

12 July 2000

**FIRST PACIFIC CONSOLIDATES INVESTMENTS IN PLDT;
METRO PACIFIC NEGOTIATES KEY STEP IN RESTRUCTURING**

First Pacific announced today that it has agreed to purchase Metro Pacific's entire interest in PLDT, representing approximately 8.0 per cent of PLDT's issued capital, for US\$274.9 million (HK\$2.1 billion). Given the First Pacific Group's attributable 80.6 per cent economic interest in Metro Pacific, the transaction effectively results in First Pacific increasing its economic interest in PLDT by 1.5 per cent to 24.6 per cent at a cost of US\$53.3 million (HK\$415.7 million).

Under the terms of the agreement, which was signed earlier today, First Pacific will acquire Metro Pacific's direct and indirect interests, totalling 13,438,220 PLDT shares, at Pesos 900 (US\$20, HK\$160) per share. This price was negotiated on commercial terms, and represents a 14.4 per cent premium to the shares' average closing price, in Manila, over the previous 20 trading days.

Metro Pacific attained its interest in PLDT in March 2000, when Metro Pacific's 38.3 per cent interest in Smart was acquired by PLDT in exchange for PLDT shares.

The transaction is a further, refining step in First Pacific Group's restructuring program that has, over the last two years, seen a refocusing and streamlining of the Group's investments. First Pacific initially acquired a 17.2 per cent economic interest in PLDT in November 1998. Through the combination of Smart with PLDT in March 2000, First Pacific increased its economic interest in PLDT to 23.1 per cent, of which 6.4 per cent was held indirectly through Metro Pacific. This transaction consolidates the Group's interests in PLDT and, as a consequence, First Pacific's economic interest in PLDT will increase to 24.6 per cent.

In addition, the transaction is a defining step in Metro Pacific's strategy to become a property-focused company. Since July 1998, Metro Pacific has disposed of a number of non-core assets and, following the disposal of its investment in PLDT, approximately 90 per cent of Metro Pacific's assets will now relate to property.

The transaction, the terms of which are subject to independent review for fairness and reasonableness, requires certain approvals, including the approval of First Pacific's shareholders. The shareholders' meeting is expected to take place on or around 7 August, 2000.

Michael J.A. Healy, First Pacific's Chief Operating Officer and Finance Director, commented: "The transaction is a key component in First Pacific's stated strategy to focus on companies which are leaders in their respective markets. Following the original acquisition in November 1998, and subsequent merger with Smart in March 2000, this transaction marks the final step of consolidating our interest in PLDT. In addition, it promotes greater clarity regarding Metro Pacific's future business direction."

Ricardo S. Pascua, Metro Pacific's President and Chief Executive Officer, commented: "Metro Pacific intends to use the PLDT share proceeds to support its balance sheet as we move towards becoming a pure property company. Following the disposal of the PLDT shares, Metro Pacific will have a clearer focus on its property interests of Fort Bonifacio Global City, Landco Pacific and Pacific Plaza Towers."

Reference information:

Metro Pacific Metro Pacific Corporation is based in Manila where it is separately listed. Its principal investments are property related: Bonifacio Land, Landco Pacific and Pacific Plaza Towers. First Pacific's attributable economic interest in Metro Pacific is 80.6 per cent.

PLDT Philippine Long Distance Telephone Company is based in Manila where it is separately listed. It is the principal supplier of domestic and international telecommunications services in the Philippines. It has five principal business lines – Fixed Line, Mobile, Internet, Cable and Satellite – and offers a comprehensive menu of products and services. First Pacific's attributable economic interest in PLDT is 23.1 per cent, which, post this transaction, will increase to 24.6 per cent.

Smart Smart Communications, Inc. is an integrated telecoms company licensed to offer mobile telephone services, local and long distance calling, and paging services in the Philippines. Smart is a wholly-owned subsidiary of PLDT.

Translated amounts These are for illustrative purposes only. Translations are on an approximate basis at the rates of: US\$1 = Pesos 44 = HK\$7.80

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