PLDT

We're changing lives.

Full Year 2010
Financial and Operating Results

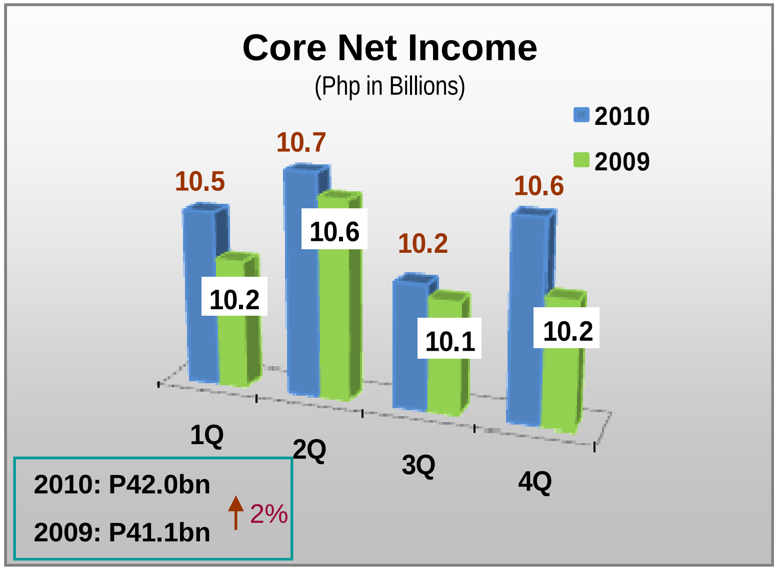
fast forward

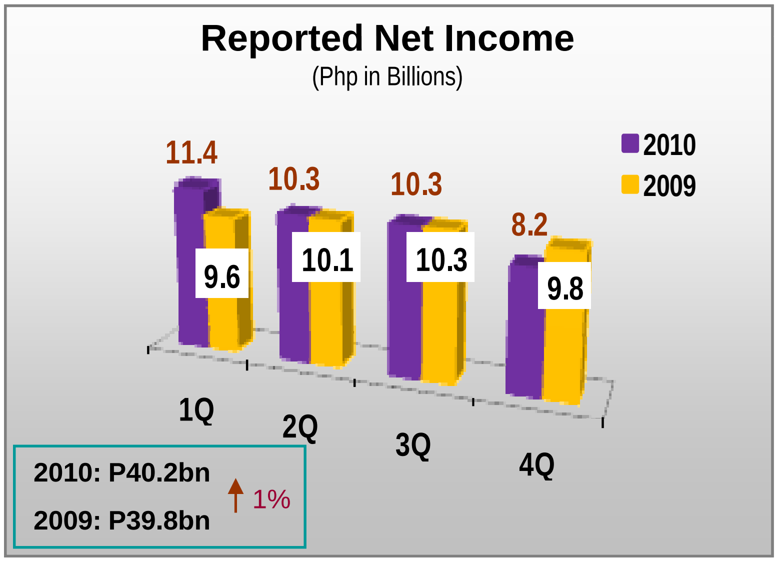
PLDT Group: FY 2010 Financial Highlights

	FY 2010 (Audited)	FY 2009 (Audited)	% Y-o-Y
Service Revenues	P142.2bn	P145.6bn	-2%
• Wireless	P93.8bn	P95.8bn	-2%
• Fixed Line	P48.6bn	P51.1bn	-5%
EBITDA	P83.7bn	P86.2bn	-3%
• Wireless	P58.9bn	P59.4bn	-1%
• Fixed Line	P22.7bn	P25.2bn	-10%
EBITDA Margin	59%	59%	
Reported Net Income	P40.2bn	P39.8bn	1%
Core Net Income	P42.0bn	P41.1bn	2%
Core EPS	P222.55	P217.65	2%
Period-end PhP:US$1	P43.81	P46.43	-6%
Period-average PhP:US$1	P45.13	P47.64	-5%

fast forward

Core and Reported Net Income: Showing resiliency





- Core Net Income for FY10 grew by P0.9bn or 2% to P42.0bn primarily from higher earnings contributions from Meralco, ePLDT/SPi and a lower tax charge
  - Core Net Income for all quarters of 2010 was consistently higher compared to prior year
- Reported Net Income as at end December 2010 amounted to P40.2bn, higher by 1% or P0.4bn
- Total exceptional items for the year amounted to P1.8bn consisting of:
  - Asset impairment of P1.5bn
  - Non-core portion of equity share in Meralco earnings of P0.7bn
  - Tax effect of P0.1bn pertinent to exceptional items
  - Net forex gains of P0.5bn arising from our foreign currency assets and liabilities

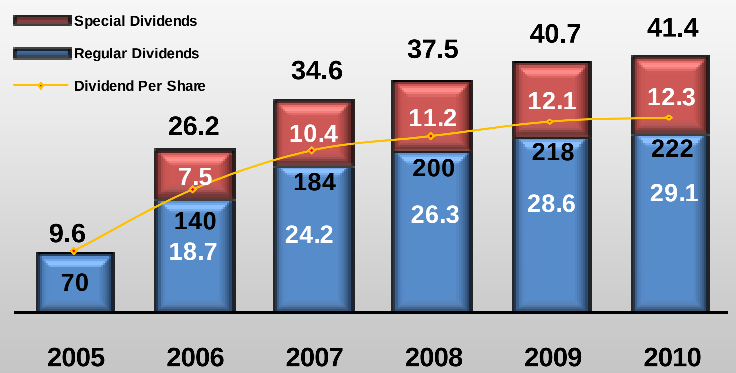
PLDT Group: Capital Management

Dividend Declaration

Declaration Date	1 March 2011
Record Date	16 March 2011
Payment Date	19 April 2011
Interim Regular Dividend for 2010	P78 per share
Final Regular Dividend for 2010	P78 per share
Special Dividend for 2010	P66 per share
Total Dividends per share for 2010	P222 per share

Dividend Payments

(PhP billions, except per share amount)

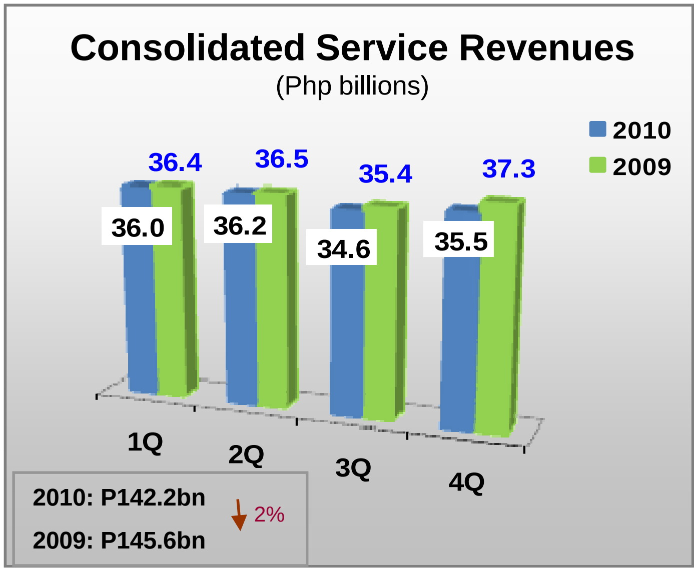


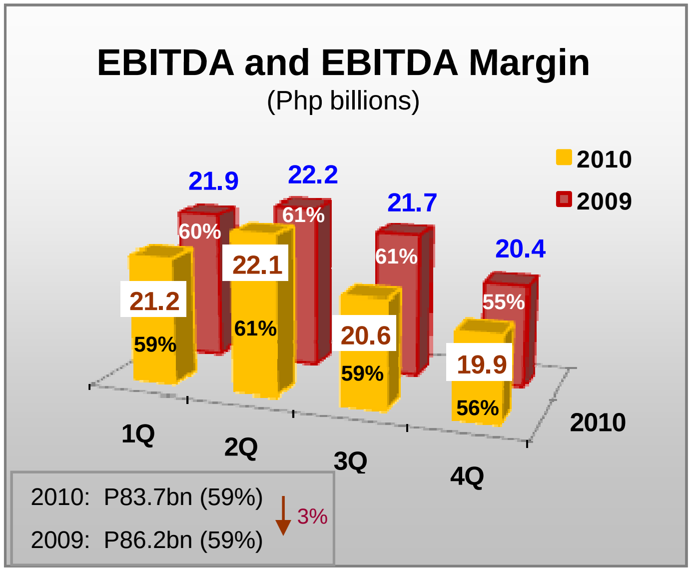
Payout Ratio	40%	85%	100%	100%	100%	100%

- In line with the committed 70% dividend payout ratio, PLDT declared a regular cash dividend of P78/share bringing total regular dividends to P156/share
- Following the“look-back” policy, the Company declared special dividends of P66 per share representing an additional 30% payout
- 100% dividend payout for each of 2007, 2008, 2009 and 2010
- Under the approved share buyback program, PLDT may still acquire up to 2.3mn shares on opportunistic basis

fast forward

Service Revenues and EBITDA: Changing Revenue Mix





➢ Consolidated service revenues for 2010 declined by P3.4bn or 2% year-on-year to P142.2bn in FY10 on account of:

- **New revenue streams contributing to the decline in traditional revenue sources:**
  - \+ 15% growth in combined fixed and wireless broadband and internet revenues
  - \+ 16% rise in revenues from fixed data and other network services to third parties
  - \+ 9% increase of cellular voice (including a 19% increase in domestic voice revenues offset by a 5% decline in international voice revenues)
  - – 12% decline in cellular text revenues
  - – 17% decrease in Fixed Line ILD revenues
  - – 25% reduction in NLD revenues
- **5% average appreciation of the peso during the year resulted in reduced service revenues of about P2.2bn**
- **Reduction of P0.9bn in revenues from the satellite business due to the sale of transponders**

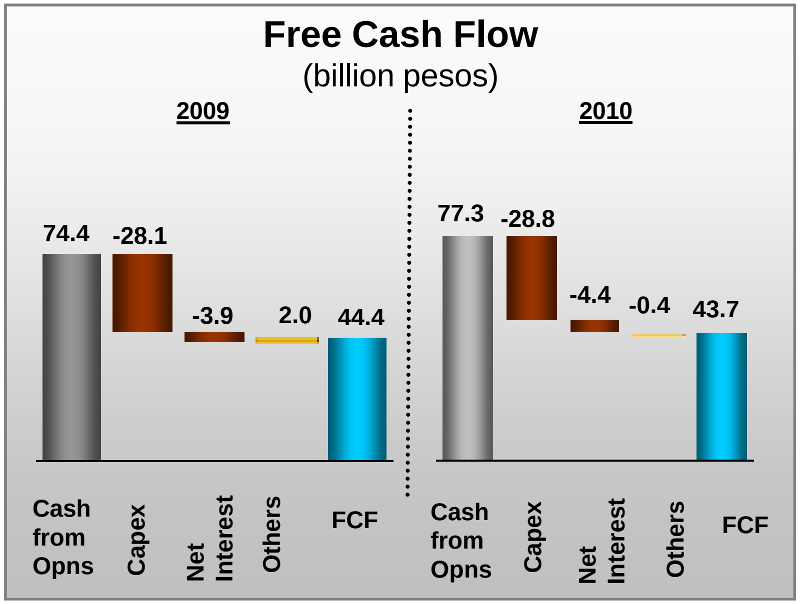
➢ EBITDA of P83.7bn as at FY2010 is a 3% decline year-on-year due to lower revenues and higher cash operating expenses

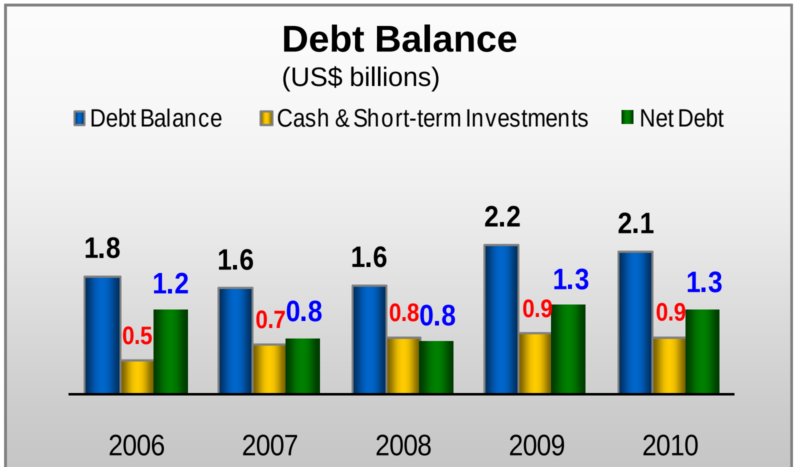
- **As part of cost rationalization initiatives, a manpower reduction program (MRP) was undertaken in 4Q10, affecting 1,065 PLDT and Smart personnel resulting in a one-time cost of P2.1bn**

➢ Consolidated EBITDA margin for 2010 remained steady at 59%

➢ About 26% of our service revenues are dollar-denominated or dollar-linked; had the peso remained stable, service revenues and EBITDA would have each declined by only 1%

Free Cash Flow and Debt: Kept at manageable levels



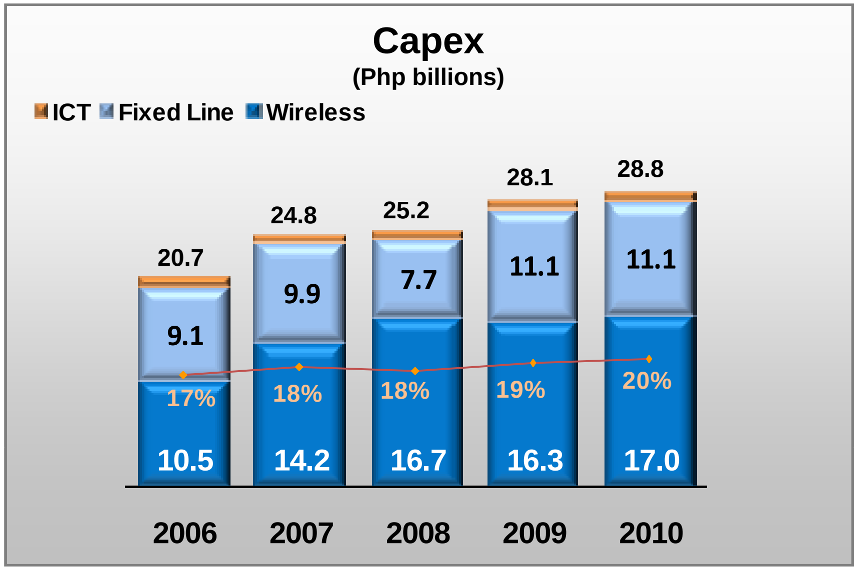


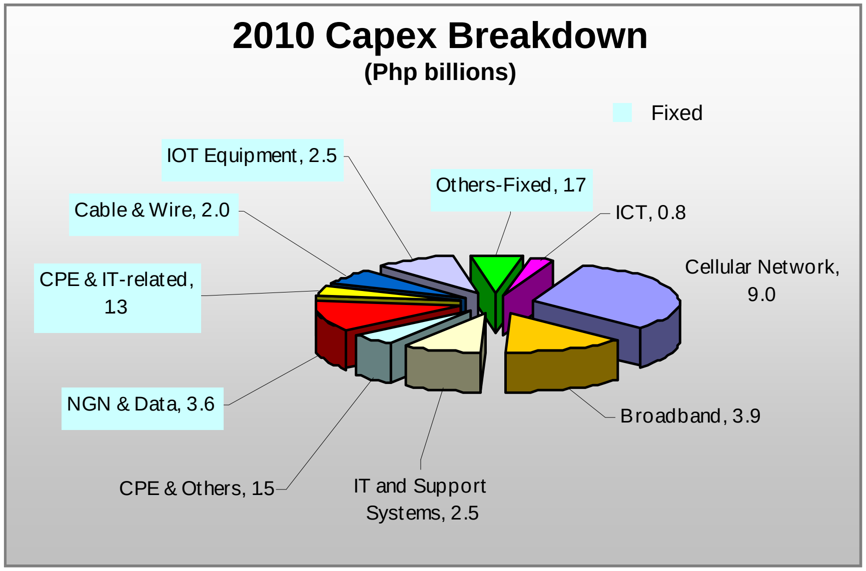
Net Debt/EBITDA				
0.8x	0.4x	0.5x	0.7x	0.7x

- **FCF at FY10 of P43.7bn lower by P0.7bn year-on-year largely accounted for by:**
  - + Higher cash from operations of P2.9bn
  - – P0.7bn increase in capex
  - – Higher net interest of P0.5bn
- **FCF/revenues stable year-on-year at about 31%**
- **As at end December 2010, total group debt amounted to US$2.1bn compared with US$2.2bn at the end of December 2009**
  - – 45% in US$ compared with 48% in 2009
  - – Taking into account our US$ cash holdings, peso borrowings and hedges, only US$527mn or 25% of our total debt remains unhedged
  - – 76% are fixed-rate loans, while 24% are floating-rate loans
- **Debt profile as of FY2010 remains healthy:**
  - – Gross debt lower by US$0.1bn in 2010 vs. 2009
  - – Net debt remained stable at US$1.3bn
  - – Net debt/EBITDA at 0.7x similar to 2009
  - – Maturities spread out

fast forward

Capex: Building network strength

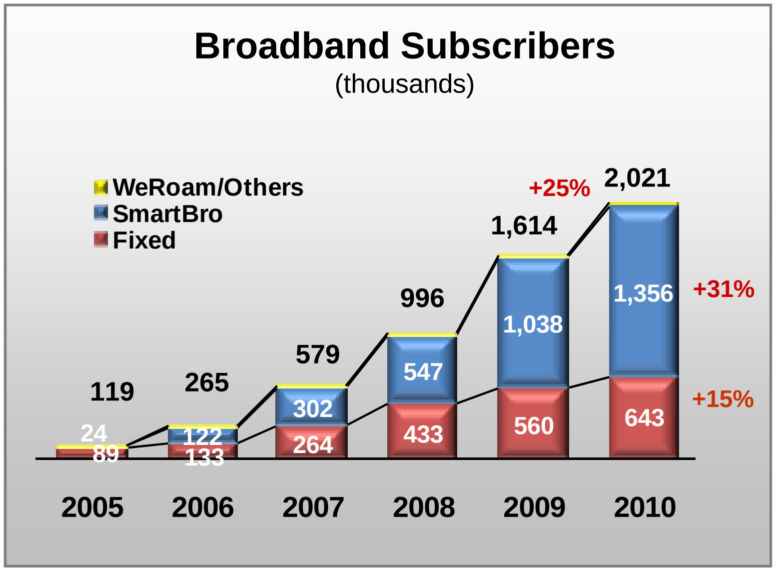


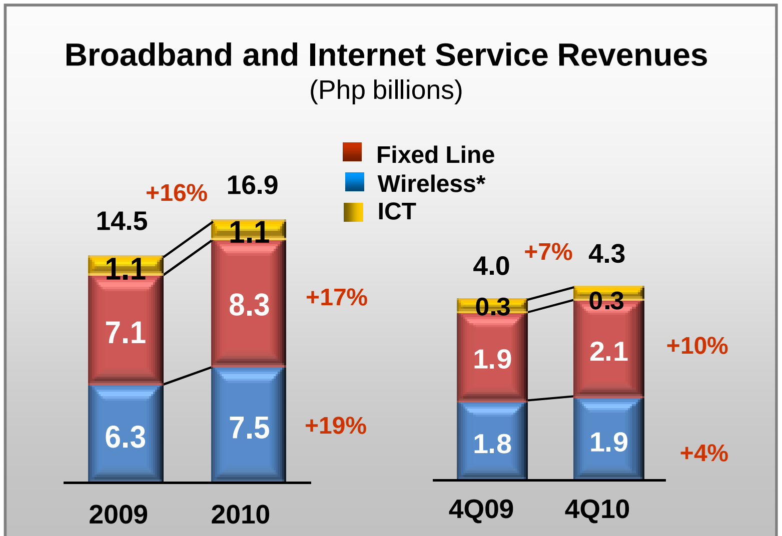


- **Capex for 2010 was P28.8bn or approx. 20% of service revenues, and included:**
  - Increased capacity and coverage in support of higher broadband and voice usage, including the build out of our second network for low-cost voice delivery
  - Modernization of our core and access networks aimed to improve operating and cost efficiencies
  - Continuing upgrade of our fixed line network to the next generation network or NGN

- **As of end December 2010, Smart network's population coverage stood at 99% for 2G, 52% for 3G and 69% for fixed wireless broadband**
  - 6,037 cell sites
  - 10,316 cellular/mobile broadband base stations
  - 2,519 fixed wireless broadband-enabled base stations

Broadband: Continuing to climb





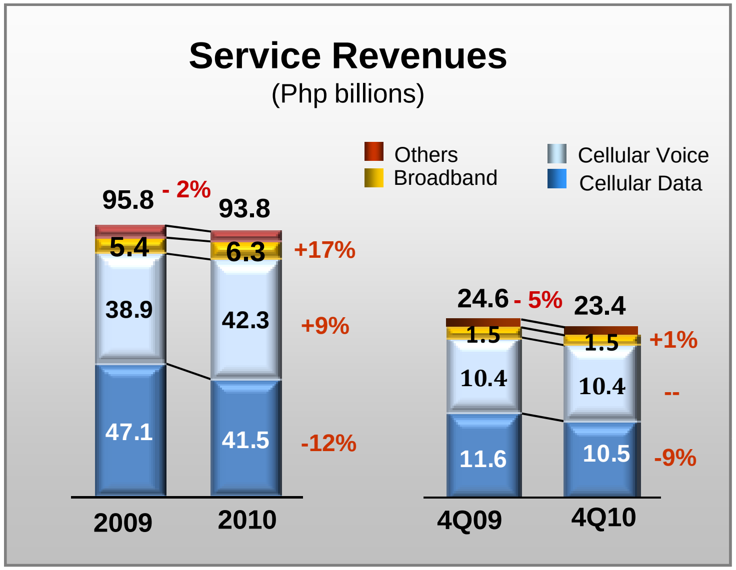
* Includes mobile internet revenues

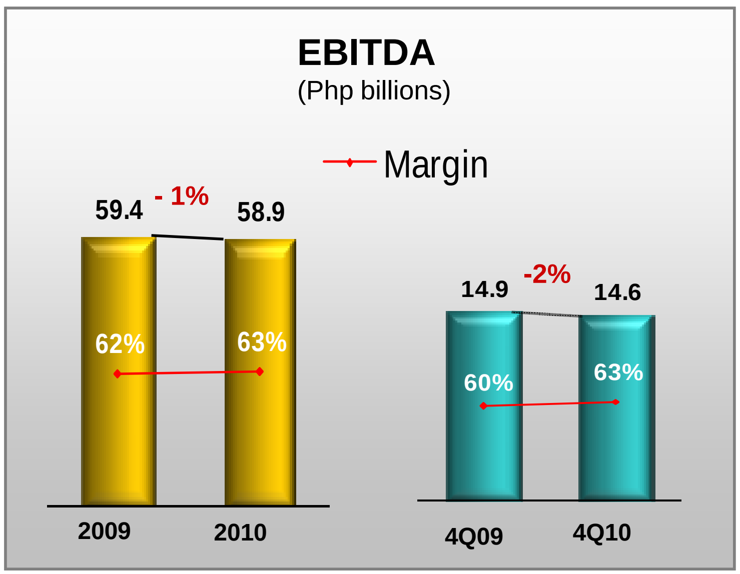
- **PLDT combined broadband subscriber base grew 25% from 1.6 million to over 2 million subscribers at YE10 or over 406,000 net adds for 2010**
  - *SmartBro,* the most widely available broadband service provider in the country today, had about 1.4mn subscribers as at end December 2010, of which over 925,000 were Plug-It prepaid subscribers
    - Almost all of SmartBro's more than 318,000 net adds for 2010 were Plug-It prepaid subscribers
    - A slowdown in 2010 quarterly net adds resulted from the combined effect of the upward adjustment in dongle prices and some shifting to DSL as fixed line facilities expand
    - Improved momentum in net adds registered starting January 2011
  - DSL subscribers grew by over 83,000 in 2010 to more than 640,000 or approx. 35% of the total fixed line subscriber base

- **PLDT Group's total broadband and internet service revenues grew by 16% to P16.9bn in 2010 and now contributes 12% to total service revenues**
  - DSL revenues increased by 17% to P8.3bn, while wireless broadband (including mobile internet revenues) grew by 19% to P8.0bn
  - DSL ARPU of approx P1,137 while net blended wireless ARPU of P413

- **Mobile internet browsing, though in the early stages of take-up, is expected to boost broadband revenues**
  - Revenues grew by 37% to P725mn in 2010 compared with P530mn in 2009
  - Since take-up is sensitive to the price of handsets/smartphones, Smart has collaborated with handset suppliers for the introduction of the Netphone – a pioneering smart phone specially designed to serve a broad market of users

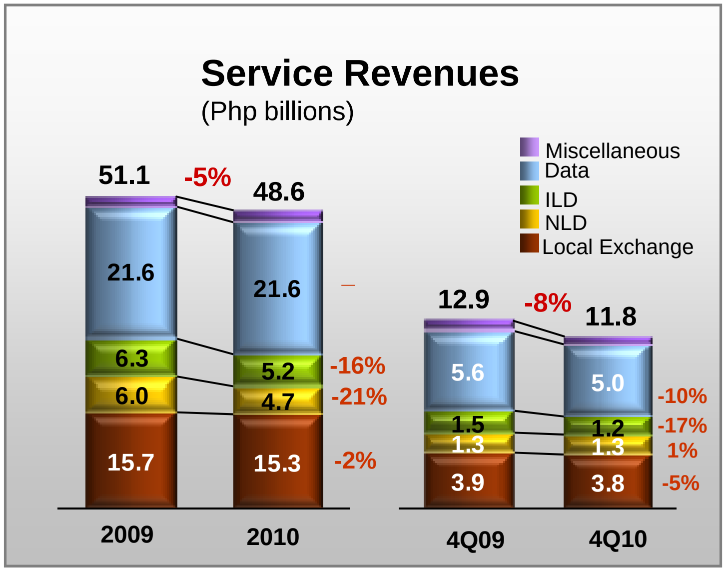
SMART: Managing the transformation

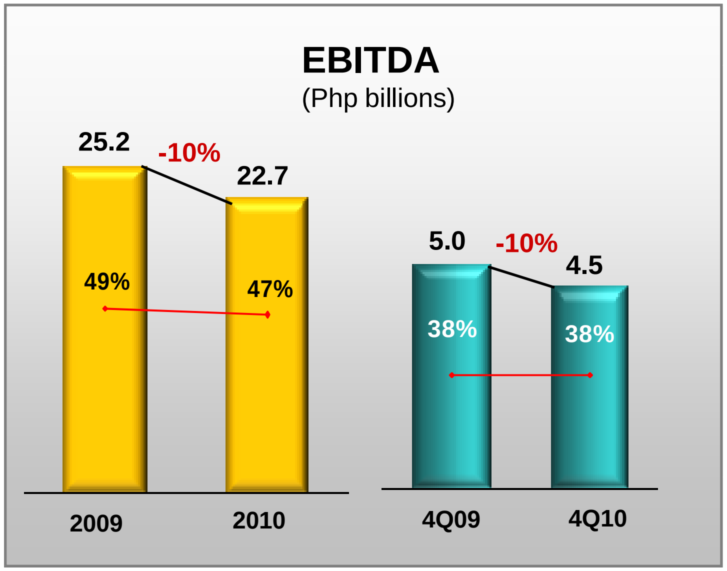




- **Combined Smart Buddy, TNT, and Red Mobile subscriber base grew to 45.6mn as at end-December 2010**
  - 10% growth in subscriber base, or 4.3mn net adds in 2010 with 1.9mn for TNT, 1.5mn for Buddy, and 0.9mn for Red mobile
  - Of the 1.5mn net adds for the 4Q10, 0.8mn were TNT subscribers, 0.6mn were Red mobile subscribers, and 0.1mn were Buddy subscribers
- **Wireless service revenues for 2010 declined by 2% year-on-year to P93.8bn on account of:**
  - \+ 17% increase in wireless broadband revenues
  - \+ 9% growth in cellular voice revenues, including a 19% rise in domestic voice revenues
  - \- 12% reduction in cellular data/text revenues
  - \- 17% decline in satellite and other revenues due to the sale of transponders
- **Excluding the satellite business and the impact of the peso appreciation on 21% of our revenues or approx. US$442mn, our wireless revenues would have been stable year-on-year**
- **Voice revenues comprised 49% of total cellular service revenues in 2010 compared with 44% in 2009**
  - Response to our low-cost/unlimited voice promos (*SmartTalk, SmartTalk Plus, Red Mobile Unlimited)* remains strong with a 82% y-o-y growth in domestic call minutes; yield lower at P1.19 per minute of voice
  - Increase in voice traffic generated by the low-cost/unlimited voice promos are to be carried by the Red Mobile/second network we have put in place
- **SMS/data services as at end December 2010 accounted for 48% of cellular service revenues compared with 53% in 2009**
  - SMS volumes are higher by 19% year-on-year but yield is at P0.13 per text due to popularity of bucket plans
- **Revenues from international inbound and outbound voice and data services declined by P1.1bn or 6% to P17.8bn at the end of 2010**
- **EBITDA decreased 1% year-on-year to P58.9bn in 2010 due to a 2% decline in service revenues and 3% decrease in cash opex**
- **EBITDA margin improved to 63% for 2010**

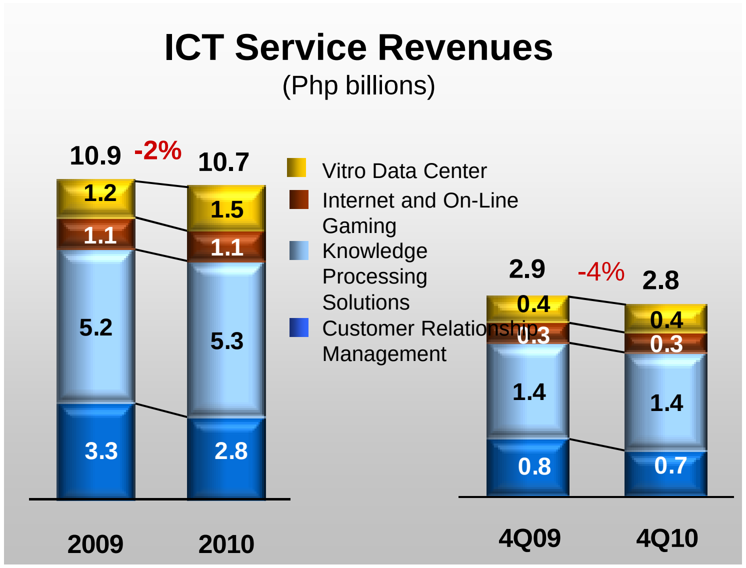
Fixed Line: Declining traditional revenues muting growth

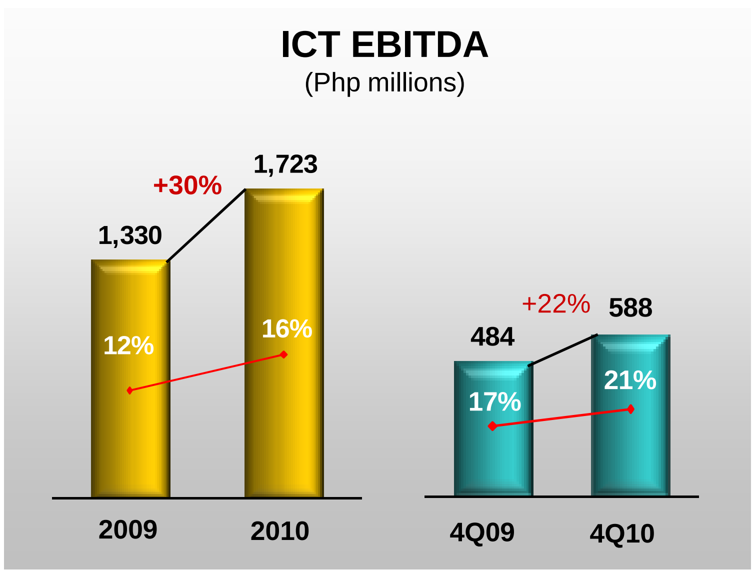




- **Fixed line service revenues declined by 5% or P2.5bn to P48.6bn in 2010 compared with P51.1bn in 2009 on account of:**
  - \+ stable corporate data and DSL service revenues, with non-group data and DSL revenues higher by 11%
    - International data service revenues, primarily from I-Gate and IP-VPN services, grew 16% year-on-year
    - Domestic data service revenues, largely from IP-VPN and Metro Ethernet subscribers, registered a 22% decrease from last year
  - – LEC revenues declined 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 were lower by 21% compared with last year on account of a 29% decrease in call volumes
  - – ILD revenues decreased by 16% or P1.0bn due to the decrease in the average settlement rate for inbound calls and the unfavorable impact of the peso appreciation which reduced revenues by approx. P0.3bn
- **Approximately 25% of fixed line service revenues are dollar-denominated/dollar-linked; had the peso remained stable, service revenues would have been higher by P0.7bn**
- **Data service revenues accounted for 45% of total fixed line service revenues in 2010 compared with 42% last year, but increased contribution not enough to offset the decline in ILD/NLD revenues**
- **EBITDA of P22.7bn in 2010 is 10% lower year-on-year due to lower revenues and higher cash operating expenses**
  - – Of the P1.5bn year-on-year increase in cash operating expenses, P1.1bn are compensation and benefits expenses primarily the one-time MRP-related cost
- **EBITDA margin for 2010 decreased to 47% from 49% in 2009**
  - – Excluding the MRP cost, EBITDA margin for 2010 would have been higher at 50%

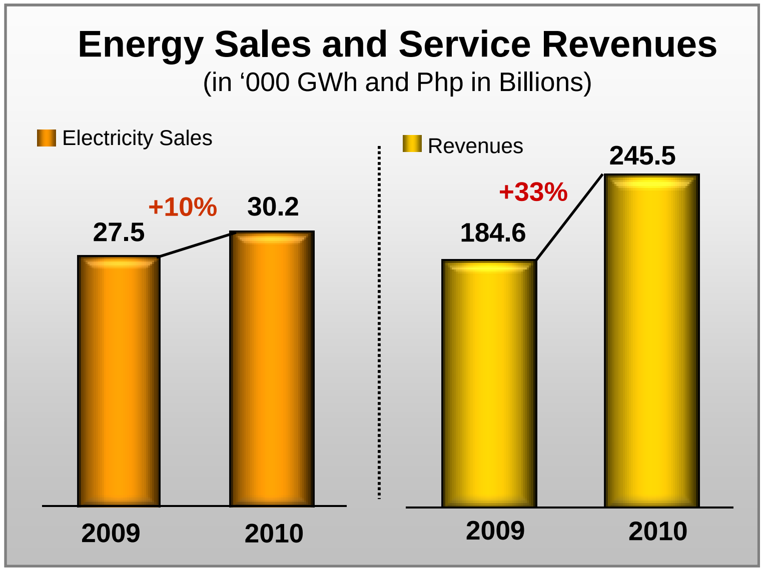
ICT: Pushing forward

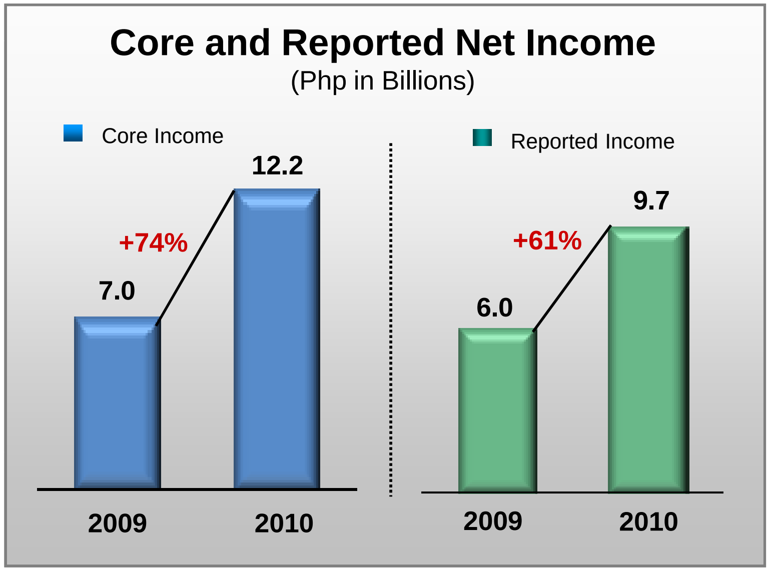




- **ICT service revenues, which contributes about 7% to total PLDT group service revenues, declined by 2% to P10.7bn due to:**
  - \+ 25% growth in data center revenues on account of increases in co-location and disaster recovery contracts
  - \+ 1% growth in BPO revenues resulting from 8% higher dollar revenues offset by the peso appreciation
  - – 15% decline in call center/customer relationship management revenues largely due to lower domestic sales and international revenues and the impact of the peso appreciation
- **US$165mn or about 70% of ICT's 2010 revenues are dollar-denominated; had the peso remained stable, service revenues for the year would have grown by 2% y-o-y**
- **ICT's EBITDA for 2010 grew by 30% to P1.7bn from P1.3bn in 2009, with EBITDA margin of 16% compared with 12% in 2009 due to:**
  - \+ 5% reduction in cash operating expenses, largely on account of lower compensation and benefit costs resulting from a reduction in headcount
  - – 2% decrease in service revenues
- **Prospects for the re-organized BPO business under SPi Global Holdings continue to improve given:**
  - SPi CRM well poised for future growth with the launch of three US-based clients in 1Q11, price increase agreed with largest client, and expansion of existing accounts
  - High margin verticals, Healthcare and Content Solutions, expected to grow by at least 15% in 2011 given growth from existing and new clients

Meralco: Registering strong results





- **Meralco's consolidated service revenues for 2010 grew by 33% to P245.5bn from P184.6bn in 2009 due to a 10% increase 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 FY10 rose by 32% year-on-year to P231.0bn primarily due to the higher cost of purchased power**
- **EBITDA of P18.2bn as at the end of 2010 is a 38% growth over P13.2bn as at the end of 2009**
- **Core and reported income for the full year 2010 stood at P12.2bn and P9.7bn, respectively, reflecting a 74% and 61% improvement over the same period last year**
- **In its 28 February 2011 Board Meeting, Meralco declared a dividend of P2.65 per share, bringing total dividend payments for 2010 core earnings to P6.45 per share, or a payout ratio of 60%**
- **Other highlights:**
  - Meralco's system loss of 7.94%, is below the 8.5% system loss cap and is the lowest in 35 years
  - Total capex for 2010 amounted to P10.1bn or 23% higher compared with P8.2bn in 2009; proposed capex for Regulatory Year (RY) 2011-14 is P45bn
  - Following increases approved for RY09 and RY10, the ERC approved a P0.15/kWh rate increase for RY11 bringing the maximum annual price to P1.6464/kWh
  - Meralco is awaiting ERC decision on the draft determination for RY12-15
- **Other developments:**
  - Meralco to pursue investments in power generation to tap more cost-effective sources of power

fast forward

Backdrop for 2011 - 2012

Global/Macro Environment:

- Unrest in the Middle East
  - Possible sharp increases in oil prices → threat of inflation
  - Impact on OFWs in the ME, deployments to the ME → reduced OFW remittances
- Strengthening of the peso
  - Average forecast for 2011: P41.50/US$1
  - Lower peso equivalent of OFW remitted dollars
- Favorable economic outlook for the Philippines
  - GDP forecasts range from 5-7% for 2011; overall business environment positive
  - Prospects for the Outsourcing and Offshoring (O&O) industry remain robust: job generation, multiplier effect in BPO locations, gives rise for demand for connectivity

Telecommunications Industry:

- Competitive intensity
  - Continued popularity of bucket plans and unlimited offerings
  - Traffic volumes growing, yields declining for SMS and cellular voice
- Anticipated explosion in the demand for data/broadband
  - Impact on traditional revenue sources: SMS and ILD
  - Competition to shift to data/broadband even as revenues from traditional voice and SMS will continue to be the most sizable source of value in the medium-term
  - Broadband involves more network resources as subscriber requires speed, reliability, capacity and greater customer service, with low tolerance for poor QoS
  - A superior integrated fixed and wireless network will give a significant competitive advantage

PLDT Strategic Response: 2011-2012

- **PLDT to fortify its position of having *UNDISPUTED MARKET LEADERSHIP* in terms of network quality, capacity and coverage, and focus on margins and profitability**

- **PLDT's strategic response will include some adjustments in its operational model that will concentrate on:**

  - **Delivery of a superior and integrated customer experience through pro-active customer management, including enhanced customer service and retention initiatives**

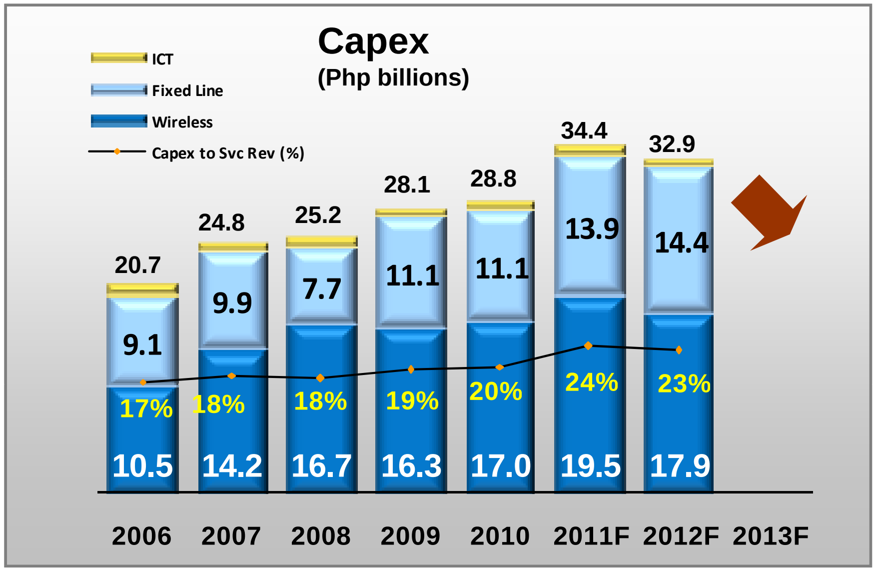
  - **Reinforce PLDT's No. 1 position in network quality and reach and adapt and upgrade the network to be more voice- and data-centric**

  - **Higher quality and broader range of products and services**

  - **Clear and segmented device strategy**

  - **Continuing and enhanced cost efficiencies**

Capital Expenditure Plan: 2011-12



- In confirming its undisputed market leadership, PLDT will undertake a planned capex rollout amounting to approx. P67bn for 2011-12
- Given market dynamics and the anticipated explosion in the demand for data, PLDT will accelerate the implementation of this rollout plan to fortify our leadership with respect to network strength and quality, including adapting to a less SMS and more voice- and data-centric environment
- As a result, capex levels for 2011 and 2012 will be elevated relative to previous years, and will include projects with:
  - *Commercial objectives*: provisioning of expanded capacity and coverage to enable PLDT to roll out more data services in new areas, as well as put platforms in place to provide an expanded suite of services that will generate positive returns on our investment
    - 2G roll out to ensure seamless nationwide service in support of demand for SMS bucket/unli-plans
    - 3G/HSPA roll-out plan in step with anticipated growth in mobile internet take-up
    - WiMax/DSL roll-out plan to expand fixed broadband offers and connect a greater number subscribers
    - Corporate access roll-out plan
  - *Technical objectives*: Upgrade of our wireless network to realize operating and cost efficiencies
    - 2G/3G network modernization and QoS upgrades
    - Transformation of our transmission system into an all IP-transport network
    - Projects focusing on resiliency and protection
    - Investment in additional international cable systems
  - *Focus on IT and support systems*: technology upgrade including, Operational Support Systems (OSS)/Business Support Systems (BSS) and Business Intelligence (BI)
- Capex is expected to reduce to about 18-20% of service revenues starting 2013 as the accelerated program completes
- Plan is to fund via FCF and/or debt, or a combination of both

PLDT Group Guidance

Service Revenues	Flat in 2011 vs 2010	2010 lower by 2% vs 2009
EBITDA	Flat in 2011 vs 2010	2010 lower by 3% vs 2009
Core Net Income	P40.5 billion in 2011 and 2012, back to 2010 levels starting 2013	2010 higher by 2% vs 2009
Capex	P34 billion in 2011 and P33 billion in 2012, to reduce to about 18-20% of service revenues starting 2013	2010 higher by 2% vs 2009
Capital Management	Dividend Payout Ratio: 70% of Core EPS + "look back" approach Buyback of up to 2.3 million common shares	

fast forward

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

Subscriber Data

	Dec-10	Sep-10	Jun-10	Mar-10	Dec-09	y-o-y change		Net Additions			
						Amount	%	4Q10	3Q10	2Q10	1Q10
CELLULAR											
Smart	25,715,018	25,594,008	26,204,136	25,479,359	24,198,357	1,516,661	6%	121,010	(610,128)	724,777	1,281,002
Talk 'N Text	18,967,381	18,136,858	18,008,072	17,445,697	17,050,713	1,916,668	11%	830,523	128,786	562,375	394,984
Red Mobile	953,609	381,477	1,133,790	282,267	79,571	874,038	1098%	572,132	(752,313)	851,523	202,696
Total Cellular	45,636,008	44,112,343	45,345,998	43,207,323	41,328,641	4,307,367	10%	1,523,665	(1,233,655)	2,138,675	1,878,682
BROADBAND											
SmartBro	1,355,977	1,337,965	1,323,364	1,226,195	1,037,720	318,257	31%	18,012	14,601	97,169	188,475
DSL	643,048	630,984	609,143	589,795	559,664	83,384	15%	12,064	21,841	19,348	30,131
WeRoam	21,979	21,745	18,188	17,821	17,023	4,956	29%	234	3,557	367	798
Total Broadband	2,021,004	1,990,694	1,950,695	1,833,811	1,614,407	406,597	25%	30,310	39,999	116,884	219,404

Fast Forward

FY 2010: Consolidated Financial Highlights

(in million pesos)	FY 2010 (Audited)				Fy 2009 (Audited)	
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	% Change
Service Revenues	**93,830**	**48,609**	**10,677**	**142,242**	**145,567**	**-2%**
Cash operating expenses	**31,844**	**25,729**	**8,874**	**55,029**	**53,643**	**3%**
EBITDA[(1)]	**58,945**	**22,668**	**1,723**	**83,717**	**86,194**	**-3%**
EBITDA Margin	***63%***	***47%***	***16%***	***59%***	***59%***	
Depreciation and amortization	**13,243**	**12,292**	**743**	**26,277**	**25,607**	**3%**
Financing costs, net	**(2,683)**	**(3,856)**	**(176)**	**(6,698)**	**(6,556)**	**2%**
Income before income tax	**46,790**	**7,260**	**(365)**	**53,685**	**54,839**	**-2%**
Provision for (benefit from) income tax	**11,414**	**2,050**	**(38)**	**13,426**	**14,744**	**-9%**
Core net income [(2)]	**35,418**	**5,580**	**1,030**	**42,028**	**41,138**	**2%**
Reported net income	**35,326**	**5,197**	**(306)**	**40,217**	**39,781**	**1%**

(1) EBITDA calculation provided in slide 27
(2) Consolidated net income before certain adjusting items and excluding gains/losses on foreign exchange/derivatives (after tax)

Foreign Exchange Rates:

	31-Dec-10	31-Dec-09	31-Dec-08
Php per US$	43.81	46.43	47.65

fast forward

Reconciliation of Core and Reported Net Income

(in billion pesos)	FY10	FY09	Difference
Reported net income	40.2	39.8	0.4
Core net income	42.0	41.1	0.9
	(1.8)	(1.3)	(0.5)
Accounted for by:			
Forex Gain	1.8	0.9	0.9
Loss on Derivatives	(1.3)	(0.4)	(0.9)
Asset Impairment	(1.5)	(1.9)	0.4
Adjustment in equity in investment	(0.7)	(0.5)	(0.2)
	(1.7)	(1.9)	0.2
Tax Effect	(0.1)	0.6	(0.7)
	(1.8)	(1.3)	(0.5)

Consolidated Revenues

(in billion pesos)	Full Year			Fourth Quarter		
	2010	2009	% Change	2010	2009	% Change
Voice	**66.8**	**66.8**	**-**	**16.5**	**17.1**	**-4%**
Data and ICT	**75.5**	**78.8**	**-4%**	**19.1**	**20.2**	**-5%**
	142.3	**145.6**	**-2%**	**35.6**	**37.3**	**-5%**

fast forward

Revenues by Segment

(in million pesos)	FY 2010 (Audited) Wireless	Fixed Line	ICT	Consolidated	FY 2009 (Audited) Consolidated	% Change
Service Revenues						
Wireless						
Cellular	86,399			86,399	88,410	-2%
Broadband	6,286			6,286	5,383	17%
Satellite and others	1,145			1,145	2,036	-44%
Fixed line						
Local exchange		15,321		15,321	15,681	-2%
International long distance		5,224		5,224	6,255	-16%
National long distance		4,690		4,690	5,969	-21%
Data and other network		21,646		21,646	21,567	-
Miscellaneous		1,728		1,728	1,668	4%
ICT						
Knowledge processing solutions			5,289	5,289	5,215	1%
Customer relationship management			2,823	2,823	3,319	-15%
Internet and online gaming			1,059	1,059	1,113	-5%
Data center and others			1,506	1,506	1,204	25%
Inter-segment transactions				(10,874)	(12,253)	-11%
	93,830	48,609	10,677	142,242	145,567	-2%
Non-Service Revenues	1,357	342	681	2,380	2,626	-9%
Inter-segment transactions	-	-	-	(163)	(201)	-19%
	1,357	342	681	2,217	2,426	-9%
Total Revenues	95,187	48,951	11,358	144,459	147,993	-2%

fast forward

Wireless Net ARPU

	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10
Postpaid	1,364	1,278	1,307	1,304	1,286	1,257	1,229	1,256
Smart Prepaid	216	212	197	203	184	179	163	171
TNT	144	138	122	127	115	116	112	116
Red Mobile	14	10	12	15	8	3	5	19

Expenses

(in million pesos)	FY 2010 (Audited) Wireless	Fixed Line	ICT	Consolidated	FY 2009 (Audited) Consolidated	% Change
Operating expenses						
Compensation and employee benefits	6,385	11,692	6,000	24,070	23,100	4%
Repairs and maintenance	5,058	4,527	752	9,434	8,631	9%
Selling and promotions	3,809	1,376	103	5,284	5,749	-8%
Professional and other contracted services	3,113	3,199	500	4,853	4,361	11%
Rent	9,038	2,469	687	3,970	4,055	-2%
Taxes and licenses	1,683	780	108	2,571	2,881	-11%
Communication, training and travel	948	627	461	1,832	1,902	-4%
Insurance and security services	831	434	79	1,252	1,264	-1%
Other operating expenses	979	625	184	1,763	1,700	4%
Cash operating expenses	31,844	25,729	8,874	55,029	53,643	3%
Depreciation and amortization	13,243	12,292	742	26,277	25,607	3%
Asset impairment	824	291	1,323	2,438	5,061	-52%
Amortization on intangible assets	134	-	254	388	368	5%
Non-cash operating expenses	14,201	12,583	2,319	29,103	31,036	-6%
Cost of sales	3,587	433	751	4,771	5,432	-12%
Total Expenses	49,632	38,745	11,945	88,903	90,111	-1%

fast forward

Other Income (Expenses)

(in million pesos)	FY 2010 (Audited) Wireless	Fixed Line	ICT	Consolidated	FY 2009 (Audited) Consolidated	% Change
Foreign exchange gains (losses), net	865	1,008	(66)	1,807	909	99%
Equity share in net earnings of associates and joint ventures	1,222	-	186	1,408	2	87924%
Interest income	698	484	35	1,200	1,539	-22%
Gains (losses) on derivative financial instruments, net	3	(1,312)	2	(1,307)	(407)	-221%
Hedge costs	-	(434)	-	(434)	(599)	-28%
Others	1,130	1,164	240	2,153	2,069	4%
Total	3,918	910	397	4,827	3,513	37%
Financing costs, net						
Interest on loans and other related items	(2,045)	(4,141)	(12)	(6,181)	(6,008)	3%
Accretion on financial liabilities	(929)	(84)	(164)	(1,177)	(1,062)	11%
Financing charges	(3)	(47)	-	(50)	(177)	-72%
Capitalized interest	294	416	-	710	691	3%
Total	(2,683)	(3,856)	(176)	(6,698)	(6,556)	2%
Total other income (expenses)	1,235	(2,946)	221	(1,871)	(3,043)	-39%

fast forward

EBITDA

(in million pesos)	FY 2010 (Audited) Wireless	Fixed Line	ICT	Consolidated	FY 2009 (Audited) Consolidated	% Change
Income before tax	46,790	7,260	(365)	53,685	54,839	-2%
Add (deduct):						
Depreciation and amortization	13,243	12,292	742	26,277	25,607	3%
Financing costs, net	2,683	3,856	176	6,698	6,556	2%
Asset impairment	13	170	1,313	1,496	2,337	-36%
Amortization of intangible assets	134	-	254	388	368	5%
Equity share in net earnings of associates and joint ventures	(1,222)	-	(186)	(1,408)	(2)	87925%
Losses (gains) on derivative financial instruments, net	(3)	1,312	(2)	1,307	407	221%
Foreign exchange losses (gains), net	(865)	(1,008)	66	(1,807)	(909)	99%
Interest income	(698)	(484)	(35)	(1,200)	(1,539)	-22%
Hedge costs	-	434	-	434	599	-28%
Other income	(1,130)	(1,164)	(240)	(2,153)	(2,069)	4%
EBITDA	58,945	22,668	1,722	83,717	86,194	-3%
EBITDA Margin	63%	47%	16%	59%	59%	

fast forward

Core Net Income

(in million pesos)	FY 2010 (Audited)				FY 2009 (Audited)	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Reported net income	35,326	5,197	(306)	40,217	39,781	1%
Add (deduct):						
Foreign exchange losses (gains), net	(877)	(1,008)	66	(1,819)	(908)	100%
Losses (gains) on derivatives financial instruments, net	(3)	1,312	(2)	1,307	407	221%
Asset impairment	9	170	1,313	1,492	1,948	-23%
Loss on re-measurement of investment	-	-	-	-	381	-100%
Adjustment in equity share in Meralco	699	-	-	699	136	414%
Tax effect	264	(91)	(41)	132	(607)	122%
	35,418	5,580	1,030	42,028	41,138	2%

fast forward

Earnings Per Share

	FY 2010 (Audited)		FY 2009 (Audited)	
	Basic	Diluted	Basic	Diluted
Net Income attributable to equity holders of PLDT	40,217	40,217	39,781	39,781
Dividends on preferred shares	(458)	(458)	(457)	(457)
Net Income applicable to common shares	39,759	39,759	39,324	39,324
Outstanding common shares, beginning	186,797	186,797	187,484	187,484
Average incremental number of shares under ESOP during the period	-	-	-	21
Effect of issuance of common shares during the period	-	-	15	15
Effect of purchase of treasury stock during the period	(7)	(7)	(583)	(583)
Weighted average number of shares, end	186,790	186,790	186,916	186,937
EPS (based on reported net income)	**212.85**	**212.85**	**210.38**	**210.36**
Core Net Income	42,028	42,028	41,138	41,138
Adjustments for preferred shares deemed dilutive	(458)	(458)	(457)	(457)
Net Income applicable to common shares	41,570	41,570	40,681	40,681
Weighted average number of shares, end	186,790	186,790	186,916	186,937
EPS (based on core net income)	**222.55**	**222.55**	**217.65**	**217.62**

fast forward

Cash Flows

(in million pesos)	FY 2010 (Audited) Wireless	Fixed Line	ICT	Consolidated	FY 2009 (Audited) Consolidated	% Change
Net cash from operations	55,496	20,454	1,327	77,259	74,386	4%
Add(Deduct):						
Capital expenditures	(16,959)	(11,057)	(751)	(28,766)	(28,069)	2%
Other investing activities	454	986	66	1,358	1,307	4%
Interest, net	(1,147)	(3,300)	14	(4,416)	(3,887)	14%
Dividends from Smart	-	35,500	-	-	-	-
Preferred share dividends	-	(277)	-	(277)	(284)	-2%
Others	(320)	(1,102)	(44)	(1,465)	940	-256%
Free cash flow	37,525	41,203	613	43,693	44,395	-2%
Common share dividends	(35,569)	(40,754)	-	(40,802)	(39,002)	5%
Common share buyback	(6)	(100)	-	(107)	(1,737)	94%
Investments	(170)	(1)	(11)	(182)	(26,613)	-99%
Redemption of preferred shares	-	-	-	-	(14)	-100%
Debt repayments, net	(1,728)	(5,497)	(303)	(7,399)	24,762	-130%
Change in cash	51	(5,147)	298	(4,797)	1,789	-368%
Cash balance, beginning[1]	21,764	19,306	1,235	42,144	40,354	4%
Cash balance, end[1]	21,816	14,159	1,533	37,347	42,144	-11%

(1) Includes short-term investments

Balance Sheet

(in million pesos)	Consolidated	
	December 31, 2010 (Audited)	December 31, 2009 (Audited)
Total Assets	**277,815**	**280,148**
Nominal Value of Total Debt	**92,590**	**102,587**
in US$	***$2,113***	***$2,210***
Less: Unamortized Debt Discount	**2,944**	**3,858**
Total Debt	**89,646**	**98,729**
Cash and short-term investments [(1)]	**37,347**	**42,143**
Net Debt [(3)]	**55,243**	**60,444**
Equity	**97,385**	**99,125**
Total Debt[(2)]/Equity	**0.95x**	**1.03x**
Net Debt[(3)]/Equity	**0.57x**	**0.61x**
Total Debt[(2)]/EBITDA	**1.11x**	**1.19x**
Net Debt [(3)]/EBITDA	**0.66x**	**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

fast forward

Debt Profile

(in million US$)	2006	2007	2008	2009	2010
Debt Balance	1,756	1,585	1,625	2,210	2,113
Cash & Short-term Investments	514	745	847	908	852
Net Debt	1,242	840	778	1,302	1,261

Debt Maturities
as of December 31, 2010
(in million US$)

2011	318
2012	443
2013	254
2014	445
2015 onwards	653
	2,113

Fast Forward

Interest-bearing Liabilities

(in millions)	December 31, 2010 (Audited) Carrying Value	Unamortized Debt Discount	Face Value	December 31, 2009 (Audited) Face Value	Change
Debt					
PLDT	**$1,119**	**$5**	**$1,123**	**$1,205**	**($81)**
Smart	**$924**	**$63**	**$987**	**$996**	**($9)**
2014 Debt	$223	$57	$280	$280	-
Others	$701	$6	$707	$716	**($9)**
Others	**$3**	**-**	**$3**	**$9**	**($6)**
Total Debt	**$2,046**	**$68**	**$2,113**	**$2,210**	**($97)**
Obligations under finance lease	**$0.98**	**$0.02**	**$1.00**	**$1.39**	**($0.39)**

fast forward

Consolidated Quarterly Financial Highlights

(in million pesos)	2010 (Audited) 1Q	2Q	3Q	4Q	2009 (Audited) 4Q	% Change 4Q10 vs. 4Q09
Service Revenues	36,005	36,151	34,560	35,526	37,290	-5%
Non-service Revenues	508	543	505	661	734	-10%
Less: Cost of sales	1,170	1,219	1,172	1,210	1,561	-22%
Operating Expenses						
Cash operating expenses	13,612	12,848	13,140	15,429	14,767	4%
Non-cash operating expenses	7,014	7,438	7,303	7,348	8,268	-11%
	20,626	20,286	20,443	22,777	23,035	-1%
Operating Income	14,717	15,189	13,450	12,200	13,427	-9%
EBITDA	21,183	22,074	20,556	19,904	20,449	-3%
EBITDA Margin	*59%*	*61%*	*59%*	*56%*	*55%*	
Interest Income	366	246	302	286	248	15%
Equity share in net earnings of associates and joint ventures	369	512	538	(11)	(309)	-96%
Financing costs	(1,874)	(1,577)	(1,600)	(1,647)	(1,803)	-9%
FX and derivatives (gains)/losses	1,220	(345)	297	(1,106)	205	-639%
Others	242	312	668	931	1,168	-20%
Income before income tax	15,040	14,337	13,655	10,653	12,936	-18%
Provision for income tax	3,667	4,089	3,218	2,452	3,525	-30%
Net income, as reported	11,420	10,259	10,309	8,229	9,763	-16%
Core net income	10,484	10,746	10,193	10,605	10,187	4%