















INVESTING IN THE FUTURE

Nine Months 2012 Financial and Operating Results

6 November 2012



PLDT Group: 9M12 vs 9M11 Financial Highlights

(PhP in billions, except EBITDA margin and Core EPS)	9M 2012			9M 2011* (Unaudited)	% Y-o-Y Total
	PLDT*	DIGITEL	Total (Unaudited)		
Service Revenues**	109.6	16.6	126.2	112.3	 12%
• Wireless	72.0	15.3	87.3	74.2	 18%
• Fixed Line	43.0	2.5	45.5	43.5	 5%
• BPO	7.3	-	7.3	6.3	 16%
EBITDA	53.3	5.3	58.6	61.1	 -4%
• Wireless	37.2	4.7	41.9	41.9	 0%
• Fixed Line	14.4	0.5	14.8	17.8	 -17%
• BPO	1.5	-	1.5	1.1	 33%
EBITDA Margin***	49%	32%	46%	54%	
Reported Net Income	27.4	1.3	28.7	30.6	 -6%
Core Net Income	27.4	0.7	28.0	30.6	 -8%
Core EPS			129.52	162.02	 -20%

Foreign Exchange Rates (PhP:US\$1)
 Period-end
 Period-average

9M2012
 P41.74
 P42.56

9M2011
 P43.80
 P43.26

Inc/(Dec)
 -5%
 -2%

* Excluding DIGITEL

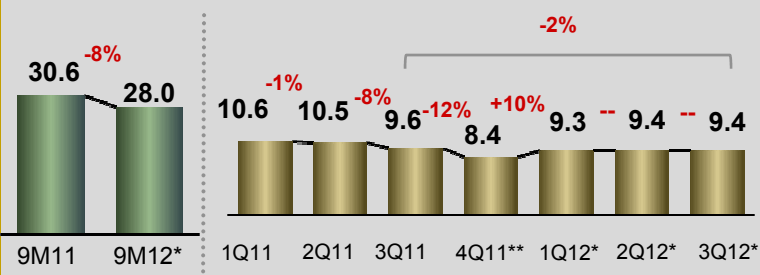
** Service Revenues restated to reflect the change in the presentation of outbound revenues

*** EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnect expenses)

PLDT Group: Core and Reported Net Income

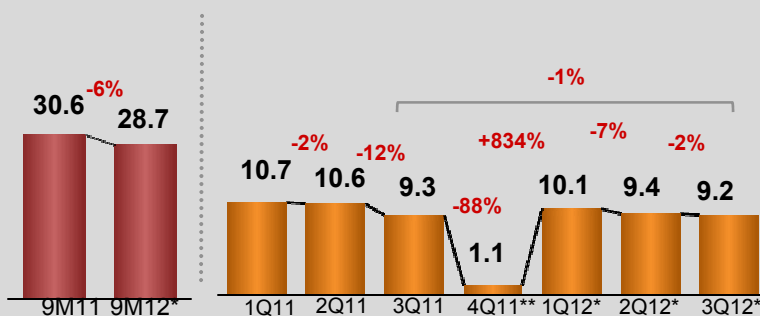
Core Net Income

(Php in billions)



Reported Net Income

(Php in billions)



* includes DIGITEL

** includes DIGITEL's financials from 26 October 2011

- Core Net Income guidance for 2012 of P37bn anticipated that the challenging operating conditions that arose in the second half of 2011 would carry into the first half of 2012, and would begin to improve in the second half of 2012

- Core net income of P9.3bn for 1Q12, P9.4bn for 2Q12, and P9.4bn for 3Q12 are a little ahead of the average P9.0bn for 3Q and 4Q in 2011

- Core Net Income at end September 2012 was lower by P2.6bn or 8% year-on-year at P28.0bn

- P2.4bn of the decline pertains to 1H12 compared with 1H11 reflecting:
 - ✓ response to the competitive environment resulting in higher selling and promo expenses and subsidies
 - ✓ the impact of the manpower reduction program cost in the fixed line
 - 3Q12 Core Net Income of P9.4bn is P0.2bn lower year-on-year but is stable compared with 2Q12

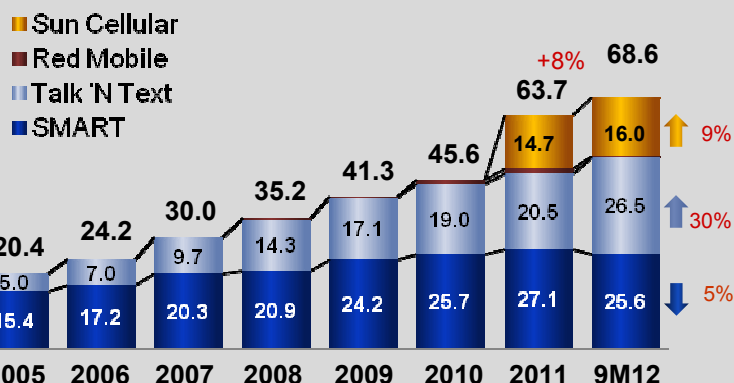
- Reported Net Income for 9M12 of P28.7bn was lower by 6% or P1.9bn mainly due to:

- P2.6bn decrease in Core Net Income
 - P0.1bn increase in net forex and derivative gains

Subscriber Base

Cellular Subscribers

(in millions)



➤ **Combined cellular subscriber base surged to 68.6mn at the end of 9M2012, with 4.9mn new subscribers from end 2011**

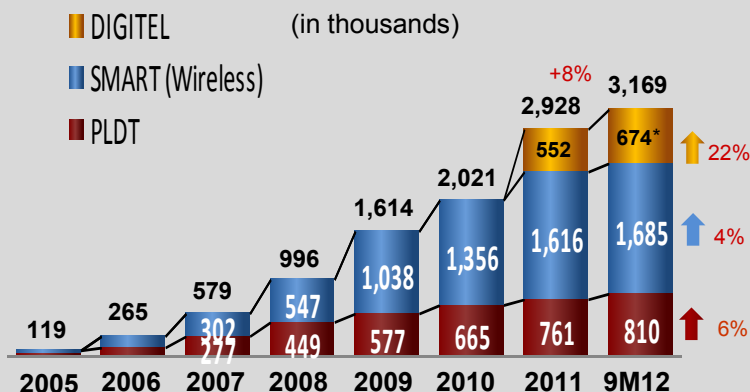
- Sun Cellular subscriber base crossed the 16mn mark with net adds of about 1.4mn
- Smart subscribers grew to 52.6mn with net adds of 3.5mn
 - ✓ 26.5mn Talk 'N Text subscribers
 - ✓ 25.6mn Smart subscribers
 - ✓ 0.4mn Red Mobile subscribers

➤ **At the end of September 2012, combined postpaid subscribers increased to 2.2mn, with 1.5mn and 0.7mn Sun and Smart subscribers, respectively**

- Smart postpaid net adds from YE11 of 108K, almost double the net adds for same period last year

Broadband Subscribers

(in thousands)



* 582K wireless; 92K DSL

➤ **PLDT total broadband subscriber base rose to 3.2mn at the end of 9M2012, reflecting net adds of nearly 241,000 from YE11, of which over 100,000 were added in 3Q12**

- Combined wireless broadband subscribers grew to 2.3mn with 1.7mn from Smart and 0.6mn from Sun
 - ✓ 1.5mn prepaid subscribers
 - ✓ 0.8mn postpaid subscribers
- The fixed line broadband subscriber base reached 902,000 with 810,000 and 92,000 PLDT and Digitel subscribers, respectively

➤ **PLDT Group recorded 2.1mn fixed line subscribers at the end of September 2012**

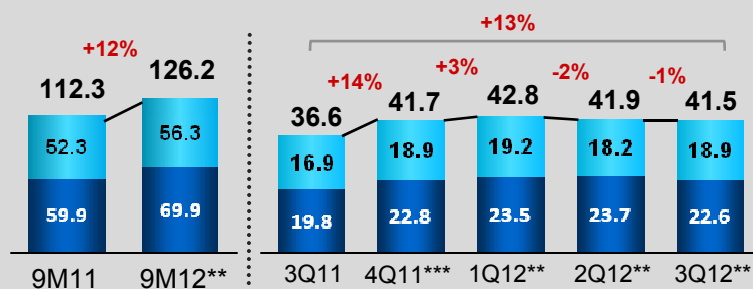
- 1.8mn PLDT subscribers
- 0.3mn Digitel subscribers

PLDT Group: Service Revenues and EBITDA

Consolidated Service Revenues*

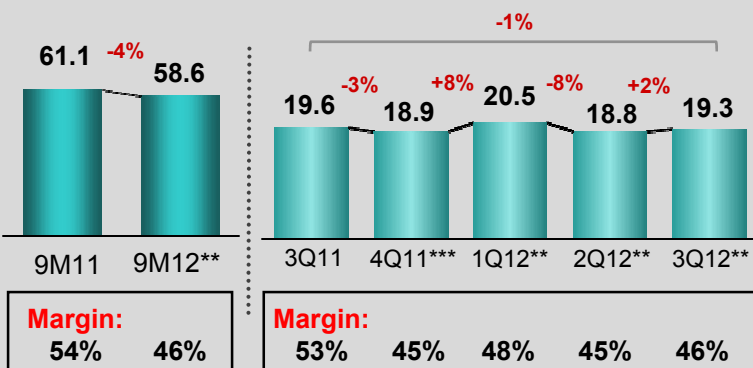
(Php in billions)

Voice
Data and BPO



Consolidated EBITDA and EBITDA Margin

(Php in billions)



* restated to reflect the change in the presentation of outbound revenues

** includes DIGITEL

*** includes DIGITEL's financials from 26 October 2011

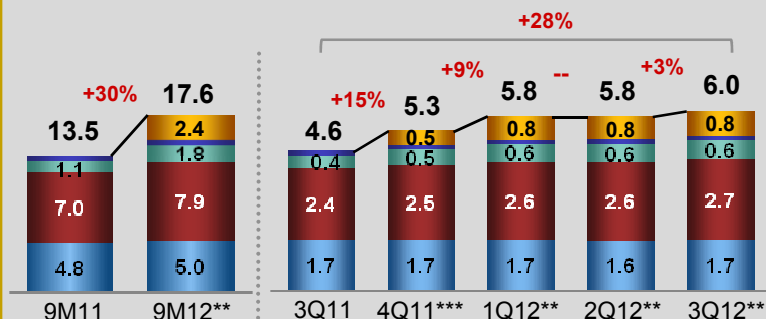
- Consolidated service revenues for 9M12 of P126.2bn were higher by 12% or P14.0bn year-on-year
 - DIGITEL contributed P16.6bn and accounted for 13% of total PLDT group service revenues
 - Combined Smart, PLDT and BPO revenues dipped by 2% year-on-year to P109.6bn
- PLDT group's revenue mix is changing with the growing contribution of broadband/non-SMS data and BPO revenues and the declining contribution from legacy and high margin businesses such as SMS and inbound international voice
 - Non-SMS data (broadband and corporate data) revenues grew by 27% or P4.9bn to P22.6bn or 12% to P19.8bn excluding Digitel
 - Digitel contributed P8.8bn to total voice revenues of P56.3bn, without which voice revenues decreased by 9% to P47.6bn:
 - ✓ Lower NLD revenues of P1.5bn
 - ✓ Decrease in international revenues by P2.2 bn due to lower inbound revenues as a result of the growth of broadband and a stronger peso exchange rate
 - Structural change will result in some margin reduction as high margin legacy revenues are replaced by relatively lower margin revenue streams
- At end September 2012, consolidated EBITDA declined by P2.5bn or 4% year-on-year to P58.6bn and EBITDA margin stood at 46%
 - Excluding P1.8bn in manpower reduction costs booked during the period, EBITDA would have been lower by only P0.7bn or a 1% dip year-on-year, with EBITDA margin of 48%
- EBITDA margin per segment for 9M12:
 - Wireless at 48% (9M11:57%; FY11: 54%; 3Q12: 48%)
 - Fixed Line at 33% (9M11:41%; FY11: 39%; 3Q12: 32%)
 - BPO at 20% (9M11:18%; FY11: 18%; 3Q12: 20%)

Service revenues and outlook per segment

Broadband Service Revenues*

(Php in billions)

Smart Broadband PLDT DSL Smart Mobile Internet
Others DIGITEL



➤ Growth in broadband service revenues remained robust with a 30% year-on-year increase to P17.6bn at end September 2012, representing 14% of total group service revenues

➤ Despite low PC and smartphone penetration given relatively high access device prices, broadband usage and popularity of social networks continue to expand

- Demand for broadband underpinned by the large number of overseas Filipinos, high literacy rates, relatively young population, and increasing purchasing power from remittances and BPO employment

➤ PLDT to capture greater share of the broadband market given:

- Network advantage including greater coverage and capacity, capability for faster speeds, reliable connectivity, and cost efficiencies
- Wide variety of service offers that cater to various budgets, usage habits, speed requirements, including the availability of content
 - ✓ Time- and volume-based packages at different price points and with varying validity periods
 - ✓ Speed differentiated offers, whether via dongles, fiber-to-the home (FTTH), LTE service
 - ✓ Bundled services such as DSL+WiFi, triple-play (including content)

➤ BPO service revenues, which accounted for 5% of total PLDT group service revenues, grew by 16% or P1.0bn year-on-year to P7.3bn at end September 2012

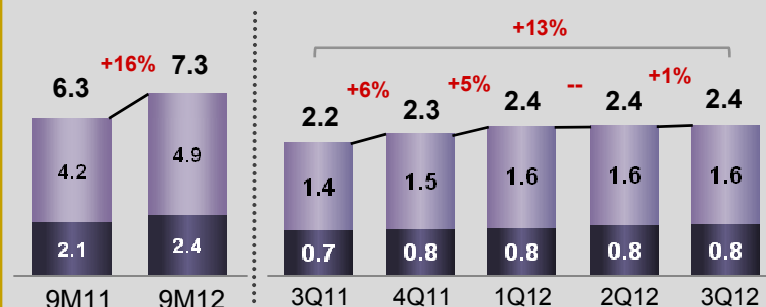
➤ Prospects for the BPO business continue to be aligned with the bullish outlook for the Philippine BPO industry

- Sales pipeline from existing customers and new clients remains robust
- SPI to target new geographies and new verticals
- Focus on profitability with increased productivity, better seat utilization, location strategies, and economies of scale

BPO Service Revenues

(Php in billions)

Knowledge Processing Solutions
Customer Relationship Management



* restated to reflect the change in the presentation of outbound revenues

** includes DIGITEL

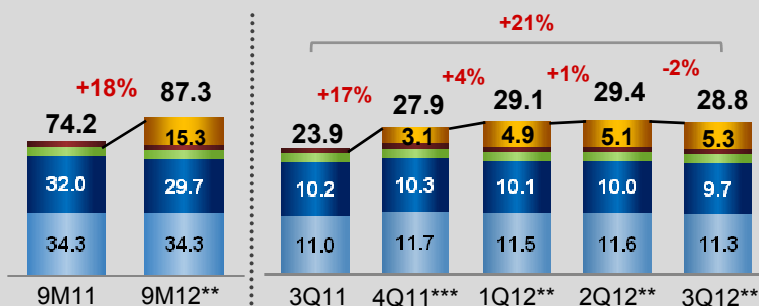
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Service revenues and outlook per segment

Wireless Service Revenues*

(Php in billions)

Cellular Data* Cellular Voice
Broadband Satellite and Others
DIGTEL

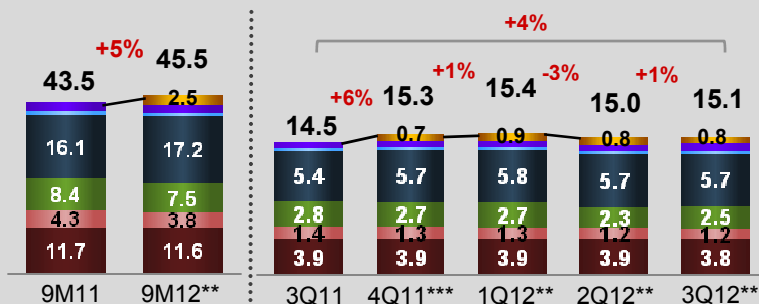


* Includes mobile internet browsing revenues

Fixed Line Service Revenues*

(Php in billions)

Local Exchange NLD
Data Vitro
ILD
Miscellaneous
DIGTEL



* restated to reflect the change in the presentation of outbound revenues

** includes DIGTEL

*** includes DIGTEL's financials from 26 October 2011

- For the 9M2012, wireless service revenues were up by P13.1bn or 18% to P87.3bn compared with 9M2011
- As competitive challenges remain in the cellular space, our strategy involves the introduction of offers that aim to improve ARPU's and yields as well as selectively responding to competition in order to defend market share
 - Bucket/capped offers
 - Higher denomination unlimited variants with longer validity
- Wireless business leveraging on the PLDT group's network advantage and quality of service to attract new subscribers (particularly in postpaid) as well as increase the usage of existing subscribers (especially those holding multi-SIMs)
- Fixed line service revenues were higher by P2.0bn or 5% to P45.5bn in 9M2012 from P43.5bn in 9M2011
 - Data and other network revenues were up by 12% or P2.1bn at P19.0bn, including P1.0bn from Digitel
 - NLD and ILD revenues were lower by P0.7bn as P0.8bn from Digitel partly offset the P1.5bn decline in PLDT NLD and ILD revenues
- Continued improvements in the economy, particularly in the BPO industry, as well as sustained growth in domestic consumption, bode well for DSL and corporate business, which now account for 40% of total fixed line revenues
- Recent network investments further boosts PLDT's ability to offer:
 - A wider range of data services, including higher-speed DSL packages, fiber-to-the-home (FTTH), triple-play, and bundled offers such as DSL+WiFi
 - Enterprise solutions for corporates and SMEs, including cloud services for which PLDT now has the largest data center rack capacity in the Philippines

Capex Updates: PLDT's Network Advantage

➤ Capex for FY12 estimated at P38bn: P19.3bn at 9M12

- Two-year accelerated investment program for the network already completed, with total spend in 2011 of P31.2bn and about P38.0bn expected for 2012, inclusive of Digitel capex and net of P8.0bn of capex avoidance
- PLDT group's integrated fixed line and cellular network is unrivalled in its capacity, reach, robustness and efficiency, enabling the delivery of services to our customers, including quality broadband and content

➤ PLDT's "network advantage" built into each of the network's elements:

- **Access network: widest coverage, cost-efficient, LTE-ready**
 - ✓ Single RAN deployment 99% completed (except in areas with security issues): 3G and LTE-ready with 200 LTE sites to-date and 1,000 sites by YE12
 - ✓ 3G population coverage now at 70%
 - **Transport network: most extensive fiber coverage in the Philippines with 3 Terabits per second capacity by YE12**
 - ✓ About 52,000 kms. of fiber assets (including DFON, Digitel/Sun and Meralco) in place; with additional 6,000 kms. of fiber-to-the-home rolled out
 - ✓ Almost 100% of MM sites are with fiber and IP-ready, while 62% of provincial sites are IP-ready with 36% with fiber
 - **Core network upgraded ahead of schedule**
 - **International capacity: unparalleled in resiliency, quality and quantity with 4 operational cable landings stations and 12 international cable systems alliances in place**
- ## ➤ PLDT announced additional projects to further support the anticipated growth in internet traffic from the launch of PLDT Fibr (FTTH) and Smart's LTE service:
- **Doubling of PLDT's internet gateway capacity to 600Gbps by YE12, and tripling by YE13**
 - **Expansion of backhaul coverage with the build-out of transmission backbone between Iloilo and Palawan with an initial 400Gbps capacity**
 - **2-year fiber roll-out to "pass by" two million homes by end-2013, half of which achieved by end 2012**

Updates on Foreign Ownership Issue

- In 2007, Wilson Gamboa filed a petition against several respondents/parties (M. V. Pangilinan, N. L. Nazareno, PSE President, SEC Chairman, Finance Secretary, et al) 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 government to a First Pacific affiliate 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 as 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 SEC to determine whether PLDT was in violation of the foreign ownership limit based on the said definition
 - 58.4% foreign ownership based on outstanding common shares
- Respondents 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
 - 24.4% foreign ownership based on all outstanding shares
- In July 2011, adopting a structure used by other listed companies engaged in partly nationalized businesses, the PLDT Board approved the creation 150 million voting preferred shares:
 - Par value of P1
 - Could be owned only by Filipinos
 - With the right to vote in the election of directors
 - Non-convertible, redeemable
 - Board to determine dividend rate and date of issuance
- In March 2012, PLDT shareholders approved the amendment of Articles of Incorporation creating a sub-class of authorized preferred stock, with voting rights

Updates on Foreign Ownership Issue

- On 9 October 2012, the Supreme Court denied with finality the Motions for Reconsideration
- Pursuant to the definition of capital as contained in the June 2011 Supreme Court decision, on 12 October 2012, the PLDT Board approved the issuance to BTF Holdings, Inc. (a wholly owned company of the PLDT Beneficial Trust Fund) of 150 million voting preferred shares earning a dividend rate of 6.5% pa.
- On 16 October 2012, PLDT issued 150 million voting preferred shares to BTFHI making PLDT compliant with the Supreme Court decision
 - 34.5% foreign ownership based on outstanding voting shares (common and voting preferred)

PLDT Group Guidance

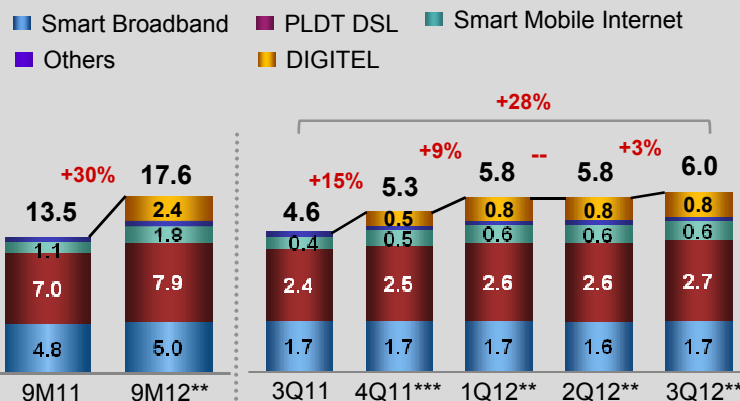
Core Net Income	P37.0 billion for 2012
Capex	P38.0 billion for 2012 and decreasing for 2013 onwards at below 20% of service revenues
Capital Management	Dividend Payout Ratio: 70% of Core EPS + “look back” approach Buyback of up to 2.3 million common shares

DETAILS

Broadband

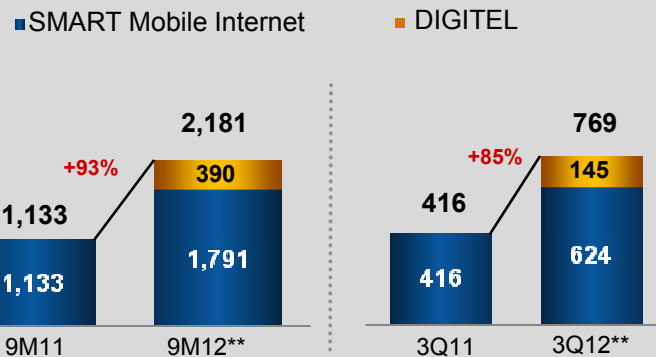
Broadband Service Revenues*

(Php in billions)



Mobile Internet Browsing Service Revenues*

(Php in millions)



* restated to reflect the change in the presentation of outbound revenues

** includes DIGITEL

*** includes DIGITEL's financials from 26 October 2011

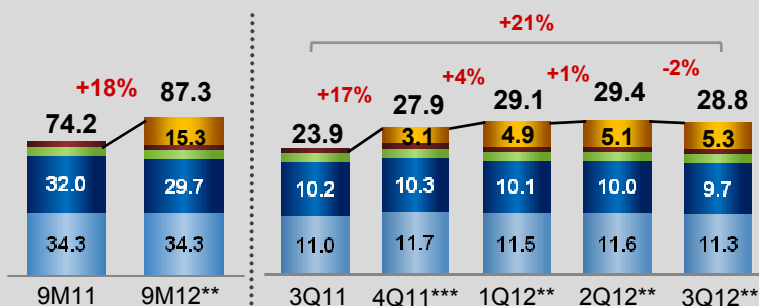
- **Growth in broadband service revenues remained robust with a 30% year-on-year increase to P17.6bn at end September 2012, representing 14% of total group service revenues**
 - PLDT DSL revenues were higher by 12% at P7.9bn as the subscriber base expanded by 9%
 - Smart wireless broadband revenues grew by 3% to P5.0bn with an 8% increase in subscribers
 - Smart Mobile internet revenues rose by 58% to P1.8bn
 - Digitel accounted for P2.4bn of total broadband revenues consisting of P1.4bn from wireless broadband, P0.6bn from DSL, and P0.4bn from mobile internet
- **PLDT DSL ARPU is P1,084; Smart and Sun wireless broadband net blended ARPUs are P335 and P318, respectively**
- **Despite low PC and smartphone penetration given relatively high access device prices, broadband usage and popularity of social networks continue to expand**
 - Demand for broadband underpinned by the large number of overseas Filipinos, high literacy rates, relatively young population, and increasing purchasing power from remittances and BPO employment
- **PLDT to capture greater share of the broadband market given:**
 - Network advantage including greater coverage and capacity, capability for faster speeds, reliable connectivity, and cost efficiencies
 - Wide variety of service offers that cater to various budgets, usage habits, speed requirements, including the availability of content
 - ✓ Time- and volume-based packages at different price points and with varying validity periods
 - ✓ Speed differentiated offers, whether via dongles, fiber-to-the home (FTTH), LTE service
 - ✓ Bundled services such as DSL+WiFi, triple-play (including content)

Wireless

Wireless Service Revenues*

(Php in billions)

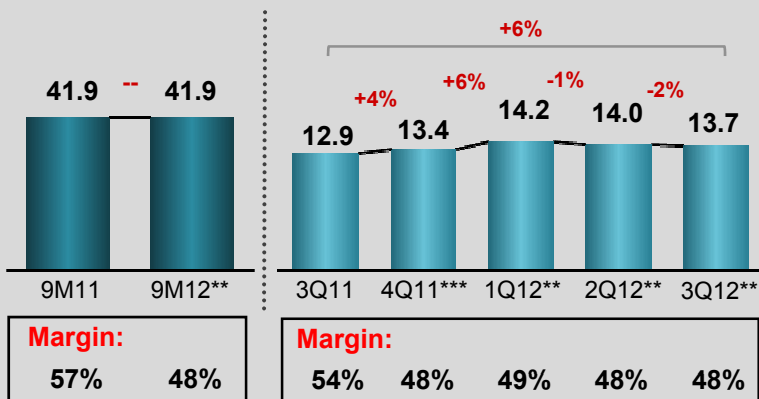
Cellular Data* Cellular Voice
Broadband Satellite and Others
DIGITEL



* Includes mobile internet browsing revenues

EBITDA

(Php in billions)



* restated to reflect the change in the presentation of outbound revenues

** includes DIGITEL

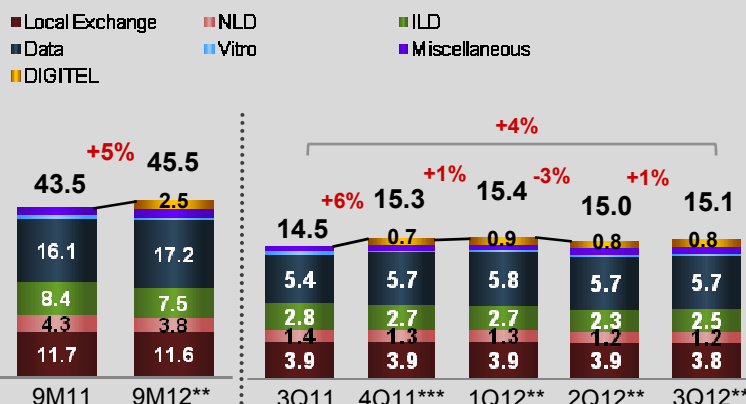
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- At 9M12, wireless service revenues were up by P13.1bn or 18% to P87.3bn compared with 9M11
 - Digitel contributed P15.3bn in wireless service revenues, consisting of P8.4bn, P5.2bn, and P1.4bn in voice, cellular data and wireless broadband revenues, respectively
 - Smart registered P72.0bn of wireless service revenues, a 3% dip year-on-year
 - ✓ SMS revenues of P32.5bn or 37% to total wireless service revenues were lower by 2% despite a 40% rise in SMS volumes
 - ✓ Voice revenues decreased by 7% of P2.3bn to P29.7bn with the decline in call volumes by 6%
 - Domestic revenues dipped by P1.0bn or 5%
 - International revenues, accounting for 13% of total wireless revenues, were lower by 10% or P1.3bn at P11.1bn
 - ✓ Wireless broadband revenues grew by 3% to P5.0bn
 - ✓ Mobile internet revenues rose by 58% to P1.8bn
 - ✓ VSAT and other revenues amounted to P3.0bn
- EBITDA for 9M12 was stable at P41.9bn with 3Q12 EBITDA 6% higher year-on-year at P13.7bn
 - Digitel EBITDA amounted to P4.7bn at end September 2012
- EBITDA margin for 9M12 declined to 48% from the same period last year primarily due to lower Digitel EBITDA margin of 31%
- As competitive challenges remain in the cellular space, our strategy involves the introduction of offers that aim to improve ARPU and yields as well as selectively responding to competition in order to defend market share
 - Bucket/capped offers
 - Higher denomination unlimited variants with longer validity
- Wireless business leveraging on the PLDT group's network advantage and quality of service to attract new subscribers (particularly in postpaid) as well as increase the usage of existing subscribers (especially those holding multi-SIM)

Fixed Line

Fixed Line Service Revenues*

(Php in billions)

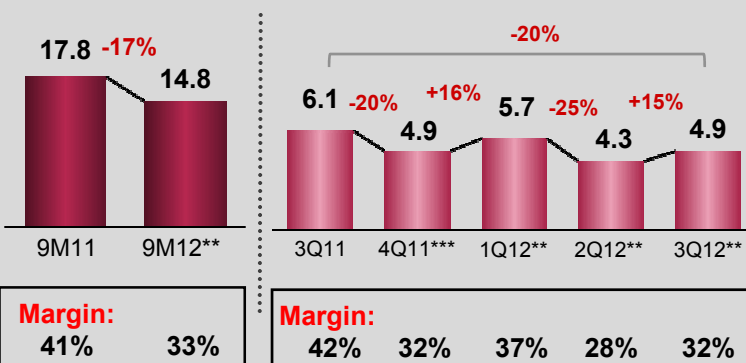


➤ Fixed line service revenues were higher by P2.0bn or 5% at P45.5bn in 9M12 from P43.5bn in 9M11

- PLDT fixed line service revenues at P43.0bn were P0.5bn or 1% lower year-on-year
 - ✓ PLDT data and other network revenues (including revenues from corporate customers) increased by 6% to P18.1bn
 - DSL revenues rose by 12% to P7.9bn
 - International leased line and other revenues grew by 6%
 - Domestic leased line and other revenues were stable at P5.0bn
 - Third party corporate data revenues climbed by 9%
 - Data center revenues were stable at P0.9bn
 - ✓ LEC revenues remained steady at P11.6bn
 - ✓ Revenues from ILD and NLD declined by P1.5bn or 12% to P11.3bn and now accounts for 25% of fixed line revenues from 29% last year
- Digitel contributed P2.5bn in fixed line revenues
 - ✓ Total LEC, ILD and NLD revenues stood at P1.5bn
 - ✓ Data and other revenues were at P1.0bn

EBITDA

(Php in billions)



➤ EBITDA for 9M12 of P14.8bn was lower by 17% or P3.0bn from P17.8bn for 9M11 as increases in service revenues were offset by higher cash operating expenses including P1.7bn of costs related to the manpower reduction programs (MRP) affecting PLDT and Digitel

➤ EBITDA margin for the first nine months of 2012 dipped to 33%, or 36% excluding the one-time MRP cost booked in 1H12

➤ Continued improvements in the economy, particularly in the BPO industry, as well as sustained growth in domestic consumption, bode well for DSL and corporate business, which now account for 40% of total fixed line revenues

➤ Recent network investments further boosted PLDT's ability to offer:

- A wider range of data services, including higher-speed DSL packages, fiber-to-the-home (FTTH), triple-play, and bundled offers such as DSL+WiFi
- Enterprise solutions for corporates and SMEs, including cloud services for which PLDT now has the largest data center rack capacity in the Philippines

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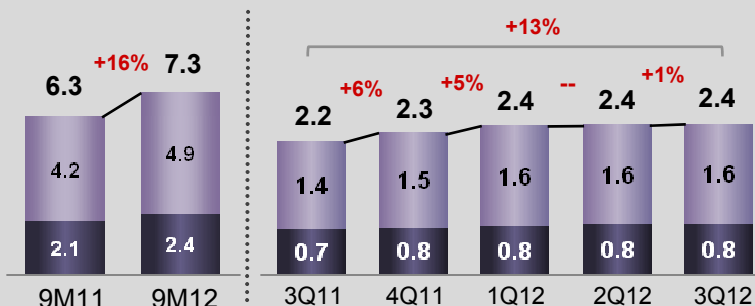
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BPO

BPO Service Revenues

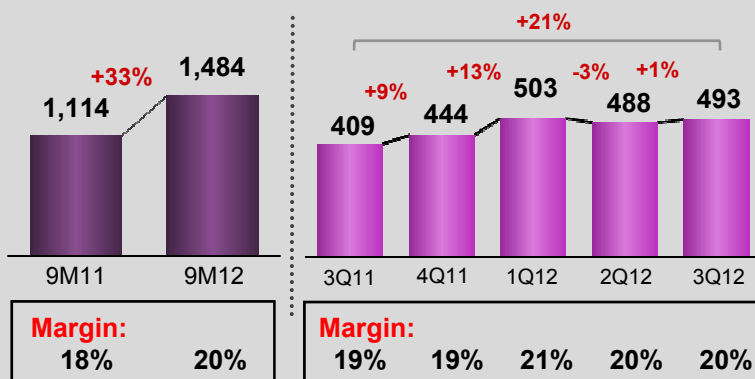
(Php in billions)

■ Knowledge Processing Solutions
■ Customer Relationship Management



BPO EBITDA

(Php in millions)



- **BPO service revenues, which accounted for 5% of total PLDT group service revenues, grew by 16% or P1.0bn year-on-year to P7.3bn at end September 2012**
 - KPS revenues rose by 16% or P0.7bn to P4.9bn with the peso appreciation partly muting the 19% growth in dollar-denominated sales from higher content services and additional revenues from the recently acquired Laserwords
 - CRM revenues increased by 15% or P0.3bn to P2.4bn following an 18% rise in domestic sales
- **EBITDA of P1.5bn for 9M12 rose by 33% from P1.1bn in 9M2011**
- **EBITDA margin for 9M12 improved to 20% from 18% for the same period last year**
 - 3Q12 EBITDA margin of 20% was higher than 19% for 3Q11 and stable compared with 2Q12
 - Sustained margin improvement resulted from higher revenues partly from improved pricing, and an improved cost structure
- **Prospects for the BPO business continue to be aligned with the bullish outlook for the Philippine BPO industry**
 - Sales pipeline from existing customers and new clients remains robust
 - SPi to target new geographies and new verticals
 - Focus on profitability with increased productivity, better seat utilization, location strategies, and economies of scale

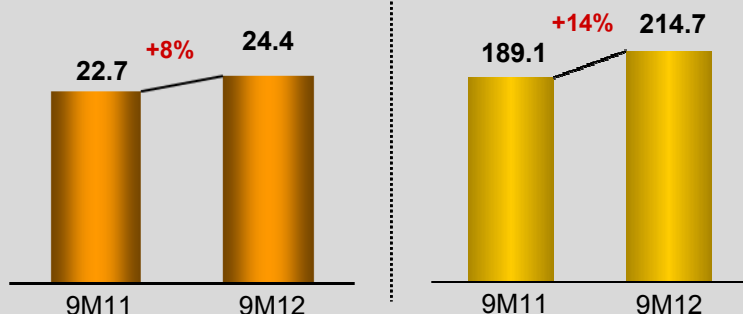
Meralco

Energy Sales and Revenues

(in '000 GWh and Php in Billions)

■ Energy Sales

■ Revenues

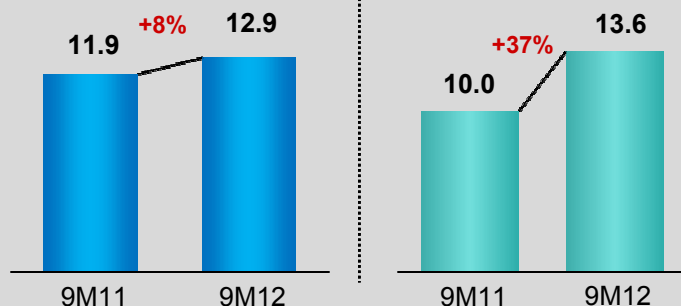


Core and Reported Net Income

(Php in billions)

■ Core Income

■ Reported Income



➤ **Meralco's consolidated service revenues at the end of September 2012 increased by 14% year-on-year to P214.7bn resulting from:**

- Increase in electricity volumes sold by 8%, despite severe weather disturbances, reflecting greater demand and the rise in its customer base to 5.2mn
- Higher purchased power cost largely due to increases in generation charges and system loss

➤ **Consolidated EBITDA for 9M12 at P22.4bn was higher by 17% year-on-year, with Core EBITDA margin at 10%**

➤ **Reported Net Income for the nine months 2012 climbed by 37% year-on-year to P13.6bn, while Core Net Income rose by 8% to P12.9bn**

- Guidance for 2012 core income upgraded to P16bn

➤ **Operational highlights:**

- Customer base grew to 5.2mn at end September 2012
- ERC confirmed Meralco's claim of double charging in transmission line costs by PSALM from June 2006 to May 2012 (Meralco estimated refund of about P9.1bn); hearings on-going
- Meralco's plans for power generation are on-track:
 - ✓ RP Energy (JV with Aboitiz and Taiwan Co-Gen) 2x300 MW coal plant projects in Redondo Peninsula to be operational by 2016
- Smart Grid technical pilot (including smart metering and prepaid electricity) planned for December 2012 with possible commercial roll-out by 1Q13

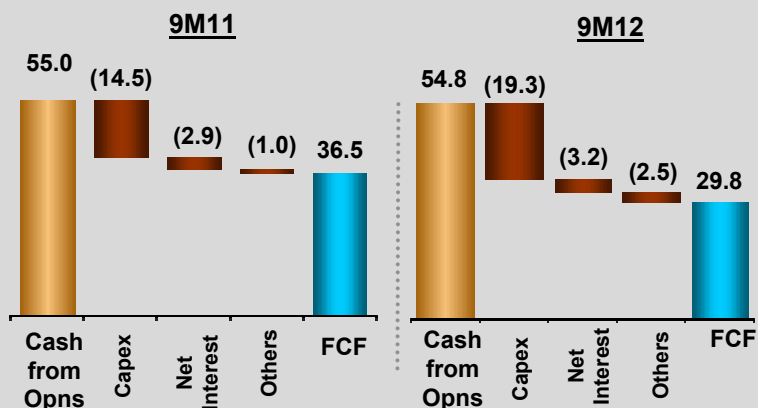
➤ **Beacon Electric, owned 50% by PCEV, is largest shareholder of Meralco with 48% shareholdings**

- PCEV realized deferred gain of P2.0bn following the sale of part of its Beacon preferred shares amounting to P3.6bn in 1H12
- PCEV equity share in core income of Beacon/Meralco of P2.2 in 9M12 compared with P1.9bn in 9M11

Free Cash Flow and Capex

Free Cash Flow

(Php in billions)



- FCF for the first nine months of 2012, inclusive of P4.3bn from Digitel, amounted to P29.8bn, or P6.7bn lower year-on-year resulting from:

- Higher capex by P4.7bn
- Increase in net interest paid by P0.3bn
- Decrease in cash from operations of P0.2bn

- FCF was supplemented by P4.5bn total proceeds from sale of Philweb shares and Beacon preferred shares

- Cash dividends of P36.9bn were paid as of end September 2012

- Two-year accelerated investment program for the network completed with total spend of P31.2bn for 2011 and about P38.0bn for 2012, inclusive of Digitel capex and net of P8.0bn capex avoidance)

- Capex of P19.3bn at 9M12

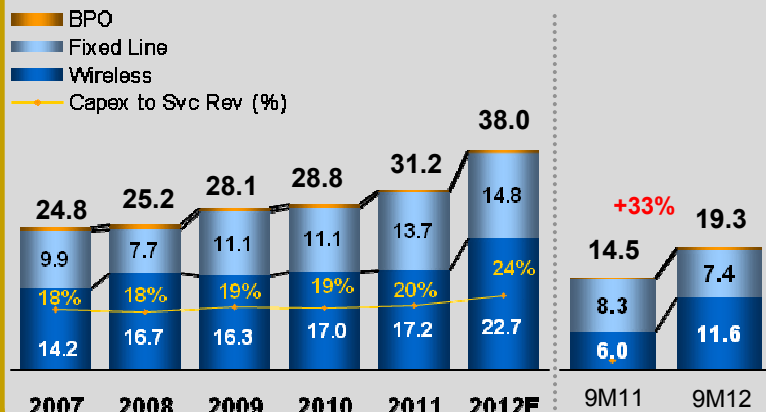
- Capex expected to normalize at pre-2011 levels starting 2013

- To cement the group's network advantage designed to respond to customers' service expectations, PLDT announced additional 2013 projects as further support to the anticipated growth in internet traffic generated from the launch of PLDT Fibr (FTTH) and Smart's LTE:

- Doubling of PLDT's internet gateway capacity to 600Gbps by YE12, and tripling by YE13
- Expansion of backhaul coverage with the build-out of transmission backbone between Iloilo and Palawan with an initial 400Gbps capacity
- 2-year FTTH roll-out to "pass by" two million homes by end-2013, half of which would be ready by end 2012

Capex

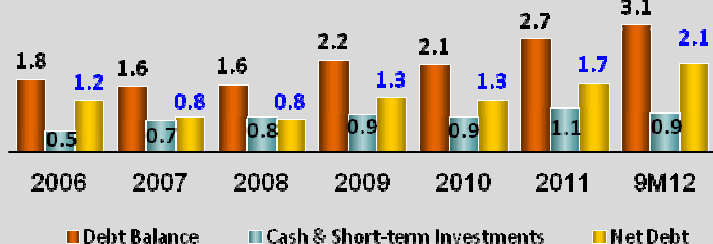
(Php in billions)



Debt Profile

Debt Balance

(US\$ in billions)

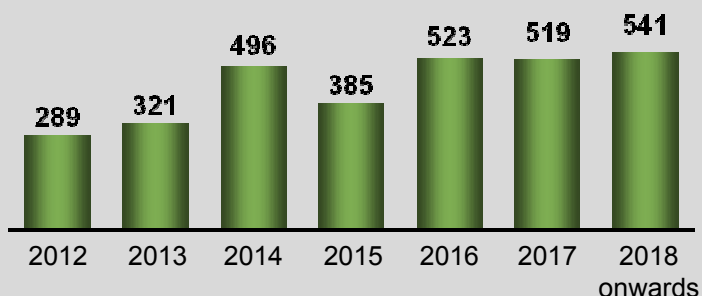


Net Debt/EBITDA

0.8x 0.4x 0.5x 0.7x 0.7x 0.9x 1.1x

Debt Maturities

(as of 30 September 2012, US\$ in millions)



➤ **Net debt at end September 2012 amounted to US\$2.1bn, with net debt/EBITDA of 1.1x**

- Increase in debt balance due to issuance of P8.8bn corporate notes and drawings from term loan facilities to finance capex requirements and maturing obligations
- Additional P7.9bn of prepayments are scheduled in 4Q12

➤ **At the end of 9M12, gross debt remained at US\$3.1bn, inclusive of US\$0.5bn Digitel debt which is mostly US\$ denominated**

- 44% of total debt are US\$-denominated
- Taking into account our US\$ cash holdings, peso loans, and hedges, only US\$941mn or 31% of total debt is unhedged
- 71% are fixed-rate loans, while 29% are floating-rate loans

➤ **Debt maturities continue to be well-spread out**

- Average remaining life improved to 3.6 years from 3.0 years as of YE11 as a result of refinancing exercise

➤ **PLDT became the first Philippine company to be rated investment grade by all three major ratings agencies**

- ✓ On 29 October 2012, Moody's further upgraded PLDT's credit rating from Baa3 to Baa2 with stable outlook

PLDT/SMART/DIGITEL/SUN SYNERGY UPDATES

➤ Marketing initiatives

- **Wireless: increase price points and usage, improve yields**
 - ✓ Greater availability of attractive buckets or capped offers to reduce preference for unlimited packages (e. g., TriNet bucket offers that allow calling among Smart, TNT and Sun)
 - ✓ Unlimited offers with higher top-up denominations
 - ✓ Variants with longer validity to increase usage within the PLDT network, reducing opportunity to top up a second SIM
- **Fixed line: grow revenues in Digitel franchise areas by allowing access to the existing PLDT network**
- **Enterprise market: leverage sales and marketing synergies**
 - ✓ Sun products and services to be packaged and offered to Corporate and SME markets, emphasizing the “power of three networks”, i. e., PLDT, Smart, and Sun

➤ Initiatives to streamline the network to reduce opex/capex, maximize network reach and capacity, and improve quality of service and operating efficiencies are progressing well

- **Additional 850 Smart/Sun sites** for site sharing/co-location in addition to the 850 sites initially identified
 - ✓ Estimated **capex avoidance of P5.5bn** for 2013 and total opex savings of about P1.0bn when completed by end 2013
 - ✓ 210 under site sharing and 250 sites already consolidated
- Activation of national roaming for **~1650 2G** and **~400 3G** sites increasing Sun’s 2G and 3G geographic coverage to 85% (59% at YE11) and **18%** (6% at YE11), respectively
- Rationalization of the international network including integration of the IP-international gateway facility and the use of PLDT internet bandwidth to reduce Digitel 3rd party payments and improve quality of service
- Completed the following:
 - ✓ Consolidation of PLDT/Digitel Outside Plant Facilities minimizing capex build-out, improving existing fixed line services and creating opportunity to sign up new customers
 - ✓ Increased Sun/PLDT points of interconnect (POIs) from 5 to 16, avoiding capex for Sun/Digitel transport/ backhaul expansion
 - ✓ Consolidation of service platforms and OSS/BSS, shutdown of Digitel’s prepaid platform
 - ✓ Transferred Sun call center operations to SPi Global
- Studying other areas of savings: possible integration of Smart/Sun and PLDT/Digitel Technical Operations for additional improved services and lower costs, consolidation of Business Centers

➤ **Over 850 fixed line employees, or about 18% of total Digitel group headcount availed of the Voluntary Retirement Program (VRP) in 1H12**

Recent Developments



- **PCEV sold part of its preferred shares in Beacon Electric for P3.6bn**
 - Recognition of deferred gain of P2.0bn booked in 2Q12
 - PCEV still owns 50% of Beacon Electric common and preferred shares
- **ePLDT entered into an agreement to sell its 27% stake in Philweb for a total consideration of P4.2bn, plus interest**
 - Shares will be sold in 4 tranches starting 13 July 2012 until 10 December 2013
 - ePLDT to book total gain of P3.0bn in 2012 and 2013
 - Second tranche accelerated to October 2012
- **As part of the conditions prescribed by the NTC in connection with the acquisition of Digitel, Smart informed the regulator on 26 July 2012 of its compliance with its obligations under the Divestment Plan**
 - CURE assets re-arranged such that only remaining assets at CURE are its Congressional franchise, 10MHz 3G Frequency and related permits
 - Migration of Red Mobile subscribers to Smart completed
- **PLDT acquired IP Converge Data Services, Inc. (IPCDSI) for a total consideration of between P700-800mn, to boost presence in the cloud business**
 - IPCDSI operates two (2) data centers in Makati and Taguig
 - With the acquisition, PLDT data center rack capacity is now the largest in the Philippines

Except for historical financial and operating data and other information in respect of historical matters, the statements contained herein are “forward-looking statements” within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. The words “believe”, “intend”, “plan”, “anticipate”, “continue”, “estimate”, “expect”, “may”, “will” or other similar words are frequently used to indicate these forward looking statements. Any such forward-looking statement is not a guarantee of future performance and involves a number of known and unknown risks, uncertainties and other factors that could cause the actual performance, financial condition or results of operation of PLDT to be materially different from any future performance, financial condition or results of operation implied by such forward-looking statement. Among the factors that could cause actual results to differ from the implied or expected results are those factors discussed under “Risk Factors” in Item 3 in PLDT’s annual report on Form 20-F.

Appendix

Subscriber Data

	Sept- 12	Jun- 12	Mar-12	Dec-11	Sep-11	Jun-11	Mar-11	9M12 vs FY11		9M12 vs 9M11		Net adds		
								Amount	%	Amount	%	1Q12	2Q12	3Q12
CELLULAR														
Smart	25,636,712	26,929,737	27,470,678	27,123,622	26,606,008	26,509,537	26,165,500	(1,486,910)	-5%	(969,296)	-4%	347,056	(540,941)	(1,293,025)
Prepaid	24,977,891	26,287,817	26,853,620	26,573,137	26,129,264	26,079,785	25,735,090	(1,595,246)	-6%	(1,151,373)	-4%	280,483	(565,803)	(1,309,926)
Postpaid	658,821	641,920	617,058	550,485	476,744	429,752	430,410	108,336	20%	182,077	38%	66,573	24,862	16,901
Talk 'N Text	26,524,760	23,992,900	22,159,902	20,467,175	19,522,683	19,777,498	19,400,538	6,057,585	30%	7,002,077	36%	1,692,727	1,832,998	2,531,860
Red Mobile	400,062	562,438	899,916	1,438,647	1,608,270	1,547,498	1,090,647	(1,038,585)	-72%	(1,208,208)	-75%	(538,731)	(337,478)	(162,376)
Total Cellular excluding DIGITEL	52,561,534	51,485,075	50,530,496	49,029,444	47,736,961	47,834,533	46,656,685	3,532,090	7%	4,824,573	10%	1,501,052	954,579	1,076,459
DIGITEL Cellular	16,038,199	15,944,027	15,579,457	14,667,185				1,371,014	9%			912,272	364,570	94,172
Prepaid	14,513,253	14,470,645	14,159,612	13,314,096				1,199,157	9%			845,516	311,033	42,608
Postpaid	1,524,946	1,473,382	1,419,845	1,353,089				171,857	13%			66,756	53,537	51,564
Total Cellular including DIGITEL	68,599,733	67,429,102	66,109,953	63,696,629	47,736,961	47,834,533	46,656,685	4,903,104	8%	20,862,772	44%	2,413,324	1,319,149	1,170,631
BROADBAND														
SmartBro	1,685,150	1,634,859	1,618,359	1,616,353	1,556,633	1,491,700	1,407,219	68,797	4%	128,517	8%	2,006	16,500	50,291
DSL	793,103	774,541	762,335	742,906	725,232	698,921	671,588	50,197	7%	67,871	9%	19,429	12,206	18,562
WeRoam	16,705	16,886	17,111	17,687	17,950	21,598	21,936	(982)	-6%	(1,245)	-7%	(576)	(225)	(181)
Total Broadband excluding DIGITEL	2,494,958	2,426,286	2,397,805	2,376,946	2,299,815	2,212,219	2,100,743	118,012	5%	195,143	8%	20,859	28,481	68,672
DIGITEL Broadband & DSL	674,073	635,400	601,786	551,423				122,650	22%			50,363	33,614	38,673
Sun Broadband	582,280	533,868	494,554	452,056				130,224	29%			42,498	39,314	48,412
DSL	91,793	101,532	107,232	99,367				(7,574)	-8%			7,865	(5,700)	(9,739)
Total Broadband including DIGITEL	3,169,031	3,061,686	2,999,591	2,928,369	2,299,815	2,212,219	2,100,743	240,662	8%	869,216	38%	71,222	62,095	107,345

9M 2012: Consolidated Financial Highlights

(PhP in millions)	9M2012									9M2011 ⁽¹⁾	% Change
	Wireless			Fixed Line			BPO	Others	Consolidated (Unaudited)	Consolidated (Unaudited)	
	SMART ⁽¹⁾	DIGITEL	Total	PLDT ⁽¹⁾	DIGITEL	Total					
Service Revenues	72,020	15,281	87,301	42,991	2,514	45,505	7,270	-	126,244	112,268 ⁽²⁾	12%
Cash operating expenses	31,365	9,066	40,431	27,788	1,973	29,761	5,786	15	61,805	48,218	28%
EBITDA	37,224	4,718	41,942	14,372	450	14,822	1,484	(15)	58,578	61,071	-4%
EBITDA Margin ⁽³⁾	52%	31%	48%	33%	18%	33%	20%	-	46%	54%	-
Depreciation and amortization	9,168	4,108	13,276	9,290	391	9,681	347	-	23,304	20,176	16%
Financing costs, net	(1,457)	(538)	(1,995)	(2,988)	(171)	(3,159)	(24)	-	(5,009)	(4,772)	5%
Income before income tax	27,368	980	28,348	1,420	2,381	3,801	1,029	4,144	37,322	40,326	-7%
Provision for income tax	7,680	156	7,836	477	58	535	259	3	8,633	9,719	-11%
Core net income ⁽⁴⁾	19,073	218	19,291	3,613	120	3,733	765	4,231	28,020	30,602	-8%
Reported net income	19,681	824	20,505	975	2,323	3,298	770	4,141	28,714	30,618	-6%

⁽¹⁾ Excluding Digitel

⁽²⁾ 9M 2011 service revenues have been restated to reflect the change in the presentation of outbound revenues

⁽³⁾ EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnect expenses)

⁽⁴⁾ Consolidated net income before certain adjusting items and excluding gains/losses on foreign exchange/derivatives (after tax)

Reconciliation of Core and Reported Net Income

<i>(PhP in billions)</i>	9M2012 ⁽¹⁾	9M2011	Difference
Reported net income	28.7	30.6	(1.9)
Core net income	28.0	30.6	(2.6)
	0.7	-	0.7
Accounted for by:			
Forex gains, net	2.4	0.1	2.3
Gains (losses) on derivatives	(1.3)	0.9	(2.2)
Others	-	(0.4)	0.4
Adjustment in equity in investment	(0.1)	(0.4)	0.3
	1.0	0.2	0.8
Tax Effect	(0.3)	(0.2)	(0.1)
	0.7	-	0.7

⁽¹⁾ Including Digitel

Consolidated Service Revenues

<i>(PhP in billions)</i>	9M2012 ⁽¹⁾	9M2011 ⁽²⁾	% Change
Voice	56.3	52.3	8%
Data and BPO	69.9	59.9	17%
	126.2	112.3	12%

⁽¹⁾ Including Digitel

⁽²⁾ 9M 2011 service revenues have been restated to reflect the change in the presentation of outbound revenues

Revenues by Segment

(PhP in millions)	9M2012							9M2011 ⁽²⁾	% Change	
	Wireless			Fixed Line			BPO	Consolidated (Unaudited)		
	SMART ⁽¹⁾	DIGITEL	Total	PLDT ⁽¹⁾	DIGITEL	Total				
Service Revenues										
Wireless	72,020	15,281	87,301							
Cellular	65,821	13,851	79,672					79,672	68,097	17%
Broadband	5,005	1,430	6,435					6,435	4,843	33%
Satellite and other services	1,194	-	1,194					1,194	1,216	-2%
Fixed line				42,991	2,514	45,505				
Local exchange				11,627	761	12,388		12,388	11,652	6%
International long distance				7,497	515	8,012		8,012	8,430	-5%
National long distance				3,778	272	4,050		4,050	4,322	-6%
Data and other network				17,179	966	18,145		18,145	16,091	13%
Vitro™ Data center and others				886	-	886		886	884	0%
Miscellaneous				2,024	-	2,024		2,024	2,128	-5%
BPO							7,270			
Knowledge processing solutions							4,855	4,855	4,179	16%
Customer relationship management							2,415	2,415	2,108	15%
Others										
Others								-	-	
Inter-segment transactions								(13,832)	(11,682)	18%
	72,020	15,281	87,301	42,991	2,514	45,505	7,270	126,244	112,268	12%
Non-Service Revenues	1,294	378	1,672	652	-	652	-	2,324	1,813	28%
Inter-segment transactions	-	-	-	-	-	-	-	(11)	(32)	-66%
	1,294	378	1,672	652	-	652	-	2,313	1,781	30%
Total Revenues	73,314	15,659	88,973	43,643	2,514	46,157	7,270	128,557	114,049	13%

⁽¹⁾ Excluding Digitel

⁽²⁾ Service Revenues have been restated to reflect the change in the presentation of outbound revenues and reclassification of Vitro service revenues from ePLDT to Fixed line; and Excluding Digitel

Wireless Net ARPU

	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12
Smart Postpaid	1,666	1,627	1,614	1,646	1,557	1,576	1,430	1,480	1,279	1,251	1,262
Smart Prepaid	204	197	181	189	180	179	166	166	155	150	145
Talk 'N Text	122	123	118	123	113	111	103	109	104	103	95
Red Mobile Prepaid	9	4	5	19	28	38	33	34	40	57	61
Red Mobile Postpaid	-	-	-	-	133	413	431	355	339	368	375
Sun Cellular Prepaid	-	-	-	-	-	-	-	65*	64	66	69
Sun Cellular Postpaid	-	-	-	-	-	-	-	447*	411	411	408

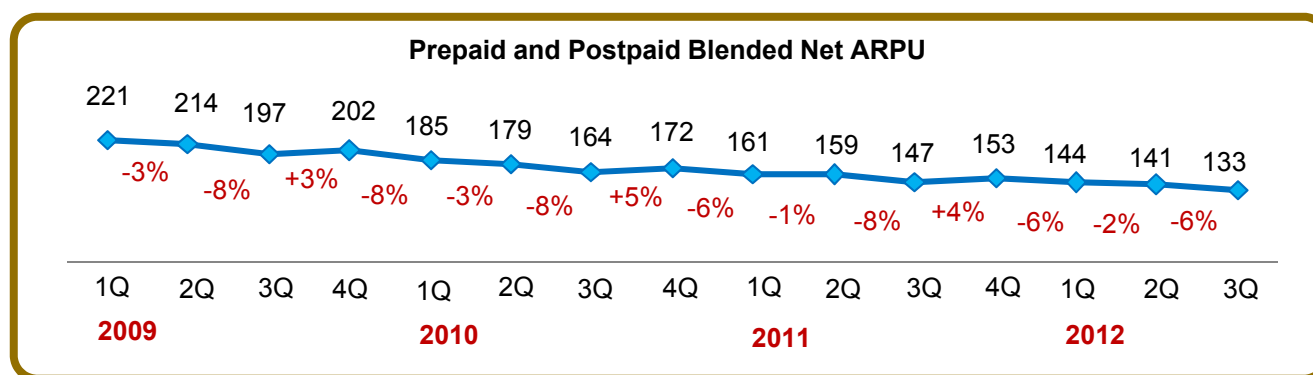
*Sun Cellular's Net ARPU for the period from October 26, 2011 to December 31, 2011

Prepaid and Postpaid Blended Net ARPU

	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12 ⁽²⁾	2Q12 ⁽²⁾	3Q12 ⁽²⁾
Prepaid and Postpaid Blended, Net ⁽¹⁾	221	214	197	202	185	179	164	172	161	159	147	153	144	141	133

⁽¹⁾ The average monthly ARPU of all prepaid and postpaid cellular subscribers

⁽²⁾ excluding DIGITEL



Expenses

(PhP in millions)	9M2012									9M2011 ⁽¹⁾	% Change
	Wireless			Fixed Line			BPO	Others	Consolidated (Unaudited)	Consolidated (Unaudited)	
	SMART ⁽¹⁾	DIGITEL	Total	PLDT ⁽¹⁾	DIGITEL	Total					
Operating expenses											
Compensation and employee benefits	4,725	1,173	5,898	9,947	615	10,562	4,109	-	20,558	15,963	29%
Repairs and maintenance	3,900	2,087	5,987	3,645	442	4,087	320	-	9,913	6,925	43%
Selling and promotions	4,335	1,187	5,522	1,289	40	1,329	57	-	6,907	4,496	54%
Professional and other contracted services	2,466	288	2,754	2,949	136	3,085	468	5	4,349	3,644	19%
Rent	6,032	1,242	7,274	2,102	207	2,309	342	-	4,553	2,958	54%
Taxes and licenses	1,473	418	1,891	752	83	835	44	1	2,769	1,842	50%
Communication, training and travel	753	268	1,021	563	57	620	293	2	1,784	1,275	40%
Insurance and security services	622	74	696	452	39	491	47	-	1,159	957	21%
Interconnection/settlement costs	6,630	2,228	8,858	5,612	335	5,947	-	-	8,695	9,023	-4%
Other operating expenses	429	101	530	477	19	496	106	7	1,118	1,135	-1%
Cash operating expenses	31,365	9,066	40,431	27,788	1,973	29,761	5,786	15	61,805	48,218	28%
Depreciation and amortization	9,168	4,108	13,276	9,290	391	9,681	347	-	23,304	20,176	16%
Asset impairment	879	134	1,013	738	42	780	-	-	1,793	1,184	51%
Amortization of intangible assets	1,019	-	1,019	-	-	-	139	-	1,158	207	459%
Non-cash operating expenses	11,066	4,242	15,308	10,028	433	10,461	486	-	26,255	21,567	22%
Cost of sales	3,846	1,741	5,587	745	49	794	-	-	6,381	3,583	78%
Total Expenses	46,277	15,049	61,326	38,561	2,455	41,016	6,272	15	94,441	73,368	29%

⁽¹⁾ Excluding Digitel

Other Income (Expenses)

(PHP in millions)	9M2012									9M2011 ⁽¹⁾	% Change
	Wireless			Fixed Line			BPO	Others	Consolidated (Unaudited)	Consolidated (Unaudited)	
	SMART ⁽¹⁾	DIGITEL	Total	PLDT ⁽¹⁾	DIGITEL	Total					
Gains (losses) on derivative financial instruments, net	(1)	(53)	(54)	(3,397)	2,140	(1,257)	28	-	(1,283)	894	-244%
Interest income	419	20	439	675	21	696	11	42	1,019	1,013	1%
Equity share in net earnings (losses) of associates and joint ventures	(35)	-	(35)	116	(2)	114	-	1,361	1,440	1,520	-5%
Foreign exchange gains (losses), net	869	919	1,788	546	90	636	(21)	-	2,403	106	2167%
Hedge costs	-	-	-	(249)	-	(249)	-	-	(249)	(268)	-7%
Others	536	22	558	1,635	244	1,879	37	2,756	4,885	1,152	324%
Total	1,788	908	2,696	(674)	2,493	1,819	55	4,159	8,215	4,417	86%
Financing costs, net											
Interest on loans and other related items	(1,072)	(538)	(1,610)	(3,043)	(171)	(3,214)	(23)	-	(4,678)	(4,369)	7%
Accretion on financial liabilities	(752)	-	(752)	(42)	-	(42)	(1)	-	(795)	(807)	-1%
Financing charges	(55)	-	(55)	(180)	-	(180)	-	-	(235)	(76)	209%
Capitalized interest	422	-	422	277	-	277	-	-	699	480	46%
Total	(1,457)	(538)	(1,995)	(2,988)	(171)	(3,159)	(24)	-	(5,009)	(4,772)	5%
Total other income (expenses)	331	370	701	(3,662)	2,322	(1,340)	31	4,159	3,206	(355)	1003%

⁽¹⁾ Excluding Digitel

EBITDA

(PhP in millions)	9M2012									9M2011 ⁽¹⁾	% Change
	Wireless			Fixed Line			BPO	Others	Consolidated (Unaudited)	Consolidated (Unaudited)	
	SMART ⁽¹⁾	DIGITEL	Total	PLDT ⁽¹⁾	DIGITEL	Total					
Income before tax	27,368	980	28,348	1,420	2,381	3,801	1,029	4,144	37,322	40,326	-7%
Add (deduct):											
Depreciation and amortization	9,168	4,108	13,276	9,290	391	9,681	347	-	23,304	20,176	16%
Financing costs, net	1,457	538	1,995	2,988	171	3,159	24	-	5,009	4,772	5%
Asset impairment	-	-	-	-	-	-	-	-	-	7	-100%
Amortization of intangible assets	1,019	-	1,019	-	-	-	139	-	1,158	207	459%
Equity share in net losses (earnings) of associates and joint ventures	35	-	35	(116)	2	(114)	-	(1,361)	(1,440)	(1,520)	-5%
Losses (gains) on derivative financial instruments, net	1	53	54	3,397	(2,140)	1,257	(28)	-	1,283	(894)	244%
Foreign exchange losses (gains), net	(869)	(919)	(1,788)	(546)	(90)	(636)	21	-	(2,403)	(106)	2167%
Interest income	(419)	(20)	(439)	(675)	(21)	(696)	(11)	(42)	(1,019)	(1,013)	1%
Hedge costs	-	-	-	249	-	249	-	-	249	268	-7%
Other income	(536)	(22)	(558)	(1,635)	(244)	(1,879)	(37)	(2,756)	(4,885)	(1,152)	324%
EBITDA	37,224	4,718	41,942	14,372	450	14,822	1,484	(15)	58,578	61,071	-4%
EBITDA Margin ⁽²⁾	52%	31%	48%	33%	18%	33%	20%	-	46%	54%	

⁽¹⁾ Excluding Digitel

⁽²⁾ EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnect expenses)

Historical Consolidated EBITDA Margin (restated)

(Php in millions)	2009				2010				2011				2012		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q ⁽²⁾	1Q ⁽³⁾	2Q ⁽³⁾	3Q ⁽³⁾
Consolidated Gross Service Revenues⁽¹⁾															
Fixed line	12,232	12,384	12,816	12,778	12,973	11,616	12,336	12,539	12,021	12,243	12,116	12,939	13,030	12,522	12,644
Local exchange	3,988	3,789	3,834	3,919	3,904	3,811	3,770	3,741	3,759	3,796	3,787	4,274	4,146	4,089	4,059
International long distance	2,671	2,863	3,104	2,900	3,395	2,037	2,902	2,737	2,704	2,830	2,744	2,873	2,761	2,415	2,593
National long distance	2,130	1,994	1,901	1,697	1,614	1,617	1,467	1,619	1,432	1,423	1,346	1,017	1,249	1,200	1,148
Data and other network	2,980	3,227	3,409	3,597	3,528	3,580	3,715	3,864	3,665	3,827	3,888	4,506	4,563	4,529	4,514
Vitro ⁽⁴⁾	74	69	115	93	110	105	102	116	130	126	164	120	133	136	135
Miscellaneous	389	442	453	572	422	466	380	462	331	241	187	149	178	153	195
Wireless	25,498	25,770	24,193	26,035	25,051	25,825	23,726	24,531	23,785	23,658	22,478	26,594	27,493	27,176	26,637
Cellular services	23,599	23,893	22,103	23,757	22,834	23,466	21,928	22,401	21,754	21,661	20,447	24,229	24,933	24,687	24,057
Broadband, satellite and others	1,899	1,877	2,090	2,278	2,217	2,359	1,798	2,130	2,031	1,997	2,031	2,365	2,560	2,489	2,580
Broadband	1,289	1,230	1,381	1,484	1,590	1,614	1,578	1,505	1,583	1,605	1,655	1,961	2,164	2,085	2,186
Satellite and others	610	647	709	794	627	745	220	625	448	392	376	404	396	404	394
Business Process Outsourcing	1,980	1,906	1,962	2,043	1,881	1,877	1,875	1,940	1,901	2,010	2,056	2,157	2,257	2,247	2,238
Customer relationship management	748	619	644	665	639	617	501	527	561	606	621	615	619	638	630
Knowledge processing solutions	1,232	1,287	1,318	1,378	1,242	1,260	1,374	1,413	1,340	1,404	1,435	1,542	1,638	1,609	1,608
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	39,710	40,060	38,971	40,856	39,905	39,318	37,937	39,010	37,707	37,911	36,650	41,690	42,780	41,945	41,519
EBITDA	21,852	22,228	21,665	20,449	21,182	22,073	20,557	19,905	20,954	20,558	19,559	18,888	20,467	18,833	19,278
EBITDA Margin⁽⁵⁾	55%	55%	56%	50%	53%	56%	54%	51%	56%	54%	53%	45%	48%	45%	46%

(1) Service Revenues have been restated to reflect the change in the presentation of outbound revenues

	2009				2010				2011		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Service Revenues (as previously presented)	36,362	36,509	35,407	37,289	36,004	36,151	34,561	35,526	34,571	35,070	33,604
Add: Interconnection/settlement costs	3,348	3,551	3,564	3,567	3,901	3,168	3,376	3,483	3,136	2,841	3,046
Consolidated Gross Service Revenues	39,710	40,060	38,971	40,856	39,905	39,318	37,937	39,010	37,707	37,911	36,650

(2) Includes Digitel's service revenues for the period October 26, 2011 to December 31, 2011

(3) Including Digitel

(4) Reclassification of Vitro Service revenues from ePLDT to Fixed Line

(5) EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnect expenses)

Historical Wireless EBITDA Margin (restated)

(Php in millions)	2009				2010				2011				2012		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q ⁽²⁾	1Q ⁽³⁾	2Q ⁽³⁾	3Q ⁽³⁾
Wireless Gross Service Revenues⁽¹⁾															
Cellular services	24,596	24,984	23,609	24,956	24,139	24,568	22,996	23,818	23,101	23,150	21,846	25,548	26,540	26,865	26,267
Cellular Voice	10,670	10,881	10,545	11,546	11,639	11,998	10,845	11,196	10,943	10,865	10,196	11,881	12,514	12,552	13,090
Cellular Data	12,565	12,652	11,721	11,972	11,822	11,948	11,521	11,945	11,493	11,769	11,013	12,959	13,333	13,636	12,561
Other Cellular Revenues	1,361	1,451	1,343	1,437	678	622	630	677	665	516	637	708	693	677	616
Broadband, satellite and others	1,997	1,978	2,184	2,368	2,217	2,359	1,798	2,130	2,031	1,997	2,031	2,365	2,560	2,489	2,580
Broadband	1,289	1,230	1,381	1,484	1,590	1,614	1,578	1,505	1,583	1,605	1,655	1,961	2,164	2,085	2,186
Satellite and others	708	748	803	884	627	745	220	625	448	392	376	404	396	404	394
Total	26,593	26,962	25,793	27,324	26,356	26,927	24,794	25,948	25,132	25,147	23,877	27,913	29,100	29,354	28,847
EBITDA	15,022	15,186	14,311	14,892	14,448	15,272	14,620	14,624	14,553	14,493	12,902	13,444	14,205	14,003	13,734
EBITDA Margin⁽⁴⁾	56%	56%	55%	55%	55%	57%	59%	56%	58%	58%	54%	48%	49%	48%	48%

⁽¹⁾ Service Revenues have been restated to reflect the change in the presentation of outbound revenues

	2009				2010				2011		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Service Revenues (as previously presented)	23,903	24,172	23,126	24,628	23,694	24,181	22,568	23,386	22,768	22,969	21,534
Add: Interconnection/settlement costs	2,689	2,791	2,666	2,697	2,661	2,746	2,225	2,562	2,363	2,178	2,343
Consolidated Gross Service Revenues	26,592	26,963	25,792	27,325	26,356	26,927	24,793	25,948	25,132	25,147	23,877

⁽²⁾ Includes Digitel's service revenues for the period October 26, 2011 to December 31, 2011

⁽³⁾ Including Digitel

⁽⁴⁾ EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnect expenses)

Historical Fixed line EBITDA Margin (restated)

(PhP in millions)	2009				2010				2011				2012		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q ⁽²⁾	1Q ⁽³⁾	2Q ⁽³⁾	3Q ⁽³⁾
Fixed Line Gross Service Revenues⁽¹⁾															
Local exchange	4,024	3,821	3,894	3,942	3,930	3,839	3,803	3,770	3,862	3,896	3,894	4,082	4,177	4,119	4,092
International long distance	2,682	2,874	3,115	2,910	3,406	2,049	2,911	2,746	2,752	2,879	2,799	2,953	2,836	2,494	2,682
Inbound					3,061	1,741	2,580	2,469	2,482	2,547	2,518	2,684	2,485	2,152	2,341
Outbound					345	308	331	277	270	332	281	269	351	342	341
National long distance	2,163	2,036	1,935	1,719	1,652	1,652	1,527	1,656	1,469	1,478	1,375	1,389	1,396	1,339	1,315
Data and other network	5,200	5,418	5,582	5,684	5,871	5,759	5,000	5,257	5,194	5,476	5,421	5,914	6,091	6,054	6,000
DSL					1,990	2,046	2,102	2,125	2,264	2,351	2,413	2,636	2,814	2,824	2,861
Data and other network services					3,881	3,713	2,898	3,132	2,930	3,125	3,008	3,278	3,277	3,230	3,139
Vitro ⁽⁴⁾	167	164	240	242	225	220	216	237	264	285	335	266	291	296	299
Miscellaneous	661	743	731	1,042	785	860	797	957	785	710	633	674	635	681	708
Total	14,897	15,056	15,497	15,539	15,869	14,379	14,254	14,623	14,326	14,724	14,457	15,278	15,426	14,983	15,096
EBITDA	6,650	6,752	7,067	5,043	6,373	6,425	5,600	4,649	6,043	5,596	6,139	4,897	5,672	4,255	4,895
EBITDA Margin⁽⁵⁾	45%	45%	46%	32%	40%	45%	39%	32%	42%	38%	42%	32%	37%	28%	32%

⁽¹⁾ Service Revenues have been restated to reflect the change in the presentation of outbound revenues and reclassification of Vitro and other ePLDT service revenues

	2009				2010				2011		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Service Revenues (as previously presented)	12,767	12,650	12,798	12,927	12,861	12,377	11,540	11,830	11,533	11,951	11,760
Add:											
Vitro	167	164	240	242	225	220	216	237	264	285	335
Miscellaneous (ePLDT/others)	299	382	396	430	379	412	426	454	423	316	261
Interconnection/settlement costs	1,664	1,860	2,063	1,940	2,404	1,370	2,071	2,102	2,106	2,172	2,101
Consolidated Gross Service Revenues	14,897	15,056	15,497	15,539	15,869	14,379	14,254	14,623	14,326	14,724	14,457

⁽²⁾ Includes Digitel's service revenues for the period October 26, 2011 to December 31, 2011

⁽³⁾ Including Digitel

⁽⁴⁾ Reclassification of Vitro Service revenues from ePLDT to Fixed Line

⁽⁵⁾ EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnect expenses)

Historical BPO EBITDA Margin (restated)

(PhP in millions)	2009				2010				2011				2012		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
BPO Gross Service Revenues⁽¹⁾															
Customer relationship management	913	770	791	845	774	752	626	671	670	712	726	759	777	812	826
Knowledge processing solutions	1,232	1,287	1,318	1,378	1,242	1,260	1,374	1,413	1,340	1,404	1,435	1,542	1,638	1,609	1,608
Total	2,145	2,057	2,109	2,223	2,016	2,012	2,000	2,084	2,010	2,116	2,161	2,301	2,415	2,421	2,434
EBITDA⁽¹⁾	114	237	221	378	289	291	287	403	305	400	409	444	503	488	493
EBITDA Margin⁽²⁾	5%	12%	10%	17%	14%	14%	14%	19%	15%	19%	19%	19%	21%	20%	20%

⁽¹⁾ Service Revenues and EBITDA have been restated to reflect the reclassification of Vitro and other ePLDT service revenues from ICT to Fixed line

	2009				2010				2011		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Service Revenues (as previously presented)	2,611	2,602	2,744	2,894	2,619	2,643	2,642	2,773	2,697	2,718	2,753
Less:											
Internet and online gaming	255	288	287	283	263	257	260	279	275	194	94
Data center and others	211	257	348	388	340	374	382	410	412	408	498
Consolidated Gross Service Revenues	2,145	2,057	2,109	2,223	2,016	2,012	2,000	2,084	2,010	2,116	2,161
EBITDA (as previously presented - ICT)	203	309	334	484	370	386	379	588	454	525	561

⁽²⁾ EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnect expenses)

Core Net Income

(PhP in millions)	9M2012									9M2011 ⁽¹⁾	% Change
	Wireless			Fixed Line			BPO	Others	Consolidated (Unaudited)	Consolidated (Unaudited)	
	SMART ⁽¹⁾	DIGITEL	Total	PLDT ⁽¹⁾	DIGITEL	Total					
Reported net income	19,681	824	20,505	975	2,323	3,298	770	4,141	28,714	30,618	-6%
Add (deduct):											
Foreign exchange losses (gains), net	(869)	(919)	(1,788)	(546)	(90)	(636)	21	-	(2,403)	(100)	2303%
Losses (gains) on derivatives financial instruments, net	1	53	54	3,397	(2,140)	1,257	(28)	-	1,283	(894)	-244%
Others	-	-	-	-	-	-	-	-	-	364	-100%
Adjustment in equity share in Meralco	-	-	-	-	-	-	-	90	90	453	-80%
Tax effect	261	260	521	(213)	27	(186)	2	-	336	161	109%
Core Net Income	19,074	218	19,292	3,613	120	3,733	765	4,231	28,020	30,602	-8%

⁽¹⁾ Excluding Digitel

Earnings Per Share

	9M2012 (Unaudited)		9M2011 (Unaudited)	
	Basic	Diluted	Basic	Diluted
Net income (loss) attributable to equity holders of PLDT	28,714	28,714	30,618	30,618
Dividends on preferred shares	(37)	(37)	(343)	(37)
Net income for the period attributable to common equity holders of PLDT	28,677	28,677	30,275	30,581
Outstanding common shares at beginning of period	214,436	214,436	186,756	186,756
Effect of issuance of common shares during the period	1,619	1,619	-	-
Common shares equivalent to convertible preferred shares deemed dilutive				
Preferred Stock Series A to HH				1,941
Weighted average number of common shares, end	216,055	216,055	186,756	188,697
EPS (based on reported net income)	132.73	132.73	162.11	162.06
Core net income	28,020	28,020	30,602	30,602
Dividends on preferred shares	(37)	(37)	(343)	(37)
Net income applicable to common shares	27,983	27,983	30,259	30,565
Weighted average number of shares, end	216,055	216,055	186,756	188,697
EPS (based on core net income)	129.52	129.52	162.02	161.98

Cash Flows

(Php in millions)	9M2012 ⁽¹⁾ (Unaudited)					9M2011 Consolidated (Unaudited)	% Change
	Wireless	Fixed Line	BPO	Others	Consolidated		
Net cash from operations	35,621	17,713	1,676	(46)	54,822	54,987	-
Add(Deduct):							
Capital expenditures	(11,565)	(7,404)	(325)	-	(19,294)	(14,548)	33%
Other investing activities	(10)	27,473	(14)	718	818	(974)	-184%
Interest, net	(745)	(2,498)	(8)	32	(3,215)	(2,909)	11%
Preferred share dividends	-	(51)	-	-	(51)	(196)	-74%
Others	(1,177)	3,803	82	-	(3,292)	170	2,036%
Free cash flow	22,124	39,036	1,411	704	29,788	36,530	-18%
Common share dividends	(26,500)	(36,803)	-	-	(36,803)	(41,288)	-11%
Investments	(256)	(11,808)	(45)	863	(5,246)	72	-7,386%
Redemption of Shares	-	(919)	-	-	-	-	-
Trust fund for redemption of shares	-	(5,603)	-	-	(5,603)	-	-
Redemption of Liabilities	-	(247)	-	-	(247)	-	-
Debt repayments, net	(1,885)	13,143	(626)	-	10,700	614	1,643%
Change in cash	(6,517)	(3,201)	740	1,567	(7,411)	(4,072)	82%
Cash and short term investments, beginning	21,243	22,082	574	2,716	46,615	37,347	25%
Cash and short term investments, end	14,726	18,881	1,314	4,283	39,204	33,275	18%

⁽¹⁾ Including Digitel

Balance Sheet

(Php in millions)	Consolidated	
	September 30, 2012 ⁽¹⁾ (Unaudited)	December 31, 2011 ⁽¹⁾ (Audited)
Total Assets	402,247	400,004
Nominal Value of Total Debt	128,252	119,411
<i>in US\$</i>	<i>\$3,073</i>	<i>\$2,719</i>
Less: Unamortized Debt Discount	1,477	2,136
Total Debt	126,775	117,275
Cash and short-term investments	39,204	46,615
Net Debt ⁽³⁾	89,048	72,796
Equity	141,137	152,219
Total Debt⁽²⁾/Equity	<u>0.91x</u>	<u>0.78x</u>
Net Debt⁽³⁾/Equity	<u>0.63x</u>	<u>0.48x</u>
Total Debt⁽²⁾/EBITDA⁽⁴⁾	<u>1.66x</u>	<u>1.49x</u>
Net Debt ⁽³⁾/EBITDA⁽⁴⁾	<u>1.15x</u>	<u>0.91x</u>

⁽¹⁾ Including Digital

⁽²⁾ Nominal value of total debt

⁽³⁾ Net Debt calculated based on nominal value of debts less cash and short-term investments

⁽⁴⁾ EBITDA for the Last Twelve Months (LTM)

Debt Profile

(US\$ in millions)	2006	2007	2008	2009	2010	2011 ⁽¹⁾	9M2012 ⁽¹⁾
Debt Balance	1,756	1,585	1,625	2,210	2,113	2,719	3,073
Cash and short-term investments	514	745	847	908	852	1,061	939
Net Debt	1,242	840	778	1,302	1,261	1,658	2,134

(1) Including Digitel

Debt Maturities as of September 30, 2012 (US\$ in millions)

	PLDT, SMART, SPi and ePLDT	DIGITEL	Total
2012	253	36	289
2013	236	85	321
2014	426	70	496
2015	324	61	385
2016	395	128	523
2017	472	47	519
2018 onwards	474	67	541
	2,579	494	3,073

Interest-bearing Liabilities

(US\$ in millions)	September 30, 2012 (Unaudited)			December 31, 2011 (Audited) Face Value	Change
	Carrying Value	Unamortized Debt Discount	Face Value		
Debt					
PLDT	\$1,625	\$2	\$1,627	\$1,271	\$356
Smart	\$898	\$34	\$932	\$890	\$42
2014 Debt	\$250	\$30	\$280	\$280	\$0
Others	\$648	\$4	\$652	\$610	\$42
DIGITEL	\$479	-	\$479	\$522	(\$43)
Others	\$14	-	\$14	\$36	(\$22)
Total Debt	\$3,016	\$36	\$3,052	\$2,719	\$333
Obligations under finance lease	-	-	-	-	-

Foreign Exchange Risk

Forex Impact on Core Income

	PLDT Group	Digitel	TOTAL
Forex sensitivity for every P1 change (in US\$ Millions)			
US\$ Revenues *	749.4	51.9	801.3
US\$ Expenses	(341.9)	(50.4)	(392.3)
Cash opex *	(281.0)	(38.0)	(319.0)
Cost of sales	(2.0)	-	(2.0)
Financing costs	(58.9)	(12.4)	(71.3)
US\$ Income before tax	407.5	1.5	409.0
Tax effect	122.3	0.5	122.7
Core Earnings	285.2	1.0	286.3
EBITDA	466.4	13.9	480.3
* Gross of interconnection costs amounting to:	160.9	12.0	172.9
Local exchange revenues (in million Php)	6,629.4		

Forex Impact of B/S Revaluation

	PLDT Group	Digitel	TOTAL
Forex sensitivity for every P1 change on B/S Revaluation (in US\$ Millions)			
Debt	947.4	372.8	1,320.2
Accounts Payable	99.0	18.0	117.0
Accrued Liabilities	113.8	28.5	142.3
Derivative Liabilities	60.2	5.2	65.4
Total US\$-Denominated Liabilities	1,220.4	424.5	1,644.9
Cash and Cash Equivalents	124.9	10.8	135.7
Short-term Investments	13.2	-	13.2
Trade and other Receivables	239.0	9.2	248.2
Derivative Assets	1.9	-	1.9
Non Trade Receivables & Advances	2.1	-	2.1
Total US\$-Denominated Assets	381.1	20.0	401.1
Net Foreign Currency Liability Position	839.3	404.5	1,243.8
Forex Revaluation for every P1 change	±839.3	±404.5	±1,243.8

Forex Impact on Derivatives

P1 movement in the USD/PHP exchange rate corresponds to a P178M change in derivatives

Forex rate, 9M2012
Forex rate, 9M2011
% of Peso Appreciation vs US\$

Ave.
42.56
43.26
-2%

Period End
41.74
43.80
-5%

In million pesos	For the nine months ended September 30, 2012				
	Wireless	Fixed Line	Conso Digital	Interco	Impact at PLDT
REVENUES	15,659	2,514	18,173	(1,190)	16,983
Service	15,281	2,514	17,795	(1,190)	16,605
Non-Service	378	-	378	-	378
EXPENSES	15,049	2,455	17,504	(1,341)	16,163
Cash Operating Expenses	6,838	1,638	8,476	(19)	8,457
Interconnection Costs	2,228	335	2,563	(1,322)	1,241
Cost of Sales	1,741	49	1,790	-	1,790
Non-Cash Operating Expenses	4,242	433	4,675	-	4,675
OPERATING INCOME	610	59	669	151	820
OTHER EXPENSES	370	2,322	2,692	(1,976)	716
Financing Costs	(538)	(171)	(709)	164	(545)
Interest Income	20	21	41	-	41
Foreign Exchange Gains - net	919	90	1,009	-	1,009
Gains (Losses) on Derivative Transactions - net	(53)	2,140	2,087	(2,140)	(53)
Equity Share in Net Losses of Associates	-	(2)	(2)	-	(2)
Others	22	244	266	-	266
INCOME BEFORE INCOME TAX	980	2,381	3,361	(1,825)	1,536
PROVISION FOR INCOME TAX	156	58	214	-	214
NET INCOME ATTRIBUTABLE TO PLDT HOLDERS	824	2,323	3,147	(1,825)	1,322
Foreign exchange gains - net	(919)	(90)	(1,009)	-	(1,009)
Losses (gains) on derivative transactions	53	(2,140)	(2,087)	2,140	53
Tax effect	260	27	287	-	287
CORE INCOME	218	120	338	315	653
EBITDA	4,718	450	5,168	151	5,319
EBITDA Margin	31%	18%	29%		32%