PLDT

We're changing lives.

Nine Months 2010
Financial and Operating Results

4 November 2010

fast forward

PLDT Group: 9M 2010 Financial Highlights

	9M 2010 (unaudited)	9M 2009 (unaudited)	% Y-o-Y
Service Revenues	P106.7bn	P108.3bn	1%
• Wireless	P70.4bn	P71.2bn	1%
• Fixed Line	P36.8bn	P38.2bn	4%
EBITDA	P63.8bn	P65.7bn	3%
• Wireless	P44.3bn	P44.5bn	-
• Fixed Line	P18.2bn	P20.3bn	10%
EBITDA Margin	60%	61%	
Reported Net Income	P32.0bn	P30.0bn	7%
Core Net Income	P31.4bn	P31.0bn	2%
Core EPS	P166.36	P163.70	2%
Period-end PhP:US$1	P43.92	P47.42	7%
Period-average PhP:US$1	P45.60	P47.93	5%

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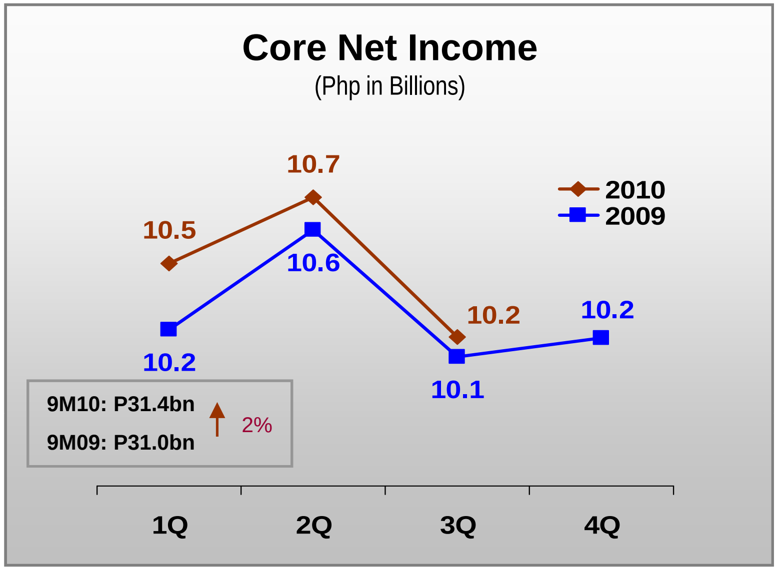
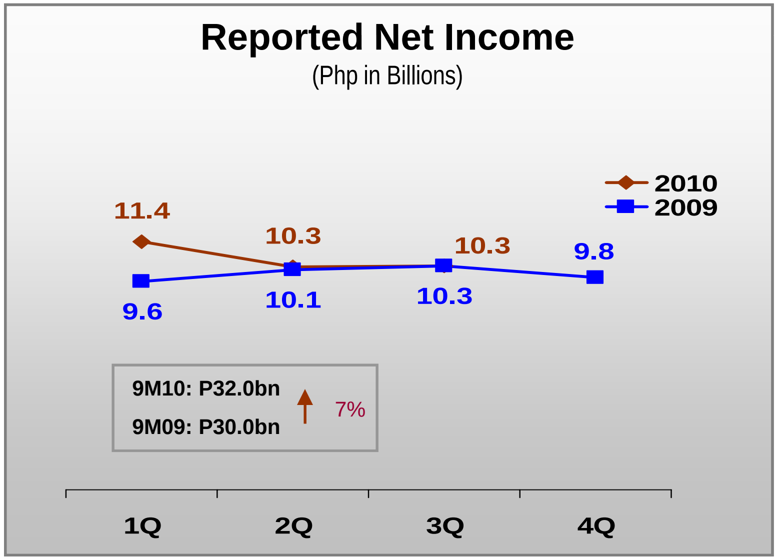
Core and Reported Net Income: Benefiting from Diversification





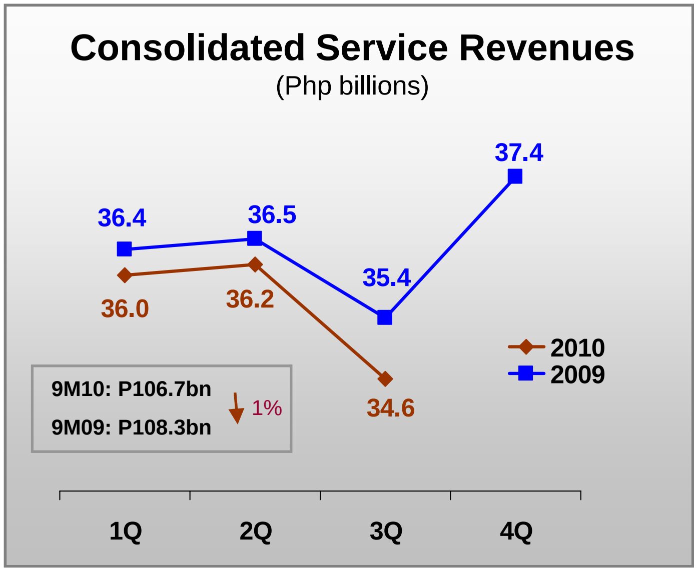
- Core Net Income for 9M10 increased by P0.4bn or 2% largely from higher earnings contributions from Meralco, ePLDT and a lower tax charge

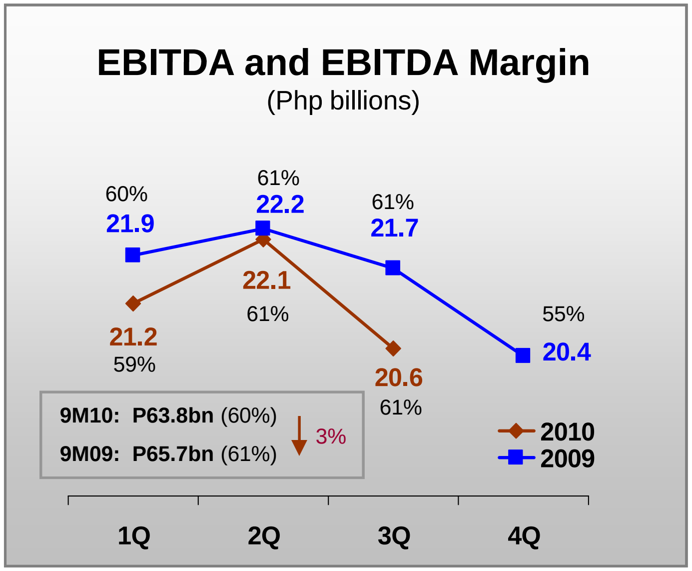
- Reported Net Income as at end September 2010 grew by 7% or P2.0bn on account of lower asset impairment in 2010 and a higher net foreign exchange/derivative gain

- Difference in Report and Core Net Incomes for 9M10 primarily due to net after tax foreign exchange/derivative gain of P1.2bn

fast forward

Service Revenues and EBITDA: Undergoing transition

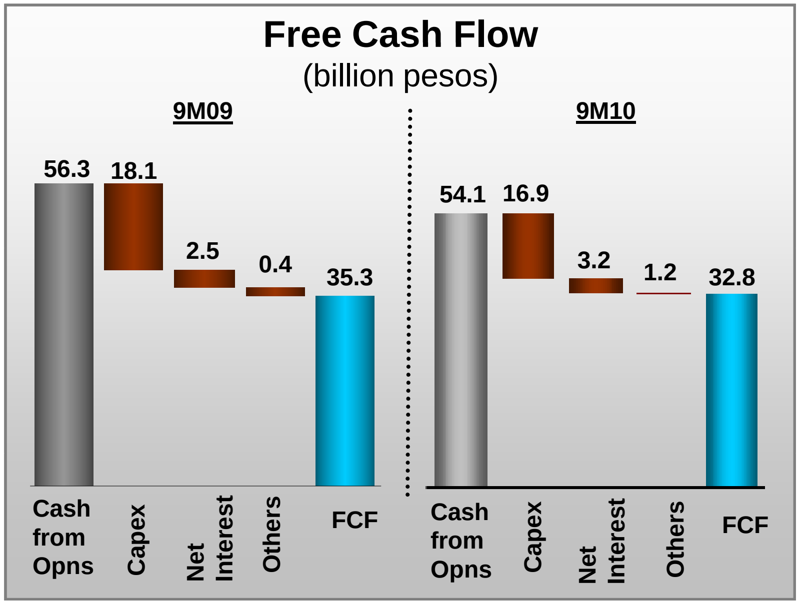


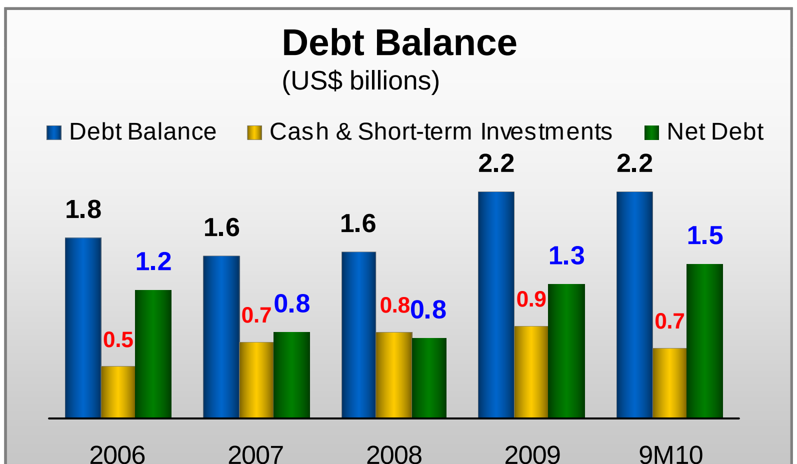


- Consolidated service revenues of P106.7bn as at 9M10 are 1% lower year-on-year due to:
  - Transition of telco revenues accelerating both the decline of traditional sources and the growth of new revenue streams:
    - + 20% increase in combined fixed and wireless broadband revenues
    - + 12% growth of cellular voice (including a 24% increase in domestic voice revenues)
    - + 18% increase in revenues from fixed data and other network services to third parties
    - – 13% reduction in cellular text revenues
    - – 34% decline in NLD revenues
    - – 16% decrease in ILD revenues
  - Impact of the 5% average appreciation of the peso resulting in reduced service revenues of about P1.5bn
  - Decline in revenues from the satellite business with the sale of transponders
- EBITDA of P63.8bn as at the end of September 2010 registered a 3% decline due to lower revenues and slightly higher cash operating expenses; had the peso remained stable, EBITDA would have been higher by P1.2bn
- EBITDA margin of 60% reflects changing service revenue mix: greater contribution from voice and broadband – lower margin services

fast forward

Free Cash Flow and Debt: Remaining healthy



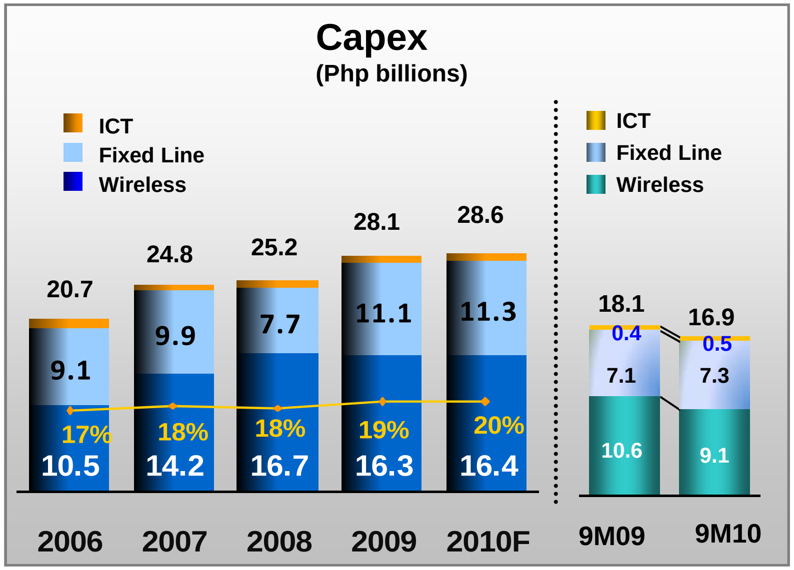


Net Debt/EBITDA

0.8x	0.4x	0.5x	0.6x*	0.8x

- FCF at 9M10 lower year-on-year largely due to lower cash from operations and higher (net) interest
- P40.7bn in dividends have been paid as at 9M10
- Debt profile as at end September 2010 remains healthy:
  - Net debt stood at US$1.5bn
  - Net debt/EBITDA at 0.8x
  - Maturities well spread out
- As of 9M10, total group debt amounted to US$2.2bn
  - 44% in US$
  - Considering our US$ cash holdings, peso borrowings and hedges, only US$494mn or 22% of our total debt remains unhedged
  - 74% are fixed-rate loans, while 26% are floating-rate loans

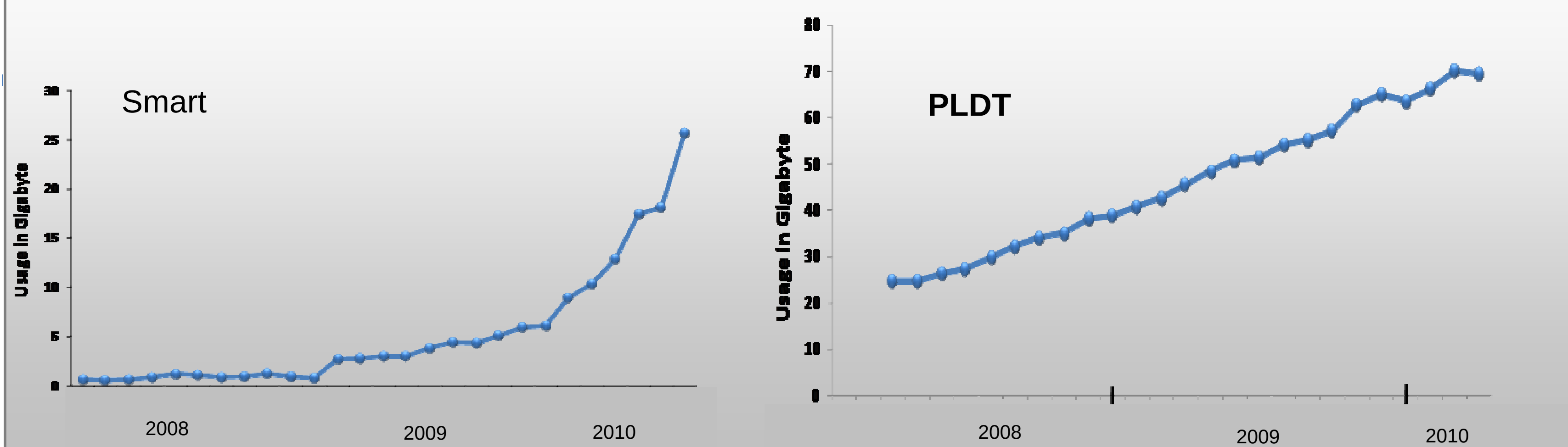
Capex: Continuing to build network strength



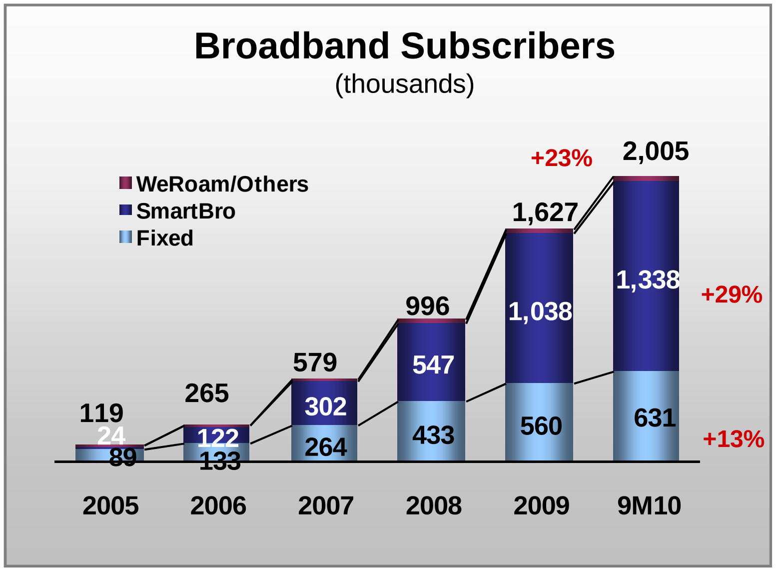
- **Capex for the year includes investments for:**
  - Increased capacity and coverage in support of higher broadband and voice usage, including the build out of our second network for low-cost voice delivery
  - Modernization of our core and access networks aimed to improve operating and cost efficiencies
  - Continuing upgrade of our fixed line network to the next generation network or NGN

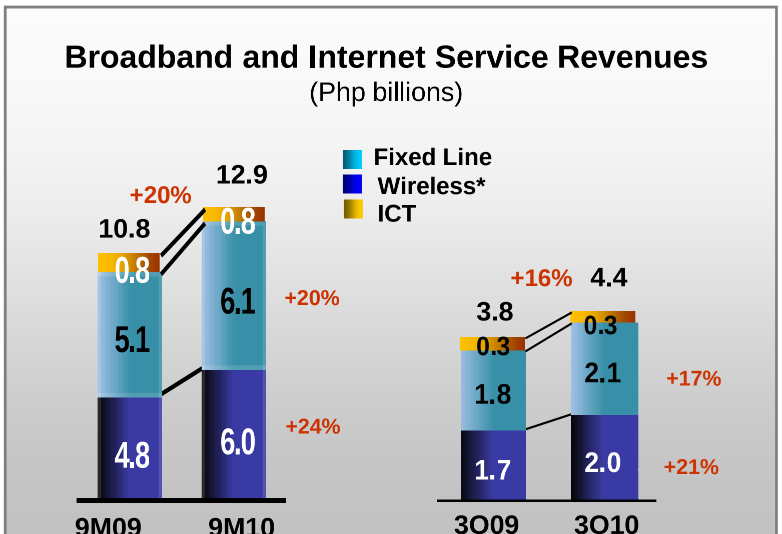
- **Substantial investments have gone into building network capacity to support both voice and data usage which have grown exponentially in recent years**

Data: Average Monthly Usage in Gigabytes



Broadband: Pushing ahead

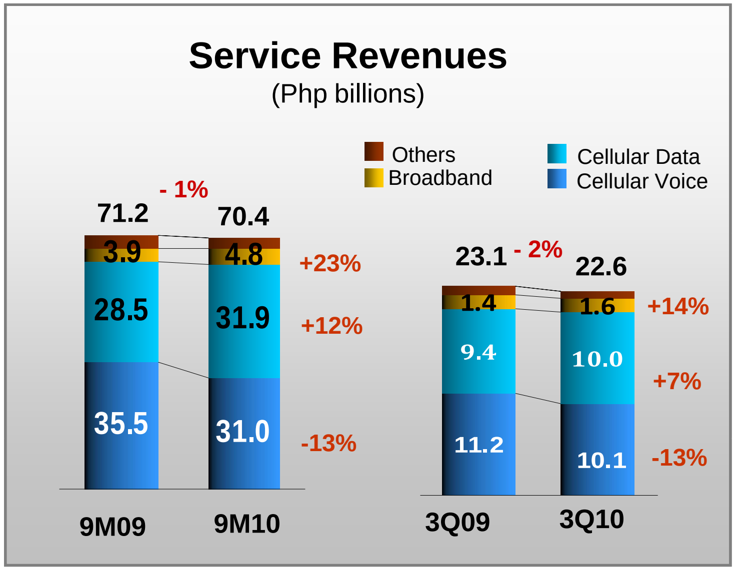


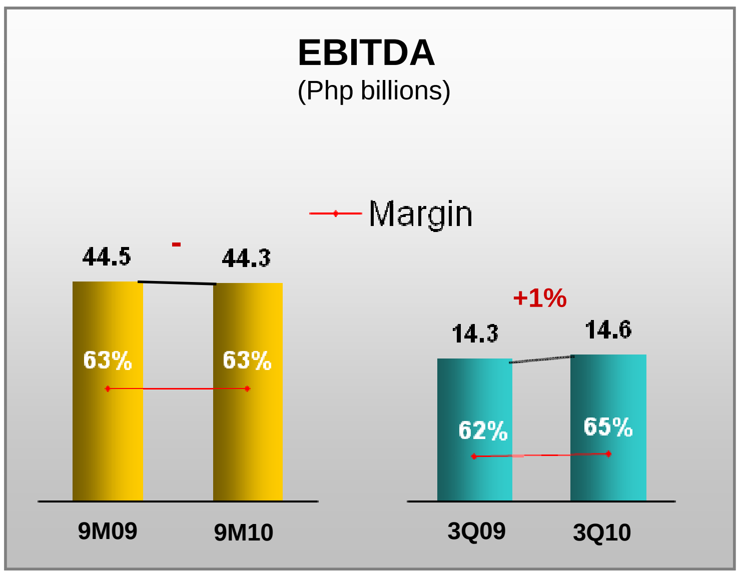


* Includes mobile internet revenues

- **PLDT combined broadband subscriber base crossed the 2 million mark having grown 23% from YE09 representing over 378,000 net adds for PLDT DSL, *SmartBro,* and *WeRoam***
  - *SmartBro,* the most widely available broadband service provider in the country today, registered more than 1.3mn subscribers as at end September 2010, of which over 905,000 are Plug-It prepaid subscribers
    - SmartBro registered over 300,000 net adds for the first nine months of 2010, almost all were Plug-It prepaid subscribers
    - 3Q10 net adds lower due to the upward adjustment in dongle prices and shift to DSL as fixed line facilities expand
  - DSL subscribers increased by nearly 71,000 in 9M10 to more than 630,000
- **PLDT Group's total broadband and internet service revenues grew by 20% to P12.9bn in 9M10, now accounting for 12% of total service revenues**
  - DSL revenues increased by 20% to P6.1bn, while wireless broadband (including mobile internet revenues) grew by 24% to P6.0bn
  - DSL ARPU at approx P1,139 while net blended wireless ARPU at P427
- **Mobile internet browsing, though in the early stages of take-up, is expected to boost broadband revenues**
  - Revenues grew by 23% to P821mn in 9M10 compared with P666mn in 9M09
  - Take-up is sensitive to the price of handsets/smartphones

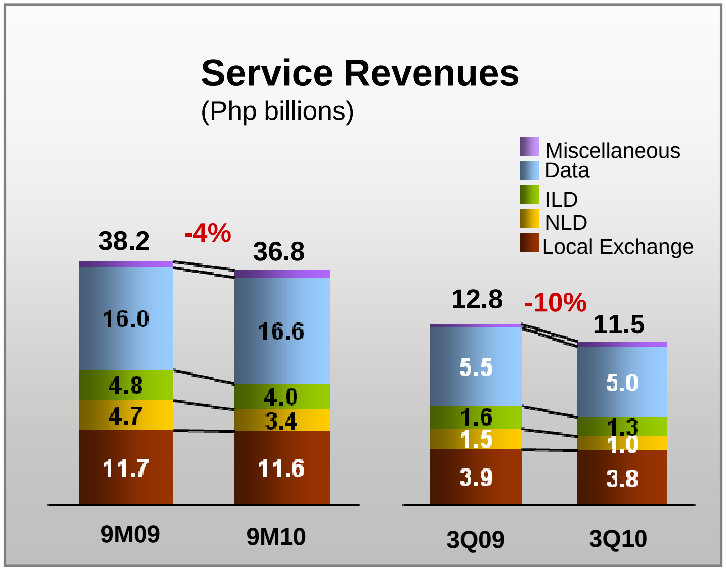
SMART: Managing the transformation

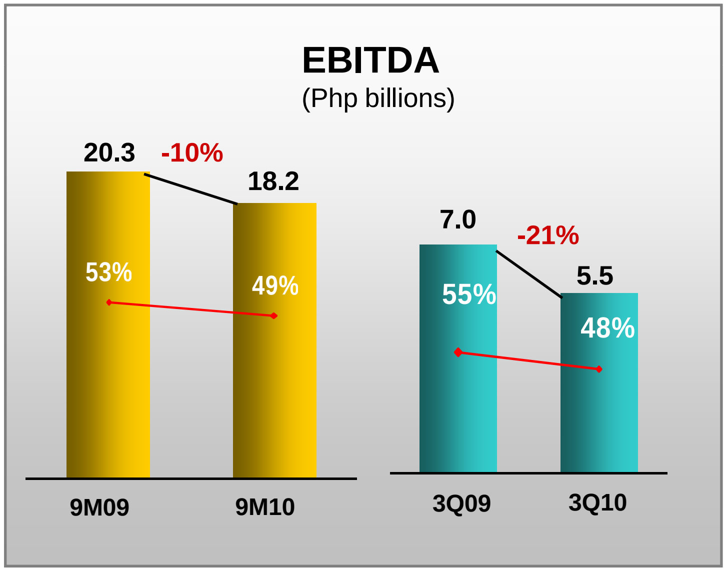




- **Combined Smart Buddy, TNT, and Red Mobile subscriber base stood at 44.1mn as at end-September 2010, an increase of 2.8mn from YE09**
  - 3Q10 net reduction in subscribers due to expected post-election churn of Buddy subscribers and the reduction in the Red subscriber base to better reflect active users of the service
- **Wireless service revenues were lower by 1% year-on-year at P70.4bn for the first nine months of 2010 due to:**
  - \+ 23% growth in wireless broadband revenues
  - \+ 12% increase in cellular voice revenues, including a 24% growth in domestic voice revenues
  - \- 13% decline in cellular data/text revenues
  - \- 17% decrease in satellite and other revenues
- **Excluding the satellite business and the impact of the peso appreciation on 21% of our revenues, our wireless revenues would have been higher by 1% year-on-year**
- **Voice revenues accounted for 49% of total cellular service revenues in 9M10 compared with 43% in 9M09**
  - Response to our low-cost/unlimited voice promos (*SmartTalk, SmartTalk Plus, Red Mobile Unlimited)* remains strong with a 140% y-o-y increase in domestic call minutes; yield lower at P1.20 per minute of voice
  - Resultant increase in voice traffic contained within the Red Mobile/second network we have put in place
- **SMS/data services as at end September 2010 contributed 48% to cellular service revenues compared with 54% last year**
  - SMS volumes are 25% higher year-on-year but yield down to P0.13 per text due to growth of bucket plans
- **Revenues from international inbound and outbound voice and data services down P0.6bn or 4% to P16.6bn at the end of 9M10**
- **EBITDA stable y-o-y at P44.3bn in 9M10 due to a 1% decline in service revenues and stable cash opex**
- **EBITDA margin of 63% for 9M10 is similar to that for 9M09**

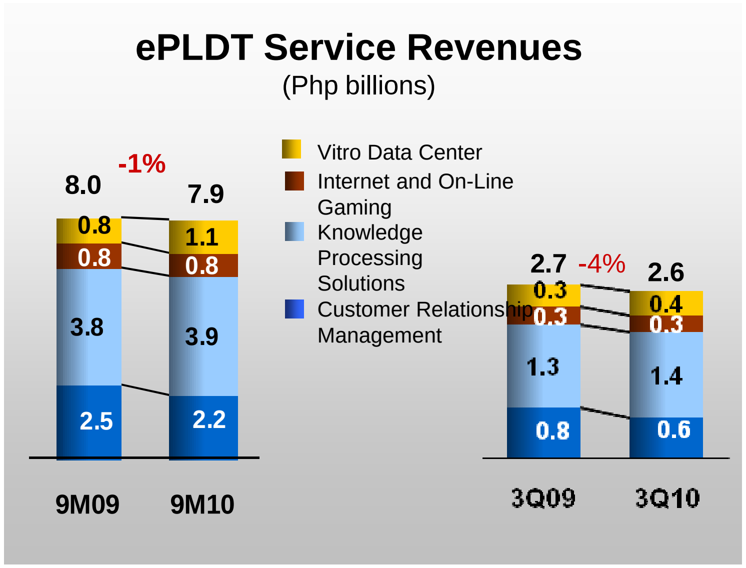
Fixed Line: Maximizing new revenues and managing the decline in traditional revenues

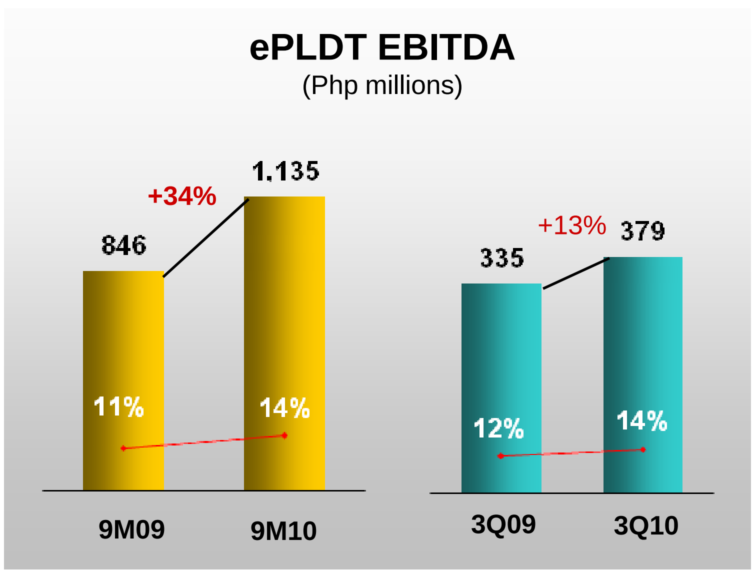




- **Fixed line service revenues decreased by 4% or P1.4bn to P36.8bn in 9M10 compared with P38.2bn in 9M09 as a result of:**
  - + 4% growth in corporate data and DSL service revenues, with non-group data and DSL revenues higher by 18%
    - International data service revenues are largely from I-Gate and IP-VPN services which registered a 37% increase year-on-year
    - Domestic data service revenues are primarily from DSL, IP-VPN and Metro Ethernet subscribers, the revenues from which have shown a 22% growth from last year
  - – LEC revenues decreased by 2% despite the increase in the average number of postpaid billed lines as ARPU declined due to bundled voice and data services
  - – NLD revenues declined by 27% primarily due to a 34% decrease in call volumes
  - – ILD revenues decreased by 16% or P0.8bn on account of the decrease in the average settlement rate for inbound calls and the unfavorable impact of the peso appreciation which reduced revenues by approx. P0.2bn
- **Year-on-year decline of P2.1bn in ILD and NLD revenues partly offset by P0.6bn growth in data service revenues**
- **Approximately 25% of fixed line service revenues are dollar-denominated; had the peso remained stable, service revenues would have been higher by P0.5bn**
- **Data service revenues comprise 45% of total fixed line service revenues in 9M10 compared with 42% in the same period last year**
- **EBITDA of P18.2bn in 9M10 is a 10% decrease y-o-y resulting from lower revenues and slightly higher cash operating expenses**
- **EBITDA margin for the first nine months of 2010 is similar to the FY09 margin of 49%, but is lower compared with 53% in 9M09**

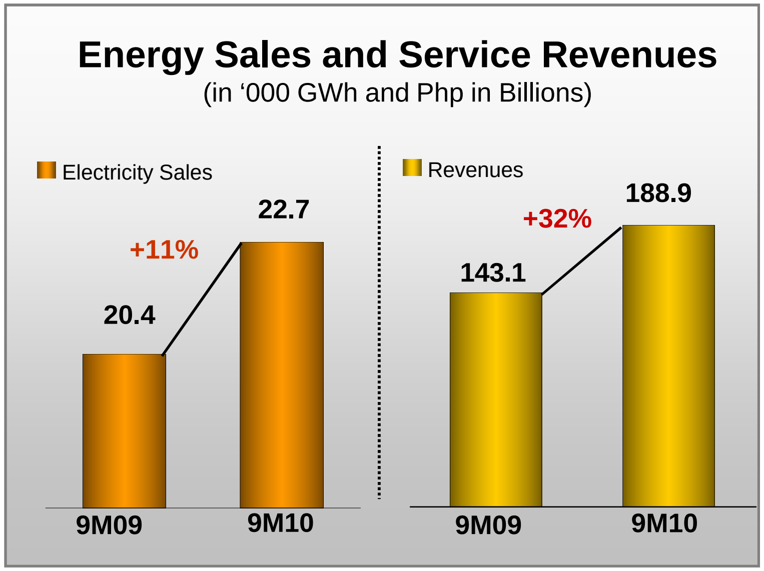
ePLDT: Restructured for growth

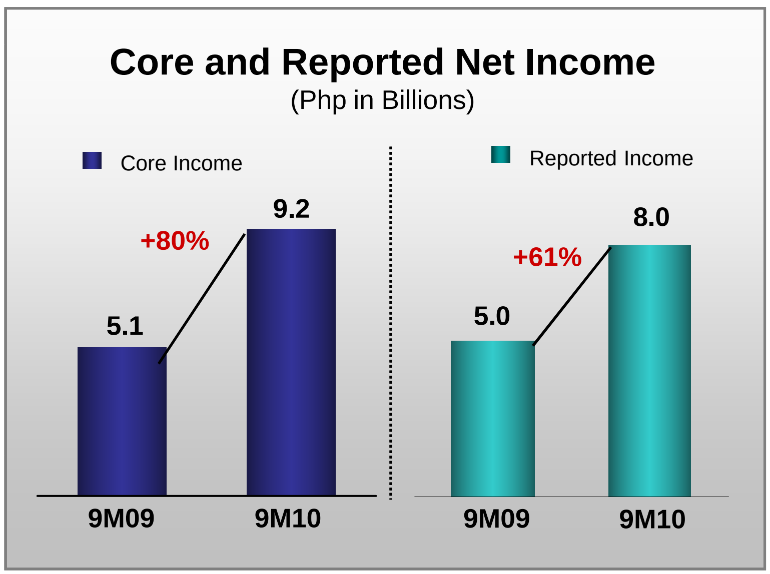




- **ePLDT service revenues, which accounts for about 7% of PLDT group service revenues, declined by 1% to P7.9bn as a result of:**
  - + 34% increase in data center revenues arising from increases in co-location and disaster recovery contracts
  - + 1% growth in BPO revenues due to higher dollar revenues offset by the peso appreciation
  - – 13% reduction in call center/Ventus revenues largely due to lower domestic sales and international revenues and the impact of the peso appreciation
- **70% of ePLDT's 9M10 revenues are dollar-denominated; had the peso remained stable, service revenues for the period would have increased by 3% y-o-y**
- **ePLDT's EBITDA for the first nine months of 2010 increased by 34% to P1.1bn with EBITDA margin of 14% compared with 11% in 9M09 due to:**
  - + 5% decline in cash operating expenses, primarily resulting from lower compensation and benefit costs due to a reduction in headcount
  - – 1% decline in service revenues
- **BPO business expected to register improvements due to:**
  - Re-organization of ePLDT resulting in the call center and BPO operations consolidated under SPI Global Solutions
  - Expanded efforts to generate a greater pipeline of new contracts, and offering end-to-end BPO solutions cutting across existing verticals
  - Robust outlook for Philippine BPO sector with projected revenue growth of over 20%

Meralco: Improving strongly





- **Meralco's consolidated service revenues as at 9M10 increased by 32% to P188.9bn as a result of an 11% growth in energy sales, an increase in customer count, higher average purchased power and transmission pass-through costs, and distribution rate adjustments**
- **Costs and expenses for 9M10 grew by 30% year-on-year to P177.2bn largely due to the higher cost of purchased power**
- **EBITDA of P16.3bn as at the end of the third quarter 2010 is 28% higher year-on-year**
- **Core and reported income for the first nine months of 2010 registered at P9.2bn and P8.0bn, respectively, reflecting an 80% and 61% growth compared with the same period last year**
- **Meralco guidance for 2010 core income increased to P11.5bn from P11.0bn**
- **Other highlights:**
  - Meralco's system loss of 7.78%, is below the 8.5% system loss cap and is the lowest in 36 years
  - Total capex as at end September 2010 stood at P5.1bn, a 5% increase compared with P4.9bn last year; proposed annual capex for RY2011 onwards of P12bn
  - Awaiting ERC approval for Meralco's application for rate increase for Regulatory Year 2011(following increases obtained for RYs 2009 and 2010)
- **Other developments:**
  - Meralco to pursue investments in power generation to tap more cost-effective sources of power

Outlook for 2010

- **2010 - 2012 will be the critical years in the Group's transformation from a traditional telecom provider to a "multi-media communications group"**
- **Transformation is being undertaken at a time when the operating environment has become increasingly price-competitive and market-share sensitive**
- **Transition of our telco revenues is accelerating both the decline of traditional sources and the growth of new revenue streams**
  - Growth in combined fixed and wireless broadband, cellular voice, and corporate data and other network services
  - Declines in cellular text revenues, national and international long distance revenues
- **The change in our revenue mix is putting significant pressure on EBITDA margins such that efficiency and cost control will be critical**
  - Manpower reduction program for the fixed line and wireless businesses will reduce headcount by a significant number by year end
  - Pushing to realize operating cost savings from migrating the fixed line legacy network to NGN
  - Initiatives to reduce network operating costs
- **Specific to 2010:**
  - The impact of the strengthening peso has put significant pressure on the group's revenue and margins: 5% average appreciation of the peso relative to the U. S. dollar resulted in reduced service revenues of about P1.5bn and EBITDA of P1.2bn
  - Decline in revenues from satellite business due to sale of transponders
- **To achieve the transformation and further strengthen our growth potential, investments in strengthening our network for coverage, capacity and diversity continue**
- **Despite these many challenges, the diversification undertaken by the group in recent years (e. g., Meralco, ePLDT) has been able to cushion the impact of these transitional changes and competitive pressures**

PLDT Group: Fine-tuning guidance for 2010

Service Revenues	Up to 2% less than P145.6bn in 2009
EBITDA	Up to 2% less than P86.2billion in 2009
Core Net Income	P41.5bn (1% increase over P41.1bn in 2009)
Capital Management	Dividend Payout Ratio: 70% of Core EPS + “look back” approach Buyback of up to 2.3 million common shares
Capex	P28.6 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, 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

fast forward

Subscriber Data

	Sep-10	Jun-10	Mar-10	Dec-09	Sep-09	y-o-y change Amount	y-o-y change %	Net Additions 1Q10	Net Additions 2Q10	Net Additions 3Q10	Net Additions 9M	% Growth
CELLULAR												
Smart	25,594,008	26,204,136	25,479,359	24,198,357	22,521,882	3,072,126	14%	1,281,002	724,777	(610,128)	1,395,651	6%
Talk 'N Text	18,136,858	18,008,072	17,445,697	17,050,713	16,552,143	1,584,715	10%	394,984	562,375	128,786	1,086,145	6%
Red Mobile	381,477	1,133,790	282,267	79,571	73,965	307,512	416%	202,696	851,523	(752,313)	301,906	379%
Total Cellular	44,112,343	45,345,998	43,207,323	41,328,641	39,147,990	4,964,353	13%	1,878,682	2,138,675	(1,233,655)	2,783,702	7%
BROADBAND												
SmartBro	1,337,965	1,323,364	1,226,195	1,037,720	801,558	Aug-68	67%	188,475	97,169	14,601	300,245	29%
DSL	630,984	609,143	589,795	559,664	548,313	May-26	15%	30,131	19,348	21,841	71,320	13%
WeRoam and Others	36,435	32,081	30,836	29,406	27,568	Apr-24	32%	1,430	1,245	4,354	7,029	24%
Total Broadband	2,005,384	1,964,588	1,846,826	1,626,790	1,377,439	627,945	114%	220,036	117,762	40,796	378,594	23%

9M 2010: Consolidated Financial Highlights

(in million pesos)	9M 2010 (Unaudited)				9M 2009 (Unaudited)	
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	% Change
Service Revenues	70,445	36,777	7,904	106,716	108,277	-1%
Cash operating expenses	23,971	17,673	6,669	39,600	38,876	2%
EBITDA[1]	44,323	18,189	1,135	63,813	65,745	-3%
EBITDA Margin	*63%*	*49%*	*14%*	*60%*	*61%*	
Depreciation and amortization	10,127	9,267	559	19,953	19,266	4%
Financing costs, net	(1,992)	(2,941)	(132)	(5,051)	(4,753)	6%
Income before income tax	35,580	7,082	370	43,032	41,903	3%
Provision for (benefit from) income tax	8,983	2,011	(20)	10,974	11,219	-2%
Core net income [2]	26,242	4,686	495	31,423	30,951	2%
Reported net income	26,518	5,063	407	31,988	30,018	7%

(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:

	30-Sep-10	30-Sep-09	31-Dec-09
Php per US$	43.92	47.42	46.43

fast forward

Reconciliation of Core and Reported Net Income

(in billion pesos)	9M10	9M09	Difference
Reported net income	32.0	30.0	2.0
Core net income	31.4	31.0	0.4
	0.6	(1.0)	1.6
Accounted for by:			
Forex Gain	1.7	0.2	1.5
Loss on Drevatives	(0.1)	(0.1)	-
Asset Impairment	(0.2)	(1.7)	1.5
Adjustment in equity in investment	(0.3)	(0.1)	(0.2)
	1.1	(1.7)	2.8
Tax Effect	(0.5)	0.7	(1.2)
	0.6	(1.0)	1.6

Consolidated Revenues

(in billion pesos)	Nine Months			Third Quarter		
	2010	2009	% Change	2010	2009	% Change
Voice	50.3	49.7	1%	16.0	16.4	-3%
Data and ICT	56.4	58.6	-4%	18.6	19.0	-2%
	106.7	108.3	-1%	34.6	35.4	-2%

Revenues by Segment

(in million pesos)	9M 2010 (Unaudited) Wireless	Fixed Line	ICT	Consolidated	9M 2009 (Unaudited) Consolidated	% Change
Service Revenues						
Wireless						
Cellular	64,819			64,819	65,844	-2%
Broadband	4,781			4,781	3,899	23%
Satellite and others	845			845	1,459	-42%
Fixed line						
Local exchange		11,559		11,559	11,739	-2%
International long distance		3,987		3,987	4,768	-16%
National long distance		3,401		3,401	4,686	-27%
Data and other network		16,605		16,605	15,965	4%
Miscellaneous		1,225		1,225	1,056	16%
ICT						
Knowledge processing solutions			3,876	3,876	3,837	1%
Customer relationship management			2,152	2,152	2,474	-13%
Internet and online gaming			780	780	830	-6%
Data center and others			1,096	1,096	816	34%
Inter-segment transactions				(8,410)	(9,096)	-8%
	70,445	36,777	7,904	106,716	108,277	-1%
Non-Service Revenues	1,070	266	357	1,693	1,869	-9%
Inter-segment transactions	-	-	-	(137)	(176)	-22%
	1,070	266	357	1,556	1,693	-8%
Total Revenues	71,515	37,043	8,261	108,272	109,970	-2%

Wireless ARPU

	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10
Postpaid	1,364	1,278	1,307	1,304	1,286	1,257	1,229
Smart Prepaid (Net)	216	212	197	203	184	179	163
TNT (Net)	144	138	122	127	115	116	112

Expenses

(in million pesos)	9M 2010 (Unaudited) Wireless	Fixed Line	ICT	Consolidated	9M 2009 (Unudited) Consolidated	% Change
Operating expenses						
Compensation and employee benefits	4,815	7,497	4,533	16,834	17,149	-2%
Repairs and maintenance	3,651	3,159	549	6,723	6,238	8%
Selling and promotions	2,862	919	76	3,855	4,263	-10%
Professional and other contracted services	2,145	2,274	377	3,408	2,795	22%
Rent	7,233	2,069	512	3,386	3,011	12%
Taxes and licenses	1,324	608	83	2,015	1,994	1%
Communication, training and travel	685	456	341	1,321	1,343	-2%
Insurance and security services	593	325	58	909	926	-2%
Other operating expenses	663	366	140	1,149	1,157	-1%
Cash operating expenses	23,971	17,673	6,669	39,600	38,876	2%
Depreciation and amortization	10,127	9,267	559	19,953	19,266	4%
Asset impairment	486	982	66	1,534	3,221	-52%
Amortization on intangible assets	75	-	193	268	281	-5%
Non-cash operating expenses	10,688	10,249	818	21,755	22,768	-4%
Cost of sales	2,748	369	444	3,561	3,871	-8%
Total Expenses	37,407	28,291	7,931	64,916	65,515	-1%

fast forward

Other Income (Expenses)

(in million pesos)	9M 2010 (Unaudited) Wireless	Fixed Line	ICT	Consolidated	9M 2009 (Unaudited) Consolidated	% Change
Foreign exchange gains (losses), net	800	922	(55)	1,667	232	619%
Equity share in net earnings of associates and joint ventures	1,285	-	134	1,419	311	356%
Interest income	520	382	26	914	1,291	-29%
Gains (losses) on derivative financial instruments, net	(1)	(141)	5	(137)	(62)	-121%
Hedge costs	-	(358)	-	(358)	(472)	-24%
Others	860	466	62	1,222	901	36%
Total	3,464	1,271	172	4,728	2,201	115%
Financing costs, net						
Interest on loans and other related items	(1,529)	(3,142)	(11)	(4,668)	(4,393)	6%
Accretion on financial liabilities	(698)	(66)	(121)	(885)	(778)	14%
Financing charges	(3)	(33)	-	(36)	(110)	-67%
Capitalized interest	238	300	-	538	528	2%
Total	(1,992)	(2,941)	(132)	(5,051)	(4,753)	6%
Total other income (expenses)	1,472	(1,670)	40	(323)	(2,552)	-87%

fast forward

EBITDA

(in million pesos)	9M 2010 (Unaudited) Wireless	Fixed Line	ICT	Consolidated	9M 2009 (Unaudited) Consolidated	% Change
Income before tax	35,580	7,082	370	43,032	41,903	3%
Add (deduct):						
Depreciation and amortization	10,127	9,267	559	19,953	19,266	4%
Financing costs, net	1,992	2,941	132	5,051	4,753	6%
Asset impairment	13	170	53	236	1,743	-86%
Amortization of intangible assets	75	-	193	268	281	-5%
Equity share in net earnings of associates and joint ventures	(1,285)	-	(134)	(1,419)	(311)	356%
Losses (gains) on derivative financial instruments, net	1	141	(5)	137	62	121%
Foreign exchange losses (gains), net	(800)	(922)	55	(1,667)	(232)	619%
Interest income	(520)	(382)	(26)	(914)	(1,291)	-29%
Hedge costs	-	358	-	358	472	-24%
Other income	(860)	(466)	(62)	(1,222)	(901)	36%
EBITDA	44,323	18,189	1,135	63,813	65,745	-3%
EBITDA Margin	63%	49%	14%	60%	61%	

Core Net Income

(in million pesos)	9M 2010 (Unaudited) Wireless	Fixed Line	ICT	Consolidated	9M 2009 (Unudited) Consolidated	% Change
Reported net income	26,518	5,063	407	31,988	30,018	7%
Add (deduct):						
Foreign exchange losses (gains), net	(811)	(922)	55	(1,678)	(232)	623%
Losses (gains) on derivatives financial instruments, net	1	141	(5)	137	62	121%
Asset impairment	9	170	53	232	1,743	-87%
Adjustment in equity share in Meralco	282	-	-	282	66	327%
Tax effect	243	234	(15)	462	(706)	165%
	26,242	4,686	495	31,423	30,951	2%

fast forward

Earnings Per Share

	9M 2010 (Unaudited)		9M 2009 (Unaudited)	
	Basic	Diluted	Basic	Diluted
Net Income attributable to equity holders of PLDT	31,988	31,988	30,018	30,018
Dividends on preferred shares	(348)	(348)	(347)	(347)
Net Income applicable to common shares	31,640	31,640	29,671	29,671
Outstanding common shares, beginning	186,797	186,797	187,484	187,484
Average incremental number of shares under ESOP during the period	-	-	-	20
Effect of issuance of common shares during the period	-	-	12	12
Effect of purchase of treasury stock during the period	-	-	(541)	(541)
Common shares equivalent of convertible preferred shares deemed dilutive:				
Preferred Stock Series A to EE	-	-	-	-
Preferred Stock Series VI	-	-	-	4
Weighted average number of shares, end	186,797	186,797	186,955	186,979
EPS (based on reported net income)	**169.38**	**169.38**	**158.70**	**158.68**
Core Net Income	31,423	31,423	30,951	30,951
Adjustments for preferred shares deemed dilutive	(348)	(348)	(347)	(347)
Net Income applicable to common shares	31,075	31,075	30,604	30,604
Weighted average number of shares, end	186,797	186,797	186,955	186,979
EPS (based on core net income)	**166.36**	**166.36**	**163.70**	**163.68**

Cash Flows

(in million pesos)	9M 2010 (Unaudited) Wireless	Fixed Line	ICT	Consolidated	9M 2009 (Unaudited) Consolidated	% Change
Net cash from operations	36,161	16,776	1,102	54,026	56,326	-4%
Add(Deduct):						
Capital expenditures	(9,137)	(7,278)	(508)	(16,923)	(18,064)	-6%
Other investing activities	327	211	70	460	727	-37%
Interest, net	(781)	(2,435)	8	(3,195)	(2,554)	25%
Dividends from Smart	-	30,000	-	-	-	-
Preferred share dividends	-	(202)	-	(202)	(198)	2%
Others	(304)	(1,054)	(33)	(1,391)	(924)	51%
Free cash flow	26,266	36,018	639	32,775	35,313	-7%
Common share dividends	(30,069)	(40,696)	-	(40,745)	(38,996)	4%
Common share buyback	-	-	-	-	(1,431)	100%
Investments	(403)	(1)	(9)	(413)	(25,209)	-98%
Redemption of preferred shares	(6)	-	-	(6)	(297)	-98%
Debt repayments, net	134	(3,453)	(295)	(3,486)	18,789	-119%
Change in cash	(4,078)	(8,132)	335	(11,875)	(11,831)	-
Cash balance, beginning(1)	21,603	19,306	1,235	42,143	40,354	4%
Cash balance, end(1)	17,524	11,174	1,570	30,268	28,523	6%

(1) Includes short-term investments

fast forward

Balance Sheet

(in million pesos)	Consolidated September 30, 2010 (Unaudited)	Consolidated December 31, 2009 (Audited)
Total Assets	**265,096**	**280,148**
Nominal Value of Total Debt	**96,619**	**102,587**
in US$	***$2,200***	***$2,210***
Less: Unamortized Debt Discount	**3,159**	**3,858**
Total Debt	**93,460**	**98,729**
Cash and short-term investments (1)	**30,268**	**42,143**
Net Debt (3)	**66,351**	**60,444**
Equity	**89,095**	**99,125**
Total Debt(2)/Equity	**1.08x**	**1.03x**
Net Debt(3)/Equity	**0.74x**	**0.61x**
Total Debt(2)/EBITDA	**1.15x**	**1.19x**
Net Debt (3)/EBITDA	**0.79x**	**0.70x**

(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

Debt Profile

(in million US$)	2006	2007	2008	2009	9M10
Debt Balance	**1,756**	**1,585**	**1,625**	**2,210**	**2,200**
Cash & Short-term Investments	**514**	**745**	**847**	**908**	**689**
Net Debt	**1,242**	**839**	**778**	**1,302**	**1,511**

Debt Maturities

as of September 30, 2010

(in million us$)

2010	**60**
2011	**283**
2012	**454**
2012	**265**
2014	**1,138**
	2,200

Interest-bearing Liabilities

(in millions)	September 30, 2010 (Unaudited) Carrying Value	Unamortized Debt Discount	Face Value	December 31, 2009 (Audited) Face Value	Change
Debt					
PLDT	**$1,164**	**$5**	**$1,169**	**$1,205**	**($36)**
Smart	**$962**	**$67**	**$1,029**	**$996**	**$33**
2014 Debt	$220	$60	$280	$280	-
Others	$742	$7	$748	$716	$33
Others	**$3**	**-**	**$3**	**$9**	**($6)**
Total Debt	**$2,128**	**$72**	**$2,200**	**$2,210**	**($10)**
Obligations under finance lease	**$0.93**	**$0.04**	**$0.97**	**$1.39**	**($0.42)**

Consolidated Quarterly Financial Highlights

(in million pesos)	2010 (Unaudited) 1Q	2Q	3Q	2009 (Unudited) 3Q	% Change 3Q10 vs. 3Q09
Service Revenues	36,005	36,151	34,560	35,406	-2%
Non-service Revenues	508	543	505	486	4%
Less: Cost of sales	1,170	1,219	1,172	1,308	-10%
Operating Expenses					
Cash operating expenses	13,612	12,848	13,140	12,394	6%
Non-cash operating expenses	7,014	7,438	7,303	8,495	-14%
	20,626	20,286	20,443	20,889	-2%
Operating Income	14,717	15,189	13,450	13,695	-2%
EBITDA	21,183	22,074	20,556	21,665	-5%
EBITDA Margin	*59%*	*61%*	*59%*	*61%*	
Interest Income	366	246	302	391	-23%
Equity share in net earnings of associates and joint ventures	369	512	538	376	43%
Financing costs	(1,874)	(1,577)	(1,600)	(1,636)	-2%
FX and derivatives (gains)/losses	1,220	(345)	297	1,621	-82%
Others	242	312	668	185	262%
Income before income tax	15,040	14,337	13,655	14,632	-7%
Provision for income tax	3,667	4,089	3,218	4,219	-24%
Net income, as reported	11,420	10,259	10,309	10,298	-
Core net income	10,484	10,746	10,193	10,113	1%

fast forward