



INVESTING IN THE FUTURE

First Half 2012 Financial and Operating Results

7 August 2012



PLDT Group: 1H12 vs 1H11 Financial Highlights

(PhP in billions, except EBITDA margin and Core EPS)	1H 2012			1H 2011* (Unaudited)	% Y-o-Y	
	PLDT*	DIGITEL	Total (Unaudited)		PLDT*	Total
Service Revenues**	73.6	11.1	84.7	75.6	-3%	12%
• Wireless	48.5	10.0	58.5	50.3	-4%	16%
• Fixed Line	28.7	1.7	30.4	29.1	-1%	5%
• BPO	4.8	-	4.8	4.1	17%	17%
EBITDA	35.9	3.4	39.3	41.5	-14%	-5%
• Wireless	25.1	3.1	28.2	29.0	-13%	-3%
• Fixed Line	9.7	0.2	9.9	11.6	-16%	-15%
• BPO	1.0	-	1.0	0.7	41%	41%
EBITDA Margin***	49%	31%	46%	55%		
Reported Net Income	18.7	0.8	19.5	21.3	-12%	-8%
Core Net Income	18.3	0.4	18.7	21.0	-13%	-11%
Core EPS			86.26	111.35		-23%

Foreign Exchange Rates (Php:US\$1)	1H2012	1H2011	Inc/(Dec)
Period-end	P42.28	P43.36	-2%
Period-average	P42.90	P43.52	-1%

* Excluding DIGITEL

** Service Revenues restated to reflect the change in the presentation of outbound revenues

*** EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnect expenses)

PLDT Group: 1H12 vs 2H11 Financial Highlights

(Php in billions, except EBITDA margin and Core EPS)	1H 2012			2H 2011*			% H-O-H	
	PLDT**	DIGITEL	Total (Unaudited)	PLDT**	DIGITEL	Total (Unaudited)	PLDT**	Total
Service Revenues***	73.6	11.1	84.7	74.6	3.8	78.3	↓ -1%	↑ 8%
• Wireless	48.5	10.0	58.5	48.7	3.1	51.8	→ 0%	↑ 13%
• Fixed Line	28.7	1.7	30.4	29.0	0.7	29.7	↓ -1%	↑ 2%
• BPO	4.8	-	4.8	4.5	-	4.5	↑ 8%	↑ 8%
EBITDA	35.9	3.4	39.3	37.4	1.1	38.4	↓ -4%	↑ 2%
• Wireless	25.1	3.1	28.2	25.2	1.1	26.3	→ 0%	↑ 7%
• Fixed Line	9.7	0.2	9.9	11.1	(0.1)	11.0	↓ -12%	↓ -10%
• BPO	1.0	-	1.0	0.9	-	0.9	↑ 16%	↑ 16%
EBITDA Margin****	49%	31%	46%	50%	28%	49%	↓	↓
Reported Net Income	18.7	0.8	19.5	11.0	(0.6)	10.4	↑ 70%	↑ 88%
Core Net Income	18.3	0.4	18.7	18.0	(0.0)	18.0	↑ 2%	↑ 4%
Core EPS			86.26			90.23		↓ -4%

Foreign Exchange Rates (Php:US\$1)

	1H2012	2H2011	Inc/(Dec)
Period-end	P42.28	P43.92	-4%
Period-average	P42.90	P43.11	--

* Including DIGITEL's financials from 26 October 2011

** Excluding DIGITEL

*** Service Revenues restated to reflect the change in the presentation of outbound revenues

**** EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnect expenses)

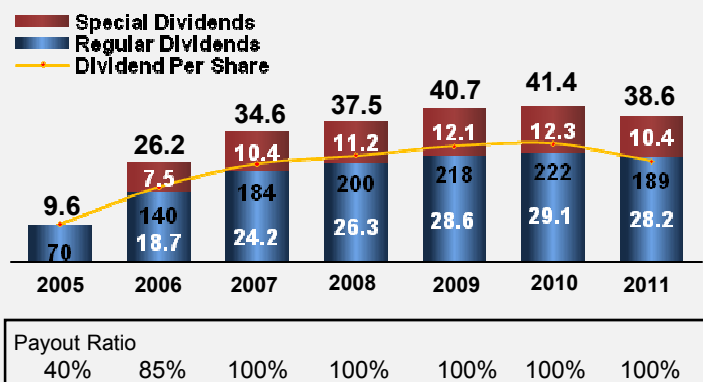
PLDT Group: Capital Management

Dividend Declaration

Declaration Date	7 August 2012
Record Date	31 August 2012
Payment Date	28 September 2012
Interim Regular Dividend for 2012	P60 per share (70% of core EPS)

Dividend Payments

(PhP billions, except per share amount)

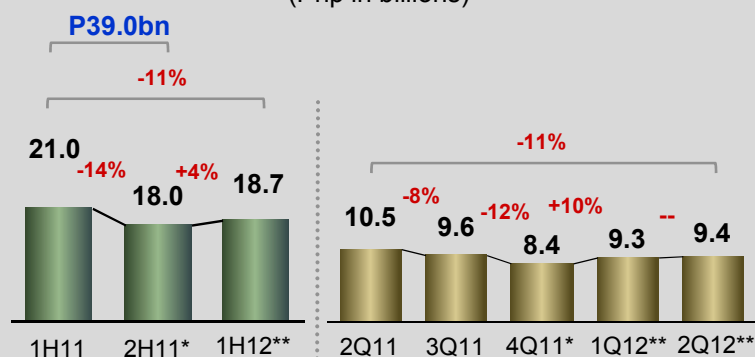


- FCF for the first six months of 2012 registered a P0.2bn or 1% increase year-on-year to P24.4bn
- An interim dividend of P13.0bn or P60 per share representing 70% of 1H12 core earnings per share was declared consistent with PLDT's dividend policy
- The company's dividend policy also provides for a "look-back" mechanism that determines the payment of any special dividends at the end of the year
- PLDT has paid out 100% of its core earnings for five consecutive years
- Under the approved share buyback program, PLDT may acquire up to 2.3mn shares on opportunistic basis

PLDT Group: Core and Reported Net Income

Core Net Income

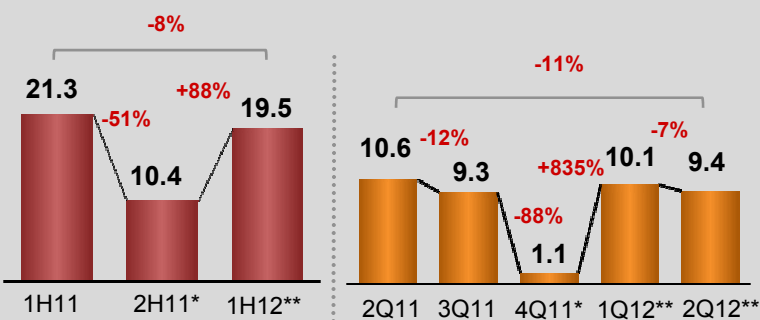
(Php in billions)



- Core Net Income for 2011 of P39.0bn consisted of P21.0bn in 1H11 and P18.0bn in 2H11 reflecting the more challenging operating environment in the second half of 2011
- Given more favorable operating conditions in 1H11, Core Net Income for 1H12 was lower by 11% year-on-year at P18.7bn, manifesting the impact of the company's stepped up response to the competitive environment starting in 2H12 as well as costs arising from our manpower reduction program, partly offset by higher service revenues and the impact of some asset sales
 - 1H12 Core Net Income showed a 4% improvement over 2H11
 - 2Q12 Core Net Income of P9.4bn declined 11% year-on-year, but was stable quarter-on-quarter
- Reported Net Income at end June 2012 declined by 8% or P1.8bn to P19.5bn resulting from:
 - Decline in Core Net income by P2.4bn
 - Higher net forex and derivative gains by P0.2bn

Reported Net Income

(Php in billions)



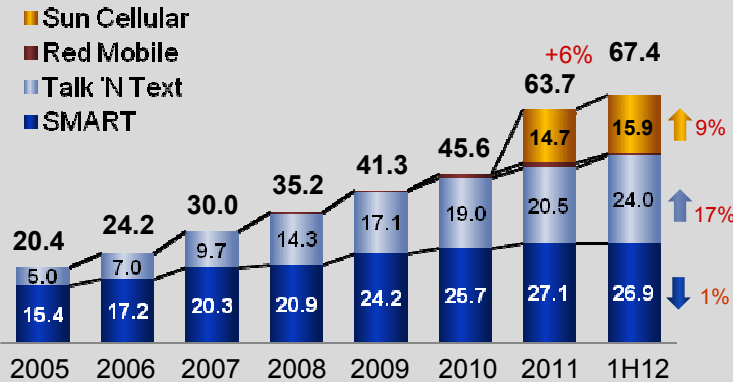
* includes DIGITEL's financials from 26 October 2011

** includes DIGITEL

Subscriber Base

Cellular Subscribers

(in millions)

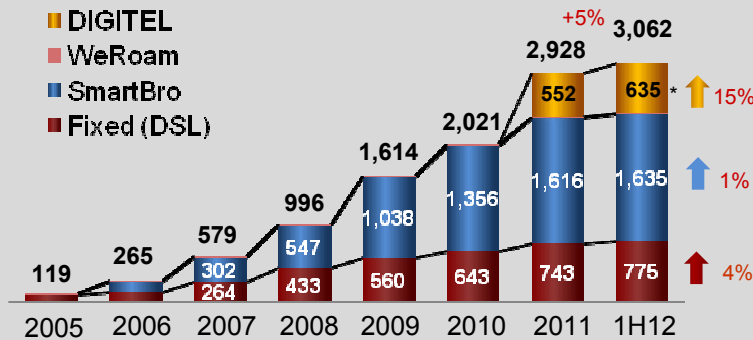


- **Combined cellular subscriber base rose to 67.4mn at the end of June 2012, reflecting net adds of 3.7mn from YE11**
 - Sun Cellular subscribers grew to nearly 16mn with net adds of about 1.3mn
 - Smart subscribers increased to 51.5mn with net adds of 2.5mn
 - ✓ 26.9mn Smart subscribers
 - ✓ 24.0mn Talk 'N Text subscribers
 - ✓ 0.6mn Red Mobile subscribers

- **Combined postpaid subscribers grew to 2.1mn at the end of 1H12, with 1.5mn and 0.6mn Sun and Smart subscribers, respectively**

Broadband Subscribers

(in thousands)



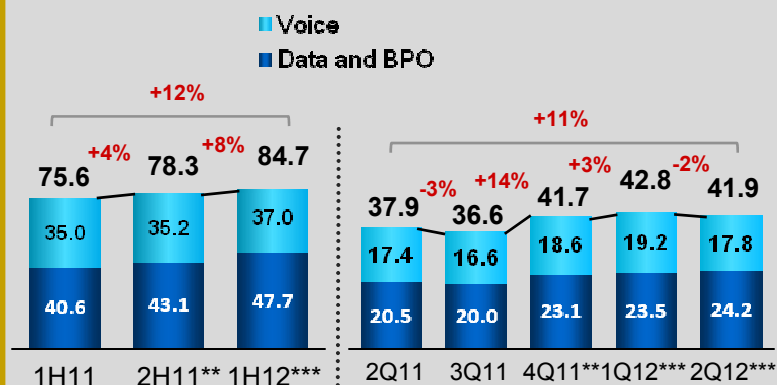
* 534K wireless; 102 DSL

- **At end 1H12, PLDT total broadband subscriber base stood at 3.1mn, with net adds of 134,000 from end 2011**
 - Combined wireless broadband subscribers grew to 2.2mn with 1.6mn from Smart and 0.6mn from Sun
 - ✓ 1.5mn prepaid subscribers
 - ✓ 0.7mn postpaid subscribers
 - DSL subscriber base of 877,000 with 775,000 and 102,000 PLDT and Digitel subscribers, respectively
- **PLDT Group registered 2.1mn fixed line subscribers at the end of June 2012**
 - 1.8mn PLDT subscribers
 - 0.3mn Digitel subscribers

PLDT Group: Service Revenues and EBITDA

Consolidated Service Revenues*

(Php in billions)

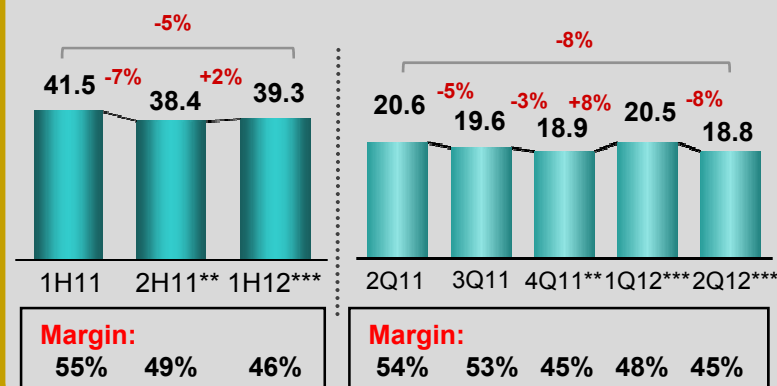


➤ Consolidated Service Revenues for 1H12 of P84.7bn grew by 12% year-on-year and 8% half-on-half

- DIGITEL contributed P11.1bn and accounted for 13% of total PLDT group service revenues
- Combined Smart, PLDT and BPO revenues amounting to P73.6bn were lower by 3% compared with 1H11
- Both Data & BPO and Voice revenues recorded year-on-year increases
 - ✓ Data & BPO rose by 18% or P7.1bn to P47.7bn
 - ✓ Voice revenues grew by 6% or P2.0bn to P37.0bn

Consolidated EBITDA and EBITDA Margin

(Php in billions)



➤ Consolidated EBITDA declined by 5% to P39.3bn at end June 2012 compared with the same period last year, but grew 2% from 2H11

- Excluding P1.7bn manpower reduction costs booked in 2Q12, EBITDA would have only dipped by P0.5bn or 1% year-on-year, and would have been 7% higher half-on-half

➤ EBITDA margin for 1H12 lower at 46%, partly reflecting the impact of:

- Changing revenue mix from high-margin SMS and ILD to lower margin broadband and voice
- Cash operating cost increases in response to competition and arising from our manpower reduction program
- Digitel's lower margins

➤ EBITDA margin per segment for 1H12:

- Wireless margin at 48% (1H11:58%; 2H11:51%; FY11: 54%)
- Fixed Line margin at 33% (1H11:40%; 2H11:37%; FY11: 39%)
- BPO margin at 20% (1H11:17%; 2H11:19%; FY11: 18%)

* restated to reflect the change in the presentation of outbound revenues

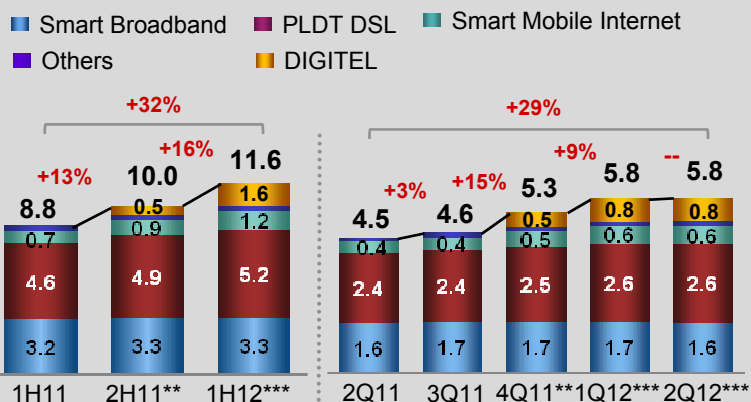
** includes DIGITEL's financials from 26 October 2011

*** includes DIGITEL

Service revenues and outlook per segment

Broadband Service Revenues*

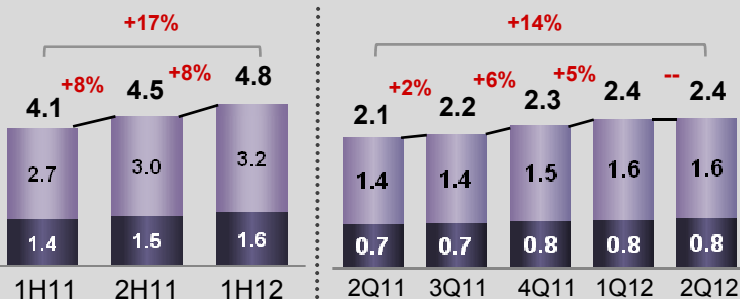
(Php in billions)



BPO Service Revenues

(Php in billions)

■ Knowledge Processing Solutions
■ Customer Relationship Management



* restated to reflect the change in the presentation of outbound revenues
 ** includes DIGITEL's financials from 26 October 2011
 *** includes DIGITEL

➤ **Broadband service revenues continued to climb with a 32% year-on-year rise to P11.6bn and a 16% growth half-on-half**

➤ **Opportunities in broadband are rich and are expected to grow even more with the availability of sub-US\$100 smartphones**

- Large population of overseas Filipinos (OFWs, immigrants), high literacy rates, popularity of social networks and relatively young domestic population underpin the robust demand for broadband connectivity
- PLDT group continues to mine these opportunities through:
 - ✓ Greater availability of volume-based offers (Data Lite packages and Always On offers) and implementation of fair usage policies
 - ✓ Varied menu of service offers that provide upselling opportunities including
 - Offers differentiated by speed and price points, including fiber-to-the-home (FTTH), SmartBro dongle offers (Rocket, Plug It), PLDT myBro
 - Bundles that optimize fixed and wireless service delivery platforms (DSL+WiFi) and content
- PLDT Group's network advantage allows greater coverage, capability for faster speeds, more reliable connectivity, and cost efficiencies

➤ **BPO service revenues, which contributed 5% of total PLDT group service revenues, rose by 17% year-on-year to P4.8bn in 1H12**

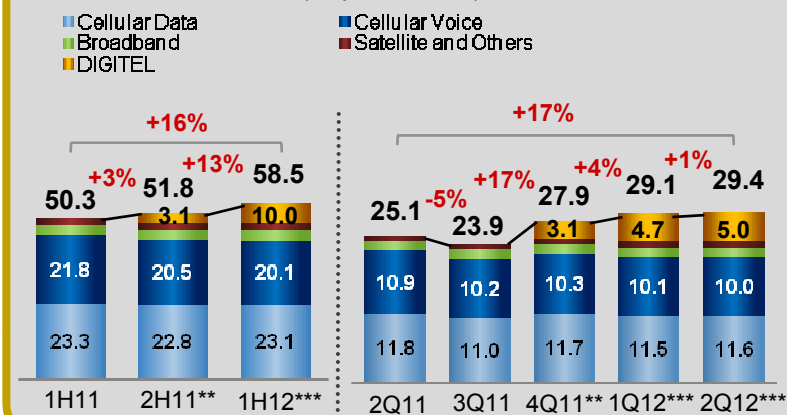
➤ **Outlook for our BPO business remains bright, in-line with the outlook of double-digit growth for the industry in 2012**

- Demand for SPi Global services continues to be strong with launch of over 20 new clients across all three verticals in the last 12 months
- Sales pipeline from existing customers and new clients to fuel top-line growth
- Recent acquisition Laserwords fully integrated into Spi Global
- Rejection by the US Senate of a bill removing tax incentives for businesses that outsource is positive for the Philippine BPO industry

Service revenues and outlook per segment

Wireless Service Revenues*

(Php in billions)



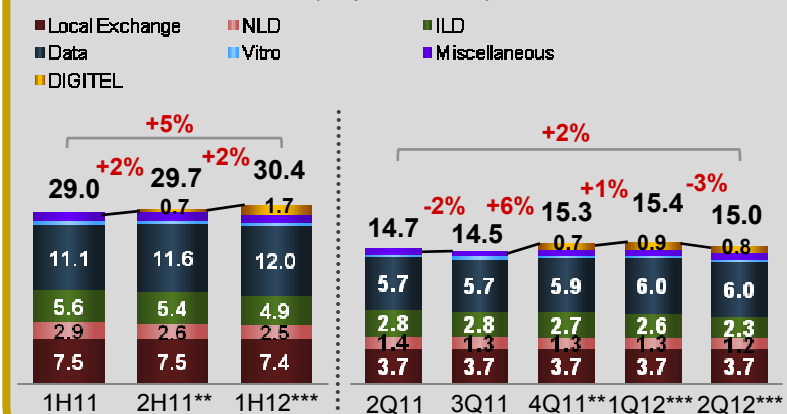
➤ Wireless service revenues for 1H12 were higher by P8.2bn or 16% at P58.5bn compared with 1H11

➤ Though competition in the cellular space remains challenging, positive metrics have been registered in our wireless business, and initiatives to improve profitability continue to be pursued

- Service revenues (ex-DIGITEL) were higher quarter-on-quarter compared with a 2% quarter-on-quarter decline in 1Q12
- EBITDA margin for 2Q was slightly lower at 48% from 49% in 1Q12; 1H12 EBITDA margin at 48%
- Opportunities for yield improvement following the increased availability of bucket plans (e. g. TriNet offers) in higher top-up denominations offer combinations of high number of on-net and off-net SMS and voice minutes and the ability to call the expanded subscriber base with the acquisition of Sun

Fixed Line Service Revenues*

(Php in billions)



➤ Fixed line service revenues grew by 5% or P1.4bn to P30.4bn in 1H12 from P29.0bn in 1H11

➤ Potentials for the fixed line business abound arising from improved overall economic conditions and sustained growth in domestic consumption, providing PLDT opportunities to offer:

- Variety of DSL offers for the home, including FTTH and triple play services, responding to demand for broadband services and content
- Suite of business solutions for corporates, SME businesses to enable growth of domestic industries including the outsourcing sector
- Data center and cloud-based services riding on the strength of the PLDT group's integrated network

* restated to reflect the change in the presentation of outbound revenues

** includes DIGITEL's financials from 26 October 2011

*** includes DIGITEL

Capex Updates: Unrivalled PLDT Network

- **Capex for FY12 estimated at P38bn: P9.3bn at 1H12**
 - Capex includes build-out of network elements to support traffic volumes in cellular business and those needed to deliver quality broadband and content

- **PLDT Group customers' quality of experience further boosted by increased level of investment in capex in 2011-12 designed to future-proof the network and cement its unrivalled premier position in terms of coverage, capacity, resiliency, efficiency**
 - **Access network: widest coverage, cost-efficient, LTE-ready**
 - ✓ Single RAN deployment 99% completed (except in areas with security issues): 3G and LTE enabled
 - ✓ LTE trials on-going; number of pilot sites expanded; push-button-ready for commercial LTE roll-out
 - ✓ 3G population coverage improved to 65%
 - **Transport network: most extensive fiber coverage in the Philippines with 3 Terabits per second capacity by YE11**
 - ✓ Over 48,000 kms. of fiber assets (including DFON, Digitel/Sun and Meralco); with additional 6,000 kms. of fiber-to-the-home rolled out
 - ✓ 80% of MM sites and 36% of provincial sites are with fiber
 - ✓ IP-ready sites: 86% of MM sites, 62% of provincial sites
 - **Core network: modernization completed ahead of schedule**
 - ✓ De-commissioning of old switches ongoing
 - **International capacity: unparalleled in resiliency, quality and quantity**
 - ✓ PLDT's fourth cable landing station, part of Asia Submarine Express (ASE) cable system, to be completed in 3Q12
 - ✓ 12 international cable systems alliances in place

PLDT/SMART/DIGITEL/SUN SYNERGIES: UPDATES

➤ Marketing initiatives

▪ Tri-Net offers

- ✓ Buckets (not unlimited) of SMS and calls among Smart, TNT and Sun, with some “all-net” and/or data services, depending on the variant
- ✓ Typically higher top-up denominations than the standard unlimited top-up

▪ Sales and Marketing synergies in the Enterprise segment

- ✓ Sun products and services to be packaged and offered to Corporate and SME markets, emphasizing the “power of three networks”, i. e., PLDT, Smart, and Sun

➤ Opex rationalization efforts to raise margins, reduce capex, and/or improve operating efficiencies:

- Over 850 fixed line employees, or about 18% of total Digitel group headcount availed of the Voluntary Retirement Program (VRP)
- Identified 150 sites for site sharing or co-location, and 850 Smart/Sun sites for consolidation, with estimated annual savings of P0.5bn per annum
 - ✓ 200 sites already co-located/consolidated
 - ✓ Evaluating further streamlining of cell site/base station architecture for additional capex and opex savings
- Implementation of national roaming in ~1500 2G and ~400 3G sites increasing Sun’s 2G and 3G geographic coverage to 85% (59% at YE11) and 17% (6% at YE11), respectively
- Completed consolidation of PLDT/Digitel Outside Plant Facilities minimizing capex build-out, improving existing fixed line services and creating opportunity to sign up new customers
- Increased Sun/PLDT points of interconnect (POIs) from 5 to 16, avoiding capex for Sun/Digitel transport/backhaul expansion
- Transferred Sun call center operations to SPi Global
- Studying the possible integration of Smart/Sun and PLDT/Digitel Technical Operations for additional improved services and lower costs

PLDT Group Guidance

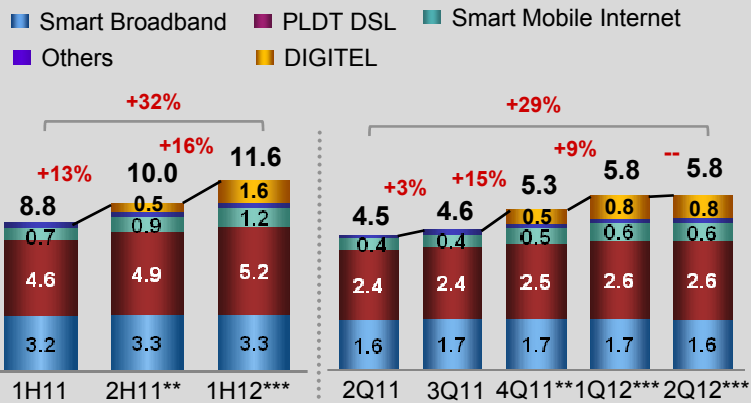
Core Net Income	P37.0 billion, and return to 2010 level of P42bn by 2014
Capex	P38.0 billion for 2012, and decreasing for 2013 onwards at below 20% of service revenues
Capital Management	Dividend Payout Ratio: 70% of Core EPS + “look back” approach Buyback of up to 2.3 million common shares

SEGMENT DETAILS

Broadband

Broadband Service Revenues*

(Php in billions)



➤ **Broadband service revenues continued to climb with a 32% year-on-year rise to P11.6bn and a 16% growth half-on-half**

- PLDT DSL revenues rose by 13% to P5.2bn following an 11% increase in subscribers
- Smart wireless broadband revenues increased by 4% to P3.3bn arising from a 10% increase in subscribers
- Smart mobile internet browsing grew by 63% to P1.2bn
- DIGITEL contributed P1.6bn in broadband revenues consisting of P0.9bn from wireless broadband, P0.4bn from DSL, and P0.3bn from mobile internet browsing

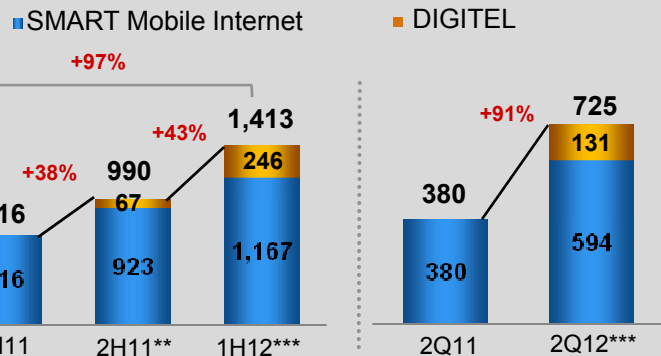
➤ **PLDT DSL ARPU is P1,084; Smart and Sun wireless broadband net blended ARPUs are P335 and P325, respectively**

➤ **Opportunities in broadband are rich and are expected to grow even more with the availability of sub-US\$100 smartphones**

- Large population of overseas Filipinos (OFWs, immigrants), high literacy rates, popularity of social networks and relatively young domestic population underpin the robust demand for broadband connectivity
- PLDT group continues to mine these opportunities through:
 - ✓ Greater availability of volume-based offers (Data Lite packages and Always On offers) and implementation of fair usage policies
 - ✓ Varied menu of service offers that provide upselling opportunities including
 - Offers differentiated by speed and price points, including fiber-to-the-home (FTTH), SmartBro dongle offers (Rocket, Plug It), PLDT myBro
 - Bundles that optimize fixed and wireless service delivery platforms (DSL+WiFi) and content
- PLDT Group's network advantage allows greater coverage, capability for faster speeds, more reliable connectivity, and cost efficiencies

Mobile Internet Browsing Service Revenues*

(Php in millions)



* restated to reflect the change in the presentation of outbound revenues

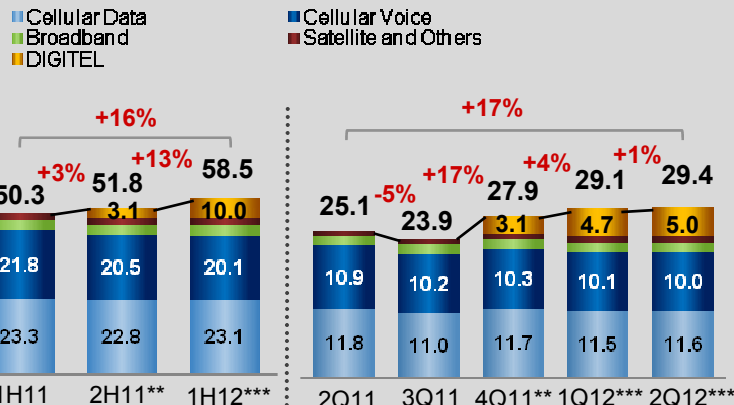
** includes DIGITEL's financials from 26 October 2011

*** includes DIGITEL

Wireless

Wireless Service Revenues*

(Php in billions)



- **Wireless service revenues for 1H12 were higher by P8.2bn or 16% at P58.5bn compared with 1H11**
 - DIGITEL registered P10.0bn in wireless service revenues
 - Smart accounted for P48.4bn of wireless service revenues, 4% or P1.8bn lower year-on-year
 - ✓ SMS revenues dipped by 3% to P21.9bn even as SMS volumes rose by 43%
 - ✓ Wireless voice revenues declined by 8% to P20.1bn despite a 6% increase in call volumes
 - ✓ Wireless broadband revenues of P3.3bn increased by 4%
 - ✓ Mobile internet browsing revenues grew by 63% to P1.2bn
 - ✓ VSAT and other revenues were stable at P2.0bn

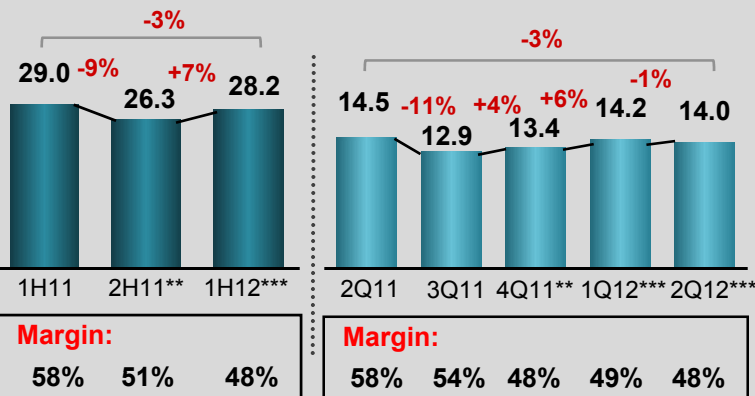
- **EBITDA at end June 2012 declined by 3% year-on-year to P28.2bn as increase in service revenues were offset by higher cash operating expenses, mainly in selling and promotions**
 - DIGITEL EBITDA amounted to P3.1bn

- **EBITDA margin for 1H12 was lower at 48%, partly due to the impact of DIGITEL's EBITDA margin of 31%**

- **Though competition in the cellular space remains challenging, positive metrics have been registered in our wireless business, and initiatives to improve profitability continue to be pursued**
 - Service revenues (ex-DIGITEL) were higher quarter-on-quarter compared with a 2% quarter-on-quarter decline in 1Q12
 - EBITDA margin for 2Q was slightly lower at 48% from 49% in 1Q12; 1H12 EBITDA margin at 48%
 - Opportunities for yield improvement with the increased availability of bucket plans (e. g. TriNet offers) in higher top-up denominations offer combinations of high number of on-net and off-net SMS and voice minutes and the ability to call the expanded subscriber base with the acquisition of Sun

EBITDA

(Php in billions)



* restated to reflect the change in the presentation of outbound revenues

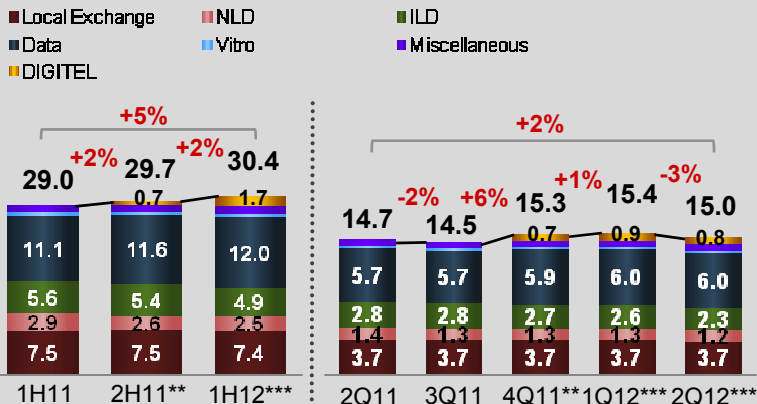
** includes DIGITEL's financials from 26 October 2011

*** includes DIGITEL

Fixed Line

Fixed Line Service Revenues*

(Php in billions)

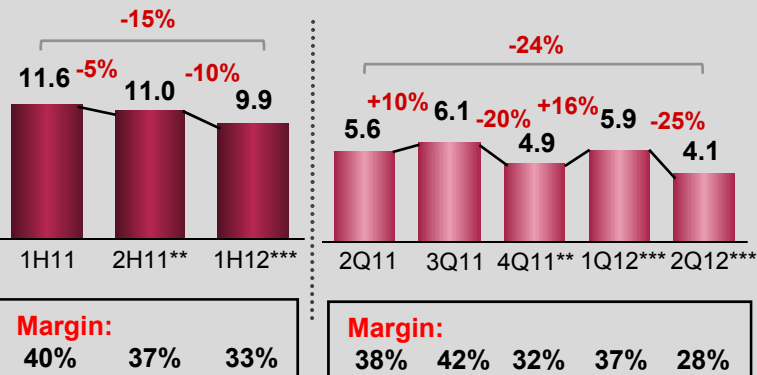


➤ Fixed line service revenues grew by 5% or P1.3bn to P30.4bn in 1H12 from P29.0bn in 1H11

- PLDT fixed line service revenues dipped by P0.3bn or 1% year-on-year to P28.7bn
 - ✓ PLDT data and other network services (including revenues from corporate customers) rose by P0.9bn or 7% to P12.5bn
 - DSL revenues grew by 13% or P0.6bn to P5.2bn
 - International leased line and other data services improved by 7% to P3.2bn
 - Domestic leased line and other revenues grew by 1% to P3.4bn
 - Third party corporate data revenues increased by 11%
 - Data center revenues were higher by 7% at P0.6bn
 - ✓ Traditional revenues from LEC, ILD and NLD of P14.9bn, representing 48% of total fixed line service revenues, were lower by P1.0bn
- DIGITEL contributed P1.7bn in fixed line revenues
 - ✓ P1.0bn in revenues from LEC, ILD and NLD
 - ✓ P0.7bn data and other service revenues

EBITDA

(Php in billions)



➤ EBITDA for the first half of 2012 dipped by P1.7bn or 15% to P9.9bn, inclusive of P0.2bn from DIGITEL

- Growth in service revenues offset by increases in cash operating expenses, mainly the P1.7bn of costs resulting from the manpower reduction programs at PLDT and DIGITEL

➤ EBITDA margin declined to 33%, partly due to DIGITEL EBITDA margin of 10%

➤ Potentials for the fixed line business abound arising from improved overall economic conditions and sustained growth in domestic consumption, providing PLDT opportunities to offer:

- Variety of DSL offers for the home, including FTTH and triple play services, responding to demand for broadband services and content
- Suite of business solutions for corporates and SME businesses to enable growth of domestic industries including the outsourcing sector
- Data center and cloud-based services riding on the strength of the PLDT group's integrated network

* restated to reflect the change in the presentation of outbound revenues

** includes DIGITEL's financials from 26 October 2011

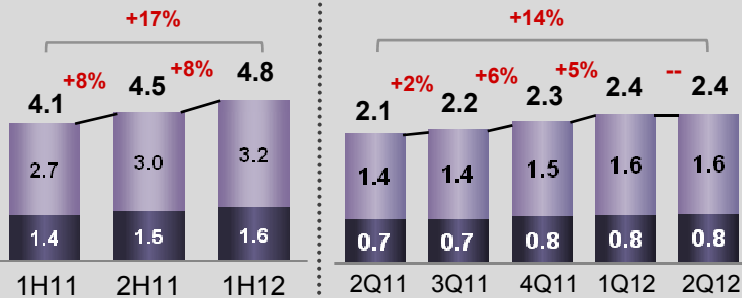
*** includes DIGITEL

BPO

BPO Service Revenues

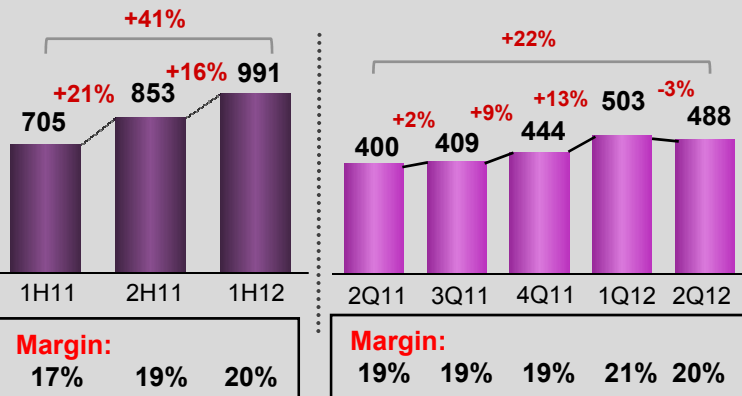
(Php in billions)

■ Knowledge Processing Solutions
■ Customer Relationship Management



BPO EBITDA

(Php in millions)

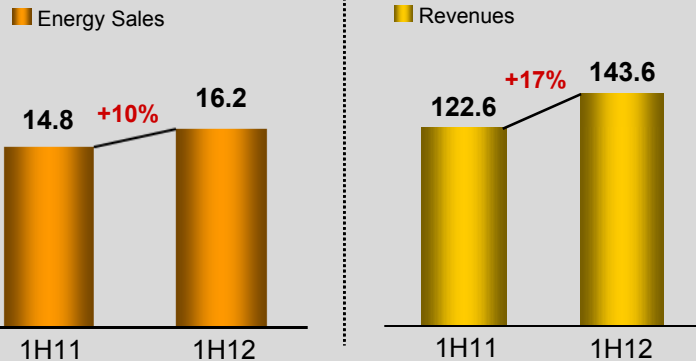


- BPO service revenues, which contributed 5% of total PLDT group service revenues, rose by 17% year-on-year to P4.8bn in 1H12
 - KPS service revenues grew 18% to P3.2bn, and accounted for two-thirds of total BPO revenues
 - CRM service revenues increased by 15% to P1.6bn
- 82% of BPO service revenues are dollar-linked; had the peso remained stable, revenues would have been higher by another P0.1bn
- BPO EBITDA of P991mn for the first half of 2012 increased by 41% year-on-year and 16% quarter-on-quarter
- EBITDA margin rose to 20% in 1H12 compared with 17% in 1H11 and 19% in 2H11
 - Margin improvement resulted from higher revenues, focus on high value offerings, better seat utilization, efficiencies of scale, and location strategy
- Outlook for our BPO business remains bright, in-line with the outlook of double-digit growth for the industry in 2012
 - Demand for Spi Global services continues to be strong with launch of over 20 new clients across all three verticals in the last 12 months
 - Sales pipeline from existing customers and new clients to continue to fuel top-line growth
 - Recent acquisition Laserwords fully integrated into Spi Global
 - Rejection by the US Senate of a bill removing tax incentives for businesses that outsource positive for the Philippine BPO industry

Meralco

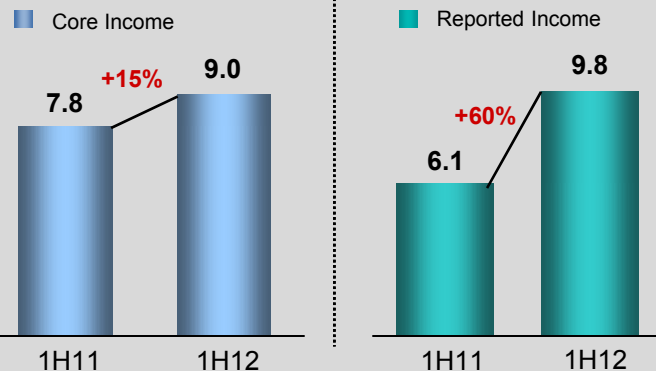
Energy Sales and Service Revenues

(in '000 GWh and Php in Billions)



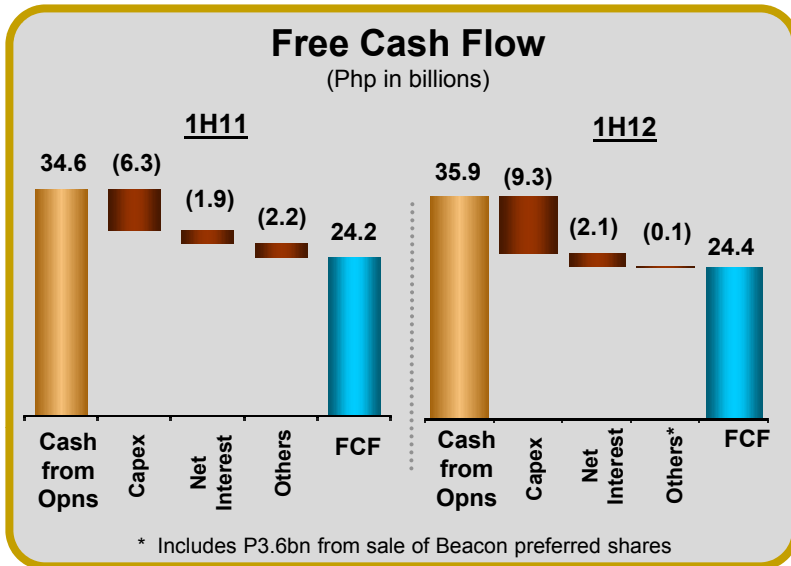
Core and Reported Net Income

(Php in billions)

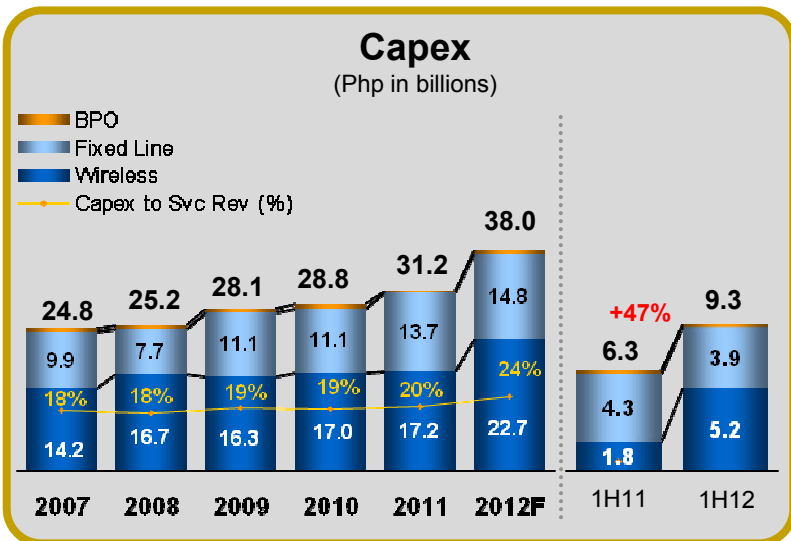


- **Meralco's consolidated service revenues for 1H12 grew by 17% year-on-year to P143.6bn reflecting the combined effect of:**
 - 10% rise in electricity volumes sold, resulting from an increase in its customer base to 5.1mn, overall improvement in the economy, and higher temperatures
 - Higher generation charges offset by lower transmission and distribution costs
- **Consolidated EBITDA for 1H12 was higher compared with last year by 28% at P15.8bn with EBITDA margin at 11%**
- **Reported Net Income at end June 2012 rose by 60% year-on-year to P9.8bn; while Core Net Income increased by 15% year-on-year to P9.0bn, including:**
 - Regulator-approved recovery of P1.6bn representing long outstanding local franchise taxes paid
 - P769mn gain realized arising from divestment of stake in Rockwell Land Corporation
- **Meralco declared interim regular dividend of P4/share representing 50% payout of Core EPS payable on 24 September 2012**
- **Operational highlights:**
 - Updates on Meralco-PLDT synergies:
 - ✓ Meralco scheduled to pilot prepaid electricity in 2H12
 - ✓ PLDT and Meralco decided to defer commercial roll-out of broadband over power lines (BPL) project due to interference problems encountered during pilot-testing
 - Meralco continues to pursue plans for power generation via RP Energy, its JV with Aboitiz and Taiwan Co-Gen
- **Beacon Electric, owned 50% by PCEV, is largest shareholder of Meralco with 48% shareholdings**
 - PCEV realized deferred gain of P2.0bn following the sale of part of its Beacon preferred shares amounting to P3.6bn
 - PCEV equity share in core net income of Beacon/Meralco of P1.3bn in 1H12 vis-à-vis P1.2bn in 1H11
 - PCEV voluntarily delisted from the Philippine Stock Exchange on 18 May 2012

Free Cash Flow and Capex



- **FCF for the first six months of 2012 registered a P0.2bn or 1% increase year-on-year to P24.4bn due to the combined effect of:**
 - Higher cash from operations by P1.3bn
 - Increase in capex by P3.0bn
 - Higher net interest by P0.2bn
 - Increase in cash by P3.6bn from sale of Beacon preferred shares
- **Interim regular cash dividends of P13.0bn to be paid in September 2012**

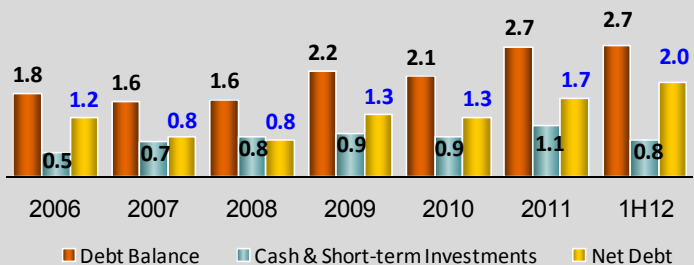


- **PLDT to complete two-year network modernization program in 2012 with total group capex for the year estimated at P38.0bn (inclusive of DIGITEL capex and net of P8.0bn capex avoidance)**
 - Capex for 1H12 at P9.3bn
- **Capex expected to normalize at pre-2011 levels starting 2013**

Debt Profile

Debt Balance

(US\$ in billions)

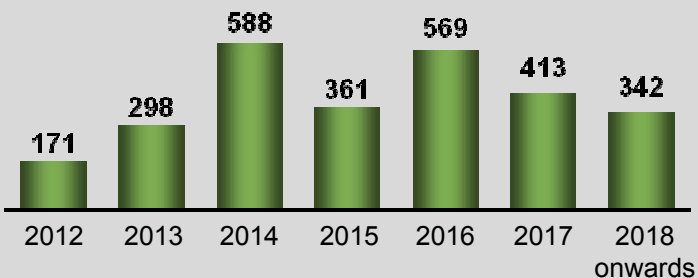


Net Debt/EBITDA

0.8x 0.4x 0.5x 0.7x 0.7x 0.9x 1.1x

Debt Maturities

(as of 30 June 2012, US\$ in millions)



- **Net debt at end June 2012 amounted to US\$2.0bn, with net debt/EBITDA of 1.1x**
 - Lower cash and short-term investments by US\$0.3bn from YE11 resulting partly from dividend payout of P24bn or about US\$0.6bn in April 2012
- **At the end of 1H12, gross debt remained at US\$2.7bn, inclusive of US\$0.5bn Digital debt which is mostly US\$ denominated**
 - 48% of total debt are US\$-denominated
 - Taking into account our US\$ cash holdings, peso loans, and hedges, only US\$921 mn or 33% of total debt is unhedged
 - 68% are fixed-rate loans, while 32% are floating-rate loans
- **Debt maturities continue to be well-spread out**
 - US\$146mn 2012 bond with coupon of 11.375% pa fully paid in May 2012
- **PLDT became the first Philippine company to be rated investment grade by all three major ratings agencies**

Recent Developments



- **PCEV sold part of its preferred shares in Beacon Electric for P3.6bn**
 - Recognition of deferred gain of P2.0bn booked in 2Q12
 - PCEV still owns 50% of Beacon Electric common and preferred shares



- **ePLDT entered into an agreement to sell its 27% stake in Philweb for a total consideration of P4.2bn, plus interest**
 - Shares will be sold in 4 tranches starting 13 July 2012 until 10 December 2013
 - ePLDT to book total gain of P3.0bn in 2012 and 2013



- **As part of the conditions prescribed by the NTC in connection with the acquisition of Digitel, Smart informed the regulator on 26 July 2012 of its compliance with its obligations under the Divestment Plan**
 - CURE assets re-arranged such that only remaining assets at CURE are its Congressional franchise, 10MHz 3G Frequency and related permits
 - Migration of Red Mobile subscribers to Smart completed



- **Completion of Manpower Reduction Program at PLDT involving over 520 employees with a total cost of P1.7bn; in addition to the 850 employees of Digitel who availed of the Voluntary Reduction Program (VRP) for a total cost of P0.4bn**

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

	Jun- 2012	Mar-12	Dec-11	Sep-11	Jun-11	Mar-11	1H12 vs FY11		1H12 vs 1H11		Net adds	
							Amount	%	Amount	%	1Q12	2Q12
CELLULAR												
Smart	26,929,737	27,470,678	27,123,622	26,606,008	26,509,537	26,165,500	(193,885)	-1%	420,200	2%	347,056	(540,941)
Buddy	26,287,817	26,853,620	26,573,137	26,129,264	26,079,785	25,735,090	(285,320)	-1%	208,032	1%	280,483	(565,803)
Postpaid	641,920	617,058	550,485	476,744	429,752	430,410	91,435	17%	212,168	49%	66,573	24,862
Talk 'N Text	23,992,900	22,159,902	20,467,175	19,522,683	19,777,498	19,400,538	3,525,725	17%	4,215,402	21%	1,692,727	1,832,998
Red Mobile	562,438	899,916	1,438,647	1,608,270	1,547,498	1,090,647	(876,209)	-61%	(985,060)	-64%	(538,731)	(337,478)
Total Cellular excluding DIGITEL	51,485,075	50,530,496	49,029,444	47,736,961	47,834,533	46,656,685	2,455,631	5%	3,650,542	8%	1,501,052	954,579
DIGITEL Cellular	15,944,027	15,579,457	14,667,185				1,276,842	9%			912,272	364,570
Prepaid	14,470,645	14,159,612	13,314,096				1,156,549	9%			845,516	311,033
Postpaid	1,473,382	1,419,845	1,353,089				120,293	9%			66,756	53,537
Total Cellular including DIGITEL	67,429,102	66,109,953	63,696,629	47,736,961	47,834,533	46,656,685	3,732,473	6%	19,594,569	41%	2,413,324	1,319,149
BROADBAND												
SmartBro	1,634,859	1,618,359	1,616,353	1,556,633	1,491,700	1,407,219	18,506	1%	143,159	10%	2,006	16,500
DSL	774,541	762,335	742,906	725,232	698,921	671,588	31,635	4%	75,620	11%	19,429	12,206
WeRoam	16,886	17,111	17,687	17,950	21,598	21,936	(801)	-5%	(4,712)	-22%	(576)	(225)
Total Broadband excluding DIGITEL	2,426,286	2,397,805	2,376,946	2,299,815	2,212,219	2,100,743	49,340	2%	214,067	10%	20,859	28,481
DIGITEL Broadband	635,400	601,786	551,423				83,977	15%			50,363	33,614
Total Broadband including DIGITEL	3,061,686	2,999,591	2,928,369	2,299,815	2,212,219	2,100,743	133,317	5%	849,467	38%	71,222	62,095

1H 2012: Consolidated Financial Highlights

(PhP in millions)	1H2012									1H2011 ⁽¹⁾	% Change
	Wireless			Fixed Line			BPO	Others	Consolidated (Unaudited)	Consolidated (Unaudited)	
	SMART ⁽¹⁾	DIGITEL	Total	PLDT ⁽¹⁾	DIGITEL	Total					
Service Revenues	48,444	10,010	58,454	28,708	1,701	30,409	4,836	-	84,725 ⁽²⁾	75,618	12%
Cash operating expenses	20,841	5,969	26,810	18,309	1,455	19,764	3,844	11	41,264	32,032	29%
EBITDA	25,147	3,061	28,208	9,756	172	9,928	991	(11)	39,300	41,512	-5%
<i>EBITDA Margin⁽³⁾</i>	52%	31%	48%	34%	10%	33%	20%	-	46%	55%	-
Depreciation and amortization	6,017	2,739	8,756	6,266	267	6,533	235	-	15,524	13,118	18%
Financing costs, net	(1,009)	(361)	(1,370)	(1,991)	(171)	(2,162)	(13)	-	(3,377)	(3,178)	6%
Income before income tax	18,681	441	19,122	483	2,227	2,710	673	3,450	25,955	28,094	-8%
Provision for income tax	5,602	68	5,670	548	81	629	181	4	6,484	6,798	-5%
Core net income ⁽⁴⁾	12,650	53	12,703	1,986	(64)	1,922	497	3,539	18,661	21,023	-11%
Reported net income	13,072	373	13,445	(27)	2,146	2,119	492	3,446	19,502	21,299	-8%

⁽¹⁾ Excluding Digitel

⁽²⁾ First half 2011 service revenues have been restated to reflect the change in the presentation of outbound revenues

⁽³⁾ EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnect expenses)

⁽⁴⁾ Consolidated net income before certain adjusting items and excluding gains/losses on foreign exchange/derivatives (after tax)

Reconciliation of Core and Reported Net Income

<i>(PhP in billions)</i>	1H2012*	1H2011	Difference
Reported net income	19.5	21.3	(1.8)
Core net income	18.7	21.0	(2.4)
	0.8	0.3	0.6
Accounted for by:			
Forex gains (losses), net	1.6	0.4	1.1
Gains (losses) on derivatives	(0.2)	0.7	(0.9)
Others	-	(0.1)	0.1
Adjustment in equity in investment	(0.1)	(0.5)	0.4
	1.2	0.6	0.7
Tax Effect	(0.4)	(0.3)	(0.1)
	0.8	0.3	0.6

* Including Digitel

Consolidated Service Revenues

<i>(PhP in billions)</i>	1H2012*	1H2011**	% Change
Voice	37.0	35.0	6%
Data and BPO	47.7	40.6	18%
	84.7	75.6	12%

* Including Digitel

** First half of 2011 service revenues have been restated to reflect the change in the presentation of outbound revenues

Service Revenues by Segment

(PhP in millions)	1H2012							1H2011 ⁽²⁾	% Change	
	Wireless			Fixed Line			BPO	Consolidated (Unaudited)		
	SMART ⁽¹⁾	DIGITEL	Total	PLDT ⁽¹⁾	DIGITEL	Total				Consolidated (Unaudited)
Service Revenues										
Wireless	48,444	10,010	58,454							
Cellular	44,327	9,078	53,405				53,405	46,251	15%	
Broadband	3,317	932	4,249				4,249	3,188	33%	
Satellite and other services	800	-	800				800	840	-5%	
Fixed line				28,708	1,701	30,409				
Local exchange				7,417	515	7,932		7,932	7,457	6%
International long distance				4,949	337	5,286		5,286	5,568	-5%
National long distance				2,487	190	2,677		2,677	2,862	-6%
Data and other network				11,953	659	12,612		12,612	11,121	13%
Vitro™ Data center and others				587	-	587		587	548	7%
Miscellaneous				1,315	-	1,315		1,315	1,494	-12%
BPO							4,836			
Knowledge processing solutions							3,247	3,247	2,744	18%
Customer relationship management							1,589	1,589	1,382	15%
Others										
Others								-	-	
Inter-segment transactions								(8,974)	(7,837)	15%
	48,444	10,010	58,454	28,708	1,701	30,409	4,836	84,725	75,618	12%
Non-Service Revenues	918	263	1,181	333	-	333	-	1,514	1,161	30%
Inter-segment transactions	-	-	-	-	-	-	-	(7)	(20)	-65%
	918	263	1,181	333	-	333	-	1,507	1,141	32%
Total Revenues	49,362	10,273	59,635	29,041	1,701	30,742	4,836	86,232	76,759	12%

⁽¹⁾ Excluding Digitel

⁽²⁾ Service Revenues have been restated to reflect the change in the presentation of outbound revenues and reclassification of Vitro service revenues from ePLDT to Fixed line; and Excluding Digitel

Wireless Net ARPU

	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12
Smart Postpaid	1,666	1,627	1,614	1,646	1,557	1,576	1,430	1,480	1,279	1,251
Smart Buddy	204	197	181	189	180	179	166	166	155	150
Talk 'N Text	122	123	118	123	113	111	103	109	104	103
Red Mobile Prepaid	9	4	5	19	28	38	33	34	40	57
Red Mobile Postpaid	-	-	-	-	133	413	431	355	339	368
Sun Cellular Prepaid	-	-	-	-	-	-	-	65*	64	66
Sun Cellular Postpaid	-	-	-	-	-	-	-	447*	411	411

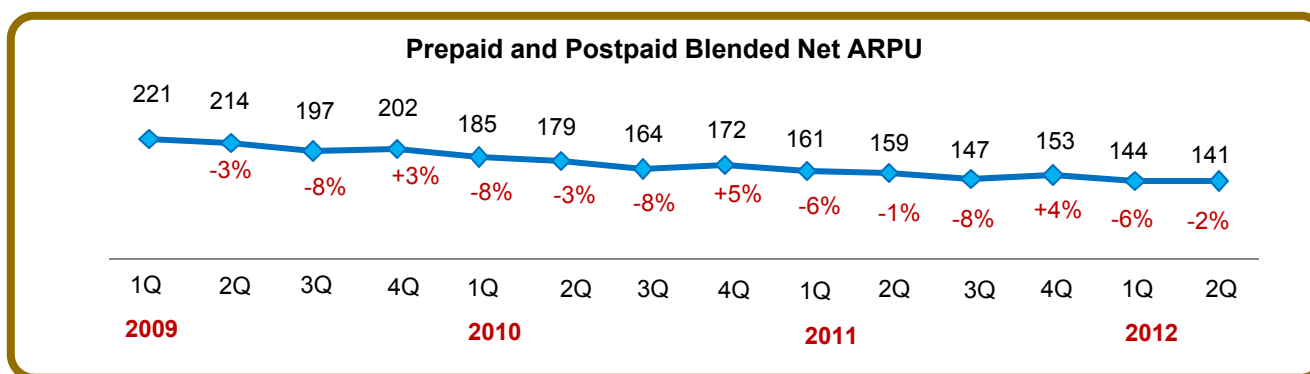
*Sun Cellular's Net ARPU for the period from October 26, 2011 to December 31, 2011

Prepaid and Postpaid Blended Net ARPU

	1Q09	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12**	2Q12**
Prepaid and Postpaid Blended,	221	214	197	202	185	179	164	172	161	159	147	153	144	141

*The average monthly ARPU of all prepaid and postpaid cellular subscribers

** excluding DIGITEL



Expenses

(PhP in millions)	1H2012									1H2011 ⁽¹⁾	% Change
	Wireless			Fixed Line			BPO	Others	Consolidated (Unaudited)	Consolidated (Unaudited)	
	SMART ⁽¹⁾	DIGITEL	Total	PLDT ⁽¹⁾	DIGITEL	Total					
Operating expenses											
Compensation and employee benefits	3,118	719	3,837	6,832	563	7,395	2,742	-	13,967	10,649	31%
Repairs and maintenance	2,613	1,382	3,995	2,401	300	2,701	212	-	6,598	4,676	41%
Selling and promotions	2,869	774	3,643	640	31	671	40	-	4,353	2,690	62%
Professional and other contracted services	1,600	171	1,771	2,017	95	2,112	284	4	2,886	2,510	15%
Rent	3,991	805	4,796	1,282	117	1,399	236	-	2,861	2,023	41%
Taxes and licenses	982	291	1,273	538	56	594	39	-	1,905	1,180	61%
Communication, training and travel	496	179	675	380	44	424	191	1	1,196	857	40%
Insurance and security services	414	46	460	270	27	297	30	-	737	636	16%
Interconnection/settlement costs	4,455	1,524	5,979	3,698	206	3,904	-	-	6,051	5,977	1%
Other operating expenses	303	78	381	251	16	267	70	6	710	834	-15%
Cash operating expenses	20,841	5,969	26,810	18,309	1,455	19,764	3,844	11	41,264	32,032	29%
Depreciation and amortization	6,017	2,739	8,756	6,266	267	6,533	235	-	15,524	13,118	18%
Asset impairment	576	82	658	499	27	526	1	-	1,185	812	46%
Amortization of intangible assets	712	-	712	-	-	-	73	-	785	144	445%
Non-cash operating expenses	7,305	2,821	10,126	6,765	294	7,059	309	-	17,494	14,074	24%
Cost of sales	2,799	1,160	3,959	477	47	524	-	-	4,483	2,406	86%
Total Expenses	30,945	9,950	40,895	25,551	1,796	27,347	4,153	11	63,241	48,512	30%

⁽¹⁾ Excluding Digitel

Other Income (Expenses)

(PHP in millions)	1H2012									1H2011 ⁽¹⁾	% Change
	Wireless			Fixed Line			BPO	Others	Consolidated (Unaudited)	Consolidated (Unaudited)	
	SMART ⁽¹⁾	DIGITEL	Total	PLDT ⁽¹⁾	DIGITEL	Total					
Gains (losses) on derivative financial instruments, net	-	(38)	(38)	(2,366)	2,140	(226)	34	-	(230)	663	-135%
Interest income	288	8	296	470	12	482	7	9	626	645	-3%
Equity share in net earnings (losses) of associates and joint ventures	(25)	-	(25)	115	(2)	113	-	1,223	1,311	839	56%
Foreign exchange gains (losses), net	604	495	1,099	407	100	507	(41)	-	1,565	426	267%
Hedge costs	-	-	-	(173)	-	(173)	-	-	(173)	(179)	-3%
Others	406	14	420	531	243	774	3	2,229	3,242	631	414%
Total	1,273	479	1,752	(1,016)	2,493	1,477	3	3,461	6,341	3,025	110%
Financing costs, net											
Interest on loans and other related items	(732)	(361)	(1,093)	(2,041)	(171)	(2,212)	(13)	-	(3,150)	(2,866)	10%
Accretion on financial liabilities	(509)	-	(509)	(37)	-	(37)	-	-	(546)	(555)	-2%
Financing charges	(45)	-	(45)	(112)	-	(112)	-	-	(157)	(71)	121%
Capitalized interest	277	-	277	199	-	199	-	-	476	314	52%
Total	(1,009)	(361)	(1,370)	(1,991)	(171)	(2,162)	(13)	-	(3,377)	(3,178)	6%
Total other income (expenses)	264	118	382	(3,007)	2,322	(685)	(10)	3,461	2,964	(153)	2037%

⁽¹⁾ Excluding Digitel

EBITDA

(PhP in millions)	1H2012									1H2011 ⁽¹⁾	% Change
	Wireless			Fixed Line			BPO	Others	Consolidated (Unaudited)	Consolidated (Unaudited)	
	SMART ⁽¹⁾	DIGITEL	Total	PLDT ⁽¹⁾	DIGITEL	Total					
Income before tax	18,681	441	19,122	483	2,227	2,710	673	3,450	25,955	28,094	-8%
Add (deduct):											
Depreciation and amortization	6,017	2,739	8,756	6,266	267	6,533	235	-	15,524	13,118	18%
Financing costs, net	1,009	361	1,370	1,991	171	2,162	13	-	3,377	3,178	6%
Asset impairment	-	-	-	-	-	-	-	-	-	3	-100%
Amortization of intangible assets	712	-	712	-	-	-	73	-	785	144	445%
Equity share in net losses (earnings) of associates and joint ventures	25	-	25	(115)	2	(113)	-	(1,223)	(1,311)	(839)	56%
Losses (gains) on derivative financial instruments, net	-	38	38	2,366	(2,140)	226	(34)	-	230	(663)	135%
Foreign exchange losses (gains), net	(604)	(495)	(1,099)	(407)	(100)	(507)	41	-	(1,565)	(426)	267%
Interest income	(288)	(8)	(296)	(470)	(12)	(482)	(7)	(9)	(626)	(645)	-3%
Hedge costs	-	-	-	173	-	173	-	-	173	179	-3%
Other income	(406)	(14)	(420)	(531)	(243)	(774)	(3)	(2,229)	(3,242)	(631)	414%
EBITDA	25,147	3,061	28,208	9,756	172	9,928	991	(11)	39,300	41,512	-5%
EBITDA Margin⁽²⁾	52%	31%	48%	34%	10%	33%	20%	-	46%	55%	

⁽¹⁾ Excluding Digitel

⁽²⁾ EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnect expenses)

Historical Consolidated EBITDA Margin (restated)

(PhP in millions)	2009				2010				2011				2012	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q ⁽²⁾	1Q ⁽³⁾	2Q ⁽³⁾
Consolidated Gross Service Revenues⁽¹⁾														
Fixed line	12,232	12,384	12,816	12,778	12,973	11,616	12,336	12,539	12,021	12,243	12,115	12,939	13,030	12,522
Local exchange	3,988	3,789	3,834	3,919	3,904	3,811	3,770	3,741	3,630	3,631	3,629	4,112	3,979	3,896
International long distance	2,671	2,863	3,104	2,900	3,395	2,037	2,902	2,737	2,686	2,784	2,706	2,835	2,730	2,400
National long distance	2,130	1,994	1,901	1,697	1,614	1,617	1,467	1,619	1,404	1,367	1,294	967	1,207	1,185
Data and other network	2,980	3,227	3,409	3,597	3,528	3,580	3,715	3,864	3,840	4,093	4,136	4,755	4,803	4,752
Vitro ⁽⁴⁾	74	69	115	93	110	105	102	116	130	126	164	120	133	136
Miscellaneous	389	442	453	572	422	466	380	462	331	242	186	150	178	153
Wireless	25,498	25,770	24,193	26,035	25,051	25,825	23,726	24,531	23,785	23,658	22,478	26,594	27,492	27,177
Cellular services	23,599	23,893	22,103	23,757	22,834	23,466	21,928	22,401	21,754	21,661	20,447	24,229	24,932	24,688
Broadband, satellite and others	1,899	1,877	2,090	2,278	2,217	2,359	1,798	2,130	2,031	1,997	2,031	2,365	2,560	2,489
Broadband	1,289	1,230	1,381	1,484	1,590	1,614	1,578	1,505	1,583	1,605	1,655	1,961	2,164	2,085
Satellite and others	610	647	709	794	627	745	220	625	448	392	376	404	396	404
Business Process Outsourcing	1,980	1,906	1,962	2,043	1,881	1,877	1,875	1,940	1,901	2,010	2,057	2,157	2,257	2,247
Customer relationship management	748	619	644	665	639	617	501	527	561	606	621	615	619	638
Knowledge processing solutions	1,232	1,287	1,318	1,378	1,242	1,260	1,374	1,413	1,340	1,404	1,436	1,542	1,638	1,609
Others	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	39,710	40,060	38,971	40,856	39,905	39,318	37,937	39,010	37,707	37,911	36,650	41,690	42,779	41,946
EBITDA	21,852	22,228	21,665	20,449	21,182	22,073	20,557	19,905	20,954	20,558	19,559	18,888	20,467	18,833
EBITDA Margin⁽⁵⁾	55%	55%	56%	50%	53%	56%	54%	51%	56%	54%	53%	45%	48%	45%

(1) Service Revenues have been restated to reflect the change in the presentation of outbound revenues

	2009				2010				2011		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Service Revenues (as previously presented)	36,362	36,509	35,407	37,289	36,004	36,151	34,561	35,526	34,571	35,069	33,604
Add: Interconnection/settlement costs	3,348	3,551	3,564	3,567	3,901	3,168	3,376	3,483	3,136	2,841	3,046
Consolidated Gross Service Revenues	39,710	40,060	38,971	40,856	39,905	39,318	37,937	39,010	37,707	37,911	36,650

(2) Includes Digitel's service revenues for the period October 26, 2011 to December 31, 2011

(3) Including Digitel

(4) Reclassification of Vitro Service revenues from ePLDT to Fixed Line

(5) EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnect expenses)

Historical Wireless EBITDA Margin (restated)

(PhP in millions)	2009				2010				2011				2012	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q ⁽²⁾	1Q ⁽³⁾	2Q ⁽³⁾
Wireless Gross Service Revenues⁽¹⁾														
Cellular services	24,596	24,984	23,609	24,956	24,139	24,568	22,996	23,818	23,101	23,150	21,846	25,548	26,539	26,866
Cellular Voice	10,670	10,881	10,545	11,546	11,639	11,998	10,845	11,196	10,943	10,865	10,196	11,881	12,514	12,552
Cellular Data	12,565	12,652	11,721	11,972	11,822	11,948	11,521	11,945	11,493	11,769	11,014	12,959	13,332	13,637
Other Cellular Revenues	1,361	1,451	1,343	1,437	678	622	630	677	665	516	636	708	693	677
Broadband, satellite and others	1,997	1,978	2,184	2,368	2,217	2,359	1,798	2,130	2,031	1,997	2,031	2,365	2,560	2,489
Broadband	1,289	1,230	1,381	1,484	1,590	1,614	1,578	1,505	1,583	1,605	1,655	1,961	2,164	2,085
Satellite and others	708	748	803	884	627	745	220	625	448	392	376	404	396	404
Total	26,593	26,962	25,793	27,324	26,356	26,927	24,794	25,948	25,132	25,147	23,877	27,913	29,099	29,355
EBITDA	15,022	15,186	14,311	14,892	14,448	15,272	14,620	14,624	14,553	14,493	12,902	13,444	14,205	14,003
EBITDA Margin⁽⁴⁾	56%	56%	55%	55%	55%	57%	59%	56%	58%	58%	54%	48%	49%	48%

⁽¹⁾ Service Revenues have been restated to reflect the change in the presentation of outbound revenues

	2009				2010				2011		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Service Revenues (as previously presented)	23,903	24,172	23,126	24,628	23,694	24,181	22,568	23,386	22,768	22,969	21,534
Add: Interconnection/settlement costs	2,689	2,791	2,666	2,697	2,661	2,746	2,225	2,562	2,363	2,178	2,343
Consolidated Gross Service Revenues	26,592	26,963	25,792	27,325	26,356	26,927	24,793	25,948	25,132	25,147	23,877

⁽²⁾ Includes Digitel's service revenues for the period October 26, 2011 to December 31, 2011

⁽³⁾ Including Digitel

⁽⁴⁾ EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnect expenses)

Historical Fixed line EBITDA Margin (restated)

(PhP in millions)	2009				2010				2011				2012	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q ⁽²⁾	1Q ⁽³⁾	2Q ⁽³⁾
Fixed Line Gross Service Revenues⁽¹⁾														
Local exchange	4,024	3,821	3,894	3,942	3,930	3,839	3,803	3,770	3,732	3,725	3,733	3,918	4,008	3,924
International long distance	2,682	2,874	3,115	2,910	3,406	2,049	2,911	2,746	2,734	2,834	2,760	2,915	2,805	2,481
Inbound					3,061	1,741	2,580	2,469	2,479	2,544	2,514	2,681	2,482	2,150
Outbound					345	308	331	277	255	290	247	234	323	331
National long distance	2,163	2,036	1,935	1,719	1,652	1,652	1,527	1,656	1,440	1,422	1,324	1,339	1,354	1,323
Data and other network	5,200	5,418	5,582	5,684	5,871	5,759	5,000	5,257	5,372	5,749	5,671	6,166	6,333	6,279
DSL					1,990	2,046	2,102	2,125	2,264	2,352	2,413	2,635	2,814	2,824
Data and other network services					3,881	3,713	2,898	3,132	3,108	3,397	3,258	3,531	3,519	3,455
Vitro ⁽⁴⁾	167	164	240	242	225	220	216	237	263	285	335	266	291	296
Miscellaneous	661	743	731	1,042	785	860	797	957	785	709	634	674	635	680
Total	14,897	15,056	15,497	15,539	15,869	14,379	14,254	14,623	14,326	14,724	14,457	15,278	15,426	14,983
EBITDA	6,650	6,752	7,067	5,043	6,373	6,425	5,600	4,649	6,043	5,596	6,139	4,897	5,671	4,257
EBITDA Margin⁽⁵⁾	45%	45%	46%	32%	40%	45%	39%	32%	42%	38%	42%	32%	37%	28%

(1) Service Revenues have been restated to reflect the change in the presentation of outbound revenues and reclassification of Vitro and other ePLDT service revenues

	2009				2010				2011		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Service Revenues (as previously presented)	12,767	12,650	12,798	12,927	12,861	12,377	11,540	11,830	11,533	11,951	11,760
Add:											
Vitro	167	164	240	242	225	220	216	237	263	285	335
Miscellaneous (ePLDT/others)	299	382	396	430	379	412	426	454	424	316	261
Interconnection/settlement costs	1,664	1,860	2,063	1,940	2,404	1,370	2,071	2,102	2,106	2,172	2,101
Consolidated Gross Service Revenues	14,897	15,056	15,497	15,539	15,869	14,379	14,254	14,623	14,326	14,724	14,457

(2) Includes Digitel's service revenues for the period October 26, 2011 to December 31, 2011

(3) Including Digitel

(4) Reclassification of Vitro Service revenues from ePLDT to Fixed Line

(5) EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnect expenses)

Historical BPO EBITDA Margin (restated)

(PhP in millions)	2009				2010				2011				2012	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q
BPO Gross Service Revenues⁽¹⁾														
Customer relationship management	913	770	791	845	774	752	626	671	670	712	726	758	777	812
Knowledge processing solutions	1,232	1,287	1,318	1,378	1,242	1,260	1,374	1,413	1,340	1,404	1,435	1,542	1,638	1,609
Total	2,145	2,057	2,109	2,223	2,016	2,012	2,000	2,084	2,010	2,116	2,161	2,300	2,415	2,421
EBITDA⁽¹⁾	114	237	221	378	289	291	287	403	305	400	409	444	503	488
EBITDA Margin⁽²⁾	5%	12%	10%	17%	14%	14%	14%	19%	15%	19%	19%	19%	21%	20%

(1) Service Revenues and EBITDA have been restated to reflect the reclassification of Vitro and other ePLDT service revenues from ICT to Fixed line

	2009				2010				2011		
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q
Net Service Revenues (as previously presented)	2,611	2,602	2,744	2,894	2,619	2,643	2,642	2,773	2,697	2,718	2,753
Less:											
Internet and online gaming	255	288	287	283	263	257	260	279	275	194	94
Data center and others	211	257	348	388	340	374	382	410	412	408	498
Consolidated Gross Service Revenues	2,145	2,057	2,109	2,223	2,016	2,012	2,000	2,084	2,010	2,116	2,161
EBITDA (as previously presented - ICT)	203	309	334	484	370	386	379	588	454	525	561

(2) EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnect expenses)

Core Net Income

(PhP in millions)	1H2012									1H2011 ⁽¹⁾	% Change
	Wireless			Fixed Line			BPO	Others	Consolidated (Unaudited)	Consolidated (Unaudited)	
	SMART ⁽¹⁾	DIGITEL	Total	PLDT ⁽¹⁾	DIGITEL	Total					
Reported net income	13,072	373	13,445	(27)	2,146	2,119	492	3,446	19,502	21,299	-8%
Add (deduct):											
Foreign exchange losses (gains), net	(604)	(495)	(1,099)	(407)	(100)	(507)	41	-	(1,565)	(423)	270%
Losses (gains) on derivatives financial instruments, net	-	38	38	2,366	(2,140)	226	(34)	-	230	(663)	-135%
Others	-	-	-	-	-	-	-	-	-	74	-100%
Adjustment in equity share in Meralco	-	-	-	-	-	-	-	93	93	458	-80%
Tax effect	182	137	319	54	30	84	(2)	-	401	278	44%
Core Net Income	12,650	53	12,703	1,986	(64)	1,922	497	3,539	18,661	21,023	-11%

⁽¹⁾ Excluding Digitel

Earnings Per Share

	1H2012 (Unaudited)		1H2011 (Unaudited)	
	Basic	Diluted	Basic	Diluted
Net income (loss) attributable to equity holders of PLDT	19,502	19,502	21,299	21,299
Dividends on preferred shares	(25)	(25)	(228)	(24)
Net income for the period attributable to common equity holders of PLDT	19,477	19,477	21,071	21,275
Outstanding common shares at beginning of period	214,436	214,436	186,756	186,756
Effect of issuance of common shares during the period	1,619	1,619	-	-
Common shares equivalent to convertible preferred shares deemed dilutive				
Preferred Stock Series A to EE				1,915
Weighted average number of common shares, end	216,055	216,055	186,756	188,671
EPS (based on reported net income)	90.15	90.15	112.83	112.76
Core net income	18,661	18,661	21,023	21,023
Dividends on preferred shares	(25)	(25)	(228)	(24)
Net income applicable to common shares	18,636	18,636	20,795	20,999
Weighted average number of shares, end	216,055	216,055	186,756	188,671
EPS (based on core net income)	86.26	86.26	111.35	111.30

Cash Flows

<i>(PhP in millions)</i>	1H2012 ⁽¹⁾ (Unaudited)					1H2011 Consolidated (Unaudited)	% Change
	Wireless	Fixed Line	BPO	Others	Consolidated		
Net cash from operations	20,664	14,306	1,135	(41)	35,920	34,629	4%
Add(Deduct):							
Capital expenditures	(5,202)	(3,920)	(176)	-	(9,298)	(6,335)	47%
Other investing activities	(1)	16,305	(7)	3,754	3,857	(532)	-825%
Interest, net	(545)	(1,581)	(6)	10	(2,118)	(1,899)	12%
Preferred share dividends	-	(38)	-	-	(38)	(61)	-38%
Others	(875)	920	20	-	(3,935)	(1,605)	-145%
Free cash flow	14,041	25,992	966	3,723	24,388	24,197	1%
Common share dividends	(16,300)	(23,897)	-	-	(23,897)	(26,772)	-11%
Investments	(199)	(8,727)	-	(2,700)	(7,626)	(100)	7526%
Redemption of Shares	-	(202)	-	-	(202)	-	-
Trust fund for redemption of shares	-	(5,647)	-	-	(5,647)	-	-
Debt repayments, net	(2,280)	1,201	(363)	-	(1,408)	4,587	-131%
Change in cash	(4,738)	(11,280)	603	1,023	(14,392)	1,912	-853%
Cash and short term investments, beginning	21,243	22,082	574	2,716	46,615	37,347	25%
Cash and short term investments, end	16,505	10,802	1,177	3,739	32,223	39,259	-18%

⁽¹⁾ Including Digitel

Balance Sheet

<i>(PhP in millions)</i>	Consolidated	
	June 30, 2012 ⁽¹⁾ <i>(Unaudited)</i>	December 31, 2011 ⁽¹⁾ <i>(Audited)</i>
Total Assets	385,274	395,646
Nominal Value of Total Debt	115,911	119,411
<i>in US\$</i>	\$2,742	\$2,719
Less: Unamortized Debt Discount	1,688	2,136
Total Debt	114,223	117,275
Cash and short-term investments	32,223	46,615
Net Debt⁽³⁾	83,688	72,796
Equity	146,323	152,219
Total Debt⁽²⁾/Equity	<u>0.79x</u>	<u>0.78x</u>
Net Debt⁽³⁾/Equity	<u>0.57x</u>	<u>0.48x</u>
Total Debt⁽²⁾/EBITDA⁽⁴⁾	<u>1.49x</u>	<u>1.49x</u>
Net Debt⁽³⁾/EBITDA⁽⁴⁾	<u>1.08x</u>	<u>0.91x</u>

⁽¹⁾ Including Digitel

⁽²⁾ Nominal value of total debt

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

⁽⁴⁾ EBITDA for the Last Twelve Months (LTM)

Debt Profile

<i>(US\$ in millions)</i>	2006	2007	2008	2009	2010	2011 ⁽¹⁾	1H2012 ⁽¹⁾
Debt Balance	1,756	1,585	1,625	2,210	2,113	2,719	2,742
Cash and short-term investments	514	745	847	908	852	1,061	762
Net Debt	1,242	840	778	1,302	1,261	1,658	1,980

⁽¹⁾ Including Digitel

Debt Maturities
as of June 30, 2012
(US\$ in millions)

	PLDT, SMART, Spi and ePLDT	DIGITEL	Total
2012	114	57	171
2013	213	85	298
2014	518	70	588
2015	300	61	361
2016	442	127	569
2017	367	46	413
2018 onwards	294	48	342
	2,248	494	2,742

Interest-bearing Liabilities

<i>(US\$ in millions)</i>	June 30, 2012 (Unaudited)			December 31, 2011 (Audited)	Change
	Carrying Value	Unamortized Debt Discount	Face Value	Face Value	
Debt					
PLDT	\$1,326	\$2	\$1,328	\$1,271	\$57
Smart	\$855	\$38	\$893	\$890	\$3
2014 Debt	\$246	\$34	\$280	\$280	\$0
Others	\$609	\$4	\$613	\$610	\$3
DIGITEL	\$495	-	\$495	\$522	(\$27)
Others	\$26	-	\$26	\$36	(\$10)
Total Debt	\$2,702	\$40	\$2,742	\$2,719	\$23
Obligations under finance lease	-	-	-	-	-

Foreign Exchange Risk

Forex Impact on Core Income

	PLDT Group	Digital	TOTAL
Forex sensitivity for every P1 change (in US\$ Millions)			
US\$ Revenues *	509.9	34.3	544.2
US\$ Expenses	(228.6)	(32.7)	(261.3)
Cash opex *	(185.7)	(24.2)	(209.9)
Cost of sales	(1.2)	-	(1.2)
Financing costs	(41.7)	(8.5)	(50.2)
US\$ Income before tax	281.3	1.6	282.9
Tax effect	84.4	0.5	84.9
Core Earnings	196.9	1.1	198.0
EBITDA	323.0	10.1	333.1
* Gross of interconnection costs amounting to:	107.8	7.8	115.6
Local exchange revenues (in million Php)	4,428.8		

Forex Impact of B/S Revaluation

	PLDT Group	Digital	TOTAL
Forex sensitivity for every P1 change on B/S Revaluation (in US\$ Millions)			
Debt	897.3	385.3	1,282.6
Accounts Payable	89.9	37.1	127.0
Accrued Liabilities	112.6	27.1	139.7
Derivative Liabilities	54.2	5.3	59.5
Total US\$-Denominated Liabilities	1,154.0	454.8	1,608.8
Cash and Cash Equivalents	159.7	1.2	160.9
Short-term Investments	12.8	-	12.8
Trade and other Receivables	201.1	7.8	208.9
Derivative Assets	1.5	-	1.5
Non Trade Receivables & Advances	2.0	-	2.0
Total US\$-Denominated Assets	377.1	9.0	386.1
Net Foreign Currency Liability Position	776.9	445.8	1,222.7
Forex Revaluation for every P1 change	±776.9	±445.8	±1,222.7

Forex Impact on Derivatives

P1 movement in the USD/PHP exchange rate corresponds to a P177M change in derivatives

Forex rate, 1H2012
Forex rate, 1H2011
% of Peso Appreciation vs US\$

Ave.	42.90	Yr. End	42.28
	43.52		43.36
	-1%		-2%

DIGITEL

In million pesos	For the First six months ended June 30, 2012				
	Wireless	Fixed Line	Conso Digitel	Interco	Impact at PLDT
REVENUES	10,273	1,701	11,974	(634)	11,340
Service	10,010	1,701	11,711	(634)	11,077
Non-Service	263	-	263	-	263
EXPENSES	9,950	1,796	11,746	(846)	10,900
Cash Operating Expenses	5,969	1,455	7,424	(846)	6,578
Cost of Sales	1,160	47	1,207	-	1,207
Non-Cash Operating Expenses	2,821	294	3,115	-	3,115
OPERATING INCOME	323	(95)	228	212	440
OTHER INCOME (EXPENSES)	118	2,322	2,440	(1,976)	464
Financing Costs	(361)	(171)	(532)	164	(368)
Interest Income	8	12	20	-	20
Foreign Exchange Gains - net	495	100	595	-	595
Gains (Losses) on Derivative Transactions - net	(38)	2,140	2,102	(2,140)	(38)
Equity Share in Net Earnings of Associates	-	(2)	(2)	-	(2)
Others	14	243	257	-	257
INCOME (LOSS) BEFORE INCOME TAX	441	2,227	2,668	(1,764)	904
PROVISION FOR INCOME TAX	68	81	149	-	149
NET INCOME (LOSS) FOR THE PERIOD	373	2,146	2,519	(1,764)	755
NON-CONTROLLING INTERESTS	-	-	-	(2)	(2)
NET INCOME (LOSS) ATTRIBUTABLE TO PLDT HOLDERS	373	2,146	2,519	(1,762)	757
Foreign exchange gains	(495)	(100)	(595)	-	(595)
Losses (gains) on derivative transactions	38	(2,140)	(2,102)	2,140	38
Tax effect	137	30	167	-	167
CORE INCOME (LOSS)	53	(64)	(11)	378	367
EBITDA	3,061	172	3,233	212	3,445
<i>EBITDA Margin</i>	<i>31%</i>	<i>10%</i>	<i>28%</i>		<i>31%</i>