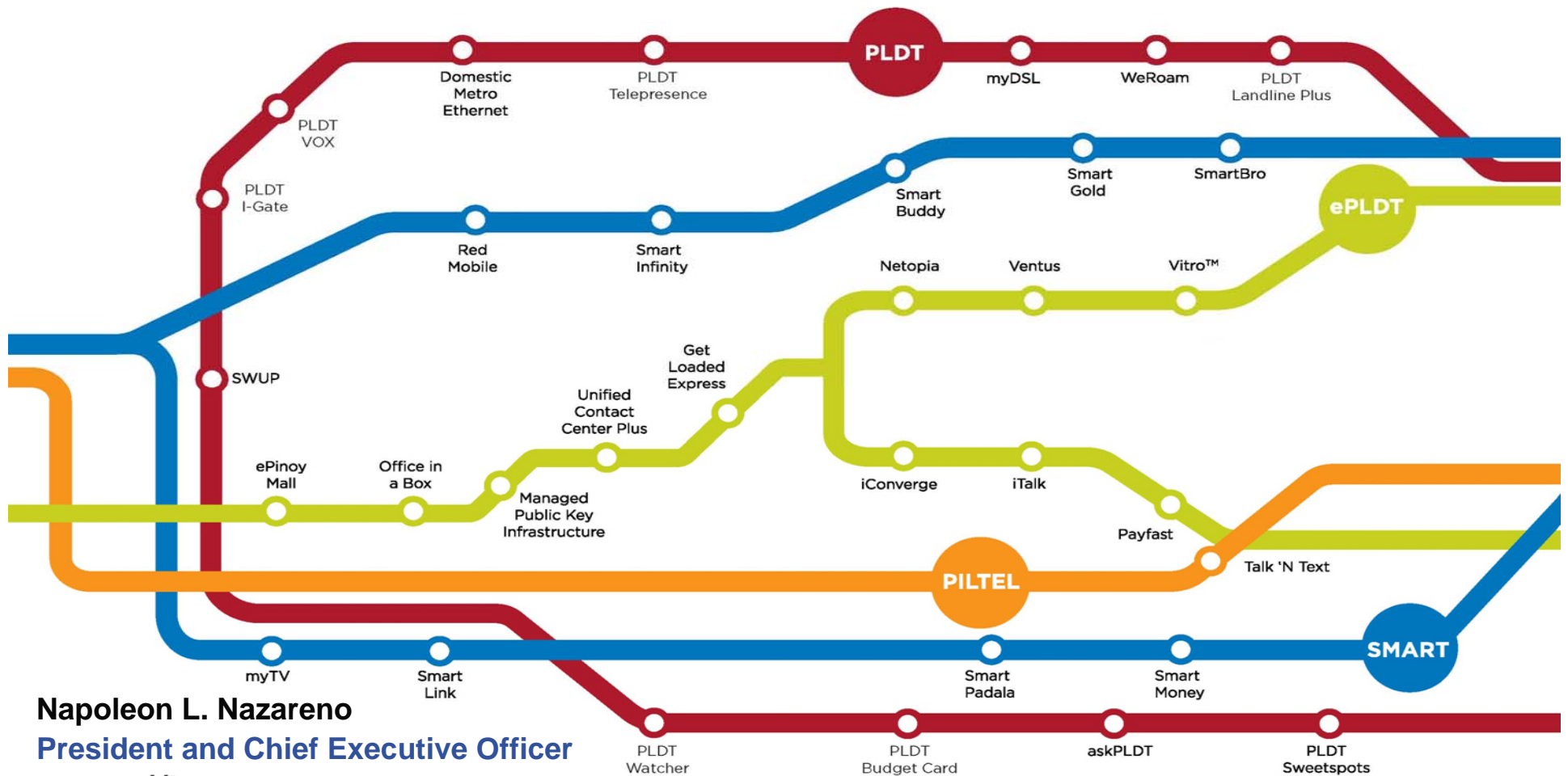


The President's Report: Another Solid Performance in 2008



Napoleon L. Nazareno
President and Chief Executive Officer
PLDT Annual Stockholders' Meeting
9th June 2009
Grand Ballroom, Dusit Thani Hotel

PLDT Group: 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%	-	
Income Before Tax	P54.5bn	P53.3bn	↑	2%
Reported Net Income	P34.6bn	P36.0bn	↓	4%
Core Net Income	P38.1bn	P35.2bn	↑	8%
Core EPS	P200	P184	↑	9%
Year-end PhP:US\$1	P47.647	P41.411	↑	15%
Year-average PhP:US\$1	P44.474	P46.184	↓	4%



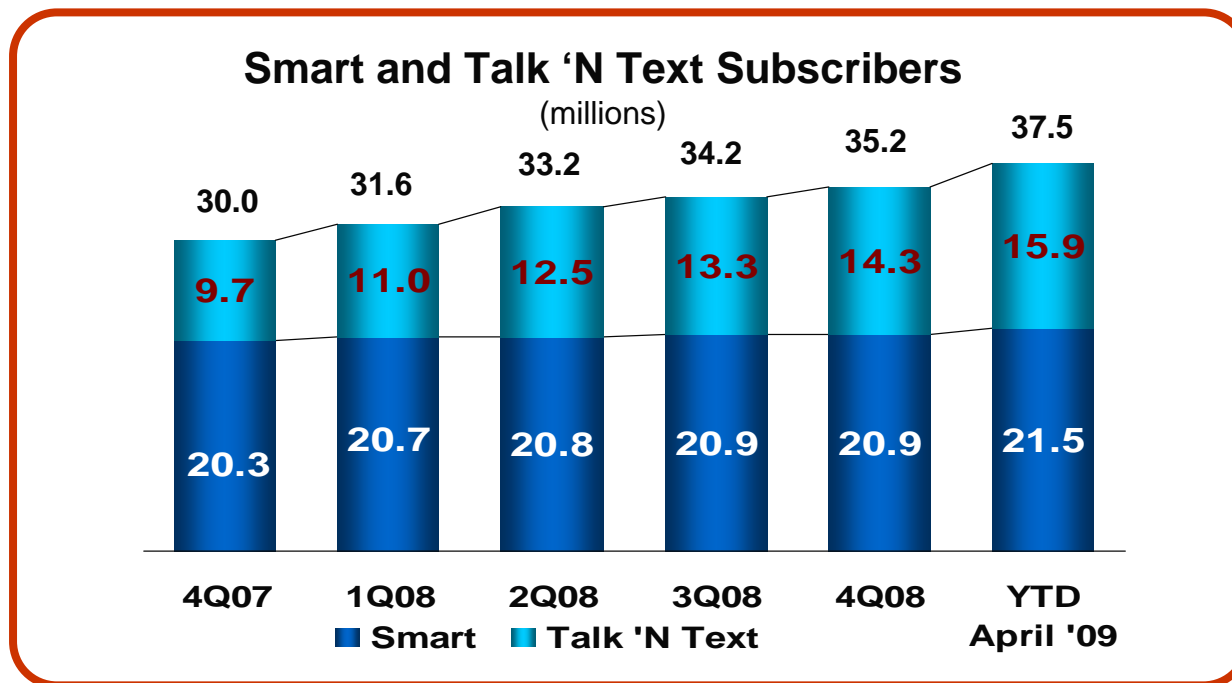
PLDT Group: 1Q 2009 Financial Highlights

	1Q 2009 (unaudited)	1Q 2008 (unaudited)		% Y-o-Y
Service Revenues	P36.2bn	P34.9bn	↑	4%
• Wireless	P23.9bn	P22.5bn	↑	6%
• Fixed Line	P12.7bn	P12.3bn	↑	3%
EBITDA	P21.9bn	P22.0bn	↓	1%
• Wireless	P15.0bn	P14.5bn	↑	4%
• Fixed Line	P 6.6bn	P 7.1bn	↓	7%
EBITDA Margin	60%	63%	↓	
Reported Net Income	P 9.6bn	P10.4bn	↓	8%
Core Net Income	P10.2bn	P 9.3bn	↑	9%
Core EPS	P53.97	P48.87	↑	10%
Quarter-end PhP:US\$1	P48.42	P41.76	↑	16%
Quarter-average PhP:US\$1	P47.79	P40.95	↑	17%



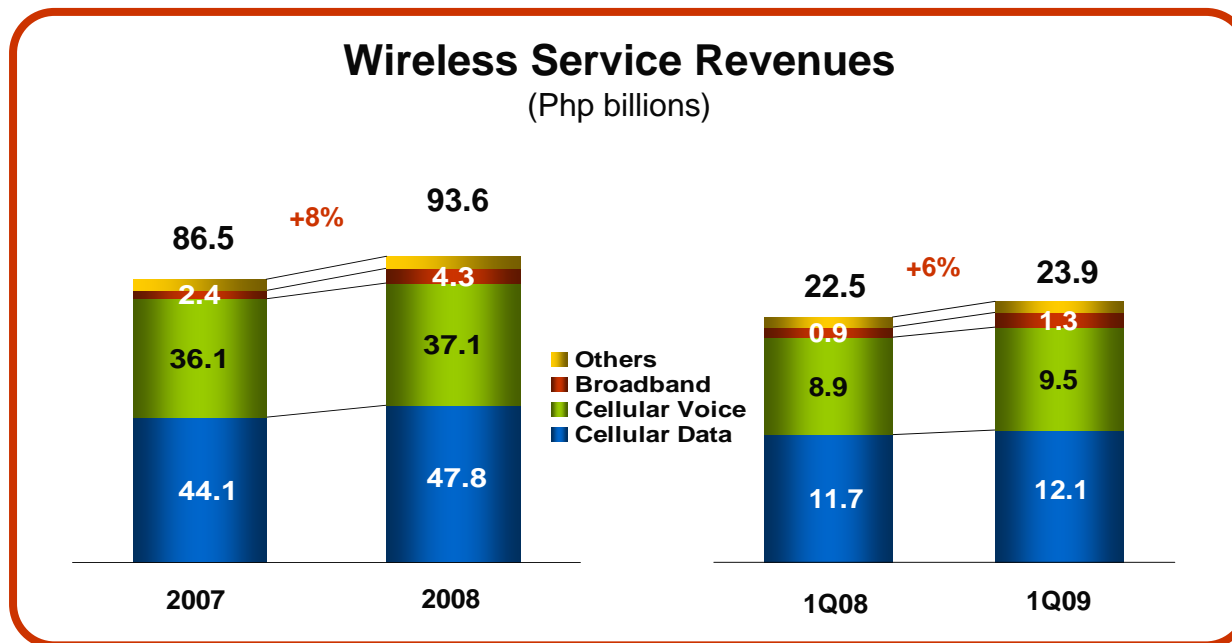
PLDT Group: Wireless Subscribers

- Our subscriber base reaches new heights
 - Combined Smart and TNT subscriber base stood at 35.2 million at the end of 2008 representing net adds of 5.2 million subscribers for the year
 - As of April 2009, another 2.3 million new subscribers brought our total subscriber base to 37.5 million



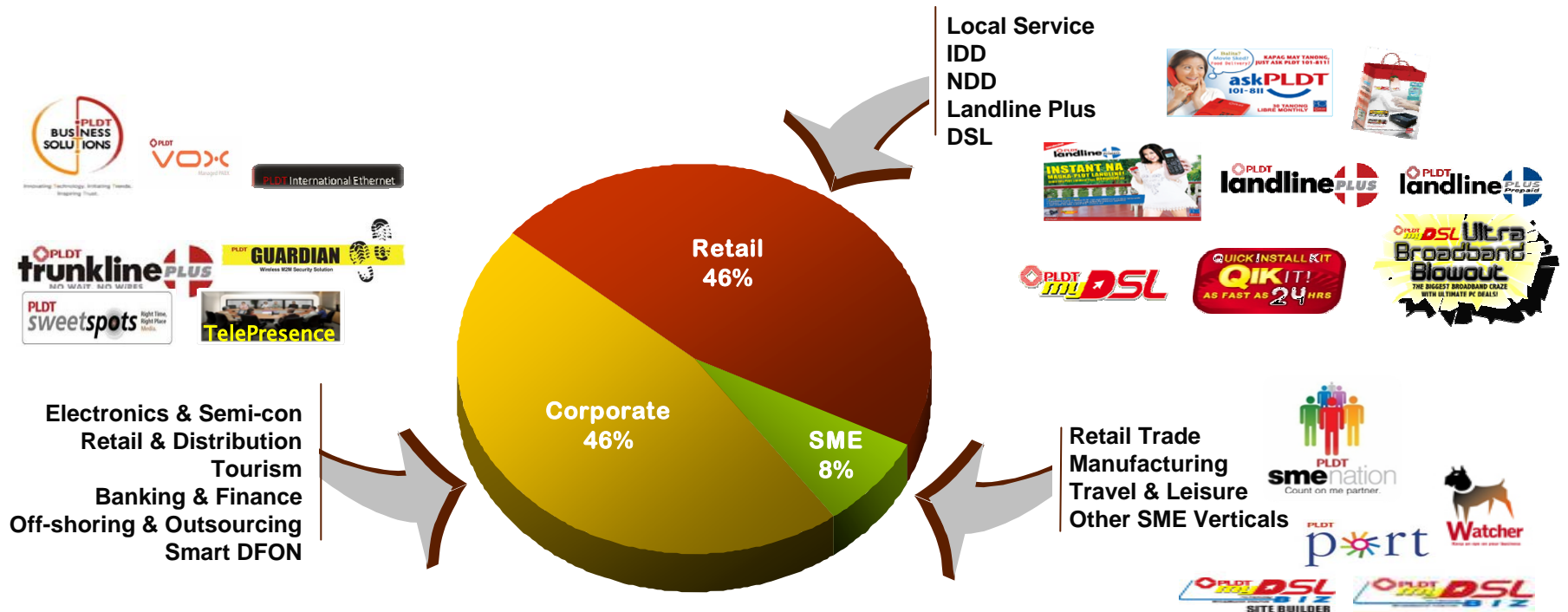
PLDT Group: Wireless Service Revenues

- Revenues from our wireless business remain robust
 - Wireless service revenues grew by P7.1bn, or 8%, to P93.6 billion in 2008
 - As of end of March 2009, our wireless business registered service revenues of P23.9 billion or a 6% growth compared to 1Q08
 - The increases in service revenues were achieved despite the continuing decline in the average revenue per user (ARPU) partly resulting from bucket promotions



PLDT Group: Fixed Line Subscribers

- Our fixed line subscriber base registering growth and shifting to corporate/SMEs
 - Fixed line subscribers up 3% to 1.8 million in 2008 mainly from new initiatives and programs being undertaken
 - The bulk of our subscriber base has shifted to the more steady corporate and SME markets

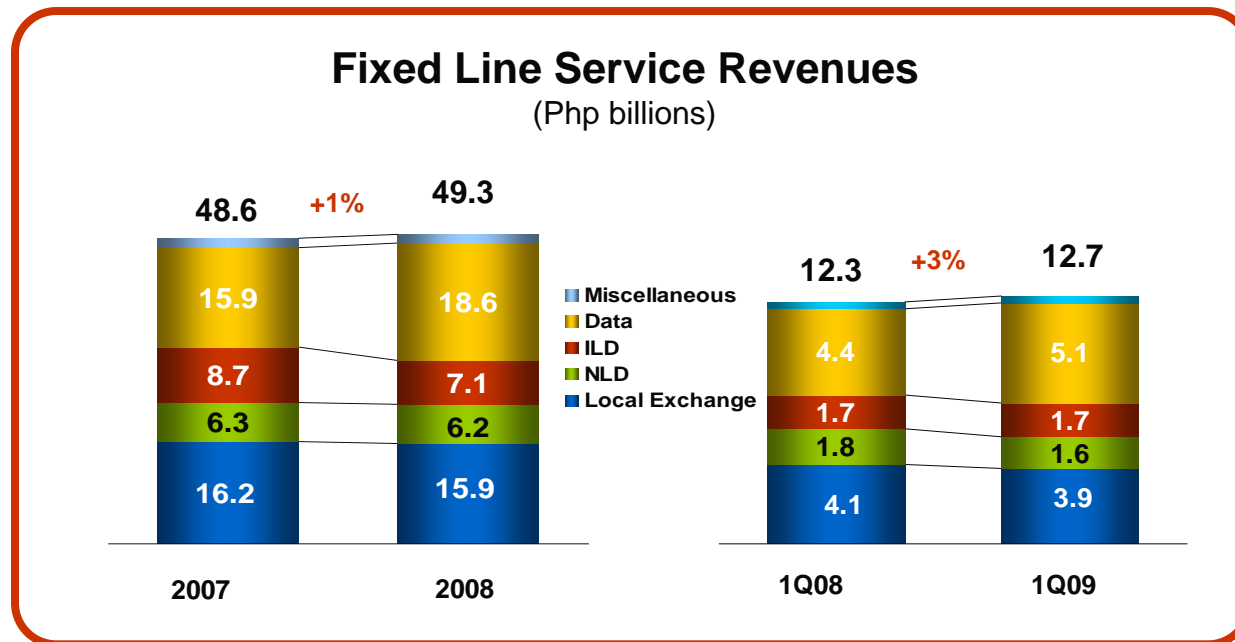


% Contribution to Total Revenues



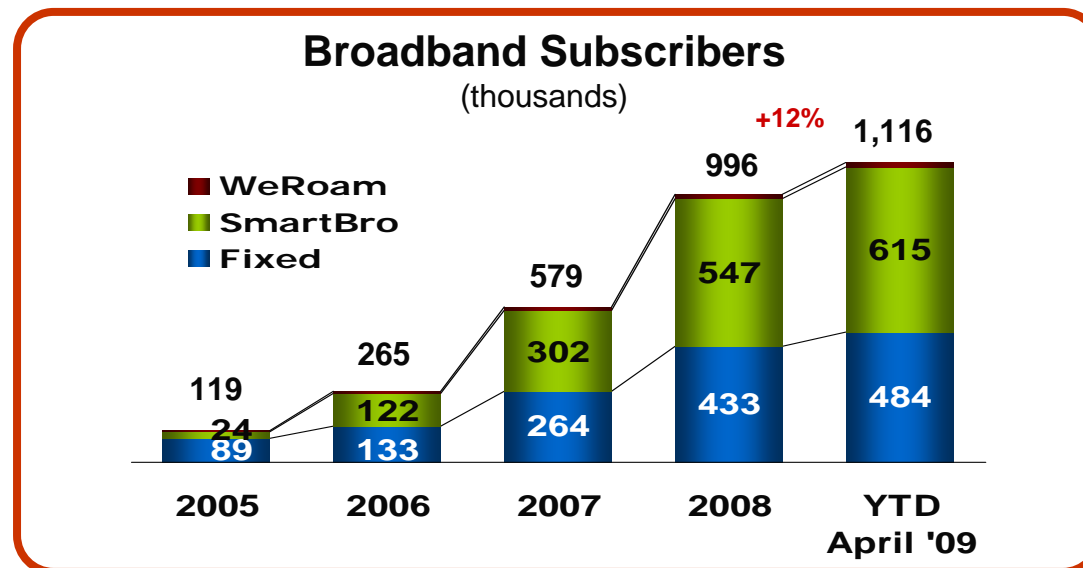
PLDT Group: Fixed Line Service Revenues

- The modest improvement in the fixed line service revenues is sustained
 - Fixed line service revenues grew by 1% to P49.3 billion in 2008
 - As of end of March 2009, service revenues from our fixed line business stood at P12.7 billion or a 3% growth year-on-year
 - Fixed line growth is driven by the increasing contribution of data service revenues offsetting declines in LEC, ILD and NLD revenues



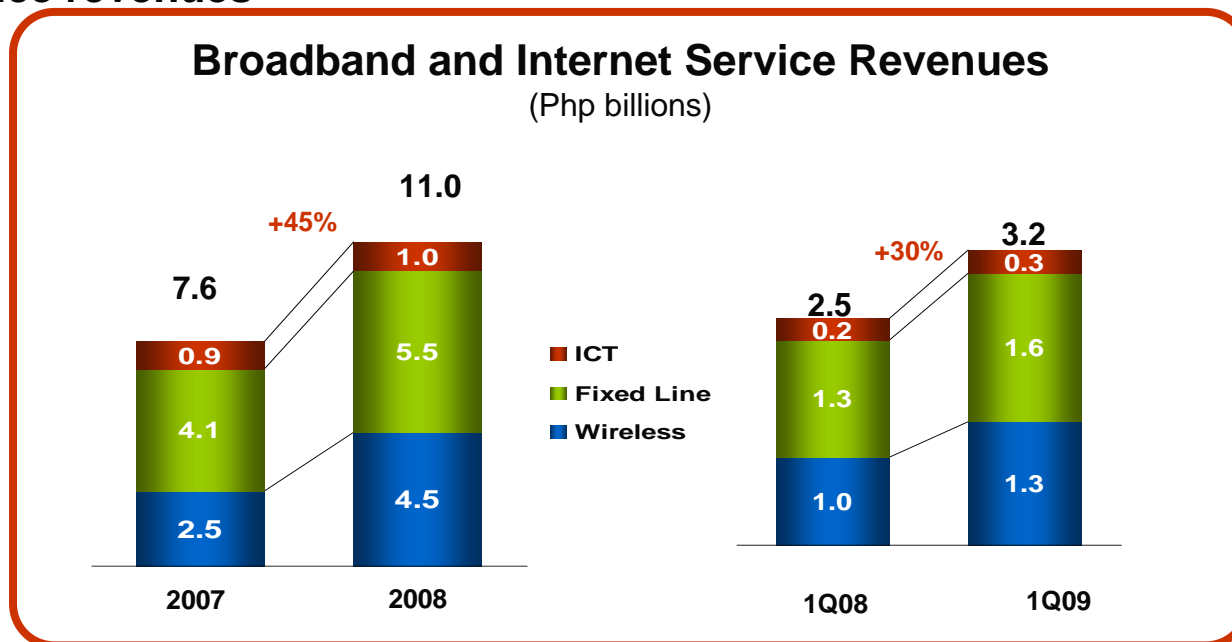
PLDT Group: Broadband Subscribers

- Dramatic increases in our combined broadband subscriber base continue
 - Combined DSL and *SmartBro* subscriber base stood at 996 thousand at the end of 2008
 - As of April 2009, the Group recorded 1.1 million broadband subscribers
 - Our goal: “Broadband for All”



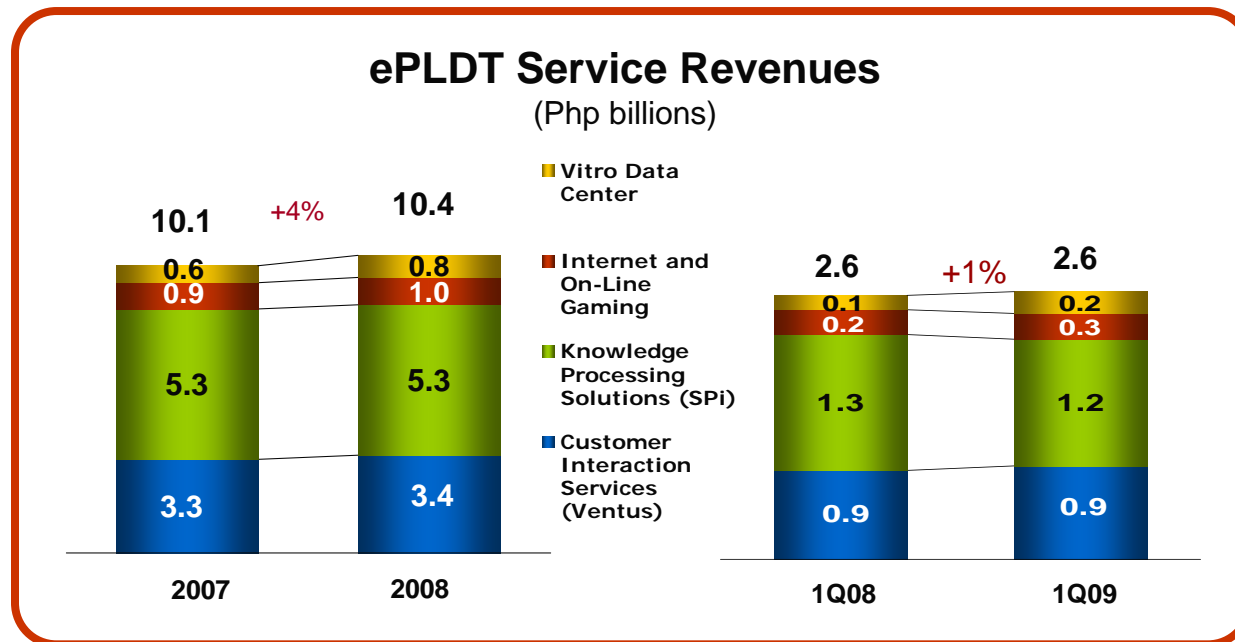
PLDT Group: Broadband Service Revenues

- Contribution of broadband revenues to total group is becoming greater
 - Broadband and Internet service revenues grew by P3.4bn, or 45%, to P11 billion in 2008
 - As of end of March 2009, P3.2 billion of revenues from broadband and Internet was recorded reflecting a 30% increase over 1Q08
 - From 8% at the end of 2008, broadband now contributes 9% to total Group service revenues



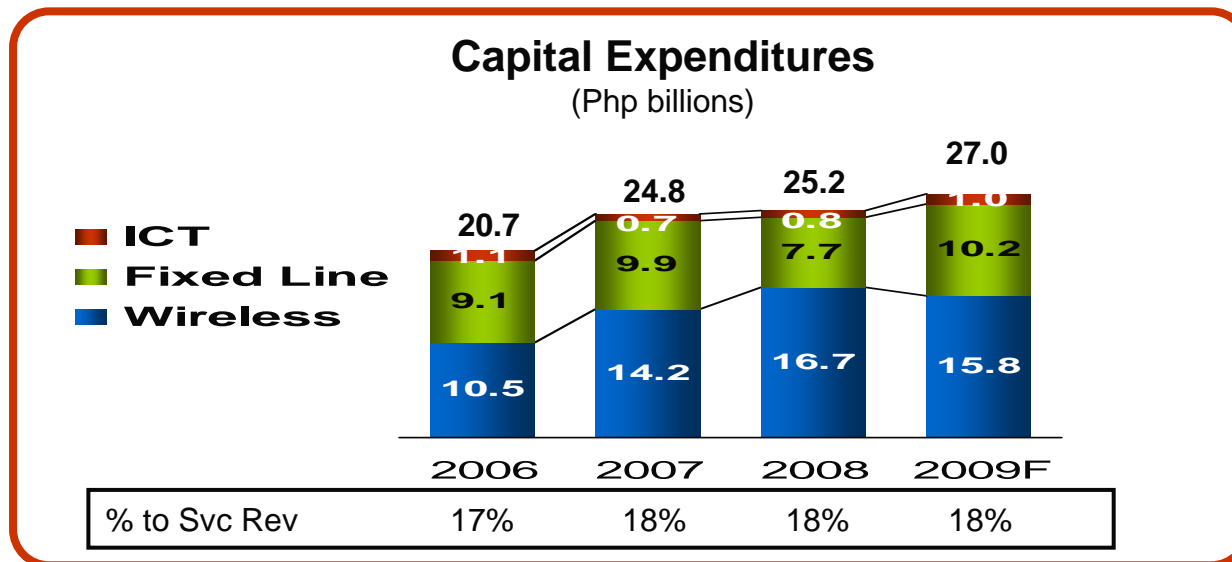
PLDT Group: ePLDT

- ePLDT is managing the challenges of its various business verticals
 - ePLDT service revenues grew 4% to P10.4 billion in 2008
 - As of end of March 2009, ePLDT service revenues showed a modest 1% growth compared to the previous year
 - ePLDT has rationalized its business portfolio, retaining the business verticals that have better growth potentials



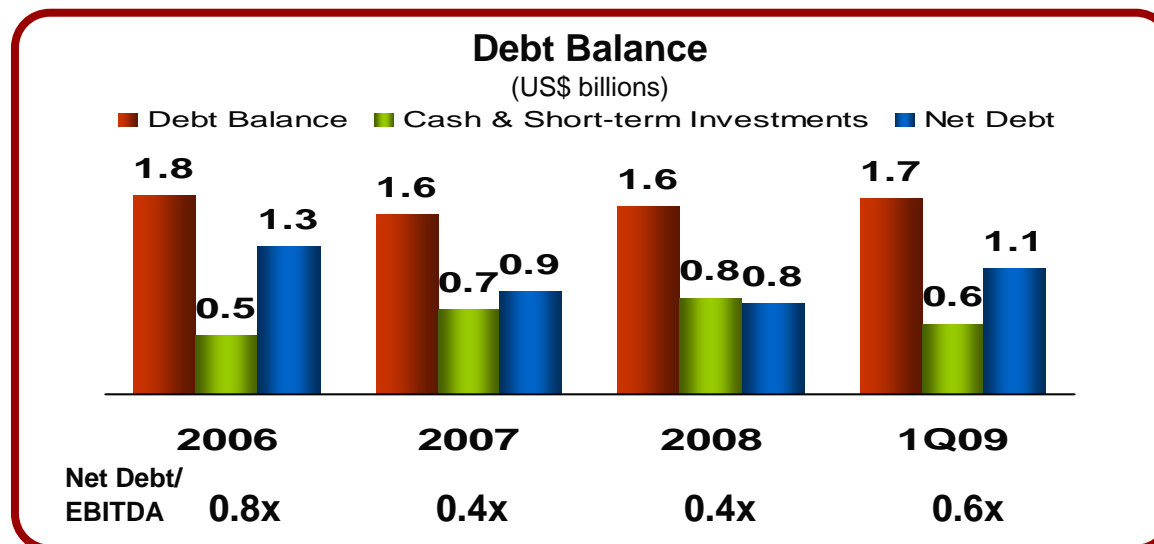
PLDT Group: Capex

- The PLDT group proceeding with investing in the business for the long-term
 - Capex for 2008 amounted to P25.2 billion, while capex for 2009 is guided at P27 billion, or approximately 18% of service revenues
 - Of total 2008 capex, 66% was spent for wireless, 31% for fixed line and 3% for ICT
 - Planned investments include additional capacity for cellular and broadband (including HSPA and international bandwidth), continuing transformation of the fixed line legacy network to NGN, and expansion of the existing networks including transmission/backbone facilities



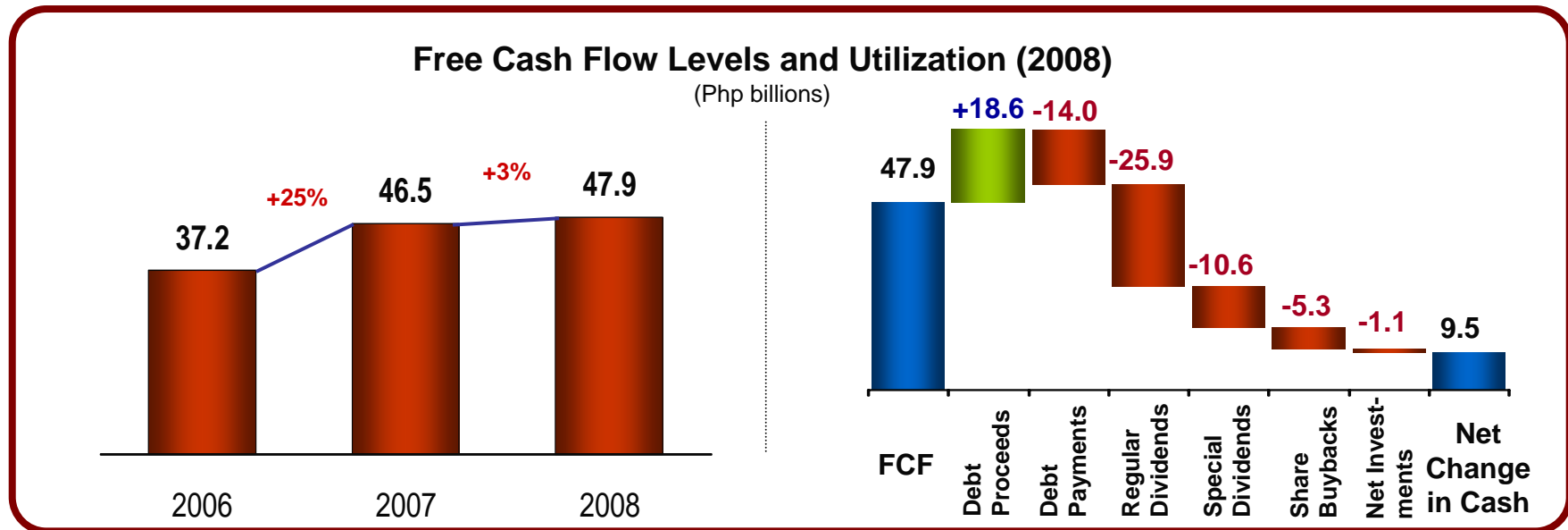
PLDT Group: Debt Profile

- Group net debt to be maintained at Net Debt/EBITDA of below 1x
 - Net debt stood at US\$800 million at the end of 2008 with Net Debt/EBITDA at 0.4x
 - Incremental debt will be drawn in 2009 to support planned investments (including the 20% stake in Meralco) and to take advantage of locally available funds
 - Opportunity to increase the peso component of our debt portfolio and move towards optimization of our balance sheet
 - At the end of March 2009, net debt was US\$1.1 billion with Net Debt/EBITDA at 0.6x



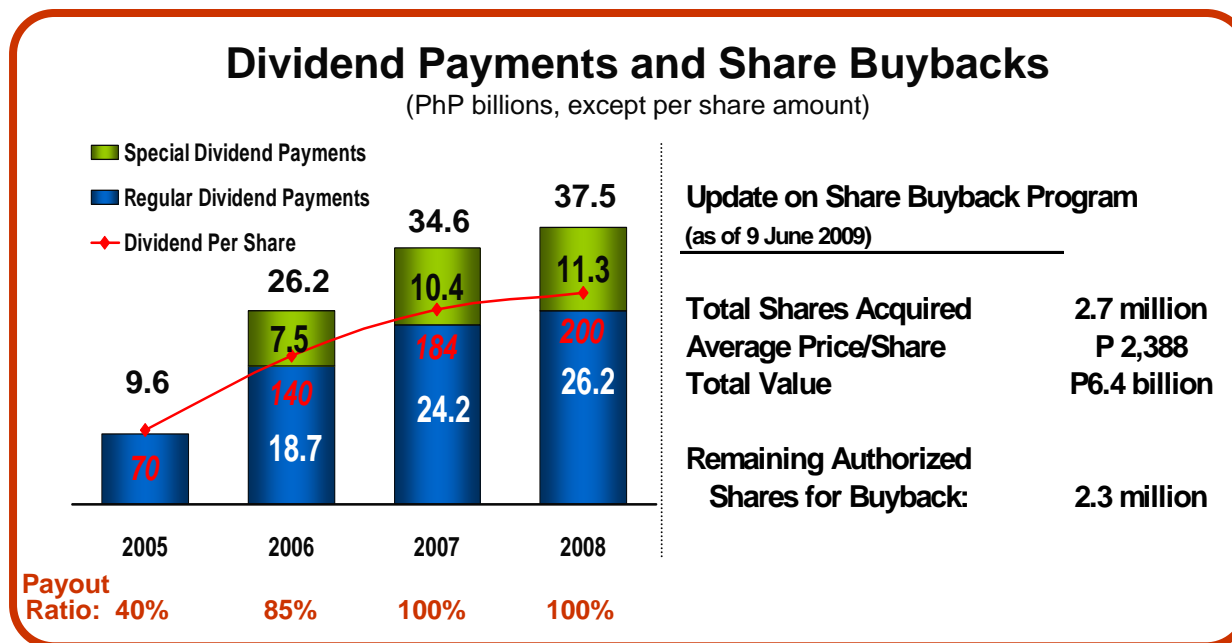
PLDT Group: Free Cash Flow

- The Group's free cash flow continues to rise
 - Free cash flow grew P1.3 billion to P47.9 billion in 2008; at the end of 1Q09, free cash flow stood at P18.9 billion
 - For 2008, free cash flow was used as follows:
 - Net debt proceeds of P4.6 billion provided additional cash
 - A total of P41.8 billion was used for capital management consisting of P36.5 billion in dividend payments and P5.3 billion for share buybacks

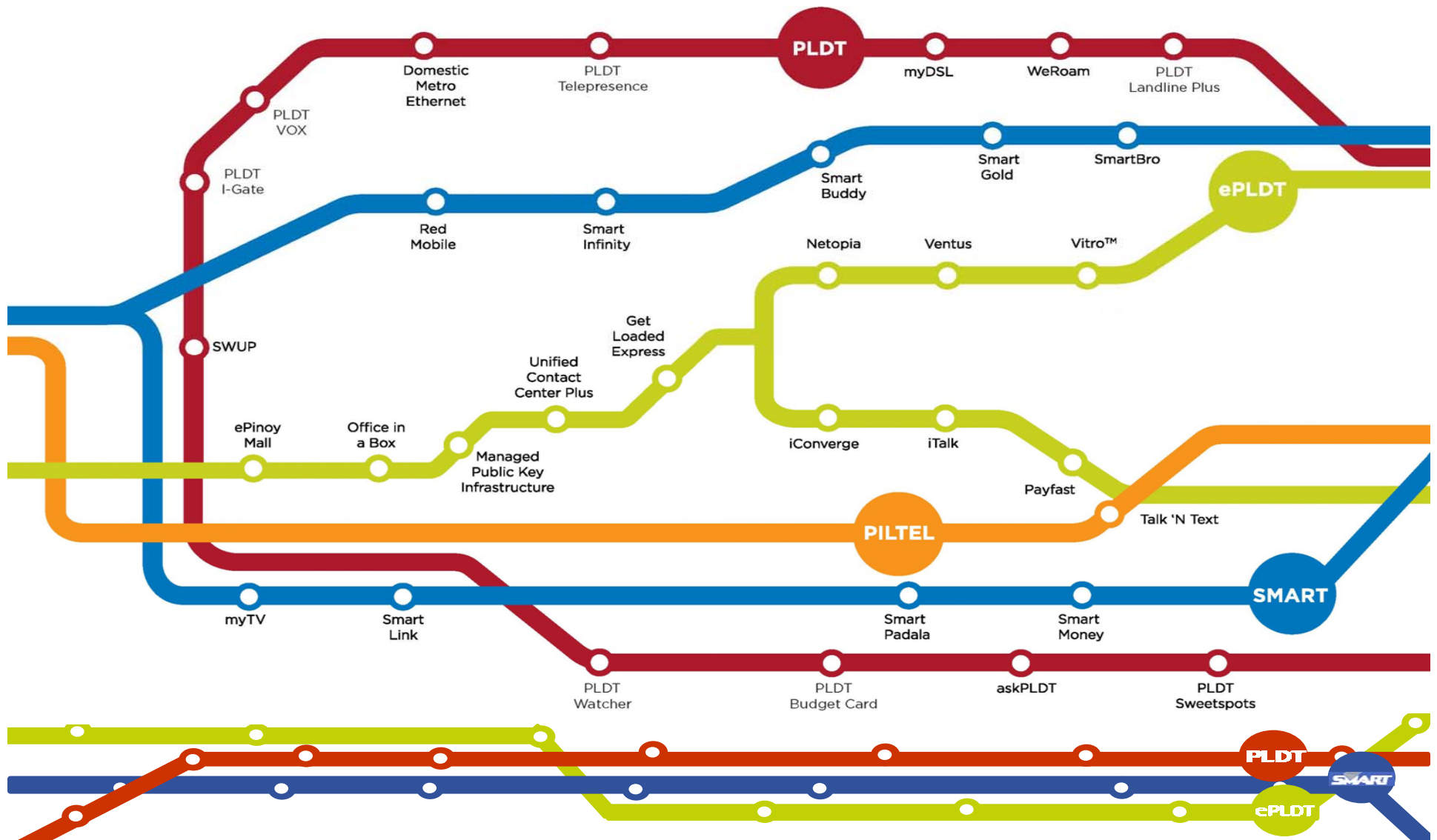


PLDT Group: Capital Management

- The PLDT group remains committed to maximizing returns to shareholders
 - On the back of its strong performance in 2008, PLDT paid a 100% dividend amounting to P200 per share, consisting of a regular dividend of P140 and special dividend of P60
 - PLDT pursued its share buyback program with a total of 2.7 million shares acquired to-date for a total of P6.4 billion or an average of P2,388 per share



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Thank You!

