



FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

GROUP CORPORATE COMMUNICATIONS

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Thursday, 25 May 2006

**ePLDT TO ACQUIRE 100% OF SPI TECHNOLOGIES, INC.;
ACQUISITION TO CREATE THE LARGEST FULL SERVICE
BUSINESS PROCESS OUTSOURCING FIRM IN THE PHILIPPINES**

The attached press release was distributed today in Manila by Philippine Long Distance Telephone Company (PLDT), in which First Pacific Group has approximately 25 per cent economic interest, and approximately 31 per cent voting interest.

PLDT is the leading telecommunications service provider in the Philippines. It has common shares listed on the Philippine Stock Exchange and ADRs listed on the New York Stock Exchange. Through its three principal business groups, PLDT offers a wide range of telecommunications services: Wireless (principally through wholly-owned subsidiary company Smart Communications, Inc.); Fixed Line (principally through PLDT); and Information and Communications Technology (principally through wholly-owned subsidiary company ePLDT). PLDT has developed the Philippines' most extensive fiber optic backbone, cellular, fixed line and satellite networks.

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Further information on PLDT can be obtained by visiting the web at www.pldt.com.ph.

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- The Philippine Long Distance Telephone Company (“PLDT”) announced today that it has authorized its Information and Communications Technology arm, ePLDT, Inc. (“ePLDT”), to acquire 100% of the SPI group of companies (“SPI”).
 - On May 24, 2006, SPI Tech L.P. (the “Seller”), the parent company of SPI, formally accepted the letter of interest submitted by ePLDT for the acquisition of 100% of SPI (the “Acquisition”). The Seller has granted an exclusivity period within which to conduct due diligence on SPI and complete the transaction.
 - SPI is the 2nd largest pure-play business process outsourcing (“BPO”) company and the 9th largest independent BPO service provider worldwide.
 - Together with ePLDT’s Ventus call center group, the acquisition of SPI will solidify ePLDT’s position as one of the largest full service BPO companies in the industry and enable ePLDT to benefit greatly from the forecasted growth in the BPO sector.

May 25, 2006, Makati City, Manila, Philippines: The Philippine Long Distance Telephone Company (PLDT; NYSE : PHI; PSE : TEL) announced that at a Special Board meeting held earlier today, the PLDT Board of Directors authorized ePLDT, Inc. (“ePLDT”) to acquire 100% of SPI Technologies, Inc. and its direct and indirect Philippine and offshore subsidiaries (“SPI”). On May 24, 2006, SPI Tech L.P. (the “Seller”), the parent company of SPI, formally accepted the letter of interest submitted by ePLDT for the acquisition of 100% of SPI (the “Acquisition”). The Seller has granted an exclusivity period within which to conduct due diligence on SPI and complete the transaction. ePLDT engaged Credit Suisse as its independent financial adviser for the transaction.

SPI is the second largest pure-play business process outsourcing (“BPO”) company and the 9th largest independent BPO service provider worldwide. ePLDT is the Information and Communications Technology arm of the PLDT Group. PLDT will use internally generated cash to fund ePLDT’s acquisition of SPI. It is envisioned that the acquisition of SPI, together with ePLDT’s existing Ventus call center group, will solidify ePLDT’s position as one of the largest full service BPO companies in the industry.

“The addition of SPI into ePLDT will broaden our participation in the promising BPO sector which industry analysts forecast to grow at a compounded annual growth rate of 9.2% in the next 4 years. As the Philippines continues to gain recognition as a preferred location for BPO services, the PLDT Group remains in the forefront as a partner in further developing this market in the years ahead,” said Napoleon L. Nazareno, President of PLDT.

SPI Profile

SPI operates in 23 locations spanning North America, Europe and Asia, servicing over 150 customers including many Fortune 500 companies. With over 6,500 employees worldwide, SPI services these customers onsite, and from facilities in the Philippines, India, US, China (25% ownership) and Vietnam (outsourced).

SPI's core capabilities include content editorial and production, litigation support coding and electronic data discovery, medical transcription, database structuring and management and transaction processing.

ePLDT Ventus Group Profile

ePLDT's Ventus call center group ("ePLDT Ventus Group") consists of Parlance Systems, Inc, Vocativ Systems, Inc. and ePLDT Ventus, Inc. The ePLDT Ventus Group operates six call center facilities located in Makati, Taguig, Pasig, Mandaluyong, Quezon City and Iloilo, rendering primarily voice-based services to large US-based clients and outsourcers.

As of 31st March 2006, the six facilities had a total of 3,690 seats and 3,842 employees. By end of 2006, the ePLDT Ventus Group is projected to expand to approximately 4,400 seats and 5,200 employees.

Consolidated audited revenues of the ePLDT Ventus Group for 2005 reached Php 1.944 Billion, with an audited net income of Php 271.2 Million and EBITDA of Php 405.6 Million.

As of the 1st quarter of 2006, the ePLDT Ventus Group registered unaudited revenues of Php 563 Million, with a net income of Php 93.6 Million and EBITDA of Php 149.8 Million, compared to revenues of Php 408 Million, net income of Php 49.8 Million and EBITDA of 96.6 Million for the same period in 2005.

Upon completion of the acquisition, ePLDT will become one of the largest BPO service providers in the Philippines and one of the largest BPO firms worldwide, offering a wide range of voice and non-voice services.

"The operational synergies between SPI and the ePLDT Ventus Group will provide us with excellent opportunities to enhance our North American customer base, broaden our revenue streams, as well as derive potential cost synergies in the marketing and selling of our voice-based services in the countries where SPI operates", according to Ray C. Espinosa, President of ePLDT.

The acquisition of SPI will enable the ePLDT Ventus Group to immediately enter numerous large, high growth markets and create an instant marketing presence in North America, Europe and Asia.

“The recent acquisitions of ePLDT should strengthen the Group’s ability to explore growth opportunities going forward while sustaining our commitment to expand our broadband business, extend our leadership in cellular and increase dividends to our shareholders. There is still much to be done but the Group is working relentlessly to putting the pieces together in order to capitalize on new sources of growth,” concluded Manuel V. Pangilinan, Chairman 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 communications technology – PLDT offers a wide range of telecommunications services across the Philippines’ most extensive fiber optic backbone and fixed line, cellular and satellite network.

PLDT is listed on the Philippine Stock Exchange (PSE:TEL) and its American depository shares are listed on the New York Stock Exchange (NYSE:PHI). 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.

About ePLDT:

ePLDT, Inc., a wholly-owned subsidiary of telecommunications giant [Philippine Long Distance Telephone Co. \(PLDT\)](#) is an information and communications technology company providing enabling infrastructure and services focusing on next-generation communications, connectivity and content to corporate clients and consumers.

About SPI Technologies, Inc.:

SPI is a leading global BPO provider with numerous locations across the United States, Europe, and Asia. With over 6,500 employees worldwide, it delivers scalable and innovative content outsourcing solutions to diversified markets. SPI has industry-leading, time-tested expertise in all their niche markets and are committed to ensuring exceptional value for our clients.