CHANGING
THE GAME

PLDT

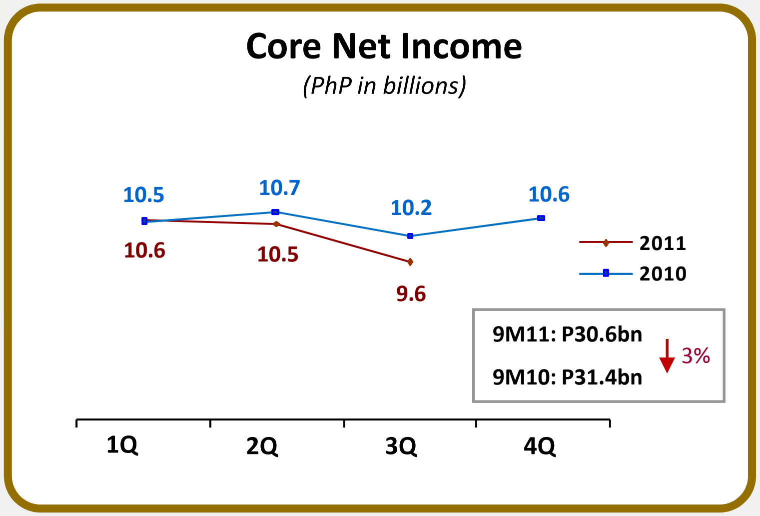
Nine Months 2011
Financial and Operating Results

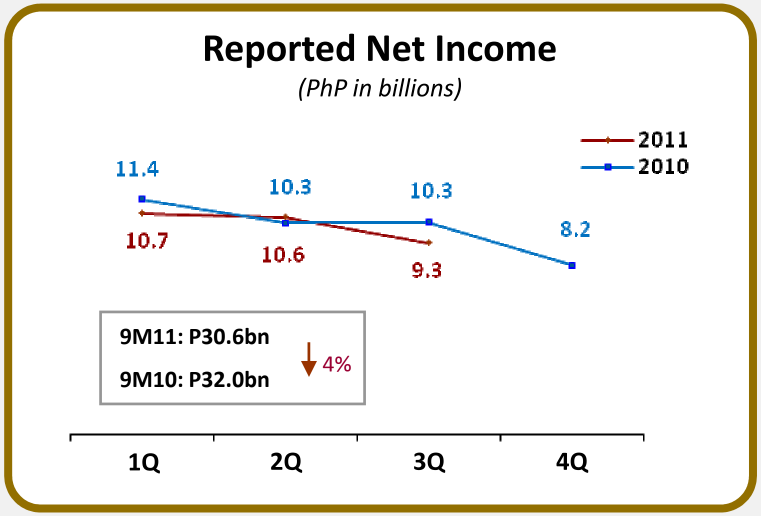
November 3, 2011

PLDT Group: 9M 2011 Financial Highlights

	9M 2011 (Unaudited)	9M 2010 (Unaudited)	% Change
Service Revenues	P103.2bn	P106.7bn	↓ 3%
Expenses	P64.3bn	P64.9bn	↓ 1%
EBITDA	P61.1bn	P63.8bn	↓ 4%
EBITDA Margin	59%	60%	↓
Reported Net Income	P30.6bn	P32.0bn	↓ 4%
Core Net Income	P30.6bn	P31.4bn	↓ 3%
Core EPS	P162.02	P166.36	↓ 3%
Free Cash Flow	P36.5bn	P32.8bn	↑ 11%
Period-end PhP:US$1	P43.80	P43.92	=
Period-average PhP:US$1	P43.26	P45.60	↓ 5%

PLDT Group: Core and Reported Net Income



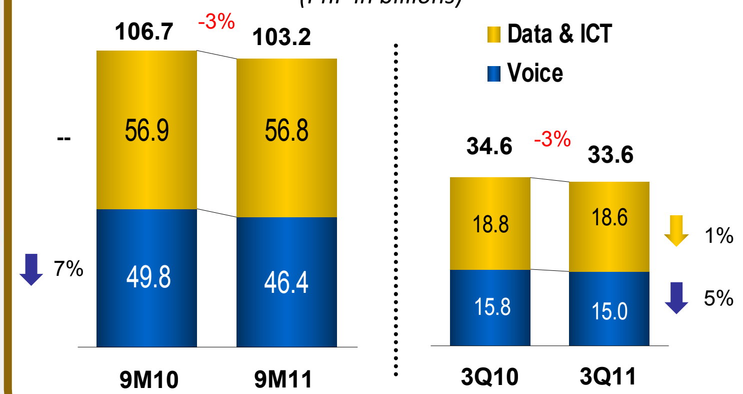


- **Core net income for 9M11 declined by P0.8bn or 3% largely due to lower fixed line and wireless service revenues, partially offset by higher ICT revenues and equity contribution from investment in Meralco, reduction in consolidated expenses, and lower provision for income tax**
  - Had the peso remained stable, core net income would been higher by P0.7bn at P31.3bn, comparable with P31.4bn in 9M10
- **Quarter-on-quarter and year-on-year declines in 2011 core income, reflect lower service revenues and higher expenses resulting from competitive pressures, particularly in the cellular business**
- **Reported net income as at end September 2011 declined by 4% or P1.4bn as a result of lower core net income by P0.8bn, and a P0.5bn decrease in net forex and derivatives gains**

PLDT Group: Service Revenues and EBITDA

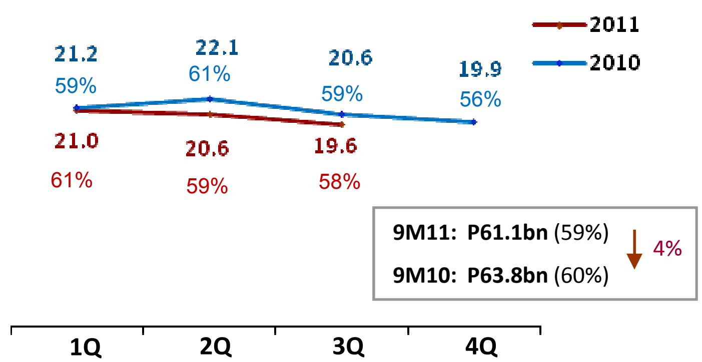
Consolidated Service Revenues

(PhP in billions)



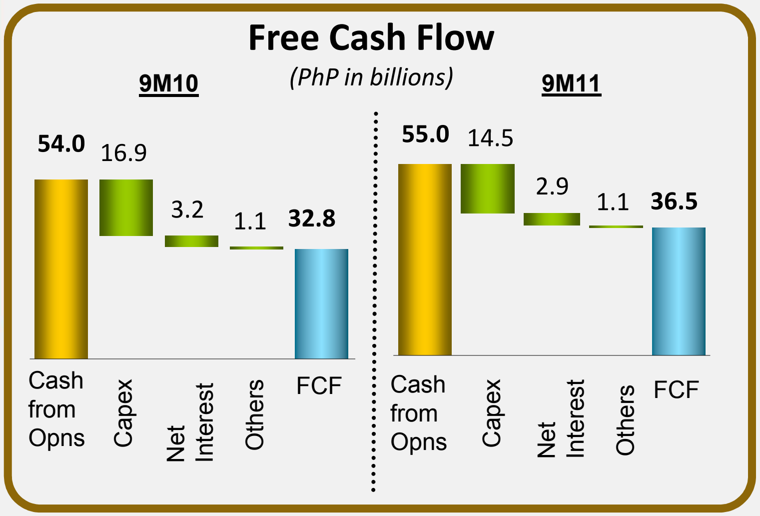
EBITDA and EBITDA Margin

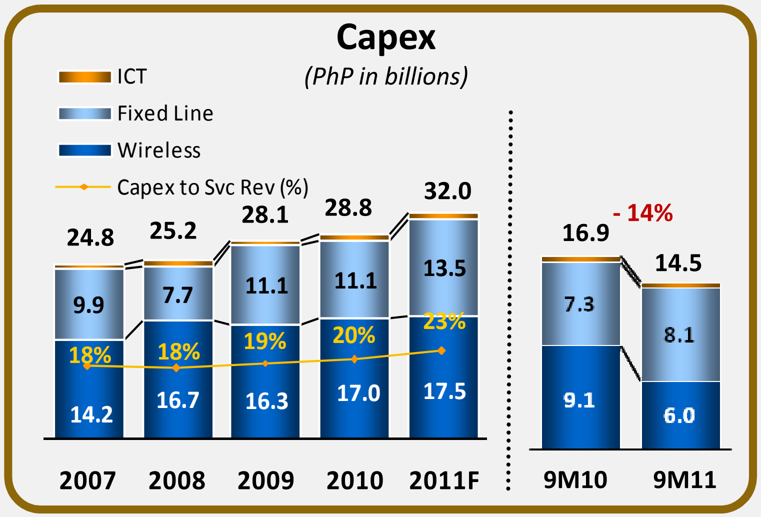
(PhP in billions)



- **Consolidated service revenues of P103.2bn as of 9M11 were 3% lower year-on-year due to:**
  - \+ DSL revenues higher by 13% or P0.8bn
  - \+ Wireless broadband revenues improved by P0.7bn or 13% mainly due to increase in mobile internet revenues by 109%
  - \+ Third party corporate data revenues increased by 4% or P0.2bn
  - \+ ICT revenues higher by 3% or P0.2bn
  - – Cellular SMS/Data revenues were lower by 4% or P1.3bn
  - – Combined Fixed and Wireless Voice revenues decreased by 7% or P3.4bn
- **26% of total service revenues as of 9M11 were dollar-denominated; had the peso remained stable, service revenues would have been higher by P1.4bn**
- **EBITDA dipped by 4% to P61.1bn due to lower revenues partly offset by lower cash operating expenses including compensation and benefits, rent, and taxes and licenses**
- **EBITDA margin decreased from 60% to 59% at 9M11 but remained stable compared with YE10**
  - Wireless margin at 62% (9M10: 63%; FY10: 63%)
  - Fixed line margin at 49% (9M10: 49%; FY10: 47%)
  - ICT margin at 19% (9M10: 14%; FY10: 16%)
- **Total expenses for the first nine months of 2011are 1% lower year-on-year at P64.3bn reflecting a continued decline starting from 2009 levels following management's tight watch on costs**

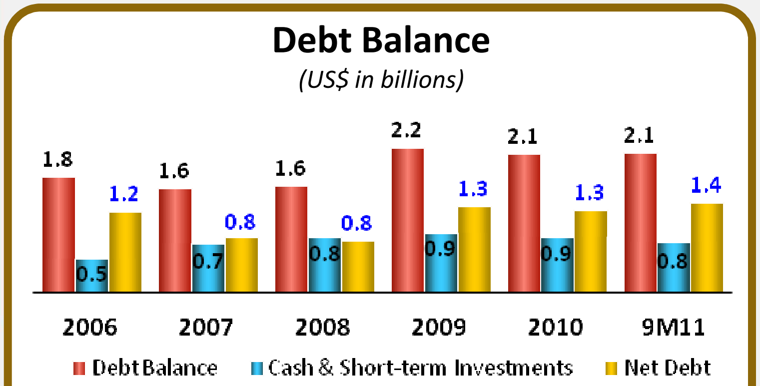
PLDT Group: Free Cash Flow and Capex



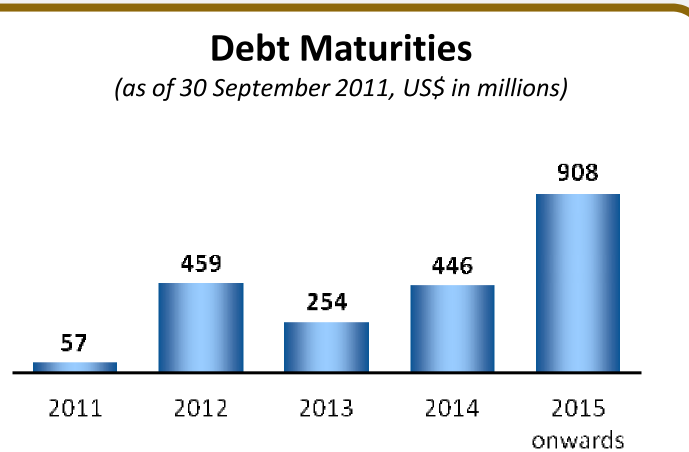


- **FCF at 9M11 increased by P3.8bn or 11% year-on-year, largely due to:**
  - \+ Higher cash from operations of P1.0bn
  - – Lower capex by P2.4bn
  - – Decline in net interest by P0.3bn
- **Capex as of end-September 2011 stood at P14.5bn, lower by 14% compared with the same period last year; 3Q11 capex of P8.2bn higher than P6.3bn for 1H11**
  - Build-up of capacity and coverage to support broadband take-up
    - ✓ 1,200 HSPA+ base stations as of mid-October, more than double from 500 in early September
    - ✓ Aggressive roll-out of WiFi hotspots
  - Upgrade of 2G/3G cellular network on-going, while NGN fixed line upgrade nearing completion
  - Increase of network resiliency and bandwidth capacity with the construction of third cable landing station in Daet, part of the Asia Submarine-cable Express (ASE), on-going
  - Intelligent network and OSS/BSS
- **As at September 2011, P41.5bn in cash dividends were paid including the final and special dividends for 2010 core income and the interim regular dividend for 2011 core income**

PLDT Group: Debt Profile

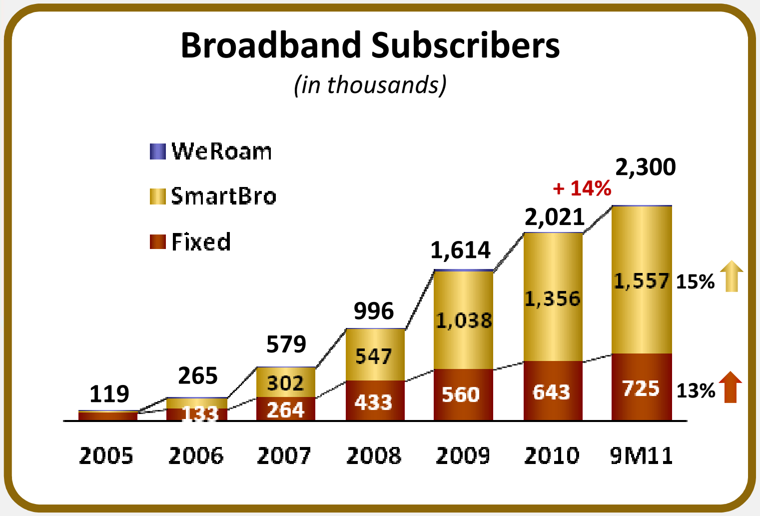


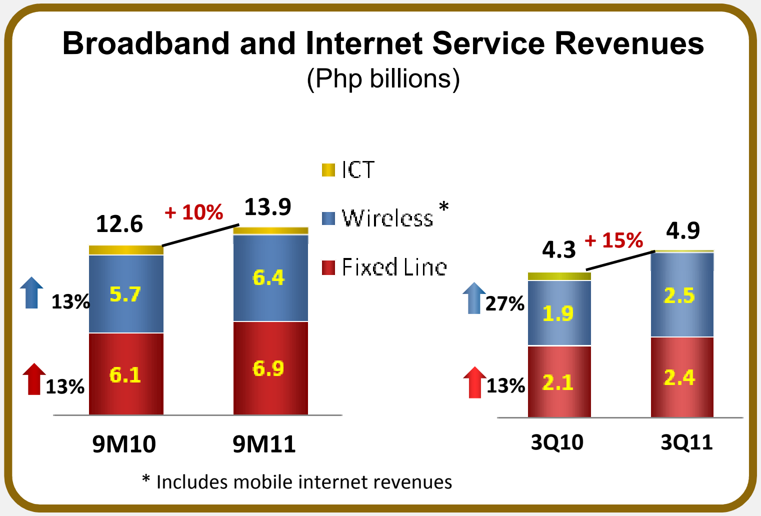
Net Debt/EBITDA					
0.8x	0.4x	0.5x	0.7x	0.7x	0.7x



- **Net debt at the end of 9M2011 amounted to US$1.4bn, with net debt/EBITDA at 0.7x**
- **As at end September 2011, gross debt stood at $2.1bn, similar to YE10**
  - 41% are US$-denominated debt
  - Taking into account our US$ cash holdings, peso loans, and hedges, only US$448mn or 21% of total debt is unhedged
  - 83% are fixed-rate loans, while 17% are floating-rate loans
- **Debt maturities continue to be well-spread out**
- **Additional cash requirements for:**
  - **Approx. P4bn for the redemption of 405mn Subscriber Investment Plan (SIP) preferred shares**
  - **Up to P5bn to pay Digitel minority shareholders who may opt to tender their shares**
- **P5bn fixed rate notes to be issued in November 2011, priced at 30bps over peso interest benchmarks**
- **Fitch recently upgraded PLDT's long-term local currency issuer default rating to 'A-' from 'BBB+' with stable outlook**

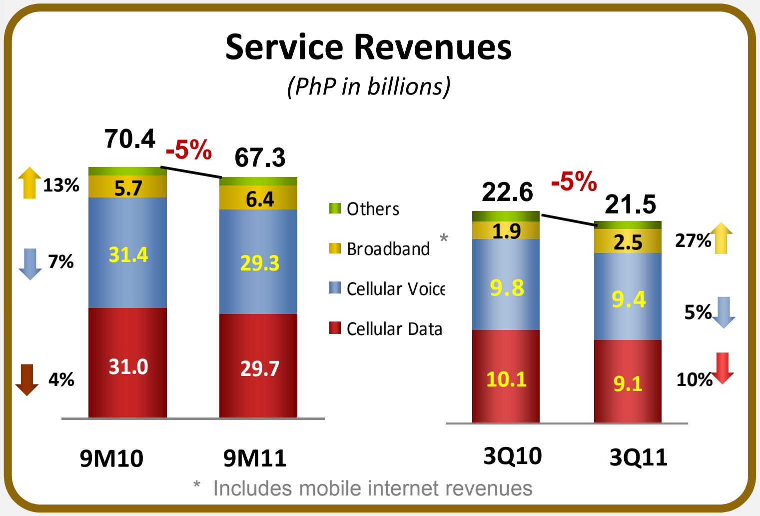
Broadband: Sustaining momentum

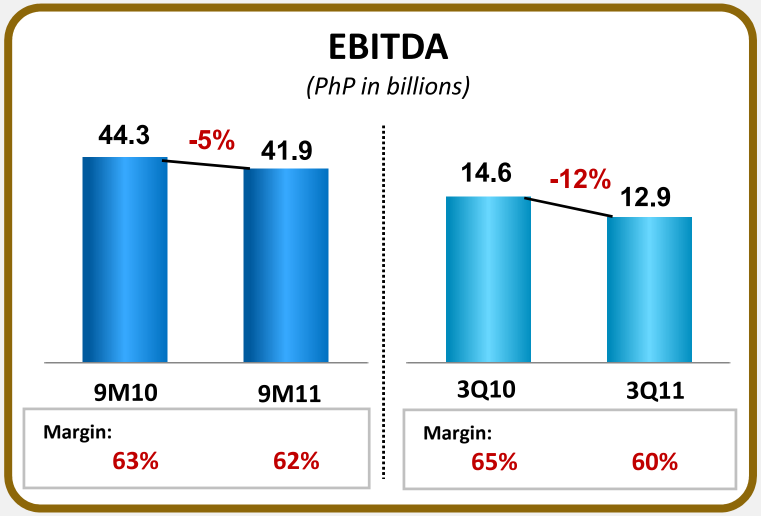




- **PLDT combined broadband subscriber base increased by 14% from YE10 to 2.3mn at the end of September 2011, representing over 278,000 net adds for PLDT DSL, *SmartBro,* and *WeRoam***
  - *SmartBro,* the most widely available broadband service provider in the country today, grew to over 1.5mn subscribers as at 9M11, of which over 1.1mn are Plug-It prepaid subscribers
    - SmartBro registered nearly 201,000 net adds for the first nine months of 2011
  - DSL subscribers increased by more than 82,000 to over 725,000 at the end of September 2011
- **Total broadband and internet revenues for 9M11 of P13.9bn reflects a 10% year-on-year growth, accounting for about 13% of total group service revenues**
  - DSL revenues improved by 13% to P6.9bn
  - Wireless broadband revenues, including mobile internet revenues, were 13% higher year-on-year at P6.4bn
  - DSL ARPU is approximately P1,123 and net blended wireless ARPU at P369
- **Mobile internet revenues continued to rise strongly with a 109% year-on-year increase to P1.1bn as at end September 2011, with 3Q11 revenues 120% higher compared with 3Q10 and 9% better than 2Q11**
  - Of 5mn 3G phones/smartphones on our network, only about 3mn of them are used for mobile internet on a regular basis
  - In October 2011, Smart launched two smartphone models priced between US$100-220
  - Various broadband packages/loads to suit different budgets, usage patterns/preferences are available (e. g., P10/30-minute usage, Facebook-all-day, unlimited daily top-ups, unlimited monthly plans)

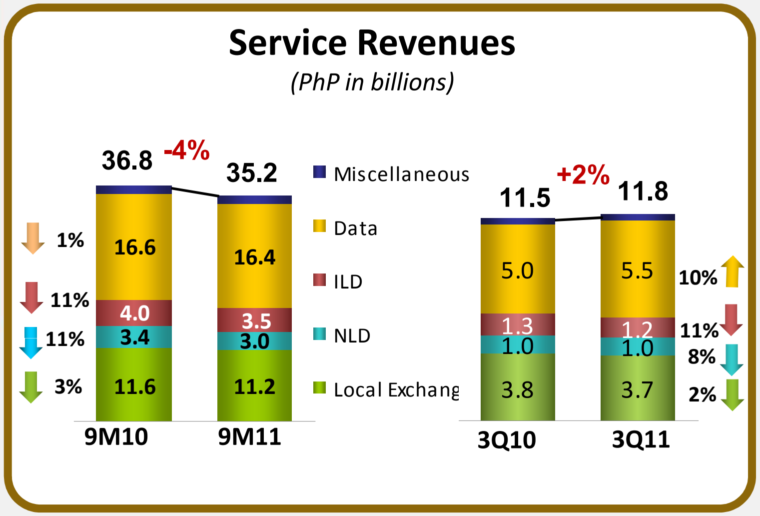
Wireless: Managing the transition

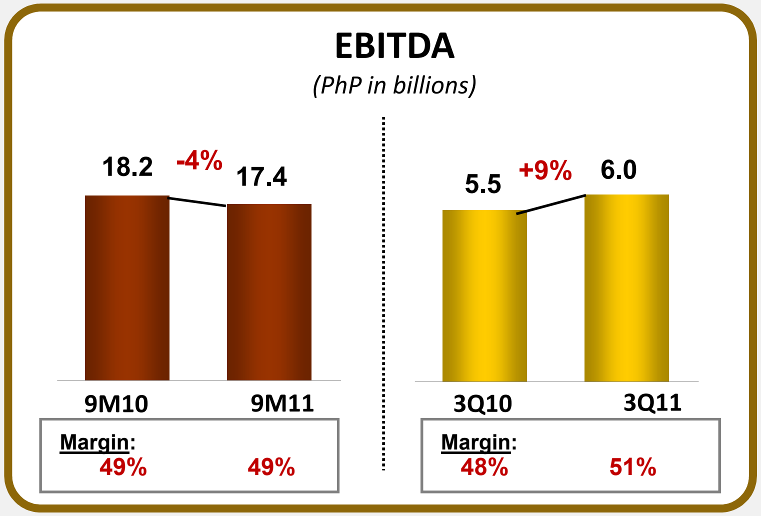




- **Combined Smart Buddy, TNT, and Red Mobile subscriber base stood at 47.7mn as at end-September 2011, an increase of 2.1mn from YE10**
  - Of total subscriber base: 26.6mn SMART subscribers, 19.5mn TNT subscribers and 1.6mn Red Mobile subscribers
  - Net adds as at end 9M11: 0.9mn SMART subscribers, 0.7mn Red Mobile subscribers, and 0.6mn TNT subscribers
  - Postpaid subscribers stood at 477K, reflecting net adds of 55K for 3Q11 alone – one of the highest ever
- **Wireless service revenues for 9M11 were lower by 5% year-on-year at P67.3bn due to:**
  - \+ 109% increase in mobile internet revenues
  - \+ 1% growth in wireless broadband revenues
  - – 4% decrease in cellular SMS revenues, which account for 44% of total wireless service revenues, due to a 6% dip in SMS traffic
  - – 7% decline in cellular voice revenues, which contribute 44% to total wireless revenues, despite a 50% increase in voice traffic as competition caused continuing decline in yields [now at P0.71/minute]
  - – 16% reduction in revenues from the satellite business which was sold in 1H10
- **EBITDA declined by 5% for the first nine months of 2011 to P41.9bn from P44.3bn with lower revenues partly offset by lower cash operating expenses such as rent and compensation benefits expenses**
- **EBITDA margin for 9M11 stood at 62%**
- **3Q11 EBITDA were lower by 12% year-on-year while 3Q11 EBITDA margin declined to 60% from 65% in 3Q10**
  - – Increases in selling and promotions expenses in response to competition in order to protect market share
  - – Higher phone subsidies expected in line with strategy to pursue more postpaid subscribers

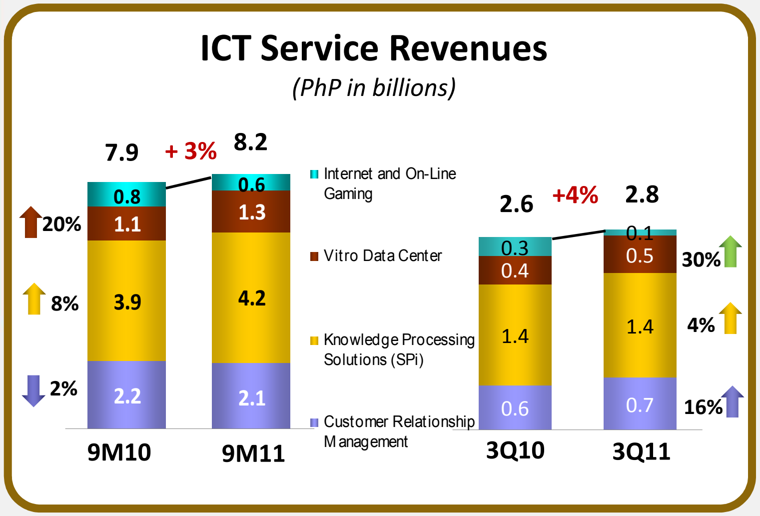
Fixed Line: Focusing on the home and enterprise

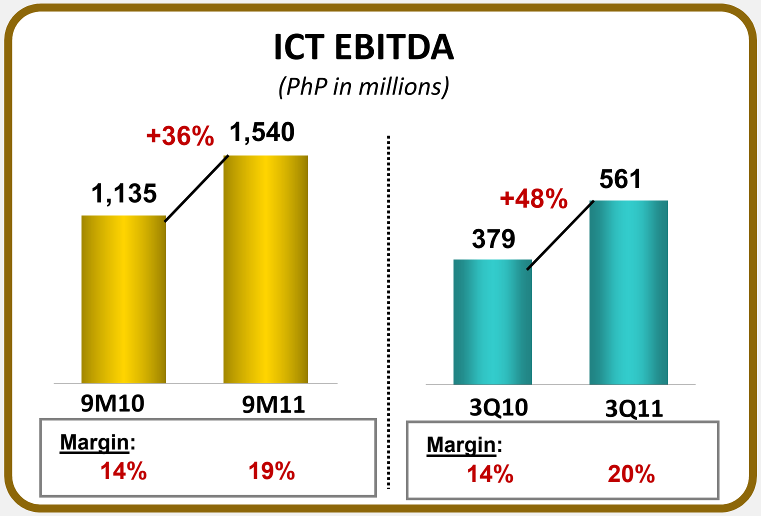




- **Fixed line service revenues decreased by 4% or P1.5bn to P35.2bn in 9M11 compared with P36.8bn in 9M10**
  - 1% decline in corporate data and DSL service revenues, which account for 46% of total fixed line service revenues:
    - ✓ DSL revenues increased by P0.8bn or 13% year-on-year with a 15% growth in subscribers from 9M2010
    - ✓ Domestic leased line and other revenues were lower by P0.7bn or 12% mainly due to a 17% decline in Diginet revenues; however, third party corporate data revenues grew by 4% or P0.2bn
    - ✓ International leased line revenues decreased by P0.4bn or 8%
  - LEC, ILD and NLD revenues decreased by 6% for first nine months of 2011
- **3Q11 improved to P11.8bn or 2% compared with 3Q10, due to a 10% increase in data and other network services**
- **23% of 9M11 fixed line revenues were dollar-denominated; had the peso remained stable, fixed line revenues would have been higher by P0.4bn**
- **EBITDA of P17.4bn as at end of September 2011 is a 4% decrease year-on-year;**
  - EBITDA for 3Q11 of P6.0bn grew by 9% as compared with the same period last year and with 2Q11
- **EBITDA margin for 9M11 remained stable year-on-year at 49%, but is higher compared with 47% for YE10**
  - 3Q11 EBITDA margin at 51%
- **Implementation of various programs focusing on the HOME and enterprise**

ICT: Registering strong results



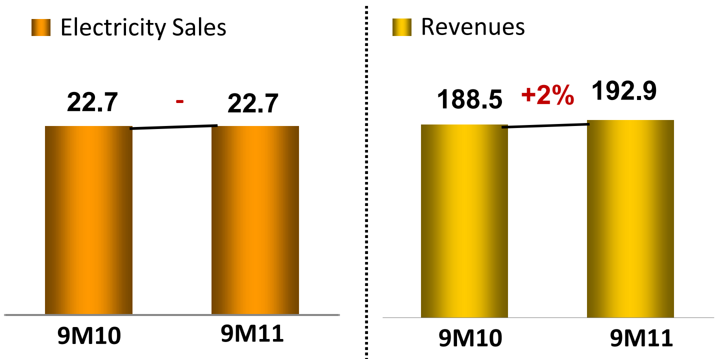


- **ICT service revenues, which account for about 7% of PLDT group service revenues, improved by 3% to P8.2bn at 9M11 as a result of:**
  - \+ 20% increase in data center revenues
  - \+ 8% rise in BPO revenues which grew 13% in dollar-terms following strong performances of the content solutions and healthcare divisions
  - – 2% reduction in customer relationship management (CRM) revenues due to 2% decline in dollar-sales muting the 11% growth in domestic sales
  - – 28% decline in internet and online gaming revenues with the sale of Digital Paradise and LevelUp!, and transfer of Infocom's internet business to PLDT
- **About 68% of ICT revenues for 9M11 were dollar-denominated; had the peso remained stable, ICT revenues would have increased by P0.3bn**
- **ICT's EBITDA for the first nine months of 2011 increased by 36% to P1.5bn with EBITDA margin improving to 19% due to:**
  - \+ 3% increase in service revenues
  - – 2% decline in cash operating expenses mainly due to lower rent expenses, cost of sales, selling and promotions expenses
- **3Q11 year-on-year growth for service revenues was 4% and 48% for EBITDA, the latter reflecting a strong sequential growth from 23% for 1Q11 and 36% for 2Q11**
- **SPi continues to streamline operations while expanding its services which now include a more comprehensive and integrated suite of solutions covering: revenue cycle management, health information recovery management, clinical documentation improvement and education, and ASP hosting**

Meralco: Maintaining growth

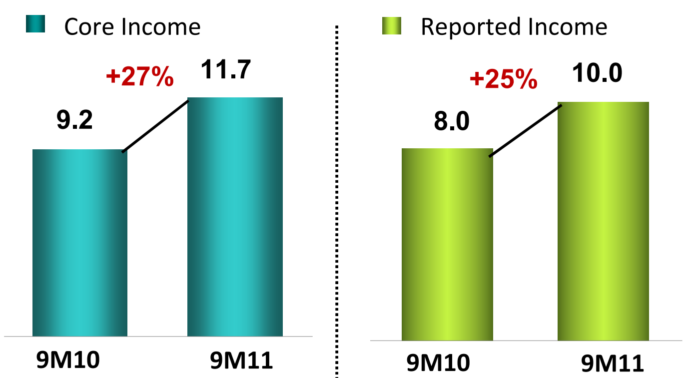
Energy Sales and Service Revenues

(in '000 GWh and PhP in billions)



Core and Reported Net Income

(PhP in billions)



- **Meralco's consolidated service revenues as at end September 2011 grew by P4.4bn or 2% to P192.9bn as a result of higher transmission and distribution revenues offset by lower generation charges and system losses (7.44% vs. 8.5% regulatory limit)**
- **9M11 Core EBITDA of P21.6bn is a 11% year-on-year increase, with Core EBITDA margin higher at 10% compared with 9% in the same period last year**
- **Core and reported income for the first nine months of 2011 stood at P11.7bn and P10.0bn, respectively, reflecting year-on-year improvements of 27% and 25%**
  - Core income guidance for 2011 increased to P14.5bn
  - Meralco declared a special cash dividend of P1.70 per share representing 50% of core net income for 3Q11
  - PCEV equity share in Beacon/Meralco's core and reported earnings of P1.9bn and P1.4bn, respectively, compared withP1.6bn and P1.3bn last year
    - PCEV sold its remaining 68.8mn Meralco shares to Beacon Electric for P15.1bn and subscribed to P15.1bn of Beacon preferred shares
- **Other highlights:**
  - Meralco customer base at 5mn at end September 2011
  - ERC approved rate for 1st year of 3rd Regulatory Period of P1.6012/kwhr (lower than previous rate of P1.6464/kwhr)
  - JV with Aboitiz and Taiwan Co-Gen groups for 2x300MW generation plants undertaking project planning
  - Prepaid electricity to be offered to Meralco customers in 2012
  - Implementation of broadband-over-power lines to be deferred due to commercial viability

Digitel: Acquisition completed

- **On 26 October 2011, NTC approved PLDT's acquisition of 3.3bn shares or 51.55% of Digitel**
- **Acquisition of Digitel completed:**
  - 3.3bn Digitel shares crossed on 26 October 2011
  - 27.7mn new PLDT shares, representing approx. 12.9% of the expanded capital stock of PLDT, issued to JGS
    - ✓ Subject of one (1) year lock-up agreement
    - ✓ Covered by option agreement with First Pacific Company and NTT for 5.81mn and 4.56mn shares, respectively, which will result in JGS ownership in PLDT at 8%,
    - ✓ JGS entitled to one (1) Board Seat: James Go elected to PLDT Board on 3 November 2011
  - PLDT directors elected to the 7-man Digitel Board, with M. V. Pangilinan and O. B. Vea named Chairman and President and CEO, respectively
- **PLDT to undertake mandatory tender offer to Digitel minority shareholders and intends to de-list Digitel:**
  - Digitel holder can opt to be paid in cash at P1.6033 per share, or swap for PLDT shares at a ratio of 1.559.28 Digitel shares for every one PLDT share
    - ✓ If all minorities tender: maximum of P5bn in cash or 2mn new PLDT shares
  - Timing of tender offer being finalized
- **PLDT commitments:**
  - retain Sun brand and Digitel to continue to provide "unlimited" type of services to the public
  - divestment of CURE (including 10MHz of 3G frequency in the 2100 band)
  - PLDT and Digitel shall continue to provide high quality service to its subscribers/customers

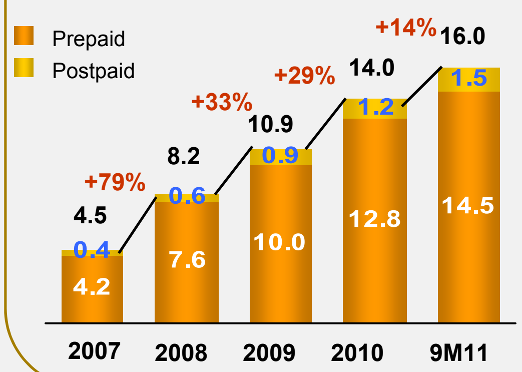
CURE: Divestment Plan

- **PLDT to undertake divestment of Connectivity Unlimited Resource Enterprises, Inc. (CURE) which owns 10MHz of 3G frequency in the 2100 band (the "Affected Frequency"):**
  - ✓ CURE to sell its Red Mobile business to SMART consisting of its subscriber base, brand and fixed assets;
  - ✓ SMART to sell all of its rights and interests in CURE whose remaining assets will consist of its congressional franchise, the Affected Frequency and related permits (the "Divestment Sale");
  - ✓ PLDT to have nine months to effect the orderly migration of CURE's customers and an orderly transfer of CURE's assets to SMART with the least disruption and degradation of service to CURE's existing customers (the "Transition Period"); reckoned from the date of promulgation of the NTC Decision;
  - ✓ The Divestment Sale to be made under NTC's supervision and control and effected through a competitive bidding among duly enfranchised and qualified public telecommunication entities.
  - ✓ A minimum price prescribed to allow SMART to recover its investment in acquiring, developing and operating CURE (the "Cost Recovery Amount").
    - If actual proceeds from the Divestment Sale > Cost Recovery Amount, PLDT pays the NTC, as fee for supervising the Divestment Sale, at least 50% of such excess less government fees and taxes payable as a consequence of the Divestment Sale
  - ✓ The Divestment Sale to be conducted within six months after the Transition Period provided the Decision shall have become final and executory.
    - In case of delay in the implementation of the Divestment Sale by reason of appeal or any legal challenge against the Decision:
      - CURE will continue to pay Spectrum User's Fee and other related fees which will form part of the Cost Recovery Amount
      - PLDT group will not use the Affected Frequency while the Divestment Sale is pending

Digitel: 2007-2010 and 9M11 financial highlights

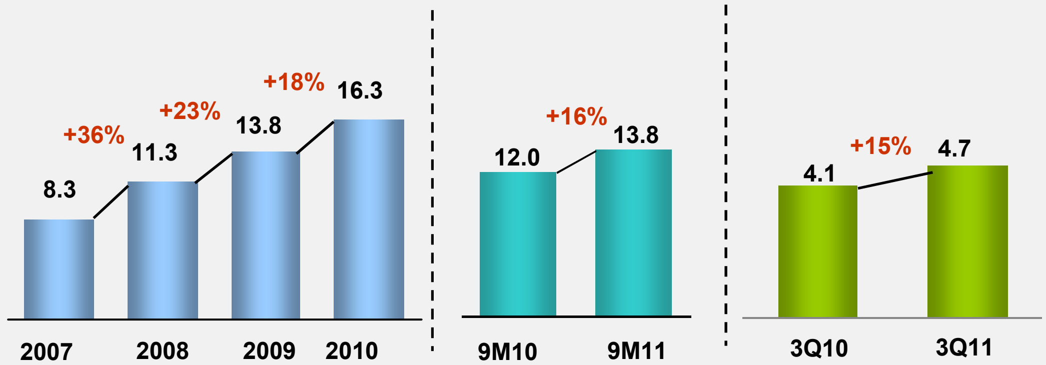
Wireless Subscribers

(in millions)



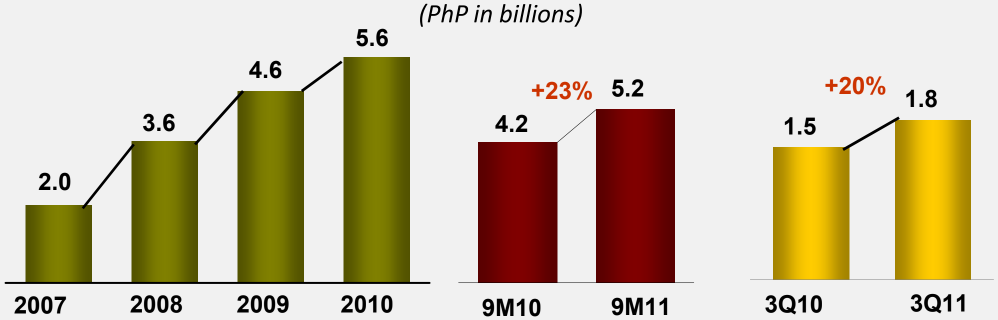
Service Revenues

(PhP in billions)



EBITDA

(PhP in billions)



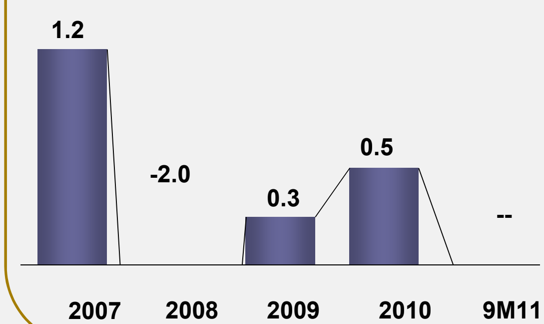
Margin:			
24%	32%	34%	34%

Margin:	
35%	38%

Margin:	
36%	38%

Reported Net Income

(PhP in billions)



PLDT Group Guidance (without Digitel)

Service Revenues	Lower by 4%in 2011 vs 2010
EBITDA	Lower by 4% in 2011 vs 2010
Core Net Income	P39.0 billion in 2011
Capex	P32 billion in 2011 as part of a P67 billion capex program for 2011-12
Capital Management	Dividend Payout Ratio: 70% of Core EPS + “look back” approach Buyback of up to 2.3 million common shares

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

	Sep-11	Jun-11	Mar-11	Dec-10	Sep-10	Jun-10	Mar-10	9M11 vs 9M10		9M11 vs FY10		Net adds		
								Amount	%	Amount	%	1Q11	2Q11	3Q11
CELLULAR														
Smart	**26,606,008**	**26,509,537**	**26,165,500**	**25,715,018**	**25,594,008**	**26,204,136**	**25,479,359**	**1,012,000**	**4%**	**890,990**	**3%**	**450,482**	**344,037**	**96,471**
Buddy	26,129,264	26,079,785	25,735,090	25,293,443	25,175,430	25,764,292	25,033,946	953,834	4%	835,821	3%	441,647	344,695	49,479
Postpaid	476,744	429,752	430,410	421,575	418,578	439,844	445,413	58,166	14%	55,169	13%	8,835	(658)	46,992
Talk 'N Text	**19,522,683**	**19,777,498**	**19,400,538**	**18,967,381**	**18,136,858**	**18,008,072**	**17,445,697**	**1,385,825**	**8%**	**555,302**	**3%**	**433,157**	**376,960**	**(254,815)**
Red Mobile	**1,608,270**	**1,547,498**	**1,090,647**	**953,609**	**381,477**	**1,133,790**	**282,267**	**1,226,793**	**322%**	**654,661**	**69%**	**137,038**	**456,851**	**60,772**
Total Cellular	**47,736,961**	**47,834,533**	**46,656,685**	**45,636,008**	**44,112,343**	**45,345,998**	**43,207,323**	**3,624,618**	**8%**	**2,100,953**	**5%**	**1,020,677**	**1,177,848**	**(97,572)**
BROADBAND														
SmartBro	**1,556,633**	**1,491,700**	**1,407,219**	**1,355,977**	**1,337,965**	**1,323,364**	**1,226,195**	**218,668**	**16%**	**200,656**	**15%**	**51,242**	**84,481**	**64,933**
DSL	**725,232**	**698,921**	**671,588**	**643,048**	**630,984**	**609,143**	**589,795**	**94,248**	**15%**	**82,184**	**13%**	**28,540**	**27,333**	**26,311**
WeRoam	**17,950**	**21,598**	**21,936**	**21,979**	**21,745**	**18,188**	**17,821**	**(3,795)**	**-17%**	**(4,029)**	**-18%**	**(43)**	**(338)**	**(3,648)**
Total Broadband	**2,299,815**	**2,212,219**	**2,100,743**	**2,021,004**	**1,990,694**	**1,950,695**	**1,833,811**	**309,121**	**16%**	**278,811**	**14%**	**79,739**	**111,476**	**87,596**

9M 2011: Consolidated Financial Highlights

(in million pesos)	9M 2011 (Unaudited)				9M 2010 (Unaudited)	% Change
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	
Service Revenues	67,272	35,243	8,168	103,245	106,716	-3%
Cash operating expenses	23,151	17,140	6,560	39,195	39,600	-1%
EBITDA	41,940	17,395	1,540	61,071	63,813	-4%
EBITDA Margin	*62%*	*49%*	*19%*	*59%*	*60%*	
Depreciation and amortization	10,542	9,084	550	20,176	19,953	1%
Financing costs, net	(2,044)	(2,700)	(35)	(4,772)	(5,051)	-6%
Income before income tax	31,627	7,338	1,361	40,326	43,032	-6%
Provision for income tax	7,591	2,028	100	9,719	10,974	-11%
Core net income [1]	24,926	4,649	1,027	30,602	31,423	-3%
Reported net income	24,058	5,304	1,256	30,618	31,988	-4%

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

Foreign Exchange Rates:

	30-Sep-11	30-Sep-10	31-Dec-10
Php per US$	43.80	43.92	43.81

Reconciliation of Core and Reported Net Income

(in billion pesos)	9M11	9M10	Difference
Reported net income	30.6	32.0	(1.4)
Core net income	30.6	31.4	(0.8)
	-	**0.6**	**(0.6)**
Accounted for by:			
Forex gains (losses), Net	0.1	1.7	(1.6)
Gains(losses) on Derivatives	0.9	(0.1)	1.0
Others	(0.4)	(0.2)	(0.2)
Adjustment in equity in investment	(0.4)	(0.3)	(0.1)
	0.2	1.1	(0.9)
Tax Effect	(0.2)	(0.5)	0.3
	-	**0.6**	**(0.6)**

Consolidated Revenues

(in billion pesos)	Nine Months			Third Quarter		
	2011	**2010**	**% Change**	**2011**	**2010**	**% Change**
Voice	46.4	49.8	-7%	15.0	15.8	-5%
Data and ICT	56.8	56.9	-	18.6	18.8	-1%
	103.2	106.7	-3%	33.6	34.6	-3%

Revenues by Segment

(in million pesos)	9M 2011 (Unaudited) Wireless	Fixed Line	ICT	Consolidated	9M 2010 (Unaudited) Consolidated	% Change
Service Revenues						
Wireless						
Cellular	61,905			61,905	64,819	-4%
Broadband	4,839			4,839	4,781	1%
Satellite and other services	528			528	845	-38%
Fixed line						
Local exchange		11,179		11,179	11,559	-3%
International long distance		3,546		3,546	3,987	-11%
National long distance		3,022		3,022	3,401	-11%
Data and other network		16,369		16,369	16,605	-1%
Miscellaneous		1,127		1,127	1,225	-8%
ICT						
Knowledge processing solutions			4,179	4,179	3,876	8%
Customer relationship management			2,108	2,108	2,152	-2%
Internet and online gaming			563	563	780	-28%
Vitro™ Data center and others			1,318	1,318	1,096	20%
Inter-segment transactions				(7,438)	(8,410)	-12%
	67,272	**35,243**	**8,168**	**103,245**	**106,716**	**-3%**
Non-Service Revenues	**1,008**	**444**	**352**	**1,804**	**1,693**	**7%**
Inter-segment transactions	-	-	-	(23)	(137)	-83%
	1,008	**444**	**352**	**1,781**	**1,556**	**14%**
Total Revenues	**68,280**	**35,687**	**8,520**	**105,026**	**108,272**	-3%

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Wireless Net ARPU

	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11
Smart Postpaid	1,286	1,257	1,229	1,256	1,205	1,206	1,100
Smart Buddy	184	179	163	171	163	162	148
Talk 'N Text	115	116	112	116	106	105	97
Red Mobile Prepaid	8	3	5	19	27	37	32
Red Mobile Postpaid	-	-	-	-	133	413	410

Expenses

(in million pesos)	9M 2011 (Unaudited) Wireless	Fixed Line	ICT	Consolidated	9M 2010 (Unaudited) Consolidated	% Change
Operating expenses						
Compensation and employee benefits	4,330	7,111	4,534	15,963	16,834	-5%
Repairs and maintenance	3,924	3,000	533	6,925	6,723	3%
Selling and promotions	3,479	959	58	4,496	3,855	17%
Professional and other contracted services	2,208	2,511	417	3,644	3,408	7%
Rent	6,038	1,841	455	2,958	3,386	-13%
Taxes and licenses	1,174	585	83	1,842	2,015	-9%
Communication, training and travel	700	416	313	1,275	1,321	-3%
Insurance and security services	621	351	59	957	909	5%
Other operating expenses	677	366	108	1,135	1,149	-1%
Cash operating expenses	**23,151**	**17,140**	**6,560**	**39,195**	**39,600**	**-1%**
Depreciation and amortization	10,542	9,084	550	20,176	19,953	1%
Asset impairment	430	726	28	1,184	1,534	-23%
Amortization of intangible assets	81	7	119	207	268	-23%
Non-cash operating expenses	**11,053**	**9,817**	**697**	**21,567**	**21,755**	**-1%**
Cost of sales	**2,759**	**426**	**399**	**3,583**	**3,561**	**1%**
Total Expenses	**36,963**	**27,383**	**7,656**	**64,345**	**64,916**	**-1%**

Other Income (Expenses)

(in million pesos)	9M 2011 (Unaudited)				9M 2010 (Unaudited)	% Change
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	
Gains (losses) on derivative financial instruments, net	-	894	-	894	(137)	753%
Interest income	584	404	32	1,013	914	11%
Equity share in net earnings (losses) of associates and joint ventures	1,370	-	150	1,520	1,419	7%
Foreign exchange gains (losses), net	60	42	4	106	1,667	-94%
Hedge costs	-	(268)	-	(268)	(358)	-25%
Others	340	662	346	1,152	1,222	-6%
Total	**2,354**	**1,734**	**532**	**4,417**	**4,727**	**-7%**
Financing costs, net						
Interest on loans and other related items	(1,438)	(2,928)	(10)	(4,369)	(4,668)	-6%
Accretion on financial liabilities	(725)	(57)	(25)	(807)	(885)	-9%
Financing charges	(30)	(46)	-	(76)	(36)	111%
Capitalized interest	149	331	-	480	538	-11%
Total	**(2,044)**	**(2,700)**	**(35)**	**(4,772)**	**(5,051)**	**-6%**
Total other income (expenses)	**310**	**(966)**	**497**	**(355)**	**(324)**	**10%**

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EBITDA

(in million pesos)	9M 2011 (Unaudited) Wireless	9M 2011 (Unaudited) Fixed Line	9M 2011 (Unaudited) ICT	9M 2011 (Unaudited) Consolidated	9M 2010 (Unaudited) Consolidated	% Change
Income before tax	31,627	7,338	1,361	40,326	43,032	-6%
Add (deduct):						
Depreciation and amortization	10,542	9,084	550	20,176	19,953	1%
Financing costs, net	2,044	2,700	35	4,772	5,051	-6%
Asset impairment	-	-	7	7	236	-97%
Amortization of intangible assets	81	7	119	207	268	-23%
Equity share in net losses (earnings) of associates and joint ventures	(1,370)	-	(150)	(1,520)	(1,419)	7%
Losses (gains) on derivative financial instruments, net	-	(894)	-	(894)	137	753%
Foreign exchange losses (gains), net	(60)	(42)	(4)	(106)	(1,667)	-94%
Interest income	(584)	(404)	(32)	(1,013)	(914)	11%
Hedge costs	-	268	-	268	358	-25%
Other income	(340)	(662)	(346)	(1,152)	(1,222)	-6%
EBITDA	**41,940**	**17,395**	**1,540**	**61,071**	**63,813**	**-4%**
	62%	**49%**	**19%**	**59%**	**60%**	

Core Net Income

(in million pesos)	9M 2011 (Unaudited) Wireless	Fixed Line	ICT	Consolidated	9M 2010 (Unaudited) Consolidated	% Change
Reported net income	24,058	5,304	1,256	30,618	31,988	-4%
Add (deduct):						
Foreign exchange losses (gains), net	(54)	(42)	(4)	(100)	(1,678)	-94%
Losses (gains) on derivatives financial instruments, net	-	(894)	-	(894)	137	-753%
Others	558	-	(194)	364	232	57%
Adjustment in equity share in Meralco	453	-	-	453	282	61%
Tax effect	(89)	281	(31)	161	462	-65%
Core Net Income	**24,926**	**4,649**	**1,027**	**30,602**	**31,423**	**-3%**

Earnings Per Share

(in million pesos)	9M 2011 (Unaudited) Basic	9M 2011 (Unaudited) Diluted	9M 2010 (Unaudited) Basic	9M 2010 (Unaudited) Diluted
Net income (loss) attributable to equity holders of PLDT	30,618	30,618	31,988	31,988
Dividends on preferred shares	(343)	(37)	(348)	(348)
Net income for the period attributable to common equity holders of PLDT	**30,275**	**30,581**	**31,640**	**31,640**
Outstanding common shares at beginning of period	186,756	186,756	186,797	186,797
Common shares equivalent to convertible preferred shares deemed dilutive				
Preferred Stock Series A to EE		1,941		
Global Depository Shares/Preferred Stock Series III				
Weighted average number of common shares, end	**186,756**	**188,697**	**186,797**	**186,797**
EPS (based on reported net income)	**162.11**	**162.06**	**169.38**	**169.38**
Core net income	30,602	30,602	31,423	31,423
Dividends on preferred shares	(343)	(37)	(348)	(348)
Net income applicable to common shares	**30,259**	**30,565**	**31,075**	**31,075**
Weighted average number of shares, end	**186,756**	**188,697**	**186,797**	**186,797**
EPS (based on core net income)	**162.02**	**161.98**	**166.36**	**166.36**

Cash Flows

(in million pesos)	9M 2011 (Unaudited) Wireless	Fixed Line	ICT	Consolidated	9M 2010 (Unaudited) Consolidated	% Change
Net cash from operations	35,950	17,644	1,400	54,987	54,026	2%
Add(Deduct):						
Capital expenditures	(5,979)	(8,146)	(423)	(14,548)	(16,923)	-14%
Other investing activities	495	32,402	(1,490)	(974)	460	-312%
Interest, net	(772)	(2,166)	22	(2,909)	(3,195)	-9%
Preferred share dividends	-	(196)	-	(196)	(202)	-3%
Others	(39)	213	27	170	(1,391)	112%
Free cash flow	29,655	39,751	(464)	36,530	32,775	11%
Common share dividends	(31,400)	(41,434)	(1)	(41,288)	(40,745)	1%
Investments	-	(31)	72	72	(413)	117%
Redemption of preferred shares	-	-	(800)	-	(6)	-100%
Debt repayments, net	(3,209)	2,751	1,038	614	(3,486)	118%
Change in cash	**(4,954)**	**1,037**	**(155)**	**(4,072)**	**(11,875)**	**-66%**
Cash balance, beginning[(1)]	**21,814**	**14,000**	**1,533**	**37,347**	**42,143**	**-11%**
Cash balance, end[(1)]	**16,860**	**15,037**	**1,378**	**33,275**	**30,268**	**10%**

(1) Includes short-term investments

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Balance Sheet

(in million pesos)	September 30, 2011 (Unaudited)	December 31, 2010 (Audited)
Total Assets	**266,870**	**277,815**
Nominal Value of Total Debt	**93,039**	**92,590**
in US$	***$2,124***	***$2,113***
Less: Unamortized Debt Discount	**2,336**	**2,944**
Total Debt	**90,703**	**89,646**
Cash and short-term investments	**33,275**	**37,347**
Net Debt (2)	**59,764**	**55,243**
Equity	**86,435**	**97,385**
Total Debt(1)/Equity	**1.08x**	**0.95x**
Net Debt(2)/Equity	**0.69x**	**0.57x**
Total Debt(1)/EBITDA	**1.15x**	**1.11x**
Net Debt (2)/EBITDA	**0.74x**	**0.66x**

(1) Nominal value of total debt
(2) Net Debt calculated based on nominal value of debts less cash and short-term investments

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Debt Profile

(in million US$)	2006	2007	2008	2009	2010	9M11
Debt Balance	1,756	1,585	1,625	2,210	2,113	2,124
Cash and short-term investments	514	745	847	908	852	760
Net Debt	1,242	840	778	1,302	1,261	1,364

Debt Maturities
as of September 30, 2011
(in million US$)

2011	57
2012	459
2013	254
2014	446
2015 onwards	908
	2,124

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Interest-bearing Liabilities

(in millions)	September 30, 2011 (Unaudited)			December 31, 2010 (Audited)	Change
	Carrying Value	Unamortized Debt Discount	Face Value	Face Value	
Debt					
PLDT	**$1,184**	**$3**	**$1,187**	**$1,123**	**$64**
Smart	**$861**	**$50**	**$911**	**$987**	**($76)**
2014 Debt	$235	$45	$280	$280	$0
Others	$626	$5	$631	$707	($76)
Others	**$27**	**$0**	**$27**	**$3**	**($24)**
Total Debt	**$2,071**	**$53**	**$2,124**	**$2,113**	**($36)**
Obligations under finance lease	**$0**	**$0**	**$0**	**$1**	**($1)**