



We're changing lives

**First Quarter 2010
Financial and Operating Results**

13 May 2010

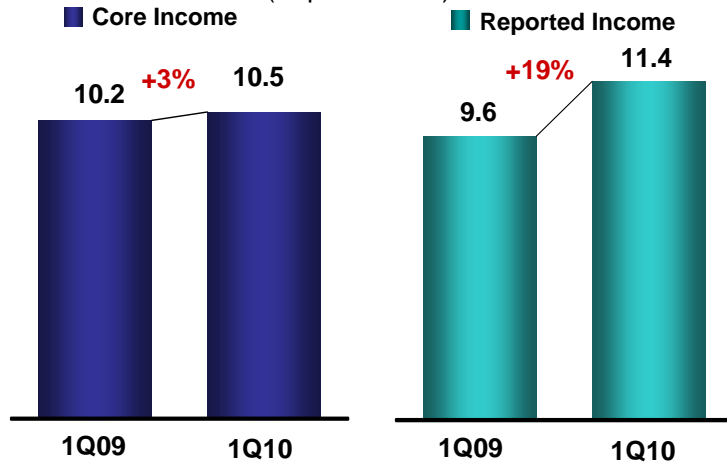
PLDT Group: 1Q 2010 Financial Highlights

	1Q 2010 (unaudited)	1Q 2009 (unaudited)		% Y-o-Y
Service Revenues	P36.0bn	P36.4bn	↓	1%
• Wireless	P23.7bn	P23.9bn	↓	1%
• Fixed Line	P12.9bn	P12.8bn	↑	1%
EBITDA	P21.2bn	P21.9bn	↓	3%
• Wireless	P14.4bn	P15.0bn	↓	4%
• Fixed Line	P 6.3bn	P 6.6bn	↓	4%
EBITDA Margin	59%	60%	↓	
Reported Net Income	P11.4bn	P9.6bn	↑	19%
Core Net Income	P10.5bn	P10.2bn	↑	3%
Core EPS	P55.52	P53.98	↑	3%
Quarter-end PhP:US\$1	P45.29	P48.42	↓	6%
Quarter-average PhP:US\$1	P45.71	P48.45	↓	6%

PLDT Group: Core and Reported Income

Core and Reported Net Income

(Php in Billions)



1Q10 vs 1Q09 Core and Reported Income

(Php in Billions)

	1Q10	1Q09	Diff
Reported Income	11.4	9.6	1.8
Core Income	10.5	10.2	0.3
	<u>0.9</u>	<u>(0.6)</u>	<u>1.6</u>
Accounted for by:			
Forex Gain/(Loss)	0.7	(0.6)	1.3
Gain/(Loss) on Derivatives	0.6	(0.3)	1.0
	<u>1.3</u>	<u>(0.9)</u>	<u>2.3</u>
Tax Effect	(0.4)	0.3	(0.7)
	<u>0.9</u>	<u>(0.6)</u>	<u>1.6</u>

➤ **Core net income for 1Q10 grew by 3% or P0.3bn to P10.5bn on account of:**

- + P0.4bn increase in equity in net earning of affiliates, principally from our share in Meralco's earnings
- + P0.3bn decrease in non-cash operating expenses
- + Lower income taxes by P0.5bn
- + Decrease in Minority Interest by P0.3bn
- Higher net financing costs by P0.5bn
- P0.3bn decrease in service revenues
- Increase in cash opex by P0.2bn
- Other income lower by P0.2bn

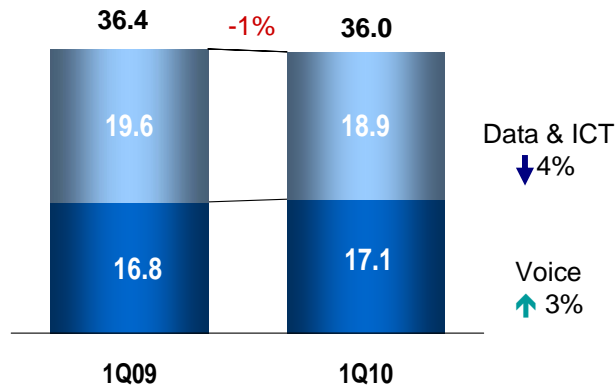
➤ **Reported net income increased by P1.8bn or 19% to P11.4bn compared to 1Q09 largely due to:**

- + P0.3bn increase in core income
- + P1.3bn gain from forex revaluation and derivatives in 1Q10 compared with a P0.9bn loss in 1Q09

PLDT Group: Service Revenues and EBITDA

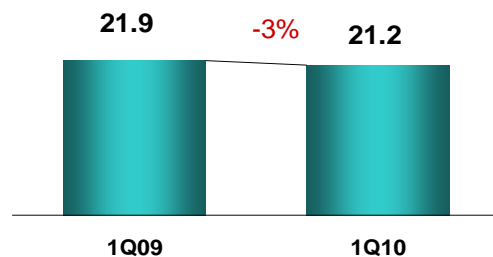
Consolidated Service Revenues

(Php billions)



EBITDA

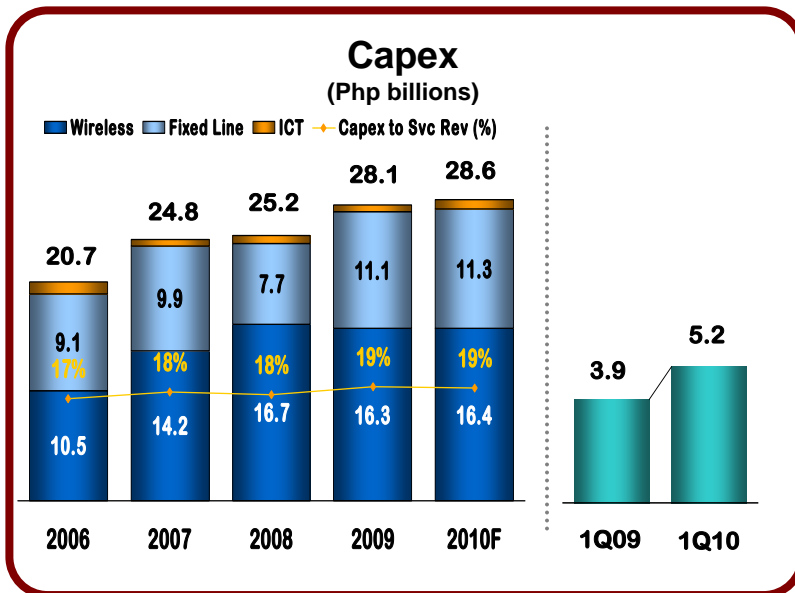
(Php billions)



Margin	1Q09	1Q10
Margin	60%	59% (FY09: 59%)

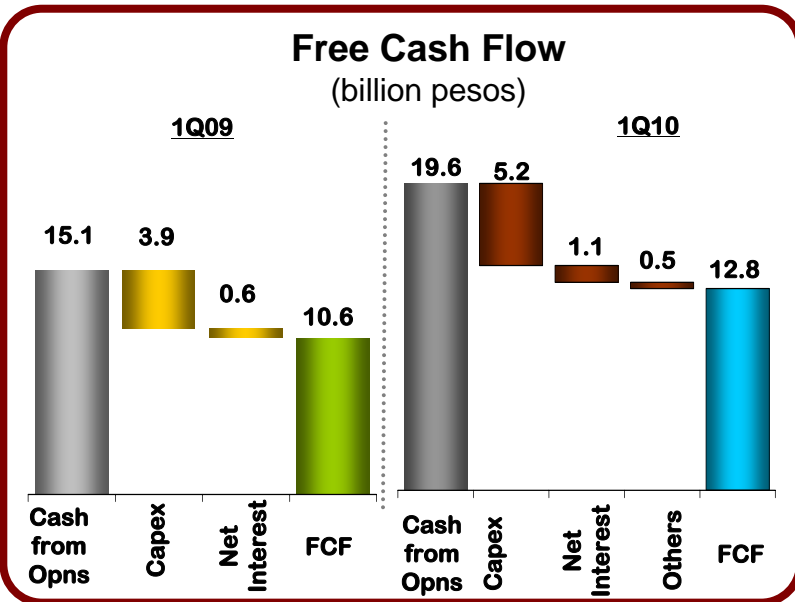
- **Consolidated service revenues declined by P348mn or 1% to P36.0bn in 1Q10 from P36.4bn in 1Q09 as a result of:**
 - + 3% growth in voice revenues particularly in cellular as a result of the recent introduction of new unlimited voice offers and the growth in inbound international call volumes
 - Data and ICT revenues, which account for 52% of total service revenues, declined by 4% due to the combined effect of:
 - 13% decline in revenues from cellular data/text
 - + 22% growth in broadband and internet revenues
 - + 15% increase in corporate data revenues
- **Approximately 28% of consolidated service revenues are directly or indirectly linked to the US\$; had the peso remained stable, service revenues would have increased by 1% y-o-y**
- **1Q10 service revenues lower than 4Q09 by 4% reflecting seasonality**
- **Reflecting results of initiatives on cost control, cash opex in 1Q10 increased by only 1%, mainly selling and promotions, and rent expenses**
- **EBITDA margin at 59% is similar to 2009 full year margin, but declined from 60% in 1Q09**
 - Wireless margin at 61% (63% at 1Q09, 62% FY09)
 - Fixed line margin at 49% (52% at 1Q09, 49% FY09)
 - ICT margin at 14% (vs 8% in 1Q09, 12% FY09)
- **EBITDA for 1Q10 grew by 4% q-o-q but decreased by 3% to P21.2bn compared to 1Q09**

PLDT Group: Capex and Free Cash Flow



➤ **Capex spend for 2010 guided at P28.6bn or approx. 19% of projected service revenues**

- 1Q10 capex stood at P5.2bn compared with P3.9bn last year
- Of the P5.2bn: P2.4bn for wireless (P1.5bn in 1Q09), P2.7bn for fixed line (P2.3bn in 1Q09) and P100mn for ICT (P0.1bn in 1Q09)
- P1.1bn of wireless capex is additional investment in our cellular network that includes the investment in the Red Mobile network to serve unlimited voice offers
 - Total base stations stood at 11,739 at the end of the first quarter of 2010, having added 1,065 base stations from 1Q09, of which 820 were 3G, 229 2G and 16 Canopy
 - Total cellsites reached 5,595 at the end of March 2010
- Largest capex item for the fixed line was P700mn for NGN/data



➤ **Free cash flow generated for 1Q10 grew by 22% or P2.3bn to P12.8bn compared to P10.6bn last year**

- + Cash from operations grew by P4.4bn
- Higher capex by P1.3bn
- Increased interest (net) by P0.5bn

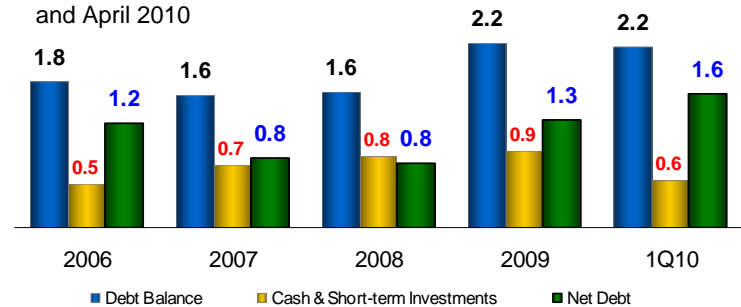
➤ **Capital management**

- Approx. P26.3bn of common dividends paid in April 2010 (P141/share) compared with about P24.2bn (P130/ share) in April 2009
- PLDT remains committed to its dividend payout policy: 70% of core EPS + “look-back”
- To-date, of 5mn shares approved for buyback, PLDT has bought back 2.7 million shares at an average of P2,387/ share for a total of P6.4bn

PLDT Group: Debt Profile

* Net of cash earmarked for dividends paid in April 2009 and April 2010

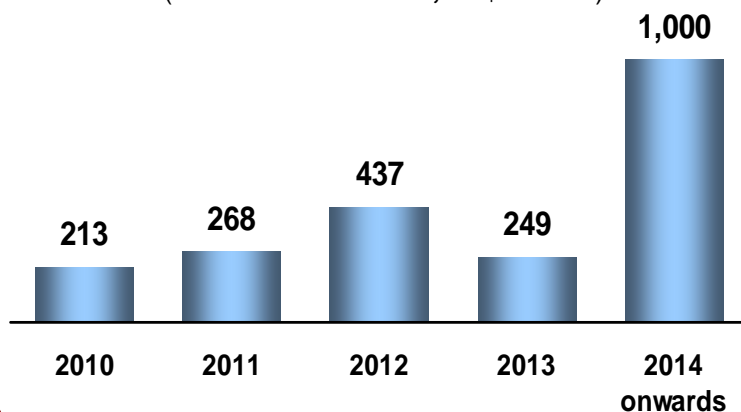
Debt Balance (US\$ billions)



Net Debt/EBITDA

0.8x	0.4x	0.5x	0.6x*	0.9x*
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Debt Maturities (as of 31 March 2009, US\$ millions)



- Net debt stood at US\$1.0bn at the end of 1Q10, or US\$1.6bn if adjusted for P26.3bn cash utilized for the common dividends paid in April 2010
- Net debt/EBITDA at the end of March 2010 at 0.5x, or 0.9x net of cash for common dividend payment
- As of 1Q10, total group debt amounted to US\$2.2bn compared to US\$1.7bn in 1Q09
 - 46% is in US\$
 - Considering our US\$ cash holdings, peso borrowings and hedges, only US\$471mn or 22% of our total debt remains unhedged
 - 68% are fixed-rate loans, while 32% are floating-rate loans
- Debt maturities continue to be well-spread out

PLDT: Snapshot of 1Q10 and our response

Macro environment

- Consumer wallets affected by:
 - Peso appreciation which dampened growth in OFW remittances
 - Higher electricity costs brought on by El Nino/ drought and power supply shortage
- Election spending allocated differently: more TV/radio ads, use of Twitter/Facebook in addition to SMS
- Continued growth of the O&O industry, SMEs

Telco Industry

- Multi-SIM phenomenon is subscriber's way of availing of best on-net promos
- Increasing popularity of unlimited/bucket plans
- Growth of voice revenues resulting from unlimited voice plans
- Shift in usage patterns: SMS+broadband (social networking)
- Growth in corporate/SME clients providing stronger customer base for fixed line



Red mobile unlimited
* Unlimited calls and texts powered by the Smart network

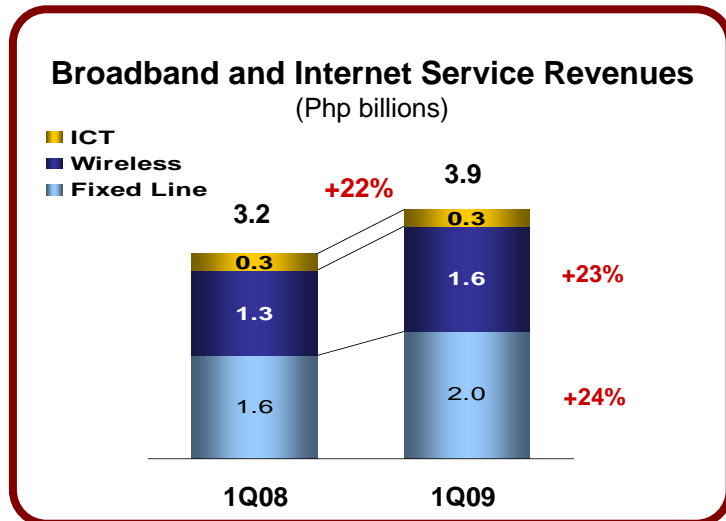
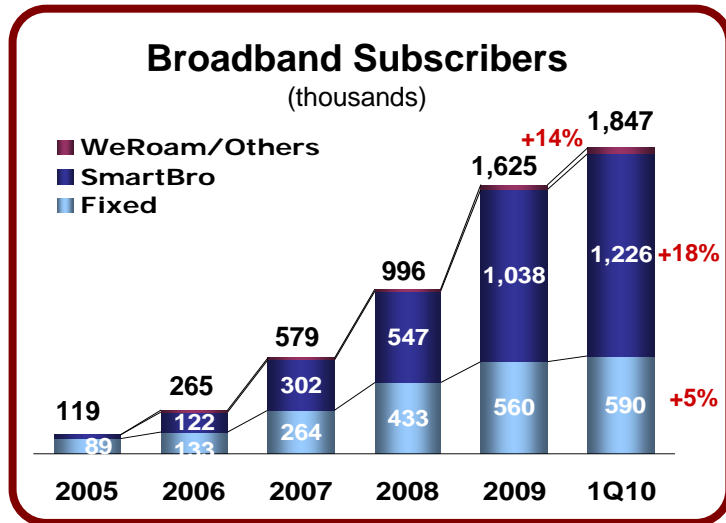
P500 for 30 days
UNLIMITED CALLS & TEXTS*
+ 1000 FREE TEXTS TO ALL NETWORKS

P125 for 7 days
UNLIMITED CALLS & TEXTS*
+ 300 FREE TEXTS TO ALL NETWORKS

P25 for 1 day
UNLIMITED CALLS & TEXTS*
+ 60 FREE TEXTS TO ALL NETWORKS



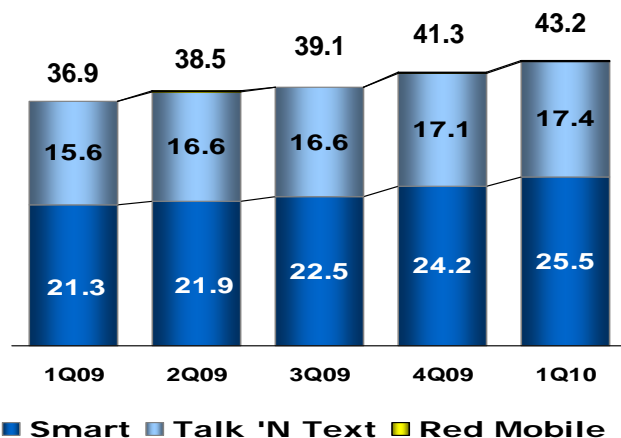
Broadband: Surging ahead



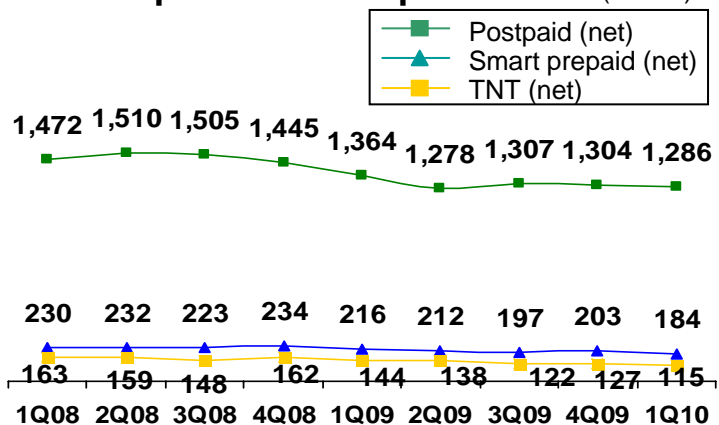
- **PLDT group broadband subscriber base grew 14% to 1.85mn from YE09 with PLDT DSL, *SmartBro*, and *WeRoam* having added about 222,000 subscribers during the first quarter of 2010**
 - *SmartBro*, the most widely available broadband service provider in the country today, had 1.2mn subscribers as at 1Q10 of which about 769,000 are Plug-It prepaid subscribers
 - more than 188,000 net adds in the first quarter of 2010, of which over 167,000 were Plug-It prepaid subscribers
 - DSL subscribers grew by over 30,000 in 1Q10 to nearly 590,000
- **Subscriber base up 69% compared to 1Q09**
- **PLDT Group's total DSL, wireless broadband and internet service revenues increased 22% to P3.9bn in 1Q10, now representing 11% of total service revenues**
 - DSL revenues grew by 24% to P2bn, while wireless broadband increased 23% to P1.6bn
 - 1Q10 broadband and internet revenues higher than that of 4Q09 by 4%
 - DSL ARPU at approx P1,145 while net blended wireless ARPU at P470
- **Lead in broadband resulting from:**
 - Continued introduction of innovative offers for our DSL and wireless subscribers
 - Investment in an extensive and robust network (3G/HSPA, transmission, international cable systems, technology)

SMART: Serving more subscribers

Combined Smart Subscriber Base
(millions)

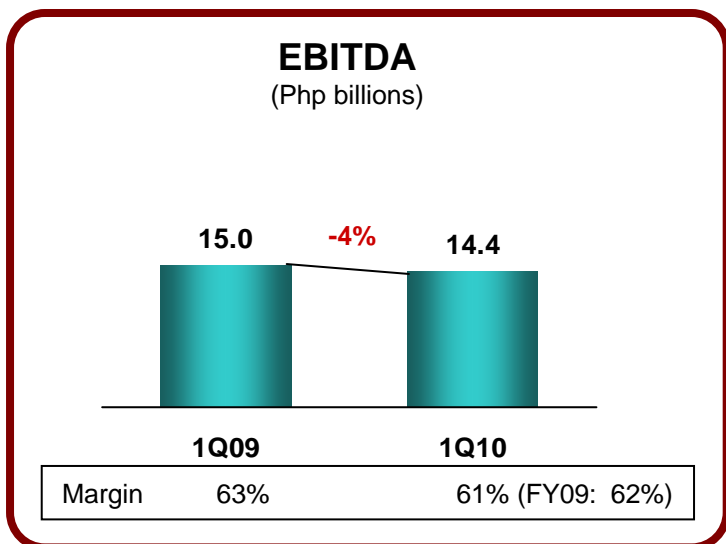
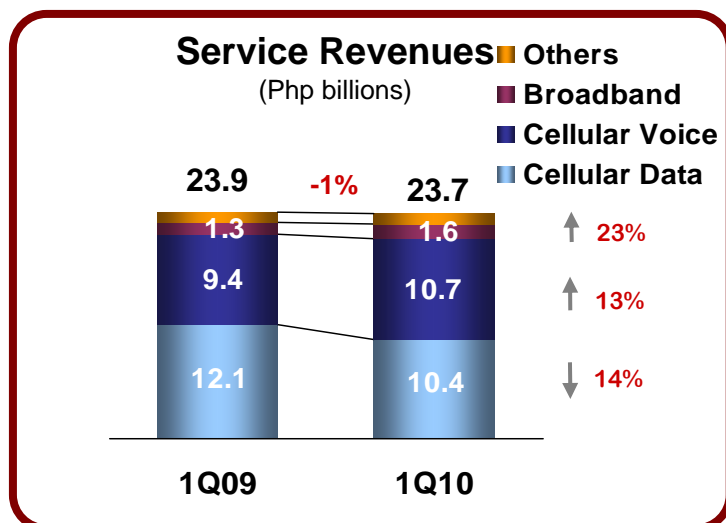


Prepaid and Postpaid ARPU (Pesos)



- **Smart and TNT subscriber base increased by 17% year-on-year to 43.2mn as at end-March 2010 representing net adds of 1.9mn cellular subscribers in 1Q10**
 - Of the 1.9mn net adds, 1.3mn are Buddy subscribers, 0.4mn are TNT subscribers, while 0.2mn are Red Mobile subscribers
 - Net adds for the quarter are 10% higher than the 1.7mn in 1Q09
- **Net Blended ARPU declined by 16% year-on-year to P167**
 - Growing popularity of bucket and unlimited plans, revenues from which now account for 62% of cellular text revenues
 - Multi-SIM ownership to avail of on-net promos
- **Prepaid subscriber acquisition costs for 1Q10 continue to decline and represent only approximately 19% of net blended prepaid ARPU of P155**
- **Introduction of Red Mobile Unlimited is PLDT's response to capture subscriber spend on second SIM to avail of unlimited offerings**
- **Compared with the same quarter in 2009, text volumes are higher by 24% and voice minutes have grown by 310%; however, yields have declined to P0.13 per text and P1.22 per minute of voice on higher traffic volumes**

SMART: Managing the transition

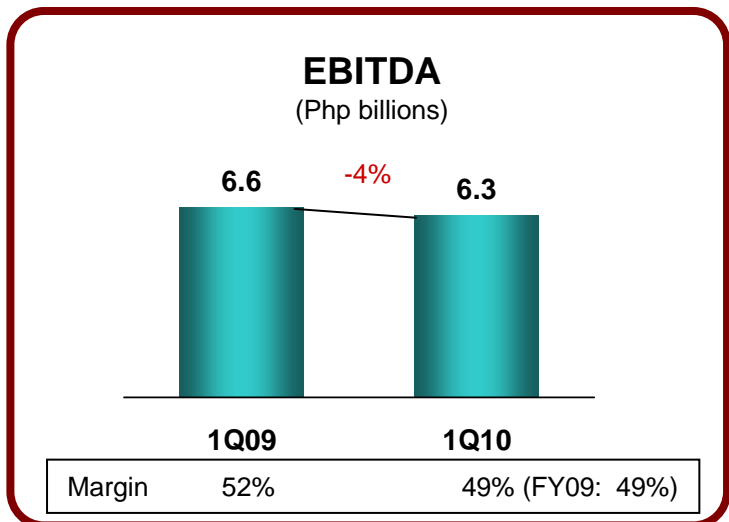
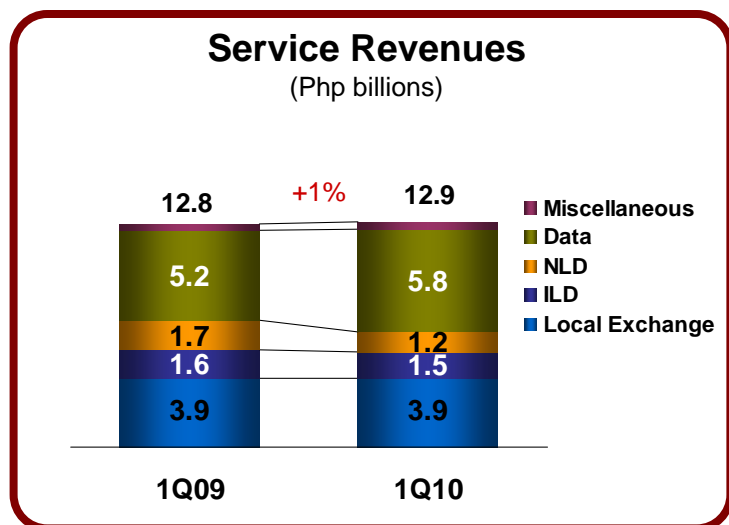


- **Wireless service revenues declined by 1% year-on-year to P23.7bn for the first quarter of 2010 from P23.9bn last year**
 - + 23% increase in wireless broadband revenues
 - + 13% growth in cellular voice revenues
 - 14% decrease in cellular data/text revenues
 - 32% decline in satellite and other revenues
- **Change in cellular service revenue mix registered in 1Q10 with voice revenues now higher than text revenues:**
 - Voice revenues grew to 49% of total cellular service revenues from 43% for the same period last year due to the recent introduction of various unlimited voice services (*SmartTalk, SmartTalk Plus, Red Mobile Unlimited*) which resulted in a 310% y-o-y increase in domestic call minutes
 - Development of the Red Mobile network to accommodate the higher voice traffic from unlimited voice promos
 - Data services accounted for 48% of cellular service revenues compared to 55% in 1Q09
- **1Q10 service revenues lower by 4% q-o-q reflecting seasonality**
- **EBITDA decreased by 4% y-o-y to P14.4bn in 1Q10 due to lower service revenues and a 3% increase in cash opex**
- **EBITDA margin declined to 61% in 1Q10 compared with 63% in 1Q09 and 62% for FY09**

Fixed Line: Rising from new foundations

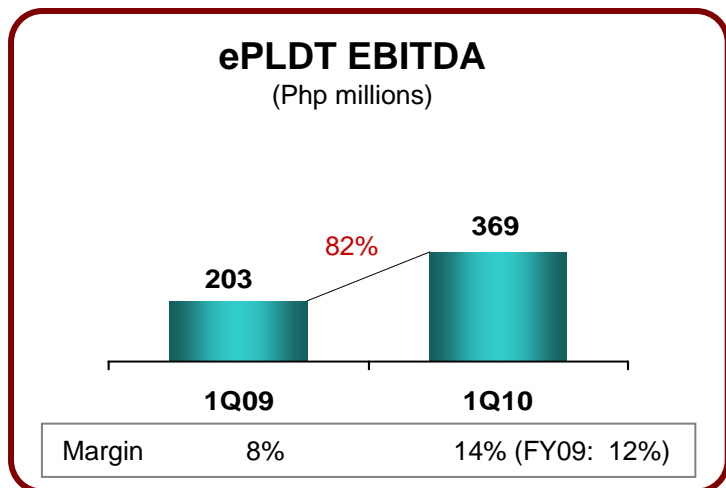
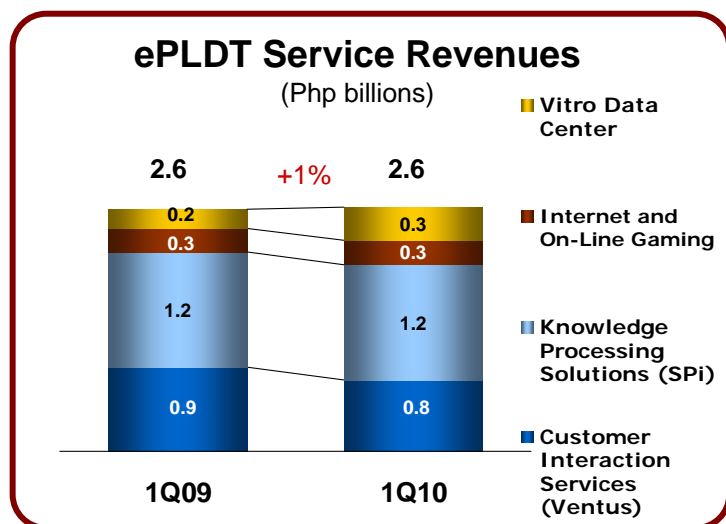
➤ Fixed line service revenues grew by 1% y-o-y to P12.9bn in 1Q10 on account of:

- + Corporate data and DSL service revenues higher by 13%
 - Domestic data service revenues increased by P529mn or 14% due to continued demand from the offshoring and outsourcing industry
 - International data service revenues up by P161mn or 12% resulting from higher I-Gate revenues from Smart's higher usage and monthly recurring charges
 - Continued growth of revenues from SME customers
- = LEC revenues remained flat despite increase in number of postpaid billed lines due to bundled voice and data services
- Decrease in NLD revenues largely resulting from a decline in call volumes
- Lower ILD revenues due to the reduction in the average settlement rate for inbound calls and the unfavorable impact of the peso appreciation which reduced revenues by approx. P189mn



- Fixed line subscribers increased by 5% to 1.9mn in 1Q10
- Data service revenues accounted for 45% of total fixed line service revenues in 1Q10 compared to only 40% in the same period last year
- EBITDA decreased by 4% to P6.3bn in 1Q10 as a result of the moderate increase in revenues offset by higher cash operating expenses particularly for maintenance, rent, and selling and promo expenses
- EBITDA margin for the first quarter of 2010 of 49% remained in line with FY09 margin, but declined compared to 52% in 1Q09
- 1Q10 service revenues were flat q-o-q while EBITDA grew by 27% compared to 4Q09 resulting from a 13% reduction in cash operating expenses

ePLDT: Rebuilding the base



➤ **ePLDT service revenues, which accounts for about 7% of PLDT group service revenues, increased by 1% to P2.6bn due to:**

- + 65% growth in data center revenues on account of increased co-location and disaster recovery contracts
- + 1% increase in BPO revenues largely from publishing and medical billing services
- 15% decline in call center/Ventus revenues primarily due to the decrease in domestic and international dollar-denominated revenues

➤ **ePLDT's EBITDA for the first quarter of 2010 registered an 82% increase to P369mn with EBITDA margin of 14% from 8% in 1Q09 and 12% in FY09 due to:**

- + 1% growth in service revenues
- + 7% decline in cash operating expenses, largely due to lower compensation and benefit costs resulting from a reduction in headcount by nearly 1,000 staff

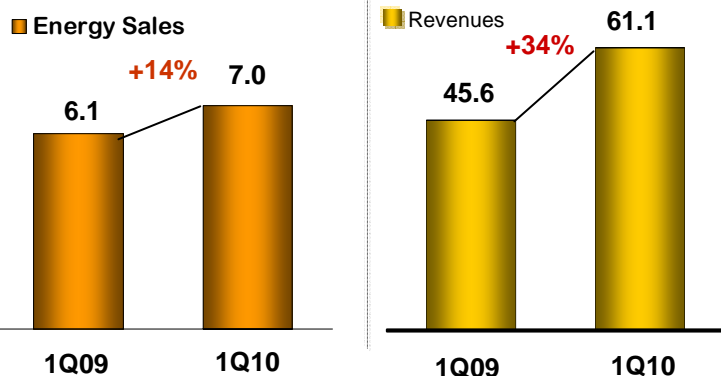
➤ **Re-organization of ePLDT to result in two entities:**

- SPi Global Solutions: combined call center/Ventus and KPS/BPO operations, headed by Maulik Parekh
- ePLDT: data center, internet and on-line gaming operations, headed by Beth Lui

Meralco: Highlights

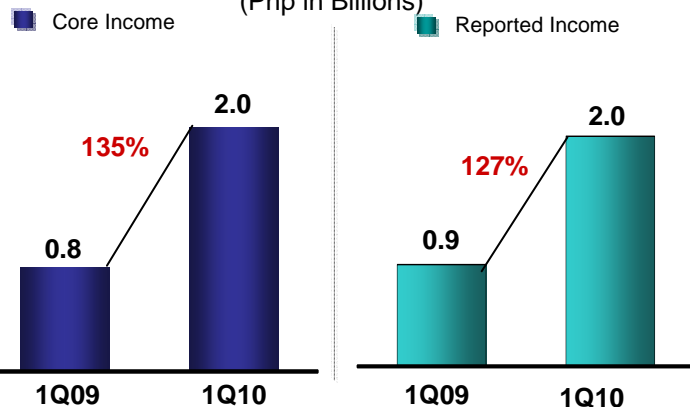
Energy Sales and Service Revenues

(in '000 GWh and Php in Billions)



Core and Reported Net Income

(Php in Billions)



- Meralco's consolidated service revenues as at 1Q10 increased by 34% to P61.1bn driven by a 14% increase in energy sales, an increase in customer count, and higher average pass-through costs
- Costs and expenses of P58.1bn for 1Q10 are higher by 32% year-on-year largely due to higher cost of purchased power
- EBITDA grew by 60% to P5.0bn at the end of the first quarter of 2010 compared to last year
- Core and reported income for the first quarter of 2010 each amounted to P2.0bn, representing a 135% and 127% growth year-on-year
- In line with the dividend policy approved by the Meralco Board where 50% of core earnings would be declared as regular dividends, dividends of P3.15/share representing 50% of 2009 core earnings were paid in May 2010
- Other financial highlights:
 - The ERC approved the re-implementation of the P0.27/kWh tariff increase for revenue year 2010 which Meralco voluntarily deferred pending resolution of issues raised by certain groups
 - Meralco's system loss performance of 8.21% is below the 8.5% system loss cap, which was recently reduced from 9.5%
 - Meralco filed for another P0.15/kWh increase for RY2011
- Related developments:
 - On 7 May 2010, Piltel formally secured approval from its stockholders to transfer 154.2mn of its Meralco shares to Beacon Electric Holdings, Inc. which is a jointly owned company of Piltel and Metro Pacific Investments Corp (MPIC)
 - Combined Piltel/Beacon/Lopez ownership in Meralco: 47.5%

PLDT Group: Guidance for 2010

- **Service revenues** are expected to grow by 2% over P145.6bn in 2009 to **P148bn**:
 - Strong growth in fixed/wireless 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
 - Minimal boost from elections, the impact of the peso appreciation, as well as the lower revenues from our satellite business due to the disposal of our Mabuhay satellite transponders
- **EBITDA** to increase by 1% to **P87bn** from P86.2bn in 2009 with margin at 59% similar to last year 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
 - Close management of costs to supplement revenue growth
- We expect **core net income** for 2010 to be **slightly higher than P41.1bn** in 2009 resulting from the increase in revenues, the contribution from our investment in Meralco, and lower income tax provision, which were partly offset by higher financing charges
- **Capex** for 2010 is guided at **P28.6bn**, P500mn higher than P28.1bn in 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

1Q 2010: Consolidated Financial Highlights

<i>(in million pesos)</i>	1Q 2010 (Unaudited)				1Q 2009 (Unaudited)	% Change
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	
Service Revenues	23,694	12,861	2,628	36,014	36,362	-1%
Cash operating expenses	8,456	6,179	2,213	13,612	13,433	1%
EBITDA⁽¹⁾	14,440	6,314	370	21,183	21,852	-3%
EBITDA Margin	61%	49%	14%	59%	60%	
Depreciation and amortization	3,263	2,910	188	6,361	6,708	-5%
Financing costs, net	(779)	(1,057)	(44)	(1,874)	(1,584)	18%
Income before income tax	11,398	3,517	126	15,041	13,287	13%
Provision for (benefit from) income tax	2,733	943	(9)	3,667	3,455	6%
Core net income⁽²⁾	8,474	1,853	158	10,485	10,220	3%
Reported net income	8,713	2,571	137	11,421	9,580	19%

(1) EBITDA calculation provided in slide 21

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

Foreign Exchange Rates:

	31-Mar-10	31-Mar-09	31-Dec-09
Php per US\$	45.29	48.42	46.43

Revenues

<i>(in million pesos)</i>	1Q 2010 (Unaudited)				1Q 2009 (Unaudited)	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Service Revenues						
Wireless						
Cellular	21,790			21,790	22,151	-2%
Broadband	1,589			1,589	1,289	23%
Satellite and other services	315			315	464	-32%
Fixed line						
Local exchange		3,930		3,930	3,940	-
International long distance		1,519		1,519	1,613	-6%
National long distance		1,161		1,161	1,697	-32%
Data and other network		5,845		5,845	5,154	13%
Miscellaneous		406		406	361	12%
ICT						
Knowledge processing solutions			1,242	1,242	1,232	1%
Customer interaction solutions			774	774	913	-15%
Internet and online gaming			264	264	255	4%
<i>Vitro</i> TM data center and others			348	348	211	65%
Inter-segment transactions				(3,169)	(2,918)	9%
	23,694	12,861	2,628	36,014	36,362	-1%
Non-Service Revenues	374	92	42	508	579	-12%
Inter-segment transactions	-	-	-	(8)	(14)	-43%
	374	92	42	500	565	-12%
Total Revenues	<u>24,068</u>	<u>12,953</u>	<u>2,670</u>	<u>36,514</u>	<u>36,927</u>	- 1%

Expenses

<i>(in million pesos)</i>	1Q 2010 (Unaudited)				1Q 2009 (Unaudited)	% Change
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	
Operating expenses						
Compensation and employee benefits	1,585	2,453	1,507	5,542	5,971	-7%
Repairs and maintenance	1,210	1,188	152	2,369	2,217	7%
Selling and promotions	1,053	477	26	1,554	1,358	14%
Professional and other contracted services	771	690	156	1,175	1,037	13%
Rent	2,728	722	167	1,092	908	20%
Taxes and licenses	462	181	31	674	745	-10%
Communication, training and travel	227	195	109	480	445	8%
Insurance and security services	170	107	17	270	348	-22%
Other operating expenses	250	166	48	456	404	13%
Cash operating expenses	8,456	6,179	2,213	13,612	13,433	1%
Depreciation and amortization	3,263	2,910	188	6,361	6,708	-5%
Asset impairment	172	382	8	562	460	22%
Amortization on intangible assets	23	-	68	91	93	-2%
Non-cash operating expenses	3,458	3,292	264	7,014	7,261	-3%
Cost of sales	1,013	78	79	1,170	1,182	-1%
Total Expenses	12,927	9,549	2,556	21,796	21,876	-

Other Income (Expenses)

<i>(in million pesos)</i>	1Q 2010 (Unaudited)				1Q 2009 (Unaudited)	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Gains (losses) on derivative financial instruments, net	(1)	631	2	632	(323)	-296%
Interest income	212	152	8	366	533	-31%
Equity share in net earnings (losses) of associates and joint ventures	393	(64)	40	369	(45)	920%
Foreign exchange gains (losses), net	346	394	(32)	708	(592)	220%
Hedge costs	-	(120)	-	(120)	(183)	-34%
Others	86	177	38	242	430	-44%
Total	1,036	1,170	56	2,197	(180)	1321%
Financing costs, net						
Interest on loans and other related items	(494)	(1,076)	(5)	(1,569)	(1,483)	6%
Accretion on financial liabilities	(225)	(24)	(39)	(288)	(239)	21%
Financing charges	(135)	(32)	-	(167)	(50)	234%
Capitalized interest	75	75	-	150	188	-20%
Total	(779)	(1,057)	(44)	(1,874)	(1,584)	18%
Total other income (expenses)	257	113	12	323	(1,764)	118%

EBITDA

<i>(in million pesos)</i>	1Q 2010 (Unaudited)				1Q 2009 (Unaudited)	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Income before tax	11,398	3,517	126	15,041	13,287	13%
Add (deduct):						
Depreciation and amortization	3,263	2,910	188	6,361	6,708	-5%
Financing costs, net	779	1,057	44	1,874	1,584	18%
Asset impairment	13	-	-	13	-	100%
Amortization of intangible assets	23	-	68	91	93	-2%
Equity share in net losses (earnings) of associates and joint ventures	(393)	64	(40)	(369)	45	-920%
Losses (gains) on derivative financial instruments, net	1	(631)	(2)	(632)	323	296%
Foreign exchange losses (gains), net	(346)	(394)	32	(708)	592	-220%
Interest income	(212)	(152)	(8)	(366)	(533)	-31%
Hedge costs	-	120	-	120	183	-34%
Other income	(86)	(177)	(38)	(242)	(430)	-44%
EBITDA	14,440	6,314	370	21,183	21,852	-3%
EBITDA Margin	61%	49%	14%	59%	60%	

Core Net Income

<i>(in million pesos)</i>	1Q 2010 (Unaudited)				1Q 2009 (Unaudited)	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Reported net income	8,713	2,571	137	11,421	9,580	19%
Add (deduct):						
Foreign exchange losses (gains), net	(346)	(394)	32	(708)	592	-220%
Losses (gains) on derivatives financial instruments, net	1	(631)	(2)	(632)	323	-296%
Asset impairment	8	-	-	8	-	100%
Adjustment in equity share in Meralco	(6)	-	-	(6)	-	-100%
Tax effect	104	307	(9)	402	(275)	-246%
	<u>8,474</u>	<u>1,853</u>	<u>158</u>	<u>10,485</u>	<u>10,220</u>	<u>3%</u>

Cash Flows

<i>(in million pesos)</i>	1Q 2010				1Q 2009	% Change
	(Unaudited)				(Unaudited)	
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	
Net cash from operations	13,339	5,850	382	19,566	15,147	29%
Add(Deduct):						
Capital expenditures	(2,412)	(2,681)	(113)	(5,206)	(3,944)	32%
Other investing activities	11	203	(4)	56	117	-52%
Interest, net	(234)	(833)	2	(1,060)	(592)	79%
Preferred share dividends	-	(48)	-	(48)	(50)	-4%
Piltel's dividends to third party	-	-	-	-	(437)	100%
Others	(71)	(375)	(16)	(462)	309	-250%
Free cash flow	10,633	2,116	251	12,846	10,550	22%
Common share dividends	(69)	(111)	-	(60)	(4)	1330%
Common share buyback	-	-	-	-	(1,389)	100%
Investments	-	-	(3)	(3)	1,142	-100%
Redemption of preferred shares	(7)	-	-	(7)	(282)	-98%
Debt repayments, net	(2,250)	(1,061)	(7)	(3,284)	3,757	-187%
Change in cash	8,307	944	241	9,492	13,774	-31%
Cash balance, beginning ⁽¹⁾	21,603	19,306	1,235	42,144	40,354	4%
Cash balance, end ⁽¹⁾	29,910	20,250	1,476	51,636	54,128	-5%

(1) Includes short term investments

Balance Sheet

<i>(in million pesos)</i>	Consolidated	
	March 31, 2010 (Unaudited)	December 31, 2009 (Audited)
Total Assets	289,044	280,148
Nominal Value of Total Debt	98,135	102,587
<i>in US\$</i>	\$2,167	\$2,210
Less: Unamortized Debt Discount	3,570	3,858
Total Debt	94,565	98,729
Cash and short-term investments ⁽¹⁾	51,636	42,143
Net Debt ⁽³⁾	46,499	60,444
Equity	83,948	99,125
Total Debt⁽²⁾/Equity	1.17x	1.03x
Net Debt⁽³⁾/Equity	0.55x	0.61x
Total Debt⁽²⁾/EBITDA	1.15x	1.19x
Net Debt ⁽³⁾/EBITDA	0.54x	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

Earnings Per Share

	1Q 2010 (Unaudited)		1Q 2009 (Unaudited)	
	Basic	Diluted	Basic	Diluted
Net Income attributable to equity holders of PLDT	11,421	11,421	9,580	9,580
Dividends on preferred shares	(114)	(12)	(113)	(113)
Net Income applicable to common shares	11,307	11,409	9,467	9,467
Outstanding common shares, beginning	186,797	186,797	187,484	187,484
Average incremental number of shares under ESOP during the period	-	-	-	16
Effect of issuance of common shares during the period	-	-	4	4
Effect of purchase of treasury stock during the period	-	-	(231)	(231)
Common shares equivalent of convertible preferred shares deemed dilutive:				
Preferred Stock Series A to EE	-	1,746	-	-
Preferred Stock Series V	-	-	-	1
Preferred Stock Series VI	-	-	-	4
Weighted average number of shares, end	186,797	188,543	187,257	187,278
EPS (based on reported net income)	60.53	60.51	50.55	50.55
Core Net Income	10,485	10,485	10,220	10,220
Adjustments for preferred shares deemed dilutive	(114)	(12)	(113)	(113)
Net Income applicable to common shares	10,371	10,473	10,107	10,107
Weighted average number of shares, end	186,797	188,543	187,257	187,278
EPS (based on core net income)	55.52	55.55	53.98	53.97

Interest-bearing Liabilities

<i>(in millions)</i>	March 31, 2010 (Unaudited)			December 31, 2009 (Audited)	Change
	Carrying Value	Unamortized Debt Discount	Face Value	Face Value	
Debt					
PLDT	\$1,193.1	\$5.8	\$1,198.9	\$1,204.7	(\$5.8)
Smart	\$885.7	\$73.0	\$958.8	\$996.0	(\$37.2)
2014 Debt	212.9	67.2	280.1	280.1	-
Others	672.8	5.8	678.7	715.9	(37.2)
Others	\$9.1	-	\$9.1	\$9.1	-
Total Debt*	\$2,087.9	\$78.8	\$2,166.7	\$2,209.8	-\$43.1
Obligations under finance lease	\$1.32	\$0.04	1.36	\$1.39	(\$0.03)

*Includes notes payable amounting to P2,272 million or US\$50.2 million