

FIRST PACIFIC COMPANY LIMITED
PRESS RELEASE

Tuesday, 1 June 2004

**SMART RECEIVES OFFERS FROM PILTEL CREDITORS REPRESENTING
68.4% OF PILTEL'S OUTSTANDING RESTRUCTURED DEBT**

The attached press release was distributed today by Smart Communications, Inc., a wholly-owned subsidiary of Philippine Long Distance Telephone Company (PLDT). First Pacific has a 24.3 per cent economic interest and a 31.4 per cent voting interest in PLDT.

PLDT is a telecommunications 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 Pacific Exchange located in San Francisco, California. Through its three principal business groups – Wireless; Fixed Line; and Information and Communications Technology – PLDT offers a wide range of telecommunications services across the Philippines' most extensive fiber optic backbone, cellular, fixed line, internet and satellite networks.

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



Press release

SMART RECEIVES OFFERS FROM PILTEL CREDITORS REPRESENTING 68.4% OF PILTEL'S OUTSTANDING RESTRUCTURED DEBT

Manila, Philippines, June 1, 2004 – Smart Communications, Inc (“Smart”), a wholly-owned subsidiary of Philippine Long Distance Telephone Company (“PLDT”) (PSE:TEL) (NYSE:PHI), announced today that in response to its invitations to creditors of Pilipino Telephone Corporation (“Piltel”) to sell their Piltel debt, Smart had received, as of the close of business on May 31st, 2004, offers from Piltel creditors representing approximately 68.4% in aggregate of the outstanding restructured Piltel debt. All minimum thresholds in respect of individual facilities were met, other than that set for Piltel's bonds (Conversion Notes).

Given the high acceptance level from Piltel's creditors, Smart would still be able to proceed with the transaction. Smart has a period of 90 days from the end of the offer period in which to determine if it will proceed with, and then close, the transaction. If Smart does elect to proceed with the debt exchange, it would hope to close the transaction by the end of July 2004.

However, as the 75% aggregate threshold has not been met, Smart will need to review the matter with the Board of Directors of both PLDT and Smart. PLDT's next Board meeting is scheduled for June 8th, 2004 and, until then, Smart is prepared to entertain any further offers for Piltel's debt on the same economic terms.

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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.

About PLDT

PLDT is the leading telecommunications provider in the Philippines. Through its three principal business groups – fixed line, wireless and information and 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.