

Philippine Long Distance Telephone Company



Full Year 2008 Financial and Operating Results

3 March 2009

PLDT Group: FY 2008 Financial Highlights

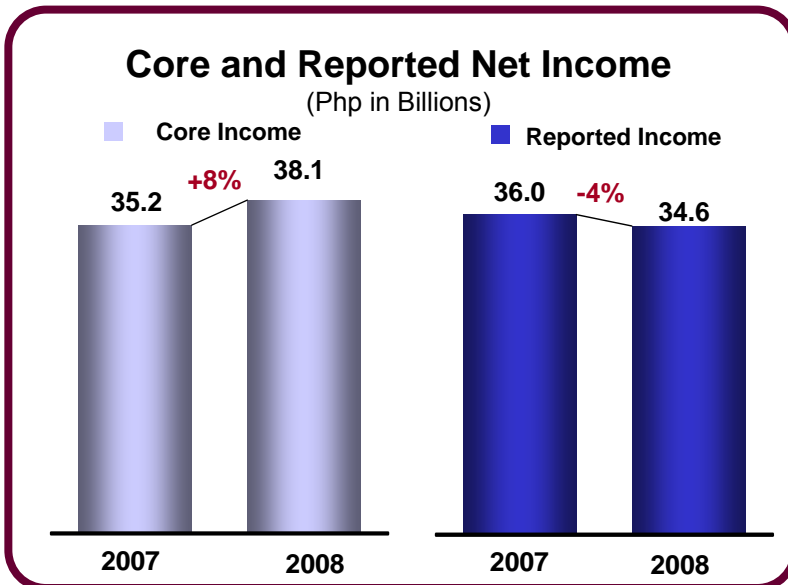


	2008 (audited)	2007 (audited)		% Y-o-Y
Service Revenues	P142.9bn	P135.5bn		5%
• Wireless	P93.6bn	P86.5bn		8%
• Fixed Line	P49.3bn	P48.6bn		1%
EBITDA	P87.6bn	P82.9bn		6%
• Wireless	P60.6bn	P55.3bn		10%
• Fixed Line	P25.8bn	P26.4bn		2%
EBITDA Margin	61%	61%	—	
Core Net Income	P38.1bn	P35.2bn		8%
Core EPS	P200	P184		9%
Income Before Tax	P54.5bn	P53.3bn		2%
Reported Net Income	P34.6bn	P36.0bn		4%
Year-end Php:US\$1	P47.647	P41.411		15%
Year-average Php:US\$1	P44.474	P46.184		4%

PLDT Group: Core and Reported Income



- **Core net income grew by P2.9bn or 8% to P38.1bn for FY08 as a result of:**
 - Increases in service revenues and EBITDA of 5% and 6%, respectively
 - Decrease in financing costs by 14%
- **Reported net income decreased by P1.4bn or 4% to P34.6bn due to:**
 - Asset impairments amounting to P2.5bn largely in the ICT business
 - P1.6bn in forex losses partly offset by derivative gains, due to movements in the Peso-Dollar exchange rate and Peso- and Dollar-interest rates



2008 Core and Reported Income
(Php in Billions)

Core Income	P38.1
Forex Loss	(6.2)
Gain on Derivatives	4.6
Asset Impairment	(2.5)
Tax Effect	0.6
Reported Net Income	P34.6

PLDT Group: Cash Dividend Declaration



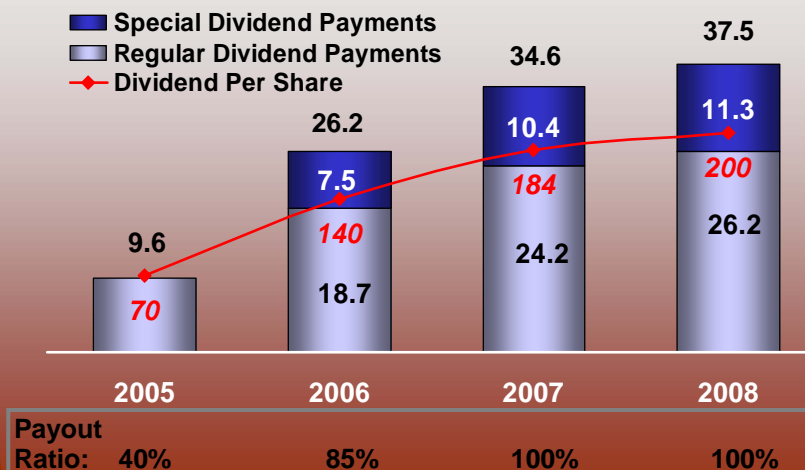
- In line with 2008's solid performance and strong cash position, PLDT declared dividends as follows:
 - Regular Dividend: P70 per share, in line with the 70% dividend payout policy
 - Special Dividend: P60 per share, representing additional 30% payout
- 100% dividend payout ratio for 2008 following 100% for 2007 and 85% for 2006
- Of 5mn shares approved for buyback, PLDT has bought back 1.97mn shares at an average of P2,521/share for a total of P4.97bn

Dividend Declaration

Declaration Date	3 March 2009
Record Date	18 March 2009
Payment Date	21 April 2009
Regular Dividend for 2008	P70 per share
Special Dividend for 2008	P60 per share
Total Dividend per Share for 2008	P200 100% of core EPS

Dividend Payments

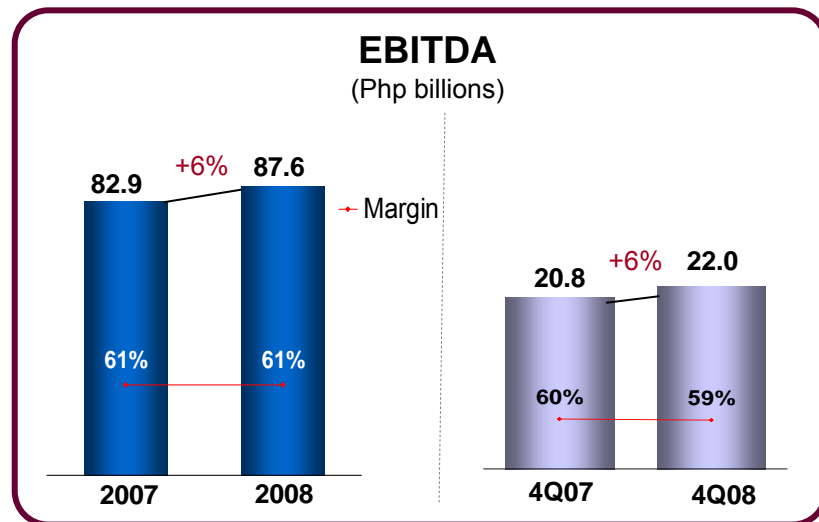
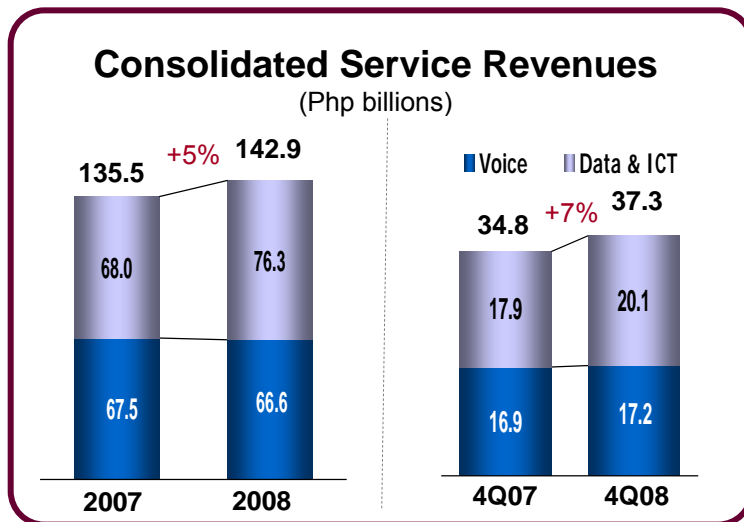
(PhP billions, except per share amount)



PLDT Group: Service Revenues and EBITDA



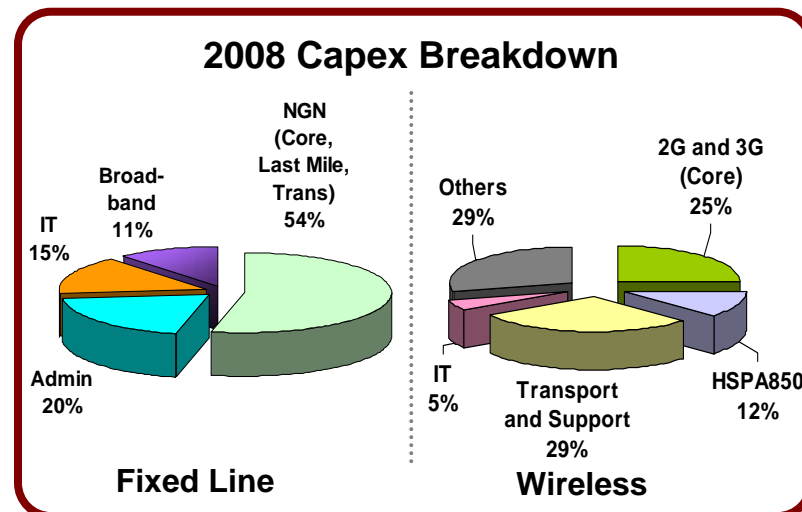
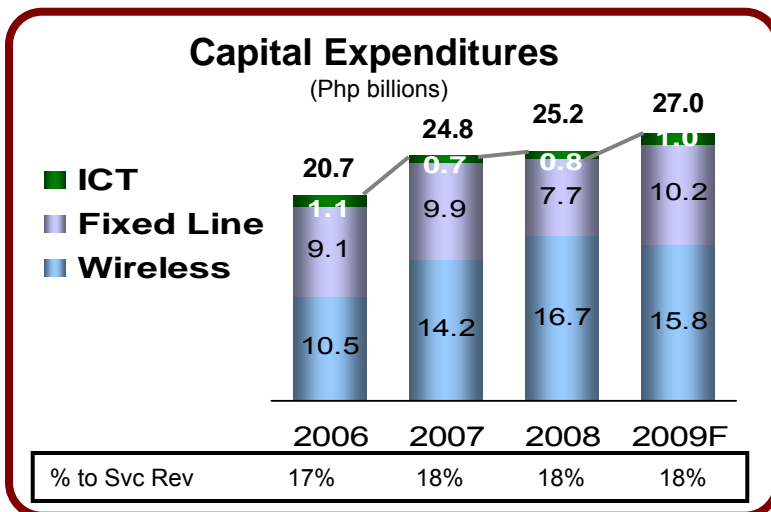
- **Consolidated service revenues increased by 5% to P142.9bn from P135.5bn in FY08 due to:**
 - 12% growth in data and ICT revenues which accounted for 53% of total service revenues, and which included a 45% growth in broadband revenues
 - 1% decline in voice revenues resulting from the average peso appreciation which offset increases in cellular voice traffic
- **Approximately 28% of FY08 consolidated service revenues are US\$ denominated**
 - Service revenues in FY08 would have grown by an additional P1.6bn or 1% had the peso remained stable, resulting in a 6% growth year-on-year
- **4Q08 service revenues grew 7% y-o-y and 6% q-o-q**
- **EBITDA grew by P4.7bn, or 6%, y-o-y to P87.6bn in FY08 while EBITDA margin was stable at 61%**
 - Wireless margin at 65%
 - Fixed line margin at 52%
 - ICT margin at 10%
- **4Q08 EBITDA grew 6% y-o-y**



PLDT Group: Capital Expenditure



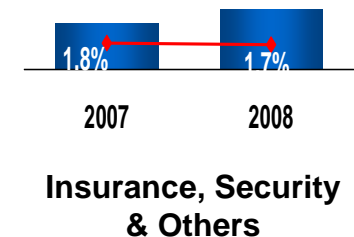
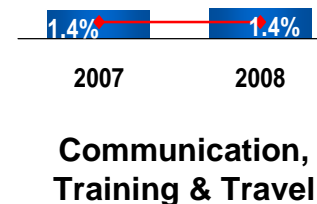
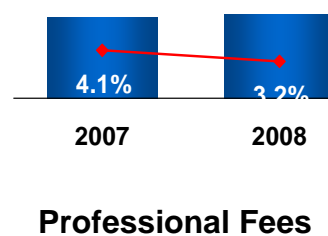
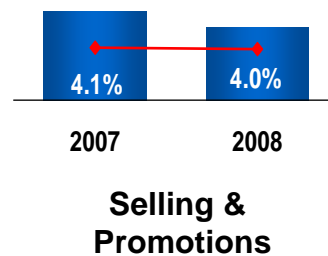
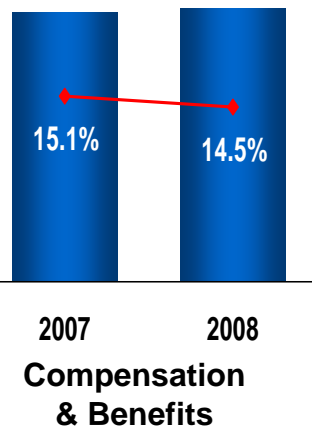
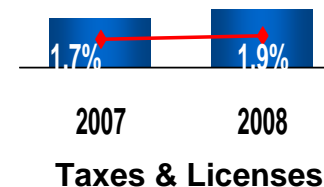
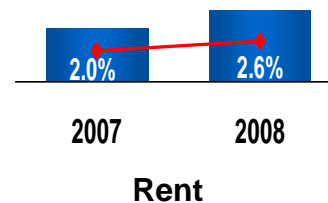
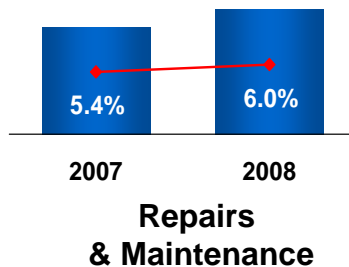
- Capex for FY08 amounted to P25.2bn (approximately 18% of service revenues), higher by close to P400mn compared with prior year but lower than the P27bn guidance due to rescheduling of some capex
- Capex spend reflects continued investment in the business:
 - Incremental capacity for cellular and broadband (including HSPA 850)
 - Transformation of the fixed line from legacy to NGN
 - Expansion of existing network/capacity, including transmission/backbone facilities
- 2009 capex forecast at P27bn, approximately 18% of service revenues, as we pursue investing for the long-term and preparing for the future
 - Our capex is scalable, thus, we have flexibility to accelerate or downscale according to market conditions



PLDT Group: Cash Operating Expenses



- Cash operating expenses for FY08 increased by 4% to P50.4bn but constituted only 35% of service revenues in 2008 compared to 36% in 2007
- Except for costs directly associated with expanded operations and serving more subscribers (R&M, rent, taxes and licenses), most expenses have been reduced as a percentage of service revenues

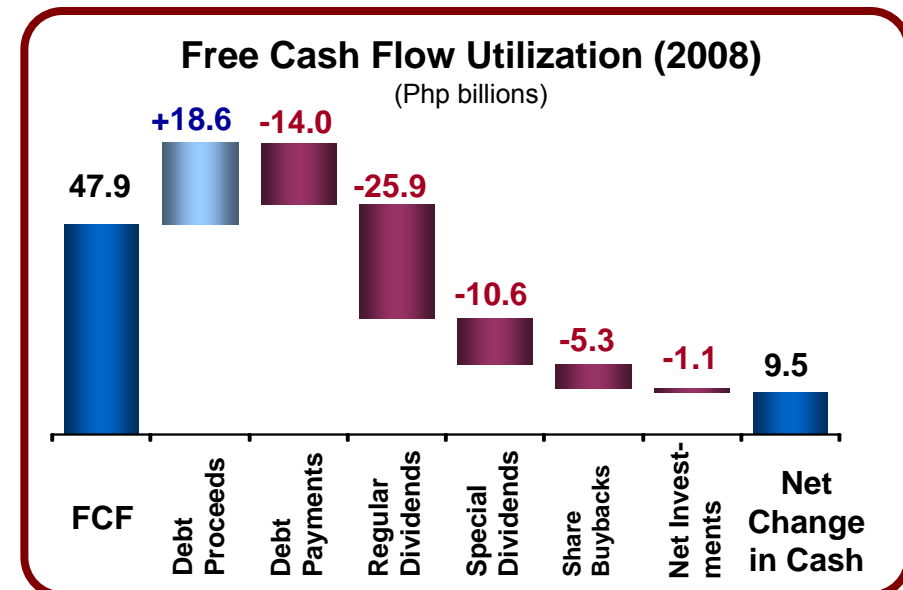
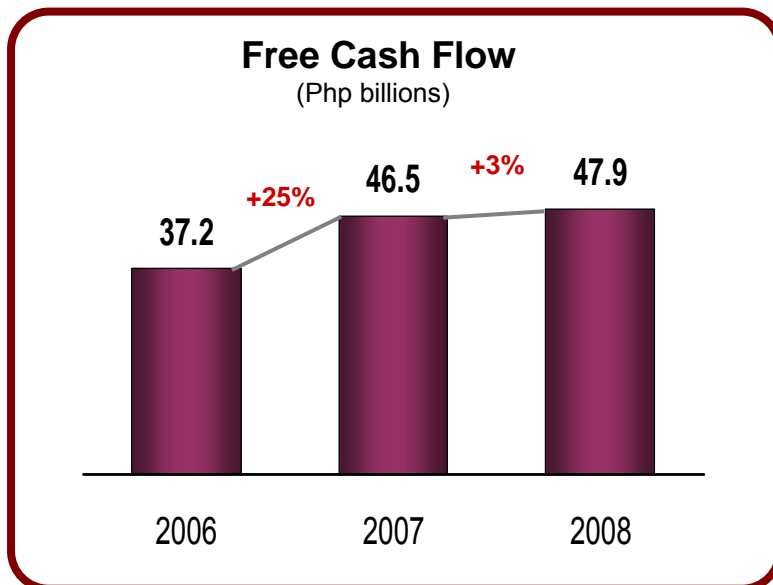


■ Billion PhP
 ◆ % of Service Revenues

PLDT Group: Free Cash Flow



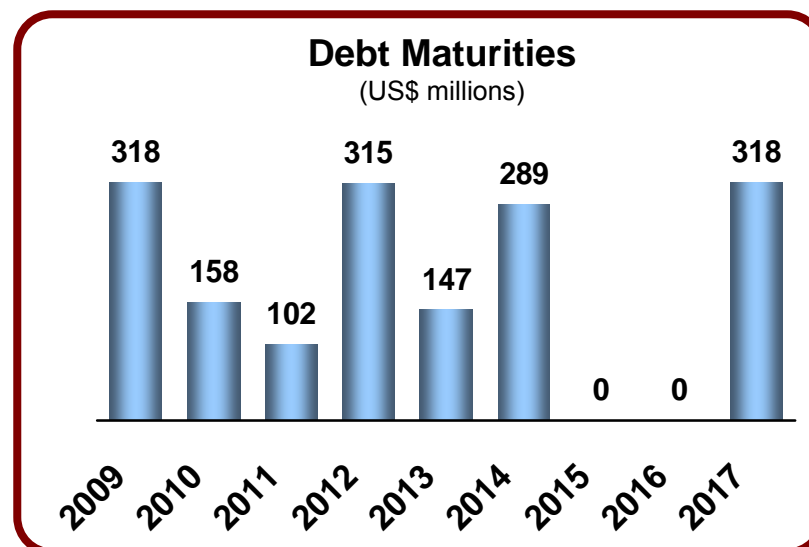
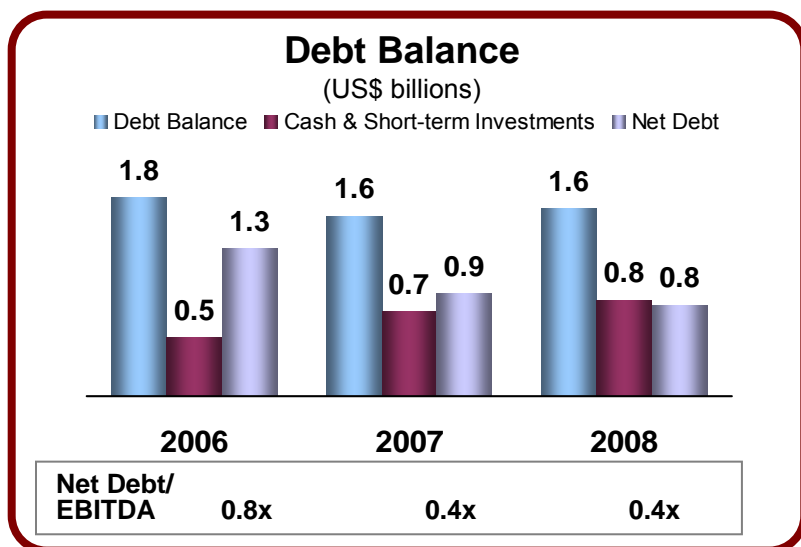
- **Free cash flow increased by P1.3bn to P47.9bn in FY08**
 - + Higher cash from operations by about P900mn compared with FY07
 - + Net reduction in interest expense by P1bn
 - Capex for FY08 up by close to P400mn y-o-y
- **Utilization of free cash flow included capital management initiatives:**
 - Dividend payments of P36.5bn
 - P5.3bn for share buybacks (PLDT and Piltel)



PLDT Group: Debt Profile



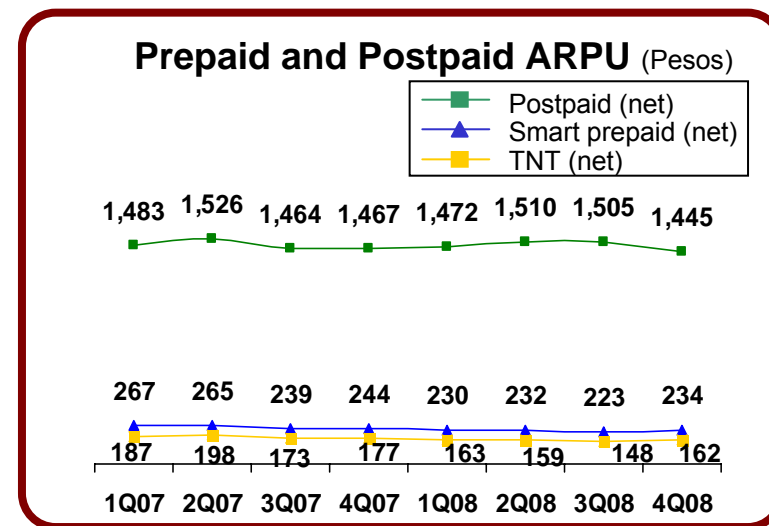
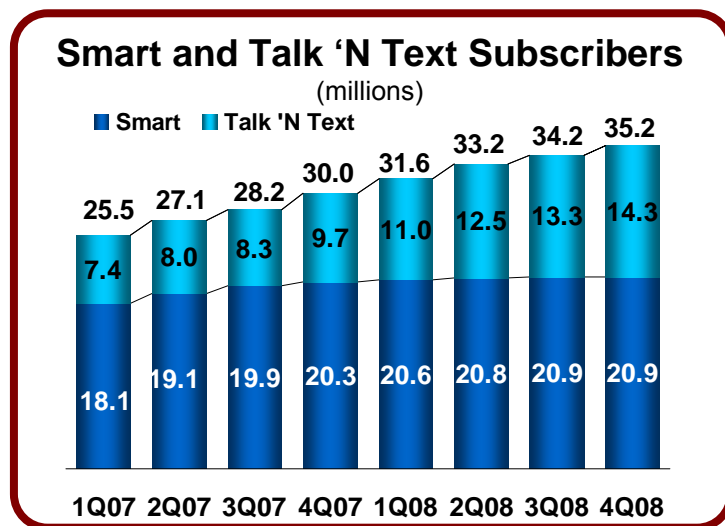
- **Net debt stood at US\$800mn as of December 31, 2008 and Net Debt/EBITDA at 0.4x**
- **Debt profile:**
 - 78% of total debt is denominated in US\$
 - 33% of total debt is hedged, 62% taking into account US\$ cash holdings
 - 70% of debt are fixed-rate loans, while 30% are floating-rate loans
- **Despite a healthy level of cashflow from operations, PLDT has recently availed of financing**
 - PLDT tapping available local credit to gradually reduce dollar-denominated debt
 - Significant borrowings would only be required for major acquisitions or investments
 - Despite markets and pricing being volatile, PLDT has been able to avail of new loans without a significant increase in interest rate spreads
- **Debt maturities are well spread out with the bulk of the scheduled payments at 2013 and beyond**
- **Sourcing of dollars to cover debt maturities is not a concern: PLDT had US\$914mn in US\$-denominated revenues and US\$340mn in expenses, or a net foreign currency inflow of US\$574mn for the year**
- **Cash and short-term investments are largely in bank placements, government securities and selected Philippine corporate debt; 14% of cash is denominated in U. S. dollars**



SMART: Pushing back the barriers



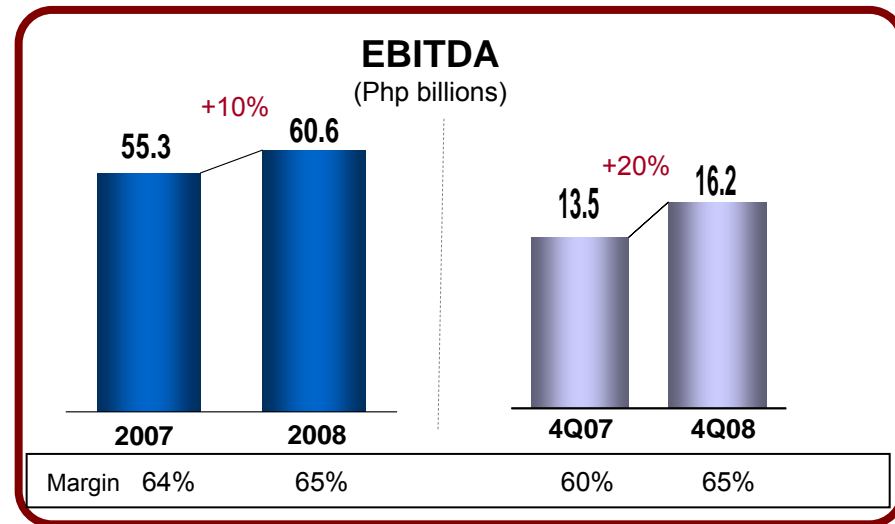
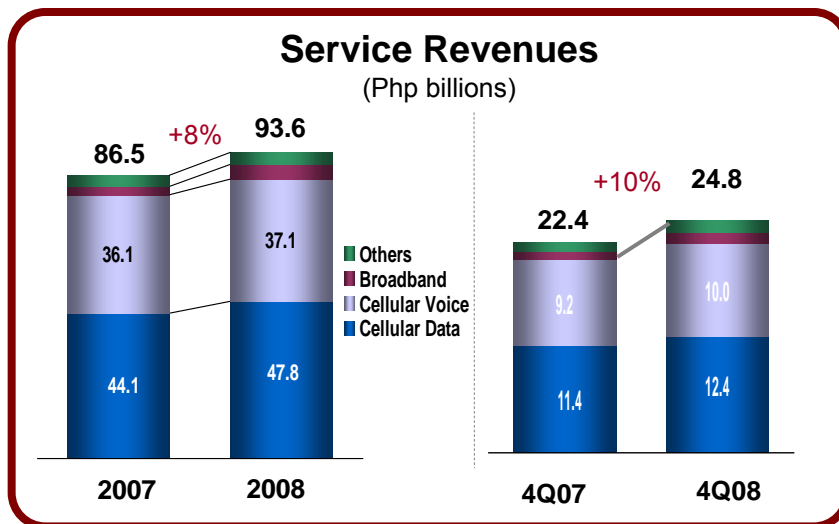
- **The combined Smart and TNT subscriber base grew to 35.2mn as at end December 2008, reflecting a 17% growth year-on-year**
 - Net adds of 5.2mn subscribers for FY08, higher than guidance of 4-5mn net adds
 - Of the 5.2mn net adds, 4.6mn are TNT subscribers
 - With 14.3mn subscribers, TNT became the Number 2 cellular brand in the Philippines, behind Smart with 20.9mn subs
- **Margins improved to 65% despite a 13% decrease in net blended ARPU year-on-year to P217**
- **Prepaid subscriber acquisition costs are recovered in about a week's time, with SAC equivalent to approximately 24% of net blended prepaid ARPU of P203 in FY08**



SMART: Rising to new heights



- **Wireless service revenues were up 8% to P93.6bn and contributed 65% of total service revenues in FY08 driven by:**
 - + 8% increase in cellular data revenues
 - + 81% growth in wireless broadband revenues
 - + 3% improvement in cellular voice revenues
- **Growth in revenues achieved despite a 13% decline in net blended ARPUs due to a 17% increase in subscribers**
- **Data services made up 55% of cellular service revenues in FY08, up by P3.7bn from FY07, with bucket-priced SMS packages now comprising 57% of total cellular data revenues**
- **EBITDA improved by 10% to P60.6bn in FY08 with margin up from 64% in FY07 to 65%**
- **4Q08 wireless service revenues 10% higher y-o-y and 8% q-o-q**
- **4Q08 EBITDA grew by 20% y-o-y**



SMART: Major Initiatives in 2008



Cellular



• Major above-the-line (ATL) campaigns for cellular

- Thematic campaigns for Buddy (Me na Me) and TNT (Super Friends)
- Red – Flanker brand offering cheap voice on 3G
- GoldLite – SIM only plan with P2/min on-net voice call
- Usage campaigns- Buddy: Unli 25 & All Talk 20; TNT, Gaan Text 10 & 20
- Uzzap – IP-Based messaging service for mobile phones and PCs

Broadband



• Major ATL launch for broadband and mobile internet

- SmartBro Prepaid Plug-it – driving growth of subs base
- Entry cost further reduced with Plug It Kit now at P 1,995

Sales & Distribution



• Restructured and realigned sales distribution channels

• Intensified regional attack efforts for activations, usage and churn programs

Communities



• Signed up the following communities to boost brand affinity and stickiness (activation and usage)

- Schools
- Local Government Units
- OFW-Seafarers

Financial Services



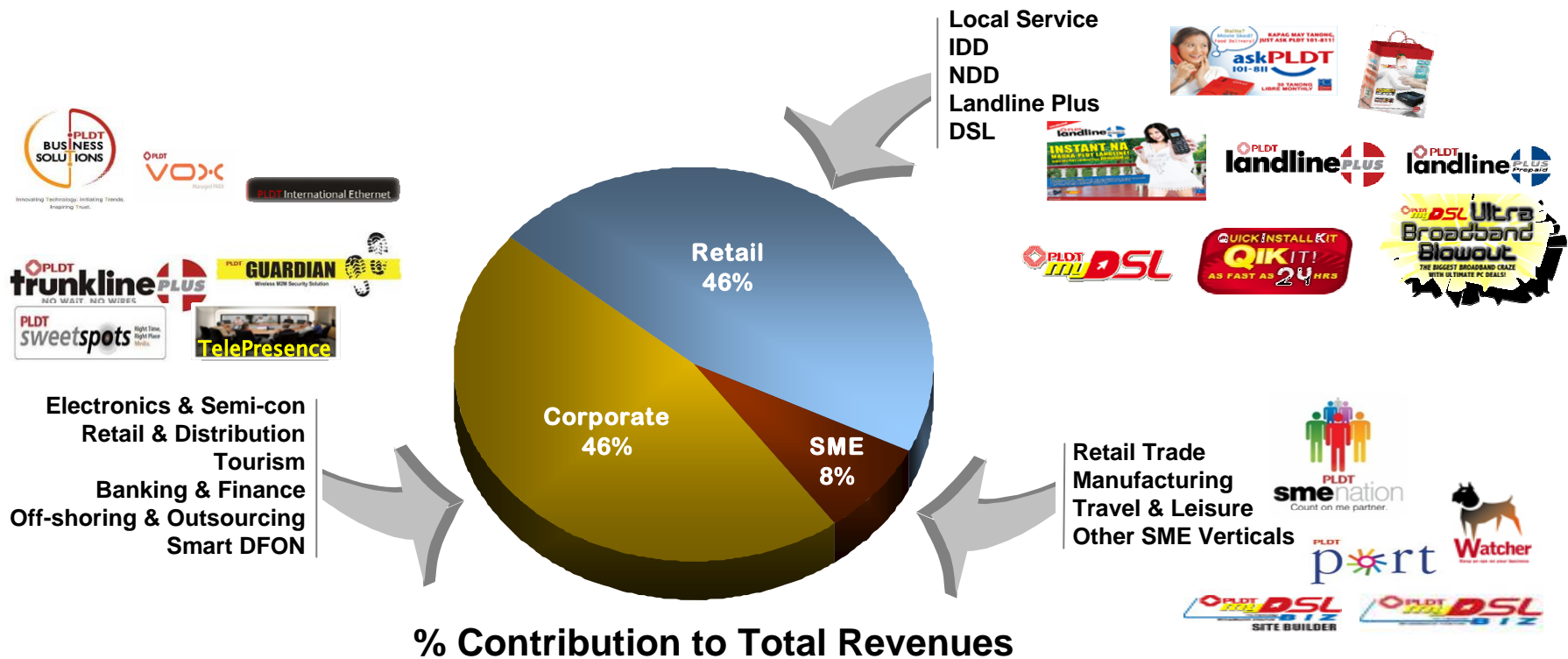
• Smart money subs base of 7.5mn, added 500K new carded accounts

- Intensified linkage to sources of funds for mobile commerce ecosystem – 2,500 Micro Financing stores, connected 14 Banknet & Megalink banks, and signed agreements with commercial and rural banks
- Reinforced Global Smart mobile commerce play - launched Bahrain leg of SmartHub & enhanced remittance services

Fixed Line: Gaining Subscribers



- Fixed line subscribers up 3% to 1.8 million mainly from new initiatives and programs being undertaken
- Re-organized with teams focusing on retail, corporate and SMEs



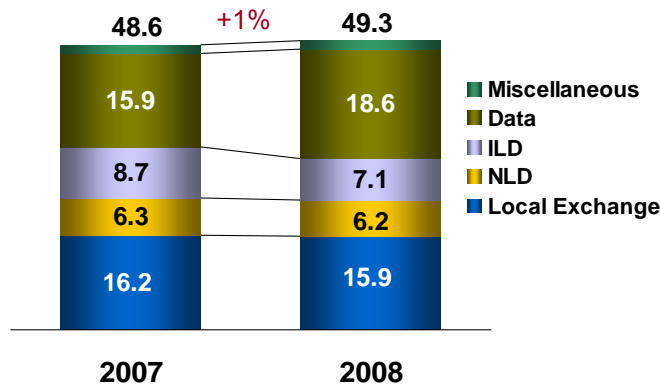
**Total subscribers (December 31, 2008)
= 1.8 million**

Fixed Line: Maintaining Momentum



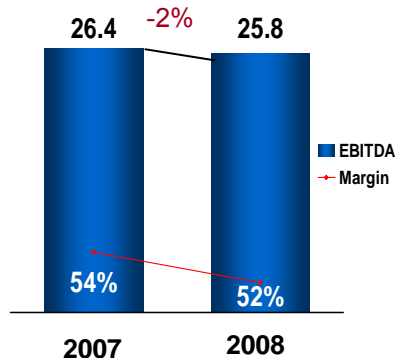
Service Revenues

(Php billions)



EBITDA

(Php billions)



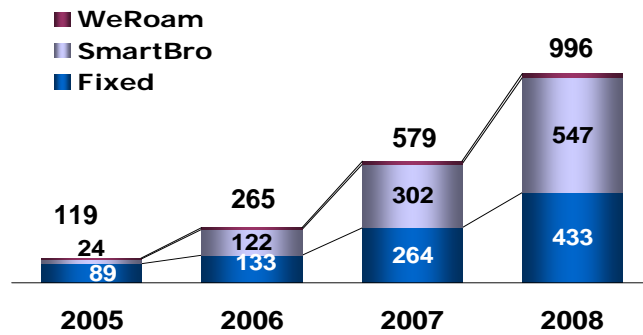
- **Fixed line service revenues increased by 1% to P49.3bn in FY08 due to the combined impact of:**
 - + Increase in corporate data and DSL service revenues
 - Declines in LEC and NLD revenues
 - Decrease in ILD revenues due to the negative impact from the average appreciation of the peso in 2008, reduction in average termination rates and decreases in call volumes
- **Data service revenues grew by 17% y-o-y and contributed 38% to fixed line service revenues compared to 33% in the same period last year, compensating for the declines in ILD, NLD and LEC revenues**
- **Fixed line service revenues would have increased by about P470mn or another 1% year-on-year if the peso remained stable**
- **EBITDA declined 2% to P25.8bn in FY08 due to modest increase in revenues and higher cash operating expenses**
 - maintenance expenses (higher service restorations and IT software/hardware maintenance costs)
 - rent (largely international leased circuits)
- **EBITDA margin dipped to 52% in FY08**

Broadband: Covering wider ground



Broadband Subscribers

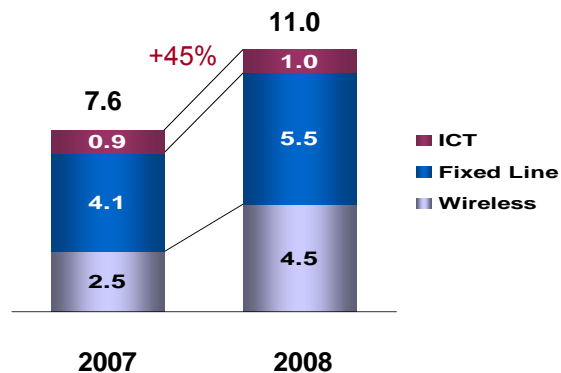
(thousands)



- As of year-end 2008, combined broadband subscribers just shy of the 1mn mark
- PLDT DSL, *SmartBro* and *WeRoam* added around 417,000 subscribers during FY08, a 72% increase from the end of 2007
 - *SmartBro*, the most widely available broadband service provider in the country today, added approx. 245,000 in FY08, growing its base to 547,000 at the end of the period
 - 124,000 Plug-It prepaid broadband subscribers (launched in April 2008)
 - DSL subscribers grew by 168,000 in FY08 to reach 433,000 subscribers

Broadband and Internet Service Revenues

(Php billions)

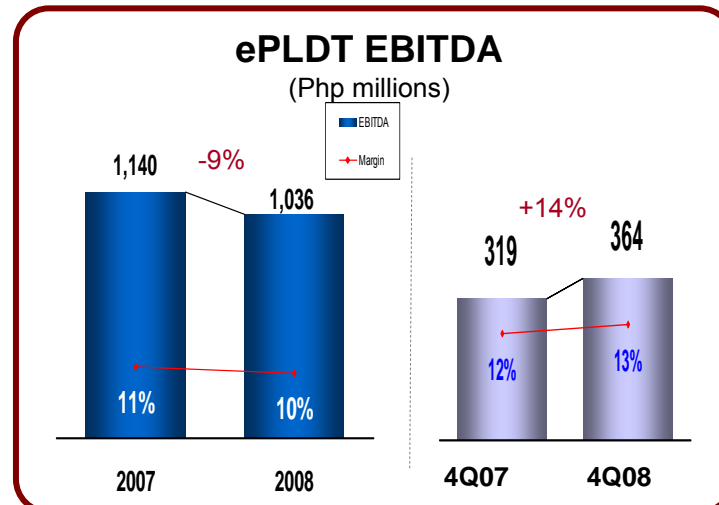
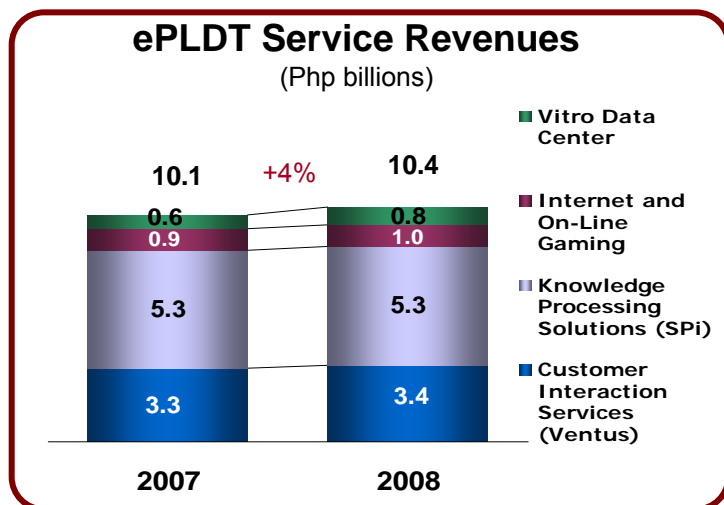


- PLDT Group's total DSL, wireless broadband and internet service revenues increased 45% to P11bn, representing 8% of service revenues in FY08
- Momentum in broadband take-up continues:
 - New lower cost access devices (modem, netbooks, mobile internet devices [MID]) continue to invade the market
 - One social networking site reported 13mn unique Filipino addresses
 - Prepaid continuing to drive growth
- Wireless broadband running on 3G at 2100 and HSPA850

ePLDT: Coming to terms



- **ePLDT service revenues, 7% of PLDT group service revenues, increased 4% to P10.4bn due to:**
 - + 4% increase in call center (Ventus) revenues
 - + 29% increase in data center revenues
 - KPS/SPi revenues flat y-o-y
- **Review and rationalization of operations have resulted in:**
 - Legal electronic data discovery (EDD) operations closed; legal coding merged with publishing
 - Major provisioning/impairments in 2008 with EDD closure and lower medical transcription (MT) revenues
 - New CEO of the MT vertical
 - MT operational improvements programmed for 2009: migration of 43% of US lines to Asia, incentive program to improve productivity, rationalization/culling of accounts
- **ePLDT's consolidated EBITDA margin declined by 9% to P1bn in FY08 due to:**
 - the negative impact of the 4% average appreciation of the peso on ePLDT's dollar service revenues of which 78% are dollar-denominated
 - cash operating expenses higher by 6%, specifically compensation, with the increase in the number of CSRs for call center and the full year impact of medical billing acquired in 2Q of 2007
- **4Q08 EBITDA grew by 14% to P364mn y-o-y with margin at 13% from 12% in 4Q07 and 7% in 3Q08**



Guidance and Outlook for 2009: Factors to Consider



<p>➤ Global financial crisis</p>	<p>? most of the world economies are in recession: business downscaling/closures, increasing unemployment, low business/investor confidence, tight credit, overall uncertainty</p>
<p>➤ OFW Remittances and deployment</p>	<p>✓ 2008 remittances: US\$ 16.4bn, up 13.7% y-o-y ? 2009: US\$ 16.4bn or 0% growth (BSP forecast)</p> <p>✓ 2008 deployment: 1.4mn, up 28% y-o-y ? 2009: 1.0mn p. a. (RP Medium-term development plan); OFWs in recession-proof industries, new markets; retrenchments/repatriation</p>
<p>➤ Inflation (Philippines)</p>	<p>✓ 2008 average: 9.3% (January 2009 at 7.1%) ? 2009: 2.5-4.5% = increased consumer purchasing power</p>
<p>➤ Government Pump-priming: P330bn (~US\$ 7bn) Stimulus Package</p>	<p>✓ Government targeting to spend 60% of US\$ 7bn in 1H09 via large infrastructure projects = jobs creation/ liquidity in the system</p>
<p>➤ Peso/US\$ exchange rate</p>	<p>✓ Peso at ~P48/US\$1 with forecast ranging from P45-53/US\$ 1 by year end = more pesos for OFW remittances</p>
<p>➤ Opportunities in Off-shoring and Outsourcing (O&O) to the Philippines</p>	<p>✓ Business Process Association of the Philippines (BPAP) forecasts US\$ 9bn or 28% growth in O&O revenues for 2009 and 120-160K new jobs = new business, job creation</p>
<p>➤ Philippine Corporate Income Tax rate reduced: 35% to 30%</p>	<p>✓ Provides relief/incentive to Philippine corporates ✓ Approx. impact for PLDT: P 3bn</p>

PLDT Group: Guidance for 2009



Service Revenues	P150 billion	<ul style="list-style-type: none"> • 5% growth over 2008 • P 7 billion increase
EBITDA	P92 billion	<ul style="list-style-type: none"> • 5% growth over 2008 • P 4 billion increase
Core Net Income	P40 billion	<ul style="list-style-type: none"> • 5% growth over 2008 • P 2 billion increase
Capital Management	<p>Dividend Payout Ratio: 70% of Core EPS + “look back” approach</p> <p>Buyback of up to 3 million common shares*</p>	
Capex	P27 billion	

* remaining shares for buyback from total approved 5 million shares for buyback

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 2008: Consolidated Financial Highlights



Consolidated Statement of Income <i>(in million pesos)</i>	FY 2008				FY 2007	% Change
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	
Service Revenues	93,593	49,266	10,417	142,873	135,478	5%
Cash operating expenses	29,342	22,588	9,244	50,370	48,343	4%
EBITDA ⁽¹⁾	60,639	25,840	1,035	87,633	82,916	6%
<i>EBITDA Margin</i>	65%	52%	10%	61%	61%	
Depreciation and amortization	11,975	11,901	833	24,709	28,613	-14%
Financing costs	2,029	3,903	172	6,104	7,088	-14%
Income before income tax	45,368	11,477	(2,285)	54,491	53,257	2%
Provision for (benefit from) income tax	16,035	3,257	(99)	19,193	17,279	11%
Core net income ⁽²⁾	30,080	7,925	138	38,079	35,151	8%
Reported net income (loss)	28,458	8,215	(1,968)	34,635	36,004	-4%

(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:

	31-Dec-08	31-Dec-07	31-Dec-06
Php per US\$	Php47.647	Php41.411	Php49.045

Revenues



<i>(in million pesos)</i>	FY 2008				FY 2007	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Service Revenues						
Wireless						
Cellular	87,518			87,518	82,334	6%
Broadband	4,327			4,327	2,389	81%
Satellite and other services	1,748			1,748	1,776	-2%
Fixed line						
Local exchange		15,923		15,923	16,205	-2%
International long distance		7,063		7,063	8,674	-19%
National long distance		6,207		6,207	6,338	-2%
Data and other network		18,607		18,607	15,921	17%
Miscellaneous		1,466		1,466	1,413	4%
ICT						
Knowledge processing solutions			5,272	5,272	5,261	-
Customer interaction services			3,402	3,402	3,262	4%
Internet and online gaming			976	976	937	4%
Vitro data center			767	767	595	29%
Inter-segment transaction				(10,403)	(9,627)	8%
Total Service Revenues	93,593	49,266	10,417	142,873	135,478	5%
Non-Service Revenues	2,004	420	566	2,990	2,602	15%
Inter-segment transaction	-	-	-	(281)	(122)	130%
	2,004	420	566	2,709	2,480	9%
Total Revenues	95,597	49,686	10,983	145,582	137,958	6%

Expenses



<i>(in million pesos)</i>	FY 2008				FY 2007	% Change
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	
Operating expenses						
Compensation and employee benefits	5,433	9,093	6,131	20,709	20,470	1%
Repairs and maintenance	4,230	4,634	573	8,569	7,310	17%
Selling and promotions	3,781	1,715	203	5,695	5,541	3%
Professional and other contracted services	2,529	2,143	747	4,591	5,588	-18%
Rent	9,267	2,492	665	3,656	2,762	32%
Taxes and licenses	1,872	769	98	2,736	2,319	18%
Communication, training and travel	1,091	608	573	1,993	1,850	8%
Insurance and security services	722	487	61	1,196	1,197	-
Other operating expenses	417	647	193	1,225	1,306	-6%
Cash operating expenses	29,342	22,588	9,244	50,370	48,343	4%
Depreciation and amortization	11,975	11,901	833	24,709	28,613	-14%
Provisions	898	-	-	898	666	35%
Asset impairment	1,006	888	2,286	4,180	1,317	217%
Amortization of intangible assets	133	-	244	377	390	-3%
Non-cash operating expenses	14,012	12,789	3,363	30,164	30,986	-3%
Cost of sales	4,236	356	660	5,252	5,127	2%
Total Expenses	<u>47,590</u>	<u>35,733</u>	<u>13,267</u>	<u>85,786</u>	<u>84,456</u>	<u>2%</u>

EBITDA



<i>(in million pesos)</i>	FY 2008				FY 2007	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Income (loss) before tax	45,368	11,477	(2,285)	54,491	53,257	2%
Add (deduct):						
Depreciation	11,975	11,901	833	24,709	28,613	-14%
Financing costs	2,030	3,903	172	6,104	7,088	-14%
Asset impairment	596	-	2,263	2,859	657	335%
Amortization of intangible assets	133	-	244	377	390	-3%
Equity share in net loss of subsidiaries	119	73	(17)	176	11	1500%
Losses (gains) on derivatives, net	241	(4,960)	59	(4,631)	(81)	5617%
Foreign exchange losses (gains), net	1,771	4,513	(93)	6,170	(2,976)	307%
Interest income	(1,197)	(448)	(22)	(1,668)	(1,503)	11%
Hedge cost	-	819	-	819	1,125	-27%
Other income	(395)	(1,439)	(119)	(1,773)	(3,665)	-52%
EBITDA	60,641	25,840	1,037	87,633	82,916	6%
EBITDA Margin	65%	52%	10%	61%	61%	

Other Income (Expenses)



<i>(in million pesos)</i>	FY 2008				FY 2007	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Gains (losses) on derivative transactions, net	(241)	4,960	(59)	4,631	81	5617%
Interest income	1,197	448	22	1,668	1,503	11%
Equity share in net earnings(losses) of associate	(119)	(74)	17	(176)	(11)	1500%
Foreign exchange (losses) gains, net	(1,771)	(4,513)	93	(6,170)	2,976	-307%
Hedge costs	-	(819)	-	(819)	(1,125)	-27%
Others	323	1,425	98	1,665	3,419	-51%
Total	(611)	1,427	170	799	6,843	-88%
Financing Costs						
Interest on loans and related items	(1,589)	(4,239)	(33)	(5,861)	(6,256)	-6%
Accretion on financial liabilities	(774)	(43)	(139)	(956)	(1,161)	-18%
Dividends on CPS	(4)	-	-	(4)	(17)	-76%
Financing charges	(3)	(58)	-	(61)	(196)	-67%
Capitalized interest	341	437	-	778	542	44%
Total	(2,030)	(3,903)	(172)	(6,104)	(7,088)	-14%
Total other income (expenses)	(2,641)	(2,476)	(2)	(5,305)	(245)	2065%

Core Net Income



<i>(in million pesos)</i>	FY 2008				FY 2007	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Reported net income	28,458	8,215	(1,968)	34,636	36,004	-4%
Add (deduct):						
Foreign exchange losses (gains), net	1,771	4,513	(93)	6,170	(2,976)	307%
Losses (gains) on derivatives, net	241	(4,960)	59	(4,631)	(81)	5617%
Additional depreciation	-	-	-	-	734	-100%
Asset impairment	314	-	2,172	2,486	657	278%
Tax effect	(704)	157	(32)	(582)	813	-172%
	<u>30,080</u>	<u>7,926</u>	<u>138</u>	<u>38,079</u>	<u>35,151</u>	<u>8%</u>

Cash Flows



<i>(in million pesos)</i>	FY 2008				FY 2007	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Net cash from operations	42,723	33,851	1,752	78,302	77,418	1%
Add(Deduct):						
Capital expenditures	(16,671)	(7,708)	(824)	(25,203)	(24,824)	2%
Other investing activities	269	674	(489)	480	333	44%
Interest, net	(192)	(3,496)	(17)	(3,706)	(4,673)	-21%
Dividends from Smart	-	24,200	-	-	-	-
Preferred share dividends	(1)	(281)	-	(282)	(303)	-7%
Others	(164)	(1,421)	(152)	(1,736)	(1,443)	20%
Free cash flow	25,965	45,819	271	47,854	46,507	3%
Common share dividends	(24,200)	(36,444)	-	(36,444)	(28,167)	29%
Common share buyback	-	(4,973)	-	(4,973)	-	100%
Investments	(3,656)	(176)	-	(3,832)	(2,552)	50%
Redemption of investments	1,311	1,365	-	2,676	-	100%
Redemption of preferred shares	(308)	-	-	(308)	(15)	1926%
Debt repayments, net	5,031	(485)	(26)	4,519	(10,109)	145%
Change in cash	4,143	5,106	245	9,492	5,665	68%
Cash balance, beginning⁽¹⁾	19,028	10,833	1,000	30,862	25,197	22%
Cash balance, end⁽¹⁾	23,171	15,939	1,245	40,354	30,862	31%

(1) Includes short-term investments

Balance Sheet



<i>(in million pesos)</i>	Consolidated	
	December 31, 2008	December 31, 2007
Total Assets	252,558	240,158
Nominal Value of Total Debt	78,487	65,112
<i>in US\$</i>	\$1,647	\$1,572
Less: Unamortized Debt Discount	4,576	4,472
Total Debt	73,911	60,640
Cash and short-term investments	40,354	30,862
Net Debt ⁽²⁾	38,133	34,250
Equity	106,969	112,511
Total Debt⁽¹⁾/Equity	0.73x	0.58x
Net Debt⁽²⁾/Equity	0.36x	0.30x
Total Debt⁽¹⁾/EBITDA	0.90x	0.79x
Net Debt ⁽²⁾/EBITDA	0.44x	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



	FY 2008		FY 2007	
	Basic	Diluted	Basic	Diluted
Net Income	34,636	34,636	36,004	36,004
Dividends on preferred shares	(456)	(456)	(457)	(457)
Adjustments for preferred shares deemed dilutive				
Dividends on preferred stock subject to mandatory redemption charged to expense for the period	-	-	-	17
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	34,180	34,180	35,547	35,513
Outstanding common shares, beginning	188,741	188,741	188,435	188,435
Effect of issuance of common shares during the year	550	550	221	221
Weighted average number of shares under ESOP during the year	-	14	-	38
Effect of issuance of purchase of treasury stocks during the year	(1,130)	(1,130)		
Common shares equivalent of preferred shares deemed dilutive:				
Preferred Stock Series VI	-	-	-	680
Weighted average number of shares, end	188,161	188,175	188,656	189,374
EPS (based on reported net income)	181.65	181.64	188.42	187.53
Core Net Income	38,079	38,079	35,151	35,151
Adjustments for preferred shares deemed dilutive	(456)	(456)	(457)	(491)
Net Income applicable to common shares	37,623	37,623	34,694	34,660
Weighted average number of shares, end	188,161	188,175	188,656	189,374
EPS (based on core net income)	199.95	199.94	183.90	183.02

Interest-bearing Liabilities



<i>(in millions)</i>	December 31, 2008			December 31, 2007	Change
	Carrying Value	Unamortized Debt Discount	Face Value	Face Value	
Debt					
PLDT	\$815	\$8	\$822	\$830	(\$7)
Smart	712	88	800	702	98
2014 Debt	200	83	283	283	-
Others	512	5	517	419	98
Others*	25	-	25	40	(15)
Total Debt	\$1,552	\$96	\$1,647	\$1,572	\$75
Obligations under capital lease	\$1.5	0.02	\$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\$11.6mn or PhP553mn