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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

Please refer to the filing submitted by Philippine Long Distance Telephone Company (“PLDT”), a major operating associate of First Pacific Company Limited, with the Philippine Stock Exchange, in relation to the SEC Form 17-C together with the press release relating to the acquisition by PLDT of equity interest of the telecommunications business of San Miguel Corporation with Globe Telecom Inc. on a 50:50 basis.

Dated this the 30th day of May, 2016

As at the date of this announcement, the board of directors of First Pacific Company Limited comprises the following directors:

Executive Directors:

Manuel V. Pangilinan, *Managing Director and CEO*

Edward A. Tortorici

Robert C. Nicholson

Non-executive Directors:

Anthoni Salim, *Chairman*

Benny S. Santoso

Tedy Djuhar

Napoleon L. Nazareno

Independent Non-executive Directors:

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

Margaret Leung Ko May Yee, *SBS, JP*

Philip Fan Yan Hok

Madeleine Lee Suh Shin

COVER SHEET

SEC Registration Number

P W - 5 5

Company Name

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

Principal Office (No./Street/Barangay/City/Town/Province)

R A M O N C O J U A N G C O B U I L D I N G

M A K A T I A V E N U E

M A K A T I C I T Y

Form Type

17 - C

Department requiring the report

M S R D

Secondary License Type, If Applicable

COMPANY INFORMATION

Company's Email Address

Company's Telephone Number/s

8168553

Mobile Number

No. of Stockholders

11,808
As of April 30, 2016

Annual Meeting
Month/Day

Every 2nd Tuesday of June

Fiscal Year
Month/Day

December 31

CONTACT PERSON INFORMATION

The designated contact person **MUST** be an Officer of the Corporation

Name of Contact Person

Ma. Lourdes C. Rausa-Chan

Email Address

lrchan@pldt.com.ph

Telephone Number/s

8168553

Mobile Number

Contact Person's Address

MGO Building, Legaspi St. corner Dela Rosa St., Makati City

Note: In case of death, resignation or cessation of office of the officer designated as contact person, such incident shall be reported to the Commission within thirty (30) calendar days from the occurrence thereof with information and complete contact details of the new contact person designated.

SECURITIES AND EXCHANGE COMMISSION

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

1. May 30, 2016
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) 816-8553
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
_____	_____
_____	_____
_____	_____

11. Item 2 and Item 9 (Other Events)

Attached hereto is a Press Release entitled "PLDT-Globe to Acquire Telecommunications Business of San Miguel", which shall serve as our disclosure of the transactions referred to therein.

Pursuant to the requirements of the Securities Regulations Code, PLDT has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

PHILIPPINE LONG DISTANCE TELEPHONE COMPANY

By:



MA. LOURDES C. RAUSA-CHAN

Corporate Secretary

May 30, 2016

PLDT - Globe to Acquire Telecommunications Business of San Miguel

- **Access to additional frequencies will help significantly improve Internet speed, quality and coverage**
- **700MHz will provide better indoor coverage and enable faster rollout in regional and rural areas**
- **Acquisition involves a return of certain radio frequencies to the Government, which will allow for a third competitor to enter the market**
- **PLDT to increase capex and accelerate network build-out**
- **Acquisition to be funded by way of a partial sale of PLDT's interest in Meralco held through Beacon Electric**

Manila, Philippines: May 30, 2016 – Philippine Long Distance Telephone Company ("PLDT") ("NYSE") (PSE: TEL) today announced that its Board of Directors has approved the acquisition by PLDT of 50% of the equity interest of the telecommunications business of San Miguel Corporation ("SMC") (PSE: SMC), with Globe Telecom Inc. ("Globe") (PSE: GLO) acquiring the remaining 50% interest. The PLDT Board also approved the acquisition by PLDT of 50% equity interest in the telecommunications businesses of New Century Telecoms, Inc ("New Century") and eTelco, Inc ("eTelco").

The consideration for the acquisition of the SMC telecommunications business is PHP69.1 billion which includes PHP52.08 billion for 100% equity interest in Vega Telecom, Inc ("Vega Telecom") and the assumption of around PHP17.02 billion of liabilities. Vega Telecom owns controlling interests in Bell Telecommunication Philippines, Inc, Eastern Telecommunications Philippines, Inc, Cobaltpoint Telecommunication, Inc (formerly Extelcom), and Tori Spectrum Telecommunication, Inc (formerly Wi-Tribe), and Hi-Frequency Telecommunication, Inc.

The consideration for the acquisition of New Century is PHP691 million which includes PHP576 million for 100% equity interest and the assumption of around PHP115 million of liabilities. Total consideration for the acquisition of eTelco is PHP206 million which includes PHP191 million for 100% equity interest and the assumption of around PHP15 million of liabilities.

The equity portion of the consideration for Vega Telecom, New Century and eTelco is PHP52.85 billion on an aggregate basis and will be paid in three (3) tranches. The First Payment of 50% will be made upon signing, the Second Payment of 25% six (6) months after the First Payment, and the final 25% at 12 months after the First Payment. PLDT will pay 50% of the equity portion of the consideration to acquire its 50% equity interest in each of Vega Telecom, New Century and eTelco. The liabilities of PHP17.15 billion will be assumed by PLDT and Globe upon signing.

This Acquisition will provide significant benefits to PLDT, Smart, TNT and Sun Cellular customers, further improve Internet and data services for the public, and speed up the country's overall development efforts. Following the Acquisition, customers will progressively experience faster Internet and higher call and data quality across the fixed and mobile networks of PLDT and Smart. Capacity and coverage, both indoor and outdoor, will be expanded and enhanced. This will enable PLDT to provide attractive mobile connectivity and digital services to its consumer and enterprise customers at affordable prices. Stronger networks and connectivity are key enablers for individual and enterprise sector productivity and cost efficiency.

Access to these much-needed radio frequencies, especially the 700MHz, is likely to raise PLDT's capex by US\$100 Million for 2016 and 2017. The rollout of service on the 700 MHz will be accelerated, allowing PLDT's fixed and wireless subscribers to enjoy the significant benefits of this frequency at the soonest possible time. The additional spectrum will result in wider coverage and more efficient network utilization. This will enable PLDT to pursue a growth-focused expansion of its network and extend Internet services to a larger number of customers in more areas of the country. In particular, Smart will be able to serve better the regional and rural areas of the Philippines by utilizing the 700MHz spectrum. This will help bridge the Digital Divide in the country and create more opportunities to utilize digital technologies to promote rural development. In addition to the 700MHz frequencies, PLDT will also receive supplementary frequencies in the 900MHz and 1800MHz bands which will enhance our current networks and increase capacity, resulting in faster and improved data services.

PLDT and Globe will cause the acquired companies to relinquish certain radio frequencies in the 700 MHz, 850 MHz, 2500 MHz, and 3500 MHz bands and to return these radio frequencies to the Government through the National Telecommunications Commission ("NTC"). These radio frequencies to be returned by subsidiaries of Vega Telecom to the NTC will be sufficient, together with radio frequencies already held by the NTC, to allow for a third-party operator to enter the market. The Acquisition will thereby help the NTC and the Philippine Government provide for a better utilization of available radio frequency spectrum for mobile services, which will benefit consumers more quickly.

PLDT intends to finance its portion of the Purchase Price primarily through proceeds from the sale of 25% of its equity interest in Beacon Electric Asset Holdings Inc. ("Beacon Electric") to Metro Pacific Investments Corporation ("MPIC") for total consideration of PHP 26.2 billion with the balance coming from a combination of new debt and balance sheet cash. MPIC will pay PHP17.0 billion in cash immediately on completion of the transaction and the balance of PHP9.2 billion in installments over the following four (4) years. Beacon Electric is a special purpose company owned 50-50 by PLDT and MPIC. Beacon Electric holds a 35% interest in Manila Electric Company.

PLDT Chief Executive Officer, Manuel V Pangilinan, said, "This transaction offers a breakthrough opportunity, not only for the companies involved but also for the industry and the country. This will enable existing operators to provide significantly improved Internet and data services to the public and to our customers in the shortest possible time. At the same time, it leaves the door open for new entrants into the industry. Taken together, this will enable the industry to better support the country's development efforts – especially significant with the onset of a new Government."

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.

For further information, please contact:

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About PLDT

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