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FIRST PACIFIC COMPANY LIMITED

第一太平有限公司

(Incorporated with limited liability under the laws of Bermuda)

Website: <http://www.firstpacific.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 disclosure of Philippine Long Distance Telephone Company (“PLDT”), a major operating associate of First Pacific Company Limited, as filed with the Philippine Stock Exchange, in relation to the press release relating to PLDT’s unaudited consolidated financial results for the nine months ended 30 September 2012.

Dated this the 6th day of November, 2012

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

Graham L. Pickles*

Tedy Djuhar

Benny S. Santoso

Napoleon L. Nazareno

Jun Tang*

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

* *Independent Non-executive Directors*

COVER SHEET

P W - 5 5
S.E.C. Registration No.

P H I L I P P I N E L O N G D I S T A N C E
T E L E P H O N E C O M P A N Y
(Company's Full Name)

R A M O N C O J U A N G C O B L D G .
M A K A T I A V E . M A K A T I C I T Y
(Business Address: No. Street City/Town/Province)

MS. JUNE CHERYL A. CABAL
Contact Person

816-8534
Company Telephone Number

1 2 3 1
Month Day
Fiscal Year

SEC FORM 17-C
FORM TYPE

0 6 Every 2nd
Month Day Tuesday
Annual Meeting

C F D
Dept. Requiring this Doc.

N/A
Amended Articles
Number/Section

12,212
As of September 30, 2012
Total No. of Stockholders

Total Amount of Borrowings
N/A
Domestic

N/A
Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

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SECURITIES AND EXCHANGE COMMISSION

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.1

1. November 6, 2012
Date of Report (Date of earliest event reported)
2. SEC Identification Number PW-55
3. BIR Tax Identification No. 000-488-793
4. PHILIPPINE LONG DISTANCE TELEPHONE COMPANY
Exact name of issuer as specified in its charter
5. PHILIPPINES
Province, country or other jurisdiction
of Incorporation
6. _____ (SEC Use Only)
Industry Classification Code
7. Ramon Cojuangco Building, Makati Avenue, Makati City
Address of principal office
- 1200
Postal Code
8. (632) 816-8405
Issuer's telephone number, including area code
9. Not Applicable
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Securities Regulation Code
and Sections 4 and 8 of the Revised Securities Act

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding

CONSOLIDATED SERVICE REVENUES UP 12% TO ₱126.2 BILLION
9M2012 CONSOLIDATED CORE NET INCOME AT ₱28 BILLION, DOWN 8%
REPORTED NET INCOME AT ₱28.7 BILLION, 6% LOWER
COMBINED CELLULAR SUBSCRIBER BASE AT 68.6 MILLION,
UP 8% FROM YE2011
TOTAL BROADBAND SUBSCRIBERS AT 3.2 MILLION, 8% HIGHER

- Consolidated service revenues up 12% year-on-year to ₱126.2 billion
- Consolidated Core Net Income of ₱28.0 billion for 9M2012, 8% lower than the ₱30.6 billion in 9M2011
- Consolidated Reported Net Income for 9M2012 at ₱28.7 billion, from ₱30.6 billion in 9M2011
- Consolidated EBITDA margin at 46% of service revenues; consolidated EBITDA declines 4% to ₱58.6 billion
- Consolidated free cash flow at ₱29.8 billion for 9M2012
- Cellular subscriber base at 68.6 million, net additions of 4.9 million for the year
- Total broadband subscribers at 3.2 million; aggregate revenue contribution from broadband and internet services of ₱17.6 billion for 9M2012, 30% higher than last year

MANILA, Philippines, 6th November 2012 — Philippine Long Distance Telephone Company (“PLDT”) (PSE: TEL) (NYSE: PHI) today announced its unaudited financial and operating results for the first nine months of 2012 with consolidated Core Net Income, before exceptional items, declining to ₱28.0 billion. While 8% lower than the ₱30.6 billion recorded in the same period in 2011, the bulk of the decline, or ₱2.4 billion, was incurred in the first semester. Also note that the 3Q2012 Core Net Income of ₱9.4 billion is 4% higher than the average quarterly Core Net Income of ₱9.0 billion in the second half of 2011 when the operating environment was under severe competitive pressure.

Reported Net Income, after reflecting exceptional gains for the period declined 6% to ₱28.7 billion, from ₱30.6 billion in 2011. These results reflect the consolidation of the operating performance of Digital Telecommunications Philippines, Inc. (“Digitel”) from its acquisition closed 26th October 2011.

Despite higher service revenues, Core Net Income declined as a result of higher operating expenses relating mainly to the manpower reduction programs at PLDT and Digitel and selling and promotions initiatives. Reported Net Income was impacted by the decline in Core Net Income and higher net foreign exchange and derivative gains.

EBITDA margin for the first nine months of 2012 dipped to 46%, from 54% in 2011. To align more closely with global accounting standards, service revenues have been restated to reflect the change in the presentation of our outbound revenues from net to gross of interconnect expense, which in turn is included in our expenses. Although EBITDA does not change, EBITDA margins are calculated against the adjusted service revenues. Consolidated EBITDA

for the first nine months of 2012 was lower by 4% at ₱58.6 billion compared with the same period in 2011. Without the ₱1.8 billion charge relating to the manpower reduction programs, EBITDA would have been ₱60.4 billion, or 1% lower than the first nine months of 2011. Digitel EBITDA stood at ₱5.3 billion; its lower EBITDA margin of 32% contributed to the decline in overall EBITDA margin.

Overall consolidated service revenues for the first nine months of 2012 increased by 12% to ₱126.2 billion, including the ₱16.6 billion revenue contribution from Digitel and reflecting the combined effect (before Digitel) of a 3% decline in wireless revenues, 1% decrease in fixed line revenues, and a 16% rise in BPO revenues.

Consolidated free cash flow reached ₱29.8 billion, or ₱6.7 billion lower compared with last year. Consolidated capital expenditures for the first nine months amounted to ₱19.3 billion. PLDT Group Capex for 2012 is estimated to reach ₱38 billion, in line with the Group's ₱67.0 billion capital expenditure program, which has been completed ahead of schedule. Capital expenditures are expected to return to pre-2011 levels beginning in 2013.

Having completed its investment program that has produced a network that is unrivalled in terms of coverage, capacity and resiliency, PLDT is now focusing on delivering superior service quality. Furthermore, the Group announced new initiatives in anticipation of exponential growth in Internet usage:

- Doubling the capacity of PLDT's internet gateway capacity by the end of 2012 and tripling by the end of 2013;
- Expanding of backhaul coverage with the built-out of the transmission backbone between Iloilo and Palawan; and,
- Rolling out fiber to "pass by" 2 million homes by the end of 2013.

The Group's consolidated net debt stood at US\$2.1 billion as at 30th September 2012. Gross debt amounted to US\$3.1 billion, with the inclusion of Digitel's debt amounting to US\$0.5 billion. Net debt to EBITDA was at 1.1x. The Company's debt maturities continue to be well spread out, with about 64% due in and after 2015. The percentage of US dollar-denominated debt to the Group's total debt portfolio is at 44%. Taking into account our peso borrowings, our hedges and our U. S. Dollar cash holdings, only 31% of total debt remains unhedged. The Group's cash and short-term securities are invested primarily in bank placements and Government securities. PLDT is the first Philippine company to be rated "investment grade" by all three major international ratings agencies.

Subscriber Base

The PLDT Group's total cellular subscriber base as at 30th September 2012 was 68.6 million subscribers, broken down as follows: Wireless subsidiary Smart Communications, Inc ("Smart") had 25.6 million subscribers under its mainstream *Smart* brands, while value brand *Talk 'N Text* ended with 26.5 million subscribers as a result of 2.5 million net additions for the quarter. Digitel had 16.0 million *Sun Cellular* subscribers. The Group's combined postpaid cellular subscriber base, inclusive of *Sun Cellular's* 1.5 million postpaid customer count, stood at 2.2 million at the end of the first nine months of 2012. Smart's postpaid additions of 108,000 for the nine-month period are almost double the net additions recorded in the same period in 2011.

On the other hand, the Group's combined broadband subscriber base hit the 3.2 million mark at the end of the first nine months of 2012, representing net additions of about 241,000 for the PLDT Group's various broadband services. *SmartBro*, Smart's wireless broadband service offered through its wholly-owned subsidiary Smart Broadband, Inc., had a wireless broadband subscriber base of about 1.69 million at the end of the period, over 1.2 million of who were on

SmartBro's prepaid service. Meanwhile, PLDT's DSL subscribers increased by over 50,000 for the first nine months of 2012, bringing the total subscriber base to 793,000, while Digitel brought in an additional 92,000 DSL subscribers.

For the fixed line business of both PLDT and Digitel, the subscriber base totaled 2.1 million at the end of September 2012.

Service Revenues

Smart continues to lead the industry in terms of both revenues and subscribers. With the addition of Sun Cellular, wireless service revenues increased 18% to ₱87.3 billion for the first nine months of 2012, compared with the ₱74.2 billion recognized in the same period last year. Synergy initiatives with Sun Cellular continue to be refined, both in terms of revenue enhancement and expense rationalization:

- Greater availability of attractive buckets and unlimited offers with higher denominations;
- Co-location and consolidation of sites are proceeding (over 200 sites already implemented) with expected annual savings of ₱500 million;
- Implementation of national roaming has increased Sun's 2G and 3G geographic coverage to 85% and 18%, respectively; and
- Consolidation of outside plant facilities have minimized capex build-out and improved existing fixed line services;

"We intend to continue to build on our service and quality advantages with the completion of our "super-charged" network," said **Orlando B. Vea, Smart Chief Wireless Adviser**.

Fixed line service revenues increased by ₱2.0 billion or 5% to ₱45.5 billion in the first nine months of 2012 from ₱43.5 billion in the same period in 2011, including Digitel's contribution of ₱2.5 billion. Enterprise data and DSL revenues continued on their growth path on the back of a 12% increase in DSL revenues and a 9% increase in third party corporate data revenues. On the other hand, the ILD and NLD businesses posted a 12% decline in revenues.

"Our legacy businesses continue to feel the drag of the declining domestic and international long distance segments, which still account for over ₱11 billion of our Fixed Line service revenues," declared **Napoleon L. Nazareno, President and CEO of PLDT and Smart**.

Total broadband and internet revenues for the first nine months of 2012 totaled ₱17.6 billion, a 30% growth rate year-on-year, including a ₱2.4 billion contribution from Digitel; broadband and internet now account for 14% of consolidated service revenues. Smart wireless broadband revenues, exclusive of mobile internet revenues, increased by 3% to ₱5.0 billion, compared with the ₱4.8 billion recorded in the same period last year. Moreover, mobile internet usage continues to grow strongly, with Smart's mobile internet revenues increasing by 58%, from ₱1.1 billion at the end of September 2011 to ₱1.8 billion at the end of September 2012. PLDT DSL generated ₱7.9 billion in revenues for the first nine months of 2012, up 12% from ₱7.0 billion for the same period in 2011.

Vea noted, "Despite our network superiority, we will not be resting on our laurels. We intend to continue pushing for greater coverage, faster speeds and more reliable connectivity."

In 2011, the Group consolidated its business process outsourcing operations, consisting of knowledge process solutions (“KPS”) and customer relationship management (“CRM”) under SPi Global Solutions, Inc (“SPi”). KPS and CRM had previously been under ePLDT, along with other ICT businesses such as data center operations, which have since been transferred to the Fixed Line business. SPi reported service revenues of ₱7.3 billion for the first nine months of 2012, an increase of 16% compared with the same period last year. KPS increased by 16% as a result of a 19% revenue increase in dollar terms from content solutions services and the acquisition of Laserwords, while revenues from CRM rose 15% to ₱2.4 billion, with domestic sales registering a strong 18% growth.

Foreign Ownership Issue

In 2007, Wilson Gamboa filed a petition against several respondents/parties alleging that the sale of shares of Philippine Telecommunications Investment Corporation (“PTIC”, then owner of about 6.3% of PLDT’s common shares) by the Philippine government to an affiliate of First Pacific Company Ltd, resulted in a breach of the 40% limit of foreign ownership in PLDT.

In June 2011, the Supreme Court granted the petition in part and ruled that the term “capital” a used in Section 11, Article XII of the 1987 Constitution refers only to shares of stock entitled to vote in the election of directors (which in the case of PLDT, only the common shares) and directed the Securities and Exchange Commission (“SEC”) to determine whether PLDT was in violation of the foreign ownership limit based on said definition. Using this definition, PLDT’s foreign ownership would be about 58.4%.

The respondents then filed Motions for Reconsideration essentially seeking that the Supreme Court uphold the SEC’s long-standing interpretation of “capital”, i.e., total outstanding shares of stock without qualification or distinction. Under this interpretation, PLDT’s foreign ownership would be approximately 24.4%.

In July 2011, adopting a structure used by other listed companies engaged in partly nationalized industries, the PLDT Board approved the creation of 150 million voting preferred shares with the following features:

- Par value of ₱1.00
- Can be owned only by Filipinos
- Right to vote in the election of directors
- Non-convertible, redeemable
- Dividend rate and date of issuance to be determined by PLDT Board

In March 2012, PLDT shareholders approved the amendment to its Articles of Incorporation, creating a sub-class of authorized preferred stock, with voting rights.

On 9th October 2012, the Supreme Court denied with finality the Motions for Reconsideration.

On 12th October 2012, the PLDT Board approved the issuance to BTF Holdings, Inc (a wholly-owned subsidiary of the PLDT Beneficial Trust Fund) of 150 million voting preferred shares earning a dividend rate of 6.5% per annum.

On 16th October 2012, PLDT issued 150 million voting preferred shares. As a result, PLDT’s foreign ownership, based on outstanding voting shares (common and voting preferred), now stands at 34.5%, making PLDT compliant with the Supreme Court ruling.

Conclusion

“We continue our steady financial performance as we wait for the industry situation to stabilize. We hope to provide a better indication of when we can expect to return to the profit growth track when we announce our yearend results next March. In the meantime, we are maintaining our core profit guidance for 2012 at ₱37.0 billion,” **concluded Manuel V. Pangilinan.**

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PLDT Consolidated

	Nine months ended September 30			Three months ended September 30		
	2012	2011	% Change	2012	2011	% Change
	(Unaudited)			(Unaudited)		
Service revenues^(a)	<u>126,244</u>	<u>112,268</u>	—12%	<u>41,519</u>	<u>36,650</u>	—13%
Total revenues	128,557	114,049	13%	42,325	37,290	14%
Expenses	94,441	73,368	29%	31,200	24,856	26%
Income before income tax	37,322	40,326	-7%	11,367	12,232	-7%
Provision for income tax	8,633	9,719	-11%	2,149	2,921	-26%
Net income - As Reported	<u>28,714</u>	<u>30,618</u>	-6%	<u>9,212</u>	<u>9,319</u>	-1%
EPS, Basic^(b)	132.73	162.11	-18%	42.58	49.28	-14%
EPS, Diluted^(b)	132.73	162.06	-18%	42.58	49.28	-14%
Core net income^(c)	<u>28,020</u>	<u>30,602</u>	-8%	<u>9,359</u>	<u>9,579</u>	-2%
EPS, Basic^(d)	129.52	162.02	-20%	43.26	50.67	-15%
EPS, Diluted^(d)	129.52	161.98	-20%	43.26	50.67	-15%

^(a) 2011 Service Revenues restated to reflect the change in the presentation of outbound revenues

^(b) EPS based on reported net income

^(c) 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

^(d) EPS based on core net income

PHILIPPINE LONG DISTANCE TELEPHONE COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at September 30, 2012 and December 31, 2011

(in million pesos, except par value per share amounts and number of shares)

	2012	2011
	(Unaudited)	(As Restated) ⁽¹⁾
<u>ASSETS</u>		
Noncurrent Assets		
Property, plant and equipment	196,027	200,142
Investments in associates and joint ventures and deposit for future stock subscription	26,979	17,865
Available-for-sale financial assets	5,645	7,181
Investment in debt securities – net of current portion	150	150
Investment properties	1,115	1,115
Goodwill and intangible assets	80,171	82,603
Deferred income tax assets – net	5,329	5,975
Prepayments – net of current portion	11,371	8,869
Advances and other noncurrent assets – net of current portion	1,407	1,340
Total Noncurrent Assets	328,194	325,240
Current Assets		
Cash and cash equivalents	38,634	46,057
Short-term investments	570	558
Trade and other receivables	17,389	16,245
Inventories and supplies	2,748	3,827
Derivative financial assets	80	366
Current portion of investment in debt securities	376	358
Assets held-for-sale	921	–
Current portion of prepayments	5,247	7,227
Current portion of advances and other noncurrent assets	8,088	126
Total Current Assets	74,053	74,764
TOTAL ASSETS	402,247	400,004
<u>EQUITY AND LIABILITIES</u>		
Equity		
Preferred stock, Php10 par value per share, authorized - 822,500,000 shares; issued and outstanding - 36,002,970 shares as at September 30, 2012 and 441,912,370 shares as at December 31, 2011	360	4,419
Common stock, Php5 par value per share, authorized - 234,000,000 shares; issued - 218,779,886 shares and outstanding - 216,055,775 shares as at September 30, 2012; and issued - 217,160,444 shares and outstanding - 214,436,333 shares as at December 31, 2011	1,093	1,085
Treasury stock - 2,724,111 shares as at September 30, 2012 and December 31, 2011	(6,505)	(6,505)
Capital in excess of par value	130,579	127,246
Retained earnings	17,963	26,232
Other comprehensive income	(2,574)	(644)
Total Equity Attributable to Equity Holders of PLDT	140,916	151,833
Noncontrolling interests	221	386
TOTAL EQUITY	141,137	152,219

PHILIPPINE LONG DISTANCE TELEPHONE COMPANY AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION *(continued)*

As at September 30, 2012 and December 31, 2011

(in million pesos)

	2012	2011
	(Unaudited)	(As Restated) ⁽¹⁾
Noncurrent Liabilities		
Interest-bearing financial liabilities – net of current portion	104,892	91,280
Deferred income tax liabilities – net	7,444	7,260
Derivative financial liabilities	3,386	2,235
Pension and other employee benefits	1,906	609
Customers' deposits	2,534	2,272
Deferred credits and other noncurrent liabilities	20,527	22,642
Total Noncurrent Liabilities	140,689	126,298
Current Liabilities		
Accounts payable	26,570	29,554
Accrued expenses and other current liabilities	65,824	58,271
Derivative financial liabilities	1,247	924
Provision for claims and assessments	1,555	1,555
Current portion of interest-bearing financial liabilities	21,895	26,009
Dividends payable	891	2,583
Income tax payable	2,439	2,591
Total Current Liabilities	120,421	121,487
TOTAL LIABILITIES	261,110	247,785
TOTAL EQUITY AND LIABILITIES	402,247	400,004

⁽¹⁾ The December 31, 2011 comparative information was restated to reflect the adjustment to the provisional amounts used in the purchase price allocation in relation with the acquisition of Digitel.

PHILIPPINE LONG DISTANCE TELEPHONE COMPANY AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS For the Periods Ended September 30, 2012 and 2011 (in million pesos, except earnings per common share amounts)

	Nine Months Ended September 30,		Three Months Ended September 30,	
	2012	2011 (As Restated) ⁽²⁾	2012	2011 (As Restated) ⁽²⁾
(Unaudited)				
REVENUES				
Service revenues	126,244	112,268	41,519	36,650
Non-service revenues	2,313	1,781	806	640
	128,557	114,049	42,325	37,290
EXPENSES				
Depreciation and amortization	23,304	20,176	7,780	7,058
Compensation and employee benefits	20,558	15,963	6,591	5,314
Repairs and maintenance	9,913	6,925	3,315	2,249
Interconnection costs	8,695	9,023	2,644	3,046
Selling and promotions	6,907	4,496	2,554	1,806
Cost of sales	6,381	3,583	1,898	1,177
Rent	4,553	2,958	1,692	935
Professional and other contracted services	4,349	3,644	1,463	1,134
Taxes and licenses	2,769	1,842	864	662
Asset impairment	1,793	1,184	608	372
Communication, training and travel	1,784	1,275	588	418
Insurance and security services	1,159	957	422	321
Amortization of intangible assets	1,158	207	373	63
Other expenses	1,118	1,135	408	301
	94,441	73,368	31,200	24,856
	34,116	40,681	11,125	12,434
OTHER INCOME (EXPENSES)				
Foreign exchange gains (losses) – net	2,403	106	838	(320)
Equity share in net earnings of associates and joint ventures	1,440	1,520	129	681
Interest income	1,019	1,013	393	368
Gains (losses) on derivative financial instruments – net	(1,532)	626	(1,129)	142
Financing costs – net	(5,009)	(4,772)	(1,632)	(1,594)
Other income	4,885	1,152	1,643	521
	3,206	(355)	242	(202)
INCOME BEFORE INCOME TAX	37,322	40,326	11,367	12,232
PROVISION FOR INCOME TAX	8,633	9,719	2,149	2,921
NET INCOME	28,689	30,607	9,218	9,311
ATTRIBUTABLE TO:				
Equity holders of PLDT	28,714	30,618	9,212	9,319
Noncontrolling interests	(25)	(11)	6	(8)
	28,689	30,607	9,218	9,311
Earnings Per Share Attributable to Common Equity Holders of PLDT				
Basic	132.73	162.11	42.58	49.28
Diluted	132.73	162.06	42.58	49.28

⁽²⁾The results for the nine months ended September 30, 2011 have been restated to reflect a change in the presentation of outbound revenues.

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 business process outsourcing – PLDT offers a wide range of telecommunications services across the Philippines’ most extensive fiber optic backbone and fixed line, and cellular 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.