

Philippine Long Distance Telephone Company



Full Year 2007 Financial and Operating Results

4 March 2008



PLDT Group: 2007 Financial Summary



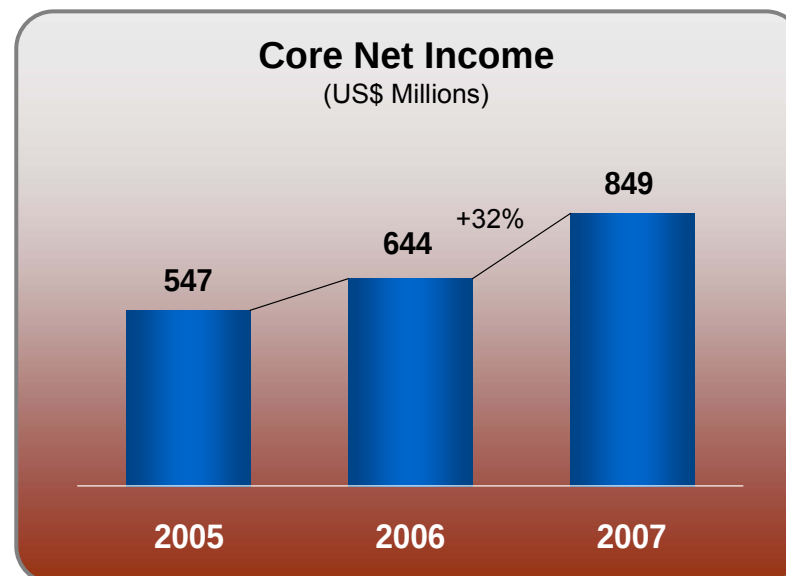
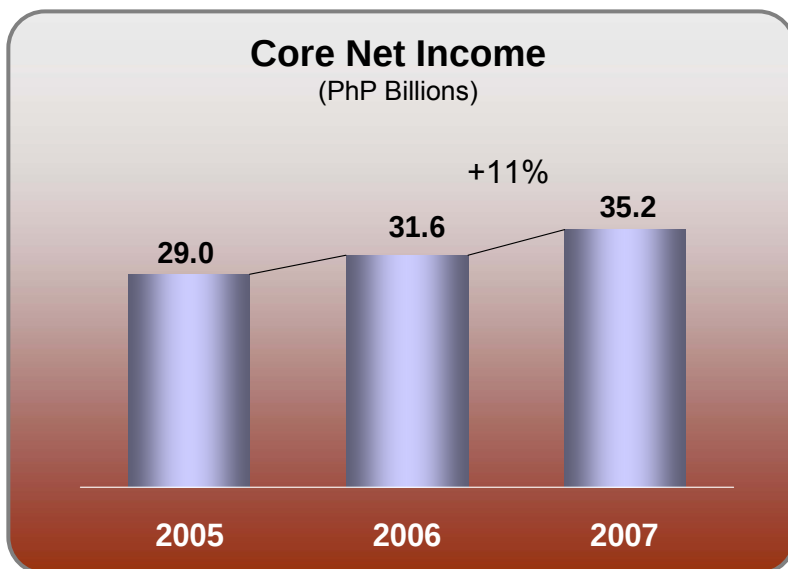
	2007*	2006		% Y-o-Y
Service Revenues	P135.5bn	P125.0bn	↑	8%
EBITDA	P82.9bn	P79.8bn	↑	4%
EBITDA Margin	61%	64%	↓	
Income Before Tax	P53.3bn	P42.2bn	↑	26%
Reported Net Income	P36.0bn	P35.1bn	↑	2%
Reported Net Income	\$869mn	\$716mn	↑	21%
Core Net Income	P35.2bn	P31.6bn	↑	11%
Core Net Income	\$849mn	\$644mn	↑	32%
Core EPS	P184	P169	↑	9%
Year-end PhP:US\$1	P41.411	P49.045	↓	16%

* unaudited

PLDT Group: Core Income



- Core net income in FY07 up by P 3.6bn or 11% to P35.2bn due to the combined impact of:
 - + Increases in revenues and EBITDA of 8% and 4%, respectively
 - Decrease in financing costs of 60%



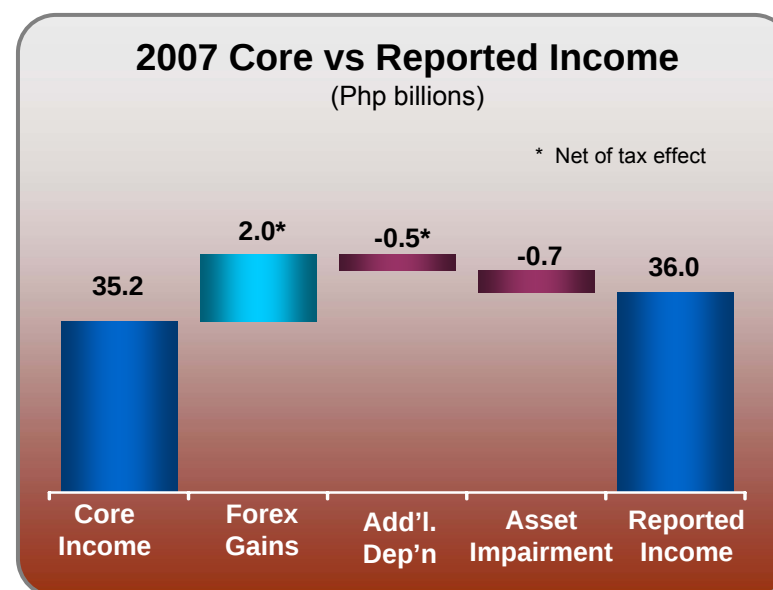
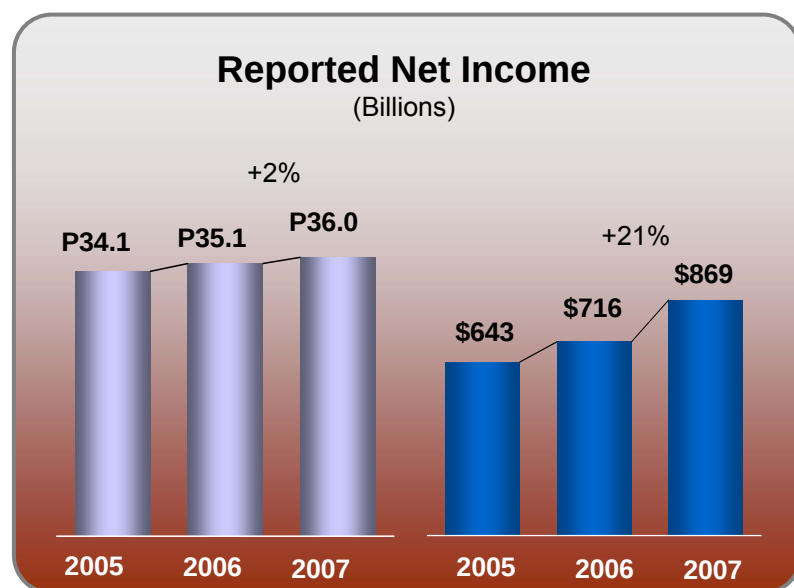
Note: US\$1:Php P 53.062 (2005), P 49.045 (2006) and P 41.411 (2007)

PLDT Group: Reported Net Income



➤ Reported net income in FY07 improved by 2% to P36bn due to:

- + Boost in forex gains and derivatives by 96% to P3bn
- + Decline in additional depreciation charges to P0.7bn in FY07 compared with P7.9bn in FY06
- Increase in effective tax rate to 32% in FY07 from 16% in FY06 due to recognition of deferred tax asset of P 5.5bn in FY06
- One-time gain on settlement of ATPA Airtime Agreement amounting to P 3.5bn in FY06
- Asset impairment relating to an SPi investment and Level Up! amounting to P 1.1bn net of recovery of previously written down investment in Stradcom of P 0.6bn



Note: US\$1:Php P 53.062 (2005), P 49.045 (2006) and P 41.411 (2007)

PLDT Group: Cash Dividend Declaration



- Following a robust 2007 performance and continued strong cash position, PLDT is declaring the following dividends:
 - Regular Dividend: P 68 per share, in line with the 70% dividend payout ratio, net of the P 60 interim dividend already paid
 - Special Dividend: P 56 per share, representing additional 30% payout
- Effectively, 100% dividend payout ratio for 2007 compared with 85% for 2006
- Represents a dividend yield of 6.3%

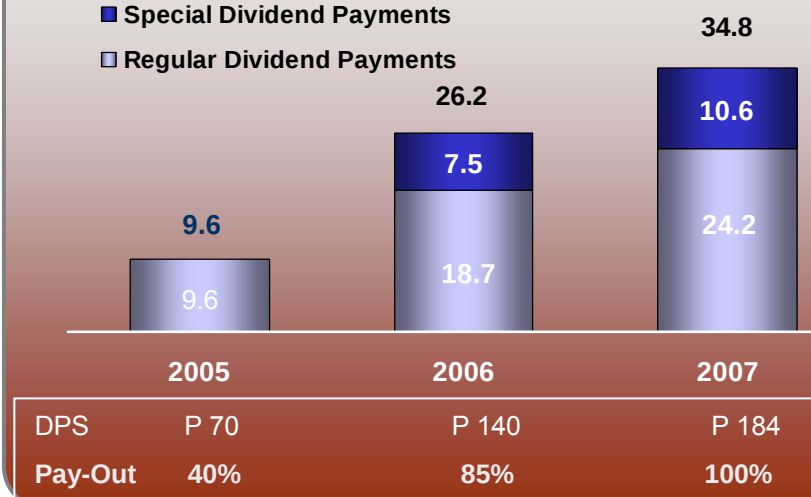
Dividend Declaration

Declaration Date	4 March 2008
Record Date	19 March 2008
Payment Date	21 April 2008
Regular Dividend for 2007	P 68 per share
Special Dividend for 2007	P 56 per share
Total Dividend per Share for 2007	P 184 100% of core EPS

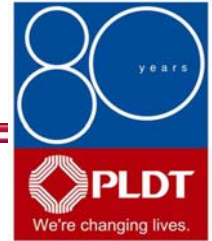
Dividend Payments

(PhP billions, except per share amount)

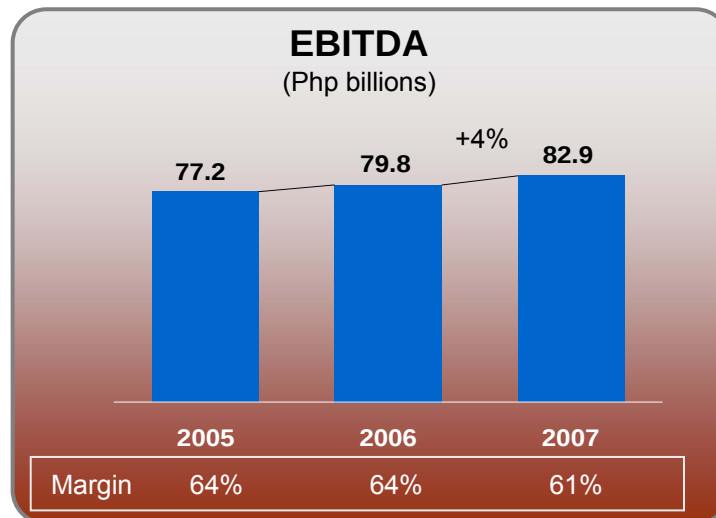
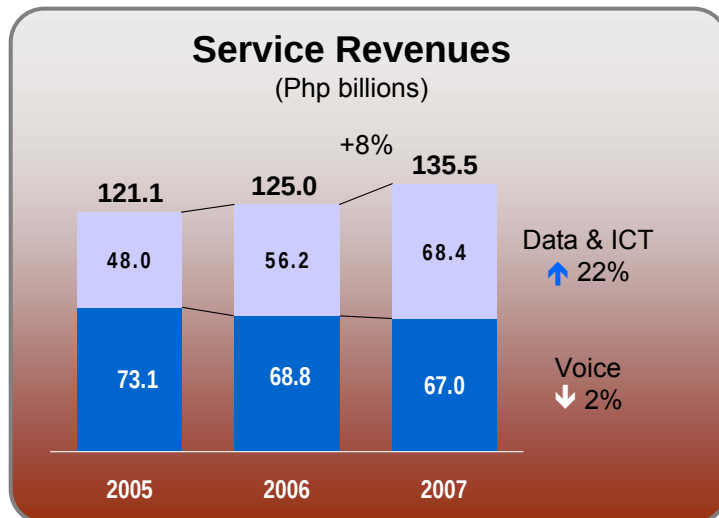
- Special Dividend Payments
- Regular Dividend Payments



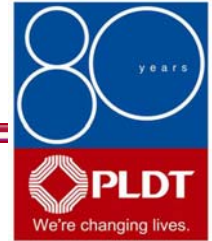
PLDT Group: Service Revenues and EBITDA



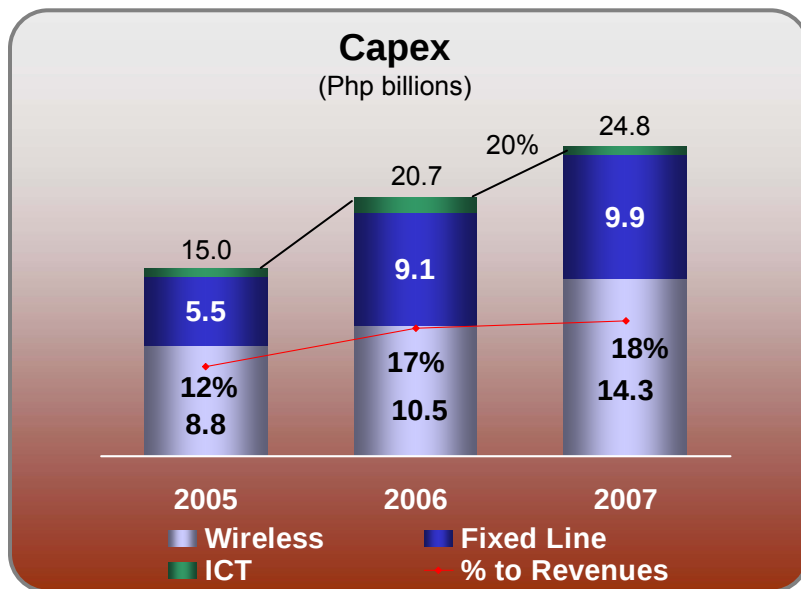
- **Consolidated service revenues grew by P10.5bn or 8% to P135.5bn in FY07 as a result of:**
 - 22% growth in data and ICT which now accounts for 51% of total service revenues, and which includes a 71% growth in ICT revenues
 - 2% decline in voice revenues
- **Approximately 38% of consolidated service revenues are USD linked**
 - Service revenues would have grown by an additional P 5.3bn had the peso remained stable, resulting in a 13% growth year-on-year
- **EBITDA increased by 4% to P 82.9bn while EBITDA margin declined to 61% due to:**
 - Wireless margin sustained at 64%
 - Fixed line margin reduced to 54%
 - ICT margin down to 11% albeit on a base that increased by 59%
- **Service revenues for 4Q07 grew by 5% q-o-q to P 35.0bn from P 33.4bn and by 6% compared with 4Q06**
- **EBITDA for 4Q07 showed a 4% growth q-o-q to P 20.9bn and 3% growth versus the same quarter last year**



PLDT Capex: Investing in the Future



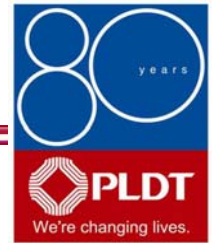
- Capex for 2007 increased by 20% to P24.8bn to:
 - Provide additional capacity to support higher subscriber take up in both wireless and broadband
 - Build incremental international capacity as well as redundancy
 - Upgrade the fixed line for flexibility and improvement in quality-of-service
- Capex continued to be funded by internally generated funds and is P4bn lower than total depreciation expense
- 2007 capex represents 18% of service revenues



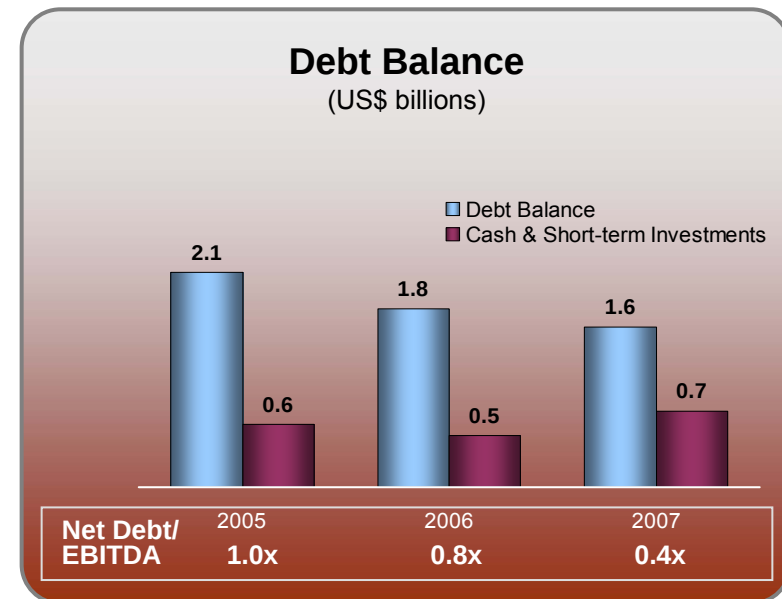
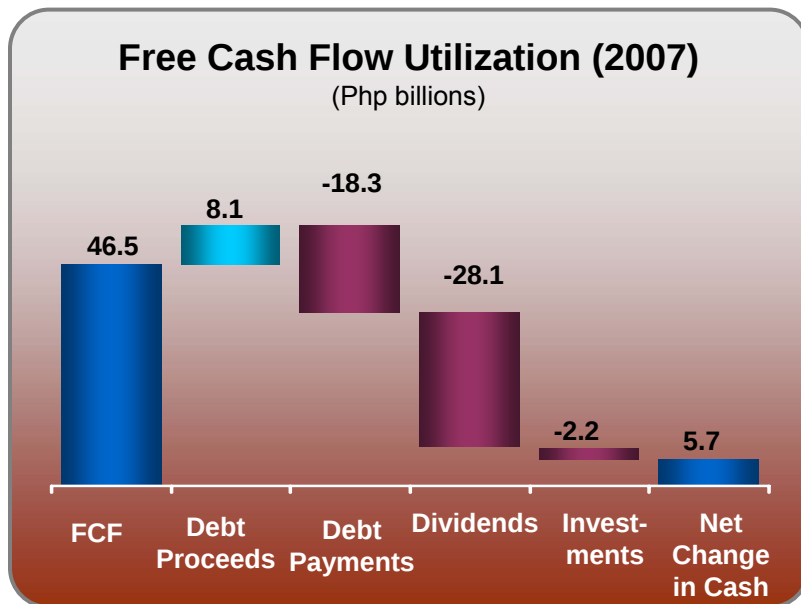
2007 Capital Expenditure Breakdown

	Amount	% to Total
Cellular Network	6,591	27%
Transmission/maintenance	4,837	19%
NGN and Data	4,931	20%
CPE and IT-Related	4,204	17%
Wireless Broadband	1,824	7%
ePLDT	679	3%
Others	1,759	7%
	24,825	100%

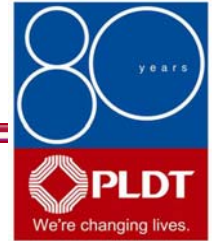
Free Cash Flow: Continuing to Rise



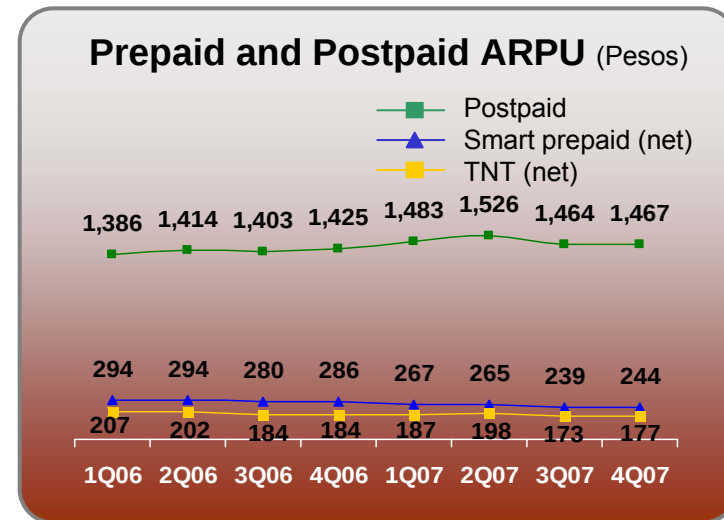
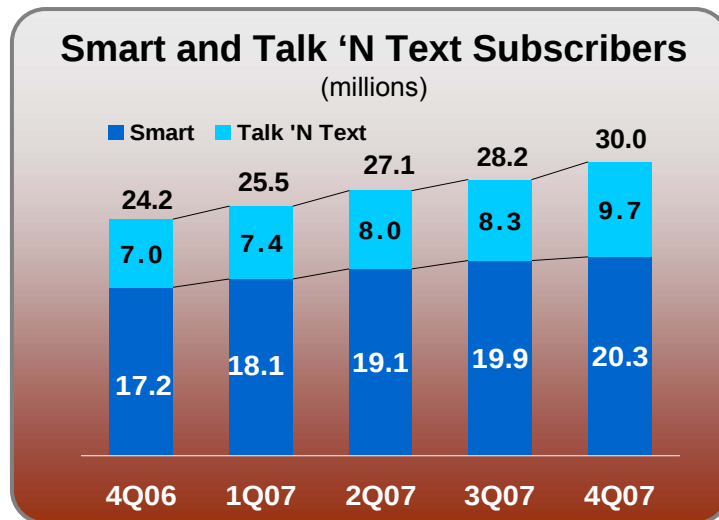
- Free cash flow increased to P46.5 billion notwithstanding the increase in capex to about P25 billion in 2007
- Free cash flow in 2007 was utilized as follows:
 - PhP10.2 billion in net debt reduction bringing the debt balance to PhP65.6 billion or US\$1.6 billion
 - PhP28.1 billion for common dividend payments
- Net debt decreased to US\$ 0.9bn from US\$ 1.3bn last year
- Net debt/EBITDA for 2007 declined to 0.42x



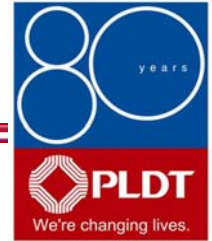
SMART: Continuing to Build the Base



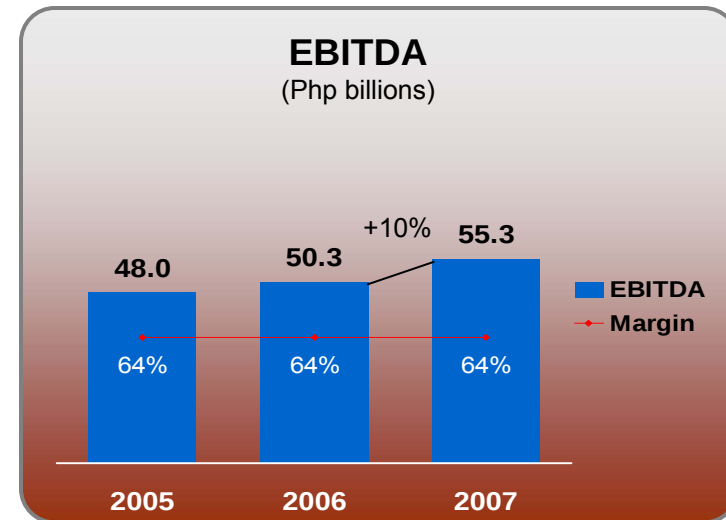
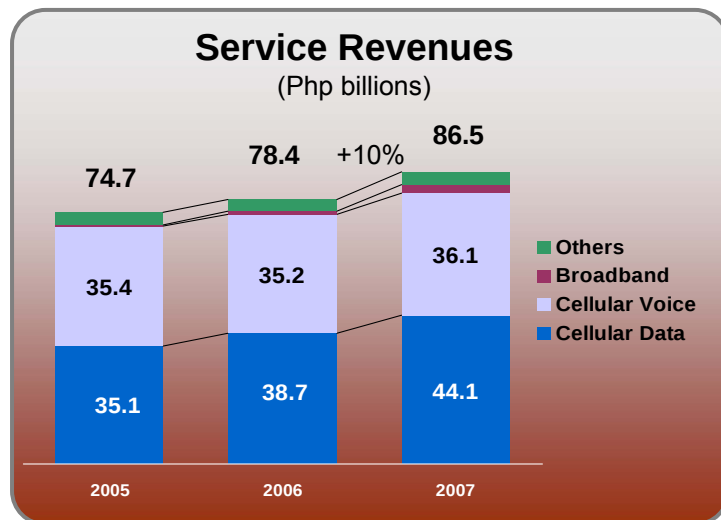
- Smart and TNT subscriber base exceeded 30 mn in FY07 reflecting net adds of 5.9mn cellular subscribers or a growth of 24% from year-end 2006
 - Net adds are 56% higher than 3.8mn for FY06
 - 39% growth y-o-y in TNT subs; 18% growth y-o-y in Smart prepaid subs
- Net adds of 1.8mn in 4Q07: 1.4mn for TNT (a 17% increase) and 0.4mn for Smart (a 2% increase) -- resulting from a more aggressive and focused yet cost-effective acquisition program coupled with better value offerings
- Prepaid subscriber acquisition costs in FY07 remained under control and represent less than 27% of net blended prepaid ARPUs of P 233
- Net Blended ARPU declined by 11% to P 248 but margins maintained at above 60%



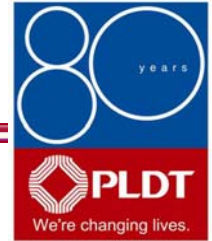
SMART: Setting the Pace



- **Wireless grew 10% to P86.5bn and contributed 64% to total service revenues in FY07 driven by:**
 - + 14% increase in data revenues
 - + 3% growth in voice revenues
 - + 190% rise in wireless broadband revenues
- **Smart maintained its leadership in both subscriber and revenue terms at approximately 55% and 59%, respectively**
- **Data services now make up 55% of cellular service revenues**
- **EBITDA improved by 10% to P55.3bn in FY07; EBITDA margin sustained at 64% on higher revenues**
- **4Q07 service revenues grew 6% q-o-q to P 22.4bn and 10% y-o-y from P 20.4bn**



SMART: Spurring Growth



In 2007, Smart continued to successfully defend its market leadership by offering distinct voice and SMS packages to drive activations, boost usage and strengthen brand equity

ABOVE THE LINE OFFERS

**NATIONAL
(BROAD SCALE)**

REGIONAL OFFERS

**PROVINCIAL
(AREA/EVENT -SPECIFIC)**

COMMUNITY OFFERS

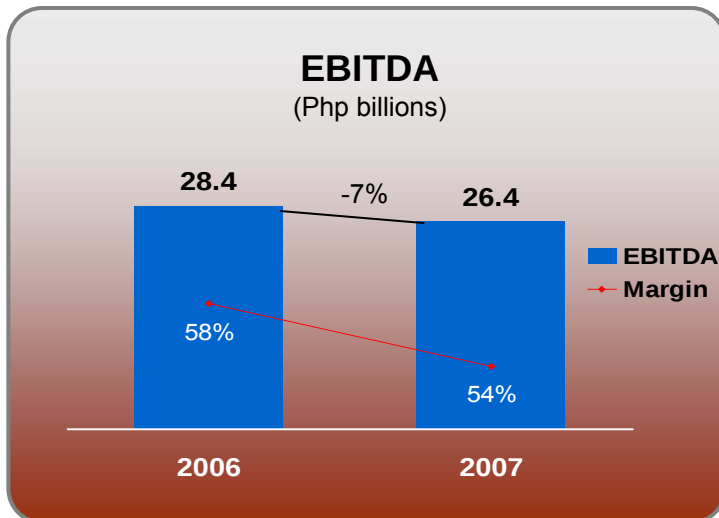
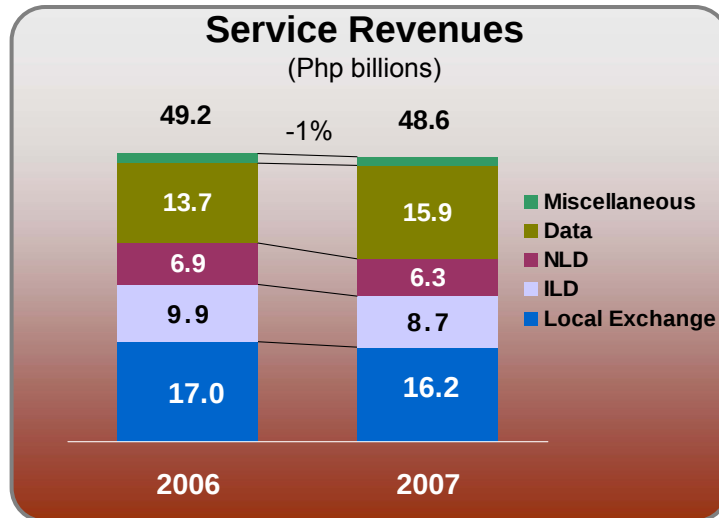
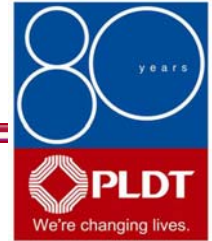
**SOCIAL CIRCLE
(GROUP - SPECIFIC)**

BELOW-THE-LINE OFFERS

**SEGMENTIZED
(PROFILE-SPECIFIC)**

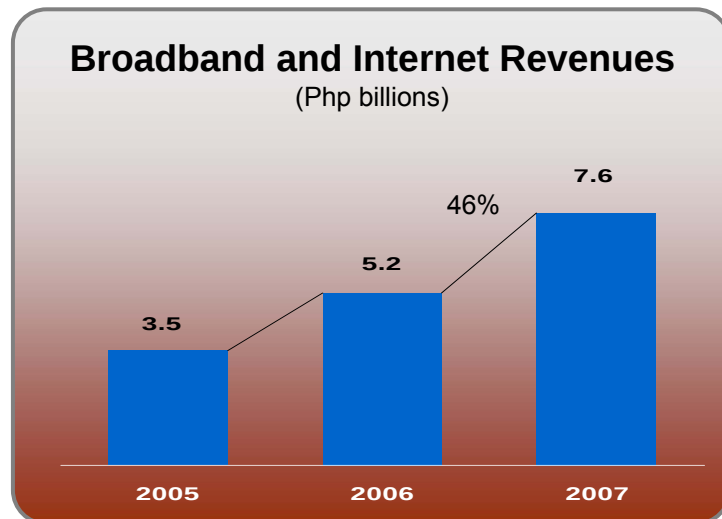
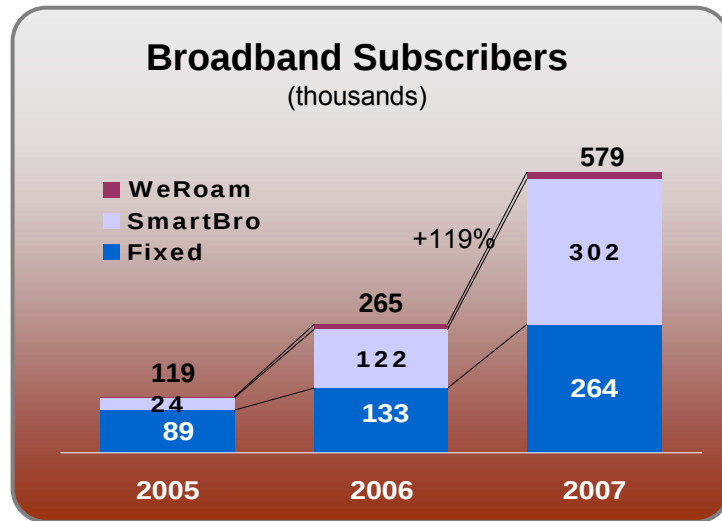
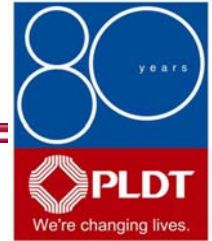


Fixed Line: Facing the Challenges



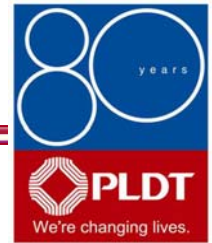
- **Fixed Line revenues decreased 1% to P48.6bn in FY07 due to the combined impact of:**
 - + Increase in corporate data and DSL service revenues
 - Lower NLD revenues
 - Decrease in ILD and LEC revenues due to the negative impact arising from a stronger peso
- **Fixed Line revenues would have increased 3% year-on-year if the peso remained stable**
- **EBITDA declined to P26.4bn in FY07 due to lower revenues and higher cash operating expenses; EBITDA margin decreased to 54% versus 58% in FY06**
- **While most of our cash opex costs showed declines, some cash opex increased, notably:**
 - the cost of manpower rationalization program which saw headcount come down to just over 8,000 from around 8,700 at the end of 2006

Broadband: Fortifying our Lead

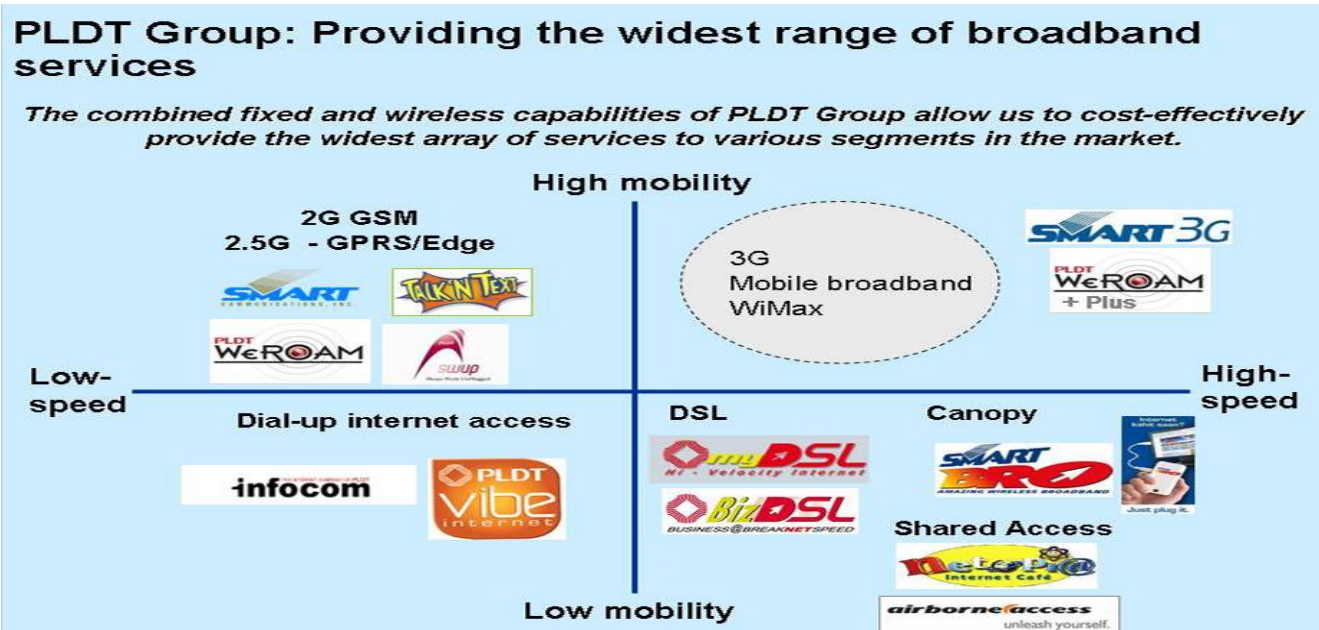


- PLDT DSL, *SmartBro* and *WeRoam* more than doubled FY06 subscriber base to 579,000 as of YE07, adding about 315,000 subscribers for the year
 - *SmartBro*, the most widely available broadband service provider in the country today, grew by 148% adding 180,000 subscribers in FY07 to reach 302,000 subscribers
 - DSL subscribers nearly doubled from 133,000 in 2006 to 264,000 in 2007
- PLDT Group's total DSL, wireless broadband and internet service revenues grew by 46% to P7.6bn representing 6% of total service revenues in FY07

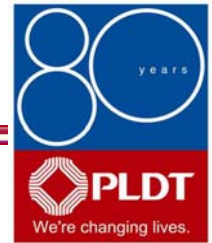
Broadband: Enabling the Broadband Explosion



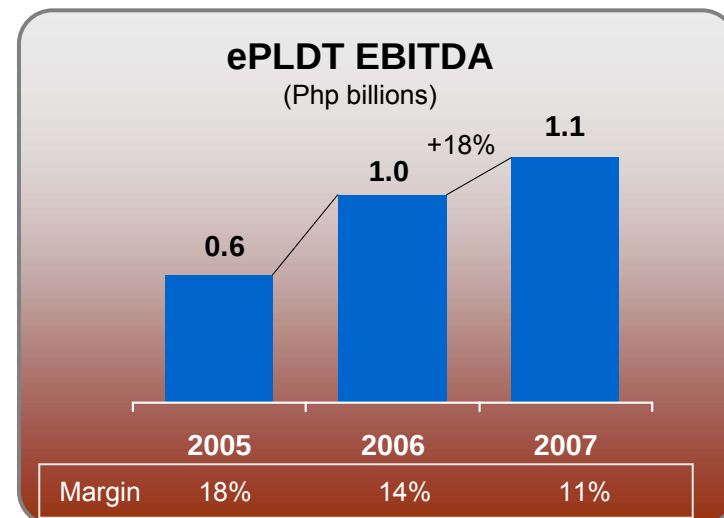
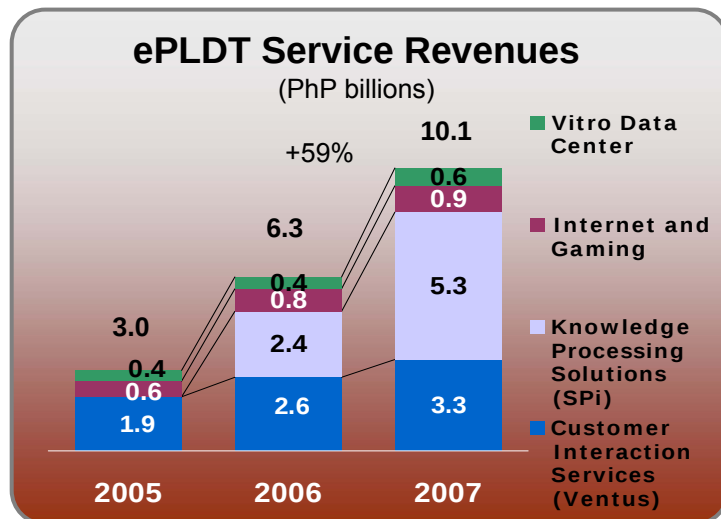
- PLDT Group has more than 70% of the Philippine broadband market
 - Able to offer a variety of products supported by a range of fixed and wireless technologies availability within the group
 - Continuing to explore additional options to deliver broadband
- Significant investments in support of broadband will continue to be made
 - Investment includes incremental capacity and building network resiliency (AAG consortium for international bandwidth, expanding the DFON network)
 - PLDT's plans for 2008 include expanding our internet bandwidth to near Terabit capacity



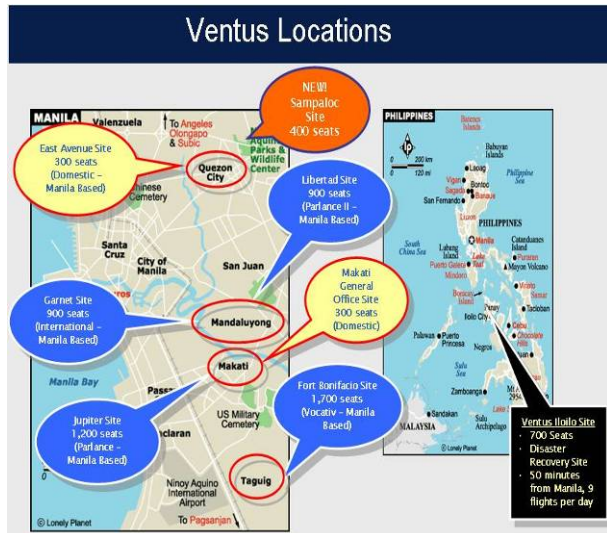
ePLDT: Building Strong Foundations



- ePLDT's service revenues grew by 60% to P10.1bn on account of:
 - + Consolidation of SPI, which contributed revenues of P5.3bn in FY07
 - + 24% increase in customer interaction service (Ventus) revenues
- About 84% of ePLDT's revenues come from Ventus and SPI; of the total Ventus and SPI revenues, 38% is accounted for by voice, 25% by healthcare, 22% by publishing and 15% by legal
- ePLDT contributes 7% of PLDT Group service revenues
- ePLDT's consolidated EBITDA margin declined to 11% in FY07 due to:
 - Negative impact of the 10% peso appreciation on ePLDT's dollar denominated revenues
 - Higher compensation and benefits costs associated with the implementation by Ventus of new incentive schemes designed to increase retention
 - Longer lead times needed to offshore the medical transcription business from the US to the Philippines/India
- Core income for 2007 increased by 160% to P 687 million from P 264 million in 2006



ePLDT: Growing its Presence



- Combined number of seats for Ventus and SPi almost reaching 11,000 at YE07, representing an 18% growth from 2006
 - Non-voice grew by 22% to over 4,500 seats
 - Voice grew by 14% to over 6,400 seats
- Number of sites grew to 24: 15 for non-voice and 9 for voice
- Total number of employees at YE07: 14,823
- Customer mix: long-standing, diversified
- Opportunistic acquisition of new businesses

SPi Locations and Staff Count

(Estimates as of December 2007)

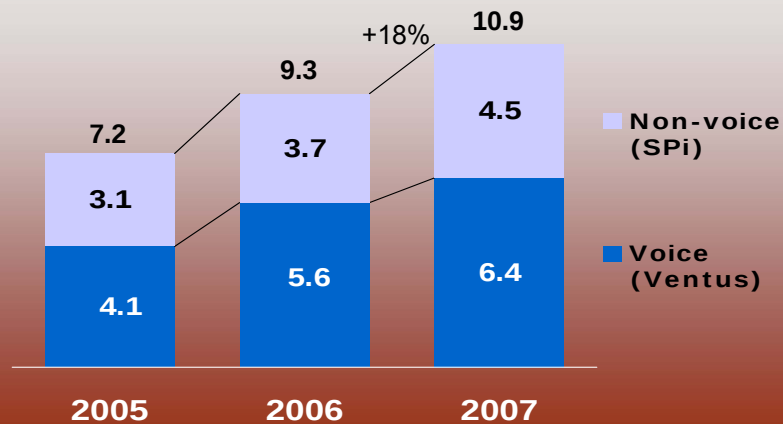
PHILIPPINES
Total Workforce: 4,300
Area(s) of Operation: Manila, Laguna, Cebu, Dumaguete & Clark
Nature of Operations: SPi HQ, corporate support and delivery centers for publishing, legal, healthcare and transactions

INDIA
Total Workforce: 1,600
Area(s) of Operation: New Delhi, Chennai, Pondicherry & Coimbatore
Nature of Operations: Publishing and healthcare delivery center

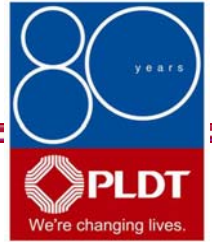
UNITED STATES Total Workforce: 1,000
Area(s) of Operation: NY, VA, TN, TX, IL
Nature of Operations: Sales & Marketing, Legal consulting and development, project mgmt, legal publishing, medical transcription and medical billing delivery centers

VIETNAM
Total Workforce: 460
Area(s) of Operation: Hanoi
Nature of Operations: Publishing delivery center

Ventus and SPi seat capacity (thousands)

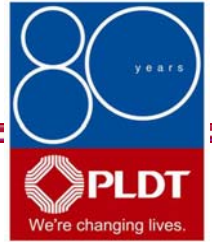


PLDT at 80: Our Transformation Story



- **Premise:** The PLDT Group must transform itself to sustain growth and extend its leadership in 2008 and beyond
- **Goal:** We will transform ourselves from an integrated telco to a customer-centric, multi-media company delivering communications, information, technology, and entertainment to its markets.
- **Components:** Our transformation will constitute five (5) key elements:
 - Innovate for growth
 - Raise revenues organically and by investing in new businesses that optimize our existing businesses
 - Build a wealth of infrastructure that are robust, future-proofed and optimized
 - Engage skilled, committed and competent people
 - Provide world-class quality of service (QoS) – provisioning, repairs and customer interface

PLDT at 80: Our Transformation Story



➤ **Organic Growth:** Our organic growth will come principally from:

- Broadband applications on fixed (DSL) and wireless (SmartBro) platforms
- Call center and bpos
- PLDT Landline Plus (PLP) – our fixed wireless solution
- GSM at Sea – Blue Ocean Wireless (BOW)
- M-commerce/Foreign and Domestic Remittances – the use of cellphones to transfer funds (Smart Money/Smart Padala)
- MVNOs and REMCOs
- Mobile TV (myTV)

➤ **Synergies:** We will leverage the Group's combined strengths in:

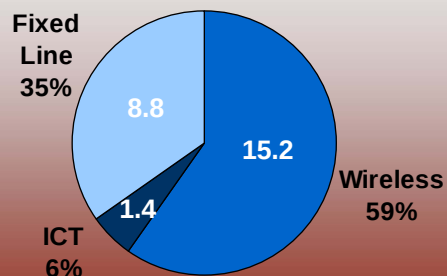
- Product innovation and cross-marketing initiatives
- Complementary deployment of technologies and networks
- Sharing of best practices and governance principles
- Raising the level of our QoS on a Group-wide basis

PLDT Group: Guidance for 2008



Service Revenues	P 145 – 146 billion	• 7-8% growth over 2008 • P 10-11 billion increase
EBITDA	P 87 billion	• 5% growth over 2007 • P 4 billion increase
Core Net Income	P 37 billion	• 5% growth over 2008 • P 1.8 billion increase
Capital Management	Dividend Payout Ratio: 70% of Core EPS + “look back” approach Buyback of up to 2 million common shares	
Capex	P 25.4 billion	

2008 Capital Expenditures by Business Unit



Total P25.4 billion

2008 Capital Expenditure Breakdown

	Amount (PhP Billions)	% to Total
Network Core and Access	14.9	59%
IT Requirements	4.9	19%
Business Solutions	3.0	12%
Outside Plant	1.0	4%
Contact Centers	0.8	3%
Others	0.8	3%
Total	25.4	100%

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

FY 2007: Consolidated Financial Highlights



Profit and Loss (in million pesos)	FY 2007 (Unaudited)				FY 2006 Consolidated	% Change
	Wireless	Fixed Line	ICT	Consolidated		
Service Revenues	86,497	48,551	10,055	135,476	124,975	8%
Operating expenses	28,960	22,307	9,828	51,256	44,977	14%
EBITDA ⁽¹⁾	55,304	26,381	1,140	82,913	79,765	4%
<i>EBITDA Margin</i>	<i>64%</i>	<i>54%</i>	<i>11%</i>	<i>61%</i>	<i>64%</i>	
Depreciation	12,202	15,477	934	28,613	31,869	-10%
Financing costs	(1,814)	5,426	111	3,653	9,084	-60%
Income before income tax	45,731	7,668	(211)	53,257	42,231	26%
Provision for income tax	15,001	2,395	(117)	17,279	6,890	151%
Core net income ⁽²⁾	28,732	5,708	687	35,151	31,564	11%
Reported net income	30,635	5,270	30	36,004	35,138	2%

(1) EBITDA calculation provided in the appendix

(2) Net income before certain adjusting items and excluding gains/losses on foreign exchange/derivatives (after tax)

Exchange Rates:

	31-Dec-07	31-Dec-06	31-Dec-05
PhP per US\$	PhP41.411	PhP49.045	PhP53.062

Revenues



(in million pesos)	FY 2007 (Unaudited)				FY 2006	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Service Revenues						
Wireless						
Cellular	82,334			82,334	75,605	9%
Broadband	2,532			2,532	899	182%
VSAT and other services	1,631			1,631	1,879	-13%
Fixed line						
Local exchange		16,205		16,205	16,964	-4%
International long distance		8,674		8,674	9,933	-13%
National long distance		6,338		6,338	6,921	-8%
Data and other network		15,921		15,921	13,725	16%
Miscellaneous		1,413		1,413	1,632	-13%
ICT						
Knowledge processing solutions			5,261	5,261	2,374	122%
Customer interaction services			3,262	3,262	2,624	24%
Internet and online gaming			937	937	796	18%
Vitro data center			595	595	543	10%
Inter-segment transaction				(9,627)	(8,920)	8%
Total Service Revenues	86,497	48,551	10,055	135,476	124,975	8%
Non-Service Revenues	2,054	281	267	2,602	3,089	-16%
Inter-segment transaction				(122)	(122)	0%
	2,054	281	267	2,480	2,967	-16%
Other Income	973	2,190	594	3,757	5,840	-36%
Inter-segment transaction				(90)	(100)	-10%
	973	2,190	594	3,667	5,740	-36%
Total Revenues and Other Income	89,524	51,022	10,916	141,623	133,682	6%

Expenses



(in million pesos)	FY 2007 (Unaudited)				FY 2006	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Operating expenses						
Compensation	4,608	10,411	5,455	20,470	18,359	-11%
Selling and promotions	3,804	1,707	321	5,824	5,010	16%
Professional and other contracted services	3,238	1,727	1,129	5,588	3,149	77%
Rent	8,751	1,799	620	2,762	2,257	22%
Maintenance	3,634	3,772	504	7,310	6,886	6%
Communication, training and travel	1,083	466	523	1,850	1,481	25%
Taxes and licenses	1,348	877	94	2,319	1,747	33%
Insurance and security services	783	439	49	1,197	1,255	-5%
Other operating expenses	990	399	190	1,563	1,579	-1%
Cash operating expenses	28,239	21,597	8,885	48,883	41,723	17%
Non-cash operating expenses						
Depreciation	12,202	15,477	934	28,613	31,869	-10%
Provisions	563	709	54	1,326	985	35%
Asset impairment	-	-	657	657	1,819	-64%
Amortization of intangible assets	158	-	232	390	450	-13%
Non-cash operating expenses	12,923	16,186	1,877	30,986	35,123	-12%
Total operating expenses	41,162	37,783	10,762	79,869	76,846	4%
Cost of sales	4,445	145	254	4,844	5,522	-12%
Financing costs	(1,814)	5,426	111	3,653	9,084	-60%
Total Expenses	43,793	43,354	11,127	88,366	91,452	-3%

EBITDA



(in million pesos)	FY 2007 (Unaudited)				FY 2006	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Income before tax	45,731	7,668	(211)	53,257	42,231	26%
Add (deduct):						
Depreciation	12,202	15,477	934	28,613	31,869	-10%
Financing costs	(1,814)	5,426	111	3,653	9,084	-60%
Asset impairment	-	-	657	657	1,819	-64%
Amortization of intangible assets	157	-	232	390	450	-13%
Equity share in net loss of subsidiaries	-	-	11	11	52	-79%
Other income	(973)	(2,190)	(594)	(3,667)	(5,740)	-36%
EBITDA	55,304	26,381	1,140	82,913	79,765	4%
EBITDA Margin	64%	54%	11%	61%	64%	

Financing Costs



(in million pesos)	FY 2007 (Unaudited)				FY 2006	% Change
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	
Interest on loans and related items	1,581	4,642	33	6,256	7,908	-21%
Accretion on financial liabilities	877	185	99	1,161	3,314	-65%
Hedge costs	-	1,125	-	1,125	1,446	-22%
Loss (gain) on derivative transactions, net	(278)	405	(138)	(81)	405	-120%
Dividends on CPS	17	-	-	17	130	-87%
Financing charges	12	184	-	196	51	284%
Capitalized interest	(188)	(354)	-	(542)	(549)	-1%
Interest income	(1,186)	(296)	(21)	(1,503)	(1,654)	-9%
Foreign exchange losses (gains)	(2,649)	(465)	138	(2,976)	(1,967)	51%
Total	(1,814)	5,426	111	3,653	9,084	-60%

Core Net Income



(in million pesos)	FY 2007 (Unaudited)				FY06	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Reported net income	30,635	5,270	30	36,004	35,138	2%
Add (deduct):						
Foreign exchange and derivative losses (gains)	(2,927)	(60)	-	(3,057)	(1,562)	96%
Additional depreciation	-	734	-	734	7,920	-91%
Asset impairment	-	-	657	657	1,359	-52%
Smart/Piltel deferred tax assets	-	-	-	-	(5,537)	100%
Gain on reversal of onerous contract	-	-	-	-	(3,529)	
Tax effect	1,025	(236)	(0)	813	(2,225)	-137%
	<u>28,733</u>	<u>5,708</u>	<u>687</u>	<u>35,151</u>	<u>31,564</u>	<u>11%</u>

Cash Flows



(in million pesos)	FY 2007 (Unaudited)				FY 2006	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Net cash from operations	49,609	24,246	1,877	77,355	67,739	14%
Add(Deduct):						
Capital expenditures	(14,263)	(9,882)	(679)	(24,825)	(20,675)	20%
Other investing activities	(100)	5,702	(342)	334	(198)	-268%
Interest, net	(498)	(4,161)	(15)	(4,674)	(6,047)	-23%
Dividends from Smart	-	29,858	-	-	-	
Preferred share dividends	(11)	(292)	-	(303)	(467)	-35%
Others	(635)	259	621	(1,379)	(3,189)	-57%
Free cash flow	34,102	45,729	1,462	46,508	37,162	25%
Common share dividends	(29,858)	(28,167)	-	(28,167)	(14,446)	95%
Investments	(865)	(1)	(1,687)	(2,552)	(10,890)	-77%
Redemption of preferred shares	(4,942)	-	-	(15)	(8)	
Principal repayments, net	1,655	(12,083)	319	(10,109)	(19,431)	-48%
Change in cash	92	5,479	94	5,665	(7,612)	-174%
Cash balance, beginning ⁽¹⁾	18,936	-	906	25,197	32,809	-23%
Cash balance, end ⁽¹⁾	19,028	5,479	1,000	30,862	25,197	22%

(1) Includes short-term investments

Balance Sheet



(in million pesos)	Consolidated	
	December 31	
	2007 (Unaudited)	2006
Total Assets	240,158	242,118
Nominal Value of Total Debt	65,112	86,107
<i>in US\$</i>	<i>\$1,572</i>	<i>\$1,756</i>
Less: Unamortized Debt Discount	4,472	5,953
Total Debt	60,640	80,154
Cash and short-term investments	30,862	25,197
Net Debt	29,779	54,957
Equity	112,511	104,067
Total Debt⁽¹⁾/Equity	0.58x	0.83x
Net Debt⁽²⁾/Equity	0.30x	0.59x
Total Debt⁽¹⁾/EBITDA	0.79x	1.08x
Net Debt⁽²⁾/EBITDA	0.41x	0.76x

(1) Nominal value of total debt

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

Earnings Per Share



	FY07 (Unaudited)		FY06	
	Basic	Diluted	Basic	Diluted
Net Income	36,004	36,004	35,138	35,138
Dividends on preferred shares	(455)	(455)	(455)	(455)
Adjustments for preferred shares deemed dilutive				
Dividends on preferred stock subject to mandatory redemption charged to expense for the period	-	16	-	-
Accretion of preferred stock subject to mandatory redemption	-	131	-	-
Foreign exchange gain on preferred stock subject to mandatory redemption	-	(182)	-	-
Net Income applicable to common shares	35,549	35,514	34,683	34,683
Outstanding common shares, beginning	188,435	188,435	180,789	180,789
Effect of issuance of common shares during the period	221	221	3,667	3,667
Weighted average number of shares under ESOP during the period	-	38	-	98
Common shares equivalent of preferred shares deemed dilutive:				
Preferred stock series A to FF	-	-	-	-
Preferred stock series VI	-	680	-	-
Weighted average number of shares, end	188,656	189,374	184,456	184,554
EPS (based on reported net income)	188.42	187.53	188.03	187.93
Core Net Income	35,151	35,117	31,564	31,564
Adjustments for preferred shares deemed dilutive	(457)	(457)	(455)	(455)
Net Income applicable to common shares	34,694	34,660	31,109	31,109
Weighted average number of shares, end	188,656	189,374	184,456	184,554
EPS (based on core net income)	183.90	183.02	168.65	168.56

Interest-bearing Liabilities



<i>(in millions)</i>	Carrying Value	Unamortized Debt Discount	Face Value	2006 Face Value	Change
Debt					
PLDT	\$821	\$9	\$830	\$1,080	(\$251)
Smart	\$604	99	702	628	75
2014 Debt	\$181	99	280	280	-
Others	\$422		422	348	75
Others*	\$40	-	40	48	(8)
Total Debt	\$1,464	\$108	\$1,572	\$1,756	(\$184)
Obligations under capital lease	\$1	\$11	12.1	21.0	(9)
Preferred Stocks Subject to Mandatory Redemption					
Series V & VI	\$25	\$1	\$26	\$33	(\$7)

**Includes notes payable of US\$11.8bn or PhP483bn*

Quarterly Consolidated Financial Highlights



(in million pesos)	2007 (Unaudited)				2006 4Q	% Change 4Q07 vs. 4Q06
	1Q	2Q	3Q	4Q		
Service Revenues	33,012	34,010	33,449	35,006	32,971	6%
Non-service Revenues	613	703	544	620	806	-23%
Less: Cost of sales	1,220	1,413	1,111	1,099	1,517	-28%
Operating Expenses						
Cash operating expenses	11,749	11,432	12,303	13,400	11,859	13%
Non-cash operating expenses	5,759	8,049	6,595	10,584	10,320	3%
	17,508	19,481	18,898	23,983	22,179	8%
Operating Income	14,897	13,818	13,984	10,543	10,081	5%
EBITDA	20,422	21,370	20,165	20,946	20,341	3%
EBITDA Margin	62%	63%	60%	60%	62%	
Other Income	211	242	685	2,529	4,504	-44%
Other Expenses:						
Interest on loans and related items	1,858	1,779	1,393	1,227	1,795	-32%
FX and derivatives (gain)/loss	(278)	(533)	(644)	(1,602)	(113)	1324%
Others	217	135	(69)	170	171	-
	1,797	1,380	679	(205)	1,853	-111%
Income before income tax	13,311	12,679	13,990	13,276	12,732	4%
Provision for income tax	4,580	4,136	4,313	4,251	3,759	13%
Net income, as reported	8,575	8,427	9,505	9,497	9,394	1%
Core net income ⁽¹⁾	8,396	8,758	9,086	8,911	8,333	7%