

FIRST PACIFIC COMPANY LIMITED
PRESS RELEASE

Monday, 24 October 2005

**PLDT PROVIDES NOTICE OF MANDATORY CONVERSION OF ALL OF ITS
SERIES III CONVERTIBLE PREFERRED STOCK**

The attached press release was distributed today in Manila by Philippine Long Distance Telephone Company (PLDT), in which First Pacific Group has a 25 per cent economic interest, and a 32 per cent voting interest.

PLDT is the leading telecommunications service provider in the Philippines. It is based in Manila, and has common shares listed on the Philippine Stock Exchange and ADRs listed on the New York Stock Exchange and on the Archipelago Exchange. Through its three principal business groups, PLDT offers a wide range of telecommunications services: Wireless (principally through wholly-owned subsidiary company Smart Communications, Inc.); Fixed Line (principally through PLDT); and Information and Communications Technology (principally through wholly-owned subsidiary company ePLDT). PLDT has developed the Philippines' most extensive fiber optic backbone, cellular, fixed line and satellite networks.

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

**PLDT Provides Notice of Mandatory Conversion of all of its
Series III Convertible Preferred Stock**

Manila, Philippines, October 24, 2005 - Philippine Long Distance Telephone Company ("PLDT" or the "Company") announced that it provided notice today to JPMorgan Chase Bank, N.A., as Depository, of the mandatory conversion of all of its outstanding 4.6 million shares of Series III Convertible Preferred Stock (the "Series III Preferred Stock") into shares of PLDT Common Stock (the "Common Stock"). The conditions for mandatory conversion under the terms of the Series III Preferred Stock have been satisfied, including that the average closing price of the Company's American Depositary Shares ("ADSs") for the thirty day period ending seven days prior to today was above US\$29.19. The Series III Preferred Stock are deposited under PLDT's Global Depositary Receipt Facility, established pursuant to the Preferred Stock Deposit Agreement dated November 29, 1994, as amended ("Preferred Stock Deposit Agreement"), and are represented by Global Depositary Shares ("GDSs") evidenced by Global Depositary Receipts ("GDRs") (Cusip: 718252703).

The Company has set December 19, 2005 as the date on which all of the outstanding shares of Series III Preferred Stock will be mandatorily converted into Common Stock (the "Mandatory Conversion Date"). On such date, each share of Series III Preferred Stock will be converted into 1.7129 shares of Common Stock. As a result of the mandatory conversion of the Series III Preferred Stock, PLDT will issue a total of approximately 7.9 million shares of Common Stock on the Mandatory Conversion Date.

In connection with the Mandatory Conversion, the Series III Preferred Stock holders are given the option, by 2:00pm (New York City Time) on December 14, 2005, to elect to receive: (a) ADSs representing the shares of Common Stock, or (b) the shares of Common Stock, or (c) the net cash proceeds of the sale of shares of Common Stock over the Philippine Stock Exchange. Series III Preferred Stock holders who do not make an election by December 14, 2005 will be deemed to have elected to receive ADSs.

Dividends are to be accrued on the outstanding shares of Series III Preferred Stock up to (and including) the Mandatory Conversion Date and will be paid in accordance with the terms of the Series III Preferred Stock and subject to the terms and conditions of the Preferred Stock Deposit Agreement.

PLDT also notified JPMorgan Chase Bank, N.A., that it is terminating the Preferred Stock Deposit Agreement effective as of January 23, 2006.

Notice of the Mandatory Conversion and the termination of the Preferred Stock Deposit Agreement will be mailed to the registered holders of the Series III Preferred Stock commencing on October 26, 2005.

The Company has appointed Morrow & Co. to act as information agent (the “Information Agent”) in connection with the Mandatory Conversion. Series III Preferred Stock holders may address any inquiries with respect to the Mandatory Conversion to the Information Agent at the following numbers: shareholders may call toll-free 1-800-607-0088; banks and brokers may call toll free 1-800-654-2468 or 1-212-754-8000.

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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) and the Pacific Exchange. 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.