FIRST PACIFIC

FIRST PACIFIC COMPANY LIMITED

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(Incorporated with limited liability under the laws of Bermuda)
Website: http://www.firstpacco.com

(Stock Code: 00142)

OVERSEAS REGULATORY ANNOUNCEMENT

(This overseas regulatory announcement is issued pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited)

Please refer to the attached press release of Philippine Long Distance Telephone Company ("PLDT"), a major operating associate of First Pacific Company Limited, in relation to PLDT's Unaudited Financial Results for the first nine months of 2007.

Dated this 6th day of November, 2007

As at the date of this announcement, the board of directors of First Pacific Company Limited comprises the following directors:

Anthoni Salim, *Chairman*
Manuel V. Pangilinan, *Managing Director and CEO*
Edward A. Tortorici
Robert C. Nicholson
Albert F. del Rosario
Edward K.Y. Chen*, *GBS, CBE, JP*
Tedy Djuhar
Sutanto Djuhar
Ibrahim Risjad
Benny S. Santoso
Graham L. Pickles*
David W.C. Tang*, *OBE, Chevalier de L'Ordre des Arts et des Lettres*

* *Independent Non-executive Directors*

PLDT Press release

NINE MONTHS 2007 CORE NET INCOME UP 13% or ₱3 BILLION TO ₱26.2 BILLION
REPORTED NET INCOME IMPROVES 3% TO ₱ 26.5 BILLION
INCOME BEFORE TAX RISES 36% or ₱10.5 BILLION TO ₱ 40 BILLION
CONSOLIDATED EBITDA AT ₱62.0 BILLION
CORE EARNINGS GUIDANCE UPGRADED TO ₱34.5- ₱ 35 BILLION
BOARD APPROVES BOND CONSENT SOLICITATION PROCESS

- Consolidated core net income at ₱26.2 billion for the first nine months of 2007, an increase of 13% or ₱ 3 billion from previous year's ₱23.2 billion
- Reported net income of ₱26.5 billion, 3% higher than last year, due to lower additional depreciation charges offset by an increase in provision for taxes of ₱10.0 billion
- Income before tax surged 36% to ₱40 billion in the first nine months of 2007 while provision for taxes increased by ₱10 billion to ₱13 billion during the period
- Consolidated EBITDA reached ₱62.0 billion, up 4% from last year's ₱59.4 billion; consolidated EBITDA margin at 62% of service revenues
- Consolidated service revenues improved 9% year-on-year to ₱100.5 billion; wireless service revenues increased 10% to ₱64.1 billion
- Free cash flow at ₱36 billion after incurring capital expenditures of ₱14.5 billion
- Cellular net additions of 4.1 million for the period; subscriber base now over 28.3 million
- Broadband continues strong growth as broadband subscribers hit the 501,000 mark and total revenue contribution from broadband and internet services surged 43% to ₱5.3 billion for the first nine months of 2007
- Core earnings guidance upgraded to ₱34.5- ₱35 billion for the year
- Board approves consent solicitation from PLDT's 2009, 2012, and 2017 bondholders to amend existing restrictive covenants in order to improve the Company's capital management flexibility

MANILA, Philippines, 6th November 2007 — Philippine Long Distance Telephone Company ("PLDT") (PSE: TEL) (NYSE: PHI) today announced consolidated core net profit, before foreign exchange translation and derivative gains, of ₱26.2 billion for the first nine months of 2007, up 13% or ₱3 billion from ₱23.2 billion in the same period last year. Reported net income, reflecting such translation and derivative gains, rose by 3% to ₱26.5 billion compared with the reported net income of ₱25.7 billion in the same period last year. Lower additional depreciation charges were reduced by significantly higher income tax provisioning. The Group's income before tax in the first nine months of 2007 increased by 36% to ₱40 billion. Provision for income tax, however, also increased by over 300%, or about ₱10 billion, to ₱13 billion as the Group's effective tax rate rose to 33%.

Consolidated service revenues increased by 9% to ₱100.5 billion, despite the 9% appreciation of the peso which negatively impacted the growth of service revenues by almost 4%, owing to the linkage to the U.S. Dollar of 38% of PLDT's consolidated revenues. If the Peso-U.S. Dollar exchange rate had remained stable for the period under review, consolidated service revenues would have grown by approximately 13%, or by a further ₱3.7 billion. Consolidated EBITDA improved by 4% to ₱62.0 billion while EBITDA margin was at 62%.

Consolidated free cash flow remained robust at ₱36 billion in the first nine months of 2007, with consolidated capital expenditures of ₱14.5 billion during the period. Capital expenditures for the Group are expected to reach ₱25 billion in 2007 as a result of the better than expected take up of cellular and broadband subscribers.

The Group's consolidated balance sheet continued to strengthen with consolidated gross debt balances reduced to US$1.5 billion, after debt repayment of almost US$206 million were made in the first nine months of 2007. After reflecting cash balances, consolidated net debt stood at only US$1.1 billion as at 30th September 2007 compared with US$ 1.4 billion last year. As of the same date, the Group's consolidated net debt to EBITDA stood at 0.60 times, net debt to free cash flow at 1.2 times, and net debt to equity at 0.48 times.

On 5th November 2007, the Board of Directors of our wireless subsidiary, Pilipino Telephone Corporation ("Piltel"), approved the redemption of Piltel's Series J preferred shares held by PLDT. These shares were issued at a price of ₱1,000 per share over the period 2000 to 2003 in relation to the Letter of Support executed by PLDT under the terms of Piltel's original debt restructuring and carry an effective dividend rate of 9% per annum. The shares will be redeemed at the original issue price for a total payment of ₱4.93 billion plus ₱195.9 million in accrued dividends up to the redemption date of 5th December 2007.

The Piltel Board also approved the sale of Piltel's fixed line business to PLDT subject to the execution of a definitive agreement and fulfillment of certain closing conditions, including the procurement of the requisite regulatory approvals. The sale and transfer will allow Piltel to concentrate its resources on its wireless business and, at the same time, bring together the PLDT Group's local exchange carrier businesses to derive operating efficiencies. Piltel's 40,415 fixed line subscribers will benefit because of the upgrades being undertaken by PLDT on its own fixed line infrastructure. PLDT has been managing Piltel's fixed line business since July 2001 under a Facilities Management Agreement.

Wireless: Continuing to Trend Upwards

Consolidated wireless service revenues rose to ₱64.1 billion for the first nine months of 2007, 10% higher than the ₱58.0 billion realized in the same period last year. Cellular data revenues grew by 15%, voice revenues by 3% and wireless broadband revenues surged by 205%. Wireless service revenues in the third quarter, which are typically lower compared with other quarters, declined by 5% quarter-on-quarter to ₱21.1 billion from ₱22.2 billion as the second quarter benefited from the impact of election-related spending.

Consolidated wireless EBITDA improved by 9% to ₱41.9 billion in the first nine months of 2007 from ₱38.2 billion for the same period in 2006. EBITDA margin stood at 65%.

The PLDT Group's total cellular subscriber base grew by 4.1 million to 28.3 million from year end 2006. Smart recorded net additions of approximately 2.7 million subscribers while *Talk 'N Text* added about 1.4 million subscribers to end the first nine months of 2007 with 19.9 million and 8.3 million subscribers, respectively.

“Smart’s continued strong subscriber growth has been achieved through focused on-the-ground sales activities and more aggressive acquisition programs. We are also addressing usage levels through a segmented approach that allows us to offer tailor-made promotions to specific sectors of our subscriber base," stated **Napoleon L. Nazareno,** PLDT President and CEO .

Smart’s extensive infrastructure and robust platform enable it to maintain its leadership in developing innovative voice and text packages that offer the most value and variety to its customers.

Smart’s wireless broadband service - branded *SmartBro (ang broadband ng bayan)* - has grown its wireless broadband subscriber base to over 259,000 at the end of September 2007, adding nearly 138,000 new subscribers in the first nine months of 2007, a growth of about 114%. Smart now has 2,678 wireless broadband-enabled base stations providing high-speed internet access to over 625 cities and municipalities all over the Philippines. Wireless broadband revenues grew 205%, from ₱554 million in the first nine months of 2006 to about ₱1.7 billion in the first nine months of 2007. *SmartBro* is an integral part of the PLDT Group’s strategy to be at the forefront of “broadbanding” the country.

PLDT Fixed Line: Addressing the Challenges

Fixed Line service revenues decreased by 1% to ₱35.7 billion in the first nine months of 2007 from ₱35.9 billion in the first nine months of 2006 mainly on account of the stronger peso. The gains realized in broadband and corporate data revenues were balanced by the decline in our traditional fixed line voice revenues. Our dollar-linked revenues arising from the local exchange and ILD businesses continue to be adversely impacted by the appreciation of the U.S. dollar/peso exchange rate. Had the peso not appreciated by 9% in the first nine months of 2007 and remained relatively stable, fixed line revenues would have reported an increase of ₱1.5 billion or a growth rate of 3% year-on-year.

Retail DSL continued to grow as broadband subscribers reached approximately 230,000 at the end of September 2007, representing net additions of over 96,000 subscribers in the first nine months of the year. PLDT also had approximately 270,000 subscribers using our Vibe dial-up Internet service as of the end of the period. PLDT DSL and Vibe contributed ₱2.9 billion in revenues for the first nine months of 2007, up 13% from ₱2.6 billion for the same period in 2006.

Fixed line EBITDA in the first nine months of 2007 declined to ₱19.2 billion, driven by the decrease in revenues and the increase in certain cash operating expenses, including the cost of the manpower rightsizing program which rationalized further our fixed line manpower complement. Headcount has been reduced by over 600, bringing total manpower down to just over 8,000. As a consequence, EBITDA margin for the period was 54%.

"We remain committed to executing our revitalization efforts for the fixed line business which are centered on the NGN upgrade and its related processes. The proposed sale of Piltel’s fixed line business will also bring together the PLDT Group’s LEC businesses such that these LEC businesses can derive greater operating efficiencies.” **Nazareno** said.

ePLDT: Gearing up for Growth

ePLDT, the Group's Information and Communications Technology arm, reported service revenues of ₱7.4 billion for the first nine months of 2007, a 96% increase from the ₱3.8 billion revenue achieved last year. This was driven by the continued growth in call center revenues through *ePLDT Ventus* and the consolidation of SPi Technologies, Inc. (SPi), after its acquisition in July 2006. Despite their significant growth, ePLDT's revenues were likewise adversely impacted by the strong appreciation of the peso since approximately 86% of its service revenues are denominated in U.S. Dollars. ePLDT would have reported a 113% growth in revenues if the peso had remained stable year-on-year. ePLDT's revenues now account for 7% of the PLDT Group's consolidated revenues.

EBITDA grew 46% to ₱803.0 million in the first nine months of 2007 from ₱551.5 million in the first nine months of 2006. EBITDA margin declined to 11% due to the 9% appreciation of the peso which reduced revenues by ₱633.8 million, the higher compensation and benefits costs associated with new employee incentive schemes and the extended lead time required to effect an orderly migration of SPi's medical and other transcription business from the United States to Asia, particularly the Philippines.

ePLDT Ventus operates seven facilities with combined seats of over 5,800 and an employee base of over 6,300. Consolidated call center revenues increased 23% to ₱2.4 billion as it continued to expand its client base and improve capacity utilization.

SPi, on the other hand, generated revenues of ₱4.0 billion in the first nine months of 2007, of which 37% came from its publishing business, 39% from its healthcare unit and another 24% from its legal vertical. Its recent acquisition of Springfield Service Corporation, a US-based medical billing and accounts receivable management service provider, is expected to boost its healthcare business as it completes its revenue cycle management offering.

"We continue to foresee strong growth in our outsourcing business and, to this end, are in the process of increasing our sales organization. We have also developed and adopted new technology applications in SPi to reduce dependence on licensed solutions. In addition, we are managing the functional integration of SPi and Ventus around certain areas where we can benefit from shared services. These initiatives have resulted in an improving EBITDA and profit picture for SPi starting this third quarter which should continue on to the rest of this year and 2008," said **Ray C. Espinosa, ePLDT President and CEO**

Capital Management: Taking Steps towards an Optimal Structure

Earlier today, the PLDT Board of Directors approved the solicitation of consents from holders of its outstanding 11.375% Notes due 2012 (the "2012 Notes") to effect certain proposed amendments to the indenture governing the 2012 Notes and a solicitation of consents from holders of its outstanding 10.5% Notes due 2009 (the "2009 Notes") and 8.35% Notes due 2017 (the "2017 Notes") to effect certain proposed amendments to the indenture governing the 2009 Notes and 2017 Notes.

The proposed amendments will, once effective, amend the covenants in the 2012 Notes relating to the limitation on restricted payments. The proposed amendments will also, once effective, amend the covenants in the 2009 Notes, the 2012 Notes and the 2017 Notes relating to the limitation on dividends. Specifically, the proposed amendments would give PLDT greater flexibility to make certain restricted payments, amend limitations on PLDT paying dividends or distributions, and reduce PLDT's permitted leverage ratios pursuant to the terms of the notes.

PLDT's key financial indicators including revenues, profitability and operating cash flows have improved over time compared to when the notes were issued. PLDT has utilized cash flow from operations and dividends from its wholly-owned cellular subsidiary, Smart, to substantially reduce debt while resuming payment of dividends to its shareholders from 2005 onwards.

PLDT is focused on maintaining its market leadership, investing in new growth areas to boost its core telecommunications business and diversifying its revenue sources.

As such, the proposed amendments will enable PLDT to pursue an efficient capital structure by adjusting its dividend and distribution policy. PLDT believes that the existing Limitation on Restricted Payments and the existing Limitation on Dividends, constrain its ability to pursue these objectives.

Moreover, consistent with its prudent capital management, the Company is proposing to amend existing bond covenants to tighten the maximum allowed net debt to EBITDA ratio and the net debt to equity.

Outlook for 2007

"The sustained strength in our core numbers and our sturdy underlying fundamentals, as manifested in our robust nine months' numbers, point to another year of record-high core profitability. In that light, we are upgrading our core earnings forecast for the year to be between ₱34.5-₱35 billion, up from the ₱32 billion that we had estimated at the beginning of the year," **Chairman Manuel V. Pangilinan** stated**.**

"The bond consent solicitation exercise approved earlier today is consistent with our commitment to improving shareholder returns. The successful execution of this solicitation exercise will provide PLDT with greater flexibility relating to dividend declarations, capital distribution, and investments decisions that will help grow the business further," Pangilinan added.

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	PLDT Consolidated			
	Nine Months ended September 30		Three months ended September 30	
	2007	2006	2007	2006
Service revenues	100,470	92,003	33,449	31,364
Non-service revenues	1,860	2,160	543	696
Other income	1,138	1,237	685	898
	103,468	95,400	34,677	32,958
Expenses	63,488	65,902	20,688	22,086
Income before income tax	39,980	29,498	13,989	10,872
Provision for income tax	13,028	3,131	4,312	145
Net income - As Reported	26,506	25,744	9,505	10,439
EPS, Basic [(a)]	138.71	138.71	49.76	55.69
EPS, Diluted [(a)]	138.27	138.58	49.63	55.58
Core net income[(b)]	26,240	23,232	9,086	8,025
EPS, Basic [(c)]	137.30	124.98	47.55	42.50
EPS, Diluted [(c)]	136.87	124.98	47.42	42.50

[(a)] *EPS based on reported net income*

[(b)] *Net income as adjusted for the net effect of gain/loss on FX and derivative transactions, additional depreciation charges and recognition of deferred tax assets*

[(c)] *EPS based on core net income*

This press release may contain some statements which constitute "forward-looking statements" that are subject to a number of risks and uncertainties that could affect PLDT's business and results of operations. Although PLDT believes that expectations reflected in any forward-looking statements are reasonable, it can give no guarantee of future performance, action or events.

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About PLDT

PLDT is the leading telecommunications provider in the Philippines. Through its three principal business groups – fixed line, wireless and information communications technology – PLDT offers a wide range of telecommunications services across the Philippines' most extensive fiber optic backbone and fixed line, cellular and satellite network.

PLDT is listed on the Philippine Stock Exchange (PSE:TEL) and its American depositary shares are listed on the New York Stock Exchange (NYSE:PHI). PLDT has one of the largest market capitalizations among Philippine listed companies.

Further information can be obtained by visiting the web at www.pldt.com.ph.