

7th April 1999

PLDT ISSUES US\$175 MILLION 10-YEAR NOTES

Philippine Long Distance Telephone Company ("PLDT") confirmed its reputation as one of Asia's premier corporate issuers yesterday by issuing an aggregate principal amount of US\$175 million of 10-year Notes as the first drawdown under its Global Medium-Term Note Program established in September 1998.

The Global Notes were priced at a final spread of 540 basic points (bps) over the 10-year benchmark US Treasury bond with a semi-annual coupon of 10.5% to yield 10.557%.

The PLDT Global Notes are rated Ba2 by Moody's Investors Service and BB+ by Standard & Poor's Ratings Services. The transaction was sole lead managed by Warburg Dillon Read LLC, a subsidiary of UBS AG.

The transaction was launched at a size of US\$150 million with price talk of approximately 160 bps over the spread of the Republic of the Philippines ("RoP") 8.875% Global 2008 Bond.

While demand was initially driven by reverse inquiry from US based investors, strong market reception for the issue resulted in the transaction being significantly oversubscribed and subsequently increased to US\$175 million.

The final distribution was weighted towards the US with some participation out of Europe and Asia. The quality of accounts was extremely high with representation from US insurance companies and asset managers.

The favourable pricing achieved on the 2009 maturity, reflecting a modest 25 bps premium over PLDT's outstanding 2007 Bond, affirmed PLDT's credit quality and dominant market position as the Philippines' leading telecommunications carrier. This premium, adjusting for duration, was comparable to the execution on the successful RoP sovereign Bond issue earlier this year.

"We are very pleased with the outcome of this opportunistic financing, which was timed to take advantage of the stable market environment ahead of our strategic plans to raise additional equity for the company later this year," Anabelle Chua, Treasurer and First Vice President of PLDT said.

The strong spread performance of the RoP's outstanding Bonds and continuing investor appetite for Asian paper, allowed PLDT to seize this market window to source attractive longer term financing. Proceeds from this issue will be used by PLDT in connection with its proposed service improvements and expansion programs.