Philippine Long Distance Telephone Company

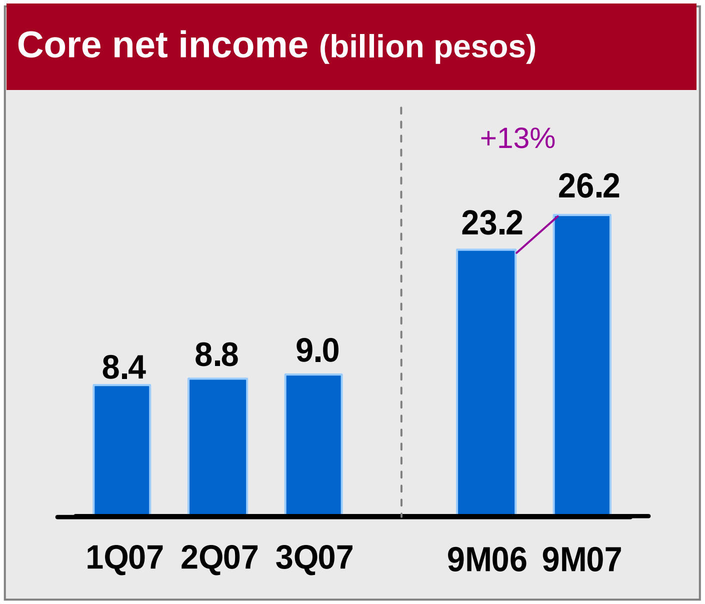
Nine Months 2007 Financial and Operating Results

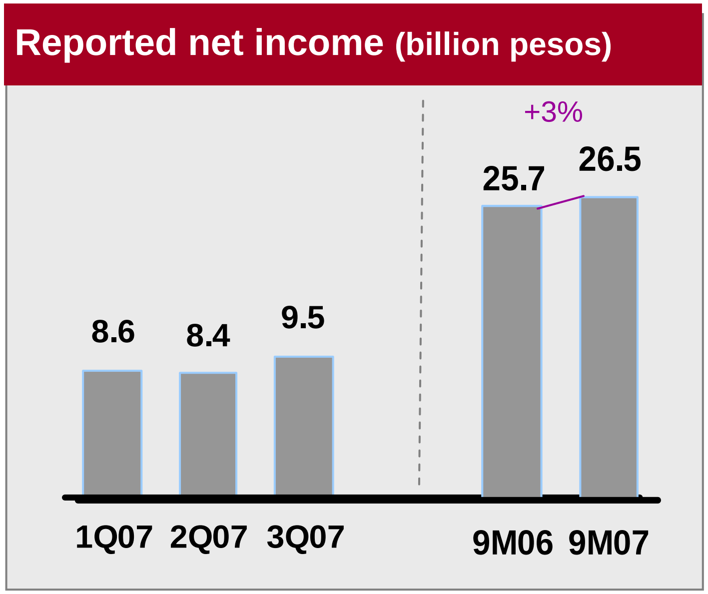
6 November 2007

PLDT SMART ePLDT

PLDT Group: Core and Reported Net Income

- **Core net income in 9M07 up 13% to P26.2bn due to the combined impact of:**
  - \+ Increase in revenues and EBITDA
  - \+ Lower financing costs
- **3Q07 income is higher than 2Q07 despite seasonality and without the benefit of election spend**
- **Reported net income in 9M07 improved by 3% to P26.5bn due to:**
  - \+ Lower additional depreciation charges of P1bn in 9M07 compared with P6.1bn incurred in 9M06
  - \- Increase of P9.9bn in provision for taxes, effective tax rate at 33% in 9M07 from 11% due to deferred tax asset recognition in 9M06
  - Similar level of forex gains at P1.5 billion

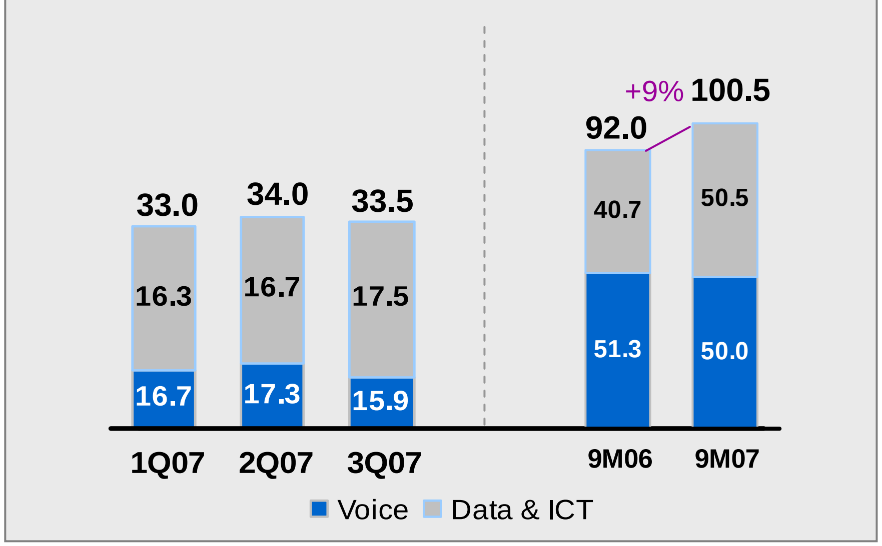




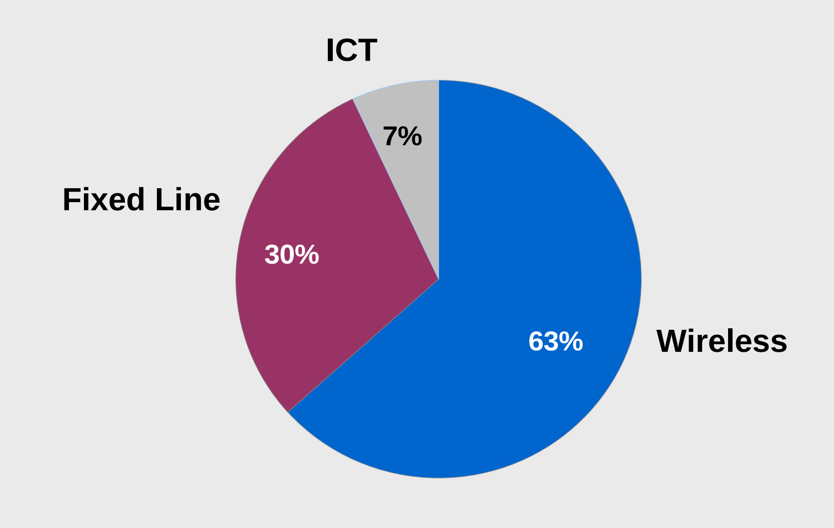
PLDT Group: Service Revenues

- **Consolidated service revenues grew by P8.5bn or 9% to P100.5bn in 9M07 as a result of:**
  - + Wireless service revenues up by 10%
  - + ICT revenues increased by 96%
  - - Fixed line revenues declining by 1%
- **Approximately 38% of consolidated service revenues are USD linked**
  - Service revenues would have grown by an additional P3.7 billion had the peso remained stable, resulting in a 13% growth year-on-year
- **Data, Broadband and ICT revenues increased by 24% and now account for 50% of total service revenues; revenues from data and broadband increased by 18%**
- **Voice revenues down by 3% to P50bn in 9M07 driven by:**
  - + 3% increase in cellular voice revenues
  - - 8% decline in traditional fixed line voice revenues

Service Revenues (billion pesos)



Service Revenue Mix (9M07)



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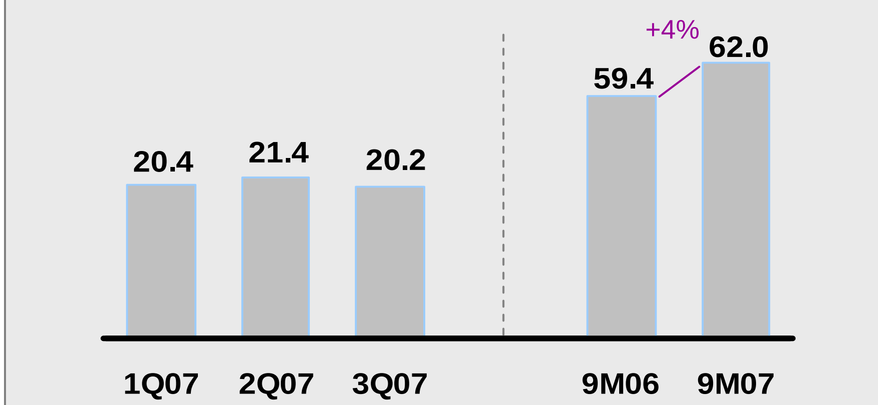
PLDT Group: EBITDA

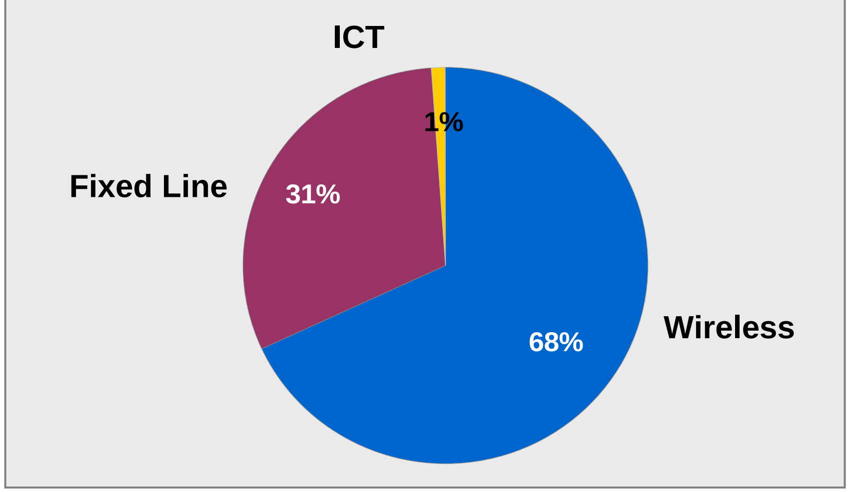
- **EBITDA increased by 4% to P62.0bn while EBTIDA margin declined to 62% due to:**
  - Wireless margin at 65%
  - Fixed line margin at 54%
  - ICT margin of 11%
- **EBITDA decreased 6% q-o-q brought about by seasonally lower revenues and a P533 million manpower rightsizing cost in 3Q07 covering a reduction of close to 600 employees from the fixed line**
- **EBITDA for the quarter showed a 4% growth versus P19.4 billion in the same quarter last year.**

EBITDA and EBITDA margin (billion pesos)



Margin	62%	63%	60%	65%	62%

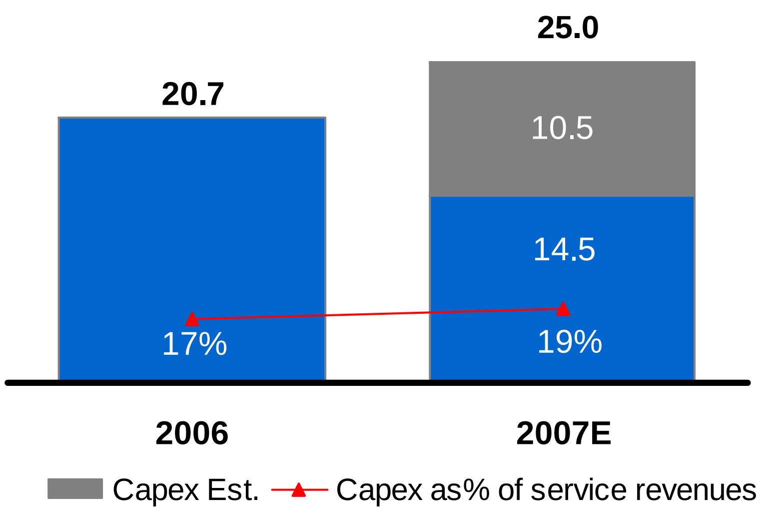
EBITDA Mix (9M07)



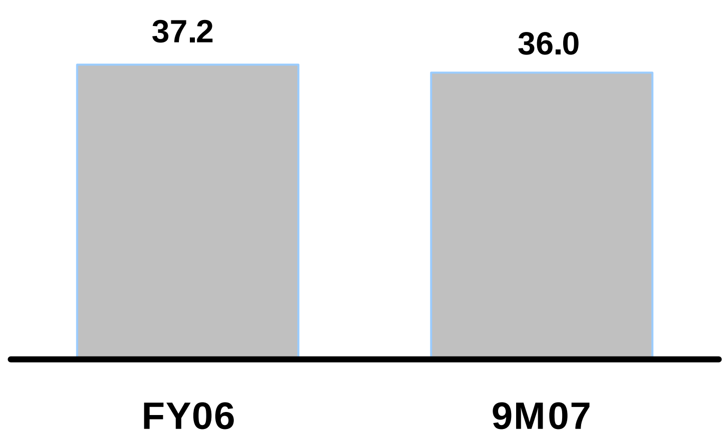
PLDT Group: Capex and Free Cash Flow

- **PLDT Group's capex in 9M07 reached P14.5bn and is expected to reach a maximum of P25bn for FY07 as a result of:**
  - Better than expected cellular and broadband take up requiring additional capacity
- **Free cash flow surged to P36bn in 9M07 which allowed PLDT Group to:**
  - distribute an interim dividend for 2007 of P60 per share and a special dividend of P40 per share bringing the dividend payout for 2006 to 85% of core income
  - pay down US$206mn of debt reducing debt balances to US$1.5bn
- **As of 9M07, Net Debt stood at US$ 1.1bn resulting in Net Debt to EBITDA of 0.60x and Debt to Equity of 0.48x.**

Consolidated Capital Expenditures (billion pesos)



PLDT Group Free Cash Flow (billion pesos)



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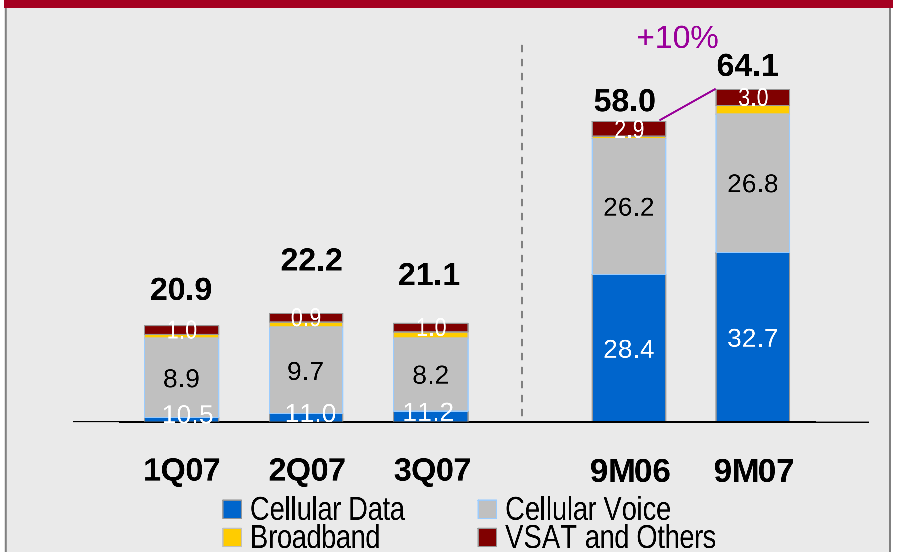
PLDT Group: 9M07 Financial Summary

	9M07	9M06		% Y-o-Y
Service Revenues	P100.5bn	P92.0bn	↑	9%
EBITDA	P62.0bn	P59.4bn	↑	4%
EBITDA Margin	62%	65%	↓	
Income Before Tax	P40.0bn	P29.5bn	↑	36%
Core Net Income	P26.2bn	P23.2bn	↑	13%
Core EPS	137.30	124.98	↑	10%
Reported Net Income	P26.5bn	P25.7bn	↑	3%

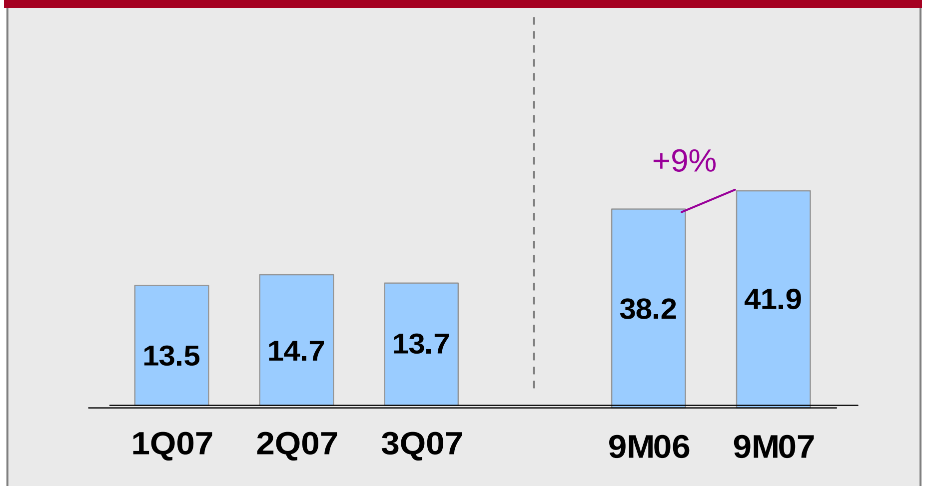
SMART: Continuing to Trend Upwards

- **Service revenues grew 10% to P64.1bn in 9M07 driven by:**
  - + 15% increase cellular data revenues
  - + 3% growth in voice revenues
  - + 205% rise in wireless broadband revenues
- **Service revenues in 3Q07 were 9% higher than 3Q06 but 5% lower q-on-q due to annual seasonality and election-boosted 2Q07**
- **Basic SMS continues to drive data services which now make up 55% of cellular service revenues**
- **EBITDA improved by 9% to P41.9bn in 9M07; EBITDA margin sustained at 65%**

Wireless Service Revenues (billion pesos)



EBITDA* (billion pesos) and EBITDA Margin

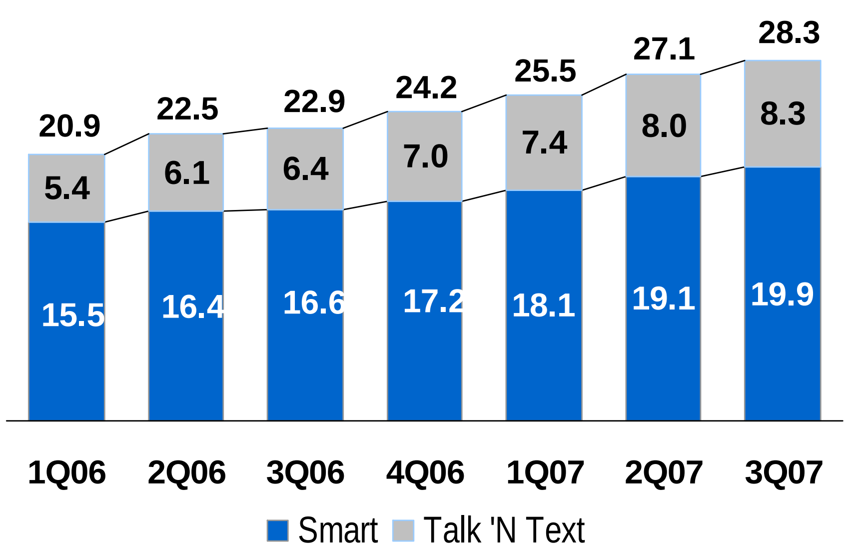


Margin	65%	66%	65%	66%	65%

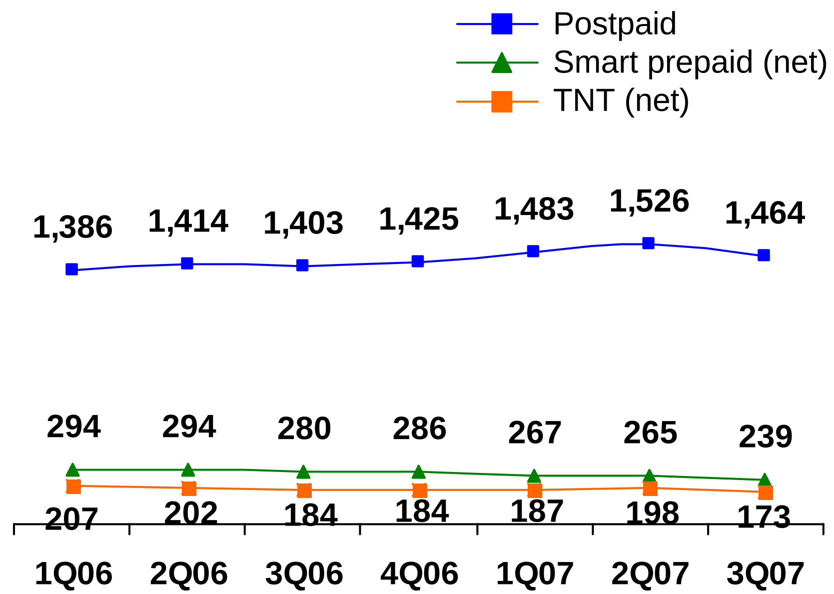
SMART: Reaching New Highs

- Smart and TNT subscriber base reached 28.3 mn in 9M07 reflecting net additions of 4.1mn cellular subscribers from year-end 2006, higher than total net additions of 3.8 million for the entire 2006
- Net additions of 1.2mn in 3Q07 as a result of a more aggressive and focused acquisition program coupled with better value offerings
- Prepaid subscriber acquisition costs in 9M07 remained under control and represent less than 28% of blended prepaid ARPUs of P236
- Decline in ARPU, as we reach deeper into lower income segments, more than offset by decreasing incremental SAC and capex, which allow us to maintain margins

Smart & Talk 'N Text Subscribers



Prepaid and Postpaid ARPU (Pesos)



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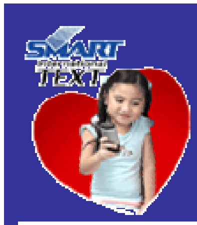
SMART: Serving the Market's Needs

Growth in cellular service revenues enabled by our ability to segment subscriber base according to specific parameters, allowing for tailor-made, "below the line" usage campaigns

Effective acquisition campaigns and focused on the ground efforts have resulted in significant growth in the number of subscribers year-on-year:

- **Cellular: +23%**
- **SmartBro: +179%**

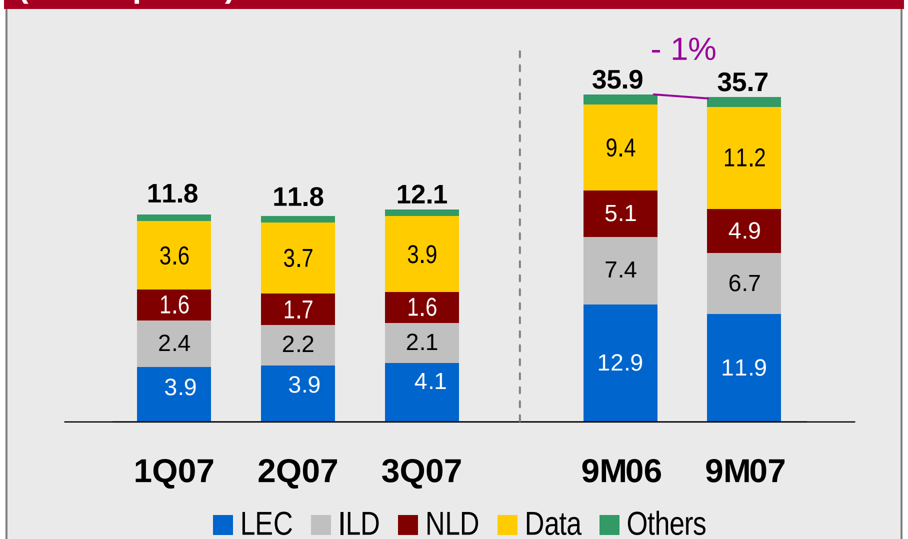


- **IDD call revenues grew 6% despite peso appreciation**
- **Combined international SMS and outbound roaming SMS revenues increased by an average of 10%, driven by significant growth in traffic of 19%.**

PLDT Fixed Line: Addressing the Challenges

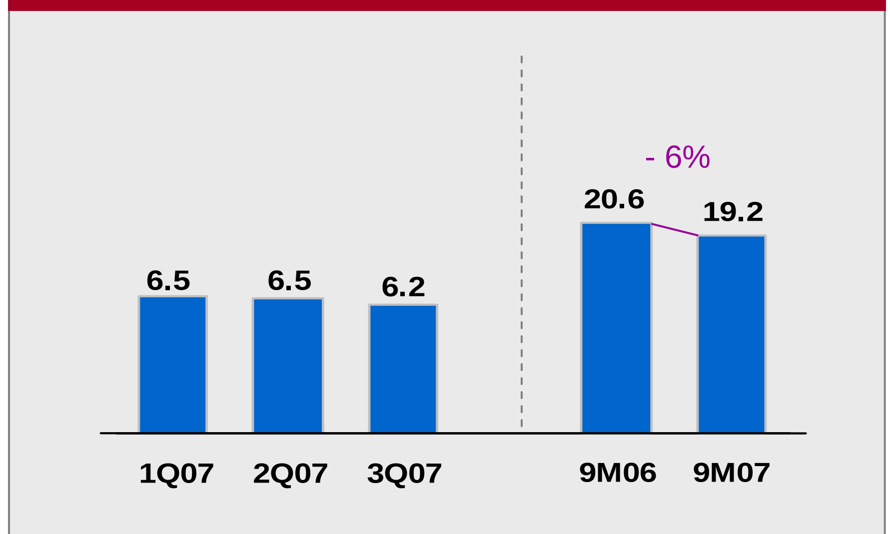
- **Fixed Line revenues decreased 1% to P35.7bn in 9M07 due to the combined impact of:**
  - \+ increase in corporate data and DSL service revenues
  - \- decrease in LEC revenues as a result of the reduction in basic monthly fees due to the imputed 7% appreciation of the average U.S. dollar - peso exchange rate
  - \- decline in ILD revenues due to lower inbound rates and the stronger peso
  - \- lower NLD revenues
- **Fixed Line revenues would have increased 3% year-on-year if the peso remained stable**
- **EBITDA declined to P19.2bn in 9M07 due to lower revenues and higher cash operating expenses; EBITDA margin decreased to 54% versus the 9M06 of 57%**
- **Increase in cash opex due to cost of manpower rationalization program which saw headcount come down to just over 8,000 from around 8,700 at the end of 2006**

Fixed Line Service Revenues* and EBITDA
(billion pesos)



** Fixed Line service revenues including intra-segment revenues, which are eliminated upon consolidation.*

Fixed Line EBITDA and EBITDA Margin

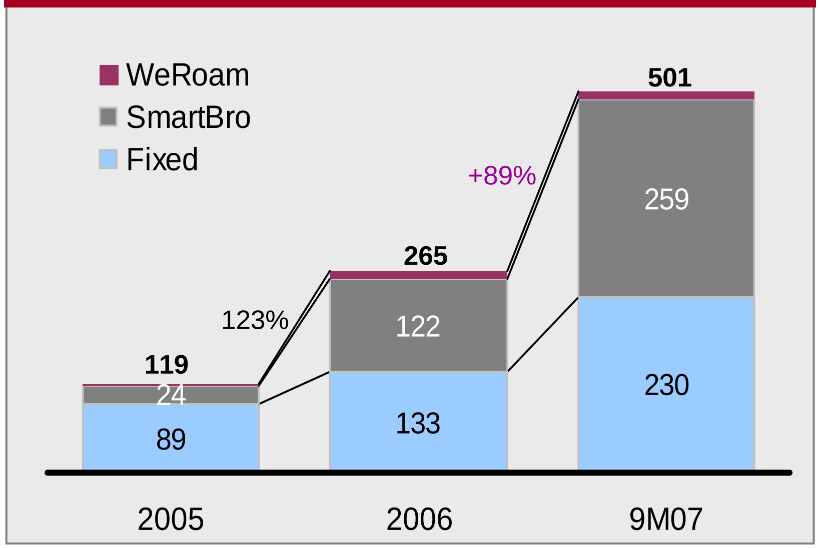


Margin	55%	55%	51%	57%	54%

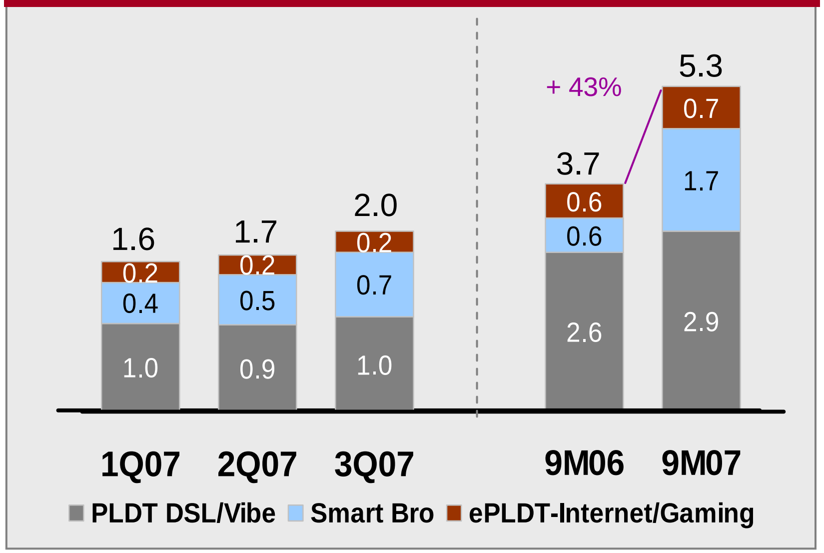
Broadband: Showing Dramatic Growth

- PLDT DSL, *SmartBro* and PLDT *WeRoam* had a combined 501,000 subscribers as of 9M07, adding about 236,000 subscribers for the nine-month period
- *SmartBro* added 138,000 broadband subscribers in 9M07 to reach 259,000 subscribers; *SmartBro* is the most widely available broadband service provider in the country today
- PLDT Group's total DSL, wireless broadband and internet service revenues grew by 43% to P5.3bn representing 5.3% of total service revenues in 9M07
- PLDT Group is close to hitting its full year target of doubling the 2006 subscribers to 530,000

PLDT Group Broadband subscribers ('000)



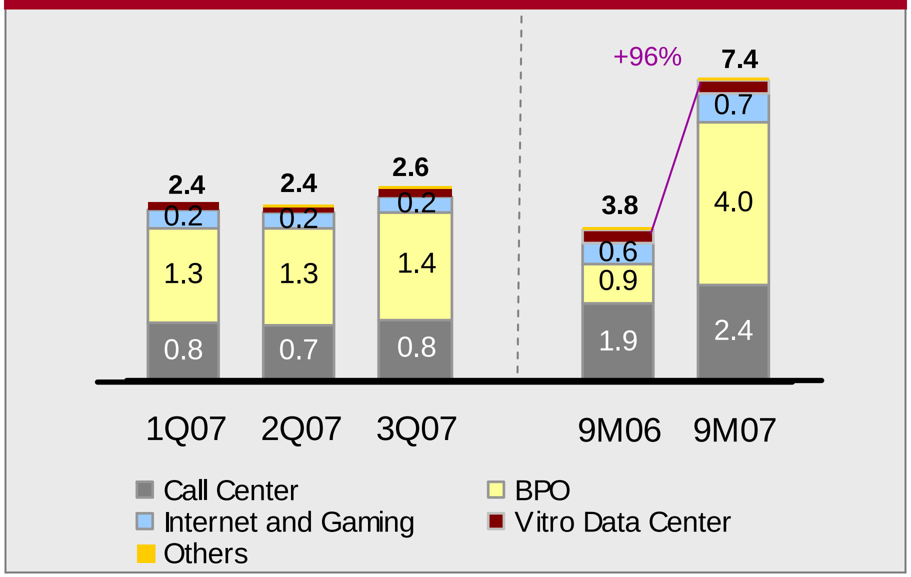
PLDT Group Broadband and Internet Revenues (billion pesos)



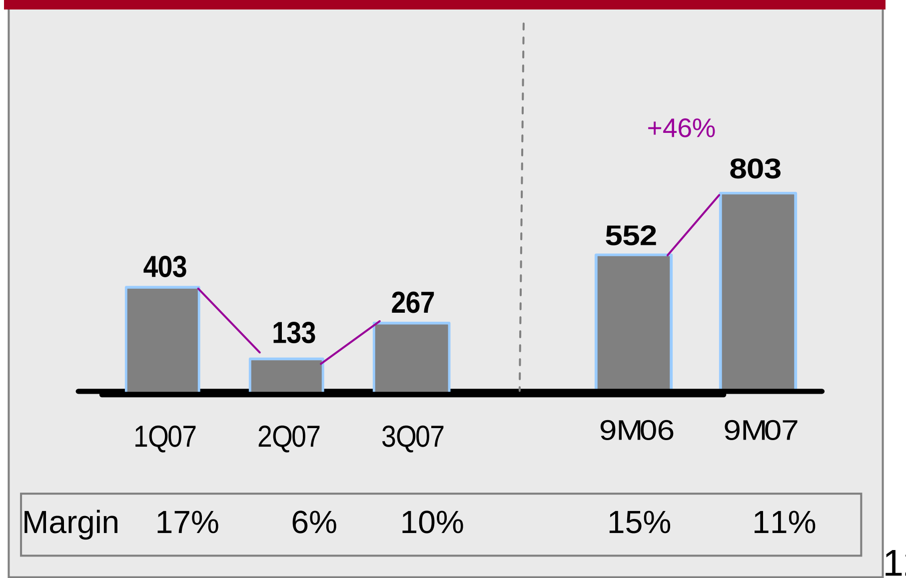
ePLDT: Riding the Outsourcing Wave

- **ePLDT's service revenues grew by 96% to P7.4bn on account of:**
  - \+ 23% increase in call center revenues
  - \+ Consolidation of SPI, which contributed revenues of P4.0bn in 9M07
- **About 86% of ePLDT's revenues come from Ventus and SPI; of the total Ventus and SPI revenues, 38% is accounted for by voice, 24% by healthcare, 23% by publishing and 15% by legal**
- **ePLDT now contributes 7% of PLDT Group service revenues**
- **An additional 17% growth in revenues y-o-y would have been recorded by ePLDT if the peso remained stable**
- **ePLDT's consolidated EBITDA margin declined to 11% in 9M07 due to:**
  - – Negative impact of the 9% 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

ePLDT Service Revenues
(billion pesos)



ePLDT EBITDA (million pesos) and EBITDA margin



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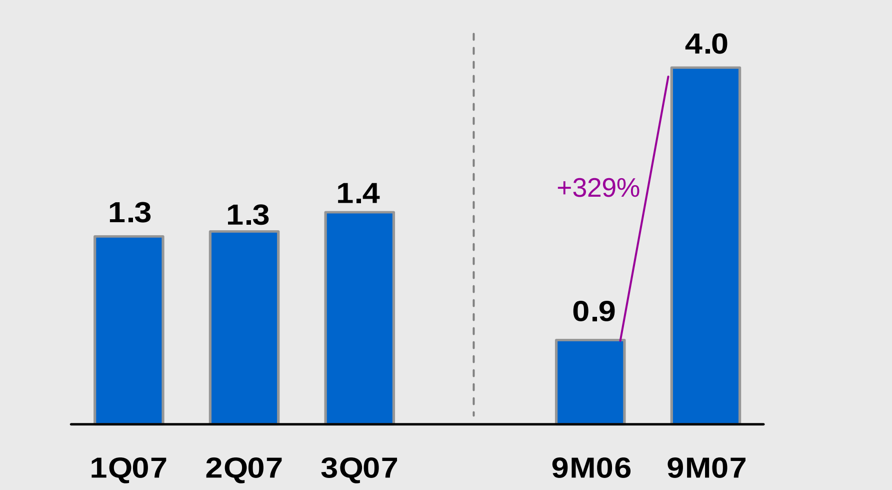
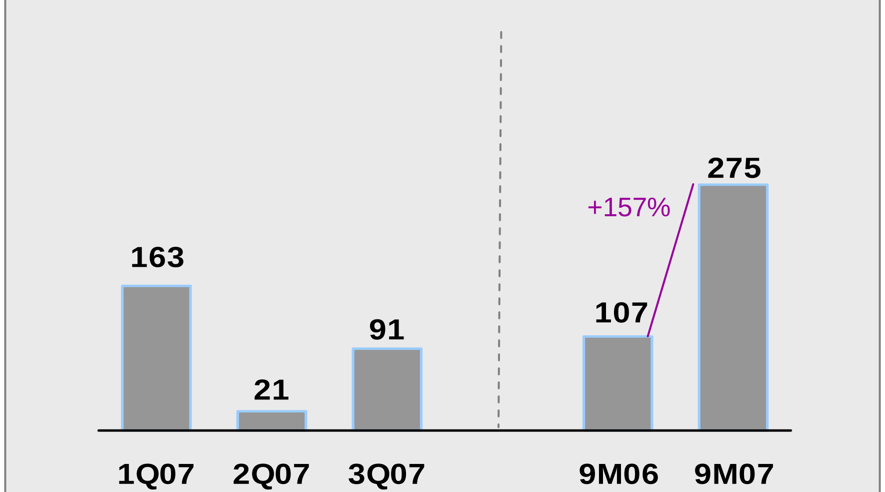
BPO Business: Preparing to Take-Off

- **SPI generated P4.0bn in revenues in 9M07 reflecting the combined impact of:**
  - Healthy and predictable growth in the Publishing unit
  - High-value but volatile revenue streams from the Legal unit reflecting project-based nature of contracts
  - Consolidation of Springfield which expanded the revenue base of the Healthcare unit
- **EBITDA reached P275mn in 9M07 showing a 157% growth over the same period last year**
- **Margins were challenged as a result of the consolidation of recent acquisitions, but have begun to show marked improvement in 3Q07 on the way back to double digit levels**
- **At the end of 3Q07, SPI had over 4,500 BPO seats and more than 7,200 employees in the Philippines, the US, India, and Vietnam**

BPO: Service Revenues
(billion pesos)



BPO: EBITDA (in million pesos) and EBITDA margin



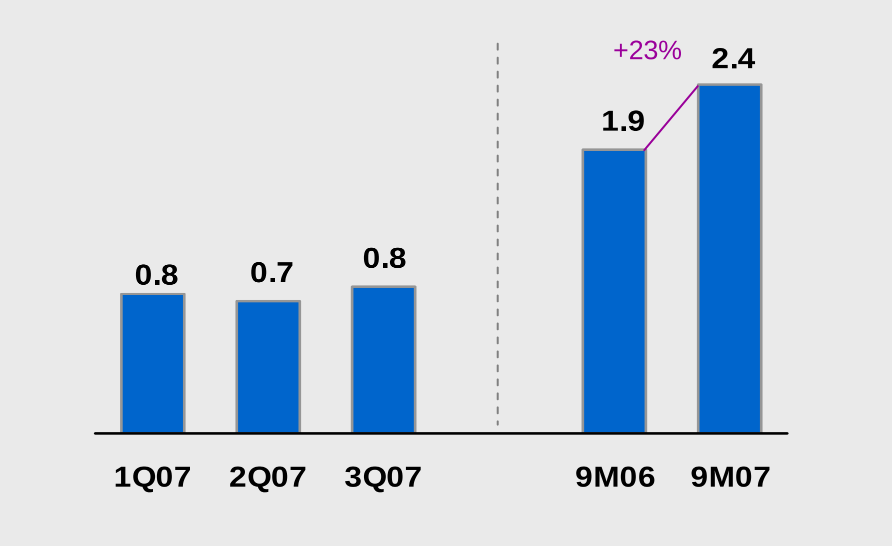
Margin	1Q07	2Q07	3Q07	9M06	9M07
Margin	13%	2%	6%	11%	7%

PLDT SMART ePLDT

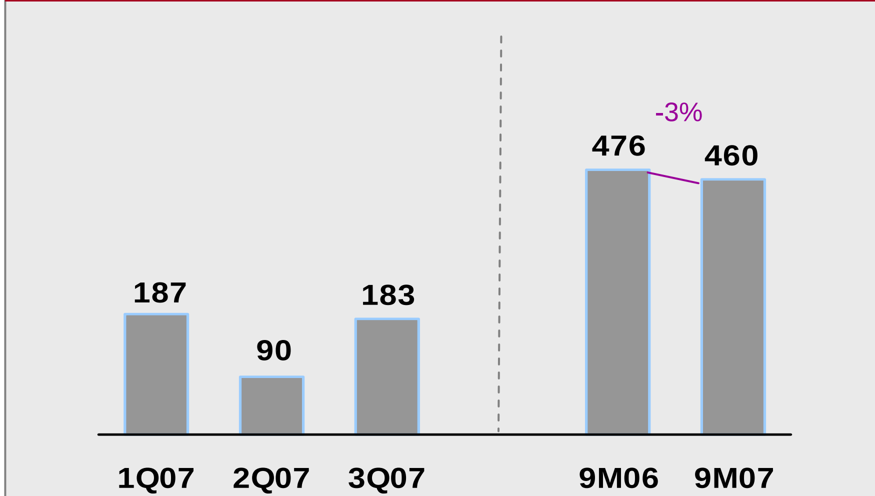
Call Center Business: Ramping Up Steadily

- Ventus' revenues grew by 23% to P2.4bn in 9M07 resulting from the ramp-up of FTEs for several clients, offset in part by the effects of the appreciation of peso
- Ventus' 3Q07 revenues increased by 10% to P 826mn over 2Q07 and 21% versus the same period last year
- EBITDA margin declined to 20% due to a combined effect of the peso appreciation and the increase in staff retention costs
- At the end of 3Q07, Ventus had over 5,800 seats and about 6,300 employees in seven sites throughout the Philippines

Call Center: Service Revenues
(billion pesos)



Call Center: EBITDA (in million pesos) **and EBITDA margin**



	1Q07	2Q07	3Q07	9M06	9M07
Margin	24%	12%	22%	25%	20%

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Capital Management: Moving to Optimal Levels

Transaction	**Consent Solicitation to be pursued to amend certain restrictive covenants contained in the indentures of the Notes** **To demonstrate its continued commitment to maintaining a prudent capital structure, PLDT will simultaneously tighten its debt capacity**
Notes	**$ 175,000,000 10.5% Notes due 2009 (‘2009 Notes’)** **$ 250,000,000 11.375% Notes due 2012 (‘2012 Notes’)** **$ 300,000,000 8.35% Notes due 2017 (‘2017 Notes’)**
Offer Period	**6 – 27 November 2007**
Requested Amendments	The 2012 Notes: • **Amend the Limitation on Restricted Payments by removing the maximum amount of dividends that can be declared or investments that can be made, subject to a maximum Consolidated Leverage Ratio** • **Amend the Limitation on Dividends to allow declaration or capital distribution subject to limitations under Philippine law** • **Reduce the Consolidated Leverage Ratio [1] from 3.5x to 3.0** The 2009 and 2017 Notes: • **Amend the Limitation on Dividends to allow declaration or capital distribution subject to limitations under Philippine law** • **Reduce the Long Term Debt to Tangible Net Worth Ratio [2] from 3.0x to 2.5x**

(1) Total Debt – Parent / EBITDA (including dividends received) - Parent

(2) Total Long Term Debt – Parent / Equity - Parent

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Capital Management: Moving to Optimal Levels

Why is PLDT asking for this?	• **PLDT's key financial indicators including revenues, profitability and operating cash flows have improved over time compared to when the Notes were issued** • **PLDT is focused on maintaining its market leadership, investing in new growth areas to boost its core telecommunications business and diversifying its revenue sources** • **PLDT is aiming for an efficient capital structure** • **PLDT believes that the existing limitations on Restricted Payments and the existing Limitation on Dividends, constrain its ability to pursue these objectives**
Bondholder Incentive	**Consent Fee** **Tightened Leverage Ratios**
Requisite Consent	**50% + 1**

PLDT SMART ePLDT

PLDT Group: 2007 Outlook

- **PLDT Group expects to sustain its strong performance to-date although the financial results will continue to be impacted by a number of factors, including movements in the US dollar/Peso exchange rates**
- **Capital expenditures for 2007 are estimated at P 25 billion**
- **PLDT Group remains committed to capital management:**
  - **A "look back" policy on top of the regular dividend pay-out of 70% of core earnings**
  - **Taking steps to gain flexibility in the utilization of excess cash for investments, dividend distribution or share buy-back**
  - **Exercising prudence by seeking tighter debt ratios as safeguard**

2007 Forecast	
Core net income	P34.5-P35 billion
Capital expenditures	P25 billion
Regular dividend payout	70% of core EPS + "look-back"

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

9M07: Consolidated Financial Highlights

Profit and Loss *(in million pesos)*	9M 2007 Wireless	Fixed Line	ICT	Consolidated	9M 2006 Consolidated	% Change
Service Revenues	64,059	35,664	7,416	100,470	92,003	9%
Operating expenses	23,959	16,549	6,996	40,680	35,013	16%
EBITDA[1]	41,854	19,235	803	61,957	59,422	4%
EBITDA Margin	*65%*	*54%*	*11%*	*62%*	*65%*	
Depreciation	8,907	9,330	715	18,951	23,659	-20%
Financing costs	(527)	4,386	(2)	3,857	7,230	-47%
Income before income tax	34,068	5,978	(66)	39,980	29,498	36%
Provision for income tax	11,121	1,980	(73)	13,028	3,131	316%
Core net income [2]	21,514	4,692	34	26,240	23,231	13%
Reported net income	22,465	3,995	46	26,506	25,744	3%

(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:

	30-Sep-07	31-Dec-06	30-Sep-06	31-Dec-05
PhP per US$	Php44.974	Php49.045	Php50.249	Php53.062

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Revenues

(in million pesos)	9M 2007				9M 2006	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Service Revenues						
Wireless						
Cellular	61,121			61,121	56,086	9%
Others	2,938			2,938	1,930	52%
Fixed line						
Local exchange		11,889		11,889	12,862	-8%
International long distance		6,685		6,685	7,434	-10%
National long distance		4,864		4,864	5,117	-5%
Data and other network		11,180		11,180	9,420	19%
Miscellaneous		1,046		1,046	1,068	-2%
ICT						
Call Center			2,357	2,357	1,920	23%
BPO			3,989	3,989	930	329%
Internet and online gaming			686	686	561	22%
Vitro data center			311	311	287	8%
Others			73	73	90	-19%
Inter-segment transaction				(6,669)	(5,702)	17%
Total Service Revenues	64,059	35,664	7,416	100,470	92,003	9%
Non-Service Revenues	1,630	119	200	1,949	2,252	-13%
Inter-segment transaction				(89)	(92)	-3%
	1,630	119	200	1,860	2,160	-14%
Other Income	718	459	27	1,204	1,306	-8%
Inter-segment transaction				(66)	(69)	-4%
	718	459	27	1,138	1,237	-8%
Total Revenues and Other Income	66,407	36,242	7,643	103,468	95,400	8%

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Expenses

(in million pesos)	9M 2007 Wireless	9M 2007 Fixed Line	9M 2007 ICT	9M 2007 Consolidated	9M 2006 Consolidated	% Change
Operating expenses						
Compensation	3,730	7,879	3,984	15,589	13,184	18%
Selling and promotions	2,836	831	194	3,855	3,558	8%
Professional and other contracted services	1,632	1,243	938	3,468	2,227	56%
Rent	6,274	1,205	495	2,168	1,769	23%
Maintenance	2,635	2,730	380	5,299	4,890	8%
Communication, training and travel	773	319	365	1,307	1,038	26%
Taxes and licenses	922	728	66	1,715	1,288	33%
Insurance and security services	564	330	34	872	973	-10%
Other operating expenses	754	308	158	1,210	937	29%
Cash operating expenses	20,120	15,574	6,614	35,483	29,864	19%
Depreciation	8,907	9,330	715	18,951	23,659	-20%
Provisions	272	857	15	1,144	872	31%
Asset impairment	-	-	21	21	16	35%
Amortization of intangible assets	124	-	162	286	255	11%
Non-cash operating expenses	9,303	10,187	913	20,402	24,802	-18%
Total operating expenses	29,423	25,760	7,527	55,886	54,666	2%
Cost of sales	3,443	118	184	3,745	4,006	-7%
Financing costs	(527)	4,386	(2)	3,857	7,230	-47%
Total Expenses	32,339	30,264	7,709	63,488	65,902	-4%

EBITDA

(in million pesos)	9M 2007 Wireless	9M 2007 Fixed Line	9M 2007 ICT	9M 2007 Consolidated	9M 2006 Consolidated	% Change
Income before tax	34,068	5,978	(66)	39,980	29,498	36%
Add (deduct):						
Depreciation	8,907	9,330	715	18,952	23,659	-20%
Financing costs	(527)	4,386	(2)	3,857	7,230	-47%
Asset impairment	-	-	21	21	16	35%
Amortization of intangible assets	124	-	162	286	255	12%
Other income	(718)	(459)	(27)	(1,138)	(1,236)	-8%
EBITDA	41,854	19,235	803	61,957	59,422	4%
EBITDA Margin	65%	54%	11%	62%	65%	

Financing Costs

(in million pesos)	9M 2007				9M 2006	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Interest on loans and related items	1,205	3,800	24	5,029	6,113	-18%
Accretion on financial liabilities	665	130	39	834	3,045	-73%
Hedge costs	-	908	-	908	1,090	-17%
Loss (gain) on derivative transactions, net	(48)	353	(98)	207	151	37%
Dividends on CPS	14	-	-	14	113	-88%
Financing charges	37	1	-	38	44	-14%
Capitalized interest	(124)	(275)	-	(399)	(428)	-7%
Interest income	(860)	(238)	(14)	(1,112)	(1,297)	-14%
Foreign exchange losses (gains)	(1,416)	(293)	47	(1,662)	(1,601)	4%
Total	(527)	4,386	(2)	3,857	7,230	-47%

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Core Net Income

(in million pesos)	9M 2007 Wireless	9M 2007 Fixed Line	9M 2007 ICT	9M 2007 Consolidated	9M06 Consolidated	% Change
Reported net income	**22,465**	**3,995**	**46**	**26,506**	**25,744**	**3%**
Add (deduct):						
Foreign exchange and derivative losses (gains)	**(1,464)**	**60**	**(51)**	**(1,455)**	**(1,450)**	**-**
Additional depreciation	**-**	**1,013**		**1,013**	**6,105**	**-83%**
Asset impairment	**-**	**-**	**21**	**21**	**16**	**35%**
Smart/Piltel deferred tax assets	**-**	**-**	**-**	**-**	**(5,554)**	**100%**
Tax effect	**512**	**(376)**	**18**	**155**	**(1,629)**	**-110%**
	21,513	**4,692**	**34**	**26,240**	**23,231**	**13%**

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Cash Flows

(in million pesos)	9M 2007 Wireless	9M 2007 Fixed Line	9M 2007 Consolidated	9M 2006 Consolidated	% Change
Net cash from operations	34,502	18,826	55,499	56,146	-1%
Add(Deduct):					
Capital expenditures	(7,085)	(7,049)	(14,529)	(16,872)	-14%
Other investing activities	(213)	376	175	1,109	-84%
Interest, net	(494)	(3,013)	(3,522)	(4,097)	-14%
Dividends from Smart	-	29,661	-	-	
Preferred share dividends	-	(216)	(216)	(401)	-46%
Others	(488)	(890)	(1,363)	(3,855)	-65%
Free cash flow	26,223	37,695	36,044	32,030	13%
Common share dividends	(29,672)	(28,167)	(28,178)	(14,446)	95%
Investments	(865)	(1)	(2,551)	(10,724)	-76%
Redemption of preferred shares	(14)	-	(14)	-	
Principal repayments, net	161	(10,923)	(10,505)	(18,290)	-43%
Change in cash	(4,167)	(1,396)	(5,204)	(11,430)	-54%
Cash balance, beginning[1]	18,936	5,355	25,197	32,810	-23%
Cash balance, end[1]	14,769	3,959	19,993	21,380	-6%

(1) Includes short-term investments

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Balance Sheet

(in million pesos)	Consolidated September 30 2007	Consolidated December 31 2006
Total Assets	**227,971**	**241,892**
Nominal Value of Total Debt	**69,701**	**86,107**
in US$	***$1,550***	***$1,756***
Less: Unamortized Debt Discount	**4,976**	**5,953**
Total Debt	**64,725**	**80,154**
Cash and short-term investments	**19,993**	**25,197**
Net Debt	**44,732**	**54,957**
Equity	**103,692**	**104,523**
Total Debt(1)/Equity	**0.67x**	**0.82x**
Net Debt(2)/Equity	**0.48x**	**0.58x**
Total Debt(1)/EBITDA	**0.85x**	**1.08x**
Net Debt (2)/EBITDA	**0.60x**	**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

	9M07		9M06	
	Basic	Diluted	Basic	Diluted
Net Income	26,506	26,506	25,744	25,744
Dividends on preferred shares	(341)	(341)	(342)	(37)
Adjustments for preferred shares deemed dilutive				
Dividends on preferred stock subject to mandatory redemption charged to expense for the period	-	13	-	-
Accretion of preferred stock subject to mandatory redemption	-	106	-	-
Foreign exchange gain on preferred stock subject to mandatory redemption	-	(98)	-	-
Net Income applicable to common shares	26,165	26,186	25,402	25,707
Outstanding common shares, beginning	188,435	188,435	180,789	180,789
Effect of issuance of common shares during the period	197	197	2,342	2,342
Weighted average number of shares under ESOP during the period	-	41	-	92
Common shares equivalent of preferred shares deemed dilutive:				
Preferred stock series A to FF	-	-	-	2,284
Preferred stock series VI	-	706	-	-
Preferred stock series VII	-	-	-	-
Weighted average number of shares, end	188,632	189,379	183,131	185,507
EPS (based on reported net income)	**138.71**	**138.28**	**138.71**	**138.57**
Core Net Income	26,240	26,240	23,231	23,231
Adjustments for preferred shares deemed dilutive	(341)	(320)	(342)	(37)
Net Income applicable to common shares	25,899	25,920	22,889	23,194
Weighted average number of shares, end	188,632	189,379	183,131	185,507
EPS (based on core net income)	**137.30**	**136.87**	**124.98**	**125.03**

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Interest-bearing Liabilities

(in millions)	September 30, 2007 Carrying Value	Unamortized Debt Discount	Face Value	December 31, 2006 Face Value	Change
Debt					
PLDT	**$846**	**$10**	**$855**	**$1,080**	**($225)**
Smart	**$552**	**101**	**653**	**628**	**25**
2014 Debt	$179	101	280	280	-
Others	$373		373	348	$25
Others	**$42**	**-**	**42**	**48**	**($6)**
Total Debt*	**$1,439**	**$111**	**1,550**	**1,756**	**($206)**
Obligations under capital lease	**$10**	**$11**	**20.8**	**21.0**	**$0.2**
Preferred Stocks Subject to Mandatory Redemption					
Series V & VI	**$25**	**$2**	**$27**	**$33**	**($6)**

**Includes notes payable of US$10.9bn or PhP487bn*

PLDT SMART ePLDT

Quarterly Consolidated Financial Highlights

(in million pesos)	2007 1Q	2007 2Q	2007 3Q	2006 3Q	% Change 3Q07 vs. 3Q06
Service Revenues	33,012	34,010	33,449	31,364	7%
Non-service Revenues	613	703	544	696	-22%
Less: Cost of sales	1,220	1,413	1,111	1,402	-21%
Operating Expenses					
Cash operating expenses	11,749	11,432	12,303	11,185	10%
Non-cash operating expenses	5,759	8,049	6,595	8,403	-22%
	17,508	19,481	18,898	19,588	-4%
Operating Income	14,897	13,818	13,984	11,070	26%
EBITDA	20,422	21,370	20,165	19,371	4%
EBITDA Margin	*62%*	*62.8%*	*60%*	*62%*	
Other Income	211	242	684	898	-24%
Other Expenses:					
Interest on loans and related items	1,858	1,779	1,393	1,758	-21%
FX and derivatives (gain)/loss	(278)	(533)	(644)	(1,668)	-61%
Others	217	135	(69)	1,006	-107%
	1,797	1,380	679	1,096	-38%
Income before income tax	13,311	12,680	13,989	10,872	29%
Provision for income tax	4,580	4,136	4,312	145	2874%
Net income, as reported	8,575	8,427	9,504	10,439	-9%
Core net income [(1)]	8,396	8,758	9,085	8,025	13%

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