



FIRST PACIFIC COMPANY LIMITED

(Incorporated in Bermuda with limited liability)

GROUP CORPORATE COMMUNICATIONS

24th Floor, Two Exchange Square, 8 Connaught Place, Hong Kong
Tel: (852) 2842 4388 Email: info@firstpac.com.hk Fax: (852) 2845 9243
http://www.firstpacco.com

Tuesday, 11 July 2006

**ePLDT COMPLETES ACQUISITION OF SPi TECHNOLOGIES, INC.
ACQUISITION CREATES 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 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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For further information, please contact:

Ray C. Espinosa

President
ePLDT, Inc.
5F LV Locsin Building,
Makati Avenue, Makati City
Tel: +63 2 8936618
Fax: +63 2 8150617
rcespinosa@epldt.com

Anna V. Bengzon

Head, Investor Relations
PLDT
12F Ramon Cojuangco Building
Makati Avenue, Makati City
Tel: +63 2 8168024
Fax: +63 2 8107138
avbengzon@pldt.com.ph

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

 **PLDT Press Release**

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July 11, 2006, Makati City, Manila, Philippines: The Philippine Long Distance Telephone Company ("PLDT"; NYSE: PHI; PSE: TEL) announced today that its wholly-owned subsidiary, ePLDT, Inc. ("ePLDT") has completed the acquisition of 100% of SPI Technologies, Inc. and its direct and indirect Philippine and offshore subsidiaries ("SPI"). ePLDT acquired 100% of the shares of SPI Technologies, Inc., a Philippine company, from SPI's sole shareholder, SPI Tech L.P. (the "Seller"), for a total consideration of US\$ 135.34 million cash. As part of the transaction, ePLDT also acquired a US\$ 7.0 million debt owed by SPI to the Seller at face value. In addition, ePLDT advanced US\$ 16.43 million to SPI in order for SPI to fully pay its debt owed to DBS Bank Singapore. ePLDT intends to have this debt refinanced by SPI in due course. ePLDT is the Information and Communications Technology arm of the PLDT Group.

The acquisition of SPI, together with ePLDT's existing Ventus call center group, creates the industry's foremost business process outsourcing ("BPO") services provider with the necessary operating scale and financial strength to invest consistently and aggressively in innovation, while continuing to provide world-class customer service and support to clients.

"We are proud to complete the acquisition of SPI. SPI's well-established presence in the U.S. and its domain expertise in a variety of service verticals will give us a unique opportunity to increase our participation in the growing base of the global outsourcing and off-shoring market. This acquisition also manifests our commitment to make the Philippines one of the leading business process outsourcing locations in the world and our abiding faith in the capabilities of the Filipino workers." according to Ray C. Espinosa, President & CEO of ePLDT.

SPI is the 2nd largest pure-play BPO company and the 9th largest independent BPO service provider worldwide. It has operations in 19 locations in North America, Europe and Asia. Its customers include Fortune 100 companies, non-profit organizations and government agencies in the financial services, healthcare, legal and publishing markets. SPI services these customers onsite, and from facilities in the Philippines, India, US, China (25% ownership) and Vietnam (outsourced).

Ernest L. Cu, President & Chief Executive Officer of SPI said, "The management team is very supportive of this acquisition and quite excited about this new phase in SPI's history. Global 2000 companies now prefer full service companies who can deliver a broad range of both voice and non-voice services across multiple countries. With ePLDT's call center capabilities, IT infrastructure and financial resources; we will be among a select few in the world who can execute on these opportunities."

As of May 31, 2006, SPI has 6,500 employees and approximately 4,200 seats worldwide. Combined with ePLDT's Ventus call center group ("ePLDT Ventus Group"), ePLDT now has over 11,000 employees and about 8,300 seats in its BPO/call center operations. The ePLDT Ventus Group operates seven 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.

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