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FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)

Website: <http://www.firstpacco.com>

(Stock code: 00142)

ANNOUNCEMENT MADE BY PHILIPPINE LONG DISTANCE TELEPHONE COMPANY IN RELATION TO ITS AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2008

This Announcement is made by First Pacific Company Limited (“First Pacific” or “the Company”) pursuant to the requirements of Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited to provide shareholders of First Pacific and the public with the audited financial results of Philippine Long Distance Telephone Company (“PLDT”), a major operating associate of the Company, for the year ended 31 December 2008.

Summary

On 3 March 2009, the board of directors of PLDT has approved the release of the audited financial results for the year ended 31 December 2008. PLDT’s audited financial results have been submitted to the Philippine Stock Exchange and the New York Stock Exchange by way of disclosure on 3 March 2009, and have been disclosed as the Company’s Overseas Regulatory Announcement in the HKEX’s and the Company’s websites on 3 March 2009.

PLDT, a major operating associate of First Pacific, is a company incorporated in the Philippines whose shares are listed on the Philippine Stock Exchange. In addition, PLDT’s American Depositary Receipts (ADRs) are listed on the New York Stock Exchange. First Pacific has a 26.37% attributable interest in PLDT. On 3 March 2009, the board of directors of PLDT has approved the release of the audited financial results for the year ended 31 December 2008. PLDT’s audited financial results have been submitted to the Philippine Stock Exchange and the New York Stock Exchange by way of disclosure on 3 March 2009, and have been disclosed as the Company’s Overseas Regulatory Announcement in The Stock Exchange of Hong Kong Limited (“HKEX”)’s and the Company’s websites on 3 March 2009. The audited financial statements have been prepared in conformity with the Philippine Financial Reporting Standards. PLDT’s audited consolidated Statements of Income for the year ended 31 December 2008 and the audited consolidated Balance Sheet as at 31 December 2008 are provided below:

PHILIPPINE LONG DISTANCE TELEPHONE COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME

For the Years Ended 31 December 2008 and 2007

(in million pesos, except earnings per common share amounts)

	2008	2007
REVENUES		
Service revenues	142,873	135,478
Non-service revenues	2,709	2,480
	<u>145,582</u>	<u>137,958</u>
EXPENSES		
Depreciation and amortization	24,709	28,613
Compensation and employee benefits	20,709	20,470
Repairs and maintenance	8,569	7,310
Selling and promotions	5,695	5,541
Cost of sales	5,252	5,127
Professional and other contracted services	4,591	5,588
Asset impairment	4,180	1,317
Rent	3,656	2,762
Taxes and licenses	2,736	2,319
Communication, training and travel	1,993	1,850
Insurance and security services	1,196	1,197
Amortization of intangible assets	377	390
Provisions	898	666
Other expenses	1,225	1,306
	<u>85,786</u>	<u>84,456</u>
	<u>59,796</u>	<u>53,502</u>
OTHER INCOME (EXPENSES)		
Gains (losses) on derivative financial instruments – net	3,812	(1,044)
Interest income	1,668	1,503
Equity share in net losses of associates and joint ventures	(176)	(11)
Financing costs – net	(6,104)	(7,088)
Foreign exchange (losses) gains – net	(6,170)	2,976
Others	1,665	3,419
	<u>(5,305)</u>	<u>(245)</u>
INCOME BEFORE INCOME TAX	54,491	53,257
PROVISION FOR INCOME TAX	19,193	17,279
NET INCOME FOR THE YEAR	<u>35,298</u>	<u>35,978</u>
ATTRIBUTABLE TO:		
Equity holders of PLDT	34,635	36,004
Minority interests	663	(26)
	<u>35,298</u>	<u>35,978</u>
Earnings Per Share For The Year Attributable to Common Equity Holders of PLDT		
Basic	181.65	188.42
Diluted	181.64	187.53

CONSOLIDATED BALANCE SHEETS

As At 31 December 2008 and 2007

(in million pesos, except par value, per share amounts and number of shares)

	2008	2007
ASSETS		
Noncurrent Assets		
Property, plant and equipment – net	160,326	159,414
Investments in associates and joint ventures	1,174	1,351
Available-for-sale financial investments	131	143
Investment in debt securities	635	273
Investment properties	617	577
Goodwill and intangible assets – net	10,450	11,721
Deferred income tax assets – net	9,605	13,757
Derivative financial assets	–	59
Prepayments – net of current portion	2,501	2,281
Advances and refundable deposits – net of current portion	1,086	1,030
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Total Noncurrent Assets	186,525	190,606
Current Assets		
Cash and cash equivalents	33,684	17,447
Short-term investments	6,670	13,415
Investment in debt securities	1,656	1,115
Trade and other receivables – net	15,909	12,645
Inventories and supplies	2,069	1,167
Derivative financial assets	56	897
Current portion of prepayments	4,164	2,368
Current portion of advances and refundable deposits	1,825	498
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Total Current Assets	66,033	49,552
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TOTAL ASSETS	252,558	240,158

	2008	2007
EQUITY AND LIABILITIES		
Equity		
Preferred stock, Php10 par value, authorized – 822,500,000 shares; issued and outstanding – 441,480,512 shares as at 31 December 2008 and 441,650,297 shares as at 31 December 2007	4,415	4,417
Common stock, Php5 par value, authorized – 234,000,000 shares; issued – 189,456,127 shares and outstanding – 187,483,837 shares as at 31 December 2008 and issued and outstanding – 188,740,519 shares as at 31 December 2007	947	943
Treasury stock – 1,972,290 shares as at 31 December 2008	(4,973)	–
Stock options issued	6	9
Equity portion of convertible preferred stock	–	6
Capital in excess of par value	68,337	67,057
Retained earnings	37,177	39,576
Cumulative translation adjustments	(378)	(895)
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Total Equity Attributable to Equity Holders of PLDT	105,531	111,113
Minority interests	1,438	1,398
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Total Equity	106,969	112,511
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	2008	2007
Noncurrent Liabilities		
Interest-bearing financial liabilities – net of current portion	58,910	53,387
Deferred income tax liabilities	1,288	2,155
Derivative financial liabilities	1,761	7,741
Pension and other employee benefits	5,467	4,540
Customers’ deposits	2,251	2,201
Deferred credits and other noncurrent liabilities	10,582	9,632
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Total Noncurrent Liabilities	80,259	79,656
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Current Liabilities		
Accounts payable	18,268	12,253
Accrued expenses and other current liabilities	24,381	21,674
Derivative financial liabilities	87	242
Provisions for assessments	1,555	1,112
Current portion of interest-bearing financial liabilities	15,080	8,764
Dividends payable	1,379	1,071
Income tax payable	4,580	2,875
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Total Current Liabilities	65,330	47,991
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TOTAL EQUITY AND LIABILITIES	252,558	240,158
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GENERAL

Shareholders should note that the above audited financial results pertain only to PLDT and not to First Pacific itself.

The above information only refers to certain sections of PLDT’s disclosure and shareholders should refer to PLDT’s original filing submitted to the Philippine Stock Exchange (<http://www.pse.org.ph>) and the New York Stock Exchange (<http://www.nyse.com>), as well as disclosed as the Company’s Overseas Regulatory Announcement in the HKEX’s and the Company’s websites.

By Order of the Board
First Pacific Company Limited
Manuel V. Pangilinan
Managing Director and CEO

Hong Kong, 3 March 2009

As at the date of this announcement, the Board comprises the following Directors:

Anthoni Salim, *Chairman*

Manuel V. Pangilinan, *Managing Director and CEO*

Edward A. Tortorici

Robert C. Nicholson

Napoleon L. Nazareno

Ambassador Albert F. del Rosario

Sir David W.C. Tang*, *KBE*

Tedy Djuhar

Sutanto Djuhar

Ibrahim Risjad

Benny S. Santoso

Graham L. Pickles*

Professor Edward K.Y. Chen*, *GBS, CBE, JP*

* *Independent Non-executive Directors*