



August 10, 2017

Philippine Stock Exchange  
3/F Philippine Stock Exchange Plaza  
Ayala Triangle, Ayala Avenue  
Makati City

Attention: Mr. Jose Valeriano B. Zuño III  
OIC - Head, Disclosure Department

Gentlemen:

In accordance with Section 17.1 (b) and Section 17.3 of the Securities Regulation Code, we submit herewith a copy of SEC Form 17-C with a press release attached thereto regarding the Company's unaudited consolidated financial results for the six (6) months ended June 30, 2017.

This shall also serve as the disclosure letter for the purpose of complying with PSE Revised Disclosure Rules.

Very truly yours,

A handwritten signature in blue ink, appearing to read "LR Chan".

**MA. LOURDES C. RAUSA-CHAN**  
Corporate Secretary



August 10, 2017

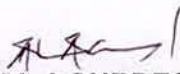

Securities & Exchange Commission  
SEC Building, EDSA  
Mandaluyong City

Attention: Mr. Vicente Graciano P. Felizmenio, Jr.  
Director – Markets and Securities Regulation Dept.

Gentlemen:

In accordance with Section 17.1 (b) of Securities Regulation Code and SRC Rule 17.1.1.1.3(a), we submit herewith two (2) copies of SEC Form 17-C with a press release attached thereto regarding the Company's unaudited consolidated financial results for the six (6) months ended June 30, 2017.

Very truly yours,

  
**MA. LOURDES C. RAUSA-CHAN**  
Corporate Secretary 



SECURITIES AND EXCHANGE COMMISSION

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

1. August 10, 2017  
Date of Report (Date of earliest event reported)
2. SEC Identification Number PW-55
3. BIR Tax Identification No. 000-488-793
4. PLDT INC.  
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<br>Outstanding and Amount of Debt Outstanding |
|---------------------|--|
| _____               | _____  |
| _____               | _____  |
| _____               | _____  |



**1H2017 CONSOLIDATED CORE INCOME 2% LOWER AT PHP17.4 BILLION,  
BUT 72% HIGHER THAN 2H2016**

**1H2017 REPORTED NET INCOME REACHED PHP16.5 BILLION,  
33% HIGHER THAN LAST YEAR, AND 119% MORE THAN 2H2016**

**2Q2017 SERVICE REVENUES STABLE VS. 1Q2017 AT PHP35.6 BILLION**

**1H2017 HOME REVENUES GREW 12% TO PHP15.8 BILLION;  
ENTERPRISE REVENUES INCREASED 11% TO PHP16.8 BILLION**

**2Q2017 WIRELESS CONSUMER REVENUES UP 1% TO PHP14.9 BILLION Q-O-Q;  
1H2017 REVENUES DOWN 16% TO PHP29.6 BILLION VS YAGO**

**CONSOLIDATED EBITDA ROSE 4% TO PHP32.0 BILLION;  
NET OF MANPOWER REDUCTION EXPENSES, CONSOLIDATED EBITDA UP 9%**

**FIXED LINE EBITDA (EX-MRP) 19% HIGHER YEAR-ON-YEAR TO PHP15.7 BILLION;  
WIRELESS EBITDA ROSE 1% TO PHP17.1 BILLION IN 1H2017**

**1H2017 CONSOLIDATED EBITDA MARGIN AT 42% FROM 38% LAST YEAR**

**EXCLUDING GAINS FROM ASSET SALES AND EBITDA ADJUSTMENTS, RECURRING  
CORE INCOME ROSE 1% YEAR-ON-YEAR TO PHP11.9 BILLION  
IN LINE WITH FULL YEAR GUIDANCE OF PHP21.5 BILLION**

**DATA, BROADBAND AND DIGITAL SERVICES CONTRIBUTED 46% OF TOTAL  
SERVICE REVENUES**

**COMBINED REVENUES OF HOME AND ENTERPRISE  
SURPASS WIRELESS CONSUMER REVENUES**

**CAPEX OF PHP38 BILLION TO BE COMPLETED IN 2017**

**INTERIM DIVIDEND OF PHP48 PER SHARE DECLARED, 60% DIVIDEND PAYOUT**

**MANILA, Philippines 10<sup>th</sup> August 2017** – PLDT Inc, (“PLDT”) (PSE: TEL) (NYSE: PHI) today announced its unaudited financial and operating results for the first half of 2017 with **Consolidated Service Revenues** (net of interconnection costs) at Php71.2 billion. Though 6% lower year on year, service revenues for the first semester indicated that the downward trend of the topline for the past 6 quarters had been arrested, with second quarter service revenues levelling off and equaling those of the first quarter at Php35.6 billion. Similarly,



quarter on quarter comparisons of other indicators provide further signs that the overall business is stabilizing.

In terms of business units, PLDT Home and Enterprise continued to set the pace for service revenues, posting double-digit growth rates in the first half of 2017. Home revenues grew 12% to Php15.8 billion, while Enterprise revenues increased 11% to Php16.8 billion. Home and Enterprise combined accounted for 46% of consolidated service revenues, surpassing the contribution of Wireless Consumer business of Smart, TNT and Sun.

The Wireless Consumer Business posted Php29.6 billion in revenues – 16% lower than the first half of 2016. However, quarter on quarter, revenues in the 2<sup>nd</sup> quarter of this year rose 1% from the previous quarter, from Php14.7 billion to Php14.9 billion – the first time in eight quarters that Wireless Consumer revenues registered an upturn.

**Consolidated EBITDA** for the first half of 2017 reached Php32 billion, 4% higher than the same period last year and 5% higher than the second half 2016. This sequential improvement in EBITDA was due to rigorous expense management and reductions in subsidies and provisions amounting to Php4 billion. Excluding the Php1.5 billion in manpower reduction program (MRP) costs booked in the second quarter, EBITDA for the first half would be 9% higher than the same period in 2016.

**EBITDA Margin** stood at 42%, higher than the 38% recorded in last year's first semester. Excluding MRP expenses, EBITDA Margin would be at 44%.

**Consolidated Core Income** in the first half of 2017 amounted to Php17.4 billion, 2% lower than last year's figure but 72% higher than the second half of 2016. Excluding gains from assets sales, EBITDA adjustments (including MRP expenses) and related tax adjustments, recurring core income stood at Php11.9 billion, 1% higher year on year and in line with the full year guidance of Php21.5 billion.

Reported net income amounted to Php16.5 billion in the first half of 2017, 33% higher than last year and 119% higher than the second half of 2016. The large percentage increases stemmed from the significant impairment of PLDT's investment in Rocket Internet which negatively impacted on reported net income last year.

The view is even more upbeat when taken quarter on quarter. Core income jumped 127% from Php5.3 billion in the first quarter of 2017 to Php12.1 billion in the second. Recurring core income is up 23% to Php6.6 billion, while reported net income climbed 134% to Php11.6 billion.

In line with PLDT's dividend policy, the Board of Directors declared an Interim Regular Dividend of Php48 per share which will be paid on 8 September 2017 to shareholders on record as of 25 August 2017.

As of end-June 2017, **Consolidated Net Debt** amounted to US\$2.6 billion while **Net Debt to EBITDA** was 2.1x, an improvement from 2.36x as of end-2016 due largely to the sale of PLDT's remaining shares in Beacon Electric Asset Holdings Incorporated (Beacon). Gross debt totaled US\$3.5 billion, of which 23% is US dollar-denominated following the peso refinancing of the 8.35% US\$ bond which matured in March 2017. Only 9% of total debt is unhedged, taking into account available US dollar cash and hedges allocated for debt.

As of end-June 2017, PLDT investment grade ratings remain unchanged from year-end 2016.

"We've followed through on the initial gains in our efforts to stabilize the overall business of the Group by stanching the decline of the Wireless Consumer business and sustaining the strong growth of our Home and Enterprise businesses. While it is still early in the game, our focused, collaborative efforts, efficiently utilizing the resources of the entire Group to pursue clearly defined goals have produced encouraging results," said **Manuel V. Pangilinan**, Chairman and CEO of PLDT and Smart Communications.

### **Data and Broadband are key growth drivers**

Data, Broadband and Digital Platforms combined were the key growth drivers for all business groups – Home, Enterprise and Wireless Consumer. Net of interconnection costs, this cluster of service revenues grew 11% to Php32.6 billion and represented 46% of the total revenue mix. Mobile internet revenues climbed 18% to Php9.6 billion, Corporate data and data center revenues increased 15% to Php9.7 billion and Fixed home broadband revenues rose 19% to Php8.4 billion.

Data and broadband accounted for 63% of fixed line and 34% of wireless services revenues, up from 59% and 29%, respectively in the first half of 2016. Data and broadband revenues now comprise 62%, 65% and 38%, respectively, of Home, Enterprise and Wireless Consumer Business service revenues.

"Data usage is rising rapidly as our customers – whether individuals or companies – are increasingly adopting multiple digital services, including everything from video entertainment to corporate security solutions. To serve this growing need, we are utilizing our unmatched wired, wireless and digital infrastructure to give customers the best possible data experience," said **Ernesto R. Alberto**, PLDT Group Chief Revenue Officer.

### **Wired and Wireless Network Roll-outs**

In the first half of 2017, PLDT continued to roll-out of its fiber optic cable facilities to serve residences and offices in more areas of the country.

Under its *Smart Fibr Cities* program, PLDT expanded the reach of its fiber-to-the-home (FTTH) services in south Metro Manila and east Metro Manila, adding over 370,000 fiber links that can deliver world-class internet service to residences and offices.

Done in cooperation with the local governments of these areas, this expansion program covered cities such as Makati, Pasay, Paranaque, Muntinlupa and Las Pinas in the south, and, Antipolo, Marikina, Pasig, Taguig, Caloocan in the eastern areas of Metro Manila. Earlier, PLDT had set up *Smart Fibr Cities* in Toledo City, Cebu; General Santos City, South Cotabato and Naga City, Camarines Sur. As a result, the footprint of PLDT's fiber network covered about 3.1 million homes passed as of end-June 2017, up from 2.8 million as of end-2016.

The FTTH roll-out is being complemented by the deployment of hybrid fiber technologies like G.fast, which is used extensively in Germany and South Korea, to deliver fiber-like data speeds via copper lines in residences and offices. The initial target areas for G.fast are existing high-rise buildings that are wired up with copper and would be difficult to re-fit with internal fiber cabling.

Meantime, Smart is pursuing its three-year program to roll out LTE in 95% of the country's cities and municipalities by end-2018. "As of end-July, we were about half-way through in north Metro Manila and close to completion in south Metro Manila and Metro Cebu," said **Mario G. Tamayo**, PLDT and Smart Senior Vice President for Network Planning and Engineering.

Earlier, Smart had completed the deployment of new LTE facilities as well as additional 3G and 2G base stations in metro Davao and the resort island of Boracay.

Smart's network enhancement program is already benefiting its customers through better LTE and 3G coverage, particularly indoors, and faster data speeds. Internal tests show that Smart's LTE service is posting average download speeds ranging from about 21.5 Mbps in areas of north Metro Manila to around 14.4 Mbps in areas of south Metro Manila where new LTE base station facilities have already been installed.

These internal tests were corroborated by the results of the latest J.P. Morgan Asia Network Quality study which found that the availability of Smart's LTE in Metro Manila had increased from 49% at the start of 2017 to 63% as of the July 2017 report. Citing crowd-sourced data gathered by wireless coverage research firm OpenSignal in the months April to June, the report said Smart had a "significant lead in LTE speeds" across all areas.

Smart continues to upgrade its network technologies. Last July, Smart, working with Huawei Technologies Philippines, successfully activated 4-component carrier (4CC) aggregation in Boracay, reaching average data speeds of 280 Mbps in initial runs using test software on Samsung's latest flagship smartphones, the Galaxy S8 and Galaxy S8+, the first 4CC-capable handsets available in the market. Further tests have achieved speeds of



up to 500 Mbps via 4x4 Multiple Input, Multiple Output (MIMO) and 256 Quadrature Amplitude Modulation (QAM) technology.

Side by side its LTE expansion program, Smart is rolling out its *Smart WiFi* service in high-traffic public places all over the country. In the second quarter of 2017, Smart participated in the EDSA Free Wi-Fi Project initiated by the Department of Information and Communications Technology (DICT) by installing carrier-grade WiFi coverage in thirteen stations of the MRT 3 in Metro Manila. It is also rolling out this service in the terminals of the LRT 1 rail system.

This is in line with Smart's program to provide high-speed WiFi in transportation hubs. Since last year, Smart has equipped 28 major airports, 20 bus terminals and 11 seaports with carrier-grade WiFi. Smart is also bringing WiFi to schools, government buildings, hospitals, malls and entertainment centers. In the first half of 2017, Smart set up 18 "Smart Spots" – providing high-speed WiFi – to around 350 restaurants and other establishments in different parts of the country.

"Through these parallel roll-outs of our fixed and mobile networks, we aim to provide the public with various options to access high-quality data services wherever they may be – at home, at work, at play and on the go," said **Pangilinan** said.

"With respect to our full year capex guidance, we expect to complete projects amounting to Php38 billion in 2017, with a balance of approximately Php15 billion that we forecast will be finished in 2018," added **Pangilinan**.

### **Beyond solutions selling**

With more powerful networks at hand, PLDT and Smart are offering richer data content and services.

In June, PLDT launched its Roku-powered *TVolution* box, an all-in-one, plug-and-play entertainment solution that delivers popular films from *iflix* and *Netflix*, as well as content from Cignal TV, YouTube and over 100 other video streaming channels.

"This breakthrough service gives PLDT Home Fibr customers easy access to a wide range of hit movie, TV and video streaming content via their web-linked TVs, with an easy-to-use remote control," said PLDT First Vice President and Home Business head **Oscar Enrico Reyes, Jr.**

To amplify the WiFi signal of its Fibr service, PLDT also launched the Whole Home WiFi plan Router which extends wireless data coverage within residences.

The Wireless Consumer Group is stepping up efforts to bring the benefits of its much-improved LTE service to more customers. Working with handset manufacturers MyPhone,

Oppo, Samsung, Vivo and Starmobile, it launched campaigns to encourage Smart, TNT and Sun customers to shift to LTE handsets, particularly those running on 700 Mhz and other LTE and 3G frequencies being used in the Smart network.

Early this year, TNT introduced LTE-enabled SIMs, opening the door to high-speed data to TNT subscribers. Starting August, LTE SIMs have also been made available to Sun customers as well.

Taking advantage of faster mobile data speeds, Smart has introduced new data packages offering video content with bundled subscriptions. Smart's Video Prime 99 comes with a 2Gb data allocation and subscription to top streaming sites *iflix* and *iWant* TV valid for 7 days.

“As smartphone penetration rises, video viewing on-the-go is becoming a mass experience. That is the opportunity that our ongoing LTE roll out is opening up. Meeting the growing demand for mobile viewing is key to delighting our customers and monetizing our data services,” **Alberto** said.

For PLDT Enterprise, its clear leadership in digital infrastructure has powered its growth in recent years. This has enabled the Enterprise group to deliver to clients high-bandwidth, reliable, and secure connectivity augmented by the largest network of data centers in the country. This has become the bedrock of the digital transformation initiative of many enterprises.

This capability has enabled the group to partner with global companies in delivering digital and cloud solutions to the market. In the first half of 2017, for example, PLDT tied up with global IT leader Cisco to offer next-generation business solutions, starting with intelligent WiFi connectivity for large and small companies.

“For us to further solidify our undisputed leadership in the Enterprise business, we are aggressively pursuing our own transformation journey. This transformation does not only focus on technology. More importantly, we continue to retool and retrain our people so that we can build expertise and establish world class ICT practices. PLDT's quality leadership has won the confidence of enterprises – both large corporates and SME's – who have entrusted to us their critical operations, making us integral partners in their efforts to execute their strategy and sustain their competitive advantage,” said **Juan Victor Hernandez**, Senior Vice President and Head of PLDT and Smart Enterprise.

Meanwhile, digital unit Voyager Innovations is also gaining breakthrough traction in its platforms and services for enterprises and consumers. PayMaya Philippines is leading the adoption of cashless ecosystems by local governments. Cities such as Muntinlupa, Balanga, Malolos, Catbalogan and Tacloban are now using PayMaya cards to disburse financial support and grants, and, to accept payments for services.

FINTQ, Voyager's financial technology arm, launched a new commercial campaign for its digital loans marketplace Lendr in June and saw a more than twenty-fold increase in sign-ups and loan applications in just one month. Lendr now counts on more than forty banks and financial institutions as its partners. Through Lendr, these partner institutions have disbursed more than Php21 billion of loans to more than 200,000 borrowers.

"We are moving on to a new stage of growth as our financial platforms and services become more pervasive and reach more people in the farthest corners of the country," said **Orlando B. Vea**, President of Voyager Innovations, Inc.

## **Conclusion**

"We have made steady progress in the first half of this year in stabilizing our overall business and positioning the Group to return to a growth path, largely on the back of data and broadband services. Our Home and Enterprise business units have led the way, in growing for at least six consecutive quarters already, because they have succeeded in executing their digital shift much earlier. We are now focused intently on doing the same for our Wireless Consumer business. The interim results have lent greater confidence in maintaining our guidance for Full Year Recurring Core Income (before exceptionals) at Php21.5 billion," **Pangilinan** concluded.

XXX

**PLDT Consolidated**

| <i>(unaudited)</i>  | Year-on-Year  |               |             | Quarter-on-Quarter |               |             |
|---|---------------|---------------|-------------|--------------------|---------------|-------------|
|   | 1H2017        | 1H2016        | % Change    | 2Q2017             | 1Q2017        | % Change    |
| Total revenues  | 79,015        | 85,284        | (7%)        | 39,827             | 39,188        | 2%          |
| <i>Service revenues</i>   | 75,383        | 80,604        | (6%)        | 37,682             | 37,701        | -           |
| Expenses  | 62,746        | 69,646        | (10%)       | 32,270             | 30,476        | 6%          |
| Income before Income Tax  | 20,737        | 17,132        | 21%         | 13,481             | 7,256         | 86%         |
| Provision for Income Tax  | 4,176         | 4,646         | (10%)       | 1,889              | 2,287         | (17%)       |
| <b>Net Income - Attributable to Equity Holders of PLDT</b>                | <b>16,518</b> | <b>12,463</b> | <b>33%</b>  | <b>11,567</b>      | <b>4,951</b>  | <b>134%</b> |
| <b>Core income <sup>(a)</sup></b>   | <b>17,427</b> | <b>17,700</b> | <b>(2%)</b> | <b>12,098</b>      | <b>5,329</b>  | <b>127%</b> |
| <i>Core income (recurring) <sup>(b)</sup></i>                             | 11,882        | 11,787        | 1%          | 6,553              | 5,329         | 23%         |
| <b>EBITDA</b>   | <b>32,010</b> | <b>30,758</b> | <b>4%</b>   | <b>15,543</b>      | <b>16,467</b> | <b>(6%)</b> |
| <i>EBITDA (ex-MRP) <sup>(c)</sup></i>                                     | 33,519        | 30,758        | 9%          | 17,052             | 16,467        | 4%          |
| <b>EBITDA Margin</b>  | <b>42%</b>    | <b>38%</b>    |             | <b>41%</b>         | <b>44%</b>    |             |
| <i>EBITDA (ex-MRP) <sup>(c)</sup></i>                                     | 44%           | 38%           |             | 45%                | 44%           |             |
| <b>EPS (based on net income - attributable to equity holders of PLDT)</b> |               |               |             |                    |               |             |
| EPS, Basic  | 76.32         | 57.55         | 33%         | 53.48              | 22.84         | 134%        |
| EPS, Diluted  | 76.32         | 57.55         | 33%         | 53.48              | 22.84         | 134%        |
| <b>EPS (based on Core Income)</b>   |               |               |             |                    |               |             |
| EPS, Basic  | 80.53         | 81.78         | (2%)        | 55.93              | 24.60         | 127%        |
| EPS, Diluted  | 80.53         | 81.78         | (2%)        | 55.93              | 24.60         | 127%        |

<sup>(a)</sup> Net income as adjusted for the net effect of gain/loss on FX, derivative transactions, and asset impairment.

<sup>(b)</sup> Core income excluding gain from asset sales, MRP expenses, and related tax adjustments

<sup>(c)</sup> EBITDA excluding the P1.5bn MRP expenses booked in 2Q2017

**PLDT INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
(in million pesos)

|   | As at June 30,<br>2017<br>(Unaudited) | As at December 31,<br>2016<br>(Audited) |
|---|---------------------------------------|---|
| <b><u>ASSETS</u></b>  |                                       |   |
| <b>Noncurrent Assets</b>  |                                       |   |
| Property and equipment  | 193,140                               | 203,188                                 |
| Investments in associates and joint ventures  | 48,771                                | 56,858                                  |
| Available-for-sale financial investments  | 12,085                                | 12,189                                  |
| Investment in debt securities and other long-term investments –<br>net of current portion | 150                                   | 374                                     |
| Investment properties   | 1,890                                 | 1,890                                   |
| Goodwill and intangible assets  | 69,938                                | 70,280                                  |
| Deferred income tax assets – net  | 26,129                                | 27,348                                  |
| Derivative financial assets – net of current portion                                      | 333                                   | 499                                     |
| Prepayments – net of current portion  | 7,069                                 | 7,056                                   |
| Advances and other noncurrent assets – net of current portion                             | 14,312                                | 9,473                                   |
| <b>Total Noncurrent Assets</b>  | <b>373,817</b>                        | <b>389,155</b>                          |
| <b>Current Assets</b>   |                                       |   |
| Cash and cash equivalents   | 33,577                                | 38,722                                  |
| Short-term investments  | 10,623                                | 2,738                                   |
| Trade and other receivables   | 28,793                                | 24,436                                  |
| Inventories and supplies  | 3,240                                 | 3,744                                   |
| Current portion of derivative financial assets  | 271                                   | 242                                     |
| Current portion of investment in debt securities and other long-term investments          | 353                                   | 326                                     |
| Current portion of prepayments  | 6,925                                 | 7,505                                   |
| Current portion of advances and other noncurrent assets                                   | 8,205                                 | 8,251                                   |
| <b>Total Current Assets</b>   | <b>91,987</b>                         | <b>85,964</b>                           |
| <b>TOTAL ASSETS</b>   | <b>465,804</b>                        | <b>475,119</b>                          |
| <b><u>EQUITY AND LIABILITIES</u></b>  |                                       |   |
| <b>Equity</b>   |                                       |   |
| Non-voting serial preferred stock   | 360                                   | 360                                     |
| Voting preferred stock  | 150                                   | 150                                     |
| Common stock  | 1,093                                 | 1,093                                   |
| Perpetual notes   | 4,200                                 | –                                       |
| Treasury stock  | (6,505)                               | (6,505)                                 |
| Capital in excess of par value  | 130,361                               | 130,488                                 |
| Retained earnings   | 14,299                                | 3,483                                   |
| Other comprehensive loss  | (21,227)                              | (20,894)                                |
| <b>Total Equity Attributable to Equity Holders of PLDT</b>                                | <b>122,731</b>                        | <b>108,175</b>                          |
| Noncontrolling interests  | 288                                   | 362                                     |
| <b>TOTAL EQUITY</b>   | <b>123,019</b>                        | <b>108,537</b>                          |

**PLDT INC. AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (continued)**  
(in million pesos)

|   | As at June 30,<br>2017<br>(Unaudited) | As at December 31,<br>2016<br>(Audited) |
|---|---------------------------------------|---|
| <b>Noncurrent Liabilities</b>                                   |                                       |   |
| Interest-bearing financial liabilities – net of current portion | 160,241                               | 151,759                                 |
| Deferred income tax liabilities – net                           | 3,374                                 | 3,567                                   |
| Derivative financial liabilities – net of current portion       | 33                                    | 2                                       |
| Customers' deposits   | 2,433                                 | 2,431                                   |
| Pension and other employee benefits                             | 12,096                                | 11,206                                  |
| Deferred credits and other noncurrent liabilities               | 10,113                                | 15,604                                  |
| Total Noncurrent Liabilities                                    | 188,290                               | 184,569                                 |
| <b>Current Liabilities</b>                                      |                                       |   |
| Accounts payable  | 45,182                                | 52,950                                  |
| Accrued expenses and other current liabilities                  | 90,268                                | 92,219                                  |
| Current portion of interest-bearing financial liabilities       | 14,826                                | 33,273                                  |
| Provision for claims and assessments                            | 897                                   | 897                                     |
| Dividends payable   | 1,656                                 | 1,544                                   |
| Current portion of derivative financial liabilities             | 104                                   | 225                                     |
| Income tax payable  | 1,562                                 | 905                                     |
| Total Current Liabilities                                       | 154,495                               | 182,013                                 |
| <b>TOTAL LIABILITIES</b>  | <b>342,785</b>                        | <b>366,582</b>                          |
| <b>TOTAL EQUITY AND LIABILITIES</b>                             | <b>465,804</b>                        | <b>475,119</b>                          |



**PLDT INC. AND SUBSIDIARIES**  
**CONSOLIDATED INCOME STATEMENTS**  
For the Six Months Ended June 30, 2017 and 2016  
(in million pesos, except earnings per common share amounts which are in pesos)

|   | Six Months Ended<br>June 30, |               | Three Months Ended<br>June 30, |               |
|---|------------------------------|---------------|--------------------------------|---------------|
|   | 2017                         | 2016          | 2017                           | 2016          |
|   | (Unaudited)                  |               |                                |               |
| <b>REVENUES</b>   |                              |               |                                |               |
| Service revenues  | 75,383                       | 80,604        | 37,682                         | 40,006        |
| Non-service revenues  | 3,632                        | 4,680         | 2,145                          | 2,499         |
|   | <b>79,015</b>                | <b>85,284</b> | <b>39,827</b>                  | <b>42,505</b> |
| <b>EXPENSES</b>   |                              |               |                                |               |
| Depreciation and amortization   | 15,329                       | 14,575        | 7,779                          | 7,417         |
| Compensation and employee benefits                                      | 12,425                       | 10,064        | 6,938                          | 4,833         |
| Repairs and maintenance   | 6,611                        | 7,593         | 3,451                          | 3,922         |
| Professional and other contracted services                              | 5,604                        | 4,373         | 2,906                          | 2,199         |
| Cost of sales   | 5,154                        | 10,645        | 2,508                          | 5,519         |
| Interconnection costs   | 4,153                        | 4,834         | 2,062                          | 2,398         |
| Rent  | 3,525                        | 3,411         | 1,695                          | 1,741         |
| Selling and promotions  | 2,982                        | 4,247         | 1,474                          | 2,529         |
| Asset impairment  | 2,248                        | 4,963         | 1,197                          | 3,318         |
| Taxes and licenses  | 1,939                        | 2,073         | 968                            | 751           |
| Insurance and security services   | 776                          | 914           | 314                            | 451           |
| Cost of services  | 599                          | 190           | 290                            | 83            |
| Communication, training and travel                                      | 589                          | 654           | 285                            | 353           |
| Amortization of intangible assets                                       | 412                          | 544           | 207                            | 272           |
| Other expenses  | 400                          | 566           | 196                            | 257           |
|   | <b>62,746</b>                | <b>69,646</b> | <b>32,270</b>                  | <b>36,043</b> |
|   | <b>16,269</b>                | <b>15,638</b> | <b>7,557</b>                   | <b>6,462</b>  |
| <b>OTHER INCOME (EXPENSES)</b>  |                              |               |                                |               |
| Equity share in net earnings of associates and joint ventures           | 1,149                        | 935           | 956                            | 298           |
| Interest income   | 611                          | 472           | 302                            | 217           |
| Gains (losses) on derivative financial instruments – net                | 358                          | (178)         | 76                             | 319           |
| Foreign exchange gains (losses) – net                                   | (479)                        | 77            | (82)                           | (893)         |
| Financing costs – net   | (3,799)                      | (3,620)       | (1,899)                        | (1,816)       |
| Other income – net  | 6,628                        | 3,808         | 6,571                          | 3,583         |
|   | <b>4,468</b>                 | <b>1,494</b>  | <b>5,924</b>                   | <b>1,708</b>  |
| <b>INCOME BEFORE INCOME TAX</b>   | <b>20,737</b>                | <b>17,132</b> | <b>13,481</b>                  | <b>8,170</b>  |
| <b>PROVISION FOR INCOME TAX</b>   | <b>4,176</b>                 | <b>4,646</b>  | <b>1,889</b>                   | <b>1,917</b>  |
| <b>NET INCOME</b>   | <b>16,561</b>                | <b>12,486</b> | <b>11,592</b>                  | <b>6,253</b>  |
| <b>ATTRIBUTABLE TO:</b>   |                              |               |                                |               |
| Equity holders of PLDT  | 16,518                       | 12,463        | 11,567                         | 6,246         |
| Noncontrolling interests  | 43                           | 23            | 25                             | 7             |
|   | <b>16,561</b>                | <b>12,486</b> | <b>11,592</b>                  | <b>6,253</b>  |
| <b>Earnings Per Share Attributable to Common Equity Holders of PLDT</b> |                              |               |                                |               |
| Basic   | 76.32                        | 57.55         | 53.48                          | 28.84         |
| Diluted   | 76.32                        | 57.55         | 53.48                          | 28.84         |

***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:

**Anabelle L. Chua**  
Tel No: 816-8213  
Fax No: 844-9099

**Melissa V. Vergel de Dios**  
Tel No: 816-8024  
Fax No: 810-7138

**Ramon R. Isberto**  
Tel No: 511-3101  
Fax No: 893-5174

#### **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](http://www.pldt.com).**