

Nine Months 2013 Financial and Operating Results

5 November 2013



PLDT Group: Nine Months and Third Quarter 2013 Financial Highlights

(PhP in billions, except EBITDA margin and Core EPS)	9M2013	9M2012	% Y-o-Y	3Q2013	3Q2012	% Y-o-Y
	(Unaudited)			(Unaudited)		
Service Revenues*	121.6	119.1	↑ 2%	40.6	39.3	↑ 3%
• Wireless	86.4	84.7	↑ 2%	28.8	28.0	↑ 3%
• Fixed Line	46.0	44.2	↑ 4%	15.3	14.7	↑ 4%
EBITDA	59.6	57.2	↑ 4%	19.7	18.8	↑ 5%
EBITDA Margin**	49%	48%	↑	49%	48%	↑
Reported Net Income	29.0	28.4	↑ 2%	9.2	9.1	↑ 2%
Core Net Income	28.8	27.7	↑ 4%	9.4	9.2	↑ 2%
Core EPS	133.03	127.99	↑ 4%	43.39	42.75	↑ 1%

* Excluding BPO business segment

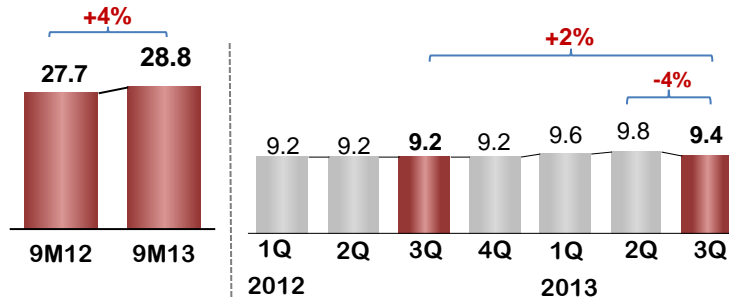
** EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnect expenses)

Foreign Exchange Rates (Php:US\$1)	9M2013	9M2012	% Y-o-Y
Period-end	43.54	41.74	4%
Period-average	42.06	42.56	-1%

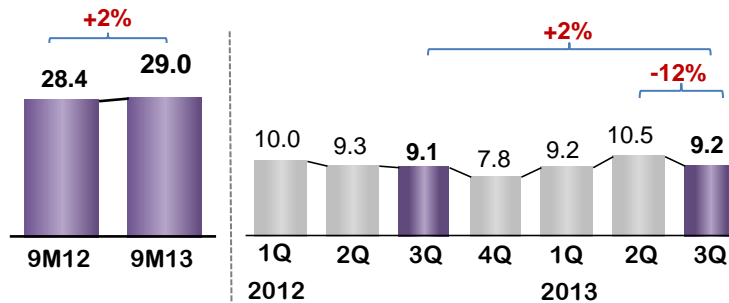
PLDT Group: Core and Reported Net Income



Core Net Income
(Php in billions)

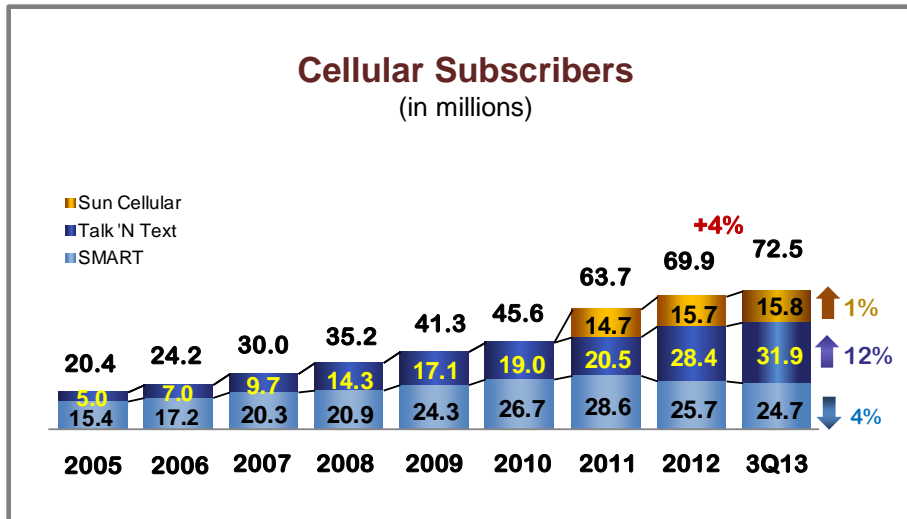


Reported Net Income
(Php in billions)

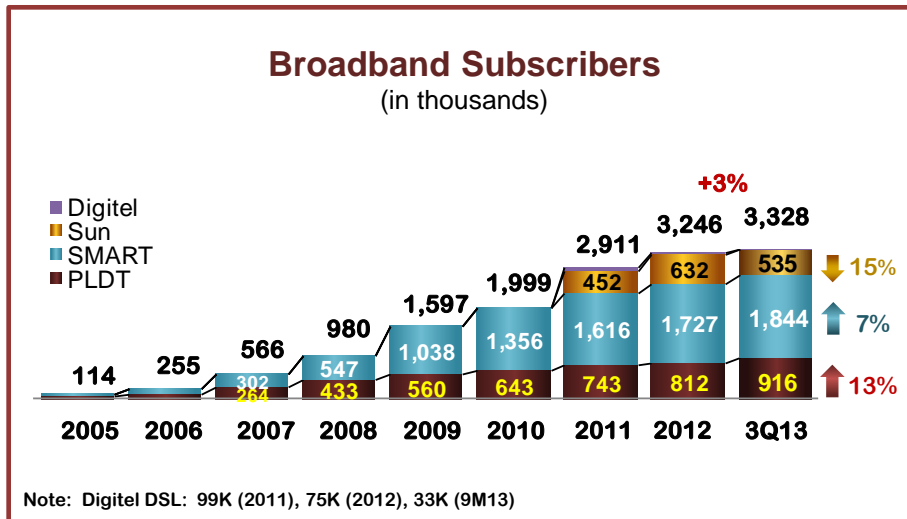


- PLDT anticipates a “return to growth” in 2013 with core net income for the year expected to grow to P38.3bn
- Core net income for 9M13 of P28.8bn remains in line with full year guidance and is P1.1bn or 4% higher year-on-year
 - Increase in core income due to:
 - ✓ Higher EBITDA of P2.3bn
 - ✓ Decline in non-cash expenses of P0.7bn
 - ✓ Lower provision for income taxes of P1.1bn
 offset by:
 - ✓ Gain of P2.0bn from sale of Beacon preferreds in 2Q12
 - 3Q13 core net income rose by P0.1bn or 2% to P9.4bn year-on-year but dipped by P0.4bn or 4% quarter-on-quarter due to seasonality, modest impact of May 2013 elections, and P0.9bn gain from sale of the third tranche of Philweb shares in 2Q13
- Reported net income grew by P0.6bn or 2% to P29.0bn due to the combined effect of:
 - Higher core net income by P1.1bn
 - Gain from sale of BPO at P2.0bn
 offset by:
 - Higher net forex and derivative losses of P2.4bn before tax and P1.5bn after tax
 - PAS 19 adjustments of P1.3bn

Subscriber Base: Cellular and Broadband



- At the end of September 2013, PLDT Group combined fixed, wireless and broadband subscriber base rose to 78mn
- Cellular subscribers at 9M13 grew by 2.6mn or 4% to 72.5mn from the end of 2012
 - 31.9mn TNT subscribers
 - 24.7mn Smart subscribers
 - 15.8mn Sun subscribers
- Prepaid cellular subscribers, representing 97% of total subscriber base, increased to 70.2mn or 2.6mn net adds from end 2012
- Postpaid cellular subscribers rose to 2.3mn at 9M13 resulting from increased initiatives to grow the base
 - 1.4mn Sun subscribers and 0.9mn Smart subscribers
 - Net adds of 115K in each of 2Q13 and 3Q13
- Combined broadband subscriber base increased to over 3.3mn at the end of September 2013
 - Wireless broadband subscribers stood at 2.4mn, with more than 1.8mn Smart subscribers and over 0.5mn Sun subscribers
 - ✓ Smart net adds of 117K at 9M13, 70% higher than 68.8K at 9M12
 - Fixed broadband subscribers of about 950,000 or 46% of total fixed line subscriber base
 - ✓ PLDT fixed broadband net adds for 9M13 of 104K, of which 44K were added in 3Q13



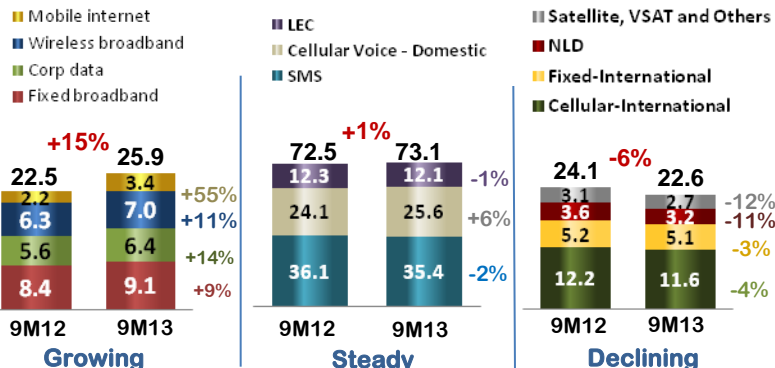
- Fixed line subscribers stable at 2.1mn as of 9M13

PLDT Group: Service Revenues and EBITDA



Consolidated Service Revenues

(Php in billions)

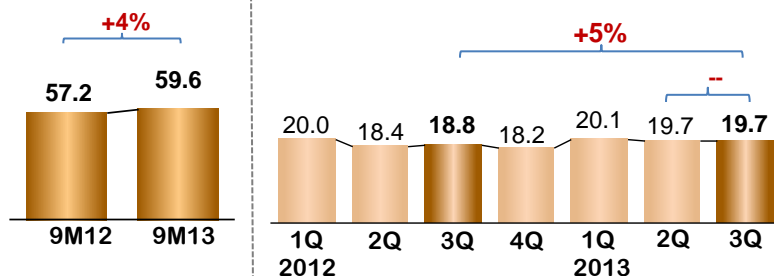


% of total service revenues:

19%	21%	61%	60%	20%	19%
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EBITDA

(Php in billions)



Margin:

48%	49%	50%	46%	48%	45%	50%	48%	49%
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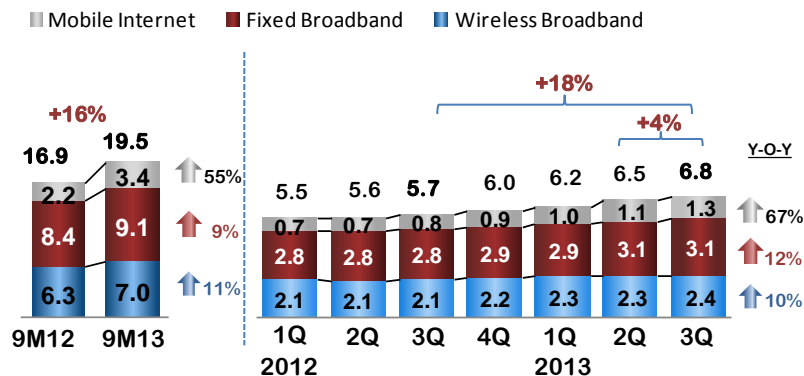
- Structural change in revenue mix continues to impact consolidated service revenue growth and EBITDA margins
 - “Cross-over” has occurred, i. e., growing revenue streams now greater than declining revenues, with growth rates of the former more than double the latter’s rate of decline
 - Relative to industry, PLDT has a higher amount of legacy revenues
- Consolidated service revenues for 9M13 of P121.6bn were P2.6bn or 2% higher year-on-year as increases in broadband revenues fully offset the declines in legacy revenues
 - Non-SMS data revenues of P25.9bn, representing 21% of total revenues, grew by 15% or P3.4bn and form part of our **GROWING** revenue base
 - Cellular SMS, cellular domestic voice and LEC revenues amounting to P73.1bn, or 60% to total revenues and representing our **STEADY** revenue base, rose by 1% or P0.6bn
 - NLD, fixed international voice, cellular international voice and satellite revenues, our **DECLINING** revenue base, decreased by P1.4bn or 6% to P22.6bn, and now account for only 19% of total revenues
- As of 9M13, EBITDA improved by P2.3bn or 4% to P59.6bn despite the structural change in revenue mix and an increase in subsidies, mainly due to higher revenues and lower cash operating expenses as 9M12 included P1.7bn in MRP expenses
 - ✓ 3Q13 EBITDA was P0.9bn or 5% higher year-on-year and stable quarter-on-quarter
- Consolidated EBITDA for 9M13 was higher year-on-year at 49% and 3Q13 EBITDA of 49% higher than 48% in 2Q13
 - Wireless 48% (9M12: 50%; FY12: 48%)
 - Fixed Line 39% (9M12: 33%; FY12: 33%)

Service revenues and outlook per segment



Consolidated Broadband Service Revenues

(Php in billions)



➤ Broadband service revenues of P19.5bn at 9M13 represents 16% of total consolidated service revenues, and reflects a 16% or P2.6bn year-on-year growth, mainly from a 6% increase in subscribers

- Mobile internet revenues of P3.4bn grew by P1.2bn or 55%, and is already higher than FY12 revenues of P3.1bn
- Wireless broadband revenues rose by P0.7bn or 11% to P7.0bn
- Fixed broadband revenues were higher by P0.7bn or 9% at P9.1bn

➤ Fixed broadband and wireless broadband ARPUs at 9M13 showed increases over the same period last year

➤ Mobile internet revenue growth is anticipated with wider smartphone ownership and expansion of the on-line community, leading to increase in usage habit (frequency and duration)

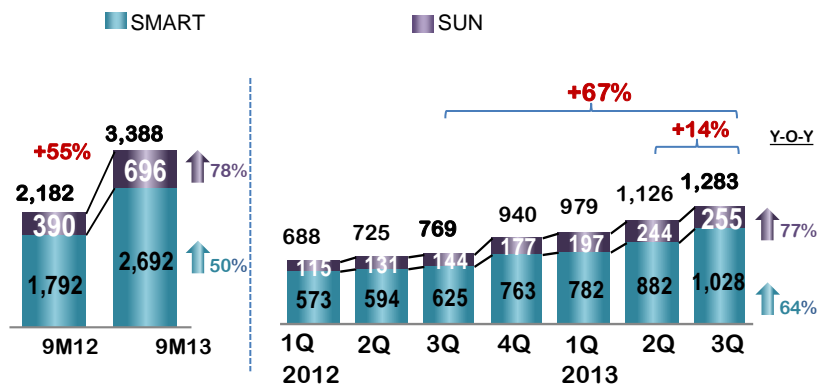
➤ Average smartphone penetration of our subscriber base at 11%, with smartphone penetration of 59% for postpaid base and 10% for our prepaid base

➤ To complement efforts to grow the postpaid base, PLDT has started to tap the growth potential of the nascent prepaid data market with products that address:

- Affordability (low-denomination variants for as low as P1)
- Network capacity and margin considerations (such as P10 for all-day Facebook)
- Utility of an “always-on” experience and addressing concerns on “bill shock” (e. g., P5 for 15MB of data good for 24 hours bundled with the enhanced P20-25 SMS+voice bucket that now include tri-net text and voice)
- Quality of experience via a robust network

Mobile Internet Service Revenues

(Php in millions)

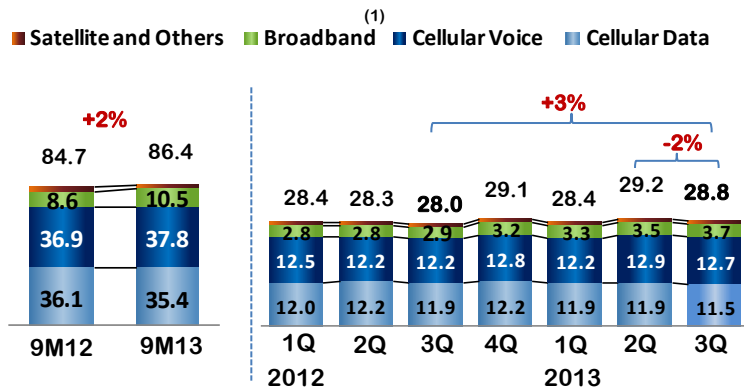


Service revenues and outlook per segment



Wireless Service Revenues

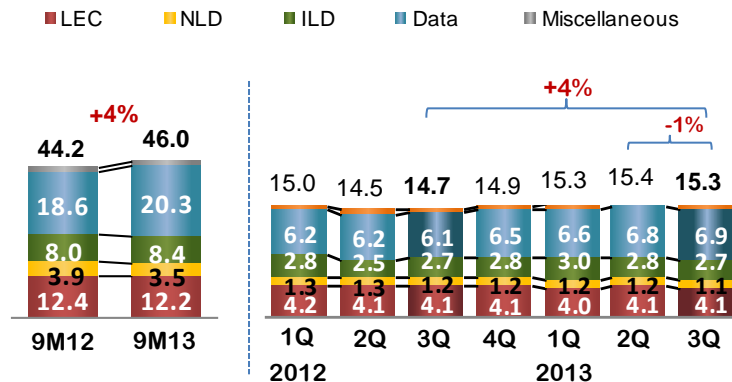
(Php in billions)



■(1) Includes mobile internet revenues

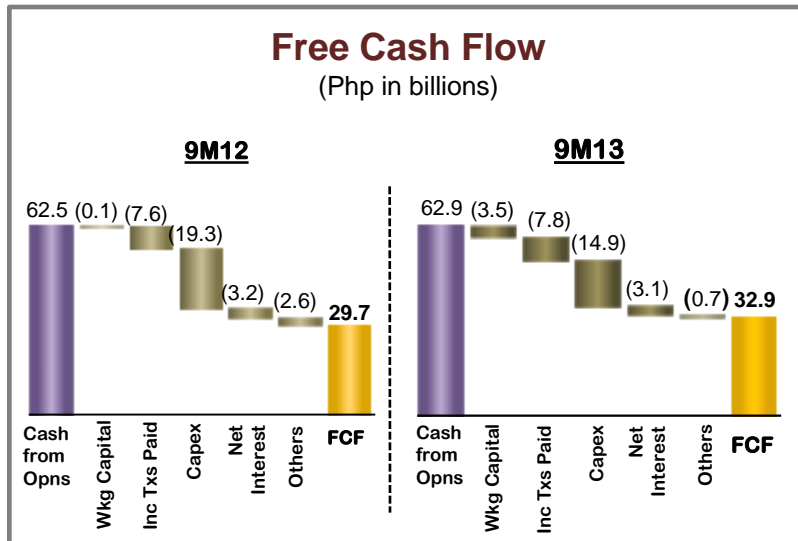
Fixed Line Service Revenues

(Php in billions)

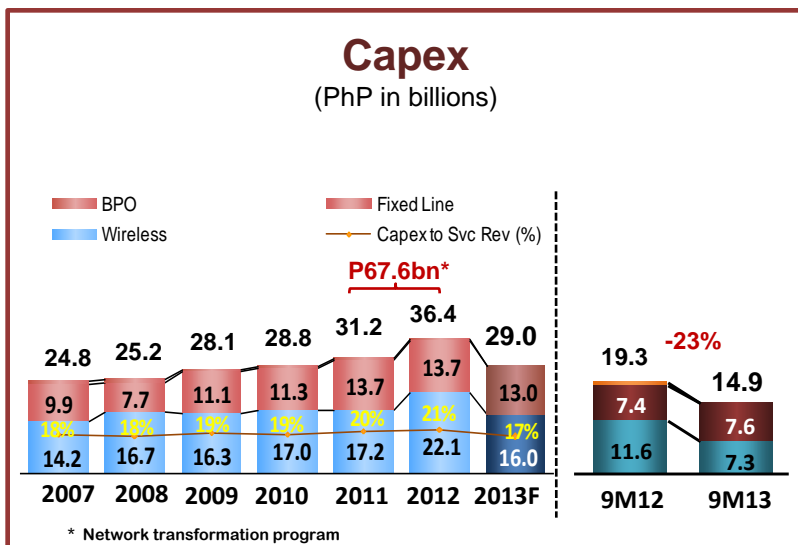


- **Wireless service revenues for 9M13 grew by P1.7bn or 2% year-on-year to P86.4bn mainly from the continuing rise in non-SMS data and cellular voice revenues**
 - Wireless broadband revenues of P10.5bn reflect a 22% or P1.9bn increase from 9M12, inclusive of P3.4bn in mobile internet revenues which increased by P1.2bn or 55%
 - Cellular voice revenues rose by P0.9bn or 2% to P37.8bn as billed minutes grew by 4% year-on-year
 - Cellular SMS revenues were lower by P0.7bn or 2% at P35.4bn even as SMS volumes grew by 3% from bucket and unlimited promos
- **Efforts to stabilize cellular ARPU and expand data revenues include:**
 - SMS+voice+data bundles and low-denomination sachet data products for prepaid
 - Postpaid plans offering a range of devices to expand smartphone ownership and data usage
 - ✓ Postpaid cellular revenues increased by P1.8bn or 15% year-on-year to P13.9bn
 - Use of content to build habit and encourage purchase
 - Leverage the PLDT group network advantage to offer quality of experience
- **Fixed line service revenues grew by P1.8bn or 4% year-on-year to P46.0bn at 9M13 as the rise in retail and corporate data revenues outpaced declines in ILD, NLD and LEC revenues**
 - Data revenues of P20.3bn, accounting for 44% of total fixed line revenues, were P1.8bn or 10% higher
 - Combined ILD, NLD and LEC revenues, representing 52% of total fixed line revenues, were lower by P0.1bn at P24.1bn
- **PLDT's HOME and ENTERPRISE businesses are beneficiaries of the "Philippine economic growth story"**
 - Growing demand for DSL, Telpad, Fibr/FTTH and other HOME products given improving individual and household incomes, and a young and highly literate population who are regular social network users
 - Greater take-up of ENTERPRISE business solutions, including cloud, and data center offerings from corporates, BPOs, and SMEs

Free Cash Flow and Capex



- Free cash flow for 9M13 was P3.2bn or 11% higher year-on-year at P32.9bn mainly due to:
 - Higher cash from operations of P0.5bn
 - Lower capex by P4.4bn
 - Net decrease in working capital of P3.4bn
- In addition to P13.0bn of net proceeds from the sale of the BPO business and the third tranche of Philweb shares, FCF of P32.9bn was used for:
 - Payment of P37.6bn for the 2012 final regular and special dividends and the 2013 interim dividends
 - MediaQuest PDR subscription of P4.0bn
 - Debt repayment of P10.8bn
- PLDT Group capex for 2013 estimated at P29.0bn or 17% of total service revenues or P7.4bn lower than last year



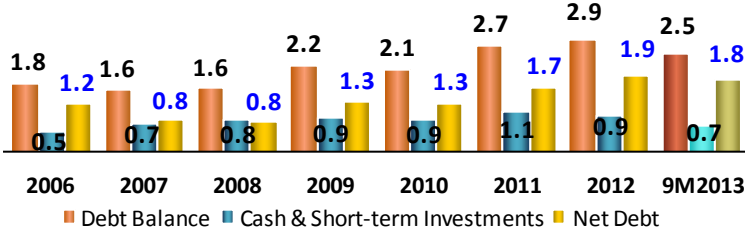
- Capex for 9M13 of P14.9bn was lower year-on-year by 23%
 - Wider 2G and 3G cellular coverage resulting from Smart/Sun network integration project (Mindanao 100% completed) and expanded 4G coverage from over 10,000 active 4G-capable (HSPA+/WiMax, LTE and LTE-A) base stations
 - ✓ PLDT has the widest LTE network in the Philippines with about 1,200 sites
 - PLDT group's fiber footprint now at about 75,000 kms., including 7,200 kms. of submarine-international fiber, over 4,000 kms. of submarine-domestic fiber, and 4,000 kms. in our combined wireless access network
 - Commissioned content delivery platform and multi-media delivery systems in support of the group's multi-media strategy
 - In 3Q13, PLDT group's announced additional pioneering initiatives:
 - ✓ Deployment of the country's first small-cell network to further boost indoor coverage
 - ✓ LTE-Advanced tests which achieved speeds of up to 200mbps
 - ✓ Launch of a Cloud-based contact center service (CCAas)

PLDT Group: Debt Profile



Debt Balance

(US\$ in billions)



Net Debt/EBITDA

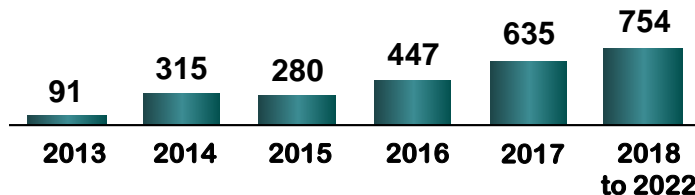
0.8x 0.4x 0.5x 0.7x 0.7x 0.9x 1.05x 1.02x

- Net debt of US\$1.8bn and net debt to EBITDA ratio of 1.02x as of 9M13 were both lower compared with YE12
- At end September 2013, gross debt declined by US\$329mn to US\$2.5bn
 - 55% of gross debt are US\$ denominated
 - Taking into account our US\$ cash holdings and hedges, only US\$972mn or 39% of total debt is unhedged
 - ✓ PLDT dollar-denominated revenues of US\$600mn at 9M13
 - 58% are fixed-rate loans, while 42% are floating-rate loans
 - Average interest cost (pre-tax) of 4.54% (9M12: 5.32%)
- Debt maturities well spread out until 2022
 - US\$280mn debt maturity in 2014 partially prepaid (US\$80mn) and partially refinanced (US\$200mn) in 3Q13 ahead of maturity date
- PLDT 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-)

Debt Maturities

(as of 30 September 2013, US\$ in millions)

Total: US\$2,522mn



Debt maturities to total debt:

4% 12% 11% 18% 25% 30%

Updates on PLDT Group multi-media initiatives



PLDT triple-play: Fibr (fiber-to-the-home) + landline + CignalTV content through a dedicated connection

- PLDT is the access provider (landline + high-speed broadband of up to 100mbps), Cignal provides the payTV portion
- Monthly plans ranging from P3,500 – 20,000
- PLDT tie-up with *Clickplay* provides access to over 200 blockbuster movies (from distributors like Sony Pictures and Warner Brothers) which allow customers to watch videos-on-demand

PLDT Home website and TELPAD now offering multi-media services on entertainment (*Clickplay, MyPinoy TV, Gilas Pilipinas documentaries, Smart Music*), **games** (*EA Games*) and **information** (*News5 Everywhere*).

- Monetization via convenient bill-above arrangements on the PLDT bill



Smart Music – Smart’s ‘game-changing’ on-line music service, in partnership with MCA Music Inc., a Universal Music Group International company, and Sony Music Entertainment

- *Smart Music* is an online portal that will make available more than three million tracks from MCA Music’s and Sony’s global catalog to Smart, TNT, and Sun subscribers at the most affordable rates
 - ✓ Since the launch in July 2013, 1mn unique visitors have accessed the *Smart Music* portal
- Subscriptions can be accessed via the mobile app, *SPINNER* which offers music downloads and makes possible unlimited music streaming, playlist customization, and access

To build usage habit and influence purchases, launch of content bundles that include: *buqo* (e-bookstore, newstand, reader), **messaging apps** (WhatsApp, WeChat, Line)



Direct-to-home (DTH) CignalTV (PLDT investment via Mediaquest PDRs)

- CignalTV now with over 540,000 subscribers from over 441,000 at the end of 2012
 - ✓ 74% are prepaid
- Prepaid plans range from P290-590; while postpaid plans range from P390-1,590
 - ✓ Blended ARPU of P311
- Expecting to be EBITDA positive by YE13
- As of end September, CignalTV channel count at 104, including 13 free-to-air, 66 standard definition (SD) and 25 high definition (HD) channels

Launch of *Cignal TV-To-Go*, an over-the-top (OTT) service that allows viewers to watch real-time broadcast feeds of Cignal channels on their smartphones or tablets using the internet

- Currently in its beta phase, and available on mobile devices that run on the Android Jelly Bean operating system (OS), and will soon be available on other OS



PLDT Group Guidance for 2013



Core Net Income

P38.3bn

Capex

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

Capital Management

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

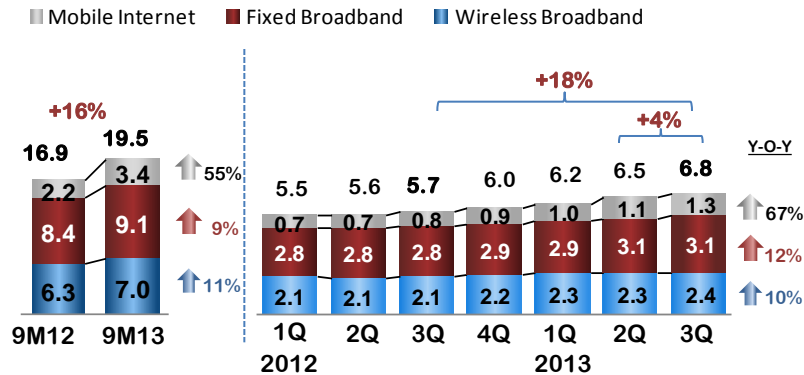
Segment and Other Details

Broadband



Consolidated Broadband Service Revenues

(Php in billions)



➤ **Broadband service revenues of P19.5bn at 9M13 represents 16% of total consolidated service revenues, and reflects a 16% or P2.6bn year-on-year growth, mainly from a 6% increase in subscribers**

- Mobile internet revenues of P3.4bn grew by P1.2bn or 55%, and is greater than FY12 revenues of P3.1bn
- Wireless broadband revenues rose by P0.7bn or 11% to P7.0bn
- Fixed broadband revenues were higher by P0.7bn or 9% at P9.1bn

➤ **Fixed broadband and wireless broadband ARPU at 9M13 showed increases over the same period last year**

- PLDT DSL: P1,143 from P1,136
- Digitel DSL: P 685 from P 677
- Net blended Smart: P 349 from P 335
- Net blended Sun: P 303 from P 291

➤ **Mobile internet revenue growth anticipated with wider smartphone ownership and expansion of the on-line community, leading to increase in usage habit (frequency and duration)**

- Smartphone prices trending downwards, including the availability of more entry-level/affordable models
- Greater availability of second hand smartphones following upgrades by early adopters
- Active marketing efforts by Chinese handset manufacturers and distributors, including Lenovo, Huawei, ZTE, Cherry Mobile, etc

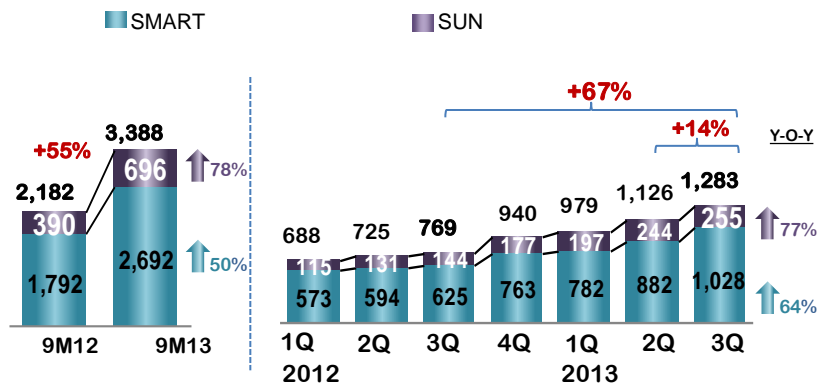
➤ **Average smartphone penetration of our subscriber base at 11%, with smartphone penetration of 59% for postpaid base and 10% for our prepaid base**

➤ **To complement efforts to grow the postpaid base, PLDT has started to tap growth potential of the nascent prepaid data market with products that address:**

- Affordability (low-denomination variants for as low as P1)
- Network capacity and margin considerations (such as P10 for all-day Facebook)
- Utility of an “always-on” experience and addressing concerns on “bill shock” (e. g., P5 for 15MB of data good for 24 hours bundled with the P20-25 SMS+voice bucket)
- Quality of experience via a robust network

Mobile Internet Service Revenues

(Php in millions)



Wireless

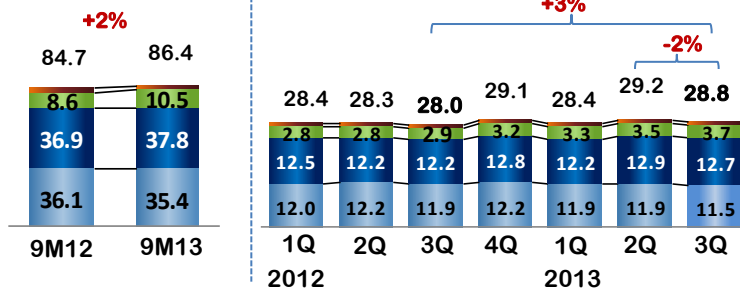


Wireless Service Revenues

(Php in billions)

(1)

■ Satellite and Others ■ Broadband ■ Cellular Voice ■ Cellular Data



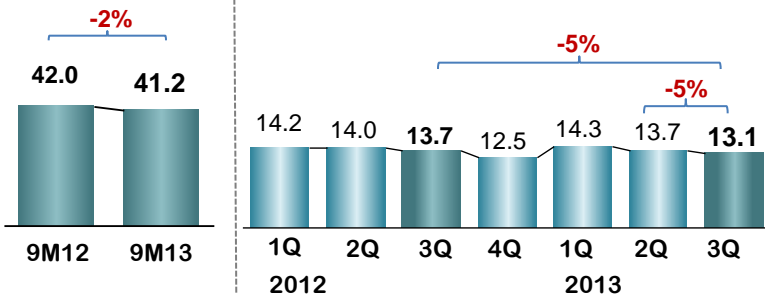
(1) Includes mobile internet revenues

➤ **Wireless service revenues for 9M13 grew by P1.7bn or 2% year-on-year to P86.4bn mainly from the continuing rise in non-SMS data and cellular voice revenues**

- Wireless broadband revenues of P10.5bn reflect a 22% or P1.9bn increase from 9M12
 - ✓ Inclusive of P3.4bn in mobile internet revenues which increased by P1.2bn or 55%
- Cellular voice revenues rose by P0.9bn or 2% to P37.8bn as billed minutes grew by 4% year-on-year
 - ✓ Domestic voice revenues increased by P1.4bn or 6% to P25.9bn or 30% of total wireless service revenues
 - ✓ International voice revenues declined by 4% or P0.4bn to P11.9bn or 14% of total wireless service revenues
- Cellular SMS revenues were lower by P0.7bn or 2% at P35.4bn even as SMS volumes grew by 3% from bucket and unlimited promos

EBITDA

(Php in billions)



Margin:

50% 48% 50% 50% 49% 43% 50% 47% 45%

➤ **Wireless revenue growth impacted by the structural change in revenue mix**

- GROWING businesses, wireless broadband and mobile internet, accounted for 12% of total revenues and rose by 22%
- STEADY businesses, domestic cellular voice and SMS, represented 71% of total revenues and grew by 1%
- DECLINING businesses, international cellular voice and satellite services, comprised 17% of total revenues and declined by 6%

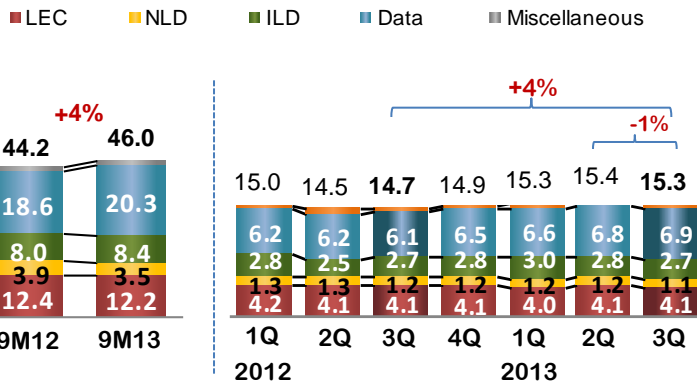
➤ **EBITDA at 9M13 declined by P0.8bn or 2% to P41.2bn mainly due to higher service revenues offset by increases in subsidies and cash operating expenses; EBITDA margin stood at 48%**

- Subsidy expenses rose by P1.6bn or 41% to P5.5bn as part of the strategy to broaden smartphone ownership under postpaid plans to further enable data revenue growth
 - ✓ Postpaid cellular revenues increased by P1.8bn or 15% year-on-year to P13.9bn driven by over 100,000 new postpaid subscribers from 9M12
 - ✓ Postpaid churn rates for both Smart and Sun showed year-on-year and quarter-on-quarter improvements

Fixed Line

Fixed Line Service Revenues

(Php in billions)

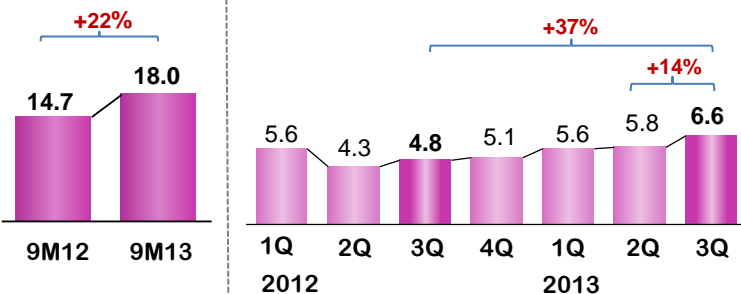


➤ Fixed line service revenues grew by P1.8bn or 4% year-on-year to P46.0bn at 9M13 as the rise in retail and corporate data revenues outpaced declines in ILD, NLD and LEC revenues

- Data revenues of P20.3bn, accounting for 44% of total fixed line revenues, were P1.8bn or 10% higher
 - ✓ Corporate data and other network services grew by P0.5bn or 5% to P10.0bn
 - ✓ Data center revenues rose by 87% or P0.6bn to P1.3bn including revenues from recently acquired data centers
 - ✓ Fixed broadband revenues were higher by P0.7bn or 9% to P9.1bn mainly due to a 16% increase in PLDT fixed broadband subscribers
- Combined ILD, NLD and LEC revenues, representing 52% of total fixed line revenues, were lower by P0.1bn at P24.1bn

EBITDA

(Php in billions)



Margin:

33% 39% 37% 30% 33% 34% 37% 37% 43%

➤ 3Q13 fixed line revenues of P15.3bn are 4% higher year-on-year and 1% lower quarter-on-quarter

➤ EBITDA of P18.0bn at 9M13 topped P14.7bn at 9M12 by P3.2bn or 22% as lower cash operating expenses (mainly compensation and benefits costs) complemented the rise in service revenues

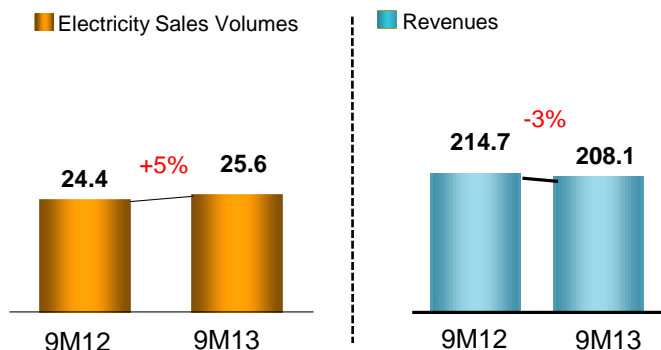
- 9M12 expenses included P1.7bn in MRP costs
- 3Q13 EBITDA registered a 37% year-on-year increase to P6.6bn and a 14% quarter-on-quarter growth due to lower cash operating expenses

➤ EBITDA margin for 9M13 increased to 39%

- 3Q13 EBITDA margin of 43% was higher than 33% in 3Q12 and 37% in 2Q13

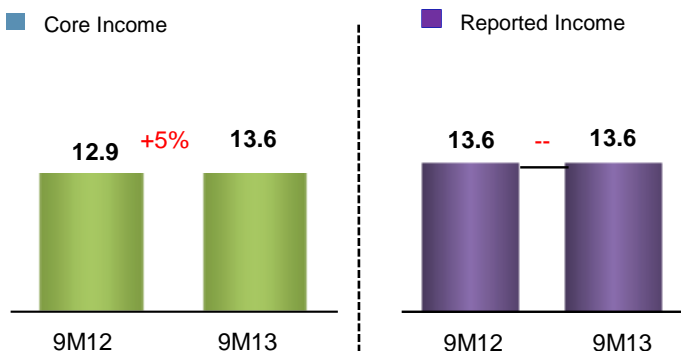
Energy Sales Volumes and Revenues

(in '000 GWh and Php in Billions)



Core and Reported Net Income

(Php in Billions)



- **MERALCO's revenues at 9M13 declined by P6.7bn or 3% year-on-year to P208.1bn as the 5% rise in electricity sales volumes and increase in customer count were muted by lower generation costs from recently negotiated Power Sales Agreements**
- **Consolidated core EBITDA increased by 13% to P24.6bn at the end of September 2013, with EBITDA margin at 12%**
- **Core net income for 9M13 grew by 5% to P13.6bn , while reported net income remained stable at P13.6bn compared with last year**
- **Other operational highlights:**
 - Capex of P6.1bn for 9M13 rose by 3% year-on-year
 - With the start of commercial operations in June 2013 of the Retail Competition and Open Access (RCOA) under the Electric Power Industry Reform Act (EPIRA), *MPower*, MERALCO's Retail Electricity Supply (RES) unit, generated P3.7bn in revenues from 151 customers
 - Power generation initiatives:
 - ✓ *MGen* (49%) and EGCO of Thailand signed a Joint Development Agreement in August 2013 for a 460MW coal-fired power plant in Quezon
 - ✓ *MGen* acquired 20% of Global Business Power in October 2013 for P7.15bn from First Metro Investment Corporation
 - ✓ *MGen*, in partnership with First Pacific Company of HK, co-invested in 70% of Pacific Light Power, a 2x400MW LNG power plant in Jurong Island, Singapore; expected to fully operational by early 2014
 - ✓ RP Energy, together with its partners, Aboitiz and Taiwan Co-Gen, working on addressing concerns re: the 2x300-MW coal plant in Subic
- **Beacon Electric, owned 50% by PCEV, is the largest shareholder of MERALCO with 50% shareholdings, inclusive of its recent purchases of 10mn shares from San Miguel and an additional 8.3mn from the open market**
 - PCEV equity share in core income of Beacon/MERALCO of P2.2bn in 9M13 and 9M12

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
- **PLDT Board confirmed the P6bn investment in MediaQuest PDRs will give ePLDT a 40% economic interest in MediaScape/CignalTV**
 - CignalTV (formerly “MediaScape”) operates DTH PayTV business under the brand name “CignalTV”
- **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**
- **In March 2013, PLDT announced that ePLDT will make the following additional investments amounting to P5.55bn in 2013:**
 - P3.6bn for 40% economic interest in SatVentures (a 100% subsidiary of MediaQuest), which holds the residual 60% economic interest in MediaScape
 - P1.95bn for 100% economic interest in Hastings Holdings (a 100% subsidiary of MediaQuest), which holds print-related investments including minority positions in Philippine Star, Daily Inquirer, and BusinessWorld
- **On 27 September 2013, P6.0bn CignalTV PDRs and P3.6bn SatVentures PDRs were issued**
 - ePLDT economic interest in CignalTV at 64%
 - Investments in CignalTV to be equity accounted in ePLDT’s financials

PAS 19 ADJUSTMENTS



➤ Change in PAS19 affecting termination benefits (MRP costs):

Old PAS 19 – allows for the recognition of termination benefits when the Company is demonstrably committed to provide termination benefits, which only entails an approved detailed, formal plan and that plan has no realistic possibility of withdrawal

Revised PAS 19 – requires the recognition of termination benefits arising from our manpower reduction programs (“MRP”) only when the Company can no longer withdraw the offer which is upon formal acceptance of the offer letter by the employee

▪ Impact on PLDT:

- ✓ P1.3bn of MRP expenses (before tax) accrued in 4Q12 to be reversed
 - Net after tax upward adjustment of P1.1bn to 2012 reported income; amount to be taken up in 2013 financials as non-core expense
 - Consolidated MRP costs of P0.3bn in 9M13 net of P1.3mn PAS 19 adjustments

➤ Change in PAS19 affecting pension benefits:

Revised PAS 19 - requires all actuarial gains and losses to be recognized in other comprehensive income

▪ Impact on PLDT:

- ✓ Additional P0.55bn pension expenses (before tax) in 2012
 - Net after tax downward adjustment of P0.423bn to FY12 reported income and core income

Appendix

Subscriber Data



	Sept- 13	Jun-13	Mar-13	Dec- 12	Sept- 12	Jun- 12	Mar-12	9M13 vs FY12		9M13 vs 9M12		Net adds						
								Amount	%	Amount	%	1Q2013	%	2Q2013	%	3Q2013	%	
CELLULAR																		
Smart	24,733,803	25,458,569	25,360,446	25,744,933	26,036,774	27,492,175	28,370,594	(1,011,130)	-4%	(1,302,971)	-5%	(384,487)	-1%	98,123	-	(724,766)	-3%	
Prepaid	23,867,643	24,631,062	24,593,169	25,061,453	25,377,864	26,850,116	27,753,369	(1,193,810)	-5%	(1,510,221)	-6%	(468,284)	-2%	37,893	-	(763,419)	-3%	
Postpaid	866,160	827,507	767,277	683,480	658,910	642,059	617,225	182,680	27%	207,250	31%	83,797	12%	60,230	8%	38,653	5%	
Talk 'N Text	31,922,834	31,821,014	30,570,909	28,445,053	26,524,760	23,992,900	22,159,902	3,477,781	12%	5,398,074	20%	2,125,856	7%	1,250,105	4%	101,820	-	
SUN Cellular	15,841,633	16,103,802	15,767,908	15,676,472	16,038,199	15,944,027	15,579,457	165,161	1%	(196,566)	-1%	91,436	1%	335,894	2%	(262,169)	-2%	
Prepaid	14,407,793	14,745,876	14,464,318	14,105,031	14,513,253	14,470,645	14,159,612	302,762	2%	(105,460)	-1%	359,287	3%	281,558	2%	(338,083)	-2%	
Postpaid	1,433,840	1,357,926	1,303,590	1,571,441	1,524,946	1,473,382	1,419,845	(137,601)	-9%	(91,106)	-6%	(267,851)	-17%	54,336	4%	75,914	6%	
Total Cellular Subscribers	72,498,270	73,383,385	71,699,263	69,866,458	68,599,733	67,429,102	66,109,953	2,631,812	4%	3,898,537	6%	1,832,805	3%	1,684,122	2%	(885,115)	-1%	

	Sept-13	Jun-13	Mar-13	Dec- 12	Sept- 12	Jun- 12	Mar-12	9M13 vs FY12		9M13 vs 9M12		Net adds						
								Amount	%	Amount	%	1Q2013	%	2Q2013	%	3Q2013	%	
BROADBAND																		
Wireless Broadband	2,378,607	2,322,416	2,238,979	2,359,024	2,267,430	2,168,727	2,112,913	19,583	1%	111,177	5%	(120,045)	-5%	83,437	4%	56,191	2%	
Smart Broadband	1,843,839	1,803,520	1,740,572	1,726,894	1,685,150	1,634,859	1,618,359	116,945	7%	158,689	9%	13,678	1%	62,948	4%	40,319	2%	
Prepaid	1,294,152	1,254,400	1,226,054	1,231,092	1,210,235	1,184,579	1,168,385	63,060	5%	83,917	7%	(5,038)	-	28,346	2%	39,752	3%	
Postpaid	549,687	549,120	514,518	495,802	474,915	450,280	449,974	53,885	11%	74,772	16%	18,716	4%	34,602	7%	567	-	
Sun Broadband	534,768	518,896	498,407	632,130	582,280	533,868	494,554	(97,362)	-15%	(47,512)	-8%	(133,723)	-21%	20,489	4%	15,872	3%	
Prepaid	303,034	293,449	272,113	356,068	305,614	258,044	220,738	(53,034)	-15%	(2,580)	-1%	(83,955)	-24%	21,336	8%	9,585	3%	
Postpaid	231,734	225,447	226,294	276,062	276,666	275,824	273,816	(44,328)	-16%	(44,932)	-16%	(49,768)	-18%	(847)	-	6,287	3%	
Fixed Line Broadband	949,762	920,147	907,703	887,399	879,237	870,650	864,154	62,363	7%	70,525	8%	20,304	2%	12,444	1%	29,615	3%	
PLDT DSL and Fibr	916,484	872,486	837,443	812,478	793,103	774,541	762,335	104,006	13%	123,381	16%	24,965	3%	35,043	4%	43,998	5%	
Digitel DSL	33,278	47,661	70,260	74,921	86,134	96,109	101,819	(41,643)	-56%	(52,856)	-61%	(4,661)	-6%	(22,599)	-32%	(14,383)	-30%	
Total Broadband subscribers	3,328,369	3,242,563	3,146,682	3,246,423	3,146,667	3,039,377	2,977,067	81,946	3%	181,702	6%	(99,741)	-3%	95,881	3%	85,806	3%	

9M2013: Consolidated Financial Highlights



<i>(PhP in millions)</i>	9M2013			Consolidated (unaudited)	9M2012	% Change
	Wireless	Fixed Line	Others		Consolidated (as adjusted)	
Service Revenues	86,380	45,990	-	121,604	119,050	2%
Cash operating expenses ⁽¹⁾	38,448	27,164	4	54,383	55,984	-3%
Depreciation and amortization	12,246	9,934	-	22,180	22,957	-3%
Financing costs, net	(2,622)	(2,644)	-	(5,245)	(4,985)	5%
Income before income tax	23,948	6,212	2,891	33,197	36,268	-8%
Provision for income tax	6,277	(81)	75	6,271	8,272	-24%
EBITDA	41,152	17,955	(4)	59,550	57,205	4%
<i>EBITDA Margin ⁽²⁾</i>	48%	39%	-	49%	48%	
Core net income	19,236	7,005	2,498	28,786	27,690	4%
Continuing Operations	19,236	7,005	2,498	28,885	27,332	6%
Discontinued Operations	-	-	-	(99)	358	-128%
Net Income attributable to Equity Holders of PLDT	17,658	6,265	2,816	28,954	28,384	2%
Continuing Operations	17,658	6,265	2,816	26,885	28,021	-4%
Discontinued Operations	-	-	-	2,069	363	470%

⁽¹⁾ Net of the retroactive effect of the adoption of the Revised PAS 19 in MRP costs of Php1,269mn in the 9M2013 (Php537mn for Wireless and Php732mn for Fixed Line)

⁽²⁾ EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnection costs)

Reconciliation of Core and Reported Net Income

<i>(PhP in billions)</i>	9M2013	9M2012	Difference
Reported net income	29.0	28.4	0.6
Core net income	28.8	27.7	1.1
	0.2	0.7	(0.5)
Accounted for by:			
Forex gains (losses), net	(2.0)	2.4	(4.4)
Gains (losses) on derivatives, net	0.7	(1.3)	2.0
PAS 19 Adjustment	(1.3)	-	(1.3)
Adjustment in equity in investment	-	(0.1)	0.1
	(2.6)	1.0	(3.6)
Tax Effect	0.5	(0.3)	0.9
Adjustments in continuing operations	(2.0)	0.7	(2.7)
Adjustment in discontinued operations	2.2	-	2.2
	0.2	0.7	(0.5)

Consolidated Service Revenues



<i>(in billion pesos)</i>	2013				2012						% Change		
	1Q	2Q	3Q	9M	1Q	2Q	3Q	9M	4Q	FY	9M13 vs	3Q13 vs	
											9M12	3Q12	2Q13
SMS	11.9	11.9	11.5	35.4	12.0	12.2	11.9	36.1	12.2	48.3	-2%	-3%	-3%
Voice - Domestic	13.3	13.9	13.7	40.9	13.4	13.4	13.2	40.0	13.6	53.6	2%	3%	-2%
Voice - International	5.5	5.6	5.6	16.7	6.0	5.7	5.7	17.4	5.8	23.2	-4%	-2%	-1%
Non-SMS data	8.2	8.7	9.0	25.9	7.5	7.5	7.6	22.5	8.1	30.6	15%	19%	3%
Others	0.9	0.9	0.8	2.7	1.0	1.0	1.0	3.1	1.0	4.1	-12%	-16%	-10%
Total	40.0	41.1	40.6	121.6	40.0	39.7	39.3	119.0	40.7	159.7	2%	3%	-1%

Revenues by Segment



<i>(PhP in millions)</i>	9M2013			9M2012	% Change
	Wireless	Fixed Line	Consolidated (unaudited)	Consolidated (as adjusted)	
Service Revenues					
Wireless	86,380				
Cellular	78,278		78,278	77,088	2%
Broadband	7,073		7,073	6,384	11%
Satellite and other services	1,029		1,029	1,194	-14%
Fixed line		45,990			
Local exchange		12,194	12,194	12,378	-1%
International long distance		8,448	8,448	7,950	6%
National long distance		3,481	3,481	3,873	-10%
Data and other network		20,338	20,338	18,553	10%
Miscellaneous		1,529	1,529	1,427	7%
Inter-segment transactions			(10,766)	(9,797)	10%
	86,380	45,990	121,604	119,050	2%
Non-Service Revenues	1,852	1,190	3,042	2,321	31%
Inter-segment transactions	-	-	(61)	(8)	663%
	1,852	1,190	2,981	2,313	29%
Total Revenues	88,232	47,180	124,585	121,363	3%

Expenses

(Php in millions)	9M2013				9M2012	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (as adjusted)	
Operating expenses						
Compensation and employee benefits ⁽¹⁾	6,213	9,075	-	15,248	16,632	-8%
Repairs and maintenance	5,911	4,102	-	9,524	9,624	-1%
Selling and promotions	5,447	1,171	-	6,598	6,850	-4%
Rent	7,461	1,930	-	4,224	4,349	-3%
Insurance and security services	777	417	-	1,117	1,112	-
Taxes and licenses	1,716	872	-	2,588	2,725	-5%
Professional and other contracted services	3,054	2,580	3	4,546	3,894	17%
Communication, training and travel	1,134	555	-	1,570	1,522	3%
Interconnection/settlement costs	6,073	6,021	-	7,865	8,243	-5%
Other operating expenses	662	441	1	1,103	1,033	7%
Cash operating expenses	38,448	27,164	4	54,383	55,984	-3%
Depreciation and amortization	12,246	9,934	-	22,180	22,957	-3%
Asset impairment	1,263	857	-	2,120	1,793	18%
Amortization of intangible assets	735	1	-	736	1,019	-28%
Non-cash operating expenses	14,244	10,792	-	25,036	25,769	-3%
Cost of sales	7,369	1,204	-	8,532	6,381	34%
Total Expenses	60,061	39,160	4	87,951	88,134	-

⁽¹⁾ Net of the retroactive effect of the application of the Revised PAS 19 in MRP costs of Php1,269mn for the 9M2013 (Php537mn for Wireless and Php732mn for Fixed Line)

Other Income (Expenses)



<i>(PHP in millions)</i>	9M2013				9M2012	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (as adjusted)	
Gains (losses) on derivative financial instruments, net	(16)	508	-	492	(1,560)	132%
Interest income	282	318	101	680	1,008	-33%
Equity share in net earnings (losses) of associates and joint ventures	(67)	(18)	1,988	1,903	1,440	32%
Foreign exchange gains (losses), net	(1,368)	(1,000)	364	(2,004)	2,424	-183%
Others	105	1,760	442	2,006	4,712	-57%
Total	(1,064)	1,568	2,895	3,077	8,024	-62%
Financing costs, net						
Interest on loans and other related items	(1,492)	(2,457)	-	(3,928)	(4,655)	-16%
Accretion on financial liabilities	(1,503)	(11)	-	(1,514)	(794)	91%
Financing charges	(65)	(264)	-	(329)	(235)	40%
Capitalized interest	438	88	-	526	699	-25%
Total	(2,622)	(2,644)	-	(5,245)	(4,985)	5%
Total other income (expenses)	(3,686)	(1,076)	2,895	(2,168)	3,039	-171%

Wireless and Broadband Net ARPU

Wireless Net ARPU

	1Q13	2Q13	3Q13	1Q12	2Q12	3Q12	4Q12
Smart Postpaid	1,154	1,153	1,099	1,269	1,237	1,252	1,248
Smart Prepaid	141	141	142	153	145	141	150
Talk 'N Text	87	87	82	102	100	93	93
Sun Cellular Prepaid	57	58	60	57	57	58	64
Sun Cellular Postpaid	455	495	476	388	397	388	391

Prepaid and Postpaid blended Net ARPU

	1Q13	2Q13	3Q13	1Q12	2Q12	3Q12	4Q12
Prepaid and Postpaid Blended, Net ⁽¹⁾	125	126	122	142	137	131	134

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

Broadband Net ARPU

	1Q13	2Q13	3Q13	1Q12	2Q12	3Q12	4Q12
SmartBro blended	344	345	357	339	331	334	337
Sun Broadband blended	328	330	253	304	290	279	257
PLDT DSL	1,128	1,155	1,146	1,149	1,129	1,129	1,133
Digitel DSL	668	684	704	674	668	688	682

EBITDA



(PhP in millions)	9M2013				9M2012	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (as adjusted)	
Income before tax	23,948	6,212	2,891	33,197	36,268	-8%
Add (deduct):						
Depreciation and amortization	12,246	9,934	-	22,180	22,957	-3%
Financing costs, net	2,622	2,644	-	5,245	4,985	5%
Amortization of intangible assets	735	1	-	736	1,019	-28%
Equity share in net losses (earnings) of associates and joint ventures	67	18	(1,988)	(1,903)	(1,440)	32%
Losses (gains) on derivative financial instruments, net	16	(508)	-	(492)	1,560	132%
Foreign exchange losses (gains), net	1,368	1,000	(364)	2,004	(2,424)	-183%
Interest income	(282)	(318)	(101)	(680)	(1,008)	-33%
Other income	(105)	(1,760)	(442)	(2,006)	(4,712)	-57%
PAS 19 Adjustment	537	732	-	1,269	-	-
EBITDA	41,152	17,955	(4)	59,550	57,205	4%
EBITDA Margin⁽¹⁾	48%	39%	-	49%	48%	

⁽¹⁾ EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnection costs)

Historical Consolidated: Service Revenues and EBITDA

(PhP in millions)	2013				2012					
	1Q	2Q	3Q	9M	1Q	2Q	3Q	9M	4Q	FY
Consolidated Gross Service Revenues										
Fixed line	11,997	12,275	12,220	36,492	12,067	11,835	11,765	35,667	11,964	47,631
Local exchange	4,008	4,066	4,042	12,116	4,146	4,089	4,059	12,294	4,063	16,357
International long distance	1,798	1,701	1,581	5,080	1,801	1,725	1,715	5,241	1,668	6,909
National long distance	1,064	1,094	1,046	3,204	1,246	1,203	1,148	3,597	1,081	4,678
Data and other network	4,970	5,224	5,338	15,532	4,696	4,665	4,649	14,010	4,965	18,975
Miscellaneous	157	190	213	560	178	153	194	525	187	712
Wireless	27,971	28,794	28,347	85,112	27,963	27,864	27,556	83,383	28,724	112,107
Cellular services	25,323	26,118	25,652	77,093	25,481	25,392	25,019	75,892	26,152	102,044
Broadband, satellite and others	2,648	2,676	2,695	8,019	2,482	2,472	2,537	7,491	2,572	10,063
Broadband	2,295	2,335	2,363	6,993	2,087	2,069	2,145	6,301	2,198	8,499
Satellite and others	353	341	332	1,026	395	403	392	1,190	374	1,564
Total	39,968	41,069	40,567	121,604	40,030	39,699	39,321	119,050	40,688	159,738
EBITDA	20,141	19,667	19,742	59,550	19,979	18,385	18,841	57,205	18,182	75,387
EBITDA Margin ⁽¹⁾	50%	48%	49%	49%	50%	46%	48%	48%	45%	47%

⁽¹⁾ EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnect ion costs)

Historical Wireless: Service Revenues & EBITDA

(PhP in millions)	2013				2012					
	1Q	2Q	3Q	9M	1Q	2Q	3Q	9M	4Q	FY
Wireless Gross Service Revenues										
Cellular services	25,709	26,529	26,040	78,278	25,884	25,776	25,428	77,088	26,517	103,605
Cellular Voice	12,187	12,869	12,733	37,789	12,493	12,207	12,175	36,875	12,751	49,626
Domestic	8,375	8,866	8,682	25,923	8,211	8,211	8,147	24,569	8,606	33,175
International	3,812	4,003	4,051	11,866	4,282	3,996	4,028	12,306	4,145	16,451
Cellular Data	12,913	13,064	12,818	38,795	12,712	12,899	12,653	38,264	13,152	51,416
Domestic	10,699	10,676	10,147	31,522	10,604	10,756	10,546	31,906	10,813	42,719
International	863	896	859	2,618	953	969	919	2,841	941	3,782
VAS/Financial Services	1,351	1,492	1,812	4,655	1,155	1,174	1,188	3,517	1,398	4,915
Mobile Internet Revenues	979	1,126	1,283	3,388	688	725	768	2,181	940	3,121
Other VAS/Financial Services	372	366	529	1,267	467	449	420	1,336	458	1,794
Other Cellular Revenues	609	596	489	1,694	679	670	600	1,949	614	2,563
Broadband, satellite and others	2,675	2,702	2,725	8,102	2,518	2,497	2,563	7,578	2,597	10,175
Broadband	2,321	2,359	2,393	7,073	2,122	2,093	2,169	6,384	2,222	8,606
Satellite and others	354	343	332	1,029	396	404	394	1,194	375	1,569
Total	28,384	29,231	28,765	86,380	28,402	28,273	27,991	84,666	29,114	113,780
EBITDA	14,326	13,742	13,084	41,152	14,219	14,013	13,746	41,978	12,502	54,480
<i>EBITDA Margin⁽¹⁾</i>	<i>50%</i>	<i>47%</i>	<i>45%</i>	<i>48%</i>	<i>50%</i>	<i>50%</i>	<i>49%</i>	<i>50%</i>	<i>43%</i>	<i>48%</i>

⁽¹⁾ EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnection costs)

Historical Fixed line: Service Revenues and EBITDA



(PhP in millions)	2013				2012					
	1Q	2Q	3Q	9M	1Q	2Q	3Q	9M	4Q	FY
Fixed Line Gross Service Revenues										
Local exchange	4,036	4,092	4,066	12,194	4,174	4,115	4,089	12,378	4,092	16,470
International long distance	2,968	2,802	2,678	8,448	2,810	2,479	2,661	7,950	2,839	10,789
National long distance	1,155	1,189	1,137	3,481	1,338	1,293	1,242	3,873	1,173	5,046
Data and other network	6,626	6,818	6,894	20,338	6,228	6,189	6,136	18,553	6,506	25,059
Miscellaneous	491	497	541	1,529	445	418	564	1,427	280	1,707
Total	15,276	15,398	15,316	45,990	14,995	14,494	14,692	44,181	14,890	59,071
EBITDA	5,609	5,761	6,585	17,955	5,615	4,288	4,810	14,713	5,066	19,779
<i>EBITDA Margin⁽¹⁾</i>	37%	37%	43%	39%	37%	30%	33%	33%	34%	33%

(1) EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnection costs)

Fixed line revenues - net of interconnection costs

(PhP in millions)	2013				2012					
	1Q	2Q	3Q	9M	1Q	2Q	3Q	9M	4Q	FY
Fixed Line Gross Service Revenues										
Local exchange	4,035	4,089	4,065	12,189	4,173	4,115	4,088	12,376	4,091	16,467
International long distance	1,195	1,114	1,108	3,417	1,212	1,148	1,134	3,494	1,114	4,608
National long distance	904	911	884	2,699	1,039	998	941	2,978	925	3,903
Data and other network	6,566	6,745	6,824	20,135	6,149	6,119	6,059	18,327	6,434	24,761
Miscellaneous	491	497	541	1,529	445	418	564	1,427	280	1,707
Total	13,191	13,356	13,422	39,969	13,018	12,798	12,786	38,602	12,844	51,446

Core Net Income

<i>(PhP in millions)</i>	9M2013				9M2012	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (as adjusted)	
Net Income attributable to equity holder of PLDT - continuing operations	17,658	6,265	2,816	26,885	28,021	-4%
Add (deduct):						
Foreign exchange losses (gains), net	1,368	1,000	(364)	2,004	(2,424)	183%
Losses (gains) on derivatives financial instruments, net	16	(735)	-	(719)	1,311	-155%
PAS 19 Adjustment	537	732	-	1,269	-	-
Others	-	(12)	(20)	(32)	90	-136%
Tax effect	(343)	(245)	66	(522)	334	-256%
Core Net Income - Continuing operations	19,236	7,005	2,498	28,885	27,332	6%
Core Net Income - Discontinued operations	-	-	-	(99)	358	-128%
Total Core Net Income	19,236	7,005	2,498	28,786	27,690	4%

Earnings Per Share



	9M2013 (unaudited)		9M2012 (as adjusted)	
	Basic	Diluted	Basic	Diluted
Net income (loss) attributable to equity holders of PLDT	28,954	28,954	28,384	28,384
Continuing Operations	26,885	26,885	28,021	28,021
Discontinued Operations	2,069	2,069	363	363
Dividends on preferred shares	(44)	(44)	(37)	(37)
Net income for the period attributable to common equity holders of PLDT	28,910	28,910	28,347	28,347
Outstanding common shares at beginning of period	216,056	216,056	214,436	214,436
Effect of issuance of common shares during the period			1,619	1,619
Weighted average number of common shares, end	216,056	216,056	216,055	216,055
EPS (based on reported net income)				
EPS - Continuing Operations	124.23	124.23	129.52	129.52
EPS - Discontinued Operations	9.58	9.58	1.68	1.68
Total EPS	133.81	133.81	131.20	131.20
Core net income	28,786	28,786	27,690	27,690
Continuing Operations	28,885	28,885	27,332	27,332
Discontinued Operations	(99)	(99)	358	358
Dividends on preferred shares	(44)	(44)	(37)	(37)
Core Net income applicable to common shares	28,742	28,742	27,653	27,653
Weighted average number of shares, end	216,056	216,056	216,055	216,055
EPS (based on core net income)				
EPS - Continuing Operations	133.48	133.48	126.33	126.33
EPS - Discontinued Operations	(0.45)	(0.45)	1.66	1.66
Total EPS	133.03	133.03	127.99	127.99

Cash Flows

<i>(PhP in millions)</i>	9M2013				9M2012	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (as adjusted)	
Net cash from operations	32,732	20,482	3,034	51,605	54,822	-6%
Add(Deduct):						
Capital expenditures	(7,274)	(7,614)	-	(14,888)	(19,294)	-23%
Other investing activities	(242)	26,839	(1,265)	(819)	823	-200%
Interest, net	(701)	(2,487)	82	(3,090)	(3,215)	-4%
Preferred share dividends	-	(42)	-	(44)	(51)	-14%
Others	(95)	(62)	364	140	(3,340)	-104%
Free cash flow	24,420	37,117	2,215	32,904	29,745	11%
Common share dividends	(26,907)	(37,589)	(5,660)	(37,590)	(36,803)	2%
Investments	(581)	(2,992)	11,597	6,817	(5,203)	231%
Redemption of Investments	150	-	-	150	-	-
Redemption of Shares	-	-	(5)	(5)	-	-
Trust fund for redemption of shares	-	-	-	-	(5,603)	100%
Redemption of Liabilities	-	-	-	-	(246)	100%
Debt repayments, net	(8,571)	(555)	-	(10,772)	10,700	-201%
Change in cash	(11,489)	(4,019)	8,147	(8,496)	(7,412)	15%
Cash and short term investments, beginning	16,514	16,966	4,255	38,870	46,616	-17%
Cash and short term investments, end	5,025	12,947	12,402	30,374	39,204	-23%

Balance Sheet

<i>(PhP in millions)</i>	Consolidated	
	September 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Total Assets	390,817	405,815
Nominal Value of Total Debt	109,795	117,115
<i>in US\$</i>	\$2,522	\$2,851
Less: Unamortized Debt Discount	342	1,323
Total Debt	109,453	115,792
Cash and short-term investments	30,374	37,735
Net Debt ⁽¹⁾	79,421	79,380
Equity	139,560	145,734
Total Debt⁽²⁾/Equity	<u>0.79x</u>	<u>0.80x</u>
Net Debt⁽¹⁾/Equity	<u>0.57x</u>	<u>0.54x</u>
Total Debt⁽²⁾/EBITDA⁽³⁾	<u>1.41x</u>	<u>1.55x</u>
Net Debt ⁽¹⁾/EBITDA ⁽³⁾	<u>1.02x</u>	<u>1.05x</u>

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

(2) Nominal value of total debt

(3) EBITDA for the last twelve months

Debt Profile

<i>(US\$ in millions)</i>	2006	2007	2008	2009	2010	2011 ⁽¹⁾	2012 ⁽¹⁾	9M2013 ⁽¹⁾
Debt Balance	1,756	1,585	1,625	2,210	2,113	2,719	2,851	2,522
Cash and short-term investments	514	745	847	908	852	1,061	919	698
Net Debt	1,242	840	778	1,302	1,261	1,658	1,932	1,824

⁽¹⁾ Including Digital

Debt Maturities

as of September 30, 2013

(US\$ in millions)

	Total
2013	91
2014	315
2015	280
2016	447
2017	635
2018 onwards	754
	2,522

Interest-bearing Liabilities

	September 30, 2013 (Unaudited)			December 31, 2012	Change
	Carrying Value	Unamortized Debt Discount/Debt Issuance	Face Value	(Audited) Face Value	
<i>(US\$ in millions)</i>					
Debt					
PLDT	\$1,408	\$2	\$1,410	\$1,440	(\$30)
Smart	\$821	\$6	\$827	\$957	(\$130)
DIGITEL	\$285	\$ -	\$285	\$454	(\$169)
Others	\$ -	\$ -	\$ -	\$ -	\$ -
Total Debt	\$2,514	\$8	\$2,522	\$2,851	(\$329)
Obligations under finance lease	\$ -	\$ -	\$ -	\$ -	\$ -

Foreign Exchange Risk



Forex Impact on Core Income

Forex sensitivity for every P1 change (in US\$ millions)

	Conso - net of Elim
US\$ Revenues*	601.6
US\$ Expenses	(276.8)
Cash Opex*	(191.7)
Cost of sales	(3.4)
Financing costs	(81.7)
US\$ Income before tax	324.8
Tax effect	97.4
Core Earnings	227.4
EBITDA	406.4
* Gross of interconnection costs amounting to:	101.1
Local exchange revenues (in million Php)	6,604.5

Forex Impact of B/S Revaluation

Forex sensitivity for every P1 change on B/S Revaluation (in US\$ millions)

	Conso
Debt (net of LT hedges)*	1,167.8
Accounts Payable	197.5
Accrued Liabilities	111.8
Derivative Liabilities	47.6
Total US\$ denominated Liabilities	1,524.7
Cash and Cash Equivalents	168.7
Short-term Investments	13.2
Trade and other receivables	186.0
Derivative Assets	-
Investment in Debt Securities & Advances	8.2
Total US\$ denominated Assets	376.1
Forex Revaluation for every P1 change	±1,148.6
* Debt	1,376.5
Less: LT hedges (PO Swap)	208.7
Debt (net of LT hedges)	1,167.8

Forex Impact on Derivatives

P1 movement in the USD/PHP exchange rate corresponds to a P172M change in derivatives

Forex rate, 9M2013

Ave.
42.06

Period End
43.54

Forex rate, 9M2012

42.56

41.74

% of Peso Appreciation vs US\$

-1%

+4%

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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