

# Full Year 2012 Financial and Operating Results

5 March 2013



# PLDT Group: 2012 Financial Highlights



(Php in billions, except EBITDA margin and Core EPS)	FY 2012 Total (Audited)	FY 2011 Total (Audited)	% Y-o-Y Total
<b>Service Revenues*</b>	<b>169.3</b>	<b>154.0</b>	<b>10%</b>
• <b>Wireless</b>	<b>117.4</b>	<b>102.1</b>	<b>15%</b>
• <b>Fixed Line</b>	<b>61.3</b>	<b>58.8</b>	<b>4%</b>
• <b>BPO**</b>	<b>9.9</b>	<b>8.6</b>	<b>15%</b>
<b>EBITDA</b>	<b>77.3</b>	<b>80.0</b>	<b>-3%</b>
<b>EBITDA Margin***</b>	<b>46%</b>	<b>52%</b>	
<b>Reported Net Income</b>	<b>35.5</b>	<b>31.7</b>	<b>12%</b>
<b>Core Net Income</b>	<b>37.3</b>	<b>39.0</b>	<b>-4%</b>
<b>Core EPS</b>	<b>172.56</b>	<b>201.58</b>	<b>-14%</b>

<b>Foreign Exchange Rates</b> (Php:US\$1)	<u>2012</u>	<u>2011</u>	<u>Incl/(Dec)</u>
Period-end	P41.08	P43.92	- 6%
Period-average	P42.24	P43.31	-2%

\* 2011 Service Revenues restated to reflect the change in the presentation of outbound revenues

\*\* Discontinued operations

\*\*\* EBITDA margin calculated as EBITDA divided by service revenues

# Capital Management



## Dividend Declaration

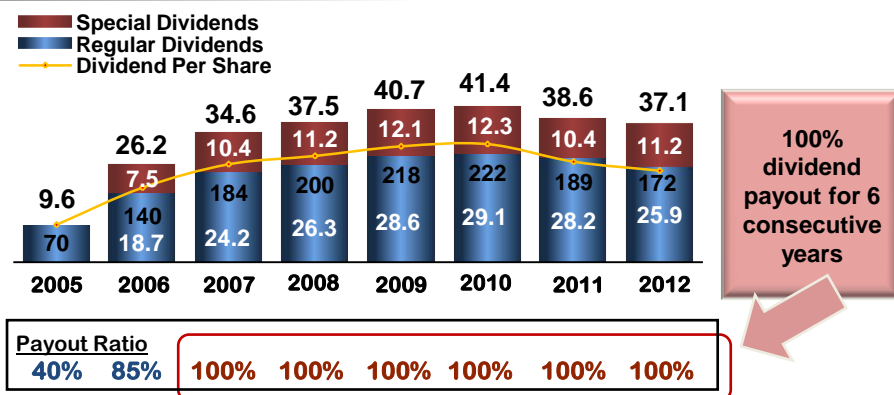
<b>Core earnings for 2012</b>	<b>P 172 per share</b>
<b>Interim Regular Dividend (Aug 2012)</b>	<b>P 60 per share</b>
<b>Dividends declared (5 March 2013)</b>	<b>P112 per share</b>
Final Regular Dividend for 2012	P 60 per share
Special Dividend for 2012	P 52 per share
<b>Total Dividends per share for 2012</b>	<b>P172 per share</b>

Declaration Date	5 March 2013
Record Date	19 March 2013
Payment Date	18 April 2013

- For the sixth consecutive year, PLDT declared 100% of core income as dividends
- Total dividends declared for 2012 amounted to P37.1bn or P172 per share
  - 70% regular dividend of P120 per share
  - 30% special dividend of P52 per share
- Dividend yield of 5.9% (PLDT share price as of 4 March 2013: P2,920)
- PLDT's dividend policy is to pay out regular dividends of 70% of core income, with a "look-back" at year-end to determine the possibility of a special dividend
- Under the approved share buyback program, PLDT may acquire up to 2.3mn shares on opportunistic basis

## Dividend Payments

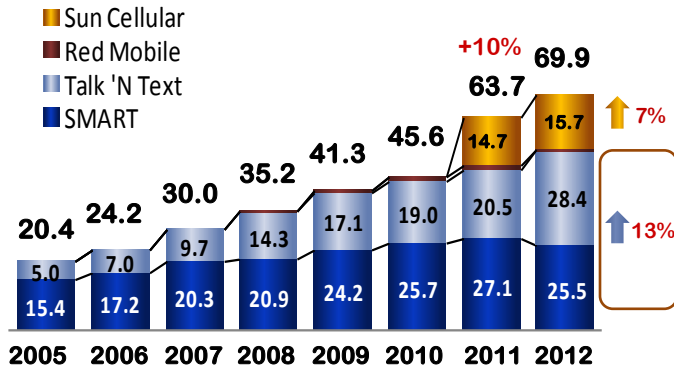
(PhP billions, except per share amount)



# Subscriber Base: Cellular



## Cellular Subscribers (in millions)



Combined Smart and TNT:

- 13.4% y-o-y increase vs 6.5% in 2011
- 6.4mn net adds – a 10-year all-time high

➤ Combined cellular subscribers grew by 10% or 6.2mn to 69.9mn as of FY12 and over 72.5mn at end of February 2013

- Sun Cellular subscribers stood at 15.7mn, an increase of 1.0mn from YE11
- Combined SMART and TNT subscribers hit 54.0mn, or 6.4mn net adds
- Partly due to our brand segmentation initiatives:
  - ✓ TNT subscribers rose by 8mn to 28.4mn
  - ✓ Smart subscribers were lower by 1.6mn at 25.5mn

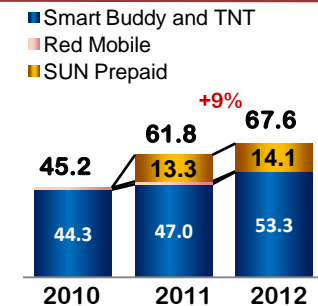
➤ Prepaid subscribers increased by 5.8mn or 9% y-o-y to 67.6mn at YE12, accounting for 97% of total cellular subscriber base

- Combined Smart and TNT grew by 13% to 53.3mn or 6.2mn net adds, more than twice the net adds in 2011 of 2.8mn
- Sun Cellular rose by 6% or 0.8mn to 14.1mn

➤ Postpaid subscribers registered an 18% growth to 2.3mn for 2012, with net adds of 0.4mn

- Biggest postpaid base with 57% of total postpaid subscribers
- SUN subscribers increased by 16% or 218 thousand to 1.6mn
- Smart's postpaid base grew to 683 thousand, higher by 133 thousand from YE11

## Prepaid Subscribers (in millions)

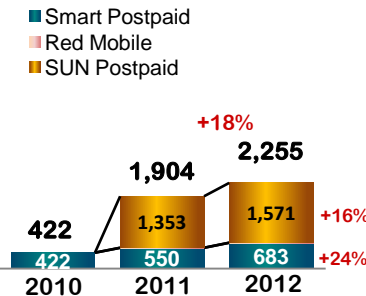


10-year all time highs:

- Combined SMART/ TNT prepaid net adds
- Smart postpaid net adds

Net adds:	FY10	FY11	FY12
Buddy & TNT	3.4	2.8	6.2
SUN Prepaid			0.8

## Postpaid Subscribers (in thousands)

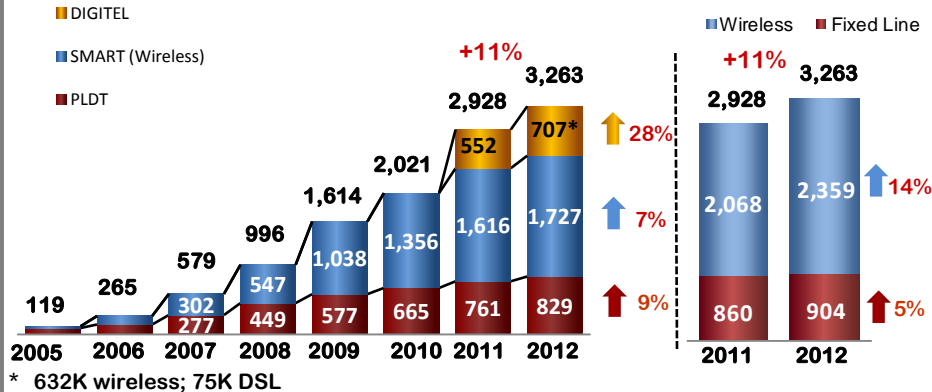


Net adds:	FY10	FY11	FY12
SMART Postpaid (14)	129		133
SUN Postpaid			218

# Subscriber Base: Broadband and Fixed Line



## Broadband Subscribers (in thousands)



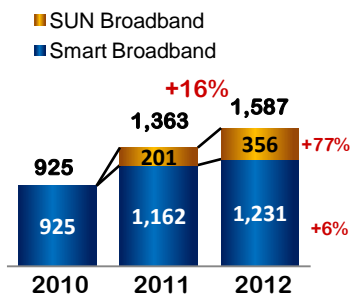
➤ **Broadband subscribers continued to grow double-digit year-on-year to reach 3.3mn at YE12**

- Postpaid broadband subscribers increased by 7% to 1.7mn, with each brand registering annual growth of at least 9%
- Prepaid broadband subscribers rose by 16% to 1.6mn, with Sun reflecting a 77% improvement

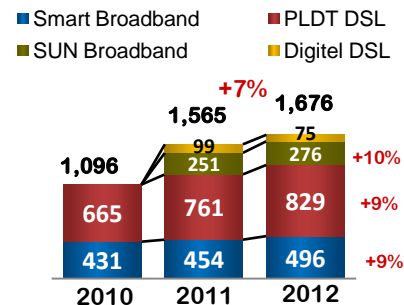
➤ **Wireless broadband subscribers accounted for over 72% of total subscribers, and registered a 0.3mn or 14% increase to 2.4mn at the end of 2012, including 632 thousand Sun broadband subscribers**

- Sun added 0.2mn subscribers, or a 40% y-o-y rise
- SmartBro grew by 0.1mn, or 7%
- Wireless net adds for each of 3Q12 and 4Q12 maintained at over 90 thousand

## Prepaid Subscribers (in thousands)



## Postpaid Subscribers (in thousands)



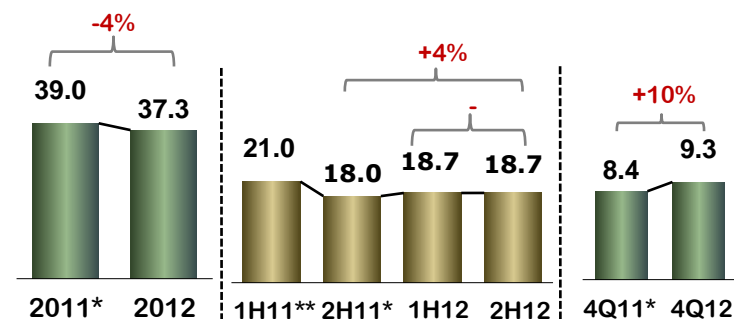
➤ **DSL subscribers increased by 5% to 0.9mn, representing nearly 45% of total fixed line subscribers**

➤ **Total fixed line subscribers for FY12 stood at 2.1mn with 1.9mn from PLDT and 0.2mn from DIGITEL**

# PLDT Group : Core and Reported Net Income

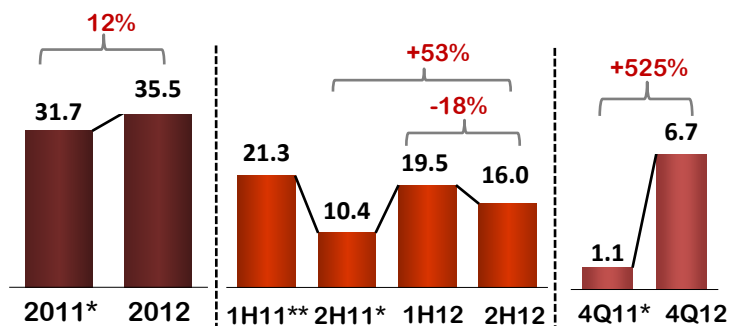
## Core Net Income

(Php in billions)



## Reported Net Income

(Php in billions)



\* Including Digitel from 26 October 2011

\*\* Excluding Digitel

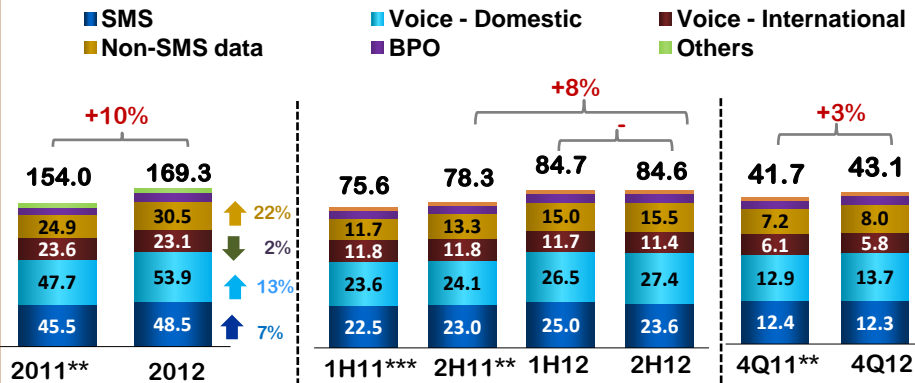
- **Core Net Income of P37.3bn for 2012 was 4% or P1.7bn lower than P39.0bn in 2011, reflecting:**
  - impact of the competitive market dynamics that resulted in a sharp decline in 2H11 industry core profitability, which market conditions carried into 2012
    - ✓ revenue pressure resulting from aggressive pricing and product offers, including unlimited services
    - ✓ higher selling and promo expenses and subsidies as part of our competitive response
  - integration initiatives arising from the acquisition of Digitel in 4Q11 that led to an organizational streamlining affecting employees of Digitel, PLDT and Smart
    - ✓ P3.8bn in manpower reduction expenses
  - Offsetting gain from sale of Philweb shares of approx. P1.65bn and from sale of Beacon Electric preferred shares of about P2.0bn
- **Core income of P18.7bn for 2H12 was stable compared with 1H12, and each semester was a 4% improvement over P18.0bn in 2H11**
  - 4Q12 core net income of P9.3bn was a 10% year-on-year increase
- **Reported Net Income for 2012 grew by 12% or P3.8bn year-on-year to P35.5bn**
  - Decline in core income of P1.7bn
  - Higher net forex and derivative gains of P1.8bn
  - Lower asset impairment of P5.6bn
  - Tax effect of the non-core items of P2.1bn

# PLDT Group: Service Revenues and EBITDA



## Consolidated Service Revenues\*

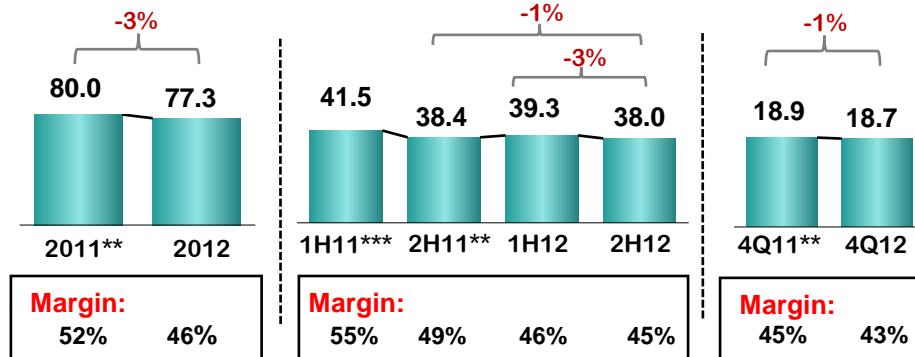
(Php in billions)



- Consolidated service revenues rose by 10% or P15.4bn to P169.3bn in 2012
  - SMS revenues, accounting for 29% or P48.5bn of total service revenues rose by 7% from YE11
  - Voice revenues, representing 46% or P77.8bn of total service revenues increased by 8% from end 2011
    - ✓ Domestic voice revenues grew 13% to P53.9bn
      - NLD revenues of P4.7bn were 10% lower year-on-year
    - ✓ International voice revenues, accounting for 14% of total revenues, were lower by 2% at P23.1bn
      - Digitel added P2.3bn which offset the P2.3bn decline in PLDT/Smart ILD revenues
  - Non-SMS data of P30.5bn grew 22% in 2012
    - ✓ Broadband and Internet revenues contributed P23.4bn and rose by 25%
    - ✓ Corporate data and other network services increased by 14% to P7.1bn
  - BPO revenues, contributing 5% of P9.1bn to total service revenues, grew 13% year-on-year

## Consolidated EBITDA and EBITDA Margin

(Php in billions)



- 27% of service revenues are dollar-linked
  - Had the peso remained stable, consolidated service revenues would have been higher by another 1% or P1.2bn
- EBITDA dipped by 3% or P2.7bn to P77.3bn at YE12, with EBITDA margin at 46%
  - Excluding MRP expenses of P3.8bn, EBITDA would have been P1.1bn higher year-on-year, and margin would have been 48%

\* 2011 Service Revenues restated to reflect the change in the presentation of outbound revenues  
 \*\* Including Digitel revenues from 26 October 2011  
 \*\*\* Excluding DIGITEL

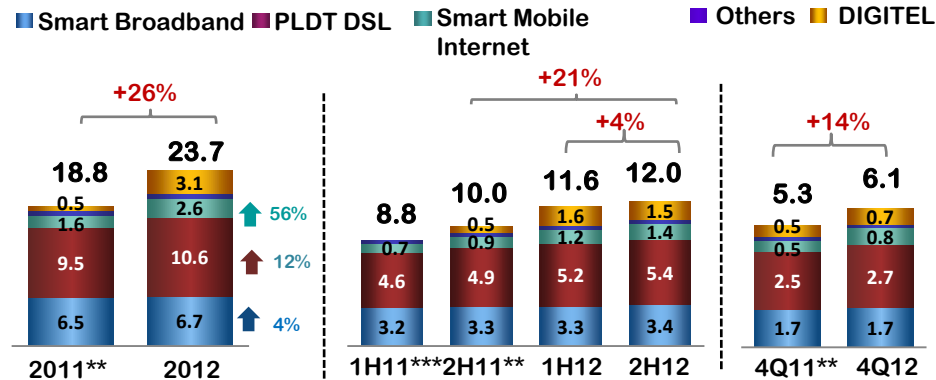


# Service revenues and outlook per segment



## Broadband Service Revenues\*

(Php in billions)



➤ Broadband service revenues grew by 26% or P4.9bn year-on-year to P23.7bn in 2012, now accounting for 13% of total group service revenues

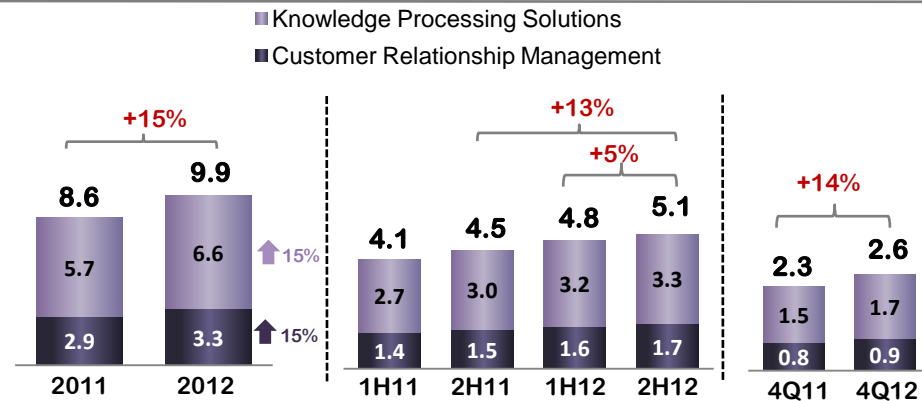
- PLDT DSL revenues of P10.6bn were higher by 12% or P1.1bn
- Smart wireless broadband grew by 14% or P1.2bn to P9.3bn
- Digital contributed P3.2bn to total broadband service revenues

➤ Mobile internet browsing revenues for the group rose by 83% or P1.4bn from P1.7bn in 2011 to P3.1bn in 2012

➤ Broadband potentials remain strong for the PLDT group given young, literate Philippine population with purchasing power, expected decline in smartphone prices, and PLDT group's competitive network advantage

## BPO Service Revenues

(Php in billions)



➤ BPO service revenues for 2012 rose by P1.3bn or 15% year-on-year to P9.9bn, accounting for 5% of total group service revenues

- KPS grew by 15% mainly from Laserwords Private Ltd. acquired in November 2011
- CRM also rose by 15% due to higher domestic sales

➤ BPO segment has been classified as “discontinued operations” following PLDT’s announcement in February 2013 that it had agreed to sell its SPi businesses to Asia Outsourcing Gamma Ltd. (AOG), a company controlled by CVC Capital Partners

- PLDT announced intention to take a 20% stake in AOG
- Transactions expected to close by end March or early April
- Net cash to PLDT after completion of these two transactions is estimated to be in excess of US\$300mn

\* 2011 Service Revenues restated to reflect the change in the presentation of outbound revenues

\*\* Including Digital revenues from 26 October 2011

\*\*\* Excluding DIGITEL





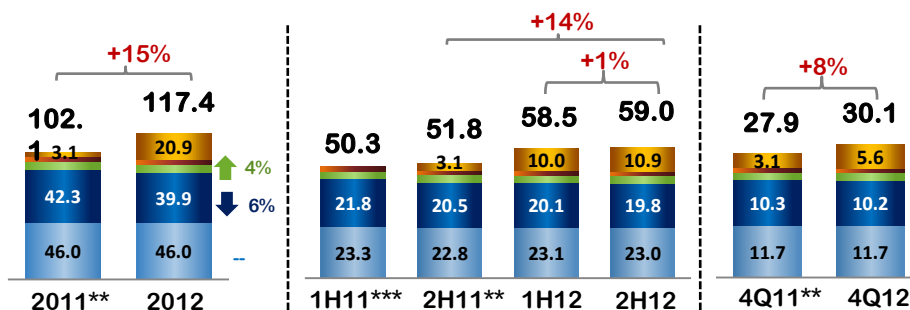
# Service revenues and outlook per segment



## Wireless Service Revenues\*

(Php in billions)

Cellular Data (1) Cellular Voice Broadband Satellite and Others DIGITEL



(1) Includes mobile internet browsing revenues

➤ **Wireless service revenues rose by 15% or P15.4bn to P117.4bn in 2012**

- SMART revenues were 2% or P2.4bn lower at P96.6bn
  - ✓ Cellular data revenues of P46.0bn were stable year-on-year
  - ✓ Cellular voice revenues dipped by 6% or P2.4bn to P39.9bn
  - ✓ Wireless broadband rose by 4% to P6.7bn
- Digitel accounted for P20.9bn or 18% of total wireless service revenues

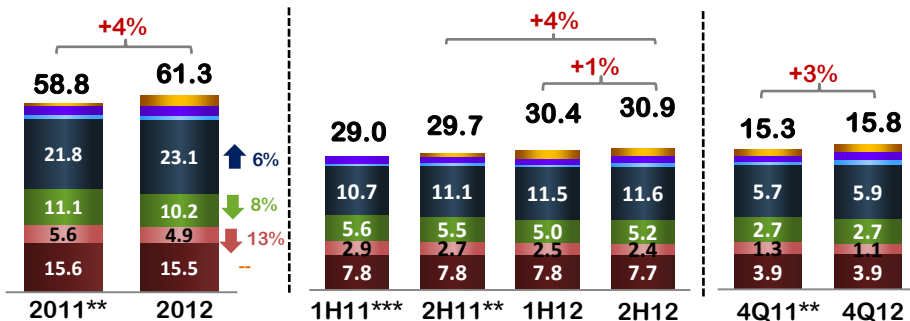
➤ **Various marketing initiatives to grow wireless revenues have been undertaken, including:**

- Defense of revenue market share by matching competition's offers
- Launch of higher denomination and/or longer duration variants to stabilize ARPUs
- Relatively greater effort to grow our postpaid business to tap data usage potential, promote stickiness and retention, coupled with innovative services that generate postpaid growth with minimal acquisition costs (e. g., Freedom Plans which do not offer handset subsidies)
- Brand differentiation to optimize our portfolio given strong equity of the Smart, TNT and Sun brands

## Fixed Line Service Revenues\*

(Php in billions)

Local Exchange NLD ILD Data Vitro Miscellaneous DIGITEL



➤ **In 2012, fixed line service revenues grew by 4% or P2.5bn to P61.3bn from end 2011**

- PLDT fixed line revenues of P58.0bn were stable year-on-year
  - ✓ Revenues from DSL, corporate data and other network services, and data center operations, representing 39% of total fixed line revenues, showed increases from 2011
  - ✓ LEC revenues, representing 25% of total fixed line service revenues were stable year-on-year
  - ✓ Combined ILD and NLC revenues, accounting for 25% of total fixed line revenues, declined from last year
- Digitel added P3.3bn to total fixed line service revenues

➤ **Growth momentum in fixed line revenues will be further fuelled by initiatives that will focus on:**

- the **HOME**, including fiber-to-the-home (FTTH), connected screens, triple-play offers with content delivered over fiber
- the **ENTERPRISE** through various business solutions customized for large corporates, BPOs, SMEs, MSMEs

\* 2011 Service Revenues restated to reflect the change in the presentation of outbound revenues

\*\* Including Digital revenues from 26 October 2011

\*\*\* Excluding DIGITEL



# Capex: Unrivalled PLDT Group network



## 2011-12: Network Transformation Program Completed (Capex: P67bn)

- **Access Network**
  - 3G population coverage at 71%
  - LTE-ready: 1000 sites operational, 800 of which are carrying commercial traffic (contiguous coverage in Makati, Ortigas and Bonifacio Global City CBDs; present in all cities in Metro Manila, Cebu, Davao and Cagayan de Oro, summer hotspots)
- **Transport Network**
  - 54,000 kms. of fiber assets in place, with additional 14,000 kms of fiber-to-the-home rolled out
  - Almost 100% of MM sites are with fiber and IP-ready; 68% of provincial sites are IP-ready, 36% with fiber
- **Core Network:** re-architected to integrate PLDT, Smart, Sun and Digitel network
- **International Capacity**
  - Fourth cable landing station and Asia Submarine-cable Express (ASE) now operational
- **Business Intelligence/IT**
  - Completed the CMS/IN platform in Smart and migration of prepaid customers nearly complete
  - Revenue Management platforms operational
  - Capability of business analytic tools expanded

## 2013: Fortifying the network advantage (Capex: P29bn)

- **Expansion of 3G population coverage and activation of more LTE sites**
- **Additional 5,000 kms. of fiber to be rolled out**
  - Includes submarine cables to link Antique, Palawan and Bohol to the existing transport network for greater resiliency and broader reach
- **Three (3) domestic cable landing stations to be built**
- **Build out of content delivery platforms to handle IP-based multi-media content**
- **Expansion of International Capacity**
  - Activation of 40GBps for our international capacities
  - Embark on upgrade of capacity up to 100Gbps for our different cable systems, AAG, APCN2, TPC (expected to complete in 2014)

**PLDT Group network is future-compatible, scalable and resilient**

# Financial Investment in PDRs of MediaQuest



- **In May 2012, PLDT announced the financial investment by ePLDT of P6bn in Philippine Depository Receipts (PDRs) to be issued by MediaQuest**
  - MediaQuest, a wholly owned entity of the Beneficial Trust Fund, has investments in media assets that include TV5, CignalTV, among others
  - P6bn has been advanced as deposit on future PDR subscriptions
- **PLDT Board confirmed the P6bn investment in MediaQuest PDRs will give ePLDT a 40% economic interest in MediaScape/CignalTV**
  - MediaScape operates DTH PayTV business under the brand name “CignalTV”
- **Cignal registered over 441,000 subscribers at the end of 2012**
  - About 85% of subscribers are prepaid subscribers
  - Monthly ARPU is approximately P337
  - Main competitor is Skycable who has about 700,000 subscribers (post-acquisition of Destiny Cable)
- **Investments in MediaScape will be equity accounted in ePLDT’s financials as soon as the PDRs are issued**
- **PLDT Group’s investment in MediaScape is consistent with the overall strategy of broadening the PLDT group’s distribution platforms and increase its ability to deliver multi-media content to its customers across the group’s broadband and mobile networks**
- **ePLDT to make the following additional investments amounting to P5.55bn in 2013:**
  - P3.6bn for 40% economic interest in SatVentures, which holds the residual 60% economic interest in MediaScape
  - P1.95bn for 100% economic interest in Hastings Holdings, which holds print-related investments including minority positions in the Philippine Star, the Philippine Daily Inquirer, and BusinessWorld

# Philippine Pay-TV Industry and Signal Operating Highlights



- **Philippine pay-TV market remains under-penetrated with just 11.3% of TV homes subscribing to cable or DTH**
  - About 18.8mn households in the Philippines, of which about 78% or 14.6mn are TV households
- **Estimated total industry subscribers of 1.657mn**
  - Signal has about 28% market share with over 441,000 subscribers
  - Skycable has about 700,000 subscribers (inclusive of 180,000 subscribers of recently acquired Destiny Cable)
- **Total pay-TV industry revenues is estimated at P11.6bn with subscriptions at P9.1bn and local advertising revenues of P2.5bn in 2012**
- **Key success factors for pay-TV business: key content acquisition, coverage, critical mass of subscribers**
- **Signal's competitive strength is its ability to expand coverage faster than competition given ease of roll-out of DTH vis-à-vis cable**

# PLDT Group Guidance for 2013



Core Net Income

**P38.3 billion**  
(P1.0bn or 3% higher than 2012)

Capex

**P29.0 billion**  
(P7.4bn or 20% lower than 2012)

Capital Management

**Dividend Pay-out Policy:**  
70% of Core EPS + “look-back” approach

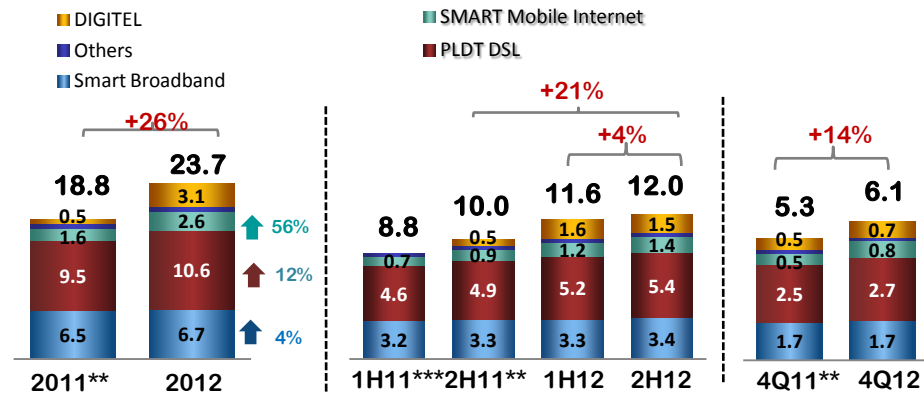
# Segment and Other Details

# Broadband



## Broadband Service Revenues\*

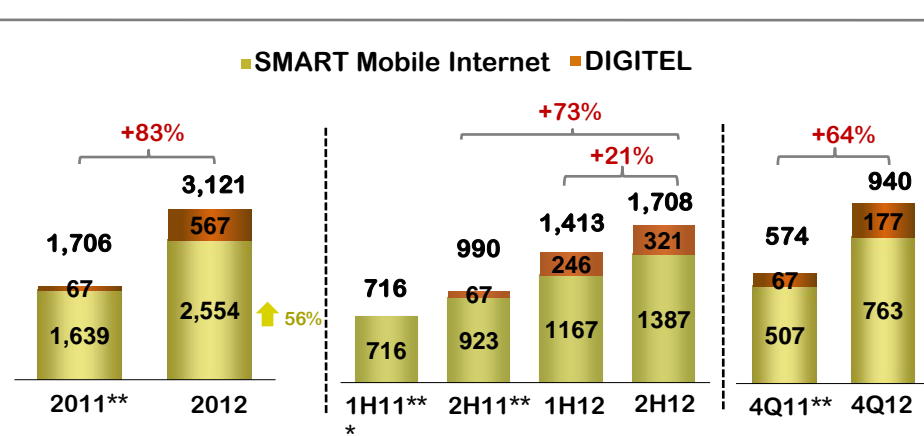
(Php in billions)



➤ **Broadband service revenues grew by 26% or P4.9bn year-on-year to P23.7bn in 2012, now accounting for 13% of total group service revenues**

- PLDT DSL revenues of P10.6bn were higher by 12% or P1.1bn, following a 9% increase in subscribers and an increase in broadband offers that include FTTH, and fixed and wireless bundles
- Smart wireless broadband grew by 14% or P1.2bn to P9.3bn as a result of an 11% rise in subscribers
  - ✓ Wireless broadband revenues were 4% higher at P6.7bn
  - ✓ Mobile internet browsing revenues of P2.6bn reflected a 56% or P0.9bn rise over last year
- Digitel contributed P3.2bn to total broadband service revenues, with P1.8bn from wireless broadband, P0.8bn from DSL and P0.6bn from mobile internet browsing

## Mobile Internet Browsing Service Revenues\* (Php in millions)



➤ **PLDT DSL ARPU was P1,135; while net blended ARPU for SMART and SUN stood at P335 and P282, respectively**

➤ **Mobile internet browsing revenues for the group rose by 83% or P1.4bn from P1.7bn in 2011 to P3.1bn in 2012**

➤ **Broadband potentials remain strong for the PLDT group:**

- Philippine population entering 'demographic window' where more than 50% of the population are aged between 15-64 years old: with purchasing power, literate and many already users of data
- Though smartphone penetration remains low, greater take-up by prepaid subscribers expected as branded handset prices fall below the US\$100 'sweetpot'
- PLDT group's integrated fixed and wireless network is a strong competitive advantage that ensures quality of experience by providing capacity, speed, reliability and cost effectiveness

\* 2011 Service Revenues restated to reflect the change in the presentation of outbound revenues

\*\* Including Digitel revenues from 26 October 2011

\*\*\* Excluding DIGITEL

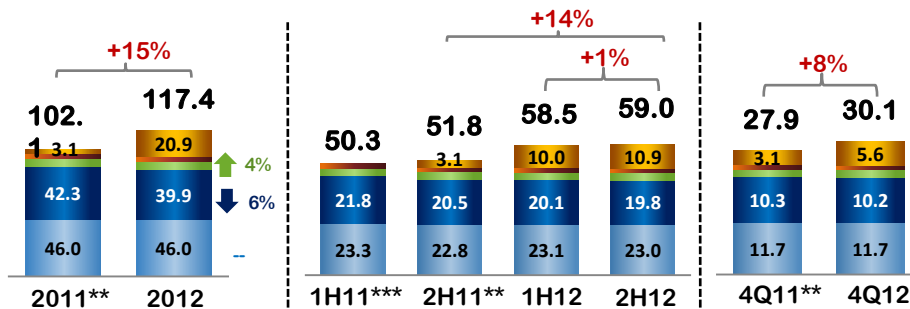
# Wireless



## Wireless Service Revenues\*

(Php in billions)

■ Cellular Data (1) ■ Cellular Voice ■ Broadband ■ Satellite and Others ■ DIGITEL



(1) Includes mobile internet browsing revenues

### Wireless service revenues rose by 15% or P15.4bn to P117.4bn in 2012

- SMART revenues were 2% or P2.4bn lower at P96.6bn
  - ✓ Cellular data revenues of P46.0bn were stable year-on-year
    - Mobile internet browsing revenues grew by P0.9bn or 56% to P2.6bn
    - Domestic data revenues dipped by 2% or P0.6bn to P38.4bn even as SMS volumes rose by 33%
    - International data revenues declined by P0.1bn to P3.5bn
  - ✓ Cellular voice revenues dipped by 6% or P2.4bn to P39.9bn
    - International voice revenues representing 13% of total wireless revenues, reduced by 10% to P14.7bn, impacted by the peso appreciation and alternative modes of communication using broadband
    - Domestic voice revenues of P25.2bn were lower by 3% or P0.8bn with decline in minutes by 9% resulting from bucket/unlimited plans
  - ✓ Wireless broadband rose by 4% to P6.7bn
- Digitel accounted for P20.9bn or 18% of total wireless service revenues, with P11.6bn from voice services, P7.2bn from cellular data, and P1.8bn in broadband revenues

### About 16% of wireless service revenues were linked to the US dollar; had the peso remained stable, service revenues would have risen by another P480mn

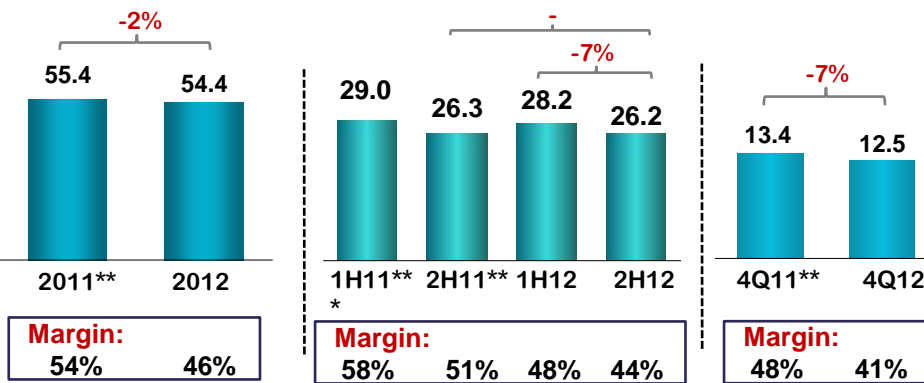
### EBITDA declined by P1.0bn or 2% year-on-year to P54.4bn in 2012 due to a decline in revenues and increases in subsidies and manpower reduction expenses

- Excluding MRP expenses of P0.9bn, EBITDA for 2012 would have been stable year-on-year; 4Q12 would have dipped by only 1% compared with 4Q11
- 2H12 EBITDA declined vs 1H12 due to P0.8bn MRP expense booked in 2H, higher rent and selling and promo expenses

### Wireless EBITDA margin for 2012 stood at 46%, with Smart margin at 51% and Digitel margin at 28%

## EBITDA

(Php in billions)



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\*\*\* Excluding DIGITEL





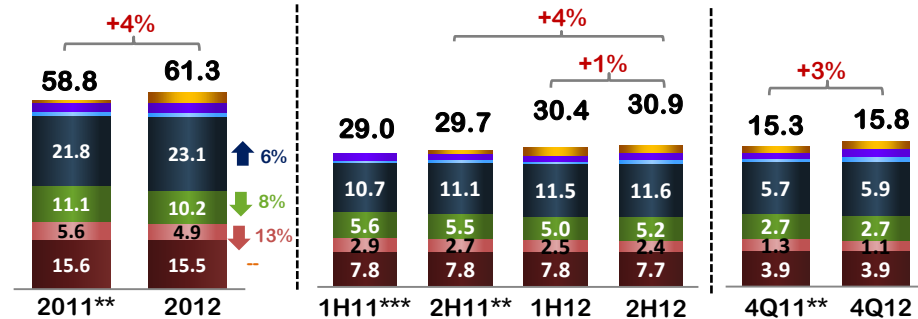
# Fixed Line



## Fixed Line Service Revenues\*

(Php in billions)

Local Exchange NLD ILD Data Vitro Miscellaneous DIGITEL

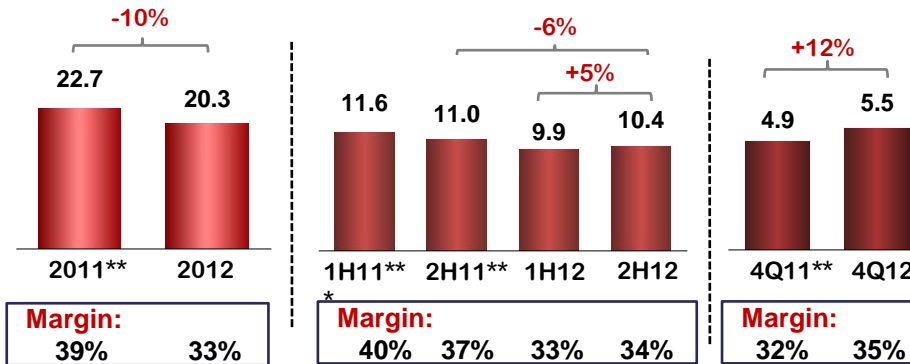


➤ In 2012, fixed line service revenues grew by 4% or P2.5bn to P61.3bn from end 2011

- PLDT fixed line revenues of P58.0bn were stable year-on-year
- ✓ DSL revenues grew by 12% or P1.1bn to P10.6bn or 17% of total fixed line service revenues
- ✓ Corporate data and other network services amounting to P11.9bn, or 19% of total fixed line service revenues, rose by P0.2bn
- ✓ Data center revenues of P1.4bn were higher by 19%
- ✓ Combined ILD and NLD/ revenues of P15.1bn, accounting for 25% of total fixed line revenues, were lower by P1.7bn
- ✓ LEC revenues of P15.5bn were stable year-on-year
- Digitel added P3.3bn to total fixed line service revenues, mainly consisting of LEC revenues of P1.0bn, ILD/NLD revenues of P1.0bn and DSL revenues of P0.8bn

## EBITDA

(Php in billions)



➤ About 31% of 2012 fixed line service revenues are dollar-linked; had the peso remained stable, service revenues would have increased year-on-year by 5% or P3.0bn

➤ Fixed line EBITDA dipped by P2.4bn or 10% to P20.3bn in 2012 due to higher cash expenses, including P3.0bn for the manpower reduction program (MRP); EBITDA margin stood at 33%

- Excluding MRP costs, EBITDA would have been higher by 3% or 0.6bn; EBITDA margin would have been 38%
- 4Q12 EBITDA grew 12% vis-à-vis 4Q11; while 2H12 EBITDA rose 5% compared with 1H12

\* 2011 service revenues restated to reflect the change in the presentation of outbound revenues

\*\* Including Digitel revenues from 26 October 2011

\*\*\* Excluding DIGITEL

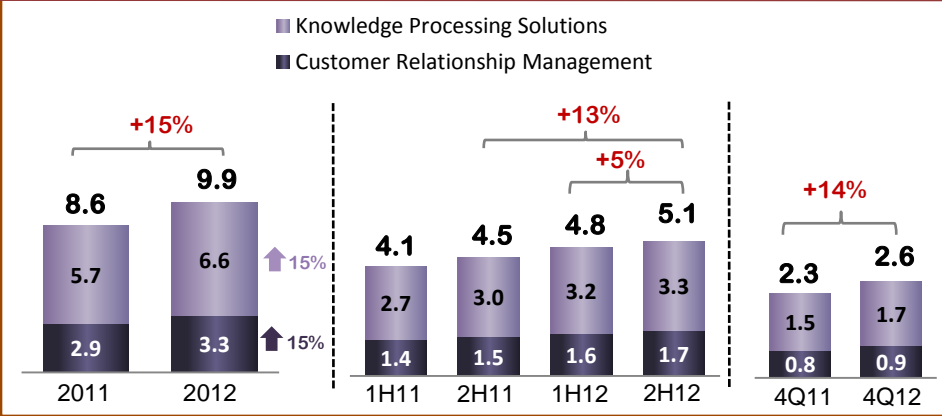


# BPO



## BPO Service Revenues

(Php in billions)



➤ BPO service revenues for 2012 rose by P1.3bn or 15% year-on-year to P9.9bn, accounting for 5% of total group service revenues

- KPS grew by 15% mainly from Laserwords Private Ltd. acquired in November 2011
- CRM also rose by 15% due to higher domestic sales

➤ 80% of BPO 2012 revenues are dollar-denominated; had the peso remained stable, service revenues would have grown by another P202mn or 3%

➤ EBITDA increased by 33% to P2.1bn at end 2012; while EBITDA margin rose to 21%

➤ Improvement in BPO operations have been sustained as a result of focused sales and marketing initiatives in the US, as well as implementation of strategies to improve efficiencies and profitability, including better seat utilization, location strategies and economies of scale

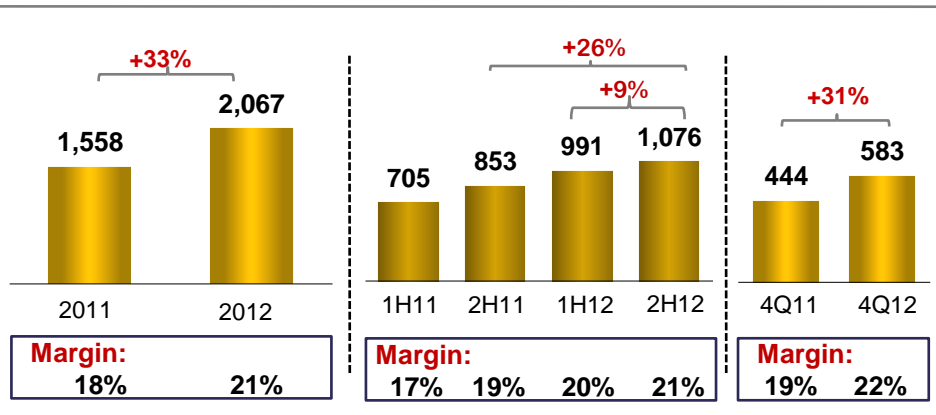
- Service revenues and EBITDA for 2H12 showed strong growth vis-à-vis 1H12 and 2H11
- 4Q12 service revenues and EBITDA were higher by 14% and 31% quarter-on-quarter, respectively

➤ BPO segment has been classified as “discontinued operations” following PLDT’s announcement in February 2013 that it had agreed to sell its BPO businesses to Asia Outsourcing Gamma Ltd. (AOG), a company controlled by CVC Capital Partners, a private equity fund

- PLDT announced intention to take a 20% stake in AOG
- Transactions expected to close by end March or early April
- Net cash to PLDT after completion of these two transactions is estimated to be in excess of US\$300mn

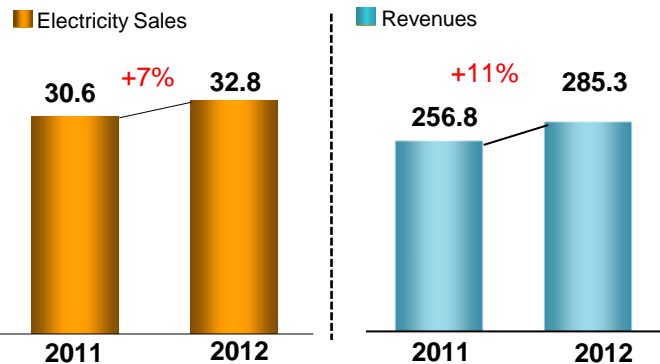
## BPO EBITDA

(Php in millions)



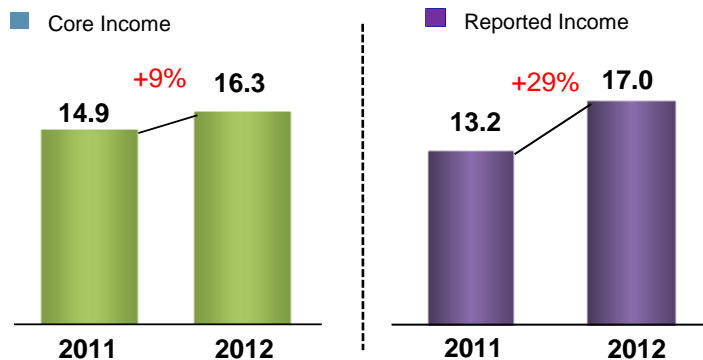
## Energy Sales and Revenues

(in '000 GWh and Php in Billions)



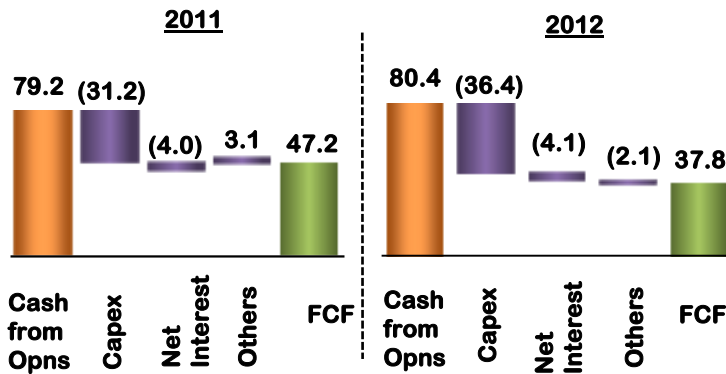
- **Consolidated revenues for 2012 rose by 11% or P28.5mn to P285.3bn driven by:**
  - Increase in electricity sales volumes following increased economic activity and an expanded customer base
  - Higher generation charges offset by lower transmission and distribution charges and system losses
- **Consolidated EBITDA for FY12 amounting to P27.5mn was 12% higher than FY11; EBITDA margin stood at 10%**
- **Reported Net Income grew by 29% or P3.8bn year-on-year to P17.0bn in 2012; while Core Net Income was up by 9% or P1.4bn to P16.3bn or P14.43 earnings per share**
- **Dividends of P10.10 per share declared for 2012 representing a 70% dividend payout**
- **Operational Highlights:**
  - All performance indicators were well within “rewards range” and were at historic best levels; system loss of 7.04% was at a historic low
  - Capex of P10.3bn for 2012, 18% higher than 2011
  - Power generation initiatives progressing:
    - ✓ RP Energy (JV with Aboitiz and Taiwan Co-Gen for 2x300-MW coal plant in Subic) progressing: site preparation completed, land lease agreement substantially complete, Environmental Compliance Certificate obtained]
    - ✓ Meralco PowerGen in partnership with Chubu Electric of Japan working under a Joint Feasibility Study Agreement for liquefied natural gas (LNG)-fired plant at Atimonan, Quezon
  - Meralco continues to source cheaper sources of power
  - Meralco’s Retail Electricity Supply (RES) unit geared up for full commercial operations under Retail Competition and Open Access (RCOA) by December 2013:
- **Beacon Electric, owned 50% by PCEV, is largest shareholder of Meralco with 48% shareholdings**
  - PCEV realized P2.0mn deferred gain with the sale of 282.2mn Beacon preferred shares for total cash consideration of P3.6mn in 2012
  - PCEV equity share in core income of Beacon/Meralco of P2.3bn in 2012 was stable compared with 2011

## Core and Reported Net Income (Php in Billions)



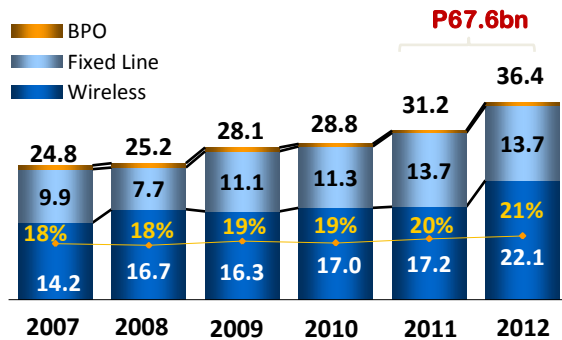
# Free Cash Flow and Capex

**Free Cash Flow** (PhP in billions)

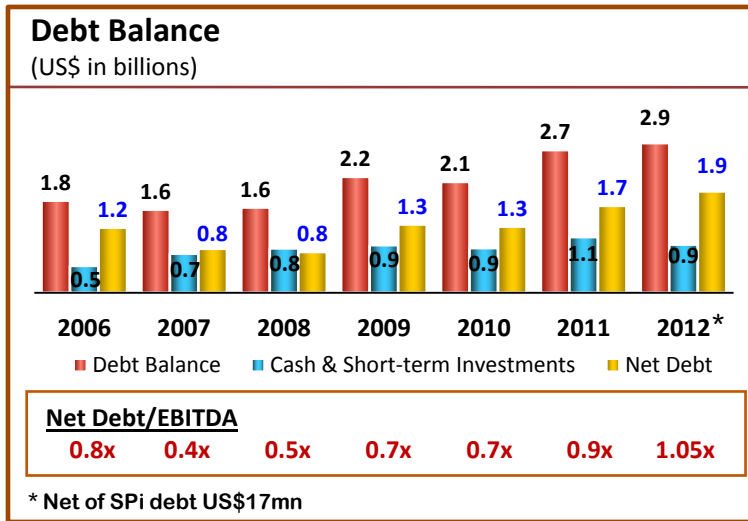


- **FCF for 2012 decreased to P37.8bn or P9.4bn from 2012, but remained higher than core net income for 2012 of P37.3bn**
  - + Net cash from operations higher by P1.2bn
  - Capex rose by P5.2bn
- **FCF was supplemented by debt proceeds (net) of P2.1bn and P5.5bn from sale of Philweb and Beacon preferred shares; while cash outflows during the year included:**
  - Total cash dividends of P36.9bn
  - Redemption of preferred shares of P5.9bn (held in trust)
  - Deposit for future PDR subscriptions in MediaQuest of P6bn
  - PCEV investment in Beacon common shares of P2.7bn
- **Two-year capex for the transformation of the PLDT network amounted to P67.6bn, with P31.2bn and P36.4bn spent in 2011 and 2012, respectively**
  - Access network converted to single RAN with 90% 3G population coverage, and LTE-ready
  - Transport network expanded with 54,000 kms. of fiber connecting the access network to the core network
  - Core network re-architected to efficiently handle Smart, PLDT, Digitel and Sun network traffic
  - Fortified international capacity with 4 cable landing stations and 12 international cable system alliances including the Asia Submarine-cable Express (ASE) and the Asia-America Gateway (AAG)
- **Capex expected to normalize at pre-2011 levels of under 20% of revenues starting 2013**
  - Total capex for 2013 expected to decline to P30bn

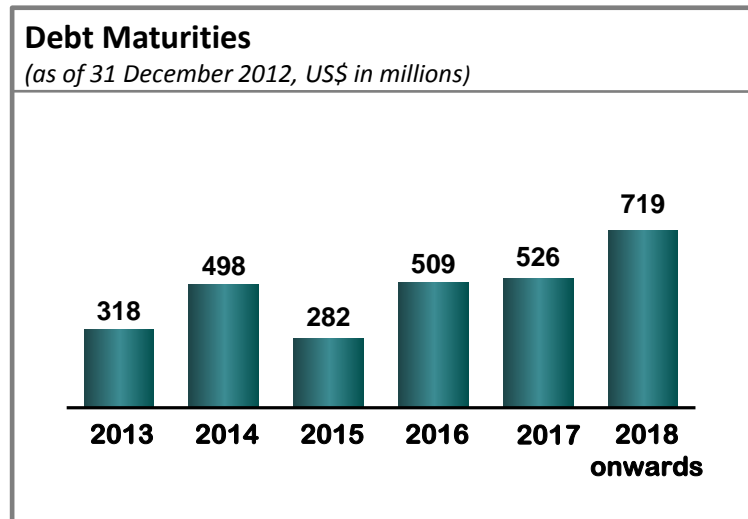
**Capex** (PhP in billions)



# PLDT Group: Debt Profile



- **Net Debt as of FY12 stood at US\$1.9bn, with Net Debt/EBITDA at 1.05x**
  - Excluding SPi debt of US\$17mn and EBITDA
- **As of end 2012, gross debt amounted to US\$2.9bn, inclusive of US\$0.5bn of Digitel**
  - 46% of total debt are US\$ denominated compared with 47% at YE11
  - Taking into account our US\$ cash holdings and hedges, only US\$961mn or 34% of total debt is unhedged
  - 71% are fixed-rate loans, while 29% are floating-rate loans
- **Debt maturities continue to be well spread out**
  - US\$145mn 2012 bond matured in May 2012
- **Current liability management initiatives:**
  - Re-financing of debt to take advantage of lower interest rates
  - Availment of dollar debt given the outlook for a stronger peso
- **PLDT has been rated investment grade by all three ratings agencies**
  - Long-term foreign issuer rating: Fitch (BBB-) Moody's (Baa2) and Standard and Poor's (BBB-)
  - Long-term local issuer rating: Fitch (A-), Moody's (Baa2), S&P National (axA-)



*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.*

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# Appendix

# Subscriber Data



	Dec- 12	Sept- 12	Jun- 12	Mar-12	Dec-11	Sep-11	Jun-11	Mar-11	FY12 vs FY11		Net adds				
									Amount	%	1Q12	2Q12	3Q12	4Q12	
<b>CELLULAR</b>															
Smart	25,510,846	25,636,712	26,929,737	27,470,678	27,123,622	26,606,008	26,509,537	26,165,500	(1,612,776)	-6%	347,056	(540,941)	(1,293,025)	(125,866)	
Prepaid	24,827,418	24,977,891	26,287,817	26,853,620	26,573,137	26,129,264	26,079,785	25,735,090	(1,745,719)	-7%	280,483	(565,803)	(1,309,926)	(150,473)	
Postpaid	683,428	658,821	641,920	617,058	550,485	476,744	429,752	430,410	132,943	24%	66,573	24,862	16,901	24,607	
Talk 'N Text	28,445,053	26,524,760	23,992,900	22,159,902	20,467,175	19,522,683	19,777,498	19,400,538	7,977,878	39%	1,692,727	1,832,998	2,531,860	1,920,293	
Red Mobile	234,087	400,062	562,438	899,916	1,438,647	1,608,270	1,547,498	1,090,647	(1,204,560)	-84%	(538,731)	(337,478)	(162,376)	(165,975)	
<b>Total Cellular excluding DIGITEL</b>	<b>54,189,986</b>	<b>52,561,534</b>	<b>51,485,075</b>	<b>50,530,496</b>	<b>49,029,444</b>	<b>47,736,961</b>	<b>47,834,533</b>	<b>46,656,685</b>	<b>5,160,542</b>	<b>11%</b>	<b>1,501,052</b>	<b>954,579</b>	<b>1,076,459</b>	<b>1,628,452</b>	
<b>DIGITEL Cellular</b>	<b>15,676,472</b>	<b>16,038,199</b>	<b>15,944,027</b>	<b>15,579,457</b>	<b>14,667,185</b>				<b>1,009,287</b>	<b>7%</b>	<b>912,272</b>	<b>364,570</b>	<b>94,172</b>	<b>(361,727)</b>	
Prepaid	14,105,031	14,513,253	14,470,645	14,159,612	13,314,096				790,935	6%	845,516	311,033	42,608	(408,222)	
Postpaid	1,571,441	1,524,946	1,473,382	1,419,845	1,353,089				218,352	16%	66,756	53,537	51,564	46,495	
<b>Total Cellular including DIGITEL</b>	<b>69,866,458</b>	<b>68,599,733</b>	<b>67,429,102</b>	<b>66,109,953</b>	<b>63,696,629</b>	<b>47,736,961</b>	<b>47,834,533</b>	<b>46,656,685</b>	<b>6,169,829</b>	<b>10%</b>	<b>2,413,324</b>	<b>1,319,149</b>	<b>1,170,631</b>	<b>1,266,725</b>	

	Dec- 12	Sept- 12	Jun- 12	Mar-12	Dec-11	Sep-11	Jun-11	Mar-11	FY12 vs FY11		Net adds			
									Amount	%	1Q12	2Q12	3Q12	4Q12
<b>BROADBAND</b>														
SmartBro	1,726,894	1,685,150	1,634,859	1,618,359	1,616,353	1,556,633	1,491,700	1,407,219	110,541	7%	2,006	16,500	50,291	41,744
Prepaid	1,231,092	1,210,235	1,184,579	1,168,385	1,162,020	1,107,034	1,047,490	973,189	69,072	6%	6,365	16,194	25,656	20,857
Postpaid	495,802	474,915	450,280	449,974	454,333	449,599	444,210	434,030	41,469	9%	(4,359)	306	24,635	20,887
DSL	812,478	793,103	774,541	762,335	742,906	725,232	698,921	671,588	69,572	9%	19,429	12,206	18,562	19,375
WeRoam	16,461	16,705	16,886	17,111	17,687	17,950	21,598	21,936	(1,226)	-7%	(576)	(225)	(181)	(244)
<b>Total Broadband excluding DIGITEL</b>	<b>2,555,833</b>	<b>2,494,958</b>	<b>2,426,286</b>	<b>2,397,805</b>	<b>2,376,946</b>	<b>2,299,815</b>	<b>2,212,219</b>	<b>2,100,743</b>	<b>178,887</b>	<b>8%</b>	<b>20,859</b>	<b>28,481</b>	<b>68,672</b>	<b>60,875</b>
<b>DIGITEL Broadband &amp; DSL</b>	<b>707,051</b>	<b>668,414</b>	<b>629,977</b>	<b>596,373</b>	<b>551,423</b>				<b>155,628</b>	<b>28%</b>	<b>44,950</b>	<b>33,604</b>	<b>38,437</b>	<b>38,637</b>
Sun Broadband	632,130	582,280	533,868	494,554	452,056				180,074	40%	42,498	39,314	48,412	49,850
Prepaid	356,068	305,614	258,044	220,738	200,972				155,096	77%	19,766	37,306	47,570	50,454
Postpaid	276,062	276,666	275,824	273,816	251,084				24,978	10%	22,732	2,008	842	(604)
DSL	74,921	86,134	96,109	101,819	99,367				(24,446)	-25%	2,452	(5,710)	(9,975)	(11,213)
<b>Total Broadband including DIGITEL</b>	<b>3,262,884</b>	<b>3,163,372</b>	<b>3,056,263</b>	<b>2,994,178</b>	<b>2,928,369</b>	<b>2,299,815</b>	<b>2,212,219</b>	<b>2,100,743</b>	<b>334,515</b>	<b>11%</b>	<b>65,809</b>	<b>62,085</b>	<b>107,109</b>	<b>99,512</b>



# FY2012: Consolidated Financial Highlights



(PhP in millions)	FY2012									FY2011 <sup>(2)</sup>	% Change
	Wireless			Fixed Line			BPO	Others	Consolidated (audited)	Consolidated (audited)	
	SMART <sup>(1)</sup>	DIGITEL	Total	PLDT <sup>(1)</sup>	DIGITEL	Total					
Service Revenues	96,570	20,869	117,439	57,998	3,265	61,263	9,899	-	169,331	153,958	10%
Cash operating expenses	43,494	12,955	56,449	37,170	2,589	39,759	7,829	18	84,228	69,509	21%
EBITDA	48,669	5,764	54,433	19,735	569	20,304	2,067	(18)	77,258	79,959	-3%
EBITDA Margin <sup>(3)</sup>	50%	28%	46%	34%	17%	33%	21%	-	46%	52%	
Depreciation and amortization	13,774	5,226	19,000	12,831	523	13,354	466	-	32,820	27,957	17%
Financing costs, net	(1,966)	(717)	(2,683)	(4,190)	(173)	(4,363)	(24)	-	(6,900)	(6,491)	6%
Income (loss) before income tax	34,336	(1,774)	32,562	2,922	2,460	5,382	1,557	4,340	43,841	42,677	3%
Provision for (benefit from) income tax	8,327	(233)	8,094	609	(698)	(89)	428	7	8,440	11,040	-24%
Core net income <sup>(4)</sup>	25,194	490	25,684	5,163	924	6,087	1,137	4,424	37,333	39,035	-4%
Continued Operations									36,665	38,282	-4%
Discontinued Operations									668	753	-11%
<b>Reported net income (loss)</b>	<b>26,003</b>	<b>(1,541)</b>	<b>24,462</b>	<b>2,372</b>	<b>3,158</b>	<b>5,530</b>	<b>1,129</b>	<b>4,333</b>	<b>35,454</b>	<b>31,697</b>	<b>12%</b>
Continued Operations									34,794	30,866	13%
Discontinued Operations									660	831	-21%

<sup>(1)</sup> Excluding Digitel

<sup>(2)</sup> 2011 service revenues have been restated to reflect the change in the presentation of outbound revenues;

Including Digitel

from 26 October 2011

<sup>(3)</sup> EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnect expenses)

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

# FY2012: Consolidated Financial Highlights



(PhP in millions)	FY2010 <sup>(1)</sup>			FY2011 <sup>(2)</sup>			FY2012		
	As Released	SPI discontinued operation	Continued Operations	As Released	SPI discontinued operation	Continued Operations	As Released	SPI discontinued operation	Continued Operations
<b>Total Revenues</b>	<b>158,387</b>	<b>7,573</b>	<b>150,814</b>	<b>156,603</b>	<b>8,124</b>	<b>148,479</b>	<b>172,626</b>	<b>9,142</b>	<b>163,484</b>
Service Revenues <sup>(3)</sup>	156,170	7,573	148,597	153,958	8,124	145,834	169,331	9,142	160,189
Non-Service Revenues	2,217	-	2,217	2,645	-	2,645	3,295	-	3,295
<b>Expenses</b>	<b>102,831</b>	<b>8,155</b>	<b>94,676</b>	<b>113,382</b>	<b>7,280</b>	<b>106,102</b>	<b>132,185</b>	<b>8,162</b>	<b>124,023</b>
Cash operating expenses	68,957	6,516	62,441	69,509	6,706	62,803	84,228	7,513	76,715
Cost of Sales	4,771	-	4,771	5,443	-	5,443	8,747	-	8,747
Non-cash operating expenses	29,103	1,639	27,464	38,430	574	37,856	39,210	649	38,561
<b>Net Operating Income (loss)</b>	<b>55,556</b>	<b>(582)</b>	<b>56,138</b>	<b>43,221</b>	<b>844</b>	<b>42,377</b>	<b>40,441</b>	<b>980</b>	<b>39,461</b>
<b>Other income (expenses)</b>	<b>(1,871)</b>	<b>33</b>	<b>(1,904)</b>	<b>(544)</b>	<b>105</b>	<b>(649)</b>	<b>3,400</b>	<b>108</b>	<b>3,292</b>
<b>Income (loss) before income tax</b>	<b>53,685</b>	<b>(549)</b>	<b>54,234</b>	<b>42,677</b>	<b>949</b>	<b>41,728</b>	<b>43,841</b>	<b>1,088</b>	<b>42,753</b>
<b>Provision for (benefit from) income tax</b>	<b>13,426</b>	<b>(64)</b>	<b>13,490</b>	<b>11,040</b>	<b>118</b>	<b>10,922</b>	<b>8,440</b>	<b>428</b>	<b>8,012</b>
<b>Net Income (loss) for the period</b>	<b>40,259</b>	<b>(485)</b>	<b>40,744</b>	<b>31,637</b>	<b>831</b>	<b>30,806</b>	<b>35,401</b>	<b>660</b>	<b>34,741</b>
<b>EBITDA</b>	<b>83,717</b>	<b>1,057</b>	<b>82,660</b>	<b>79,959</b>	<b>1,412</b>	<b>78,547</b>	<b>77,258</b>	<b>1,626</b>	<b>75,632</b>
EBITDA Margin <sup>(4)</sup>	54%	14%	56%	52%	17%	54%	46%	18%	47%
<b>Core net income <sup>(5)</sup></b>	<b>42,028</b>	<b>542</b>	<b>41,486</b>	<b>39,035</b>	<b>753</b>	<b>38,282</b>	<b>37,333</b>	<b>668</b>	<b>36,665</b>
<b>Reported net income</b>	<b>40,217</b>	<b>(485)</b>	<b>40,702</b>	<b>31,697</b>	<b>831</b>	<b>30,866</b>	<b>35,454</b>	<b>660</b>	<b>34,794</b>

(1) Excluding Digital

(2) Including Digital from 26 October 2011

(3) 2010 and 2011 service revenues have been restated to reflect the change in the presentation of outbound revenues

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

(5) 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>	FY2012 <sup>(1)</sup>	FY2011 <sup>(2)</sup>	Difference
Reported net income	35.5	31.7	3.8
Core net income	37.3	39.0	(1.7)
	<b>(1.9)</b>	<b>(7.3)</b>	<b>5.5</b>
Accounted for by:			
Forex gains, net	3.2	(0.8)	4.0
Gains (losses) on derivatives	(1.7)	0.6	(2.2)
Asset Impairment	(2.9)	(8.5)	5.6
Others	-	0.2	(0.2)
Adjustment in equity in investment	(0.1)	(0.5)	0.4
	(1.4)	(9.0)	7.5
Tax Effect	(0.5)	1.6	(2.1)
	<b>(1.9)</b>	<b>(7.3)</b>	<b>5.5</b>

<sup>(1)</sup> Including Digitel

<sup>(2)</sup> Including Digitel from 26 October 2011

# Consolidated Service Revenues



(in billion pesos)	2011 <sup>(1)</sup>					2012					% Change FY12 vs FY11
	1Q <sup>(2)</sup>	2Q <sup>(2)</sup>	3Q <sup>(2)</sup>	4Q <sup>(3)</sup>	FY <sup>(3)</sup>	1Q	2Q	3Q	4Q	FY	
SMS	11.2	11.4	10.6	12.4	45.5	12.5	12.4	11.3	12.3	48.5	7%
Voice - Domestic	11.9	11.7	11.2	12.9	47.7	13.4	13.1	13.7	13.7	53.9	13%
Voice - International	5.9	5.9	5.7	6.1	23.6	6.0	5.7	5.7	5.8	23.1	-2%
Non-SMS data	5.7	5.9	6.1	7.2	24.9	7.5	7.5	7.6	8.0	30.5	22%
BPO	1.9	2.0	2.1	2.2	8.1	2.3	2.2	2.2	2.4	9.1	13%
Others	1.2	0.9	1.0	1.0	4.1	1.1	1.0	1.0	1.0	4.1	-1%
<b>Total</b>	<b>37.7</b>	<b>37.9</b>	<b>36.7</b>	<b>41.7</b>	<b>154.0</b>	<b>42.8</b>	<b>41.9</b>	<b>41.5</b>	<b>43.1</b>	<b>169.3</b>	<b>10%</b>

<sup>(1)</sup> 2011 service revenues have been restated to reflect the change in the presentation of outbound revenues

<sup>(2)</sup> Excluding Digitel

<sup>(3)</sup> Including Digitel revenues from 26 October 2011

# Revenues by Segment

(PhP in millions)	FY2012							BPO	Consolidated (audited)	FY2011 <sup>(2)</sup> Consolidated (audited)	% Change
	Wireless			Fixed Line							
	SMART <sup>(1)</sup>	DIGITEL	Total	PLDT <sup>(1)</sup>	DIGITEL	Total					
<b>Service Revenues</b>											
<b>Wireless</b>	<b>96,570</b>	<b>20,869</b>	<b>117,439</b>								
Cellular	88,253	19,106	107,359					107,359	93,645	15%	
Broadband	6,749	1,763	8,512					8,512	6,804	25%	
Satellite and other services	1,568	-	1,568					1,568	1,620	-3%	
<b>Fixed line</b>				<b>57,998</b>	<b>3,265</b>	<b>61,263</b>					
Local exchange				15,494	989	16,483		16,483	15,734	5%	
International long distance				10,197	688	10,885		10,885	11,383	-4%	
National long distance				4,926	346	5,272		5,272	5,711	-8%	
Data and other network				23,119	1,242	24,361		24,361	22,005	11%	
Vitro™ Data center and others				1,374	-	1,374		1,374	1,150	19%	
Miscellaneous				2,888	-	2,888		2,888	2,802	3%	
<b>BPO</b>							<b>9,899</b>				
Knowledge processing solutions							6,594	6,594	5,721	15%	
Customer relationship management							3,305	3,305	2,867	15%	
<b>Others</b>											
Others								-	-		
<b>Inter-segment transactions</b>								(19,270)	(15,484)	24%	
	<b>96,570</b>	<b>20,869</b>	<b>117,439</b>	<b>57,998</b>	<b>3,265</b>	<b>61,263</b>	<b>9,899</b>	<b>169,331</b>	<b>153,958</b>	<b>10%</b>	
<b>Non-Service Revenues</b>	<b>1,671</b>	<b>482</b>	<b>2,153</b>	<b>1,227</b>	<b>-</b>	<b>1,227</b>	<b>-</b>	<b>3,380</b>	<b>2,690</b>	<b>26%</b>	
<b>Inter-segment transactions</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(85)</b>	<b>(45)</b>	<b>89%</b>	
	<b>1,671</b>	<b>482</b>	<b>2,153</b>	<b>1,227</b>	<b>-</b>	<b>1,227</b>	<b>-</b>	<b>3,295</b>	<b>2,645</b>	<b>25%</b>	
<b>Total Revenues</b>	<b>98,241</b>	<b>21,351</b>	<b>119,592</b>	<b>59,225</b>	<b>3,265</b>	<b>62,490</b>	<b>9,899</b>	<b>172,626</b>	<b>156,603</b>	<b>10%</b>	

(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 Including Digitel revenues from 26 October 2011

# Wireless Net ARPU



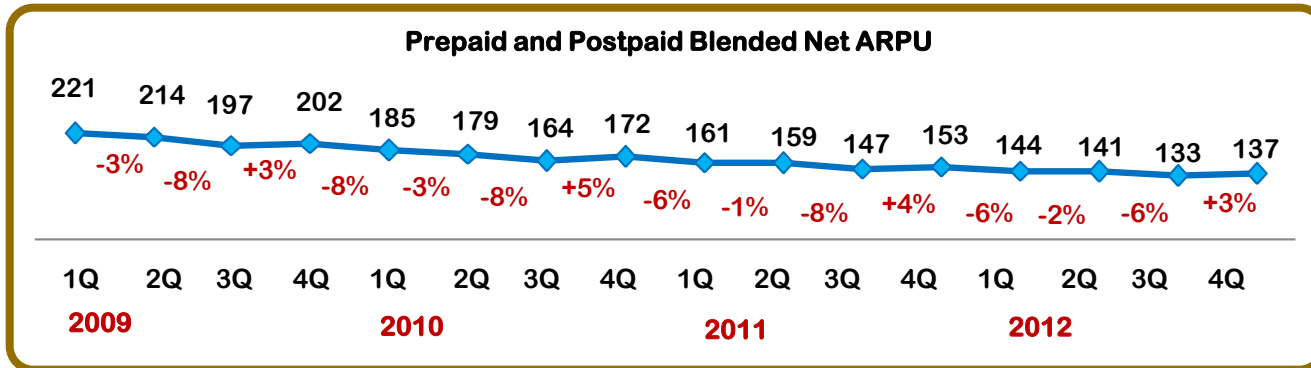
	1Q10	2Q10	3Q10	4Q10	1Q11	2Q11	3Q11	4Q11	1Q12	2Q12	3Q12	4Q12
Smart Postpaid	1,666	1,627	1,614	1,646	1,557	1,576	1,430	1,480	1,279	1,251	1,262	1,262
Smart Prepaid	204	197	181	189	180	179	166	166	155	150	145	154
Talk 'N Text	122	123	118	123	113	111	103	109	104	103	95	95
Red Mobile Prepaid	9	4	5	19	28	38	33	34	40	57	61	90
Red Mobile Postpaid	-	-	-	-	133	413	431	355	339	368	375	370
Sun Cellular Prepaid	-	-	-	-	-	-	-	65*	64	66	69	77
Sun Cellular Postpaid	-	-	-	-	-	-	-	447*	411	411	408	413

\*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	3Q12	4Q12
Prepaid and Postpaid Blended, Net <sup>(1)</sup>	221	214	197	202	185	179	164	172	161	159	147	153	144	141	133	137

<sup>(1)</sup> The average monthly ARPU of all prepaid and postpaid cellular subscribers; excluding Digitel



# Expenses



(PhP in millions)	FY2012									FY2011 <sup>(2)</sup>	% Change
	Wireless			Fixed Line			BPO	Others	Consolidated (audited)	Consolidated (audited)	
	SMART <sup>(1)</sup>	DIGITEL	Total	PLDT <sup>(1)</sup>	DIGITEL	Total					
<b>Operating expenses</b>											
Compensation and employee benefits	6,916	2,215	9,131	13,081	856	13,937	5,513	-	28,555	20,151	42%
Repairs and maintenance	5,180	2,663	7,843	4,891	569	5,460	470	-	13,032	10,391	25%
Selling and promotions	6,359	1,574	7,933	1,750	36	1,786	78	-	9,786	7,847	25%
Professional and other contracted services	3,351	393	3,744	4,170	181	4,351	672	6	6,015	5,668	6%
Rent	8,084	1,914	9,998	2,712	235	2,947	447	-	6,123	4,162	47%
Taxes and licenses	1,877	533	2,410	990	107	1,097	43	1	3,549	3,597	-1%
Communication, training and travel	1,068	362	1,430	703	68	771	403	3	2,403	1,946	23%
Insurance and security services	848	185	1,033	575	57	632	63	-	1,627	1,384	18%
Interconnection/settlement costs	9,086	3,032	12,118	7,666	454	8,120	-	-	11,556	12,586	-8%
Other operating expenses	725	84	809	632	26	658	140	8	1,582	1,777	-11%
<b>Cash operating expenses</b>	<b>43,494</b>	<b>12,955</b>	<b>56,449</b>	<b>37,170</b>	<b>2,589</b>	<b>39,759</b>	<b>7,829</b>	<b>18</b>	<b>84,228</b>	<b>69,509</b>	<b>21%</b>
Depreciation and amortization	13,774	5,226	19,000	12,831	523	13,354	466	-	32,820	27,957	17%
Asset impairment	1,130	3,088	4,218	1,013	55	1,068	3	-	5,289	10,209	-48%
Amortization of intangible assets	921	-	921	-	-	-	180	-	1,101	264	317%
<b>Non-cash operating expenses</b>	<b>15,825</b>	<b>8,314</b>	<b>24,139</b>	<b>13,844</b>	<b>578</b>	<b>14,422</b>	<b>649</b>	<b>-</b>	<b>39,210</b>	<b>38,430</b>	<b>2%</b>
<b>Cost of sales</b>	<b>4,948</b>	<b>2,425</b>	<b>7,373</b>	<b>1,322</b>	<b>52</b>	<b>1,374</b>	<b>-</b>	<b>-</b>	<b>8,747</b>	<b>5,443</b>	<b>61%</b>
<b>Total Expenses</b>	<b>64,267</b>	<b>23,694</b>	<b>87,961</b>	<b>52,336</b>	<b>3,219</b>	<b>55,555</b>	<b>8,478</b>	<b>18</b>	<b>132,185</b>	<b>113,382</b>	<b>17%</b>

(1) Excluding Digital

(2) Including Digital from 26 October 2011

## Selling and Promotions

	FY2012						FY2011					
	Wireless			Consolidated			Wireless			Consolidated		
	SMART <sup>(1)</sup>	DIGITEL	Total	PLDT <sup>(1)</sup>	DIGITEL	Total	SMART <sup>(1)</sup>	DIGITEL <sup>(2)</sup>	Total	PLDT <sup>(1)</sup>	DIGITEL <sup>(2)</sup>	Total
<b>Selling and Promotions</b>	<b>6,359</b>	<b>1,574</b>	<b>7,933</b>	<b>8,176</b>	<b>1,610</b>	<b>9,786</b>	<b>5,866</b>	<b>278</b>	<b>6,144</b>	<b>7,544</b>	<b>303</b>	<b>7,847</b>
% to total Expenses	10%	7%	9%	8%	6%	7%	9%	9%	9%	7%	8%	7%
% to total Service Revenues	7%	8%	7%	6%	7%	6%	6%	9%	6%	5%	8%	5%

# Other Income (Expenses)

(PHP in millions)	FY2012									FY2011 <sup>(2)</sup>	% Change
	Wireless			Fixed Line			BPO	Others	Consolidated (audited)	Consolidated (audited)	
	SMART <sup>(1)</sup>	DIGITEL	Total	PLDT <sup>(1)</sup>	DIGITEL	Total					
Gains (losses) on derivative financial instruments, net	2	(53)	(51)	(4,098)	2,140	(1,958)	28	-	(1,981)	197	-1106%
Interest income	530	35	565	853	30	883	16	76	1,370	1,372	-
Equity share in net earnings (losses) of associates and joint ventures	(78)	-	(78)	110	(2)	108	-	1,508	1,538	2,035	-24%
Foreign exchange gains (losses), net	1,151	1,268	2,419	729	134	863	(39)	-	3,243	(744)	536%
Others	723	36	759	2,629	285	2,914	155	2,774	6,130	3,087	99%
<b>Total</b>	<b>2,328</b>	<b>1,286</b>	<b>3,614</b>	<b>223</b>	<b>2,587</b>	<b>2,810</b>	<b>160</b>	<b>4,358</b>	<b>10,300</b>	<b>5,947</b>	<b>73%</b>
Financing costs, net											
Interest on loans and other related items	(1,456)	(717)	(2,173)	(4,143)	(173)	(4,316)	(24)	-	(6,343)	(5,960)	6%
Accretion on financial liabilities	(1,005)	-	(1,005)	(48)	-	(48)	-	-	(1,053)	(1,062)	-1%
Financing charges	(72)	-	(72)	(346)	-	(346)	-	-	(418)	(117)	257%
Capitalized interest	567	-	567	347	-	347	-	-	914	648	41%
<b>Total</b>	<b>(1,966)</b>	<b>(717)</b>	<b>(2,683)</b>	<b>(4,190)</b>	<b>(173)</b>	<b>(4,363)</b>	<b>(24)</b>	<b>-</b>	<b>(6,900)</b>	<b>(6,491)</b>	<b>6%</b>
<b>Total other income (expenses)</b>	<b>362</b>	<b>569</b>	<b>931</b>	<b>(3,967)</b>	<b>2,414</b>	<b>(1,553)</b>	<b>136</b>	<b>4,358</b>	<b>3,400</b>	<b>(544)</b>	<b>725%</b>

(1) Excluding Digitel

(2) Including Digitel from 26 October 2011



# EBITDA

(PhP in millions)	FY2012									FY2011 <sup>(2)</sup>	% Change
	Wireless			Fixed Line			BPO	Others	Consolidated (audited)	Consolidated (audited)	
	SMART <sup>(1)</sup>	DIGITEL	Total	PLDT <sup>(1)</sup>	DIGITEL	Total					
Income (loss) before tax	34,336	(1,774)	32,562	2,922	2,460	5,382	1,557	4,340	43,841	42,677	3%
Add (deduct):											
Depreciation and amortization	13,774	5,226	19,000	12,831	523	13,354	466	-	32,820	27,957	17%
Financing costs, net	1,966	717	2,683	4,190	173	4,363	24	-	6,900	6,491	6%
Asset impairment	-	2,881	2,881	15	-	15	-	-	2,896	8,517	-66%
Amortization of intangible assets	921	-	921	-	-	-	180	-	1,101	264	317%
Equity share in net losses (earnings) of associates and joint ventures	78	-	78	(110)	2	(108)	-	(1,508)	(1,538)	(2,035)	-24%
Losses (gains) on derivative financial instruments, net	(2)	53	51	4,098	(2,140)	1,958	(28)	-	1,981	(197)	1106%
Foreign exchange losses (gains), net	(1,151)	(1,268)	(2,419)	(729)	(134)	(863)	39	-	(3,243)	744	-536%
Interest income	(530)	(35)	(565)	(853)	(30)	(883)	(16)	(76)	(1,370)	(1,372)	-
Other income	(723)	(36)	(759)	(2,629)	(285)	(2,914)	(155)	(2,774)	(6,130)	(3,087)	99%
<b>EBITDA</b>	<b>48,669</b>	<b>5,764</b>	<b>54,433</b>	<b>19,735</b>	<b>569</b>	<b>20,304</b>	<b>2,067</b>	<b>(18)</b>	<b>77,258</b>	<b>79,959</b>	<b>-3%</b>
<b>EBITDA Margin<sup>(3)</sup></b>	<b>50%</b>	<b>28%</b>	<b>46%</b>	<b>34%</b>	<b>17%</b>	<b>33%</b>	<b>21%</b>	<b>-</b>	<b>46%</b>	<b>52%</b>	

<sup>(1)</sup> Excluding Digitel

<sup>(2)</sup> Including Digitel from 26 October 2011

<sup>(3)</sup> 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 <sup>(3)</sup>			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q <sup>(2)</sup>	1Q	2Q	3Q	4Q
<b>Consolidated Gross Service Revenues<sup>(1)</sup></b>																
<b>Fixed line</b>	<b>12,232</b>	<b>12,384</b>	<b>12,816</b>	<b>12,778</b>	<b>12,973</b>	<b>11,616</b>	<b>12,336</b>	<b>12,539</b>	<b>12,021</b>	<b>12,243</b>	<b>12,116</b>	<b>12,939</b>	<b>13,030</b>	<b>12,522</b>	<b>12,644</b>	<b>13,078</b>
Local exchange	3,988	3,789	3,834	3,919	3,904	3,811	3,770	3,741	3,833	3,870	3,862	4,051	4,146	4,089	4,059	4,063
International long distance	2,671	2,863	3,104	2,900	3,395	2,037	2,902	2,737	2,704	2,830	2,744	2,873	2,761	2,415	2,593	2,783
National long distance	2,130	1,994	1,901	1,697	1,614	1,617	1,467	1,619	1,358	1,349	1,271	1,240	1,249	1,200	1,148	1,081
Data and other network	2,980	3,227	3,409	3,597	3,528	3,580	3,715	3,864	3,665	3,827	3,888	4,506	4,563	4,529	4,514	4,642
Vitro <sup>TM (4)</sup>	74	69	115	93	110	105	102	116	130	126	164	120	133	136	135	323
Miscellaneous	389	442	453	572	422	466	380	462	331	241	187	149	178	153	195	186
<b>Wireless</b>	<b>25,498</b>	<b>25,770</b>	<b>24,193</b>	<b>26,035</b>	<b>25,051</b>	<b>25,825</b>	<b>23,726</b>	<b>24,531</b>	<b>23,785</b>	<b>23,658</b>	<b>22,478</b>	<b>26,594</b>	<b>27,493</b>	<b>27,176</b>	<b>26,637</b>	<b>27,609</b>
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	24,969	24,712	24,083	25,183
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	2,524	2,464	2,554	2,426
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	2,129	2,061	2,161	2,053
Satellite and others	610	647	709	794	627	745	220	625	448	392	376	404	395	403	393	373
<b>Business Process Outsourcing</b>	<b>1,980</b>	<b>1,906</b>	<b>1,962</b>	<b>2,043</b>	<b>1,881</b>	<b>1,877</b>	<b>1,875</b>	<b>1,940</b>	<b>1,901</b>	<b>2,010</b>	<b>2,056</b>	<b>2,157</b>	<b>2,257</b>	<b>2,247</b>	<b>2,238</b>	<b>2,400</b>
Customer relationship management	748	619	644	665	639	617	501	527	561	606	621	615	619	638	630	661
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	1,608	1,739
<b>Total</b>	<b>39,710</b>	<b>40,060</b>	<b>38,971</b>	<b>40,856</b>	<b>39,905</b>	<b>39,318</b>	<b>37,937</b>	<b>39,010</b>	<b>37,707</b>	<b>37,911</b>	<b>36,650</b>	<b>41,690</b>	<b>42,780</b>	<b>41,945</b>	<b>41,519</b>	<b>43,087</b>
<b>EBITDA</b>	<b>21,852</b>	<b>22,228</b>	<b>21,665</b>	<b>20,449</b>	<b>21,182</b>	<b>22,073</b>	<b>20,557</b>	<b>19,905</b>	<b>20,954</b>	<b>20,558</b>	<b>19,559</b>	<b>18,888</b>	<b>20,467</b>	<b>18,833</b>	<b>19,278</b>	<b>18,680</b>
<b>EBITDA Margin<sup>(5)</sup></b>	<b>55%</b>	<b>55%</b>	<b>56%</b>	<b>50%</b>	<b>53%</b>	<b>56%</b>	<b>54%</b>	<b>51%</b>	<b>56%</b>	<b>54%</b>	<b>53%</b>	<b>45%</b>	<b>48%</b>	<b>45%</b>	<b>46%</b>	<b>43%</b>

(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	35,070	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
<b>Consolidated Gross Service Revenues</b>	<b>39,710</b>	<b>40,060</b>	<b>38,971</b>	<b>40,856</b>	<b>39,905</b>	<b>39,318</b>	<b>37,937</b>	<b>39,010</b>	<b>37,707</b>	<b>37,911</b>	<b>36,650</b>

(2) Including Digitel from 26 October 2011

(3) Including Digitel

(4) Reclassification of Vitro<sup>TM</sup> 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 <sup>(3)</sup>			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q <sup>(2)</sup>	1Q	2Q	3Q	4Q
<b>Wireless Gross Service Revenues<sup>(1)</sup></b>																
Cellular services	24,596	24,984	23,609	24,956	24,138	24,568	22,996	23,818	23,101	23,150	21,846	25,548	26,540	26,865	26,267	27,687
Cellular Voice	10,670	10,881	10,545	11,546	11,639	11,998	10,845	11,196	10,944	10,864	10,197	11,880	12,514	12,552	13,089	13,337
Cellular Data	12,565	12,652	11,721	11,972	11,822	11,948	11,521	11,945	11,492	11,770	11,013	12,960	13,333	13,635	12,562	13,744
Other Cellular Revenues	1,361	1,451	1,343	1,437	677	622	630	677	665	516	636	708	693	678	616	606
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	2,580	2,451
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	2,186	2,077
Satellite and others	708	748	803	884	627	745	220	625	448	392	376	404	396	404	394	374
<b>Total</b>	<b>26,593</b>	<b>26,962</b>	<b>25,793</b>	<b>27,324</b>	<b>26,355</b>	<b>26,927</b>	<b>24,794</b>	<b>25,948</b>	<b>25,132</b>	<b>25,147</b>	<b>23,877</b>	<b>27,913</b>	<b>29,100</b>	<b>29,354</b>	<b>28,847</b>	<b>30,138</b>
<b>EBITDA</b>	<b>15,022</b>	<b>15,186</b>	<b>14,311</b>	<b>14,892</b>	<b>14,448</b>	<b>15,272</b>	<b>14,620</b>	<b>14,624</b>	<b>14,553</b>	<b>14,493</b>	<b>12,903</b>	<b>13,444</b>	<b>14,206</b>	<b>14,002</b>	<b>13,734</b>	<b>12,491</b>
<b>EBITDA Margin<sup>(4)</sup></b>	<b>56%</b>	<b>56%</b>	<b>55%</b>	<b>55%</b>	<b>55%</b>	<b>57%</b>	<b>59%</b>	<b>56%</b>	<b>58%</b>	<b>58%</b>	<b>54%</b>	<b>48%</b>	<b>49%</b>	<b>48%</b>	<b>48%</b>	<b>41%</b>

(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	22970	3Q
Net Service Revenues (as previously presented)	23,904	24,171	23,127	24,627	23,694	24,181	22,569	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	2,364	2,178	2,343
<b>Consolidated Gross Service Revenues</b>	<b>26,593</b>	<b>26,962</b>	<b>25,793</b>	<b>27,324</b>	<b>26,356</b>	<b>26,927</b>	<b>24,794</b>	<b>25,948</b>	<b>25,132</b>	<b>25,147</b>	<b>23,877</b>

(2) Including Digital from 26 October 2011

(3) Including Digital

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

# Historical Fixed line EBITDA Margin (restated)



(P/PhP in millions)	2009				2010				2011				2012 <sup>(3)</sup>			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q <sup>(2)</sup>	1Q	2Q	3Q	4Q
<b>Fixed Line Gross Service Revenues<sup>(1)</sup></b>																
Local exchange	4,024	3,821	3,894	3,942	3,930	3,839	3,803	3,770	3,862	3,896	3,894	4,082	4,177	4,119	4,092	4,095
International long distance	2,682	2,874	3,115	2,910	3,406	2,049	2,911	2,746	2,752	2,879	2,799	2,953	2,836	2,494	2,682	2,873
Inbound					3,061	1,741	2,580	2,469	2,482	2,547	2,518	2,684	2,485	2,151	2,341	2,570
Outbound					345	308	331	277	270	332	281	269	351	343	341	303
National long distance	2,163	2,036	1,935	1,719	1,652	1,652	1,527	1,656	1,469	1,478	1,375	1,389	1,396	1,339	1,315	1,222
Data and other network	5,200	5,418	5,582	5,684	5,871	5,759	5,000	5,257	5,195	5,476	5,421	5,913	6,091	6,054	6,000	6,216
DSL					1,990	2,046	2,102	2,125	2,264	2,351	2,412	2,636	2,814	2,823	2,862	2,905
Data and other network services					3,881	3,713	2,898	3,132	2,931	3,125	3,009	3,277	3,277	3,231	3,138	3,311
Vitro <sup>(4)</sup>	167	164	240	242	225	220	216	237	263	285	335	267	291	296	299	488
Miscellaneous	661	743	731	1,042	785	860	797	957	785	710	633	674	635	681	708	864
<b>Total</b>	<b>14,897</b>	<b>15,056</b>	<b>15,497</b>	<b>15,539</b>	<b>15,869</b>	<b>14,379</b>	<b>14,254</b>	<b>14,623</b>	<b>14,326</b>	<b>14,724</b>	<b>14,457</b>	<b>15,278</b>	<b>15,426</b>	<b>14,983</b>	<b>15,096</b>	<b>15,758</b>
<b>EBITDA</b>	<b>6,650</b>	<b>6,752</b>	<b>7,067</b>	<b>5,043</b>	<b>6,373</b>	<b>6,425</b>	<b>5,600</b>	<b>4,649</b>	<b>6,043</b>	<b>5,596</b>	<b>6,139</b>	<b>4,897</b>	<b>5,672</b>	<b>4,255</b>	<b>4,895</b>	<b>5,482</b>
<b>EBITDA Margin<sup>(5)</sup></b>	<b>45%</b>	<b>45%</b>	<b>46%</b>	<b>32%</b>	<b>40%</b>	<b>45%</b>	<b>39%</b>	<b>32%</b>	<b>42%</b>	<b>38%</b>	<b>42%</b>	<b>32%</b>	<b>37%</b>	<b>28%</b>	<b>32%</b>	<b>35%</b>

(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	11,541	11,830	11,534	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	423	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
<b>Consolidated Gross Service Revenues</b>	<b>14,897</b>	<b>15,056</b>	<b>15,497</b>	<b>15,539</b>	<b>15,869</b>	<b>14,379</b>	<b>14,254</b>	<b>14,623</b>	<b>14,326</b>	<b>14,724</b>	<b>14,457</b>

(2) Including Digital from 26 October 2011

(3) Including Digital

(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	3Q	4Q
<b>BPO Gross Service Revenues<sup>(1)</sup></b>																
Customer relationship management	913	770	791	845	774	752	626	671	670	712	726	759	777	812	826	890
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	1,608	1,739
<b>Total</b>	<b>2,145</b>	<b>2,057</b>	<b>2,109</b>	<b>2,223</b>	<b>2,016</b>	<b>2,012</b>	<b>2,000</b>	<b>2,084</b>	<b>2,010</b>	<b>2,116</b>	<b>2,161</b>	<b>2,301</b>	<b>2,415</b>	<b>2,421</b>	<b>2,434</b>	<b>2,629</b>
<b>EBITDA<sup>(1)</sup></b>	<b>114</b>	<b>237</b>	<b>221</b>	<b>378</b>	<b>289</b>	<b>291</b>	<b>287</b>	<b>403</b>	<b>305</b>	<b>400</b>	<b>409</b>	<b>444</b>	<b>503</b>	<b>488</b>	<b>493</b>	<b>583</b>
<b>EBITDA Margin<sup>(2)</sup></b>	<b>5%</b>	<b>12%</b>	<b>10%</b>	<b>17%</b>	<b>14%</b>	<b>14%</b>	<b>14%</b>	<b>19%</b>	<b>15%</b>	<b>19%</b>	<b>19%</b>	<b>19%</b>	<b>21%</b>	<b>20%</b>	<b>20%</b>	<b>22%</b>

<sup>(1)</sup> 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
<b>Consolidated Gross Service Revenues</b>	<b>2,145</b>	<b>2,057</b>	<b>2,109</b>	<b>2,223</b>	<b>2,016</b>	<b>2,012</b>	<b>2,000</b>	<b>2,084</b>	<b>2,010</b>	<b>2,116</b>	<b>2,161</b>
EBITDA (as previously presented - ICT)	203	308	335	484	370	386	379	588	454	525	561

<sup>(2)</sup> EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnect expenses)

# Core Net Income

(PhP in millions)	FY2012									FY2011 <sup>(2)</sup>	% Change
	Wireless			Fixed Line			BPO	Others	Consolidated (audited)	Consolidated (audited)	
	SMART <sup>(1)</sup>	DIGITEL	Total	PLDT <sup>(1)</sup>	DIGITEL	Total					
Reported net income	26,003	(1,541)	24,462	2,372	3,158	5,530	1,129	4,333	35,454	31,697	12%
Add (deduct):											
Foreign exchange losses (gains), net	(1,151)	(1,268)	(2,419)	(729)	(134)	(863)	39	-	(3,243)	750	-532%
Losses (gains) on derivatives financial instruments, net	(2)	53	51	3,778	(2,140)	1,638	(28)	-	1,981	(560)	-454%
Others	-	-	-	-	-	-	-	-	-	(233)	100%
Asset Impairment	-	2,881	2,881	15	-	15	-	-	2,896	8,517	-66%
Adjustment in equity share in Meralco	-	-	-	-	-	-	-	91	91	476	-81%
Tax effect	345	365	710	(273)	40	(233)	(3)	-	474	(1,612)	129%
<b>Core Net Income</b>	<b>25,195</b>	<b>490</b>	<b>25,685</b>	<b>5,163</b>	<b>924</b>	<b>6,087</b>	<b>1,137</b>	<b>4,424</b>	<b>37,653</b>	<b>39,035</b>	<b>-4%</b>

<sup>(1)</sup> Excluding Digital

<sup>(2)</sup> Including Digital from 26 October 2011

# Earnings Per Share



	FY2012 (audited)		FY2011 (audited)	
	Basic	Diluted	Basic	Diluted
Net income (loss) attributable to equity holders of PLDT	35,454	35,454	31,697	31,697
Continuing Operations	34,794	34,794	30,866	30,866
Discontinued Operations	660	660	831	831
Dividends on preferred shares	(52)	(52)	(458)	(458)
<b>Net income for the period attributable to common equity holders of PLDT</b>	<b>35,402</b>	<b>35,402</b>	<b>31,239</b>	<b>31,239</b>
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	4,613	4,613
Effect of mandatory tender offer for all remaining Digital shares				164
<b>Common shares equivalent to convertible preferred shares deemed dilutive</b> Preferred Stock Series A to HH				
<b>Weighted average number of common shares, end</b>	<b>216,055</b>	<b>216,055</b>	<b>191,369</b>	<b>191,533</b>
<b>EPS (based on reported net income)</b>				
EPS - Continuing Operations	160.80	160.80	158.90	158.77
EPS - Discontinued Operations	3.06	3.06	4.34	4.33
<b>Total EPS (based on reported net income)</b>	<b>163.86</b>	<b>163.86</b>	<b>163.24</b>	<b>163.10</b>
Core net income	37,333	37,333	39,035	39,035
Continuing Operations	36,665	36,665	38,282	38,282
Discontinued Operations	668	668	753	753
Dividends on preferred shares	(51)	(51)	(458)	(458)
<b>Net income applicable to common shares</b>	<b>37,282</b>	<b>37,282</b>	<b>38,577</b>	<b>38,577</b>
<b>Weighted average number of shares, end</b>	<b>216,055</b>	<b>216,055</b>	<b>191,369</b>	<b>191,534</b>
<b>EPS (based on core net income)</b>				
EPS - Continuing Operations	169.47	169.47	197.65	197.48
EPS - Discontinued Operations	3.09	3.09	3.93	3.93
<b>EPS (based on core net income)</b>	<b>172.56</b>	<b>172.56</b>	<b>201.58</b>	<b>201.41</b>

# Cash Flows

<i>(PhP in millions)</i>	FY2012 <sup>(1)</sup> (audited)					FY2011 <sup>(2)</sup> Consolidated (audited)	% Change
	Wireless	Fixed Line	BPO	Others	Consolidated		
Net cash from operations	54,119	24,402	1,926	(47)	80,370	79,209	1%
Add(Deduct):							
Capital expenditures	(22,058)	(13,726)	(612)	-	(36,396)	(31,207)	17%
Other investing activities	(74)	30,758	(24)	720	919	1,199	-23%
Interest, net	(1,058)	(3,065)	(9)	65	(4,061)	(3,966)	2%
Preferred share dividends	-	(62)	-	-	(62)	(270)	-77%
Others	(4,282)	7,196	132	-	(2,954)	2,219	-233%
Free cash flow	26,647	45,503	1,413	738	37,816	47,184	-20%
Common share dividends	(29,500)	(36,871)	-	-	(36,872)	(41,328)	-11%
Investments	(359)	(11,645)	(91)	863	(5,233)	(1,132)	362%
Redemption of Investments	380	-	-	-	380	-	-
Redemption of Shares	-	(919)	-	(62)	(62)	-	-
Trust fund for redemption of shares	-	(5,561)	-	-	(5,561)	-	-
Redemption of Liabilities	-	(289)	-	-	(289)	-	-
Debt repayments, net	(1,897)	4,666	(761)	-	2,076	4,544	-54%
<b>Change in cash</b>	<b>(4,729)</b>	<b>(5,116)</b>	<b>561</b>	<b>1,539</b>	<b>(7,745)</b>	<b>9,268</b>	<b>-184%</b>
<b>Cash and short term investments, beginning</b>	<b>21,243</b>	<b>22,082</b>	<b>574</b>	<b>2,716</b>	<b>46,615</b>	<b>37,347</b>	<b>25%</b>
<b>Cash and short term investments, end</b>	<b>16,514</b>	<b>16,966</b>	<b>1,135</b>	<b>4,255</b>	<b>38,870</b>	<b>46,615</b>	<b>-17%</b>

<sup>(1)</sup> Including Digitel

<sup>(2)</sup> Including Digitel from 26 October 2011



# Balance Sheet



<i>(PhP in millions)</i>	Consolidated	
	December 31, 2012 <sup>(1)</sup> (Audited)	December 31, 2011 <sup>(1)</sup> (Audited)
<b>Total Assets</b>	<b>410,468</b>	<b>399,822</b>
<b>Nominal Value of Total Debt</b>	<b>117,115</b>	<b>119,411</b>
<i>in US\$</i>	<b>\$2,851</b>	<b>\$2,719</b>
<b>Less: Unamortized Debt Discount</b>	<b>1,323</b>	<b>2,136</b>
<b>Total Debt</b>	<b>115,792</b>	<b>117,275</b>
<b>Cash and short-term investments</b>	<b>37,735</b>	<b>46,615</b>
<b>Net Debt<sup>(3)</sup></b>	<b>79,380</b>	<b>72,796</b>
<b>Equity</b>	<b>149,242</b>	<b>152,219</b>
<b>Total Debt<sup>(2)</sup>/Equity</b>	<b><u>0.78x</u></b>	<b><u>0.78x</u></b>
<b>Net Debt<sup>(3)</sup>/Equity</b>	<b><u>0.53x</u></b>	<b><u>0.48x</u></b>
<b>Total Debt<sup>(2)</sup>/EBITDA</b>	<b><u>1.52x</u></b>	<b><u>1.49x</u></b>
<b>Net Debt<sup>(3)</sup>/EBITDA</b>	<b><u>1.03x</u></b>	<b><u>0.91x</u></b>

(1) Including Digital

(2) Nominal value of total debt

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

# Debt Profile

<i>(US\$ in millions)</i>	2006	2007	2008	2009	2010	2011 <sup>(1)</sup>	2012 <sup>(1)</sup>
<b>Debt Balance</b>	1,756	1,585	1,625	2,210	2,113	2,719	2,851
<b>Cash and short-term investments</b>	514	745	847	908	852	1,061	919
<b>Net Debt</b>	1,242	840	778	1,302	1,261	1,658	1,932

(1) Including Digital

**Debt Maturities**  
as of December 31, 2012  
*(US\$ in millions)*

	PLDT, SMART and ePLDT	DIGITEL	Total
2013	239	79	318
2014	428	70	498
2015	221	61	282
2016	379	129	509
2017	479	47	526
2018	28	25	53
2019 onwards	624	42	665
	<b>2,398</b>	<b>453</b>	<b>2,851</b>

# Interest-bearing Liabilities

<i>(US\$ in millions)</i>	December 31, 2012 (Audited)			December 31, 2011	Change
	Carrying Value	Unamortized Debt Discount/Debt Issuance	Face Value	(Audited) Face Value	
<b>Debt</b>					
<b>PLDT</b>	\$1,438	\$2	\$1,440	\$1,271	\$169
<b>Smart</b>	\$928	\$30	\$957	\$890	\$67
2014 Debt	\$254	\$26	\$280	\$280	\$
Others	\$673	\$4	\$677	\$610	\$67
<b>DIGITEL</b>	\$454	\$	\$454	\$522	(\$68)
<b>Others</b>	\$	\$	\$	\$36	(\$36)
<b>Total Debt</b>	<b>\$2,819</b>	<b>\$32</b>	<b>\$2,851</b>	<b>\$2,719</b>	<b>\$132</b>
<b>Obligations under finance lease</b>	\$	\$	\$	\$	\$

# Foreign Exchange Risk



## Forex Impact on Core Income

	PLDT Group	Digitel	TOTAL
Forex sensitivity for every P1 change (in US\$ Millions)			
US\$ Revenues *	749.4	51.9	801.3
US\$ Expenses	(341.9)	(50.4)	(392.3)
Cash opex *	(281.0)	(38.0)	(319.0)
Cost of sales	(2.0)	-	(2.0)
Financing costs	(58.9)	(12.4)	(71.3)
US\$ Income before tax	407.5	1.5	409.0
Tax effect	122.3	0.5	122.7
<b>Core Earnings</b>	<b>285.2</b>	<b>1.0</b>	<b>286.3</b>
<b>EBITDA</b>	<b>466.4</b>	<b>13.9</b>	<b>480.3</b>
* Gross of interconnection costs amounting to:	160.9	12.0	172.9
Local exchange revenues (in million Php)	6,629.4		

## Forex Impact of B/S Revaluation

	PLDT Group	Digitel	TOTAL
Forex sensitivity for every P1 change on B/S Revaluation (in US\$ Millions)			
Debt	947.4	372.8	1,320.2
Accounts Payable	99.0	18.0	117.0
Accrued Liabilities	113.8	28.5	142.3
Derivative Liabilities	60.2	5.2	65.4
<b>Total US\$-Denominated Liabilities</b>	<b>1,220.4</b>	<b>424.5</b>	<b>1,644.9</b>
Cash and Cash Equivalents	124.9	10.8	135.7
Short-term Investments	13.2	-	13.2
Trade and other Receivables	239.0	9.2	248.2
Derivative Assets	1.9	-	1.9
Non Trade Receivables & Advances	2.1	-	2.1
<b>Total US\$-Denominated Assets</b>	<b>381.1</b>	<b>20.0</b>	<b>401.1</b>
Net Foreign Currency Liability Position	839.3	404.5	1,243.8
<b>Forex Revaluation for every P1 change</b>	<b>±839.3</b>	<b>±404.5</b>	<b>±1,243.8</b>

## Forex Impact on Derivatives

**P1 movement in the USD/PHP exchange rate corresponds to a P167M change in derivatives**

**Forex rate, FY2012**  
**Forex rate, FY2011**  
**% of Peso Appreciation vs US\$**

**Ave.**  
**42.24**  
**43.31**  
**-2%**

**Period End**  
**41.08**  
**43.92**  
**-6%**

	FOR THE YEAR ENDED DECEMBER 31, 2012				
	Wireless	Fixed Line	Conso Digitel	Elim with PLDTGR	Impact at PLDT
In million pesos					
<b>REVENUES</b>	<b>21,351</b>	<b>3,265</b>	<b>24,616</b>	<b>(1,804)</b>	<b>22,812</b>
Service	20,869	3,265	24,134	(1,804)	22,330
Non-Service	482	-	482	-	482
<b>EXPENSES</b>	<b>23,694</b>	<b>3,219</b>	<b>26,913</b>	<b>(2,016)</b>	<b>24,897</b>
Cash Operating Expenses	12,955	2,589	15,544	(2,016)	13,528
Cost of Sales	2,425	52	2,477	-	2,477
Non-Cash Operating Expenses	8,314	578	8,892	-	8,892
<b>OPERATING INCOME (LOSS)</b>	<b>(2,343)</b>	<b>46</b>	<b>(2,297)</b>	<b>212</b>	<b>(2,085)</b>
<b>OTHER EXPENSES</b>	<b>569</b>	<b>2,414</b>	<b>2,983</b>	<b>(1,976)</b>	<b>1,007</b>
Financing Costs	(717)	(173)	(890)	164	(726)
Interest Income	35	30	65	-	65
Foreign Exchange Gains (Losses) - net	1,268	134	1,402	-	1,402
Gains (Losses) on Derivative Financial Instruments - net	(53)	2,140	2,087	(2,140)	(53)
Equity Share in Net Earnings (Losses) of Associates	-	(2)	(2)	-	(2)
Others	36	285	321	-	321
<b>INCOME (LOSS) BEFORE INCOME TAX</b>	<b>(1,774)</b>	<b>2,460</b>	<b>686</b>	<b>(1,764)</b>	<b>(1,078)</b>
<b>PROVISION FOR (BENEFIT FROM) INCOME TAX</b>	<b>(233)</b>	<b>(698)</b>	<b>(931)</b>	<b>-</b>	<b>(931)</b>
<b>NET INCOME FOR THE PERIOD</b>	<b>(1,541)</b>	<b>3,158</b>	<b>1,617</b>	<b>(1,764)</b>	<b>(147)</b>
<b>NON-CONTROLLING INTEREST</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(11)</b>	<b>(11)</b>
<b>NET INCOME ATTRIBUTABLE TO PLDT HOLDERS</b>	<b>(1,541)</b>	<b>3,158</b>	<b>1,617</b>	<b>(1,753)</b>	<b>(136)</b>
Foreign exchange losses (gains)	(1,268)	(134)	(1,402)	-	(1,402)
Loss (gain) on derivative transactions	53	(2,140)	(2,087)	2,140	53
Asset impairment	2,881	-	2,881	-	2,881
Tax effect	365	40	405	-	405
<b>CORE INCOME (LOSS)</b>	<b>490</b>	<b>924</b>	<b>1,414</b>	<b>387</b>	<b>1,801</b>
<b>EBITDA</b>	<b>5,764</b>	<b>569</b>	<b>6,333</b>	<b>212</b>	<b>6,545</b>
<i>EBITDA Margin</i>	<b>28%</b>	<b>17%</b>	<b>26%</b>		<b>29%</b>

