



We're changing lives

**Full Year 2009
Financial and Operating Results**

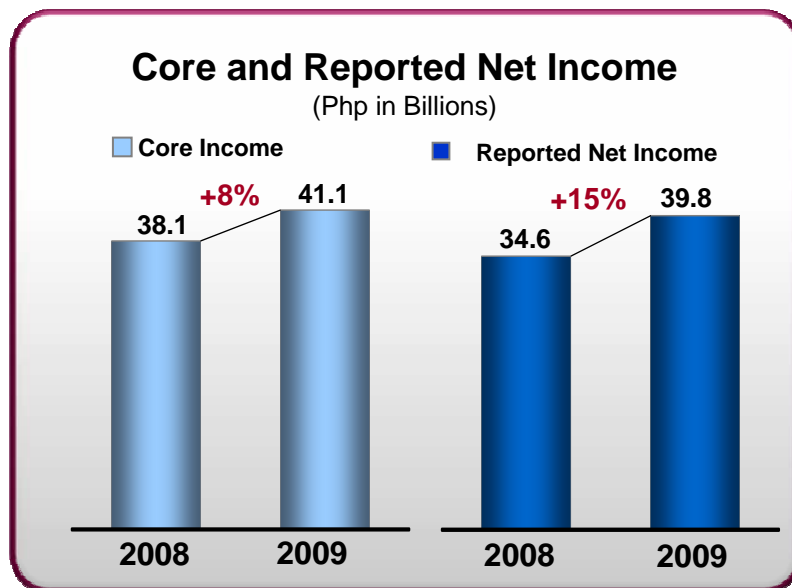
2 March 2010

PLDT Group: FY 2009 Financial Highlights

	2009 (unaudited)	2008 (audited)		% Y-o-Y
Service Revenues	P145.6bn	P142.9bn	↑	2%
• Wireless	P95.8bn	P93.6bn	↑	2%
• Fixed Line	P51.1bn	P49.3bn	↑	4%
EBITDA	P86.2bn	P87.7bn	↓	2%
• Wireless	P59.4bn	P60.7bn	↓	2%
• Fixed Line	P25.2bn	P25.9bn	↓	2%
EBITDA Margin	59%	61%	↓	
Core Net Income	P41.1bn	P38.1bn	↑	8%
Core EPS	P218	P200	↑	9%
Dividend per share	P218	P200	↑	9%
Reported Net Income	P39.8bn	P34.6bn	↑	15%
Year-end PhP:US\$1	P46.43	P47.65	↓	3%
Year-average PhP:US\$1	P47.64	P44.47	↑	7%

PLDT Group: Core and Reported Income

- **Core income for FY09 increased by 8% or P3.0bn to P41.1bn compared to FY08 due to:**
 - + 2% growth in service revenues
 - + Lower provision for income tax largely due to the reduced corporate income tax rate
 - + Recognition of equity share in earnings of Meralco starting 15 July 2009
 - 7% increase in cash opex
- **Reported net income grew by 15% y-o-y or P5.1bn to P39.8bn**
- **Total exceptional items for the year amounted to P1.4bn consisting of:**
 - + P500mn in net forex gains arising from our foreign currency assets and liabilities
 - P1.9bn in asset impairments, of which P1.3bn pertains to the Mabuhay/Protostar transponder leases
 - + P600mn tax effect on the exceptional items



FY09 vs FY08 Core and Reported Income
(Php in Billions)

	2009	2008	Diff
Core Income	41.1	38.1	3.0
Reported Income	39.8	34.6	5.1
	1.4	3.5	(2.1)
Accounted for by:			
Forex Loss/(Gain)	(0.9)	6.2	(7.1)
Loss/(Gain) on derivatives	0.4	(4.6)	5.0
Net Forex Loss/(Gain)	(0.5)	1.6	(2.1)
Asset Impairment and Others	2.5	2.5	0.0
Tax Effect	(0.6)	(0.6)	0.0
	1.4	3.5	(2.1)

PLDT Group: Capital Management

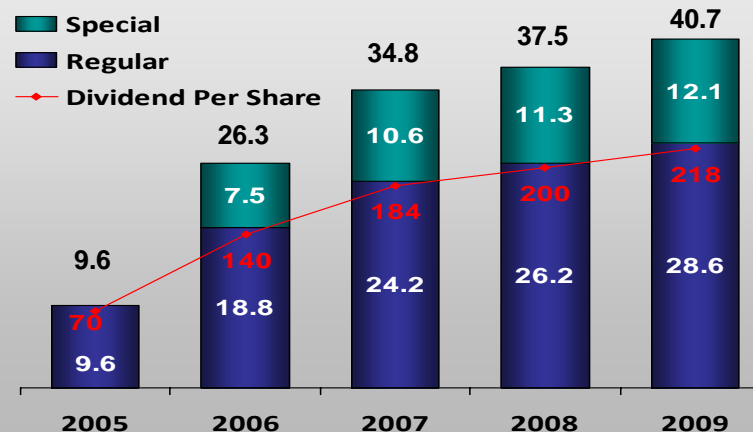
- At today's meeting, the PLDT Board of Directors declared dividends of P141 per share as follows:
 - Regular dividend: P76 per share, bringing total regular dividends for 2009 to P153, in line with the 70% dividend payout policy
 - Special dividend: P65 per share, representing an additional 30% payout, based on the Company's "look back" policy
- 100% dividend payout for 2009 (P218), similar to 2007 (P184) and 2008 (P200)
- PLDT will continue to buy back shares on an opportunistic basis
 - a total of 2.7mn shares acquired to-date, out of 5mn shares approved for buyback

Dividend Declaration

Declaration Date	2 March 2010
Record Date	17 March 2010
Payment Date	20 April 2010
Regular Dividend for 2009	P76 per share
Special Dividend for 2009	P65 per share
Total Dividend per Share for 2009	P218 100% of core EPS

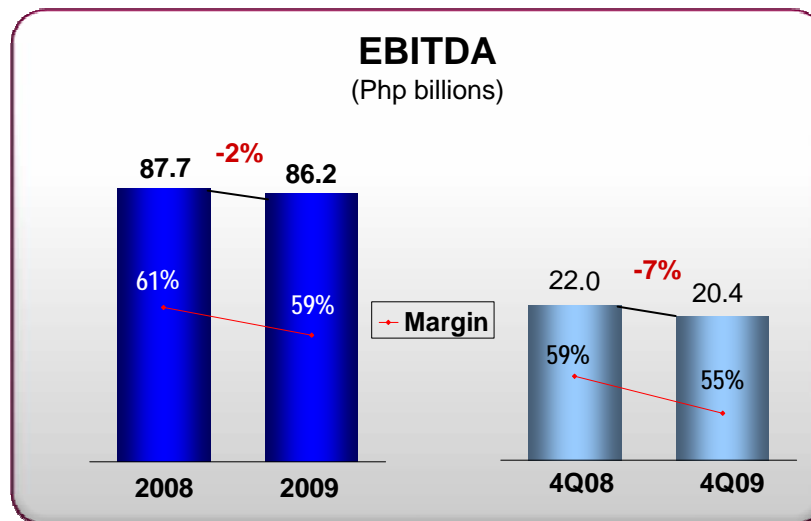
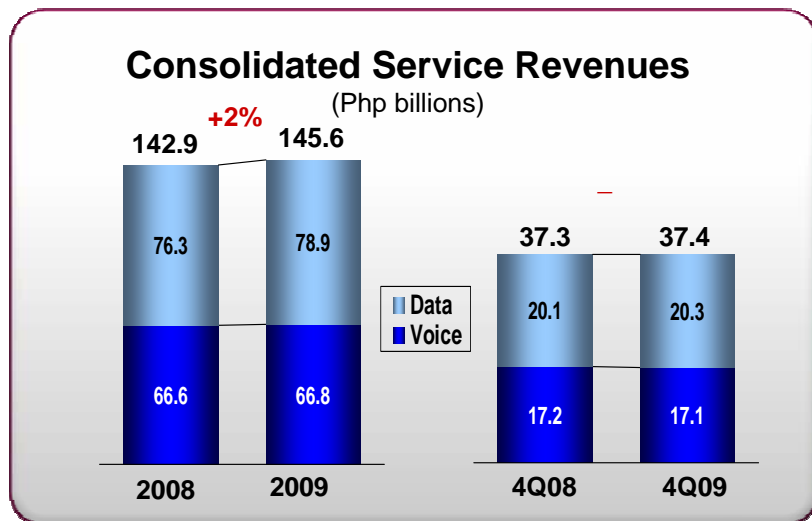
Dividend Payments

(PhP billions, except per share amount)



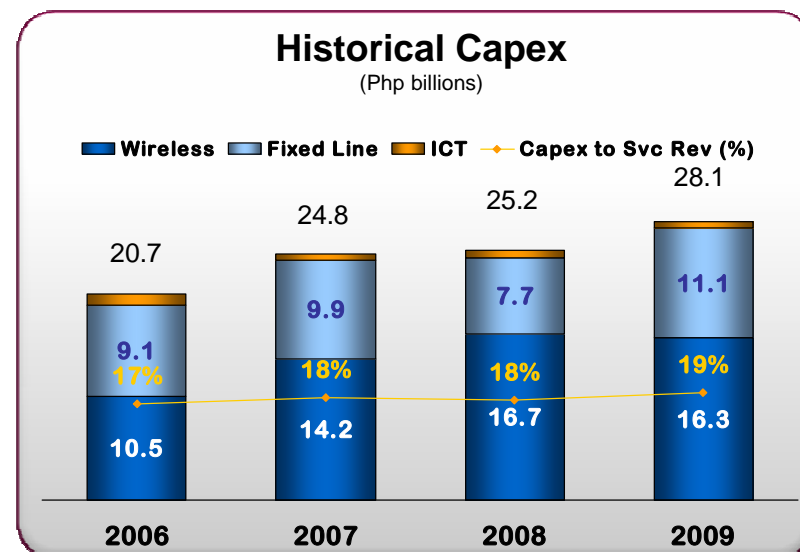
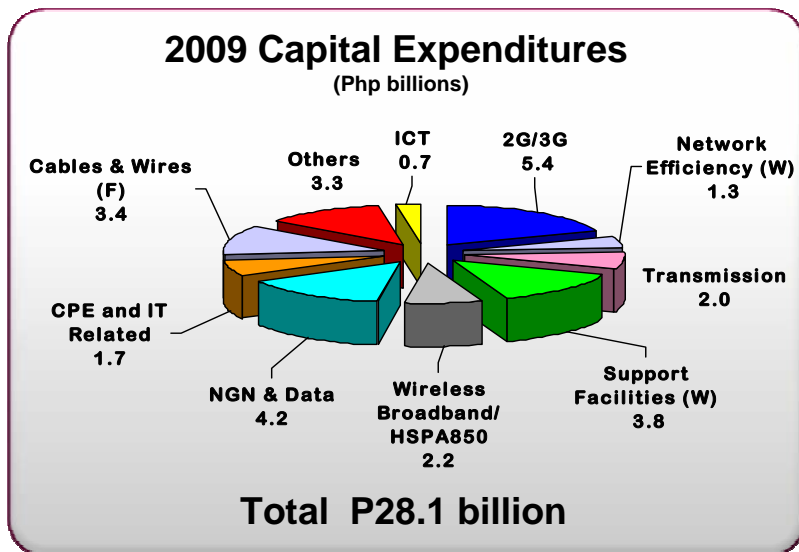
PLDT Group: Service Revenues and EBITDA

- **Consolidated service revenues grew by 2% to P145.6bn in FY09 from P142.9bn in FY08 on account of:**
 - + 3% increase in data and ICT revenues which included a 25% growth in broadband and internet revenues
 - = Steady voice revenues
- **Data and ICT revenues now account for 54% of total service revenues from 53% last year**
- **Consolidated EBITDA declined by 2% to P86.2bn in 2009 with EBITDA margin at 59%**
 - Wireless margin at 62% (vs. 65% in 2008)
 - Fixed line margin at 49% (vs. 52% in 2008)
 - ICT margin at 12% (vs 10% in 2008)
- **4Q09 consolidated service revenues remained steady at P37.4bn compared to 4Q08, while EBITDA decreased by 7% to P20.4bn in 4Q09**
- **Approximately 29% of 2009 consolidated service revenues are US\$-linked or US\$-denominated**



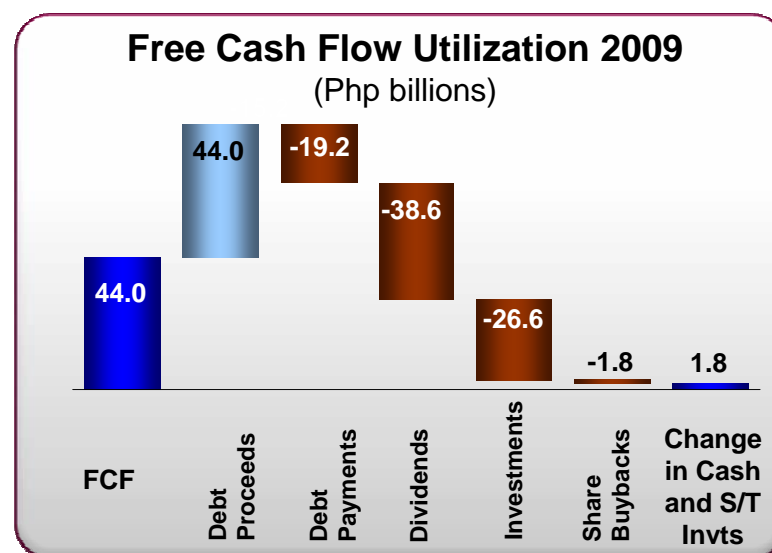
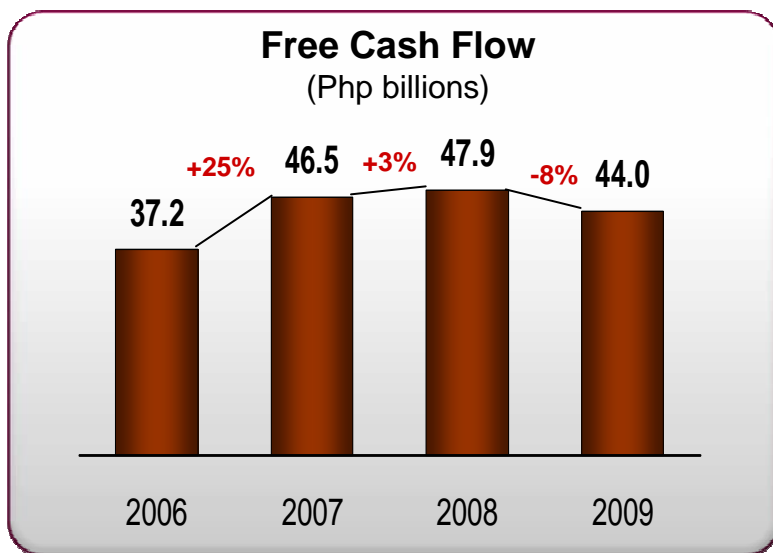
PLDT Group: Capex

- **Capex at FY09 increased by P2.9bn or 11% to P28.1bn compared to P25.2bn in FY08 and P1.1bn higher than 2009 guidance of P27bn due to acceleration of broadband capex to support take-up**
 - Capex for the wireless business amounting to P16.3bn accounted for 58% of total capex
 - P5.4bn for 2G/3G network
 - P2.2bn for wireless broadband
 - P11.1bn or 40% of total capex was spent on the fixed line business
 - P4.2bn for NGN and data network
 - P3.4bn of total capex were channeled to the upgrade of cables and wires
- **Capex to service revenue ratio remains below 20%**
- **Total capex from 2006-2009 amounted to P98.8bn:**
 - Enabled the business to grow from 2005 to 2009 levels: group service revenues (P121bn → P146bn), wireless subscribers (20.4mn → 41.3mn), and core income (P31.3bn → P41.1bn)
 - Also manifests our firm commitment to invest for the long-term in improving Philippine telecommunications and our commitment to bring broadband to all



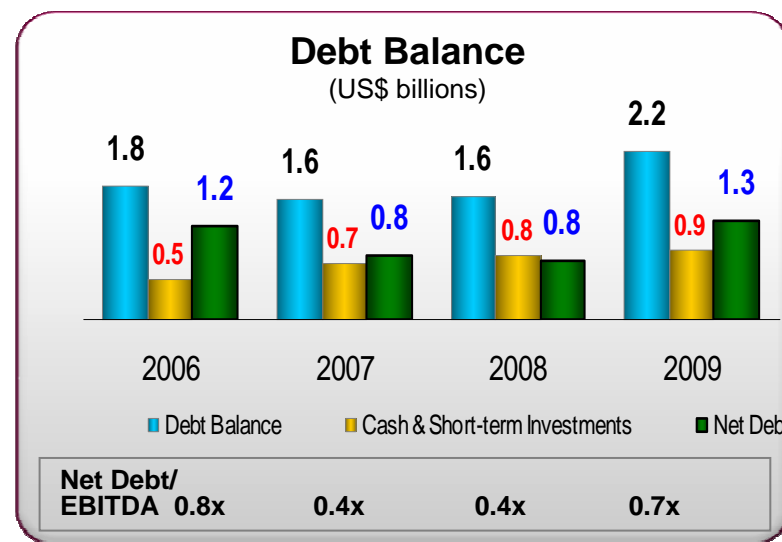
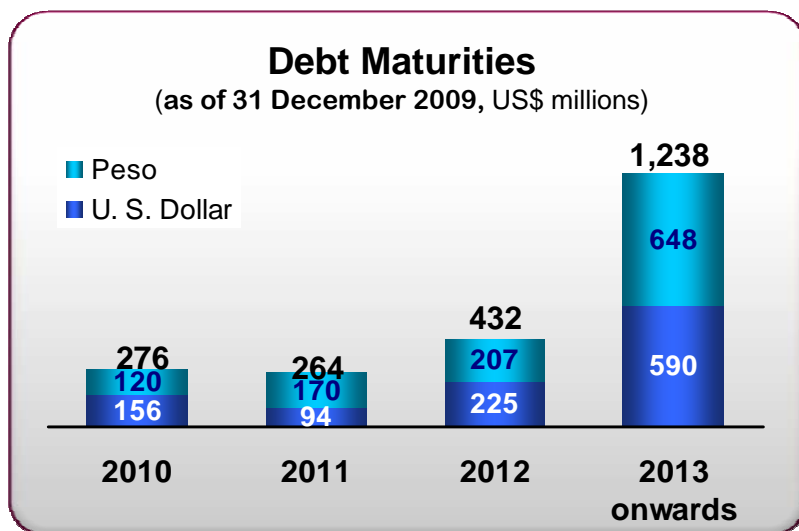
PLDT Group: Free Cash Flow

- **PLDT generated P44bn of free cash flow in 2009, P3.9bn or 8% lower than P47.9bn in 2008**
 - In both 2008 and 2009, FCF was higher than core net income of P41bn and P38bn, respectively
 - FCF lower in 2009 due to:
 - Capex for 2009 grew by P2.9bn compared to 2008
 - Higher net interest expense by P200mn in 2009 resulting from higher loan balances
- **Free cash flow of P44bn and an additional P44bn in debt proceeds were utilized as follows:**
 - Repayment of P19.2bn of debt
 - P38.6bn dividends paid in April and September 2009
 - Shares amounting to P1.8bn were bought back into treasury
 - P20bn investment for a 20% interest in Meralco and P6.6bn for the tender offer to Piltel minority shareholders



PLDT Group: Debt Profile

- At the end of 2009, net debt stood at US\$1.3bn, an increase of US\$500mn from the end of 2008 resulting from increased borrowing by the group to support capex and the investment in Meralco
- As of 2009, total group debt amounted to US\$2.2bn compared to US\$1.6bn in 2008
 - U. S. dollar debt has further declined to 48% of our total debt portfolio compared with 79% at the end of 2008
 - Outstanding hedge transactions of US\$391mn represent about 18% of total outstanding debt or 37% of total U. S. dollar denominated debt
 - Taking into account our peso borrowing, hedges and our US\$ cash holdings, the unhedged portion of our total debt stood at 22% equivalent to US\$ 486mn
 - 67% of loans are fixed-rate, while 33% are floating-rate loans
- Net debt to EBITDA increased to 0.7x at the end of 2009
- Debt maturities continue to be well-spread out

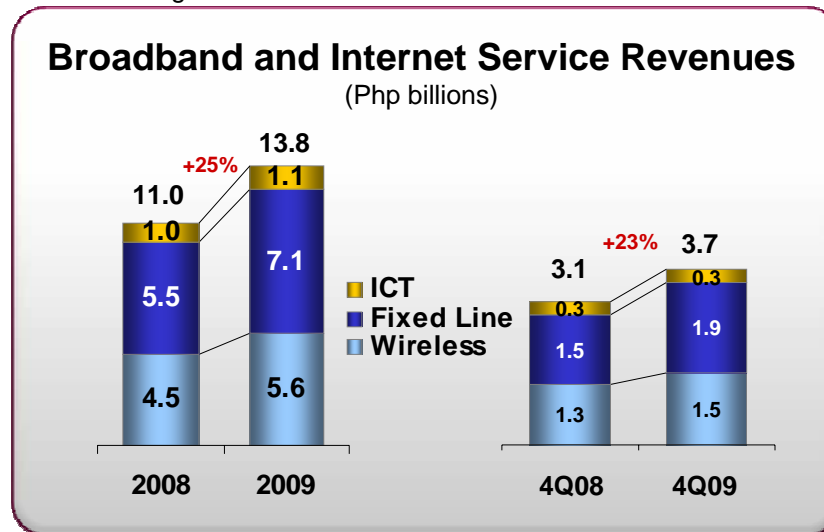
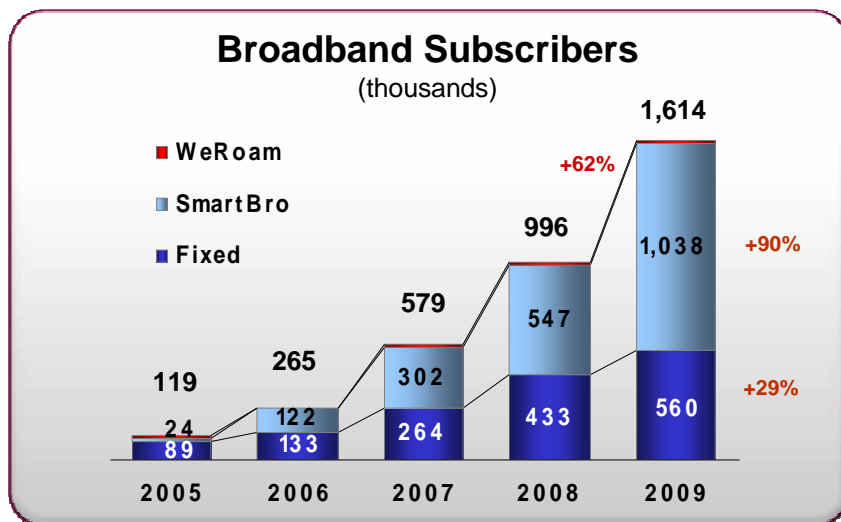


PLDT Group: 2009 Segment Highlights

- **Broadband**
 - Combined subscriber base grew to more than 1.6mn
 - Service revenues of P13.8bn for 2009 reflect a 25% increase
 - Broadband and internet service revenues now account for 9% of total Group service revenues
- **Wireless Business**
 - Subscriber base at 41.3mn with 6.1mn net adds for full year 2009
 - Service revenues recorded at P95.8bn for 2009, a 2% increase compared to 2008
 - EBITDA 2% lower at P59.4bn
- **Fixed Line**
 - Service revenues register a 4% increase to P51.1bn in 2009
 - 16% increase in corporate data and DSL revenues which now contribute 42% to total fixed line service revenues compared to 38% in 2008
- **ePLDT**
 - Service revenues increased by 5% to reach P10.9bn in 2009 and constitute 8% of total Group service revenues
 - EBITDA registered a 26% increase to P1.3bn

Broadband: Leading the charge

- **PLDT DSL, *SmartBro* and *WeRoam* combined subscribers grew by more than 618,000 during 2009, representing a 62% growth from the end of 2008**
 - *SmartBro*'s subscriber base crossed the 1mn mark, growing by 90% from 547,000 at the end of 2008
 - ✓ 601,700 are Plug-It prepaid subscribers while 436,000 are post-paid subscribers
 - DSL subscriber base at the end of 2009 stood at about 560,000, or net adds for the year of 127,000
 - PLDT Group's combined subscriber market share in broadband at nearly 70%
- **PLDT Group's total DSL, wireless broadband and internet service revenues grew by 25% to P13.8bn, accounting for 9% of service revenues in 2009**
 - DSL revenues grew by 29% to P7.1bn year-on-year, while wireless broadband revenues grew 23% to P5.6bn over 2008
 - 4Q09 broadband revenues grew by 23% to P3.8bn compared with 4Q08
 - DSL ARPU at approx. P1,178 while net blended wireless ARPU at P647
- **Various offers have been introduced to strengthen our lead in broadband:**
 - PLDT myDSL Watchpad allows free download of content
 - Internet@Home offers a bundled landline providing unlimited voice calls and wireless internet
 - SmartBro SurfTV allows the use of a TV set instead of a PC for internet surfing



PLDT Group: Broadbanding the nation



Internet @ Home

- * Unlimited wireless internet and unlimited voice calls



myDSL Watchpad

- Allows PLDT myDSL subscribers to watch the hottest channels and award-winning movies for FREE
- Offers myDSL subscribers access to selected shows for on a pay-per-view basis



SurfTV

- Internet access through the use of a TV set
- For 4,500 pesos, the subscriber gets a kit that has a USB-modem, a keyboard, remote control that he could use with his TV set which will then allow him to chat, email, and surf the Internet.



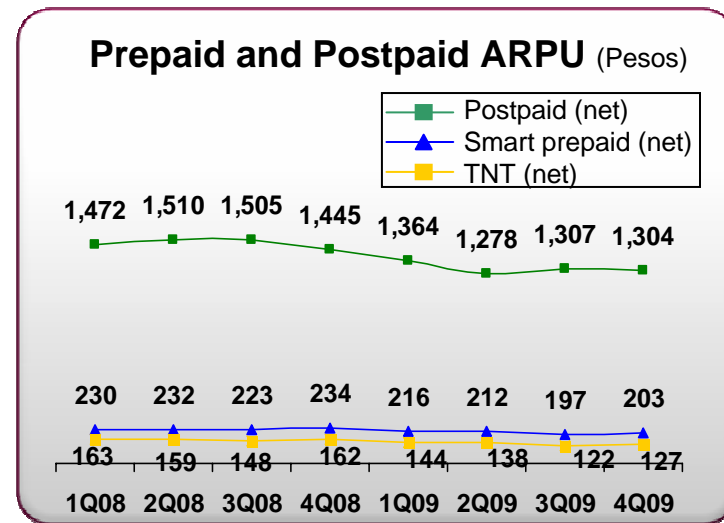
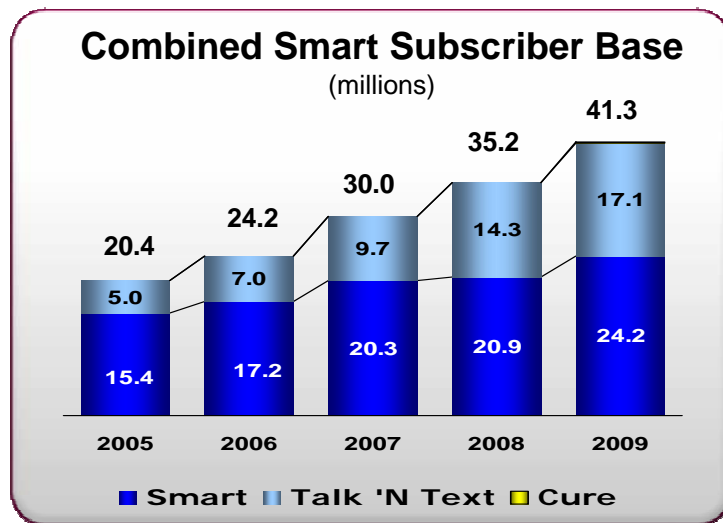
SmartBro's new postpaid plans and free music downloads (over 200,000 songs) to drive momentum on access seeding and boost usage



SmartBro's "BROADBANDEST" campaign will be expanded to include other areas to prove that SmartBro is the fastest nationwide.

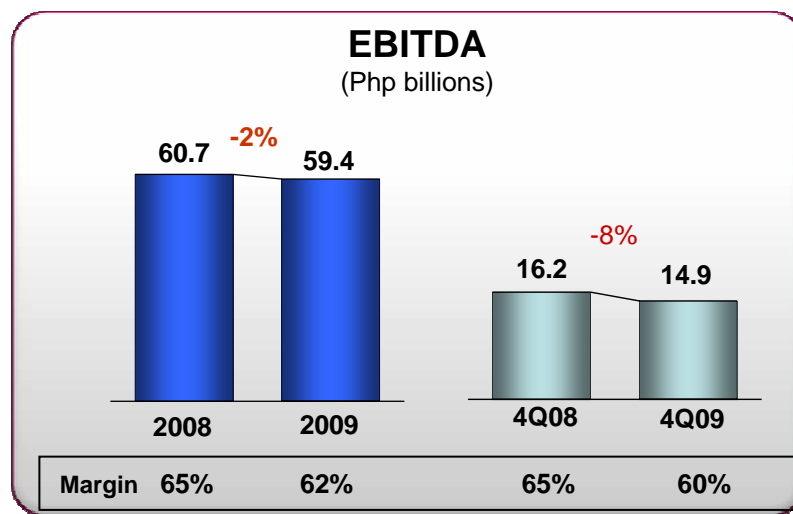
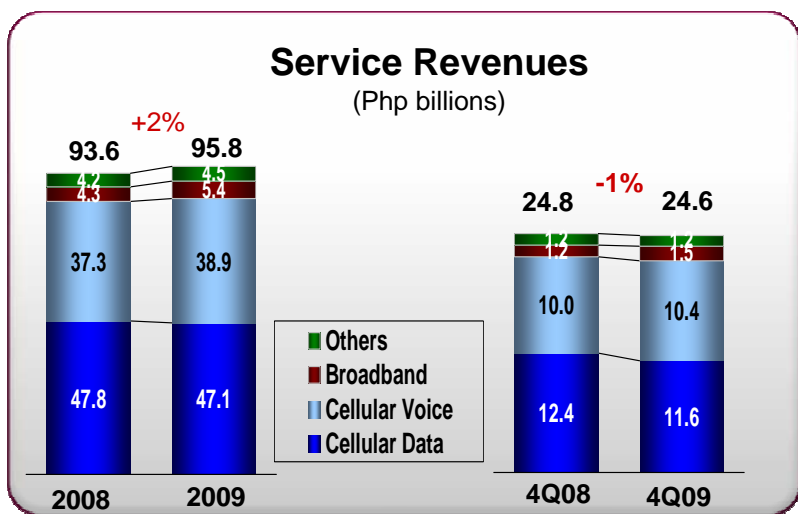
SMART: Managing new business dynamics

- The combined Smart and TNT subscriber base expanded to 41.3mn at the end of 2009 registering a 17% growth year-on-year
 - 6.1mn net adds for full year 2009, surpassing the 5.2mn net adds for 2008
 - Of the 6.1mn net adds, 3.3mn are Buddy subscribers and 2.7mn are TNT subscribers
 - Year-on-year growth of 17% and 90% in cellular and broadband subscribers drove revenue increases for wireless
- Net blended ARPU for 2009 decreased by 13% year-on-year to P188
- Prepaid subscriber acquisition costs are recovered in about a week's time, with SAC equivalent to approximately 24% of net blended prepaid ARPU of P175 for 2009
- For 2010, we will undertake more aggressive initiatives in voice services



SMART: Shifting gears

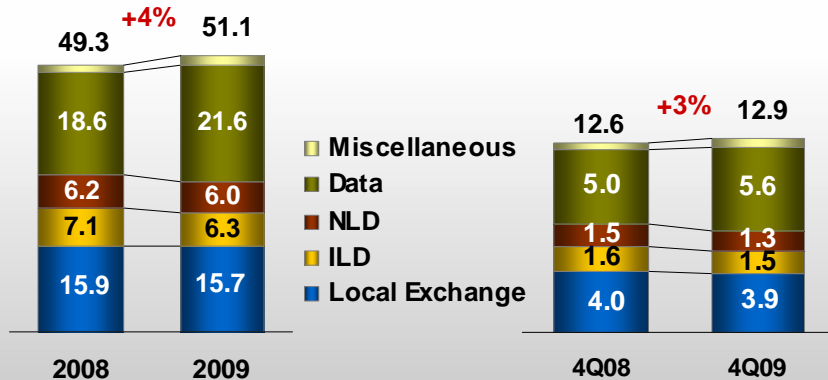
- **Wireless service revenues increased by 2% to P95.8bn and accounted for 66% of total service revenues in 2009 largely due to:**
 - + 24% increase in wireless broadband revenues
 - + 4% growth in cellular voice revenues
 - 1% decline in data and other services revenues
- **53% of total 2009 cellular service revenues from data services compared to 55% in 2008**
 - bucket-priced SMS packages accounted for 57% of cellular data revenues from 55% last year
- **Revenues from voice grew to 44% of total cellular revenues in 2009 from 42% in 2008 due to the introduction of new unlimited voice offers and the impact of forex on inbound international revenues**
- **EBITDA of P59.4 billion in 2009 is 2% lower than P60.7bn in 2008, while EBITDA margin is expectedly lower at 62% from 65% in FY08 given the growing contribution from wireless broadband**
- **Due to residual impact of the strong typhoons and extensive flooding in 3Q09, 4Q09 results were softer compared to the same quarter last year, although 6% higher quarter-on-quarter, with 4Q09 wireless service revenues lower by P200mn year-on-year**



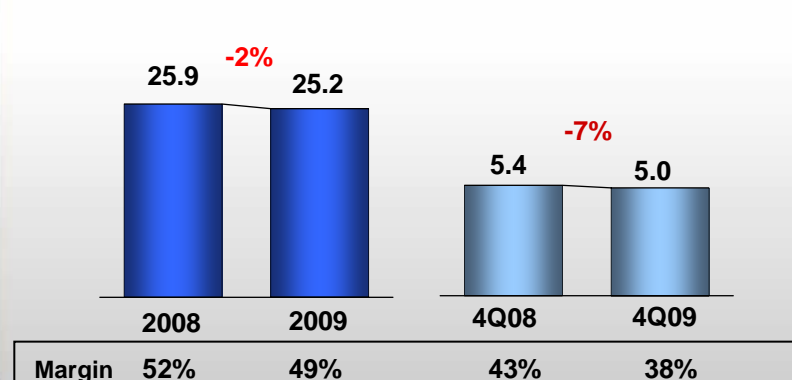
Fixed Line: Growing steadily

- **Fixed line service revenues improved by 4% to P51.1bn in FY09 resulting from:**
 - + Growth in corporate data and DSL service revenues
 - Net decline in LEC revenues on account of lower fixed charges resulting from bundling of voice and data services offset by increase in the number of postpaid billed lines
 - Lower ILD revenues due to the decline in inbound and outbound traffic volumes as a result of cellular substitution and the use of alternatives such as VoIP/email
 - Decline in NLD revenues due to lower call volumes
- **Revenues from data service continue to grow strongly, now accounting for 42% of total fixed line service revenues compared to 38% last year**
- **The impact of the growing contribution of broadband and data services to total fixed line service revenues is manifested in:**
 - EBITDA decrease of 2% to P25.2bn in 2009 compared to previous year due to a 7% increase in cash opex which includes rental expenses for international leased circuits in support of broadband/data growth
 - Lower EBITDA margin for fixed line at 49% for FY09
- **4Q09 service revenues increased by 3% to P12.9bn compared to P12.6bn in 4Q08 with EBITDA margin at 38% due to the increase in expenses recorded at year-end, including higher provisioning for doubtful accounts**

Service Revenues
(Php billions)

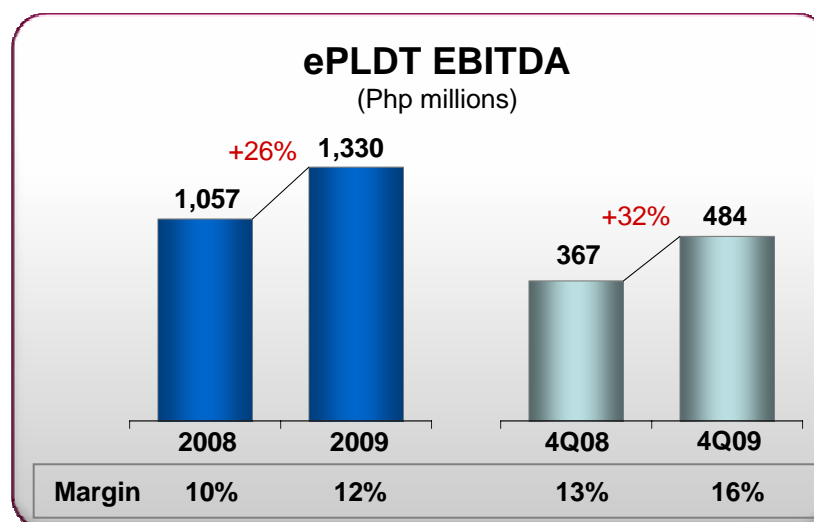
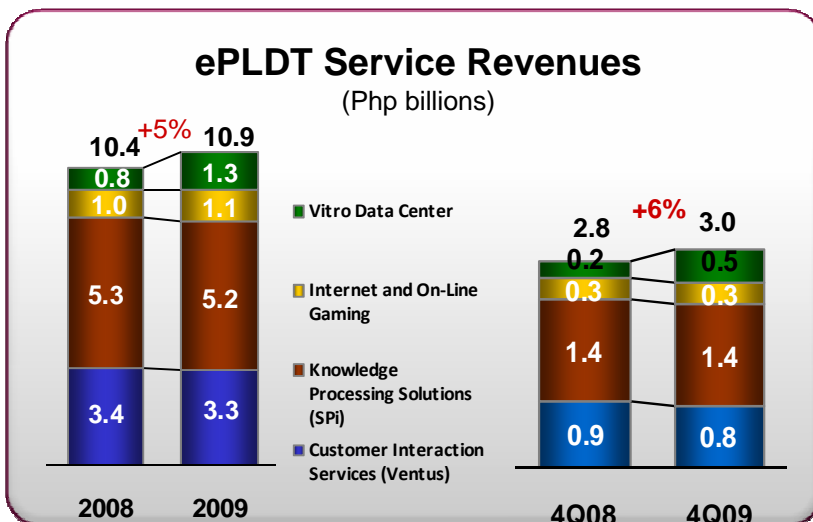


EBITDA
(Php billions)



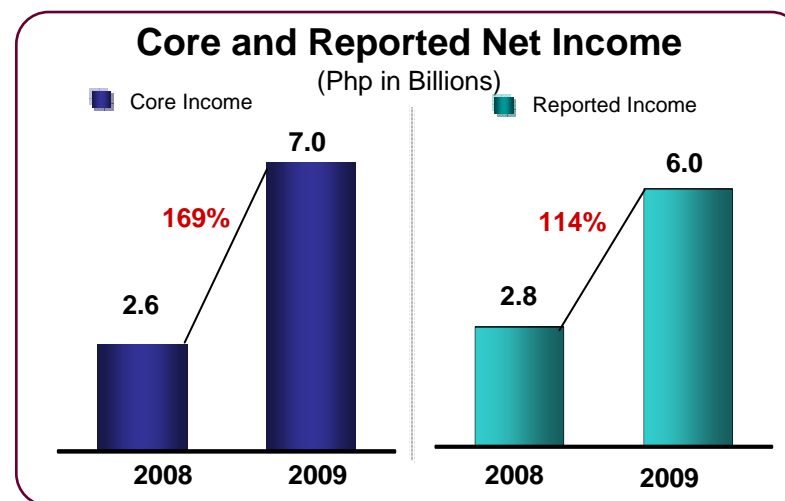
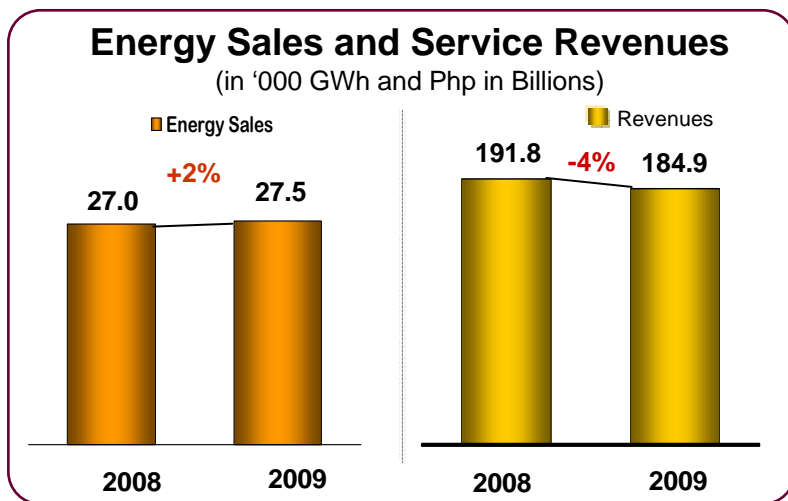
ePLDT: Moving forward

- ePLDT's service revenues, now 8% of PLDT group service revenues, registered a 5% increase to P10.9bn in FY09 due to:
 - + 67% growth in **data center** revenues due to increased contracts for co-location/server hosting, disaster recovery and business continuity service
 - 2% decrease in **call center** (Ventus) revenues as global business conditions impacted business from international clients and caused deferment in expansions/new contracts; domestic clients similarly affected
 - 1% decline in **KPS/BPO** (SPi) revenues, due to lower revenues contributed by SPi's healthcare and litigation services
- ePLDT's EBITDA increased by 26% to P1.3bn and margin improved to 12% in FY09 due to:
 - + the favorable effect of the depreciation of the peso on ePLDT's dollar service revenues
 - 1% increase in cash operating expenses particularly compensation and benefits, maintenance and rent
- Growth in 3Q09 was sustained into 4Q09 with service revenues for the quarter at P3.0bn or 6% higher compared to 4Q08, and EBITDA at P484mn or a 32% increase over 4Q08
- Re-organization of the BPO businesses to enable greater focus
 - ✓ Ventus and SPi operations to be combined



Meralco: Highlights

- PLDT's FY09 results include P398mn equity share in the earnings of Meralco for the period 15 July to 31 December 2009 (net of P100mn amortization of acquisition-related fair value adjustments), as well as a P1.2 billion derivative gain arising from the P2bn exchangeable note issued by First Philippine Utilities Corporation as part of Piltel's acquisition
- Meralco's 2009 revenues declined by 4% to P184.9bn due to lower generation and transmission charges offset by higher energy sales and the impact of the performance-based regulation (PBR) rate setting mechanism effective May 2009
- Core income for 2009 grew to P7.0bn or 169% over 2008 while reported income increased by 114% to P6.0bn compared to P2.8bn in the previous year
- **Positive developments:**
 - In addition to P0.26/kWh rate increase approved by the ERC effective June 1, 2009, the ERC approved another rate increase of P0.27/kWh effective January 1, 2010 – implementation under voluntary deferment until issues raised have been resolved
 - For the second consecutive year, Meralco's systems loss performance is below the 9.5% systems loss cap
- **Meralco's Board of Directors approved the dividend policy where 50% of core earnings would be declared as regular dividends, with a "look back approach" at the end of each year for possible special dividends**



PLDT Group: Guidance for 2010

- **Service revenues** are expected to grow by 3% over 2009 to **P150bn**:
 - Strong growth in broadband, corporate and SME business for the fixed line, and improvements in the BPO business
 - Cellular growth challenged by 80% market penetration and multiple-SIM phenomenon, increasing subscriber preference for unlimited offers and bucket plans, competition from social networking/broadband
- **EBITDA** to increase by 2% to **P88bn** with margin slightly lower at 58.6% vs. 59% in 2009 as a result of:
 - Greater contribution from broadband where margin is relatively lower than our traditional high-margin services (i. e., cellular data, ILD)
 - higher subsidies to further seed and grow the broadband business
- Notwithstanding the growth in service revenues and EBITDA, we expect core net income for 2010 to be slightly higher than **P41bn**, largely due to a **P3bn** projected increase in **net financing charges** as a result of the combined effect of higher debt levels and lower levels of cash
- **Capex** for 2010 is guided at **P28.6bn**, P600mn higher than 2009 as part of our continuing investment in the network to support take-up of broadband, higher voice usage, on top of maintenance capex
- On **capital management**, regular dividend payout ratio remains at **70%** of core EPS together with our “**look back**” approach with respect to any supplementary special dividends

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 2009: Consolidated Financial Highlights

<i>(in million pesos)</i>	FY 2009 (Unaudited)				FY 2008 (Audited)	% Change
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	
Service Revenues	95,829	51,140	10,931	145,647	142,873	2%
Cash operating expenses	32,680	24,251	9,363	53,643	50,370	6%
EBITDA ⁽¹⁾	59,411	25,215	1,330	86,194	87,742	-2%
<i>EBITDA Margin</i>	62%	49%	12%	59%	61%	
Depreciation and amortization	13,237	11,619	751	25,607	24,709	4%
Financing costs, net	(2,619)	(3,796)	(171)	(6,556)	(6,104)	7%
Income before income tax	46,241	8,122	476	54,839	54,491	1%
Provision for (benefit from) income tax	12,514	2,258	(28)	14,744	19,193	-23%
Core net income ⁽²⁾	33,026	7,502	613	41,138	38,079	8%
Reported net income	33,394	5,854	533	39,781	34,635	15%

(1) EBITDA calculation provided in Slide 24

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

Foreign Exchange Rates:

	31-Dec-09	31-Dec-08	31-Dec-07
Php per US\$	P46.43	Php47.65	Php41.41

Revenues

<i>(in million pesos)</i>	FY 2009 (Unaudited)				FY 2008 (Audited)	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Service Revenues						
Wireless						
Cellular	88,410			88,410	87,518	1%
Broadband	5,383			5,383	4,327	24%
Satellite and other services	2,036			2,036	1,748	16%
Fixed line						
Local exchange		15,681		15,681	15,923	-2%
International long distance		6,255		6,255	7,063	-11%
National long distance		5,969		5,969	6,207	-4%
Data and other network		21,567		21,567	18,607	16%
Miscellaneous		1,668		1,668	1,466	14%
ICT						
Knowledge processing solutions			5,215	5,215	5,272	-1%
Customer interaction solutions			3,319	3,319	3,402	-2%
Internet and online gaming			1,113	1,113	976	14%
<i>Vitro</i> TM data center			1,284	1,284	767	67%
Inter-segment transactions				(12,253)	(10,403)	18%
	95,829	51,140	10,931	145,647	142,873	2%
Non-Service Revenues	1,695	233	618	2,546	2,990	-15%
Inter-segment transactions	-	-	-	(200)	(281)	-29%
	1,695	233	618	2,346	2,709	-13%
Total Revenues	<u>97,524</u>	<u>51,373</u>	<u>11,549</u>	<u>147,993</u>	<u>145,582</u>	<u>2%</u>

Expenses

<i>(in million pesos)</i>	FY 2009 (Unaudited)				FY 2008 (Audited)	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Operating expenses						
Compensation and employee benefits	6,059	10,637	6,418	23,100	20,709	12%
Repairs and maintenance	4,340	4,345	669	8,631	8,569	1%
Selling and promotions	4,051	1,590	113	5,749	5,695	1%
Professional and other contracted services	2,904	2,485	592	4,361	4,591	-5%
Rent	10,553	2,749	716	4,055	3,656	11%
Taxes and licenses	2,022	755	104	2,881	2,736	5%
Communication, training and travel	972	658	500	1,902	1,993	-5%
Insurance and security services	781	488	68	1,264	1,196	6%
Other operating expenses	998	544	183	1,700	1,225	39%
Cash operating expenses	32,680	24,250	9,363	53,643	50,370	6%
Depreciation and amortization	13,237	11,619	751	25,607	24,709	4%
Asset impairment	2,026	2,901	134	5,061	4,180	21%
Provisions	-	-	-	-	898	-100%
Amortization on intangible assets	126	-	242	368	377	-2%
Non-cash operating expenses	15,389	14,520	1,127	31,036	30,164	3%
Cost of sales	4,363	310	799	5,432	5,252	3%
Total Expenses	52,432	39,081	11,289	90,111	85,786	5%

Other Income (Expenses)

(in million pesos)	FY 2009 (Unaudited)				FY 2008 (Audited)	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Gains (losses) on derivative financial instruments, net	1,166	(1,581)	8	(407)	4,631	-109%
Interest income	1,139	402	28	1,539	1,668	-8%
Equity share in net earnings (losses) of associates and joint ventures	(68)	(98)	168	2	(176)	101%
Foreign exchange gains (losses), net	387	532	(12)	909	(6,170)	115%
Hedge costs	-	(599)	-	(599)	(819)	-27%
Others	1,144	970	195	2,069	1,665	24%
Total	3,768	(374)	387	3,513	799	-338%
Financing costs, net						
Interest on loans and related items	(1,950)	(4,059)	(29)	(6,008)	(5,861)	3%
Accretion on financial liabilities	(837)	(83.0)	(142)	(1,062)	(956)	11%
Dividends on CPS	-	-	-	-	(4)	100%
Financing charges	(5)	(172)	-	(177)	(61)	190%
Capitalized interest	173	518	-	691	778	-11%
Total	(2,619)	(3,795)	(171)	(6,556)	(6,104)	7%
Total other income (expenses)	1,149	(4,170)	216	(3,043)	(5,305)	-43%

EBITDA

<i>(in million pesos)</i>	FY 2009 (Unaudited)				FY 2008 (Audited)	% Change
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	
Income before tax	46,241	8,122	476	54,839	54,491	1%
Add (deduct):						
Depreciation and amortization	13,237	11,619	751	25,607	24,709	4%
Financing costs, net	2,619	3,796	171	6,556	6,104	7%
Asset impairment	956	1,304	77	2,337	2,860	-18%
Amortization of intangible assets	126	-	242	368	377	-2%
Equity share in net losses (earnings) of associates and joint ventures	68	98	(168)	(2)	176	-101%
Losses (gains) on derivative financial instruments, net	(1,166)	1,581	(8)	407	(4,631)	109%
Foreign exchange losses (gains), net	(387)	(532)	12	(909)	6,170	-115%
Interest income	(1,139)	(402)	(28)	(1,539)	(1,668)	-8%
Hedge costs	-	599	-	599	819	-27%
Other income	(1,144)	(970)	(195)	(2,069)	(1,665)	24%
EBITDA	59,411	25,215	1,330	86,194	87,742	-2%
EBITDA Margin	62%	49%	12%	59%	61%	

Core Net Income

<i>(in million pesos)</i>	FY 2009 (Unaudited)				FY 2008 (Audited)	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Reported net income	33,394	5,854	533	39,781	34,635	15%
Add (deduct):						
Foreign exchange losses (gains), net	(387)	(532)	12	(909)	6,170	-115%
Losses (gains) on derivatives financial instruments, net	(1,166)	1,581	(8)	407	(4,631)	109%
Asset impairment	567	1,304	77	1,948	2,486	-22%
Loss on re-measurement of investment	381	-	-	381	-	100%
Adjustment in equity share in Meralco	136	-	-	136	-	100%
Tax effect	100	(705)	(1)	(606)	(581)	4%
	<u>33,026</u>	<u>7,502</u>	<u>613</u>	<u>41,138</u>	<u>38,079</u>	<u>8%</u>

Cash Flows

<i>(in million pesos)</i>	FY 2009				FY 2008	%
	(Unaudited)				(Audited)	Change
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	
Net cash from operations	55,058	17,910	1,423	74,386	78,302	-5%
Add(Deduct):						
Capital expenditures	(16,281)	(11,059)	(729)	(28,069)	(25,203)	11%
Other investing activities	708	323	(40)	1,308	848	54%
Interest, net	(735)	(3,176)	(5)	(3,887)	(3,706)	5%
Dividends from Smart	-	20,440	-	-	-	
Preferred share dividends	(2)	(282)	-	(284)	(282)	1%
Pitell's dividends to third party	(433)	-	-	(433)	(398)	9%
Others	(875)	1,824	(7)	940	(1,338)	-170%
Free cash flow	37,440	25,980	641	43,962	48,222	-9%
Common share dividends	(20,440)	(38,569)	-	(38,569)	(36,444)	6%
Common share buyback	(306)	(1,432)	-	(1,738)	(4,973)	-65%
Investments	(26,237)	(27)	(349)	(26,613)	(1,523)	1647%
Redemption of preferred shares	(14)	-	-	(14)	(308)	95%
Debt repayments, net	7,988	17,416	(303)	24,761	4,519	448%
Change in cash	(1,570)	3,369	(10)	1,789	9,492	-81%
Cash balance, beginning ⁽¹⁾	23,171	15,938	1,245	40,354	30,862	31%
Cash balance, end ⁽¹⁾	21,603	19,306	1,235	42,143	40,354	4%

(1) Includes short-term investments

Balance Sheet

<i>(in million pesos)</i>	Consolidated	
	2009 (Unaudited)	2008 (Audited)
Total Assets	280,148	252,558
Nominal Value of Total Debt	102,587	78,487
<i>in US\$</i>	\$2,210	\$1,647
Less: Unamortized Debt Discount	3,858	4,576
Total Debt	98,729	73,911
Cash and short-term investments ⁽¹⁾	42,143	40,354
Net Debt ⁽³⁾	60,444	38,133
Equity	99,125	106,969
Total Debt⁽²⁾/Equity	1.03x	0.73x
Net Debt⁽³⁾/Equity	0.61x	0.36x
Total Debt⁽²⁾/EBITDA	1.19x	0.90x
Net Debt ⁽³⁾/EBITDA	0.70x	0.44x

(1) Net of cash for common dividend payment

(2) Nominal value of total debt

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

Earnings Per Share

	FY 2009 (Unaudited)		FY 2008 (Audited)	
	Basic	Diluted	Basic	Diluted
Net Income attributable to equity holders of PLDT	39,781	39,781	34,635	34,635
Dividends on preferred shares	(456)	(456)	(456)	(456)
Net Income applicable to common shares	39,324	39,324	34,180	34,179
Outstanding common shares, beginning	187,484	187,484	188,741	188,741
Average incremental number of shares under ESOP during the period	-	21	-	13
Effect of issuance of common shares during the period	15	15	542	542
Effect of purchase of treasury shares during the period	(583)	(583)	(1,120)	(1,120)
Weighted average number of shares, end	186,916	186,937	188,163	188,175
EPS (based on reported net income)	210.38	210.36	181.65	181.64
Core Net Income	41,138	41,138	38,079	38,079
Adjustments for preferred shares deemed dilutive	(456)	(456)	(456)	(456)
Net Income applicable to common shares	40,682	40,682	37,623	37,623
Weighted average number of shares, end	186,916	186,937	188,163	188,175
EPS (based on core net income)	217.65	217.62	199.95	199.94

Interest-bearing Liabilities

<i>(in millions)</i>	December 31, 2009 (Unaudited)			December 31, 2008 (Audited)	Change
	Carrying Value	Unamortized Debt Discount	Face Value	Face Value	
Debt					
PLDT	\$1,199	\$6	\$1,205	\$822	\$382
Smart	919	77	996	800	196
2014 Debt	209	71	280	280	-
Others	710	6	716	520	196
Others	9	-	9	25	(16)
Total Debt*	\$2,127	\$83	\$2,210	\$1,647	\$563
Obligations under finance lease	\$1.3	\$0.1	\$1.4	\$0.2	\$1.2

Consolidated Quarterly Financial Highlights

<i>(in million pesos)</i>	2009 (Unaudited)				2008 (Audited)	% Change 4Q09 vs. 4Q08
	1Q	2Q	3Q	4Q	4Q	
Service Revenues	36,363	36,509	35,406	37,369	37,285	-
Non-service Revenues	565	642	486	653	794	-18%
Less: Cost of sales	1,182	1,381	1,308	1,561	1,432	9%
Operating Expenses						
Cash operating expenses	13,432	13,051	12,394	14,766	13,422	10%
Non-cash operating expenses	7,261	7,012	8,495	8,268	9,929	-17%
	20,693	20,063	20,889	23,034	23,351	-1%
Operating Income	15,053	15,707	13,695	13,427	13,296	1%
EBITDA	21,852	22,228	21,665	20,449	22,020	-7%
<i>EBITDA Margin</i>	60%	61%	61%	55%	59%	
Interest Income	533	367	391	248	354	-30%
Equity share in net earnings (losses) of associates and joint ventures	(45)	(19)	375	(309)	(102)	203%
Financing costs	(1,584)	(1,533)	(1,636)	(1,803)	(1,305)	38%
FX and derivatives (gains)/losses	(1,098)	(825)	1,621	205	772	-73%
Others	430	1,331	186	(22)	122	-118%
Income before income tax	13,289	15,028	14,632	11,890	13,137	-9%
Provision for income tax	3,455	4,591	4,219	2,479	4,581	-46%
Net income, as reported	9,852	10,138	10,298	9,763	8,456	15%
Core net income	10,222	10,617	10,114	10,185	10,289	-1%