



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 and the announcement made on 28 February 2006. The Company hereby provides notification of the actual adjustment to the Exchange Property, the details of which are set out below.

An additional Capital Distribution, as defined under Clause 5 of the terms and conditions of the Notes, has been made in the amount of US\$3,159,794.68 as a result of PLDT paying dividends on 20 April 2006 in respect of the Exchange Property for the financial year 2005 in excess of the amount specified in Clause 5. As stipulated in Clause 6(g) of the terms and conditions of the Notes, the Capital Distribution should be included in the Exchange Property. In accordance with Clause 6(j), the additional Capital Distribution has been applied to purchase 82,555 additional PLDT shares, from the Philippine Stock Exchange Inc, and such shares shall be added to the Exchange Property.

With effect from 21 April 2006, the Exchange Property comprises 6,903,317 PLDT shares. On the exercise of the Exchange Rights, Noteholders will be entitled to receive 346.9004 PLDT shares for each US\$10,000 principal amount of Notes (subject to further adjustments pursuant to the terms and conditions of the Notes).

A calculation of the Capital Distribution and the application of such cash to the purchase of additional PLDT shares is attached as an Appendix.

The additional PLDT shares added to the Exchange Property shall be delivered to the Custodian as soon as practicable after the issuance of the Bangko Sentral Registration Certificate in respect of such shares.

Issued by
First Pacific Finance Limited
21 April 2006

Appendix

Calculation of Capital Distribution

Dividends received in respect of financial year 2005 on the Exchange Property:	<u>USD</u>
PHP21 per share received on 14 Jul 2005 at exchange rate PHP56.12:US\$1-	2,538,594.28
PHP21 per share received on 28 Dec 2005 at exchange rate PHP53.12:US\$1-	2,681,963.69
PHP28 per share received on 20 Apr 2006 at exchange rate PHP51.3749:US\$1 -	3,717,405.50
	<u>8,937,963.47</u>
Less: amount above which dividends are deemed to be Capital Distributions for the financial year 2005, per Clause 5 of the terms and conditions (US\$187.50 x 19,900 Notes of US\$10,000 each)	(3,731,250.00)
Gross Capital Distribution for the financial year 2005	<u>5,206,713.47</u>
Net Capital Distribution after 15% dividend withholding tax (actual cash Capital Distribution received)	4,425,706.45
Less: net Capital Distribution already included in Exchange Property on 4 Jan 2006	(1,265,911.77)
Additional net Capital Distribution in respect of the financial year 2005	<u>3,159,794.68</u>

Purchase of PLDT shares

	20 Apr 06	21 Apr 06
	54,230 shares at average price of PHP1,955; FX conversion at PHP51.38:US\$1	28,325 shares at average price of PHP1,983.6593; FX conversion at PHP51.681:US\$1
Consideration	PHP106,019,650.00	PHP56,187,149.67
Commission	265,049.13	141,586.07
VAT	31,805.90	16,990.33
SCCP Fee	10,601.97	5,618.71
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Total PHP consideration	<u>PHP106,327,107.00</u>	<u>PHP56,351,344.78</u>
FX conversion	US\$2,069,425.98	US\$1,090,368.70
Total Purchase Consideration for 82,555 shares		<u>US\$3,159,794.68</u>

Exchange Property**Number of PLDT Shares**

Prior to additional Capital Distribution on 20 Apr 2006	6,820,762
PLDT shares purchased from additional Capital Distribution	<u>82,555</u>
Revised Exchange Property as of 21 Apr 2006	6,903,317
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PLDT shares per US\$10,000 principal amount of Notes	346.9004
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