



FIRST PACIFIC COMPANY LIMITED

PLDT TO INVEST IN DIGITEL IN ALL-SHARE TRANSACTION

First Pacific in Option Agreement on PLDT Shares

Hong Kong, 29th March, 2011 – First Pacific Company Limited (HKSE: 00142) (“First Pacific” or the “Company”) today announced that the respective Boards of Directors of Philippine Long Distance Telephone Company (“PLDT”) (NYSE: PLDT) (PSE: TEL) and JG Summit Holdings, Inc (“JGS”) (PSE:JGS) earlier today approved the acquisition by PLDT of JGS’s and certain other parties’ ownership interest in Digital Telecommunications Philippines, Inc. (“Digitel”) (PSE:DGTL) in an all-share transaction worth ₱69.2 billion (US\$1.6 billion).

PLDT Invests in Digitel

The Digitel ownership interest comprises (i) 3.277 billion common shares in Digitel, representing a 51.55% equity stake; (ii) zero-coupon convertible bonds issued by Digitel and its subsidiaries to the JGS Group which are assumed to be convertible into approximately 18.6 billion shares of Digitel by 30th June 2011; and (iii) intercompany advances of ₱34.1 billion (US\$786 million) made by the JGS Group and certain of such parties to Digitel and its subsidiaries (the “Assets”). Digitel is the 100% owner of Digitel Mobile Philippines, Inc.

The agreed consideration of ₱69.2 billion (US\$1.6 billion) will be settled by the issuance of one new PLDT share for every P2,500 (US\$57.6) of the consideration payable for the Assets. PLDT will engage an independent financial advisor to review the transaction and render a fairness opinion on the transaction and the consideration payable by PLDT.

PLDT will be required as well to undertake a mandatory tender offer for all the remaining common shares of Digitel held by minority shareholders.

The transaction is valued at ₱74.1 billion (US\$1.7 billion) equity valuation, assuming that all the minority shareholders tender their shares under the tender offer, and will be settled by the issuance of 29.65 million new PLDT shares at an issue price of ₱2,500 (US\$57.6) per share to JGS and such other parties and the tendering minority shareholders. This transaction is intended to be completed by the end of the second quarter of 2011.

PLDT will seek shareholder approval for the issuance of the new common shares as payment of the purchase price for the Assets.

The completion of the transaction will require the following regulatory approvals: (i) the approval by the Philippine National Telecommunications Commission of the sale and transfer of JGS's and certain other parties' Digitel shares representing more than 40% of Digitel's outstanding shares; (ii) the approval by the Philippine Securities and Exchange Commission of the valuation of the Assets; (iii) the approval by the Philippine Stock Exchange of the block sale of the Digitel shares; and (iv) the confirmation by the Philippine Securities and Exchange Commission that the issuance of the PLDT common shares to the sellers is exempt from the registration requirement of the Securities Regulations Code. The sale of the Digitel shares is subject to the consent of certain creditors of Digitel and Digitel Mobile Philippines, Inc.

A representative of JGS is expected to join the Board of Directors of PLDT.

PLDT's investment in Digitel is expected to achieve substantial benefits for the consumer, the general public and the shareholders of PLDT and JGS. It will leverage the combined expertise of the PLDT Group and Digitel to create a more capable telecommunications company which will be 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.

PLDT envisages significant cost efficiencies from the transaction via capex optimization, co-location of base stations, consolidation of overlapping technical systems, implementation of shared services, bulk purchasing of network equipment, communication devices and other materials and elimination of other duplicated costs. Improved network utilization and service quality can also be achieved with complementary technologies and greater network density.

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

Option Agreement by First Pacific's Associate

The First Pacific Group currently own 26.47% of PLDT. An associate company of First Pacific entered into a put and call option agreement with JGS to acquire 5.81 million PLDT shares from JGS at a price of ₱2,500 (US\$57.6) per share. This will allow the First Pacific Group to maintain its investment in PLDT at a level similar to their existing interest.

“We are very pleased for PLDT and have signed an option agreement to maintain our interest in PLDT around the 25% level,” said Manuel V. Pangilinan, Managing Director and Chief Executive Officer of First Pacific. “This transaction benefits consumers and improves the country's broadband infrastructure while enhancing shareholder value.”

For First Pacific, the transactions will underpin the returns that PLDT, the Company's single-largest investment, brings to First Pacific.

“For PLDT, this transaction fortifies its position as the leading telecommunications company in the Philippines,” said Pangilinan, who is also Chairman of PLDT's Board of Directors. “The valuation that this transaction puts on PLDT is a strong signal of the confidence we have in the company and its future.”

HSBC advised First Pacific on this transaction.

