangements, obligations and other relationships of the Company with unconsolidated entities or other persons created during the reporting period.

There are no known trends, demands, commitments, events or uncertainties that will have a material impact on the Company's liquidity.

The current capitalization of the Company and expected future revenues from its various activities are projected to sufficiently meet the Company's operating cash requirements.

Acquisition of computer and equipment and other facilities is not expected to be of material amounts.

No extraordinary purchase of plant and equipment are expected beyond those in the regular course of the Company's operations. All purchases will be financed through internally generated funds and existing capitalization.

There are no known trends, events or uncertainties that have had or that are reasonably expected to have a material impact on the Company's revenues or continuing operations.

There are no seasonal aspects that had a material effect on the Company's financial condition or results of operations.

Part II - Other Information


There are no disclosures not reported under SEC Form 17-C.


SIGNATURES

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PHILWEB CORPORATION

Registrant


ZALDY M. PRIETO
SVP and Chief Finance Officer


DENNIS O. VALDES
President

May 14, 2015

Quarterly Report – January 1, 2015 - March 31, 2015

PHILWEB CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	March 31 2015 (Unaudited)	December 31 2014 (Audited)
ASSETS		
Current Assets		
Cash and cash equivalents	336,156,626	374,949,875
Accounts receivable - net	318,058,698	299,627,945
Inventories	109,602,266	106,252,113
Notes receivable	337,189,859	360,248,864
Prepaid expenses and other current assets	98,505,218	92,707,211
Total Current Assets	1,199,512,667	1,233,786,008
Noncurrent Assets		
Noncurrent receivable	583,200,000	583,200,000
Investment in associates	15,090,229	15,090,229
Property and equipment - net	203,077,340	218,178,406
Deferred tax assets	-	14,724,999
Other assets	56,289,194	49,536,262
Total Noncurrent Assets	857,656,763	880,729,896
	2,057,169,430	2,114,515,904
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued expenses	279,928,124	227,705,155
Income tax payable	146,343,383	126,117,876
Notes payable	535,000,000	700,000,000
Total Current Liabilities	961,271,507	1,053,823,031
Noncurrent Liabilities		
Retirement benefits liability	20,206,882	18,497,425
Operators' deposits	53,255,000	52,055,000
Total Noncurrent Liabilities	73,461,882	70,552,425
Total Liabilities	1,034,733,389	1,124,375,456
Equity		
Capital stock	1,388,916,731	1,388,916,731
Additional paid-in capital	1,081,882,866	1,081,882,866
Stock options reserve	4,604,050	4,604,050
Retained earnings	2,555,123,604	2,521,083,685
Cumulative translation adjustment	3,664,265	5,495,982
Actuarial loss on pension obligation	(1,148,147)	(1,148,147)
Treasury stock	(3,941,779,041)	(3,941,779,041)
	1,091,264,328	1,059,056,126
Non-controlling interest	(68,828,287)	(68,915,678)
Total Equity	1,022,436,041	990,140,448
	2,057,169,430	2,114,515,904

PHILWEB CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	January - March 2015	January - March 2014
	(Unaudited)	(Unaudited)
NET SERVICE REVENUES		
Internet application service income	346,983,388	332,843,724
Scratch cards	-	6,201,476
Commission income	49,299,302	51,288,495
	396,282,690	390,333,695
OPERATING EXPENSES		
General and administrative expenses	125,008,429	126,260,610
Depreciation and amortization	21,949,507	25,081,711
	146,957,936	151,342,321
OPERATING INCOME	249,324,754	238,991,374
OTHER INCOME (CHARGES)		
Interest income	3,471,344	5,173,954
Interest expense	(7,493,333)	(14,629,236)
Miscellaneous - net	(391,348)	217,598
	(4,413,337)	(9,237,684)
INCOME BEFORE INCOME TAX	244,911,417	229,753,690
Income tax expense	34,950,506	10,211,539
NET INCOME	209,960,911	219,542,151
OTHER COMPREHENSIVE INCOME		
Foreign exchange translation adjustments	(1,831,717)	6,612,352
TOTAL COMPREHENSIVE INCOME	208,129,194	226,154,503
NET INCOME ATTRIBUTABLE TO:		
Equity holders of the parent	209,873,520	219,497,400
Minority interest	87,391	44,751
	209,960,911	219,542,151
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:		
Equity holders of the parent	208,060,120	226,043,628
Minority interest	69,074	110,875
	208,129,194	226,154,503
EARNINGS PER SHARE:		
Basic	0.1790	0.1872
Diluted	0.1788	0.1872
EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION & AMORTIZATION (EBITDA)	278,078,587	264,290,683

PHILWEB CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	March			
	2015 (Unaudited)		2014 (Unaudited)	
	Number of Shares	Amount	Number of Shares	Amount
CAPITAL STOCK				
Authorized				
Authorized	2,600,000,000	-	2,600,000,000	-
Issued and outstanding				
Common shares at beginning of year	1,350,618,379	1,350,618,379	1,350,614,879	1,350,614,879
Subscribed				
Subscribed shares	163,378,780	38,298,352	163,378,780	38,298,352
	1,513,997,159	1,388,916,731	1,513,993,659	1,388,913,231
ADDITIONAL PAID-IN CAPITAL				
Balance at end of period		1,081,882,866		1,081,837,366
STOCK OPTIONS RESERVE				
Balance at end of year		4,604,050		4,042,818
RETAINED EARNINGS				
Balance at beginning of year		2,521,083,685		2,085,982,906
Cash dividends		(175,833,601)		(117,222,051)
Net income for the year		209,873,520		219,497,400
Balance at end of year		2,555,123,604		2,188,258,255
CUMULATIVE TRANSLATION ADJUSTMENT				
Balance at beginning of year		5,495,982		2,332,768
Additions during the year		(1,831,717)		6,612,352
Balance at end of year		3,664,265		8,945,120
ACTUARIAL LOSS ON PENSION OBLIGATION				
Balance at end of year		(1,148,147)		(1,385,865)
TREASURY STOCK, At cost				
Balance at end of year	(341,773,099)	(3,941,779,041)	(341,773,099)	(3,941,779,041)
NON-CONTROLLING INTEREST				
Balance at beginning of year		(68,915,678)		(68,801,334)
Net income		87,391		44,751
Balance at end of year		(68,828,287)		(68,756,583)
		1,022,436,041		660,075,301

PHILWEB CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	March 31 2015 (Unaudited)	March 31 2014 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	244,911,417	229,753,690
Adjustments for:		
Depreciation and amortization	21,949,507	25,081,711
Impairment losses	7,195,674	-
Retirement benefits cost	1,709,457	2,410,251
Gain on disposals of property and equipment	79,076	-
Interest income	(3,471,344)	(5,173,954)
Interest expense	7,493,333	14,629,236
Operating income before working capital changes	279,867,120	266,700,934
Decrease (increase) in:		
Receivables	4,054,185	(77,993,910)
Inventories	(10,764,716)	(23,388,557)
Prepaid expenses and other current assets	(5,579,118)	(15,555,730)
Increase (decrease) in accounts payable and accrued expenses	53,264,011	(739,300)
Cash generated from operations	320,841,482	149,023,437
Interest received	4,045,411	5,173,954
Interest paid	(8,534,375)	(14,629,236)
Net cash provided by operating activities	316,352,518	139,568,155
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(6,848,441)	(23,366,612)
Increase in other assets	(6,752,932)	(1,744,297)
Proceeds from disposals of property and equipment	(79,076)	-
Decrease (increase) in investment in associates	(1,831,717)	6,612,352
Increase in notes receivable	-	(4,263,799)
Net cash used in investing activities	(15,512,166)	(22,762,356)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of notes payable	(165,000,000)	-
Increase in operators' deposits	1,200,000	1,400,000
Cash dividends paid	(175,833,601)	(117,222,051)
Net cash used in financing activities	(339,633,601)	(115,822,051)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(38,793,249)	983,748
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	374,949,875	341,990,428
CASH AND CASH EQUIVALENTS AT END OF YEAR	336,156,626	342,974,176

PHILWEB CORPORATION AND SUBSIDIARIES

A Schedule Showing Financial Soundness Indicators in Two Comparative Period as Follows:

	January - March 2015 (Unaudited)	January - March 2014 (Audited)
Current assets (ca)	1,199,512,667	1,185,334,856
Total assets (ta)	2,057,169,430	2,155,198,353
Current liabilities (cl)	961,271,507	1,412,591,017
Total liabilities (tl)	1,034,733,389	1,495,123,052
Total equity (te)	1,022,436,041	660,075,301
Net income (ni)	209,960,911	219,542,151
EBIT	213,982,900	228,997,433
Interest income	3,471,344	5,173,954
interest expense (ie)	(7,493,333)	(14,629,236)
Interest - net	(4,021,989)	(9,455,282)

	January - March 2015 (Unaudited)	January - March 2014 (Unaudited)
Ratios		
current ratio (ca/cl)	1.25	0.84
debt to equity (tl/te)	1.01	2.27
debt to asset (tl/ta)	0.50	0.69
asset to equity (ta/te)	2.01	3.27
ROA (NI/TA)	10.2%	10.2%
ROE (NI/TE)	20.5%	33.3%
%coverage ratio (EBIT/ie)	28.56	15.65
Book value (te/outstanding shares)	0.87	0.56
Net Income Margin (Net Income / Net Revenues)	53.0%	56.2%
Operating Income Margin (Operating Income / Net Revenue)	62.9%	61.2%

PHILWEB CORPORATION AND SUBSIDIARIES
 AGING OF RECEIVABLES SCHEDULE
 AS OF MARCH 31, 2015

	TOTAL	NUMBER OF PAST DAYS DUE		
		1-30	31-60	>60
Various Trade and Non-Trade Receivables	315,421,794	37,585,336	91,357,299	186,479,159
Advances to Employees	2,636,904	222,087	202,837	2,211,980
Total	318,058,698	37,807,423	91,560,136	188,691,139
Notes Receivable	337,189,859	3,443,321	2,323,699	331,422,839

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S. S.

CERTIFICATION

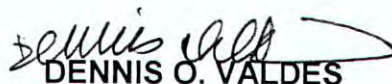
I, **DENNIS O. VALDES**, Filipino, of legal age, and with office address at The Penthouse, Alphaland Southgate Tower, 2258 Chino Roces Ave. cor. EDSA, Makati City, after having been sworn to in accordance with law, hereby depose and state that:

1. I am the President of PhilWeb Corporation, (hereinafter the "Corporation"), a corporation organized and existing under and by virtue of the laws of the Republic of the Philippines, with address at The Penthouse, Alphaland Southgate Tower, 2258 Chino Roces Ave., cor. EDSA, Makati City, Philippines.

2. In a meeting held last 17 April 2015, the Board of Directors of the Corporation has decided to set the 2015 Annual Stockholders' Meeting of the Corporation, scheduled on any day of the month of May in accordance with its Amended By-Laws, to 9 July 2015, 3:00 p.m., at The City Club, Alphaland Makati Place, 7232 Ayala Avenue, Makati City, Philippines.


3. I am executing this Certification in compliance with the reportorial requirements of the Securities and Exchange Commission, particularly Rule 20 of the Implementing Rules and Regulations of the Securities Regulation Code.

IN WITNESS WHEREOF, I have hereunto set my hands this 27th day of April 2015, in the City of Makati, Philippines.


DENNIS O. VALDES
President

SUBSCRIBED AND SWORN TO before me this 27th day of April 2015 at Makati City, affiant exhibited to me his TIN No. 141-808-056.

Doc. No. 79
Page No. 14
Book No. 2
Series of 2015.


CARLO ANTONIO A. BAUTISTA
Appointment No. M-55
Notary Public for Makati City
Until December 31, 2016
The Penthouse, Alphaland
Southgate Tower, Makati City
Roll No. 59384

PTR No. 4750151, 01/08/2015, Makati City
HRP No. 0990214, 01/12/2015, RSM
MCP No. IV-00117797 / 119, 308-111-11

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **TOMAS I. ALCANTARA**, Filipino, of legal age, with address at 6737 Ayala Avenue, Makati City, after having sworn to in accordance with law, hereby depose and state that:

1. I am an Independent Director of PhilWeb Corporation (the "Corporation");
2. I am affiliated with the following companies or organizations:

Company	Position/Relationship	Period of Service
1. Alsons Consolidated Resources, Inc.	Chairman/President	August 2001 to present
2. Alsons Development & Investment Corp.	Chairman	1996 to present
3. Sarangani Agricultural Co., Inc.	Chairman	1996 to present
4. Eagle Ridge Golf & Country Club, Inc.	Chairman	July 2000 to present
5. Conal Holdings Corporation	Chairman	August 2001 to present
6. Holcim Philippines, Inc.	Chairman	October 2014 to present
7. European IT Service Center Foundation	Trustee	August 2002 to present
8. Foundation for Revenue Enhancement	Trustee	August 2004 to present
9. Alto Power Management Corp.	Chairman and President	August 2001 to present
10. Southern Philippines Power Corp.	Chairman and President	October 2001 to present
11. Western Mindanao Power Corp.	Chairman and President	October 2001 to present
12. Sarangani Energy Corp.	Chairman and President	August 2011 to present
13. Mapalad Power Corp.	Chairman	May 2014 to present
14. Alsing Power Holdings, Inc.	Chairman and President	October 2001 to present
15. San Ramon Power, Inc.	Chairman and President	August 2011 to present

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation as provided for in Section 38 of the Securities Regulations Code ("SRC") and its implementing Rules and Regulations;
4. I shall faithfully and diligently comply with my duties and responsibilities as the Independent Director under the SRC.
5. I shall inform the Corporate Secretary/Assistant Corporate Secretary of the Corporation of any changes in the above-mentioned information within five (5) days from its occurrence.

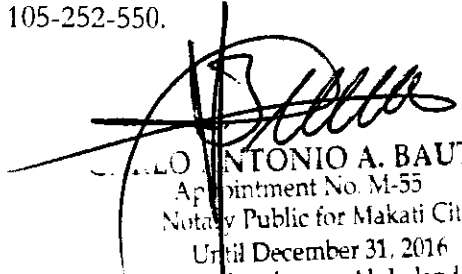
Done this 30th day of April 2015, Makati City.

/


TOMAS I. ALCANTARA
Affiant

SUBSCRIBED AND SWORN TO before me this 29th day of April 2015 at Makati City, affiant exhibiting to me his TIN No. 105-252-550.

Doc. No. 144
Page No. 29
Book No. 2
Series of 2015.


CARLO ANTONIO A. BAUTISTA
Appointment No. M-55
Notary Public for Makati City
Until December 31, 2016
The Penthouse, Alphaland
Southgate Tower, Makati City
Roll No. 59384
PTR No. 4739151; 01/08/2015; Makati City
EMP No. 0990214; 01/12/2015; BSM
MULE No. 13-08117707; TIN 105-377-000

CERTIFICATION OF INDEPENDENT DIRECTOR


I, **VICTOR C. MACALINCAG**, Filipino, of legal age, and a resident of 31 Don Vicente Rufino Avenue, Corinthian Gardens, Quezon City, after having been sworn to in accordance with law, hereby depose and state that:

1. I am an independent director of PhilWeb Corporation (the "Corporation");
2. I am affiliated with the following companies:

Company	Position/Relationship	Period of Service
Crown Equities, Inc.	Independent Director	Since 2003
Semirara Mining Corporation	Independent Director	Since 2002
Republic Glass Holdings, Corp.	Independent Director	Since 2007
SEM Calaca Power Corporation	Independent Director	Since 2011
Ceres Property Venture, Inc.	Independent Director	Since 2011
Alphaland Corporation	Independent Director	Since 2014
Atok-Big Wedge Co., Inc.	Independent Director	Since 2012
ISM Communications Corporation	Independent Director	Since 2011
Asian Alliance Investment Corp.	Independent Director	Since 2013
One Wealthy Nation (OWN) Balanced Fund	Director	Since 2012

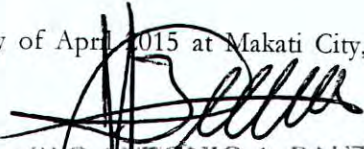
3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation as provided for in Section 38 of the Securities Regulations Code ("SRC") and its implementing Rules and Regulations;
4. I shall faithfully and diligently comply with my duties and responsibilities as an Independent Director under the SRC.
5. I shall inform the Corporate Secretary / Assistant Corporate Secretary of the Corporation of any changes in the above-mentioned information within five (5) days from its occurrence.

Done this 29th day of April 2015 at Makati City.


VICTOR C. MACALINCAG
 Affiant

SUBSCRIBED AND SWORN to before me this 29th day of April 2015 at Makati City, affiant exhibiting to me his TIN 107-018-314.

Doc No. 144 ;
 Page No. 30 ;
 Book No. 2 ;
 Series of 2015.


CARLO ANTONIO A. BAUTISTA
 Appointment No. M-55
 Notary Public for Makati City
 Until December 31, 2016
 The Penthouse, Alphaland
 Southe Tower, Makati City
 Roll No. 59384
 PTR No. 4759-51-01/08/2015, Makati City
 DTI No. 00021401/12/2015, Makati City
 TIN No. 107-018-314

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **EDGARDO J. ANGARA**, Filipino, of legal age, with address at 22/F ACCRALAW Tower, Second Ave. cor. 30th St., Crescent Park West, Bonifacio Global City, Taguig, after having sworn to in accordance with law, hereby depose and state that:

1. I am an Independent Director of PhilWeb Corporation (the "Corporation");
2. I am affiliated with the following companies or organizations:

Company	Position/Relationship	Period of Service
1. ACCRA Law		1972 to present
2. Integrated Bar of the Philippines	President	1979
3. ASEAN Law Association	President	1980
4. University of the Philippines	President	1981 to 1987
5. Philippine National Bank	Chairman	1989 to 1999
6. San Miguel Corporation	Director	
7. Malayan Insurance Co., Inc.	Director	
8. Rizal Commercial Banking Corporation	Director	
9. The Insular Life Assurance Company, Ltd.	Director	
10. IBM Philippines	Director	

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation as provided for in Section 38 of the Securities Regulations Code ("SRC") and its implementing Rules and Regulations;
4. I shall faithfully and diligently comply with my duties and responsibilities as the Independent Director under the SRC.
5. I shall inform the Corporate Secretary/Assistant Corporate Secretary of the Corporation of any changes in the above-mentioned information within five (5) days from its occurrence.

Done this 30th day of April 2015, Makati City.


EDGARDO J. ANGARA

Affiant

MAY 04 2015

at Makati

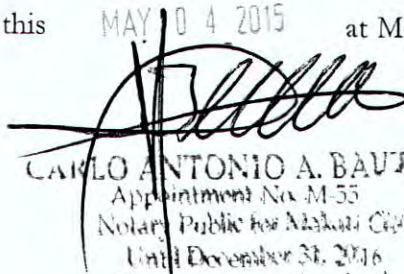
SUBSCRIBED AND SWORN TO before me this
City, affiant exhibiting to me his TIN 104-085-279-000.

Doc. No. 174

Page No. 35

Book No. 2

Series of 2015.


CARLO ANTONIO A. BAUTISTA
Appointment No. M-55
Notary Public for Makati City
Until December 31, 2016
The Penthouse, Alipond
Southgate Tower, Makati City
Reg. No. 14884

PTR No. 4774-G-01/02/2015 Makati City

JEP No. 18011-01/12/2015-RSM

MCA / No. 104-085-279-000 / 104-085-279-000

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **GREGORIO Ma-ARANETA III**, Filipino, of legal age, with address at 21/F Citibank Tower, Paseo de Roxas, Makati City, after having sworn to in accordance with law, hereby depose and state that:

1. I am an Independent Director of PhilWeb Corporation (the "Corporation");
2. I am affiliated with the following companies or organizations:

Company	Position/Relationship	Period of Service
1. Araneta Properties, Inc.	Chairman/Chief Executive Officer	2010 to present
2. ARAZA Resources Corporation	President/ Chairman	2006 to present
3. Carmel Development, Inc.	President/ Chairman	2007 to present
4. Gregorio Araneta Inc.	Chairman	2000 to present
5. Gregorio Araneta Management Corporation	Chairman	2013 to present
6. Gamma Properties, Inc.	Chairman	2000 to present

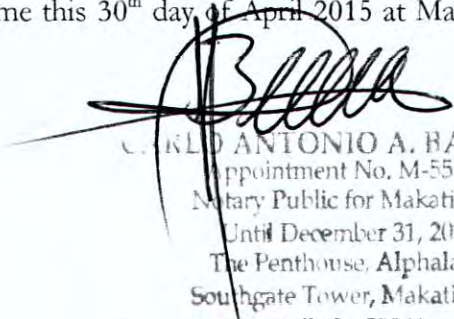
3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation as provided for in Section 38 of the Securities Regulations Code ("SRC") and its implementing Rules and Regulations;
4. I shall faithfully and diligently comply with my duties and responsibilities as the Independent Director under the SRC.
5. I shall inform the Corporate Secretary/Assistant Corporate Secretary of the Corporation of any changes in the above-mentioned information within five (5) days from its occurrence.

Done this 30th day of April 2015, Makati City.


GREGORIO Ma-ARANETA III
Affiant

SUBSCRIBED AND SWORN TO before me this 30th day of April 2015 at Makati City, affiant exhibiting to me his TIN 136-998-184.

Doc. No. 209
Page No. 42
Book No. II
Series φ 2015


CARLO ANTONIO A. BAUTISTA
Appointment No. M-55
Notary Public for Makati City
Until December 31, 2016
The Penthouse, Alphaland
Southgate Tower, Makati City
Roll No. 59384
PTR No. 4759151; 01/08/2015; Makati City
IBP No. 0990214; 01/12/2015; RSM
MCLE No. IV-00117797 / TIN 408-377-800

CERTIFICATION OF INDEPENDENT DIRECTOR

I, **CRISANTO ROY B. ALCID**, Filipino, of legal age, with address at 21/F Citibank Tower, Paseo de Roxas, Makati City, after having sworn to in accordance with law, hereby depose and state that:

1. I am an Independent Director of PhilWeb Corporation (the "Corporation");
2. I am affiliated with the following companies or organizations:

Company	Position/Relationship	Period of Service
1. Araneta Properties, Inc.	President/Director	17 yrs.
2. Gamma Properties, Inc.	President/Director	17 yrs.
3. Gregorio Araneta, Inc.	Director	17 yrs.
4. Araza Resources Corp	Director	17 yrs.
5. Gregorio Araneta Management Corp.	Director	17 yrs.
6. Gamma Holdings Corp.	Director	17 yrs.
7. Carmel Development, Inc.	Director	17 yrs.
8. H. E. Heacock Resources Corp.	Director	17 yrs.
9. Securicor Security & Investigation Services, Inc.	Director	17 yrs.
10. Envirotest, Inc.	Director	11 yrs.
11. ATSI PETC, Inc.	Director	11 yrs.
12. Express Telecommunications Co., Inc.	Chairman	8 yrs.
13. Philippine Coastal Storage & Pipeline Corp.	Director	11 yrs.
14. Clark Pipeline and Depot Co., Inc.	Director	11 yrs.

3. I possess all the qualifications and none of the disqualifications to serve as an Independent Director of the Corporation as provided for in Section 38 of the Securities Regulations Code ("SRC") and its implementing Rules and Regulations;
4. I shall faithfully and diligently comply with my duties and responsibilities as the Independent Director under the SRC.

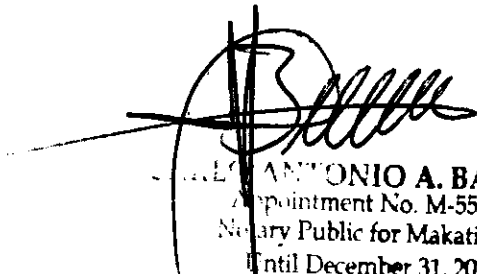
5. I shall inform the Corporate Secretary/Assistant Corporate Secretary of the Corporation of any changes in the above-mentioned information within five (5) days from its occurrence.

Done this 5th day of May 2015, Makati City.


CRISANTO ROY B. ALCID
Affiant

SUBSCRIBED AND SWORN TO before me this 5th day of May 2015 at Makati City, affiant exhibiting to me his TIN 107-973-163.

Doc. No. 210
Page No. 42
Book No. II
Series of 2015.


ALEX ANTONIO A. BAUTISTA
Appointment No. M-55
Notary Public for Makati City
Until December 31, 2016
The Penthouse, Alphaland
Southgate Tower, Makati City
Roll No. 59384
PTR No. 4759151; 01/08/2015; Makati City
TIN No. 0990214; 01/12/2015; RSM
TIN No. 1V-00117797 / TIN 408-377-800



R.G. Manabat & Co.
The KPMG Center, 9/F
6787 Ayala Avenue
Makati City 1226, Metro Manila, Philippines

Telephone +63 (2) 885 7000
Fax +63 (2) 894 1985
Internet www.kpmg.com.ph
E-Mail ph-inquiry@kpmg.com

Branches: Subic · Cebu · Bacolod · Iloilo

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

The Board of Directors and Stockholders
PhilWeb Corporation
The Penthouse, Alphaland Southgate Tower
2258 Chino Roces Avenue corner EDSA
Makati City

We have audited in accordance with Philippine Standards on Auditing, the separate financial statements of PhilWeb Corporation (the "Company") as at and for the year ended December 31, 2014, on which we have rendered our report dated February 16, 2015.

Our audit was made for the purpose of forming an opinion on the basic separate financial statements of the Company taken as a whole. The supplementary information included in the Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management.

This supplementary information is presented for purposes of complying with the Securities Regulation Code Rule 68, As Amended, and is not a required part of the basic separate financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic separate financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic separate financial statements taken as a whole.

R.G. MANABAT & CO.

ADOR C. MEJIA

Partner

CPA License No. 0029620

SEC Accreditation No. 0464-AR-2, Group A, valid until March 24, 2016

Tax Identification No. 112-071-634

BIR Accreditation No. 08-001987-10-2013

Issued May 9, 2013; valid until May 8, 2016

PTR No. 4748117MC

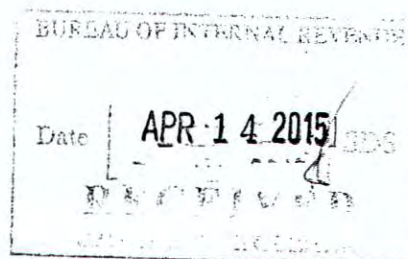
Issued January 5, 2015 at Makati City

February 16, 2015
Makati City, Metro Manila

PHILWEB CORPORATION
The Penthouse, Alphaland Southgate Tower
2258 Chino Roces Avenue corner EDSA, Makati City
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DECLARATION

*(Figures based on Company's
audited financial statements as at
and for the year ended
December 31, 2014)*

<u>Unappropriated Retained Earnings, as adjusted to available for dividend distribution, January 1, 2014</u>		P1,056,800,148
Net Income based on the face of AFS	P754,789,362	
Less: Non-actual/unrealized income net of tax		
Equity in net income of associate/joint venture	-	
Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)	-	
Unrealized actuarial gain	-	
Fair value adjustment (M2M gains)	-	
Fair value adjustment of Investment Property resulting to gain Adjustment due to deviation from PFRS/GAAP-gain	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)	-	
Adjustment due to deviation from PFRS/GAAP - loss	-	
Loss on fair value adjustment of investment property (after tax)	-	
Net income actually earned during the year		754,789,362
Less: Dividend declarations during the year		573,046,176
TOTAL RETAINED EARNINGS, December 31, 2014 AVAILABLE FOR DIVIDEND		P1,238,543,334





R.G. Manabat & Co.
The KPMG Center, 9/F
6787 Ayala Avenue
Makati City 1226, Metro Manila, Philippines

Telephone +63 (2) 885 7000
Fax +63 (2) 894 1985
Internet www.kpmg.com.ph
E-Mail ph-inquiry@kpmg.com

Branches: Subic · Cebu · Bacolod · Iloilo

REPORT OF INDEPENDENT AUDITORS ON SUPPLEMENTARY INFORMATION

The Board of Directors and Stockholders
PhilWeb Corporation
The Penthouse, Alphaland Southgate Tower
2258 Chino Roces Avenue corner EDSA
Makati City

We have audited in accordance with Philippine Standards on Auditing, the separate financial statements of PhilWeb Corporation (the "Company") as at and for the year ended December 31, 2014, on which we have rendered our report dated February 16, 2015.

Our audit was made for the purpose of forming an opinion on the basic separate financial statements of the Company taken as a whole. The supplementary information included in the Reconciliation of Retained Earnings Available for Dividend Declaration is the responsibility of the Company's management.

This supplementary information is presented for purposes of complying with the Securities Regulation Code Rule 68, As Amended, and is not a required part of the basic separate financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic separate financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic separate financial statements taken as a whole.

R.G. MANABAT & CO.

ADOR C. MEJIA

Partner

CPA License No. 0029620

SEC Accreditation No. 0464-AR-2, Group A, valid until March 24, 2016

Tax Identification No. 112-071-634

BIR Accreditation No. 08-001987-10-2013

Issued May 9, 2013; valid until May 8, 2016

PTR No. 4748117MC

Issued January 5, 2015 at Makati City

February 16, 2015
Makati City, Metro Manila

PHILWEB CORPORATION
The Penthouse, Alphaland Southgate Tower
2258 Chino Roces Avenue corner EDSA, Makati City
RECONCILIATION OF RETAINED EARNINGS AVAILABLE FOR
DIVIDEND DECLARATION

*(Figures based on Company's
audited financial statements as at
and for the year ended
December 31, 2014)*

<u>Unappropriated Retained Earnings, as adjusted to available for dividend distribution, January 1, 2014</u>		P1,056,800,148
Net Income based on the face of AFS	P754,789,362	
Less: Non-actual/unrealized income net of tax		
Equity in net income of associate/joint venture	-	
Unrealized foreign exchange gain - net (except those attributable to Cash and Cash Equivalents)	-	
Unrealized actuarial gain	-	
Fair value adjustment (M2M gains)	-	
Fair value adjustment of Investment Property resulting to gain Adjustment due to deviation from PFRS/GAAP-gain	-	
Other unrealized gains or adjustments to the retained earnings as a result of certain transactions accounted for under the PFRS	-	
Add: Non-actual losses		
Depreciation on revaluation increment (after tax)	-	
Adjustment due to deviation from PFRS/GAAP - loss	-	
Loss on fair value adjustment of investment property (after tax)	-	
Net income actually earned during the year		754,789,362
Less: Dividend declarations during the year		573,046,176
TOTAL RETAINED EARNINGS, December 31, 2014 AVAILABLE FOR DIVIDEND		P1,238,543,334

