



FIRST PACIFIC FINANCE LIMITED

(incorporated with limited liability under the laws of the Cayman Islands)

**U.S.\$199,000,000 Zero Coupon Guaranteed Exchangeable Notes due 2010 (the "Notes")
Guaranteed by First Pacific Company Limited
Exchangeable into Common Stock of par value PHP 5.00 each of
Philippine Long Distance Telephone Company ("PLDT")**

First Pacific Finance Limited (the "Company") refers to Clause 6.1.3 of the Trust Deed and Clause 7.5 of the Agency Agreement in respect of the above Notes. The Company hereby provides notification of a pending adjustment to the Exchange Property, the details of which are set out below.

On 27 February 2006, PLDT declared a final dividend for the financial year 2005 in a gross amount of PHP28 per common share with a book close date of 20 March 2006 and a payment date of 20 April 2006. Upon the actual receipt of dividends (net of relevant withholding tax payable thereon) applicable to the Exchange Property, a Capital Distribution, as defined under Clause 5 of the terms and conditions of the Notes, in a US\$ amount equivalent to PHP162,334,135 will be made in respect of the Notes. In accordance with the terms and conditions of the Notes, the Capital Distribution shall be applied to purchase additional PLDT Shares as soon as practicable after 20 April 2006, at the then prevailing market price, and such purchased shares shall be added to the Exchange Property.

The Company shall make a further announcement of the actual adjustment to the Exchange Property as a result of the above as soon as practicable after 20 April 2006.

Issued by
First Pacific Finance Limited
28 February 2006