

11th January 1999

PLDT'S PILTEL SUBSIDIARY IN NEGOTIATIONS WITH ITS CREDITORS

First Pacific announced today that the following statement has been released to the Philippine Stock Exchange (PSE) by Pilipino Telephone Corporation (known as Piltel), a separately listed subsidiary of Philippine Long Distance Telephone Company (PLDT):

Pilipino Telephone Corporation is currently in discussion with its creditors with regard to the current and prospective status of its debt obligations. Some of these obligations have become due and the Company is actively pursuing discussions with its creditors in order to resolve its outstanding debt obligations as soon as practicable. In the meantime, Piltel wishes to stress that it is able to continue its services to its customers and clients and that operations remain normal.

In a separate statement to the PSE, PLDT affirmed that Piltel's situation will not in any way affect its ability to comply with its own financial obligations.

Piltel is a Philippine nationwide cellular operator with approximately 180,000 monthly subscribers and more than 150,000 users of its pre-paid service. It is 50.1 per cent owned by PLDT - in which First Pacific has a 17.2 per cent economic interest and 27.4 per cent voting interest.