Philippine Long Distance Telephone Company

Nine Months 2008
Financial and Operating Results

4 November 2008

PLDT Group: 9M 2008 Financial Highlights

	9M 2008 (unaudited)	9M 2007 (unaudited)	% Y-o-Y
Service Revenues	P105.6bn	P100.6bn	5%
• Wireless	P68.8bn	P64.1bn	7%
• Fixed Line	P36.7bn	P35.8bn	2%
EBITDA	P65.6bn	P62.2bn	6%
• Wireless	P44.4bn	P41.9bn	6%
• Fixed Line	P20.5bn	P19.5bn	5%
EBITDA Margin	62%	62%	
Income Before Tax	P41.4bn	P40.2bn	3%
Reported Net Income	P26.2bn	P26.6bn	2%
Core Net Income	P27.8bn	P26.4bn	5%
Core EPS	P145.70	P137.91	6%
Period-end PhP:US$1	P47.264	P44.974	5%
Period-average PhP:US$1	P43.221	P46.184	6%

* Peso/$ exchange rate at 31 December 2007: P 41.411 and at 31 December 2006: P 49.045.

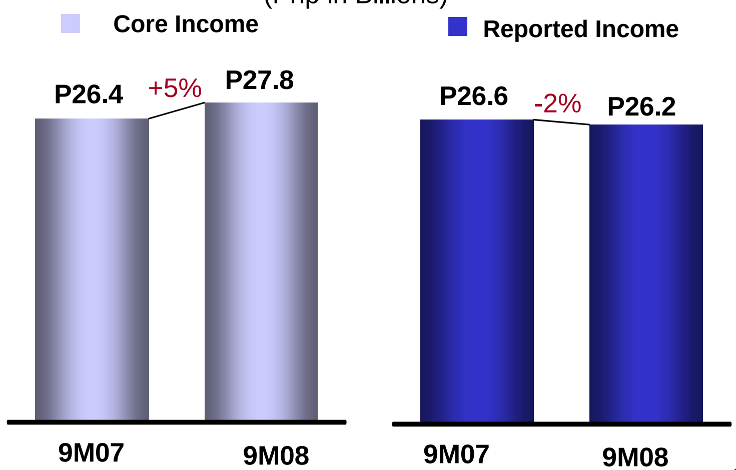
PLDT Group: 3Q 2008 Financial Highlights

	3Q 2008 (unaudited)	3Q 2007 (unaudited)		% Y-o-Y
Service Revenues	P35.2bn	P33.5bn	↑	5%
Wireless	P23.0bn	P21.1bn	↑	9%
Fixed Line	P12.1bn	P12.1bn		-
EBITDA	P21.8bn	P20.2bn	↑	8%
Wireless	P14.8bn	P13.7bn	↑	8%
Fixed Line	P6.9bn	P6.3bn	↑	10%
EBITDA Margin	62%	60%	↑	
Core Net Income	P9.1bn	P9.1bn		-

Core Income Up 5%, Reported Income Down 2% Due to Forex

- **Core net income grew by P1.4bn or 5% to P27.8bn at 9M08 as a result of:**
  - Increases in service revenues and EBITDA of 5% and 6%, respectively
  - Decrease in financing costs by 13%
- **Reported net income decreased by 2% to P26.2bn due to forex losses partly offset by derivative gains**
- **Due to movements in the P/$ exchange rate and peso- and dollar-interest rates, we recognized an after tax net loss from forex revaluation and derivative transactions amounting to P1.6bn at the end of September 2008**

Core and Reported Net Income
(Php in Billions)

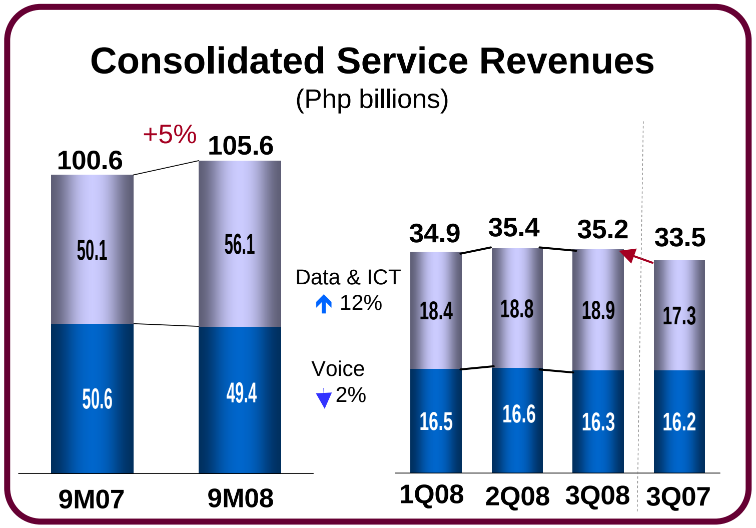


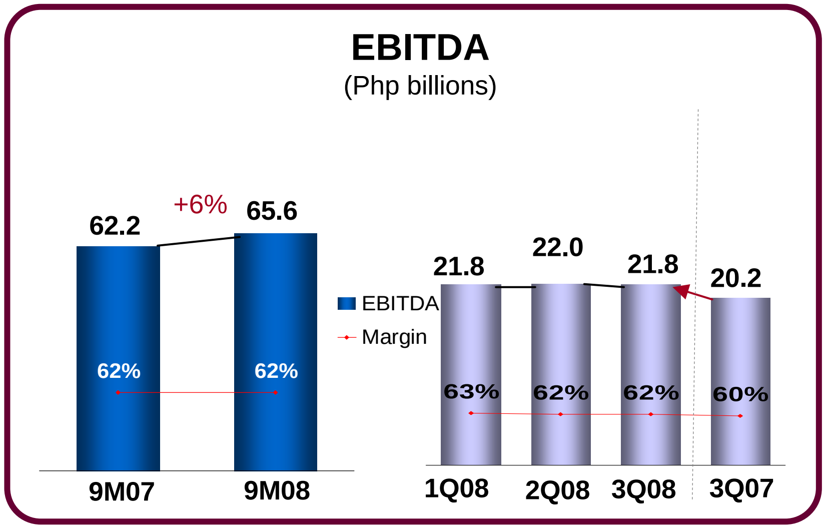
9M08 Core and Reported Income
(Php in Billions)

Core Income	P27.8
Forex Loss	(6.0)
Gain on Deriv Transactions	3.5
Tax Effect	0.9
Reported Net Income	P26.2

Continued Growth in Service Revenues and EBITDA

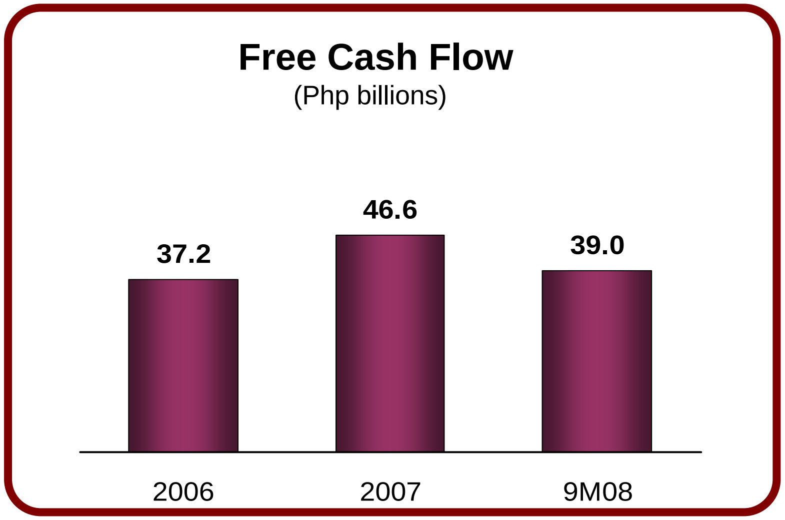
- **Consolidated service revenues increased by 5% to P105.6bn from P100.6bn in 9M08 due to:**
  - 12% growth in data and ICT revenues which accounted for 53% of total service revenues, and which included a 48% growth in broadband revenues
  - 2% decline in voice revenues resulting from the peso's appreciation which offset increases in cellular voice traffic
- **Approximately 28% of 9M08 consolidated service revenues are US$ denominated**
  - Net of hedges, only 12% of consolidated service revenues are exposed to the peso's movement
  - Service revenues in 9M08 would have grown by an additional P 2.0bn or 2% had the peso remained stable, resulting in a 7% growth year-on-year
- **3Q08 service revenues dipped slightly q-o-q reflecting seasonality; but are 5% higher y-o-y**
  - 3Q08 data and ICT revenues 1% higher q-o-q and 9% higher y-o-y
  - 3Q08 voice revenues 2% lower q-o-q but up 1% y-o-y
- **EBITDA grew by P3.5bn, or 6%, y-o-y to P65.6bn in 9M08 while EBITDA margin was stable at 62%**
  - Wireless margin at 65%
  - Fixed line margin at 56%
  - ICT margin at 9%

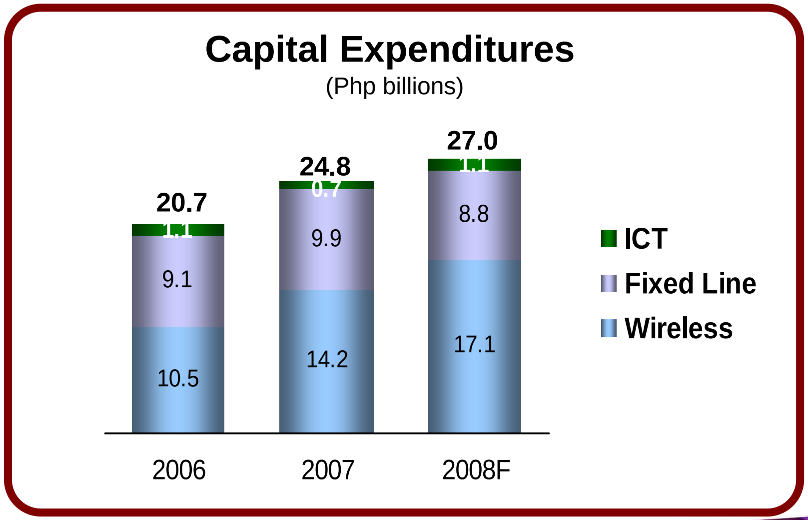




Free Cash Flow Remains Strong

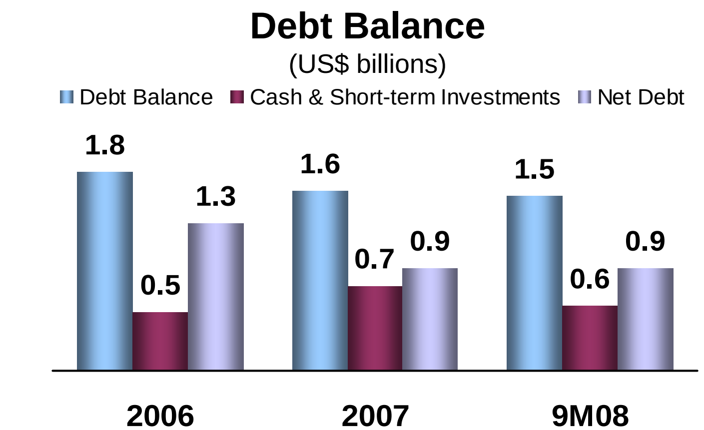
- **Free cash flow of P39.0bn generated in 9M08, P3.0bn higher than P36.0bn in 9M07**
  - Capex for 9M08 amounted to P16.8bn, higher by P2.3bn compared with last year
- **Capex guidance for 2008 reviewed and reduced to P 27.0bn**
- **Capital management initiatives sustained**
  - Dividends paid for 9M08 totaled P 37.0bn compared with P 28.4bn in 9M07 (both inclusive of special dividends)
  - 70% dividend payout ratio affirmed; "look-back" approach to determine any additional dividends for 2008
  - Of 4mn shares approved for buyback, 1.96mn shares have been acquired to-date for a total of P 4.9bn or P 2,525/share



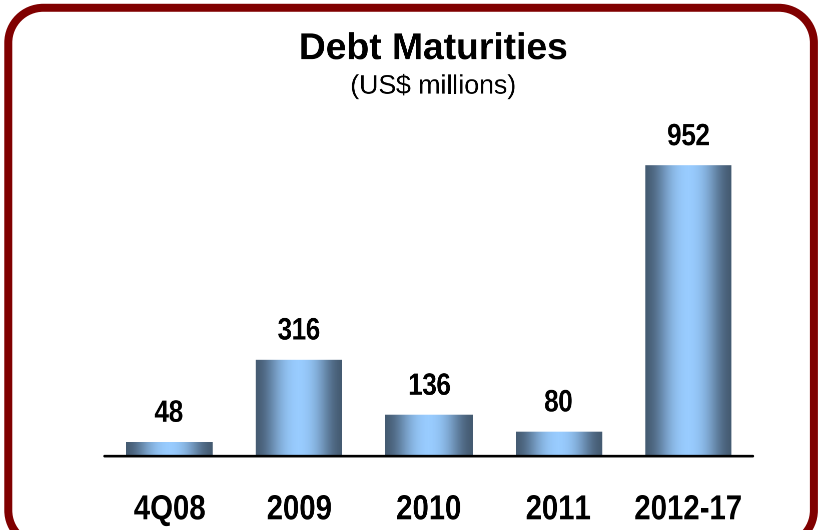


Debt Profile Stays at Manageable Levels

- **Net debt stood at US$0.9bn as of September 2008 and net debt/EBITDA at 0.5x**
- **Debt maturities are well spread out with the bulk of the scheduled payments at 2012 and beyond**
  - PLDT had US$677mn in US$-denominated revenues and US$262mn in expenses, or a net foreign currency inflow of US$415mn for the nine month period
- **Debt profile:**
  - 89% of total debt denominated in US$
  - 33% of total debt is hedged, 43% if taking into account US$ cash holdings
  - 69% of debt are fixed-rate loans, while 31% are floating-rate interest loans
- **Operational financing requirements are covered by internally generated cash flows; significant borrowings would only be required for major acquisitions or investments**
- **PLDT taking advantage of local banks' "flight to quality" where lending facilities are being prioritized in favor of good credits**
- **Cash and short-term investments are largely in bank placements, government securities and selected Philippine corporate debt; 25% of cash is denominated in US$**

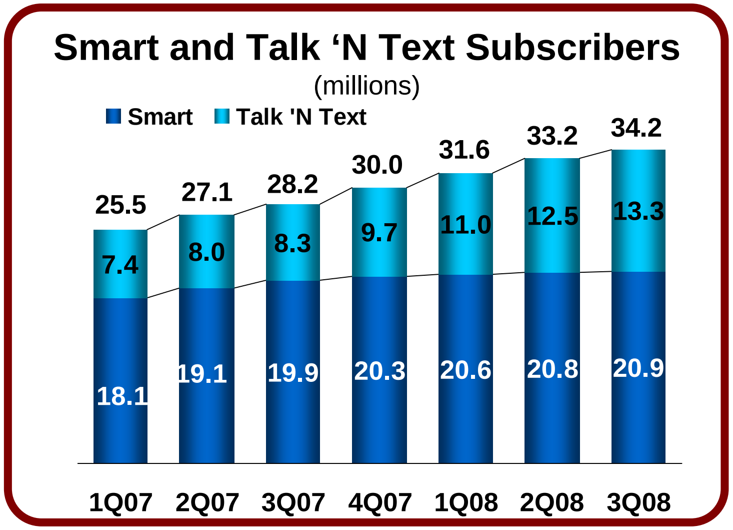


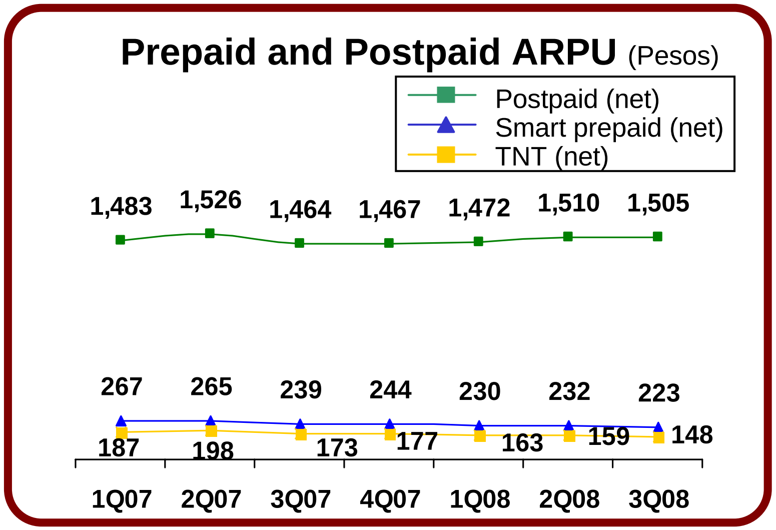
	2006	2007	9M08
Net Debt/ EBITDA	0.8x	0.4x	0.5x



SMART: Continuing to Grow

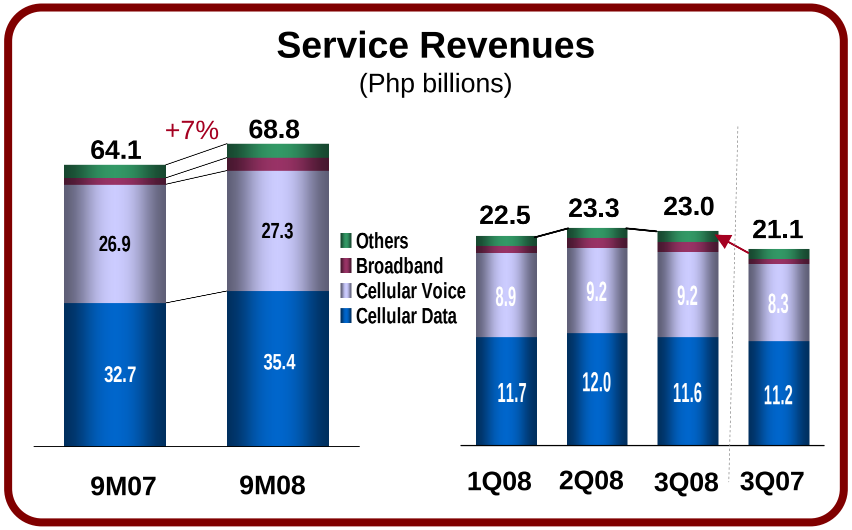
- **The combined Smart and TNT subscriber base grew to 34.2mn as at end September 2008, reflecting a 21% growth year-on-year**
  - Net adds of 4.1mn subscribers for 9M08, 1% higher than net adds for 9M07
  - Of the 4.1mn net adds, 3.6mn are TNT subs
  - Net adds for 3Q08 of 0.9mn:
    - a decline vs 1.5mn (Q1) and 1.6mn (Q2) net adds, reflecting seasonality and higher churn
    - a 19% decline y-o-y with 2007 being an election year
- **Net blended ARPU decreased by 14% year-on-year to P216 but margins remained at 65%**
- **Prepaid subscriber acquisition costs are recovered in about a week's time, with SAC equivalent to approximately 23% of net blended prepaid ARPU of P202 in 9M08**

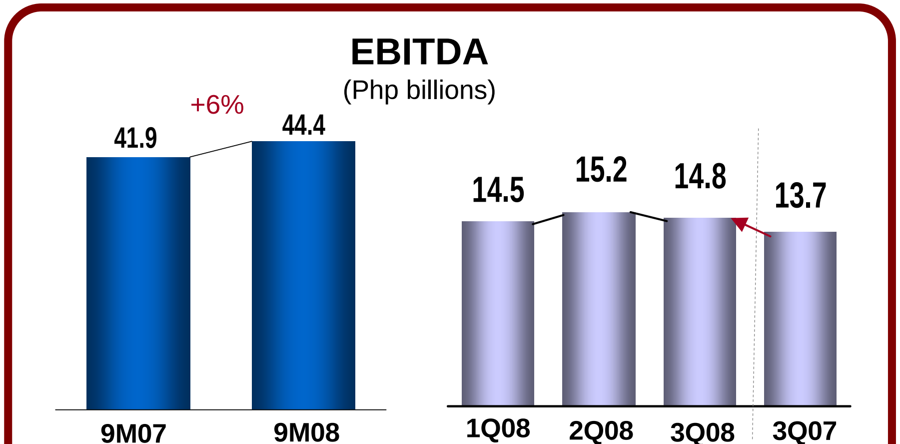




SMART: Rising Steadily

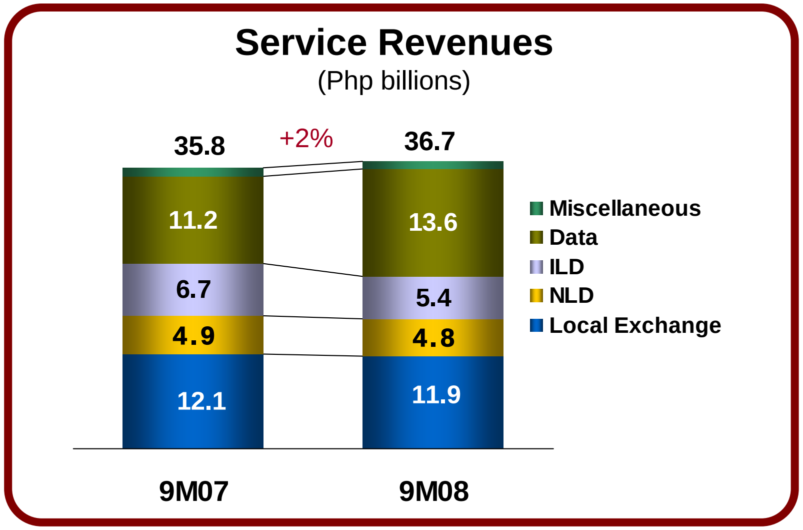
- **Wireless service revenues were up 7% to P68.8bn and contributed 65% to total service revenues in 9M08 driven by:**
  - + 8% increase in cellular data revenues
  - + 94% growth in wireless broadband revenues
- **Growth in revenues achieved despite 14% decline in net blended ARPUs due to a 21% increase in subscribers**
- **Data services made up 55% of cellular service revenues in 9M08 up from 53% in 9M07, with bucket-priced SMS packages now comprising 58% of total cellular data revenues**
- **EBITDA improved by 6% to P44.4bn in 9M08**
- **EBITDA margin stable at 65% in 9M08**
- **3Q08 Wireless service revenues lower by 1% q-o-q at P23.0bn but 9% higher y-o-y**
- **3Q08 EBITDA dipped by 3% q-o-q to P14.8bn but up 8% y-o-y**

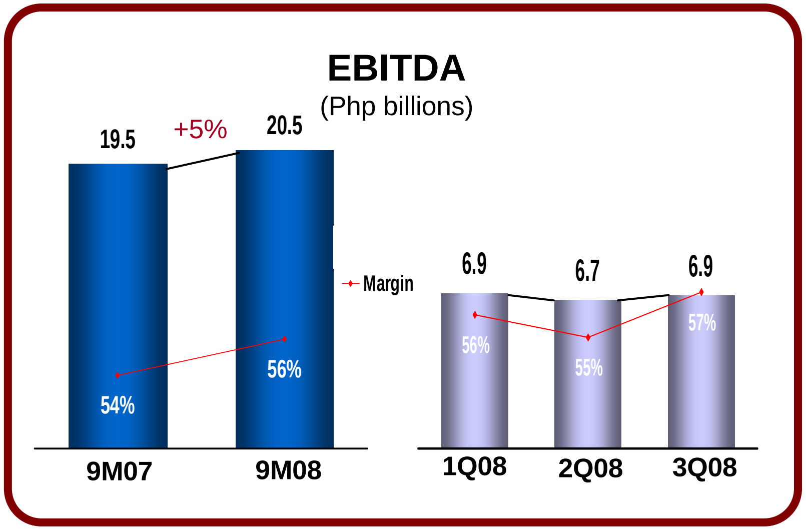




Margin	9M07	9M08	1Q08	2Q08	3Q08	3Q07
Margin	65%	65%	64%	65%	64%	65%

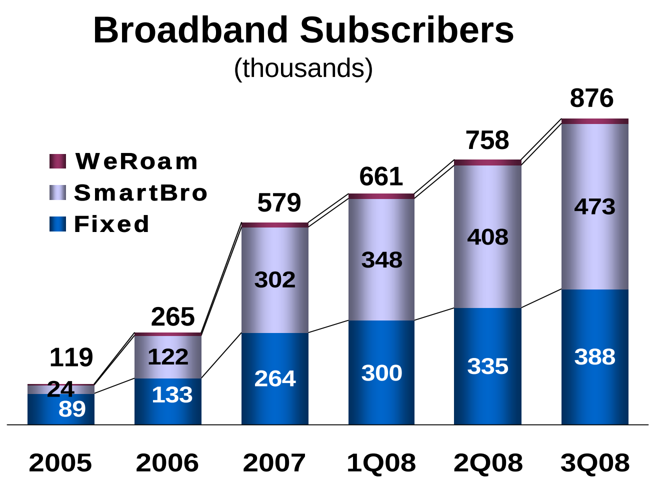
Fixed Line: Sustaining Modest Growth

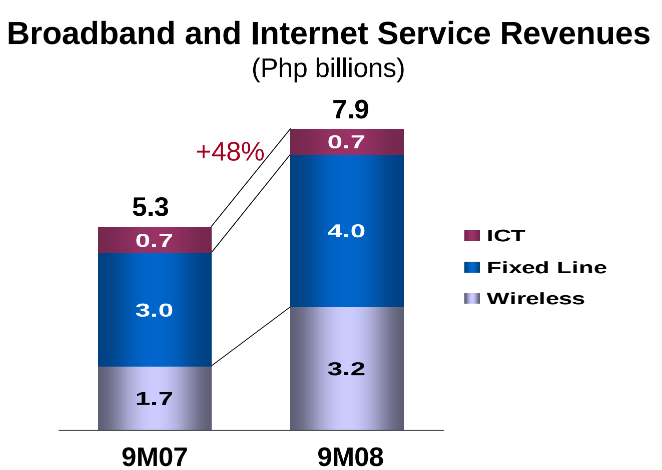




- **Fixed line service revenues increased by 2% to P36.7bn in 9M08 due to the combined impact of:**
  - + Increase in corporate data and DSL service revenues
  - – Declines in LEC and NLD revenues
  - – Decrease in ILD revenues due to the negative impact from the stronger peso, reduction in average termination rates and decreases in call volumes
- **Data service revenues grew by 22% y-o-y and contributed 37% to fixed line service revenues compared to 31% in the same period last year, compensating for the declines in ILD, NLD and LEC revenues**
- **Fixed line service revenues would have increased by P607mn or another 2% year-on-year if the peso remained stable**
- **EBITDA improved 5% to P20.5bn in 9M08 due to higher revenues and a modest 1% increase in cash operating expenses**
- **EBITDA margin increased to 56% in 9M08**

Broadband: Leading in Expanding Coverage





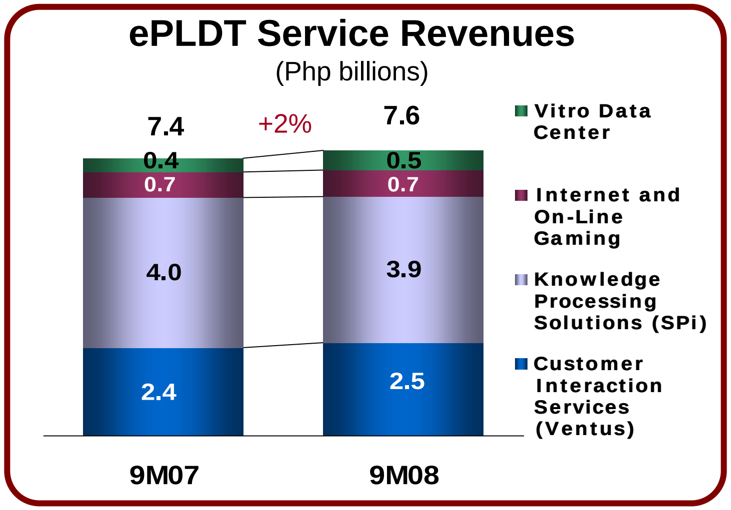
- **PLDT DSL, *SmartBro* and *WeRoam* added 297,000 subscribers during 9M08, a 51% increase from the end of 2007**
  - *SmartBro,* the most widely available broadband service provider in the country today, added approx. 171,000 in 9M08, growing its base to 473,000 at the end of the period
  - DSL subscribers grew by 124,000 in 9M08 to reach 388,000 subscribers
- **PLDT Group's total DSL, wireless broadband and internet service revenues increased 48% to P7.9bn, representing 8% of service revenues in 9M08**
- **Momentum in broadband take-up continues:**
  - Introduction of 'netbooks' as lower cost access device
  - Strong take-up of prepaid, sachet-priced offerings at as low as P 10 for 30-minute usage; 76,000 Plug-It Prepaid subs at 9M08
  - Filipinos "internet-savvy" and "internet-hungry", heavy on music downloading, social networking, email and chat
- **Launch of HSPA850 services by 4Q08**

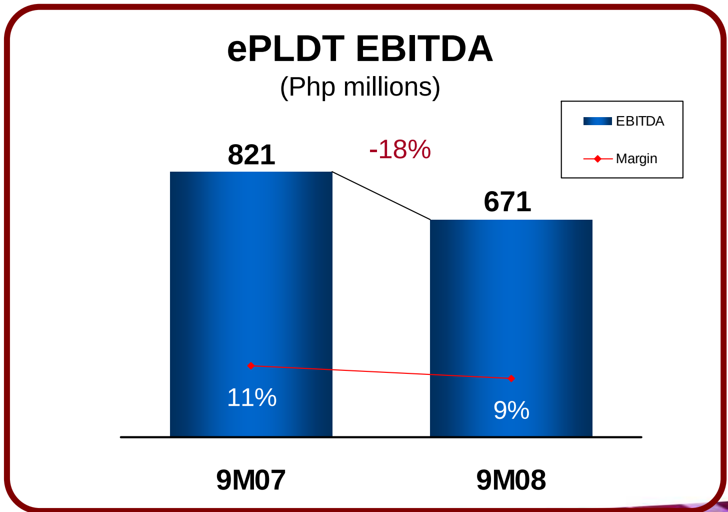
Broadband: Launching HSPA850

- **PLDT launching HSPA850 in 4Q08 as a complementary platform to deliver broadband in areas beyond the NGN/DSL/Canopy footprint**
- **HSPA850 will be layered onto Smart's 2.1 3G network to provide wider coverage**
- **Factors considered in choosing HSPA850**:
  - Relatively low incremental cost of deployment and capex per sub
  - Will allow faster speeds thus improving subscriber experience
  - Commercially available access devices -- phones, data cards, routers, modules, modems -- at relatively affordable prices
  - Operates even in dense areas as it does not require line-of-sight; low frequency band also allows wider coverage
  - Proven and stable technology: successful commercial roll-outs by Telstra in Australia, and in other countries (US, Canada, New Zealand, Brazil and Argentina)
  - In terms of a technology roadmap: natural progression into LTE (long-term evolution)

ePLDT: Registering Mixed Results

- **ePLDT service revenues, 7% of PLDT group service revenues, increased by 2% to P7.6bn due to:**
  - \+ 6% increase in call center (Ventus) revenues
  - \+ 35% increase in data center revenues
  - \- KPS/SPi revenues down 2%, with revenues in publishing and medical billing broadly in line with expectations; while healthcare and legal have continued to underperform
- **About 84% of ePLDT's service revenues come from Ventus and SPi; of the total Ventus and SPi revenues, 39% is accounted for by call centers, 23% by publishing, 20% by medical billing, 8% by legal, and 10% by medical transcription**
- **ePLDT's consolidated EBITDA margin declined to 9% in 9M08 due to:**
  - – the negative impact of the 6% peso appreciation on ePLDT's dollar service revenues (77% of total service revenues)
  - – Increase in cash operating expenses by 3%, specifically compensation and maintenance costs
- **3Q08 EBITDA grew by 64% to P190mn q-o-q with margin at 7% from 5% for 2Q08**
- **Rationalizing number of sites and cost structure for healthcare and legal**





PLDT Group: Affirming Guidance for 2008

Service Revenues	P 142 billion	• 5% growth over 2007 • P 7 billion increase
EBITDA	P 87 billion	• 5% growth over 2007 • P 4 billion increase
Core Net Income	P 37 billion	• 5% growth over 2007 • P 1.8 billion increase
Capital Management	Dividend Payout Ratio: 70% of Core EPS + "look back" approach Buyback of up to 4 million common shares	
Capex	P 27 billion (lower by P 1.5 billion)	

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, and Section 21E of the U.S. Securities Exchange Act of 1934. The words “believe”, “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

Piltel Update

- **Piltel Board authorized share buyback program of 58 million shares or 0.5% of outstanding common shares**

- **Piltel Board approved amendment to revenue-sharing agreement between Piltel and Smart to 70-30 in favor of Piltel from previous 80-20 arrangement**
  - Since Talk 'N Text's launch in 2000, Piltel has compensated Smart for the use of its network via a revenue-sharing agreement.
  - Starting with a 50-50 ratio, arrangement was amended in 2004 to 80-20 in favor Piltel as a result declining network and operating costs.
  - Popularity of bucket-priced packages, coupled with increased costs arising from network expansion to support a much larger subscriber base, has led to lower yields per SMS and minute.
  - Review of revenue mix and network costs resulted in 70-30 ratio in favor of Piltel whereby Smart can largely recover its costs to deliver.
  - Piltel Board has authorized engagement of independent advisor to validate the bases for the amendment. If found fair and reasonable, amendment will be retroactive to 1st November 2008.
  - Amendment will also provide of biennial review to ensure relevance of ratio

Balance Sheet Items Affected by Forex Movement

- As of September 30, 2008, PLDT has foreign currency (FCY) denominated assets and liabilities as follows:

Debt*:	US$ 1,297mn	(90% of total debt)
Net Payables:	US$ 164mn	
Cash and S/T Investment:	US$ 145mn	

Net Liabilities:	US$ 1,316mn	

* *net of debt discount of US$ 88mn*

- For accounting purposes, at the end of each reporting period, the FCY assets and liabilities are revalued at the then current exchange rate:
  - Given our net FCY liability position, a weaker peso results in a revaluation loss; while a stronger peso translates to a revaluation gain
  - The gain or loss is booked to the P&L

- In 2001-2002, we entered into hedging products aimed at managing the adverse impact of the depreciation of peso on our long-dated bonds

  - As at September 30, 2008, PLDT's outstanding long-term derivatives amounted to US$480 million

LT Hedges	Hedge Item	Notional Amount	Hedge FX Rate	Hedge Cost
Principal Only Currency Swaps	PLDT Notes 2012	US$180 million	Php51.881	4.573%
	PLDT Notes 2017	US$300 million	Php49.819	3.406%

  - Consequently, the unhedged portion of total consolidated debt amounts to approximately US$672 million as at September 30, 2008

Balance Sheet Items Affected by Forex Movement

- **IFRS accounting requires us to mark-to-market our forex derivatives and due to their long term duration, changes in the value of our derivatives will be affected by changes in US$ and Php interest rates as well as movements in the peso/$ exchange rate.**
  - Interest differentials between the Php and US$ determine the cost of hedging; wider differentials result to higher cost of hedging.
  - Locking-in at a higher cost of hedging vs. prevailing hedge costs in a valuation period will result to a MTM loss for the derivative

- **Exchange rate and interest rates may move in different directions and degrees relative to each other and will thus impact periodic MTM valuation. As a derivative approaches maturity:**
  - Impact of the interest differentials on the MTM is greatly reduced
  - Changes in the peso / $ exchange rate will have greater influence in the overall valuation of the derivative
  - MTM value of PO swaps for the 2012 and 2017 bonds comprise the present value of the remaining hedge cost payments and principal exchanges at maturity
  - Until December 31, 2007, changes in the fair value of our long-term hedges and the foreign exchange revaluation on the hedged items were booked to equity/CTA (Currency Translation Account)
  - Effective January 1, 2008, PLDT discontinued hedge accounting treatment for these derivative instruments. Thus, any change in the fair value of the derivative as well as the forex revaluation on the hedged items are recognized in the P&L

P&L Items Affected by Forex Movement

- **For the 9M08, 28% of PLDT revenues are denominated in FCY arising from, among others:**
  - Termination Charges for Inbound International Calls terminating on mobile and fixed line (net of outbound international calls)
  - Call center and BPO revenues
  - Data service revenues

- **A portion of PLDT's expenses are denominated in FCY, specifically operating and financing costs for fixed line, wireless, and BPO sites outside the Philippines**

- **FCY revenues and expenses are translated into their peso equivalent as received or paid**
  - A depreciating peso results in higher revenues, while a strengthening peso translates to lower revenues; however, this is partially offset by higher or lower expenses.

- **In 2007, PLDT entered into forward foreign exchange sale contracts to manage foreign currency risks associated with our 2008 FCY revenues and lock-in at around budget rate**
  - Hedges were booked in late 2007, at a time when the overall market view was for the peso to strengthen throughout 2008. In order to reduce the impact of the appreciating peso on our FCY revenues and consequently our cash flow from operations in peso terms, we booked forward sale contracts.
  - PLDT Group's total forward contracts amounted to US$490 million with an average hedge rate of Php43.144, and maturities spread out in 2008. As of September 30, 2008, outstanding forward contracts amounted to US$120 million to mature in 4Q08
  - These hedges were accounted for as cash flow hedges, wherein the fair values are recognized in equity / CTA until the revenue is recognized in the P&L or the hedging instrument expires
  - Upon maturity of the hedge contract, any realized gain or loss on the instrument are booked against the hedged revenues
  - For 2009, in view of continued expected peso weakness, we are keeping our net flows from our FCY revenues open and just intend to match projected dollar inflows with our expected dollar outflows

P&L Impact of Foreign Exchange Exposures

- **For 9M08, we recognized forex revaluation loss on our financial assets and liabilities amounting to P6bn, while the total gain on derivative transactions amounted to P3.5bn**
  - The weakening of the peso from P41.411 to P47.264 (14.1%) resulted to a forex loss on our financial assets / liabilities and a MTM gain on our derivatives for the period.
  - Widening of US$ and Php interest differentials led to a MTM gain on our derivatives
    - Php interest rates went up by an average of 175 bps as rising oil prices heightened inflationary concerns
    - US$ interest rates went down by an average of 60 bps following several US FED rate cuts
  - Includes a one-time gain of P0.7bn resulting from the de-designation of the PO swaps and option contracts as hedges

- **For 3Q08, we recognized forex revaluation loss on our financial assets and liabilities amounting to P2.4 bn plus a loss on derivative transactions of P1.1 bn**
  - The 5.3% depreciation of the peso from P44.896 to P47.264 resulted in a forex revaluation loss
  - Interest differentials narrowed by approximately 280 bps implying a lower hedge cost which led to a MTM loss on our derivatives, offsetting the impact of a gain on the derivatives from forex depreciation
    - Shift in inflationary expectations, adoption of monetary policies more responsive to economic growth concerns and a very liquid peso market resulted to a decrease in Php interest rates by an average of 265 bps across the yield curve
    - US$ interest rates went up by an average 15 bps across the yield curve as credit concerns started to hound the global financial markets

Market Movements and Relative Impact to the P&L		Sensitivity Analysis PO Swaps
Peso Appreciation	Forex gain on underlying debt MTM Loss on derivatives	P1 change = P480m change in forex reval
Peso Depreciation	Forex loss on underlying debt MTM Gain on derivatives	P1 change = P269m change in MTM
↓ US$ Interest Rates	MTM Gain	10bps change = P95m change in MTM
↑ US$ Interest Rates	MTM Loss	
↓ Peso Interest Rates	MTM Loss	10 bps change = P94m change in MTM
↑ Peso Interest Rates	MTM Gain	

9M 2008: Consolidated Financial Highlights

Consolidated Statement of Income *(in million pesos)*	9M 2008				9M 2007	% Change
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	
Service Revenues	68,801	36,707	7,601	105,585	100,648	5%
Cash operating expenses	22,354	15,672	6,836	37,215	35,466	5%
EBITDA[1]	44,438	20,475	673	65,622	62,153	6%
EBITDA Margin	*65%*	*56%*	*9%*	*62%*	*62%*	
Depreciation	9,033	9,009	624	18,666	18,952	-2%
Financing costs	1,547	3,123	129	4,799	5,516	-13%
Income before income tax	32,812	8,663	(48)	41,354	40,158	3%
Provision for (benefit from)income tax	11,339	3,275	(2)	14,612	13,090	12%
Core net income (loss) [2]	22,240	5,711	(100)	27,790	26,356	5%
Reported net income (loss)	20,875	5,385	(8)	26,179	26,622	-2%

(1) EBITDA calculation provided in the appendix
(2) Consolidated net income before certain adjusting items and excluding gains/losses on foreign exchange/derivatives (after tax)

Foreign Exchange Rates:

	30-Sep-08	30-Sep-07	31-Dec-07
Php per US$	Php47.264	Php44.974	Php41.411

Revenues

(in million pesos)	9M 2008 Wireless	9M 2008 Fixed Line	9M 2008 ICT	9M 2008 Consolidated	9M 2007 Consolidated	% Change
Service Revenues						
Wireless						
Cellular	64,461			64,461	61,121	5%
Broadband	3,095			3,095	1,597	94%
VSAT and other services	1,245			1,245	1,341	-7%
Fixed line						
Local exchange		11,876		11,876	12,067	-2%
International long distance		5,437		5,437	6,685	-19%
National long distance		4,750		4,750	4,864	-2%
Data and other network		13,627		13,627	11,180	22%
Miscellaneous		1,017		1,017	1,046	-3%
ICT						
Knowledge processing solutions			3,890	3,890	3,989	-2%
Customer interaction services			2,494	2,494	2,357	6%
Internet and online gaming			698	698	686	2%
Vitro data center			519	519	384	35%
Inter-segment transaction				(7,524)	(6,669)	13%
Total Service Revenues	68,801	36,707	7,601	105,585	100,648	5%
Non-Service Revenues	1,489	241	272	2,002	1,949	3%
Inter-segment transaction	-	-	-	(87)	(89)	-2%
	1,489	241	272	1,915	1,860	3%
Interest income	976	322	16	1,314	1,112	18%
Foreign exchange gain	-	-	-	-	1,662	-100%
Gain (loss) on derivatives	(158)	3,059	(31)	2,870	-	100%
Inter-segment transaction	-	-	-	(15)	-	-100%
	(158)	3,059	(31)	2,855	-	100%
Other Income	256	1,151	49	1,456	1,204	21%
Inter-segment transaction	-	-	-	(90)	(66)	37%
	256	1,151	49	1,366	1,138	20%
Total Revenues and Other Income	71,364	41,480	7,907	113,035	106,420	6%

Expenses

(in million pesos)	9M 2008				9M 2007	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Operating expenses						
Compensation and employee benefits	3,820	6,352	4,523	14,744	15,589	-5%
Repairs and maintenance	3,255	3,335	429	6,482	5,299	22%
Selling and promotions	3,067	1,053	167	4,285	3,855	11%
Professional and other contracted services	1,892	1,528	484	3,374	3,468	-3%
Rent	6,844	1,484	529	2,496	2,168	15%
Taxes and licenses	1,424	578	71	2,070	1,715	21%
Communication, training and travel	801	448	403	1,465	1,307	12%
Insurance and security services	532	388	42	908	872	4%
Other operating expenses	719	506	188	1,391	1,193	17%
Cash operating expenses	22,354	15,672	6,836	37,215	35,466	5%
Depreciation and amortization	9,033	9,009	624	18,666	18,952	-2%
Provisions	-	-	-	-	28	-100%
Asset impairment	349	660	4	1,013	1,137	-11%
Amortization of intangible assets	99	-	175	274	286	-4%
Non-cash operating expenses	9,481	9,669	803	19,953	20,403	-2%
Total operating expenses	31,835	25,341	7,639	57,168	55,869	2%
Cost of sales	3,149	141	360	3,650	3,745	-3%
Equity share in net losses of associates	79	-	-	79	17	365%
Financing costs	1,547	3,123	129	4,799	5,516	-13%
Loss on derivative transactions, net	-	-	-	-	1,115	-100%
Foreign exchange losses (gains), net	1,942	4,212	(173)	5,985	-	100%
Total Expenses	38,552	32,817	7,955	71,681	66,262	8%

EBITDA

(in million pesos)	9M 2008 Wireless	9M 2008 Fixed Line	9M 2008 ICT	9M 2008 Consolidated	9M 2007 Consolidated	% Change
Income before tax	32,812	8,663	(48)	41,354	40,158	3%
Add (deduct):						
Depreciation	9,033	9,009	624	18,666	18,952	-2%
Financing costs	1,547	3,123	129	4,799	5,516	-13%
Asset impairment	-	-	-	-	21	-100%
Amortization of intangible assets	99	-	175	274	286	-4%
Equity share in net loss of subsidiaries	79	-	-	79	17	348%
Losses (gains) on derivatives, net	158	(3,059)	31	(2,855)	1,115	-365%
Foreign exchange losses (gains), net	1,942	4,212	(173)	5,985	(1,662)	-460%
Interest income	(976)	(322)	(16)	(1,314)	(1,112)	18%
Other income	(256)	(1,151)	(49)	(1,366)	(1,138)	20%
EBITDA	44,438	20,475	673	65,622	62,153	6%
EBITDA Margin	65%	56%	9%	62%	62%	

Financing Costs

(in million pesos)	9M 2008				9M 2007	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Interest on loans and related items	1,162	3,373	25	4,560	5,029	-9%
Accretion on financial liabilities	588	26	104	718	834	-14%
Dividends on CPS	4	-	-	4	14	-71%
Financing charges	3	40	-	43	38	13%
Capitalized interest	(210)	(316)	-	(526)	(399)	32%
Total	1,547	3,123	129	4,799	5,516	-13%

Core Net Income

(in million pesos)	9M 2008 Wireless	9M 2008 Fixed Line	9M 2008 ICT	9M 2008 Consolidated	9M 2007 Consolidated	% Change
Reported net income	20,875	5,385	(8)	26,179	26,622	-2%
Add (deduct):						
Foreign exchange and derivative losses (gains)	2,100	501	(142)	2,478	(1,455)	-270%
Additional depreciation	-	-	-	-	1,013	-100%
Asset impairment	-	-	-	-	21	-100%
Tax effect	(735)	(176)	50	(867)	155	-659%
	22,240	5,710	(100)	27,790	26,356	5%

Cash Flows

(in million pesos)	9M 2008 Wireless	9M 2008 Fixed Line	9M 2008 ICT	9M 2008 Consolidated	9M 2007 Consolidated	% Change
Net cash from operations	32,754	26,199	1,156	60,076	56,276	7%
Add(Deduct):						
Capital expenditures	(11,184)	(5,125)	(532)	(16,841)	(14,529)	16%
Other investing activities	147	797	(438)	539	175	208%
Interest, net	(136)	(2,584)	(16)	(2,736)	(3,522)	-22%
Dividends from Smart	-	24,200	-	-	-	
Preferred share dividends	(398)	(205)	-	(603)	(227)	166%
Others	568	(2,065)	95	(1,402)	(2,140)	-35%
Free cash flow	21,751	41,217	265	39,033	36,033	8%
Common share dividends	(24,200)	(36,441)	-	(36,441)	(28,167)	29%
Common share buyback	-	(4,493)	-	(4,493)	-	-100%
Investments	(3,330)	(175)	(22)	(3,527)	(2,551)	38%
Redemption of investments	1,133	1,365	-	2,498	-	100%
Redemption of preferred shares	-	-	-	-	(14)	100%
Debt repayments, net	(1,631)	890	17	(725)	(10,505)	-93%
Change in cash	(6,277)	2,363	260	(3,655)	(5,204)	-30%
Cash balance, beginning[1]	19,028	10,833	1,000	30,862	25,197	22%
Cash balance, end[1]	12,751	13,196	1,260	27,207	19,993	36%

(1) Includes short-term investments

Balance Sheet

(in million pesos)	Consolidated	
	September 30, 2008	December 31, 2007
Total Assets	237,460	240,158
Nominal Value of Total Debt	72,682	65,112
in US$	*$1,538*	*$1,572*
Less: Unamortized Debt Discount	4,572	4,472
Total Debt	68,110	60,640
Cash and short-term investments	27,207	30,862
Net Debt (2)	45,475	34,250
Equity	99,359	112,511
Total Debt(1)/Equity	0.73x	0.58x
Net Debt(2)/Equity	0.46x	0.30x
Total Debt(1)/EBITDA	0.84x	0.79x
Net Debt (2)/EBITDA	0.53x	0.41x

(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

	9M 2008		9M 2007	
	Basic	Diluted	Basic	Diluted
Net Income	26,179	26,179	26,622	26,622
Dividends on preferred shares	(341)	(341)	(341)	(341)
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	25,838	25,838	26,281	26,302
Outstanding common shares, beginning	188,741	188,741	188,435	188,435
Effect of issuance of common shares during the period	484	484	197	197
Weighted average number of shares under ESOP during the period	-	14	-	41
Effect of issuance of purchase of treasury stocks during the period	(838)	(838)		
Common shares equivalent of preferred shares deemed dilutive:				
Preferred Stock Series VI	-	-	-	706
Weighted average number of shares, end	188,387	188,402	188,632	189,379
EPS (based on reported net income)	**137.15**	**137.14**	**139.32**	**138.89**
Core Net Income	27,790	27,790	26,356	26,356
Adjustments for preferred shares deemed dilutive	(341)	(341)	(341)	(320)
Net Income applicable to common shares	27,449	27,449	26,015	26,036
Weighted average number of shares, end	188,387	188,402	188,632	189,379
EPS (based on core net income)	**145.71**	**145.69**	**137.91**	**137.48**

Interest-bearing Liabilities

(in millions)	September 30, 2008 Carrying Value	Unamortized Debt Discount	Face Value	December 31, 2007 Face Value	Change
Debt					
PLDT	**$842**	**$8**	**$850**	**$830**	**$20**
Smart	**566**	**89**	**654**	**702**	**(48)**
2014 Debt	196	87	283	283	-
Others	370	2	371	419	(48)
Others*	**33**	**-**	**33**	**40**	**(7)**
Total Debt	**$1,441**	**$97**	**$1,538**	**$1,572**	**($34)**
Obligations under capital lease	**$1.5**	**0.04**	**$1.5**	**$4**	**(3)**
Preferred Stocks Subject to Mandatory Redemption					
Series V & VI	**$0.2**	**-**	**$0.2**	**$25.8**	**($25.6)**

**Includes notes payable of US$12.6mn or PhP594mn*

Quarterly Consolidated Financial Highlights

(in million pesos)	2008 (Unaudited) 1Q	2008 (Unaudited) 2Q	2008 (Unaudited) 3Q	2007 3Q	% Change 3Q08 vs. 3Q07
Service Revenues	34,933	35,414	35,238	33,508	5%
Non-service Revenues	482	773	661	543	22%
Less: Cost of sales	919	1,389	1,343	1,112	21%
Operating Expenses					
Cash operating expenses	12,354	12,427	12,434	12,293	1%
Non-cash operating expenses	6,758	6,877	6,319	6,595	-4%
	19,112	19,304	18,753	18,888	-1%
Operating Income	15,384	15,494	15,803	14,051	12%
EBITDA	21,836	21,946	21,841	20,233	8%
EBITDA Margin	*63%*	*62%*	*62%*	*60%*	*3%*
Other Income	707	1,302	666	1,151	-42%
Equity share in net losses of associates	(23)	(20)	(32)	(9)	277%
Other Expenses:					
Interest on loans and related items	(1,279)	(1,766)	(1,515)	(1,393)	9%
FX and derivatives (gain)/loss	1,688	(821)	(3,344)	646	-618%
Others	(471)	(488)	(494)	(570)	-13%
	(62)	(3,075)	(5,353)	(1,317)	306%
Income before income tax	16,006	13,701	11,084	13,876	-20%
Provision for income tax	5,560	4,877	4,175	4,333	-4%
Net income, as reported	10,446	8,824	6,909	9,543	-28%
Core net income [(1)]	9,343	9,364	9,083	9,124	-