

19th February 1999

NTT FORMALLY APPROVES RAISING ITS HOLDING IN SMART TO 37%

First Pacific announced today that Nippon Telegraph & Telephone Company's (NTT's) Board of Directors has formally approved the Company's plans to pay approximately US\$214 million to increase its investment in Smart Communications, Inc., the Philippines' leading cellular operator, to 37 per cent from 15 per cent.

The plan was preliminarily agreed to on 2nd February, and had initially been flagged in November when First Pacific announced that it had invested US\$749 million to acquire, through Philippine and other affiliates, a significant interest in Philippine Long Distance Telephone Company (PLDT).

NTT will acquire US\$42 million of Smart shares from Metro Pacific Corporation, First Pacific's Philippine flagship, and a further US\$107 million of Smart shares from other affiliates of First Pacific. In addition, it will subscribe for US\$65 million of new Smart shares.

Following the transactions - which are expected to be completed in early March and involve the conversion of all outstanding Smart bonds into new common shares - Smart will be 38 per cent held by Metro Pacific, 37 per cent owned by NTT, and 18 per cent held by other First Pacific affiliates. The remaining 7 per cent will be held by private Philippine investors and management.