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FIRST PACIFIC COMPANY LIMITED

(Incorporated with limited liability under the laws of Bermuda)

Website: <http://www.firstpacific.com>

(Stock Code: 00142)

PLDT COMPLETES ACQUISITION OF APPROXIMATELY 51.55% OF DIGITAL TELECOMMUNICATIONS PHILIPPINES, INC., TOGETHER WITH CERTAIN CONVERTIBLE BONDS AND ADVANCES

MPRI TO EXERCISE CALL OPTION TO ACQUIRE PLDT SHARES REPRESENTING APPROXIMATELY 2.71% OF PLDT'S ENLARGED OUTSTANDING COMMON STOCK

The Company refers to the March Announcement, which announced that PLDT (a major operating associate of the Group) had entered into a sale and purchase agreement to purchase:

- (a) Digitel Shares representing approximately 51.55% of the issued and outstanding common stock of Digitel;
- (b) zero-coupon convertible bonds due 2013 and 2014 issued by Digitel and its subsidiaries (assumed to be convertible into approximately 18.6 billion Digitel Shares); and
- (c) Php 34.1 billion (equivalent to approximately US\$785.6 million or HK\$6.1 billion) in principal amount of advances due from Digitel and/or its subsidiaries to JGS.

The Company is pleased to announce that the Acquisition was completed on 26 October 2011.

As contemplated by the March Announcement, the consideration for the Acquisition was the issue by PLDT of 27,679,210 new shares of common stock, at an issue price of Php 2,500 (equivalent to approximately US\$57.6 or HK\$449.3) per PLDT Share; as a result of which the JG Summit Group now holds approximately 12.9% of PLDT's expanded outstanding common stock.

As referred to in the March Announcement, following completion of the Acquisition PLDT is required to make a mandatory tender offer for all the remaining Digitel Shares held by the public shareholders of Digitel (who hold, in aggregate, approximately 48.45% of the issued common stock of Digitel) to purchase their Digitel Shares. PLDT will launch the Tender Offer on a date to be announced by PLDT. Under the terms of the Tender Offer, Digitel shareholders will be given an option to sell their Digitel Shares at Php 1.6033 (equivalent to approximately US\$0.037 or HK\$0.288) per Digitel Share, payable in cash, or to swap their Digitel Shares for PLDT common shares at a swap ratio of 1,559.28 Digitel Shares for every new PLDT common share.

Immediately following completion of the Acquisition and the issue of the Consideration Shares by PLDT, the aggregate shareholding of the Company and its Philippine affiliates in PLDT has been diluted from approximately 26.47% to approximately 23.05% of PLDT's enlarged outstanding common stock.

As disclosed in the March Announcement as a discloseable transaction for the Company under the Listing Rules, MPRI (a Philippine affiliate of the Company) entered into the Option Agreement with JGS on 29 March 2011. As contemplated by the March Announcement, the Option Agreement has become effective on completion of the Acquisition. Under the Option Agreement, MPRI has a Call Option to purchase PLDT Shares representing approximately 2.71% of the outstanding common stock of PLDT, as enlarged by the issue of the Consideration Shares by PLDT in connection with the Acquisition, for a purchase price equal to the US dollar equivalent (at an agreed exchange rate of Php 43.405:US\$1.00) of Php 2,500 (equivalent to approximately US\$57.6 or HK\$449.3) per PLDT Share. The aggregate purchase price payable by MPRI on exercise of the Call Option in full is approximately Php 14.5 billion (equivalent to approximately US\$334.7 million or HK\$2.6 billion).

MPRI intends to exercise the Call Option in full. Following completion of the exercise of the Call Option, the Company and its Philippine affiliates would hold, in aggregate, approximately 25.76% of PLDT's outstanding common stock, as enlarged by the issue of the Consideration Shares by PLDT in connection with the Acquisition or approximately 25.53% as so enlarged and assuming that all of the public shareholders of Digitel take up new PLDT Shares under the Tender Offer.

INTRODUCTION

The Company refers to its announcement dated 29 March 2011 (the "**March Announcement**"). Unless the context otherwise requires, capitalised terms and expressions used in this announcement shall have the meanings given to them in the March Announcement.

COMPLETION OF THE ACQUISITION BY PLDT OF APPROXIMATELY 51.55% OF DIGITEL AND CERTAIN CONVERTIBLE BONDS AND ADVANCES

The March Announcement announced that PLDT (a major operating associate of the Group) had entered into a sale and purchase agreement to purchase:

- (a) Digitel Shares representing approximately 51.55% of the issued and outstanding common stock of Digitel;
- (b) zero-coupon convertible bonds due 2013 and 2014 issued by Digitel and its subsidiaries (assumed to be convertible into approximately 18.6 billion Digitel Shares); and
- (c) Php 34.1 billion (equivalent to approximately US\$785.6 million or HK\$6.1 billion) in principal amount of advances due from Digitel and/or its subsidiaries to JGS.

The Company is pleased to announce that the acquisition described above and in the March Announcement (the “**Acquisition**”) was completed on 26 October 2011.

As contemplated by the March Announcement, the consideration for the Acquisition was the issue by PLDT of 27,679,210 new shares of common stock, at an issue price of Php 2,500 (equivalent to approximately US\$57.6 or HK\$449.3) per PLDT Share; as a result of which the JG Summit Group now holds approximately 12.9% of PLDT’s expanded outstanding common stock.

As part of the approval of the acquisition of Digitel by PLDT, the Philippine National Telecommunications Commission (“**NTC**”) approved a plan presented by PLDT whereby the rights in respect of 10 megahertz of 3G (third generation mobile wireless telecommunications technology) frequency held by a subsidiary of PLDT will be disposed of pursuant to a competitive bidding process to be supervised by the NTC.

TENDER OFFER IN RESPECT OF THE REMAINING 48.45% OF DIGITEL

As referred to in the March Announcement, following completion of the Acquisition PLDT is required to make a mandatory tender offer for all the remaining Digitel Shares held by the public shareholders of Digitel (who hold, in aggregate, approximately 48.45% of the issued common stock of Digitel) to purchase their Digitel Shares. PLDT will launch the Tender Offer on a date to be announced by PLDT. Under the terms of the Tender Offer, Digitel shareholders will be given an option to sell their Digitel Shares at Php 1.6033 (equivalent to approximately US\$0.037 or HK\$0.288) per Digitel Share, payable in cash, or to swap their Digitel Shares for PLDT common shares at a swap ratio of 1,559.28 Digitel Shares for every new PLDT common share.

THE COMPANY AND ITS PHILIPPINE AFFILIATES' SHAREHOLDING IN PLDT AND EXERCISE OF THE CALL OPTION

Immediately following completion of the Acquisition and the issue of the Consideration Shares by PLDT, the aggregate shareholding of the Company and its Philippine affiliates in PLDT has been diluted from approximately 26.47% to approximately 23.05% of PLDT's enlarged outstanding common stock.

As referred to in the March Announcement, MPRI (a Philippine affiliate of the Company) entered into the Option Agreement with JGS on 29 March 2011. As contemplated by the March Announcement, the Option Agreement has come into effect on completion of the Acquisition. Under the Option Agreement, MPRI has a Call Option to purchase PLDT Shares representing approximately 2.71% of the outstanding common stock of PLDT, as enlarged by the issue of the Consideration Shares by PLDT in connection with the Acquisition; equivalent to approximately 2.69% of the outstanding common stock of PLDT as so enlarged and assuming that all of the public shareholders of Digitel take up new PLDT Shares under the Tender Offer. The purchase price for the PLDT Shares to be purchased by MPRI on exercise of the Call Option under the Option Agreement is equal to the US dollar equivalent (at an agreed exchange rate of Php 43.405:US\$1.00) of Php 2,500 (equivalent to approximately US\$57.6 or HK\$449.3) per PLDT Share. The aggregate purchase price payable by MPRI on exercise of the Call Option in full is approximately Php 14.5 billion (equivalent to approximately US\$334.7 million or HK\$2.6 billion).

MPRI intends to exercise the Call Option in full. Following completion of the exercise of the Call Option, the Company and its Philippine affiliates would hold, in aggregate, approximately 25.76% of PLDT's outstanding common stock, as enlarged by the issue of the Consideration Shares by PLDT in connection with the Acquisition or approximately 25.53% as so enlarged and assuming that all of the public shareholders of Digitel take up new PLDT Shares under the Tender Offer.

The Call Option, and the reciprocal Put Option granted to JGS under the Option Agreement in respect of the same PLDT Shares, have previously been disclosed in the March Announcement as a discloseable transaction for the Company, in accordance with the requirements of Chapter 14 of the Listing Rules. In accordance with Rule 14.74(1) of the Listing Rules, the Option Agreement which included both the Put Option and the Call Option as described in the March Announcement was classified as if the option had been exercised on the date of the March Announcement.

REASONS FOR AND BENEFITS OF PLDT'S INVESTMENT IN DIGITEL

PLDT's investment in Digitel is expected to achieve substantial benefits for the consumer and for the shareholders of PLDT, including the Company and its Philippine affiliates. It is expected to leverage the combined expertise of the PLDT Group and Digitel to create a telecommunications company better positioned to provide higher quality and more affordable services to fixed-line, wireless, and broadband subscribers while addressing a wide range of consumer demands – from voice and SMS to data and Internet and video services.

Together, the PLDT Group and Digitel would have approximately 60 million subscribers and approximately 100% network coverage to serve the Philippines' growing demand for wireless services.

INFORMATION IN RESPECT OF DIGITEL

Digitel is the holder of the entire issued share capital of Digitel Mobile Philippines, Inc. Digitel Mobile Philippines, Inc., and Digitel Crossing, Inc. each hold franchises to operate and maintain telecommunications systems in the Philippines. Established in 1987, Digitel is one of the major providers of wireline communication systems in Luzon. In 2003, Digitel entered the wireless communications business through the Sun Cellular brand and has since then been recognised as one of the fastest-growing wireless communications providers in the Philippines, with 14 million wireless subscribers as of the end of 2010. Through Sun Cellular, Digitel is able to expand its portfolio of telecommunications services to include wireless voice and internet together with its array of fixed-line telephony products. Digitel is listed on the PSE.

INFORMATION IN RESPECT OF PLDT

PLDT is the leading telecommunications service provider in the Philippines. It is based in Manila, and has shares of common stock listed on the PSE and ADRs listed on the New York Stock Exchange. 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 and cellular networks.

INFORMATION IN RESPECT OF THE JG SUMMIT GROUP

The JG Summit Group is one of the Philippines' foremost business groups. It has a diversified portfolio of businesses spanning consumer food manufacturing, aviation, real estate, petrochemicals, banking and telecommunications.

INFORMATION IN RESPECT OF THE COMPANY

The Company is a Hong Kong based investment and management company with operations located in Asia. The Company's principal business interests relate to telecommunications, consumer food products, infrastructure and natural resources.

By Order of the Board
First Pacific Company Limited
Manuel V. Pangilinan
Managing Director and CEO

Hong Kong, 26 October 2011

Unless stated otherwise, translations of quoted currency values are made on an approximate basis and at the rate of US\$1.00 = HK\$7.8 = Php 43.405. Percentages and figures expressed in billions and millions have been rounded.

As at the date of this announcement, the Board comprises the following directors:

Anthoni Salim, *Chairman*

Manuel V. Pangilinan, *Managing Director and CEO*

Edward A. Tortorici

Robert C. Nicholson

Graham L. Pickles*

Prof. Edward K.Y. Chen*, *GBS, CBE, JP*

Tedy Djuhar

Ibrahim Risjad

Benny S. Santoso

Napoleon L. Nazareno

Jun Tang*

Dr. Christine K.W. Loh*, *JP, OBE,*

Chevalier de l'Ordre National du Merite

* *Independent Non-executive Directors*