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PLDT's PRESS RELEASE FOR FIRST HALF RESULTS OF 2002

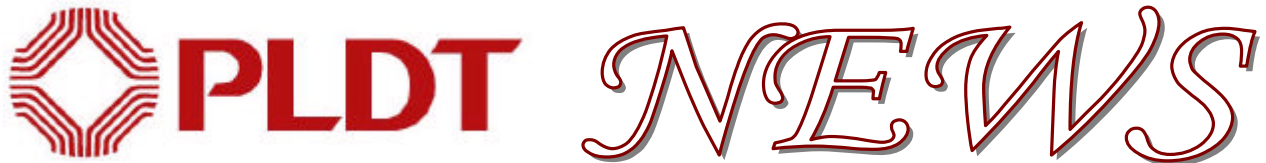
The attached press release was distributed today by PLDT, in which First Pacific has a 24.4 per cent economic interest, and a 31.5 per cent voting interest.

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PLDT's NET INCOME DOUBLES IN FIRST HALF OF 2002

- Consolidated net income surges 101 percent to ₱2.8 billion
- PLDT substantially completes its liability management program
- PLDT Wireless Group maintains its market leadership position
- Fixed line revenues stabilize while costs continue to decline

MANILA, Philippines, August 1, 2002 – Philippine Long Distance Telephone Company (“PLDT”) (PSE: TEL) (NYSE: PHI) today announced that its consolidated net income doubled to ₱2.8 billion during the first half of 2002, while consolidated revenues grew by ₱3 billion or 8 percent to ₱39.7 billion. Consolidated EBITDA rose by 13 percent during the period, to ₱22.5 billion this year, as EBITDA margin remained strong at 57 percent of revenues.

PLDT also announced that it was on track to complete its liability management program with the signing of the US\$149 million KfW facility, the completion of a US\$350 million bond offering, and the ongoing syndication of a US\$130 million multicurrency loan, complementing a solid first half performance.

The driver for PLDT's growth continues to be the strong performance of Smart, which increased its subscriber base and posted significant growth in revenues, EBITDA and net income. Piltel's “Talk ‘N Text” service also maintained positive subscriber take-up during the period, which contributed to the overall growth of Smart.

PLDT's fixed line business maintained its dominant position with over 2.1 million subscribers and a market share of almost 70 percent. PLDT's traditional fixed line business remained a key strength of the PLDT Group and provided strong and stable cash flows for PLDT during the first half of 2002.

“Our strong performance during the first half of 2002 coupled with the accomplishment of key milestones in our liability management program confirm that the fundamentals of our business remain strong, and the business plan which the PLDT Board and management set out to accomplish for the year is on track,” **commented Manuel V. Pangilinan, President and CEO of PLDT.** “I am confident that as management continues to implement the Board's strategy for PLDT, our vision to enhance PLDT's position as the Philippines' premiere communications company shall be realized.”

Strong Cellular Performance

PLDT's wireless subsidiary, Smart, remains the key driver of PLDT's robust performance during the first half of 2002. Smart showed significant growth during the first half of 2002 notwithstanding the expected slowdown in wireless subscriber growth. Smart's revenues grew by 53 percent in the first half of 2002 to ₱16.3 billion from ₱10.6 billion during the same period last year. EBITDA rose to ₱8.2 billion during the first half of 2002 from ₱5.2 billion last year or a

growth of 57 percent while EBITDA margins passed the 50 percent mark. Net income surged 34 percent from ₱1.8 billion during the first half of 2001 to ₱2.4 billion for the same period this year. This growth was anchored on the stabilization of Smart's Average Revenue Per User, or ARPU levels. ARPUs, which are the primary indicator of subscriber usage, remained above ₱550.

Revenue from cellular data services, which include all SMS and text-related services, as well as, value added services, increased by nearly ₱3.0 billion to ₱6.3 billion for the first half of 2002 from ₱3.3 billion during the same period last year, or a phenomenal 88 percent increase. The growth in data services revenue makes Smart not only the leader in terms of subscribers, but equally the leader in creating and developing innovative applications on the GSM platform.

The growth in subscriber numbers was complemented by aggressive and innovative value-added services through Smart zedtm, Smart Money and interactive tie-ups with various multi-media providers. The successful launch of the 64K super SIM card is expected to maximize the use of these value-added services. Smart expects the combination of the powerful 64K SIM with its host of value-added services will further contribute to Smart's revenues because this combination will ARPU.

On a stand-alone basis, Smart GSM's subscriber base increased from 3.6 million subscribers as of June 30, 2001 to 5.3 million subscribers as of June 30, 2002 or an increase of 1.7 million subscribers. This maintains Smart's position as the number one GSM cellular provider in the country with a market share of 43 percent.

Piltel's GSM subscriber base under the brand name "Talk 'N Text" showed encouraging results as well. "Talk 'N Text" subscribers reached over 1.6 million by the first half of 2002 from only 750,000 subscribers during the same period last year, representing an increase of approximately 115 percent. Piltel remains the third largest GSM provider in the country.

The combined GSM subscriber base of Smart and Piltel's "Talk 'N Text" service grew to more than 6.9 million subscribers as of June 30, 2002, giving it a significant 57 percent share of the GSM market.

Together with its analog subscriber base, PLDT's Wireless Group had an aggregate of over 7.2 million subscribers at the end of the first half of 2002.

Fixed Line: Stable Revenues and Growing Data Business

PLDT's traditional fixed line business maintained its dominant market position with over 2.1 million subscribers, representing a market share of nearly 70 percent.

Since the third quarter of 2001, fixed line revenues have begun to stabilize as revenues from international and national long distance showed signs of recovery. In the first half of 2002, PLDT generated fixed line revenues of ₱22.7 billion principally due to the continued growth of data and other network service revenues and the steady revenue contribution of the local exchange service.

Local exchange revenues reached ₱10.7 billion for the first half of 2002. The increased subscriber take up of PLDT's prepaid fixed line services "Teletipid" and "Telesulit" allow PLDT to access a broader market segment while maximizing the utilization of PLDT's existing fixed line capacity. At the end of June 2002, PLDT had approximately 233,000 prepaid fixed line subscribers.

International long distance revenues have been improving on a quarter-on-quarter basis since the fourth quarter of 2001 as declines in incoming settlement rates stabilize and as PLDT focuses on incoming minutes terminating on its own network. National long distance revenues also showed an increase quarter-on-quarter due to the higher volume of calls, particularly from cellular subscribers, terminating on the PLDT network.

Revenues from data and other network services continued to show robust growth. Data and other network services registered a 16 percent growth to ₱2.7 billion in the first half of 2002 from ₱2.3 billion in the same period last year. Domestic data services are expected to drive revenue growth in this segment moving forward as PLDT leverages off its extensive network coverage.

"Not only do we regard revenues from data and other network services to be a critical component in growing our revenues from the fixed line business, we also believe that developing a strong data network infrastructure is necessary to help the country attain global competitiveness in today's Internet age," **commented Pangilinan.**

PLDT continued to implement various cost containment initiatives which allowed cash operating expenses of the fixed line business to decline by 15 percent to ₱7.6 billion in the first half of 2002 from ₱8.9 billion in the previous year. These initiatives focused on reducing overtime costs, marketing and advertising expenses, billing related expenses as well as travel and training related expenses.

EBITDA and EBITDA margins for the fixed line business in the first half of 2002 remained strong at ₱13.9 billion and 62 percent, respectively, principally due to reductions in cash operating expenses. Net income for PLDT's fixed line business continued to improve from the second half of 2001 to ₱1.3 billion as a result of its stable revenue streams and the successful implementation of its cost containment initiatives.

ePLDT : Growing Stronger

ePLDT, a wholly-owned subsidiary of PLDT and the leading information and communications technology company in the Philippines, has started to generate stronger revenues from its various investments. For the first half of 2002, ePLDT's revenues rose by 91 percent to ₱402 million from ₱210 million during the first half of last year. Infocom, the Group's Internet Service Provider continued to perform well during the first half of 2002, while Parlance Systems Inc. and Vocativ Systems Inc., two of the biggest call centers in the country recently started commercial operations, and are expected to contribute significantly to ePLDT's revenues moving forward.

Liability Management Program Substantially Completed

Capping PLDT's first half performance is the substantial completion of its liability management program to address its US\$1.3 billion of debts maturing between 2002-2004.

Key milestones achieved include:

- The signing of two loan agreements with KfW on January 25, 2002 that provides PLDT with a new US\$149 million facility to refinance in part the re-payments due under its existing loans from KfW due in 2002 to 2004.
- The successful issuance of US\$350 million global notes last May 2002 divided into two tranches, a US\$100 million notes maturing in 2007, and a US\$250 million notes maturing in 2012.
- The launching of a US\$130 million Multicurrency Syndicated Term Loan facility expected to be completed by August 2002.

Complementing these refinancing initiatives are other new financing facilities namely, a ¥ 9.76 billion (approximately US\$84 million) Overseas Investment Loan from the Japan Bank for International Cooperation, and a US\$8.8 million facility from Export Development Canada for the expansion of PLDT's Digital Fiber Optic Network.

"We are encouraged by the tremendous support given to PLDT by various foreign and local financial institutions and traditional lenders," **said Pangilinan**. "This is a concrete expression of their confidence in the company, its management team and our strategic direction."

Apart from completing the refinancing phase of the liability management program, the Company continues to work towards reducing PLDT's overall indebtedness through increased cash flows from operations and dividends from Smart.

"To be able to deliver such a strong performance and to substantially complete PLDT's liability management program during these challenging times is testimony to the capability of PLDT management in steering the company in the right direction," **said Antonio Cojuangco, Chairman of PLDT**. "The Board remains committed to its stated strategy and is confident the PLDT management team will successfully implement the agreed plans for the Company."

PLDT Management committed to achieving 2002 targets

Pangilinan noted that the first half performance of PLDT for 2002 was encouraging. PLDT management continues to execute its strategy of transforming the company from a predominantly fixed line telephone company into a full service telecommunications provider, operating the businesses of the PLDT Group to achieve improved efficiencies, and deleveraging PLDT's balance sheet through the completion of key components of its liability management program.

“Notwithstanding the uncertainties at the shareholders’ level, the Board and management of PLDT remain firmly focused towards achieving the targets that it has set out to accomplish for this year and beyond,” **commented Pangilinan.**

“Our strong mid-year performance should assuage any fears or doubts regarding our priorities and commitment towards enhancing shareholder value, maintaining our leadership position in all our lines of business, and delivering the best service to our consumers,” **Pangilinan concluded.**

Proposed Transaction among First Pacific Company Limited, the Gokongwei Group and JG Summit Holdings, Inc.

On June 4, 2002, First Pacific Company Limited announced that it had entered into a legally binding Memorandum of Agreement (the “MOA”) with the Gokongwei Group and JG Summit Holdings, Inc. (the “JG Group”) in relation to First Pacific’s existing interests in PLDT and Bonifacio Land Corporation. As described by First Pacific, the MOA contemplates that upon satisfaction of the conditions precedent, First Pacific will inject its existing 24.4 percent economic interest in PLDT into an entity in which the JG Group will purchase a two-thirds controlling interest.

In addition, the MOA contemplates that “JG Group is buying control” over PLDT and that “First Pacific shall assist the JG Group in according it effective board and management control” of PLDT. As a side agreement to the MOA, First Pacific agreed to “use its reasonable efforts to invite a nominee of the JG Group to sit in the Board of Directors of PLDT after the June 11, 2002 shareholders meeting of PLDT. . . .”

Notwithstanding the legally binding nature of the MOA, First Pacific has announced that the “memoranda of agreement, letters of intent and comparable documents, such as the MOA, are documents providing guidance only, and represent no more than the preliminary understandings of the general principles and parameters of agreements. . . .” First Pacific also has stated publicly that it expects “to complete the transaction by September 30, 2002, despite short term delays in completing definitive agreements. . . .” First Pacific also has cautioned investors that “there can be no assurance that the transaction contemplated by the MOA will be completed, if completed, the terms set forth in any definitive agreements will reflect those set forth in the MOA.” PLDT has no additional information with regard to the negotiation of any definitive agreements of the transaction contemplated by the MOA or any expected timing of any completion of the transactions contemplated by the MOA.

The completion of the transactions contemplated by the MOA may result in the following adverse effects upon PLDT:

- replacement of the current board and management of PLDT;
- events of default under a material portion of the outstanding long-term indebtedness of the PLDT Group; and
- the initiation of various private and/or public actions against PLDT under various articles of the Philippines’ Revised Penal Code, Civil Code and the Public

Telecommunications Policy Act as a result of JG Group's existing control of Digital Telecommunications, Inc., a principal competitor of PLDT.

Each of these adverse effects may result in a material adverse effect upon PLDT's performance, results of operations and financial position. PLDT can currently provide no assurances that the transactions contemplated by the MOA, if completed, will be completed in a manner that avoids these adverse effects. Under PLDT's effective By-Laws, however, except as permitted by a majority vote of the Board of Directors, no person shall be eligible for nomination or election to the Board of Directors if he is engaged, directly or indirectly (through family relationships, shareholding or otherwise) in any business that competes with or is antagonistic to that of PLDT or its subsidiaries.

Since the release of the MOA on July 19, 2002 (as a result of PLDT's suit for such release in the United States Federal court), PLDT has been conducting a review with its advisors of the legal and financial implications of the transactions contemplated by the MOA. PLDT will publicly announce separately its Board's position upon the completion of its review of the MOA. PLDT remains committed to protecting the rights of all PLDT shareholders and shall continue its efforts to ensure that all shareholders have access to the information they require to make well-informed decisions with respect to the transactions contemplated by the MOA and to the trading of PLDT securities in general.

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<i>(In Million Pesos)</i>	PLDT (Non-Consolidated)		PLDT Consolidated	
	1H02	1H01	1H02	1H01
Revenues	22,521	23,795	39,727	36,725
Expenses	<u>15,727</u>	<u>16,445</u>	<u>29,394</u>	<u>28,935</u>
Operating income	6,794	7,350	10,333	7,790
Other expenses - net	<u>4,983</u>	<u>4,797</u>	<u>6,594</u>	<u>7,095</u>
Income before tax	1,811	2,553	3,739	695
Provision for tax	<u>528</u>	<u>653</u>	<u>986</u>	<u>1,044</u>
Income (Loss) before minority interests	1,283	1,900	2,753	(349)
Minority interests	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>(1,723)</u>
Net income	<u>1,283</u>	<u>1,900</u>	<u>2,755</u>	<u>1,374</u>
EBITDA	<u>13,867</u>	<u>14,342</u>	<u>22,523</u>	<u>19,880</u>

Except for historical financial and operating data and other information in respect of historical matters, the statements contained in this press release are “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. The words “believe”, “intend” “plan”, “anticipate”, “continue”, “estimate”, “expect”, “may”, “will” or other similar words are frequently used to indicate these forward looking statements. Any such forward-looking statement is not a guarantee of future performance and involves a number of known and unknown risks, uncertainties and other factors that could cause the actual performance, financial condition or results of operation of PLDT to be materially different from any future performance, financial condition or results of operation implied by such forward-looking statement. Among the factors that could cause actual results to differ from the implied or expected results are those factors discussed under “Risk Factors” in Item 3 in PLDT’s annual report on Form 20-F, dated June 25, 2002, for the year ended December 31, 2001, as well the outcome of the ongoing contest for control of PLDT.

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About PLDT

PLDT is the leading telecommunications provider in the Philippines. Through its three principal business groups – fixed line, wireless and information and communications technology – PLDT offers a wide range of telecommunications services across the Philippines’ most extensive fiber optic backbone and fixed line, wireless, cable and satellite networks.

Listed on the Philippine Stock Exchange [PSE: TEL] and its American depositary shares are listed on the New York Stock Exchange [NYSE: PHI] and the Pacific Exchange. PLDT has one of the largest market capitalizations among Philippine listed companies. Further information can be obtained by visiting the web at www.pldt.com.ph.