



The future is in our fiber.



Full Year 2013 Financial and Operating Results

4 March 2014
Shangri-la Hotel, Makati



PLDT Group: 2013 Financial Highlights

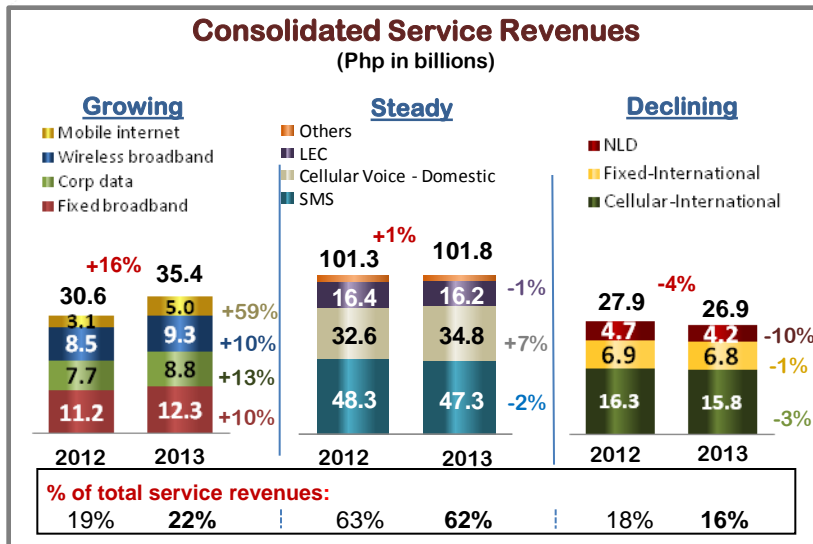
(PhP in billions, except EBITDA margin and Core EPS)	FY2013	FY2012	% Y-o-Y
	(audited)		
Service Revenues*	164.1	159.7	↑ 3%
• Wireless	116.7	113.8	↑ 3%
• Fixed Line	61.9	59.1	↑ 5%
EBITDA*	77.6	75.4	↑ 3%
EBITDA Margin**	47%	47%	—
Reported Net Income	35.4	36.1	↓ -2%
Core Net Income	38.7	36.9	↑ 5%
Core EPS	179	171	↑ 5%

Foreign Exchange Rates (Php:US\$1)	<u>2013</u>	<u>2012</u>	<u>% Y-o-Y</u>
Period-end	44.40	41.08	8%
Period-average	42.44	42.24	0%

* Excluding BPO business segment

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

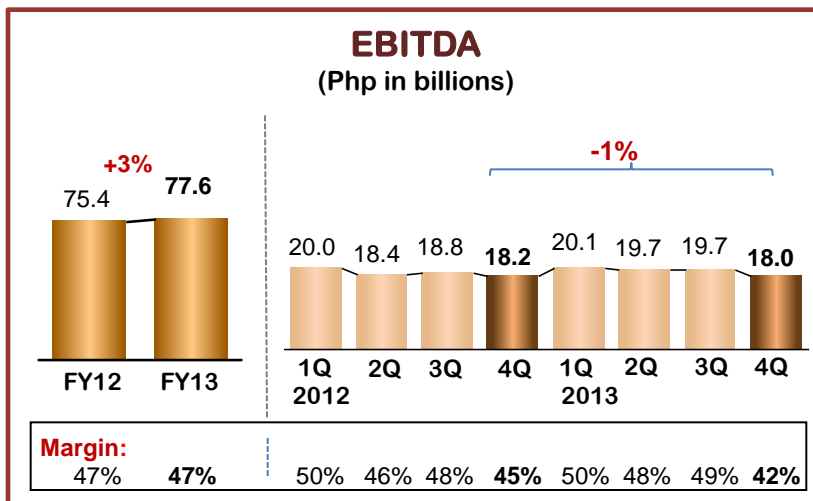
PLDT Group: Service Revenues and EBITDA



- The on-going structural change in PLDT's revenue mix continues to temper consolidated service revenue growth rates and EBITDA margins
 - Revenues from our growing data businesses already larger than those from our legacy businesses, with growth rates of the former about four times the latter's rate of decline in 2013
 - Compared with local and regional telcos, PLDT's legacy revenues account for a greater portion of total revenues

- Consolidated service revenues rose by P4.3bn or 3% year-on-year to P164.1bn in 2013 as the P4.8bn growth in data and broadband revenues overtook the P1.0bn decline in legacy revenues

- **GROWING** revenues from non-SMS data of P35.4bn is 16% or P4.8bn higher than 2012, and is now 22% of total revenues from 19% in 2012
- Cellular SMS, domestic voice, LEC, and satellite and other revenues totaling P101.8bn, or 62% of total revenues, were 1% or P0.5bn higher and represent our **STEADY** revenue base
- **DECLINING** revenues from NLD, fixed international voice and cellular international voice dipped by 4% or P1.0bn to P26.9bn



- Consolidated EBITDA improved by P2.2bn or 3% to P77.6bn as higher service revenues and lower cash opex fully offset increases in subsidies

- 2012 cash opex included P3.8bn in manpower rationalization program (MRP) expenses compared with P0.6bn in 2013

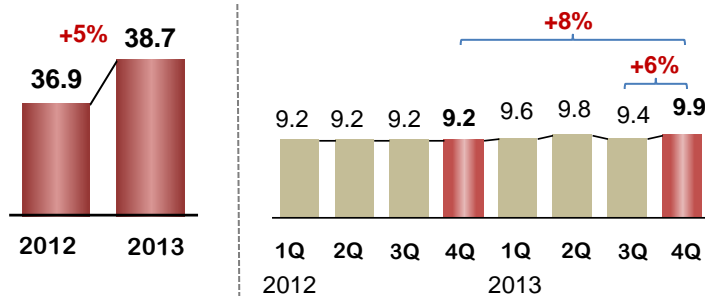
- Consolidated EBITDA margin for 2013 stable at 47%

- Wireless 47% (FY12: 48%; 4Q13: 45%; 4Q12: 43%)
- Fixed Line 36% (FY12: 34%; 4Q13: 27%; 4Q12: 36%)



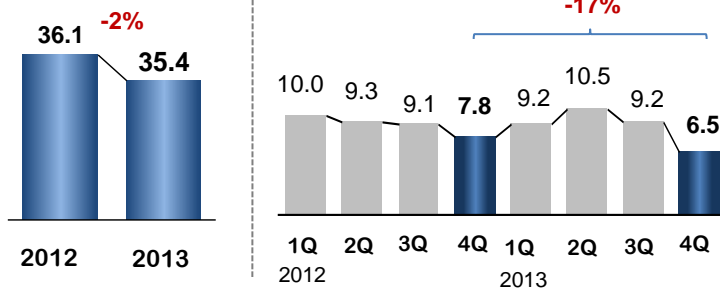
PLDT Group: Core and Reported Net Income

Core Net Income
(Php in billions)



- **Core net income for 2013 of P38.7bn is 5% or P1.8bn higher than P36.9bn in 2012 mainly due to:**
 - Rise in service revenues by P4.3bn which more than offset a P2.2bn increase in subsidies
 - Decrease in cash operating expenses by P0.9bn
 - Lower non-cash operating expenses by P0.9bn
 - Increase in equity share in earnings of subsidiaries of P1.1bn
- offset by:
 - Lower gain from asset sales by P1.7bn
 - ✓ P2.1bn from sale of last two tranches of Philweb shares in 2013
 - ✓ P3.8bn consisting of P2.0bn deferred gain recognition from the sale of Beacon preferred shares and P1.8bn from sale of first two tranches of Philweb shares in 2012
 - Increase in provision for income tax of P1.7bn
 - ✓ Effective tax rate of 19% for 2013 due to the combined effect of:
 - higher taxable income for the fixed and wireless businesses
 - Impact of gains from asset sales subject to final tax
 - recognition of deferred tax assets in the fixed line business

Reported Net Income
(Php in billions)



- **Reported net income declined by P0.7bn or 2% to P35.4bn in 2013 resulting from:**
 - Increase in core net income of P1.8bn
 - Gain from sale of BPO of P2.2bn
 - Lower asset impairment of P0.8bn
- offset by:
 - Higher net forex and derivatives losses of P3.7bn before tax and P2.2bn after tax
 - PAS 19 adoption which resulted in P1.3bn MRP expense in 2013 (originally accrued in 2012, which accrual was reversed)
 - Losses from Typhoon Yolanda of P0.9bn



Capital Management

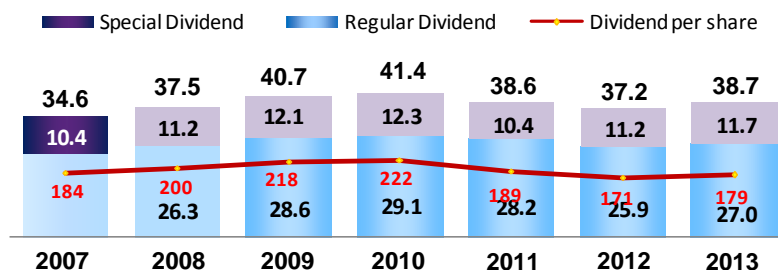
Dividend Declaration

Core earnings for 2013	P 179 per share
Interim Regular Dividend (Aug 2013)	P 63 per share
Dividends declared (4 March 2014)	P116 per share
Final Regular Dividend for 2013	P 62 per share
Special Dividend for 2013	P 54 per share
Total Dividends per share for 2013	P179 per share

Declaration Date	4 March 2014
Record Date	18 March 2014
Payment Date	16 April 2014

- PLDT's dividend policy: regular dividends of 70% of core EPS + "look back" to determine possibility of a special dividend
- PLDT declared dividends of P179 per share representing 100% of 2013 core earnings
 - Regular dividends of P125 per share or 70% of core EPS
 - ✓ Interim regular dividend of P63 paid in August 2013
 - ✓ Final regular dividend of P62 to be paid in April 2014
 - Special dividend of P54 per share or 30% of core EPS to be paid in April 2014
- PLDT has declared 100% of core earnings as dividends for the last seven years (2007-2013)
 - ✓ Over the last ten years, total common dividends of P310bn paid out
- At 2013 closing share price of P2,666, PLDT's dividend yield is 6.7%

Dividend Payments (billion pesos, except per share amount)



Div. Pay-out Ratio:

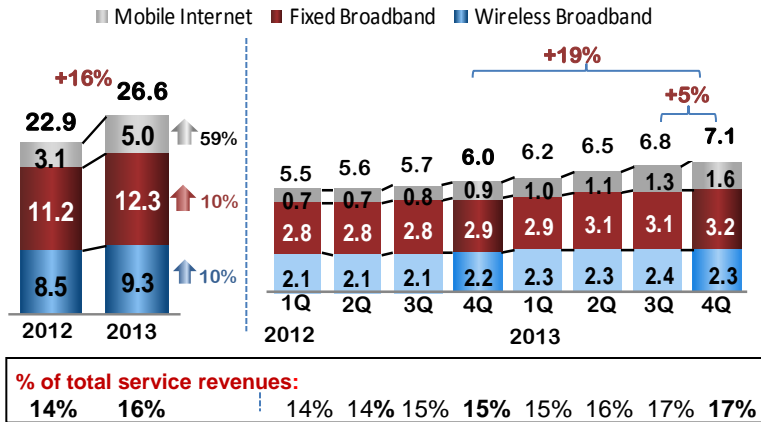
100% 100% 100% 100% 100% 100% 100%

100% dividend pay-out for 7 years

Broadband revenues and outlook

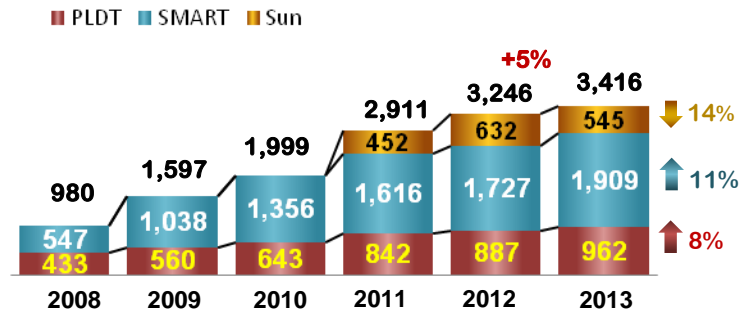
Consolidated Broadband Service Revenues

(Php in billions)



Broadband Subscribers

(in thousands)

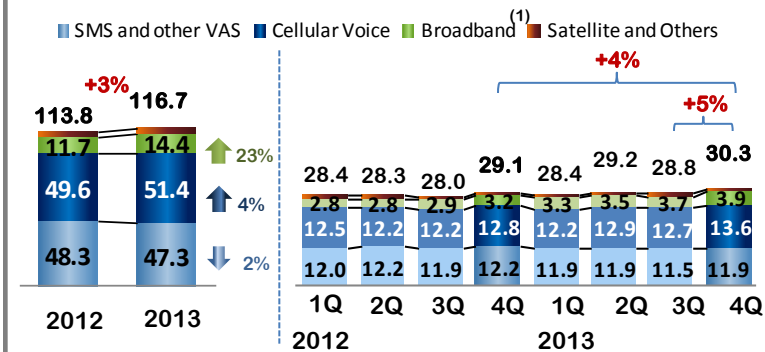


- **Broadband service revenues grew by P3.7bn or 16% year-on-year to P26.6bn or 16% of consolidated service revenues in 2013 from 14% last year**
 - Mobile internet revenues of P5.0bn were higher by P1.8bn or 59% and account for 19% of total broadband revenues and 3% of consolidated service revenues
 - Fixed broadband revenues rose by P1.1bn or 10% to P12.3bn or 46% of total broadband revenues following an 8% increase in subscribers to 962K
 - Wireless broadband revenues were up by P0.8bn or 10% to P9.3bn representing 35% of total broadband revenues
- **Fixed and wireless broadband net ARPUs at 2013 showed improvements over 2012**
- **Popularity of broadband in the Philippines continues to expand robustly, providing a rich source of growth for our fixed and wireless businesses**
 - Upward momentum in the group's mobile internet browsing revenues is being fuelled by greater smartphone ownership, affordable data offers, and engaging content
 - ✓ Subscriber base remains largely untapped as only 15% of our subscribers owned smartphones at the end of 2013
 - ✓ Wider range of smartphones are coming to the market, including lower-priced handsets (eg Chinese brands, second hand smartphones from upgrades by early adopters, new Nokia models)
 - ✓ Access to proprietary music, games, e-books, and other content being made available
 - Suite of offers on the fixed line, including triple-play (landline, high-speed broadband and payTV content over fiber), TVolution (internet TV), Telpad, among others, aims to upsell DSL to existing landline subscribers and tap new customers
- **While efforts to grow our wireless postpaid base are being pursued, our focus is on capturing the potential of the prepaid market taking into consideration:**
 - Affordability: low-denomination variants, but with ability to mix-and-match according to budget, intended use: access to social networks, chat, video/content streaming, uploading pictures and user generated content
 - Utility to the customer: "always-on" experience, improvement over internet cafés
 - Network utilization: quality of service delivery, margins/profitability

Wireless revenues and outlook

Wireless Service Revenues

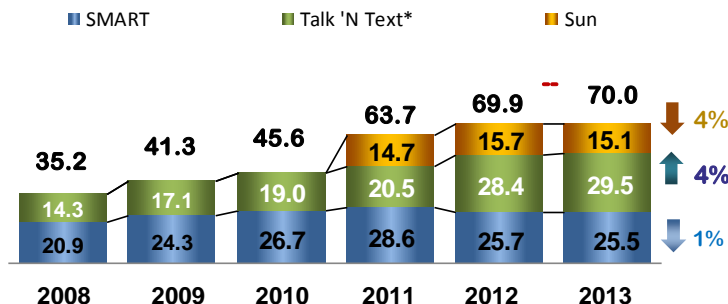
(Php in billions)



- **Wireless service revenues increased by P2.9bn or 3% year-on-year to P116.7bn in 2013 underpinned by the unabated growth in non-SMS data and cellular voice revenues**
 - Cellular voice revenues rose by P1.8bn or 4% to P51.4bn, or 44% of total wireless service revenues, following a 4% increase in billed minutes resulting from the growth of the postpaid base
 - Non-SMS data revenues of P14.4bn were 23% or P2.7bn higher, and now represents 12% of total wireless revenues from 10% last year
 - Cellular SMS and other VAS revenues were lower by P1.0bn or 2% at P47.3bn despite a 1% increase in SMS volumes
- **On-going change in our cellular subscriber mix is expected to impact service revenue growth and EBITDA margins**
 - Prepaid revenues of P84.6bn which represent 82% of cellular revenues were stable year-on-year
 - Postpaid revenues grew by 15% or P2.5bn to P19.0bn and now accounts for 18% of cellular revenues from 16% in 2012

Wireless Subscribers

(in millions)

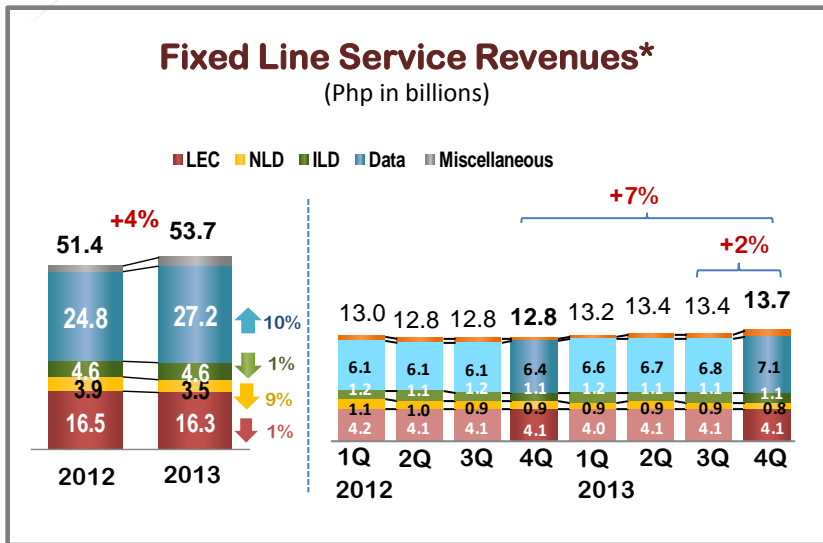


- **Efforts are focused on stabilizing cellular ARPUs and monetizing wireless data to generate incremental revenues**
 - Promote prepaid variants that include SMS+voice+data bundles and low-denomination data sachets
 - Offer a variety of postpaid plans that appeal to different budgets, device preferences, and usage patterns to expand smartphone ownership and bring in new data revenues
 - Leverage content to engage the customer, encourage and expand usage
 - Capitalize on the PLDT group network advantage to offer quality of experience
- **Wireless subscribers stood at 70.0mn at YE13**
 - Net adds impacted by temporary disruption in distribution following integration of Smart and Sun distribution networks
 - Redefined subscriber base to exclude those whose minimum balance is derived from accumulated rewards balance
 - Postpaid subscribers rose by 5% year-on-year to 2.4mn at the end of 2013, with net adds of about 123,000 for the year, nearly 78,000 of which were in 4Q13

* Excluding subscribers whose minimum balance is derived via accumulation from its rewards program

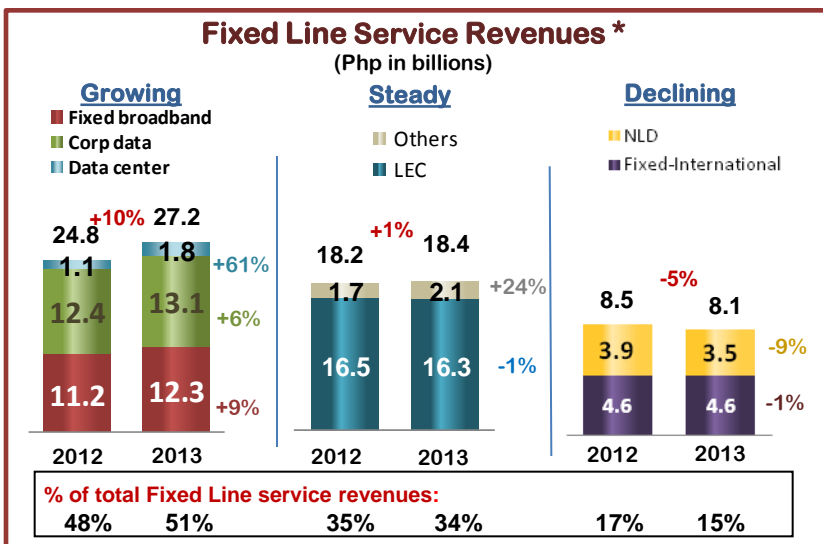


Fixed line revenues and outlook



➤ Fixed line service revenues for 2013 grew by P2.2bn or 4% year-on-year to P53.7bn mainly from increases in retail and corporate data revenues

- Data revenues of P27.2bn rose by 10% or P2.4bn, and now represent 51% of total fixed line service revenues from 48% last year
 - ✓ Corporate data and other network services, representing 48% of fixed line data revenues, improved by P0.7bn or 6% to P13.1bn
 - ✓ Fixed broadband revenues of P12.3bn, accounting for 45% of fixed line data revenues, rose by P1.1bn or 9% due to an 8% increase in subscribers
 - ✓ Data center revenues representing 7% of total fixed line data revenues, grew 61% or P0.7bn to P1.8bn including revenues from recently acquired data centers
- Combined ILD and NLD revenues, representing 15% of total fixed line revenues, declined by 5% or P0.4bn to P8.1bn
- LEC revenues which account for 30% of total fixed line revenues, was stable at P16.3bn



➤ Continued improvement in economic conditions bodes well for PLDT's HOME and ENTERPRISE businesses with growing demand for broadband and data from retail consumers, SMEs and corporates

- HOME** offers integrate:
 - ✓ access (Fibr/DSL)
 - ✓ content (Signal, ClickPlay/MyPinoyTV/Spinnr/EA games)
 - ✓ various devices such as Telpad and TVolution, to offer a richer multi-media experience through the internet
- ENTERPRISE** solutions include Ethernet, cloud computing and data center services
 - ✓ In addition to business enabling cloud solutions that help increase customer productivity, efficiencies and competitiveness such as Software as a Service (SaaS) and Infrastructure as a Service (IaaS), PLDT pioneered Unified Communications as a Service (UCaaS) and Contact Center as a Service (CCaaS)
 - ✓ PLDT group has the largest rack capacity in the country today located in its five data centers; construction of two new data centers on-going

* Net of interconnection costs

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 TV portion
- Monthly plans ranging from P3,500 – 20,000
- PLDT tie-up with *Clickplay* (200 blockbuster movies from Sony Pictures and Warner Brothers) and *MyPinoyTV* (250 TV series hits and Anime) allows customers to watch video-on-demand content

Home e-Portal now available to DSL subscribers allowing access to movies (*Clickplay*), TV series (*MyPinoy TV*), music (*Spinnr*) and games (*EA Games*), live sports events (PBA/Winter Olympics/Super Bowl), and exclusive content (Gilas documentary)

Device-bundled DSL plans that enable multi-media experience using broadband access

- TELPAD (wired landline phone and Android tablet in one)
- TVolution (Android device that turns an ordinary TV into an Internet TV)



SPINNR, powered by Smart Music, is the biggest on-line music portal in the Philippines and the country's first mobile-linked all-in music service

- Music-streaming subscription service with unlimited access to 3mn songs from MCA/Universal Music and Sony Music Entertainment - the largest catalogue
- Allows customization of playlists, VIP/meet-and-greet access at concerts and music events
- Given low credit card penetration in the country, payments can be charged to pre-paid load

GameX, an on-line portal from where gamers can purchase gaming ePINS using their mobile phone account/load

Content bundles include: buqo (e-bookstore, newstand, reader), messaging apps (WhatsApp, WeChat, Line), among others, to build usage habit and influence purchases



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

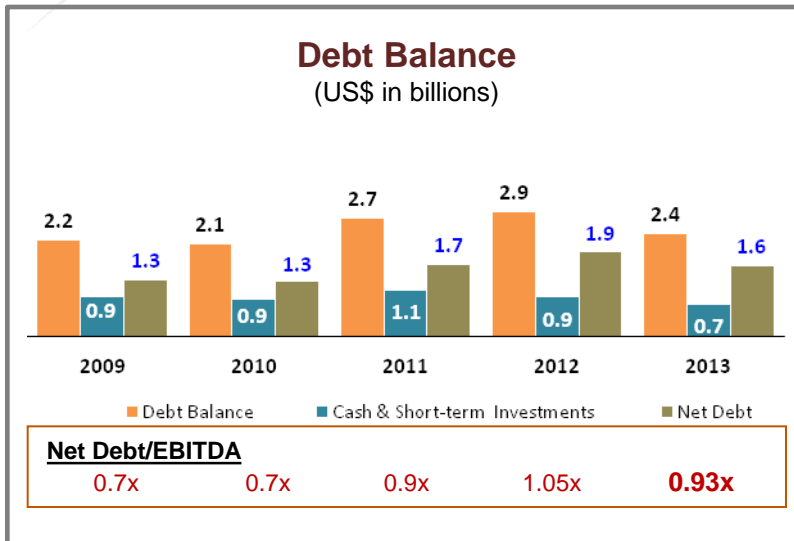
- CignalTV had about 602,000 subscribers at the end of 2013 from over 441,000 at the end of 2012
 - ✓ 30% postpaid, 70% prepaid
- Prepaid plans range from P290-430; while postpaid plans range from P430-1,590
 - ✓ Blended ARPU of P317
- EBITDA positive at YE13
- As of end December, CignalTV channel count at 104, including 13 free-to-air, 66 standard definition (SD) and 25 high definition (HD) channels

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

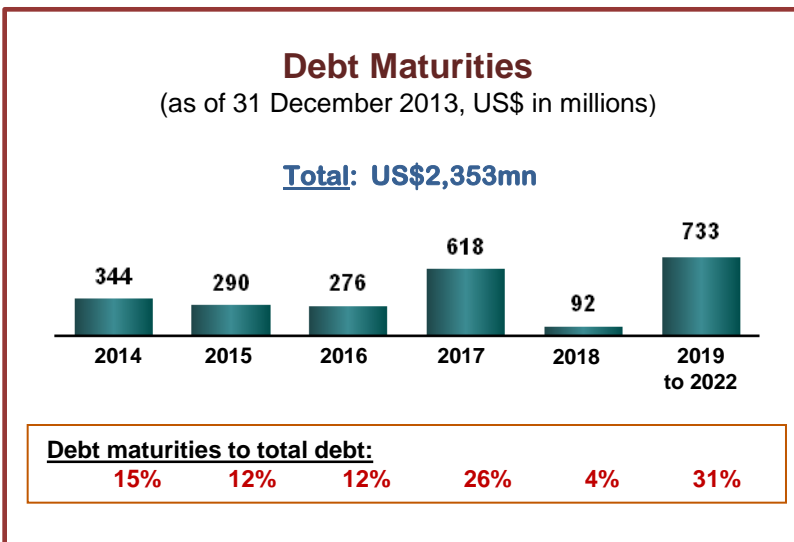
- Currently in its beta phase, and available on mobile devices that run on the Android Jelly Bean operating system (OS), and will soon be available on other OS



PLDT Group: Debt Profile



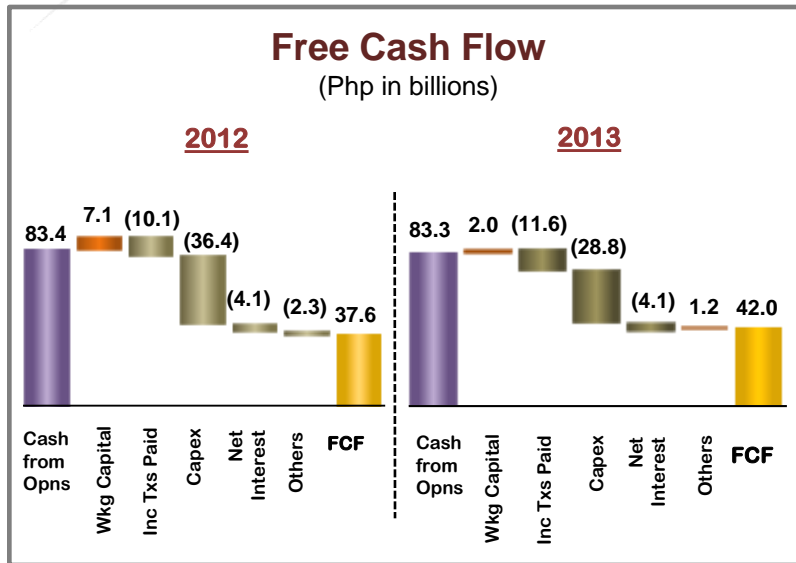
- Net debt of US\$1.6bn and net debt to EBITDA ratio of 0.93x as of YE13 were both lower compared with YE12
- At end December 2013, gross debt declined by US\$0.5mn to US\$2.4bn
 - 57% of gross debt is US\$ denominated
 - Taking into account our US\$ cash holdings and hedges, only US\$966mn or 41% of total debt is unhedged
 - ✓ US\$806mn or 21% of 2013 PLDT revenues are dollar-denominated
 - ✓ To further manage foreign currency exposures, PLDT books short-term rolling forwards to complement existing long-term hedges
 - 54% are fixed-rate loans, while 46% are floating-rate loans
 - Average interest cost (pre-tax) of 4.33% for 2013 (FY12: 5.18%)



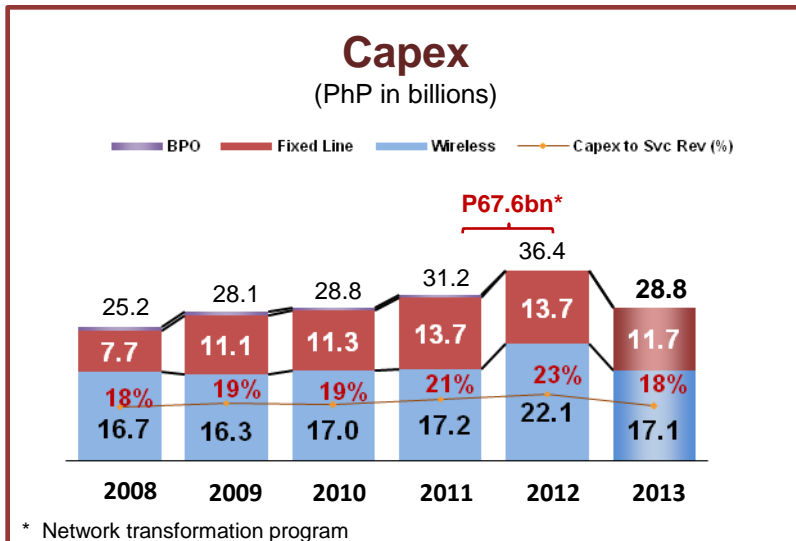
- Debt maturities continue to be well spread out
- In January 2014, PLDT issued P15bn of retail bonds for capex and debt refinancing
 - Received highest rating from CRISP of 'AAA' with a 'stable' outlook
 - P12.4bn 7-year bonds with coupon rate of 5.2250% and P2.6bn 10-year bonds with coupon rate of 5.2813%, with both rates at 100bps over the benchmark
 - Listed on the Philippine Dealing and Exchange Corp. (PDEX) on 6 February 2014
- PLDT rated investment grade by all three ratings agencies

Ratings Agencies	Long-Term foreign issuer rating	Long-term local issuer rating
Fitch	BBB	A-
Moody's	Baa2	Baa2
Standard and Poor's / S&P National	BBB	axA, positive

Free Cash Flow and Capex



- **Free cash flow for 2013 rose by P4.4bn or 12% to P42.0bn from P37.6bn in 2012 mainly due to:**
 - Lower capex by P7.6bn
 - Lower net increase in working capital of P5.1bn
 - Higher income taxes paid by P1.5bn
- **FCF of P42.0bn and net proceeds of P14.4bn from the sale of the BPO business and the last two tranches of Philweb shares were used for:**
 - Payment of cash dividends of P37.7bn consisting of the final regular and special dividends for 2012, and the interim dividend for 2013
 - Repayment of debt (net) of P17.2bn
 - MediaQuest PDR subscription of P5.6bn
- **With the completion of the two-year network transformation program in 2012, PLDT Group capex for 2013 was lower by P7.6bn or 21% at P28.8bn or 18% of total service revenues**
 - Expanded 2G (99%), 3G (71%) and 4G (27%, 1200 sites) coverage
 - PLDT Group's fiber footprint increased to around 78,000 kms., including 100% fiber connectivity from base stations to the core, 2 million homes passed, and additional international cable capacity
 - Built out content delivery platforms to enable IP-based multi-media content



- **PLDT expects capex to normalize at less than 20% of service revenues**
 - Capex for 2014 is projected at P31-32bn or around 18%-20% of service revenues, to cover:
 - ✓ Wider coverage: attain 100% 3G coverage, supplemental in-building presence, additional LTE sites
 - ✓ Expansion of fiber network to reach about 90,000 kms.
 - ✓ Investment in a new international cable system
 - ✓ Strengthening of transport and support facilities anticipating climate change and severe weather conditions
 - ✓ Investment in additional Service Delivery Platforms and network intelligence



PLDT Group Guidance for 2014

Core Net Income

P39.5bn
(P0.8bn or 2% higher than 2013)

Capex

P31-32.0bn
(18-20% of service revenues)

Capital Management

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



Appendix



Financial Investment in PDRs of MediaQuest

- **PLDT, through ePLDT, made a P9.6bn investment in Philippine Depository Receipts (PDRs) of MediaQuest for a 64% economic interest in SignalTV (a 100% subsidiary of MediaQuest)**
 - ✓ Investment in Signal TV equity accounted in PLDT's financials starting 4Q13

- **PLDT to invest up to P2.45bn in PDRs of MediaQuest for a 60% economic interest in Hastings Holdings, which holds print-related investments in the *Philippine Star*, the *Philippine Daily Inquirer* and *BusinessWorld***
 - ✓ ePLDT made a deposit on PDR subscription of P1.95bn in 2013
 - ✓ On 4 March 2014, PLDT announced approval for an additional investment by ePLDT of up to P0.5bn

- **PLDT Group's investment in MediaQuest PDRs is consistent with the overall strategy of broadening the PLDT group's distribution platforms and increasing its ability to deliver multi-media content to its customers across the group's broadband and mobile networks**

PAS 19 ADJUSTMENTS

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➤ 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 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; however, a corresponding amount was taken up in the 2013 financials as non-core expense
- Consolidated MRP costs of P1.3mn (before tax) recognized in 2013

➤ 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

Subscriber Data: Cellular

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Cellular Subscribers by category:

	Dec- 13	Sept- 13	Jun-13	Mar-13	FY13 vs FY12		Net adds							
					Net Adds	%	1Q2013	%	2Q2013	%	3Q2013	%	4Q2013	%
CELLULAR														
Prepaid	67,667,750	70,198,270	71,197,952	69,628,396	56,213	0%	2,016,859	3%	1,569,556	2%	(999,682)	-1%	(2,530,520)	-4%
Smart Prepaid	24,608,687	23,867,643	24,631,062	24,593,169	(452,766)	-2%	(468,284)	-2%	37,893	-	(763,419)	-3%	741,044	3%
Sun Prepaid	13,574,046	14,407,793	14,745,876	14,464,318	(530,985)	-4%	359,287	3%	281,558	2%	(338,083)	-2%	(833,747)	-6%
Talk 'N Text ⁽¹⁾	29,485,017	31,922,834	31,821,014	30,570,909	1,039,964	4%	2,125,856	7%	1,250,105	4%	101,820	-	(2,437,817)	-8%
Postpaid	2,377,877	2,300,000	2,185,433	2,070,867	122,956	5%	(184,054)	-8%	114,566	6%	114,567	5%	77,877	3%
Smart Postpaid	889,696	866,160	827,507	767,277	206,216	30%	83,797	12%	60,230	8%	38,653	5%	23,536	3%
Sun Postpaid	1,488,181	1,433,840	1,357,926	1,303,590	(83,260)	-5%	(267,851)	-17%	54,336	4%	75,914	6%	54,341	4%
Total Cellular Subscribers	70,045,627	72,498,270	73,383,385	71,699,263	179,169	-	1,832,805	3%	1,684,122	2%	(885,115)	-1%	(2,452,643)	-3%

Cellular Subscribers by brand:

	Dec- 13	Sept- 13	Jun-13	Mar-13	FY13 vs FY12		Net adds							
					Net Adds	%	1Q2013	%	2Q2013	%	3Q2013	%	4Q2013	%
CELLULAR														
Smart	25,498,383	24,733,803	25,458,569	25,360,446	(246,550)	-1%	(384,487)	-1%	98,123	-	(724,766)	-3%	764,580	3%
Smart Prepaid	24,608,687	23,867,643	24,631,062	24,593,169	(452,766)	-2%	(468,284)	-2%	37,893	-	(763,419)	-3%	741,044	3%
Smart Postpaid	889,696	866,160	827,507	767,277	206,216	30%	83,797	12%	60,230	8%	38,653	5%	23,536	3%
Talk 'N Text ⁽¹⁾	29,485,017	31,922,834	31,821,014	30,570,909	1,039,964	4%	2,125,856	7%	1,250,105	4%	101,820	-	(2,437,817)	-8%
Sun Cellular	15,062,227	15,841,633	16,103,802	15,767,908	(614,245)	-4%	91,436	1%	335,894	2%	(262,169)	-2%	(779,406)	-5%
Sun Prepaid	13,574,046	14,407,793	14,745,876	14,464,318	(530,985)	-4%	359,287	3%	281,558	2%	(338,083)	-2%	(833,747)	-6%
Sun Postpaid	1,488,181	1,433,840	1,357,926	1,303,590	(83,260)	-5%	(267,851)	-17%	54,336	4%	75,914	6%	54,341	4%
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⁽¹⁾ Excluding those subscribers whose minimum balance is derived via accumulation from its rewards program

Subscriber Data: Broadband

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	Dec-13	Sept-13	Jun-13	Mar-13	FY13 vs FY12		Net adds							
					Net Adds	%	1Q2013	%	2Q2013	%	3Q2013	%	4Q2013	%
BROADBAND														
Wireless Broadband	2,453,826	2,378,607	2,322,416	2,238,979	94,802	4%	(120,045)	-5%	83,437	4%	56,191	2%	75,219	3%
Smart Broadband	1,909,209	1,843,839	1,803,520	1,740,572	182,315	11%	13,678	1%	62,948	4%	40,319	2%	65,370	4%
Prepaid	1,359,862	1,294,152	1,254,400	1,226,054	128,770	10%	(5,038)	-	28,346	2%	39,752	3%	65,710	5%
Postpaid	549,347	549,687	549,120	514,518	53,545	11%	18,716	4%	34,602	7%	567	-	(340)	-
Sun Broadband	544,617	534,768	518,896	498,407	(87,513)	-14%	(133,723)	-21%	20,489	4%	15,872	3%	9,849	2%
Prepaid	309,756	303,034	293,449	272,113	(46,312)	-13%	(83,955)	-24%	21,336	8%	9,585	3%	6,722	2%
Postpaid	234,861	231,734	225,447	226,294	(41,201)	-15%	(49,768)	-18%	(847)	-	6,287	3%	3,127	1%
Fixed Line Broadband	961,967	949,762	920,147	907,703	74,568	8%	20,304	2%	12,444	1%	29,615	3%	12,205	1%
Total Broadband subscribers	3,415,793	3,328,369	3,242,563	3,146,682	169,370	5%	(99,741)	-3%	95,881	3%	85,806	3%	87,424	3%

FY2013: Consolidated Financial Highlights

<i>(Php in millions)</i>	FY2013				FY2012	% Change
	Wireless	Fixed Line	Others	Consolidated (audited)	Consolidated (as adjusted)	
Service Revenues	116,679	61,870	-	164,052	159,738	3%
Cash operating expenses ⁽¹⁾	52,661	38,005	5	75,573	76,508	-1%
Depreciation and amortization	16,358	13,946	-	30,304	32,354	-6%
Financing costs, net	(3,232)	(3,390)	-	(6,589)	(6,876)	-4%
Income before income tax	30,783	7,111	3,592	41,632	43,606	-5%
Provision for income tax	8,862	(698)	84	8,248	8,050	2%
EBITDA	54,703	22,274	(5)	77,552	75,388	3%
EBITDA Margin ⁽²⁾	47%	36%	-	47%	47%	
Net Income attributable to Equity Holders of PLDT	21,909	7,788	3,508	35,420	36,148	-2%
Continuing Operations	21,909	7,788	3,508	33,351	35,605	-6%
Discontinued Operations	-	-	-	2,069	543	281%
Core net income	26,499	9,061	3,110	38,717	36,907	5%
Continuing Operations	26,499	9,061	3,110	38,816	36,356	7%
Discontinued Operations	-	-	-	(99)	551	-118%

⁽¹⁾ Net of the retroactive effect of the adoption of the Revised PAS 19 in MRP costs of Php1,269mn for FY2013 (Php537mn for Wireless and Php732mn for Fixed Line) and Php1,287 for FY2012

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



Reconciliation of Core and Reported Net Income

<i>(Php in millions)</i>	FY2013			Consolidated (audited)	FY2012	% Change
	Wireless	Fixed Line	Others		Consolidated (as adjusted)	
Net Income attributable to equity holder of PLDT - continuing operations	21,909	7,788	3,508	33,351	35,605	-6%
Add (deduct):						
Foreign exchange losses (gains), net	1,814	1,503	(424)	2,893	(3,282)	188%
Losses (gains) on derivative financial instruments, net	18	(828)	(6)	(816)	1,689	-148%
PAS 19 Adjustment	537	732	-	1,269	(1,287)	199%
Others	2,668	340	(46)	2,962	2,987	-1%
Tax effect	(447)	(474)	78	(843)	644	-231%
Core Net Income - Continuing operations	26,499	9,061	3,110	38,816	36,356	7%
Core Net Income - Discontinued operations	-	-	-	(99)	551	-118%
Total Core Net Income	26,499	9,061	3,110	38,717	36,907	5%

Consolidated Service Revenues

The future is in our fiber.



(Php in billions)	2013					2012					% Change		
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	FY13 vs	4Q13 vs	
											FY12	4Q12	3Q13
SMS	11.9	11.9	11.5	11.9	47.3	12.0	12.2	11.9	12.2	48.3	-2%	-3%	3%
Voice - Domestic	13.3	13.9	13.7	14.3	55.2	13.4	13.4	13.2	13.6	53.6	3%	5%	5%
Voice - International	5.5	5.6	5.6	5.9	22.7	6.0	5.7	5.7	5.8	23.2	-2%	3%	7%
Non-SMS data	8.2	8.7	9.0	9.5	35.4	7.5	7.5	7.6	8.1	30.6	16%	17%	5%
Others	0.9	0.9	0.8	0.9	3.6	1.0	1.0	1.0	1.0	4.1	-11%	-9%	6%
Total	40.0	41.1	40.6	42.4	164.1	40.0	39.7	39.3	40.7	159.7	3%	4%	5%

Expenses

The future is in our fiber.



<i>(Php in millions)</i>	FY2013				FY2012	% Change
	Wireless	Fixed Line	Others	Consolidated (audited)	Consolidated (as adjusted)	
Operating expenses						
Compensation and employee benefits ⁽¹⁾	8,190	11,939	-	20,100	23,286	-14%
Repairs and maintenance	7,861	5,930	-	13,107	12,604	4%
Selling and promotions	7,944	1,860	-	9,776	9,708	1%
Rent	10,148	2,794	-	6,041	5,860	3%
Insurance and security services	1,157	761	-	1,815	1,564	16%
Taxes and licenses	2,411	1,514	-	3,925	3,506	12%
Professional and other contracted services	4,290	3,547	4	6,375	5,361	19%
Communication, training and travel	1,580	793	-	2,215	2,042	8%
Interconnection/settlement costs	8,141	8,196	-	10,610	11,105	-4%
Other operating expenses	939	671	1	1,609	1,472	9%
Cash operating expenses	52,661	38,005	5	75,573	76,508	-1%
Depreciation and amortization	16,358	13,946	-	30,304	32,354	-6%
Asset impairment	3,918	1,625	-	5,543	5,286	5%
Amortization of intangible assets	1,018	2	-	1,020	921	11%
Non-cash operating expenses	21,294	15,573	-	36,867	38,561	-4%
Cost of sales	10,182	1,665	-	11,806	8,747	35%
Total Expenses	84,137	55,243	5	124,246	123,816	-

⁽¹⁾ Net of the retroactive effect of the application of the Revised PAS 19 in MRP costs of Php1,269mn for FY2013 (Php537mn for Wireless and Php732mn for Fixed Line) and Php1,287 for FY2012



Other Income (Expenses)

<i>(Php in millions)</i>	FY2013				FY2012	% Change
	Wireless	Fixed Line	Others	Consolidated (audited)	Consolidated (as adjusted)	
Gains (losses) on derivative financial instruments, net	(18)	523	6	511	(2,009)	125%
Interest income	324	392	249	932	1,354	-31%
Equity share in net earnings (losses) of associates and joint ventures	(54)	(86)	2,882	2,742	1,538	78%
Foreign exchange gains (losses), net	(1,814)	(1,503)	424	(2,893)	3,282	-188%
Others	928	3,583	36	4,113	5,813	-29%
Total	(634)	2,909	3,597	5,405	9,978	-46%
Financing costs, net						
Interest on loans and other related items	(1,915)	(3,204)	-	(5,086)	(6,319)	-20%
Accretion on financial liabilities	(1,527)	(14)	-	(1,541)	(1,053)	46%
Financing charges	(88)	(295)	-	(383)	(418)	-8%
Capitalized interest	298	123	-	421	914	-54%
Total	(3,232)	(3,390)	-	(6,589)	(6,876)	-4%
Total other income (expenses)	(3,866)	(481)	3,597	(1,184)	3,102	-138%



Wireless and Broadband Net ARPU

Wireless Net ARPU

	2013				2012			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Smart Postpaid	1,154	1,153	1,099	1,102	1,269	1,237	1,251	1,248
Smart Prepaid	141	141	142	153	148	143	140	149
Talk 'N Text ⁽¹⁾	87	87	82	85	102	100	93	93
Sun Cellular Prepaid	57	58	60	68	57	57	58	64
Sun Cellular Postpaid	455	495	476	493	388	397	388	391

⁽¹⁾ Excluding those subscribers whose minimum balance is derived via accumulation from its rewards program

Prepaid and Postpaid blended Net ARPU

	2013				2012			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Prepaid and Postpaid Blended, Net ⁽¹⁾	125	126	122	130	142	137	131	134

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

Broadband Net ARPU

	2013				2012			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Smart Broadband blended	344	345	357	332	339	331	334	337
Sun Broadband blended	328	330	253	290	304	290	279	257
Fixed Broadband	1,091	1,133	1,132	1,133	1,099	1,083	1,090	1,097



Historical Consolidated: Service Revenues and EBITDA

(Php in millions)	2013					2012				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
Fixed line	11,997	12,275	12,220	12,589	49,081	12,067	11,835	11,765	11,964	47,631
Local exchange	4,008	4,066	4,042	4,057	16,173	4,146	4,089	4,059	4,063	16,357
International long distance	1,798	1,701	1,581	1,768	6,848	1,801	1,725	1,715	1,668	6,909
National long distance	1,064	1,094	1,046	1,001	4,205	1,246	1,203	1,148	1,081	4,678
Data and other network	4,970	5,224	5,338	5,545	21,077	4,696	4,665	4,649	4,965	18,975
Miscellaneous	157	190	213	218	778	178	153	194	187	712
Wireless	27,971	28,794	28,347	29,859	114,971	27,963	27,864	27,556	28,724	112,107
Cellular services	25,323	26,118	25,652	27,185	104,278	25,481	25,392	25,019	26,152	102,044
Broadband, satellite and others	2,648	2,676	2,695	2,674	10,693	2,482	2,472	2,537	2,572	10,063
Broadband	2,295	2,335	2,363	2,333	9,326	2,087	2,069	2,145	2,198	8,499
Satellite and others	353	341	332	341	1,367	395	403	392	374	1,564
Total Consolidated Gross Service Revenues	39,968	41,069	40,567	42,448	164,052	40,030	39,699	39,321	40,688	159,738
Non-Service revenues	992	972	1,017	1,298	4,279	796	711	806	982	3,295
Total Consolidated Gross Revenues	40,960	42,041	41,584	43,746	168,331	40,826	40,410	40,127	41,670	163,033
Add:										
Cash Operating Expenses	(18,597)	(18,594)	(18,461)	(21,190)	(76,842)	(17,618)	(19,587)	(18,779)	(19,237)	(75,221)
Cost of sales	(2,411)	(3,127)	(2,994)	(3,274)	(11,806)	(2,608)	(1,875)	(1,898)	(2,366)	(8,747)
Writedown of Inventory and Provision for doubtful AR	(602)	(789)	(729)	(1,280)	(3,400)	(621)	(563)	(609)	(597)	(2,390)
PAS 19 adjustments	791	136	342	-	1,269	-	-	-	(1,287)	(1,287)
EBITDA	20,141	19,667	19,742	18,002	77,552	19,979	18,385	18,841	18,183	75,388
EBITDA Margin ⁽¹⁾	50%	48%	49%	42%	47%	50%	46%	48%	45%	47%

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

Historical Wireless: Service Revenues & EBITDA

(Php in millions)	2013					2012				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
Wireless Gross Service Revenues										
Cellular services	25,709	26,529	26,040	27,597	105,875	25,884	25,776	25,428	26,516	103,604
Cellular Voice	12,187	12,869	12,733	13,595	51,384	12,493	12,207	12,175	12,752	49,627
Domestic	8,375	8,866	8,682	9,351	35,274	8,211	8,211	8,147	8,608	33,177
International	3,812	4,003	4,051	4,244	16,110	4,282	3,996	4,028	4,144	16,450
SMS	11,562	11,572	11,006	11,201	45,341	11,557	11,725	11,465	11,754	46,501
Domestic	10,699	10,676	10,147	10,300	41,822	10,604	10,756	10,546	10,813	42,719
International	863	896	859	901	3,519	953	969	919	941	3,782
Mobile Internet Revenues	979	1,126	1,283	1,580	4,968	688	725	769	939	3,121
VAS/Financial Services	372	366	529	682	1,949	467	449	419	458	1,793
Other Cellular Revenues	609	596	489	539	2,233	679	670	600	613	2,562
Broadband, satellite and others	2,675	2,702	2,725	2,702	10,804	2,518	2,497	2,563	2,597	10,175
Broadband	2,321	2,359	2,393	2,359	9,432	2,122	2,093	2,169	2,222	8,606
Satellite and others	354	343	332	343	1,372	396	404	394	375	1,569
Total Wireless Gross Service Revenues	28,384	29,231	28,765	30,299	116,679	28,402	28,273	27,991	29,113	113,779
Non-Service revenues	588	634	630	792	2,644	618	563	490	482	2,153
Total Wireless Gross Revenues	28,972	29,865	29,395	31,091	119,323	29,020	28,836	28,481	29,595	115,932
Add:										
Cash Operating Expenses	(12,370)	(13,021)	(13,594)	(14,213)	(53,198)	(12,178)	(12,829)	(12,752)	(14,446)	(52,205)
Cost of sales	(2,100)	(2,677)	(2,592)	(2,813)	(10,182)	(2,267)	(1,692)	(1,628)	(1,786)	(7,373)
Writedown of Inventory and Provision for doubtful AR	(295)	(501)	(467)	(514)	(1,777)	(356)	(302)	(355)	(324)	(1,337)
PAS 19 adjustments	119	76	342	-	537	-	-	-	(537)	(537)
EBITDA	14,326	13,742	13,084	13,551	54,703	14,219	14,013	13,746	12,502	54,480
<i>EBITDA Margin⁽¹⁾</i>	50%	47%	45%	45%	47%	50%	50%	49%	43%	48%

⁽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	4Q	FY	1Q	2Q	3Q	4Q	FY
Fixed Line Gross Service Revenues										
Local exchange	4,036	4,092	4,066	4,080	16,274	4,174	4,115	4,089	4,092	16,470
International long distance	2,968	2,802	2,678	2,974	11,422	2,810	2,479	2,661	2,839	10,789
National long distance	1,155	1,189	1,137	1,102	4,583	1,338	1,293	1,242	1,173	5,046
Data and other network	6,626	6,818	6,894	7,134	27,472	6,228	6,189	6,136	6,506	25,059
Miscellaneous	491	497	541	590	2,119	445	418	564	280	1,707
Total Fixed Line Service Revenues	15,276	15,398	15,316	15,880	61,870	14,995	14,494	14,692	14,890	59,071
Non-Service revenues	435	367	388	507	1,697	179	152	319	525	1,175
Total Fixed Line Gross Revenues	15,711	15,765	15,704	16,387	63,567	15,174	14,646	15,011	15,415	60,246
Add:										
Cash Operating Expenses	(10,156)	(9,285)	(8,455)	(10,841)	(38,737)	(8,953)	(9,914)	(9,677)	(8,436)	(36,980)
Cost of sales	(311)	(491)	(402)	(461)	(1,665)	(341)	(183)	(270)	(580)	(1,374)
Writedown of Inventory and Provision for doubtful AR	(307)	(288)	(262)	(766)	(1,623)	(265)	(261)	(254)	(273)	(1,053)
PAS 19 adjustments	672	60	-	-	732	-	-	-	(750)	(750)
EBITDA	5,609	5,761	6,585	4,319	22,274	5,615	4,288	4,810	5,376	20,089
<i>EBITDA Margin⁽¹⁾</i>	37%	37%	43%	27%	36%	37%	30%	33%	36%	34%

⁽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	4Q	FY	1Q	2Q	3Q	4Q	FY
Fixed Line Gross Service Revenues										
Local exchange	4,035	4,089	4,065	4,076	16,265	4,173	4,114	4,089	4,092	16,468
International long distance	1,195	1,114	1,108	1,137	4,554	1,190	1,124	1,180	1,113	4,607
National long distance	904	911	884	848	3,547	1,061	1,024	893	926	3,904
Data and other network	6,566	6,745	6,824	7,054	27,189	6,149	6,119	6,059	6,435	24,762
Miscellaneous	491	497	541	590	2,119	445	418	564	280	1,707
Total	13,191	13,356	13,422	13,705	53,674	13,018	12,799	12,785	12,846	51,448



Earnings Per Share

	FY2013 (audited)		FY2012 (as adjusted)	
	Basic	Diluted	Basic	Diluted
Net income (loss) attributable to equity holders of PLDT	35,420	35,420	36,148	36,148
Continuing Operations	33,351	33,351	35,605	35,605
Discontinued Operations	2,069	2,069	543	543
Dividends on preferred shares	(60)	(60)	(52)	(52)
Net income for the period attributable to common equity holders of PLDT	35,360	35,360	36,096	36,096
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	216,056	216,056
EPS (based on reported net income)				
EPS - Continuing Operations	154.09	154.09	164.55	164.55
EPS - Discontinued Operations	9.58	9.58	2.52	2.52
Total EPS	163.67	163.67	167.07	167.07
Core net income	38,717	38,717	36,907	36,907
Continuing Operations	38,816	38,816	36,356	36,356
Discontinued Operations	(99)	(99)	551	551
Dividends on preferred shares	(59)	(59)	(52)	(52)
Core Net income applicable to common shares	38,658	38,658	36,855	36,855
Weighted average number of shares, end	216,056	216,056	216,056	216,056
EPS (based on core net income)				
EPS - Continuing Operations	179.38	179.38	168.03	168.03
EPS - Discontinued Operations	(0.45)	(0.45)	2.55	2.55
Total EPS	178.93	178.93	170.58	170.58



Cash Flows

<i>(Php in millions)</i>	FY2013				FY2012	% Change
	Wireless	Fixed Line	Others	Consolidated (audited)	Consolidated (as adjusted)*	
Net cash from operations	50,601	29,869	3,155	73,763	80,370	-8%
Add(Deduct):						
Capital expenditures	(17,092)	(11,746)	-	(28,838)	(36,396)	-21%
Other investing activities	(188)	23,617	(1,265)	314	918	-66%
Interest, net	(1,298)	(2,942)	96	(4,114)	(4,061)	1%
Preferred share dividends	-	(59)	-	(59)	(63)	-6%
Others	(115)	686	421	924	(3,181)	-129%
Free cash flow	31,908	39,425	2,407	41,990	37,587	12%
Common share dividends	(26,908)	(37,744)	(6,560)	(37,745)	(36,871)	2%
Investments	(582)	(3,304)	11,600	6,507	(5,005)	-230%
Redemption of Investments	241	-	-	241	380	-37%
Redemption of Shares	-	-	(5)	(5)	(62)	-92%
Trust fund for redemption of shares	-	-	-	-	(5,561)	100%
Redemption of Liabilities	-	-	-	-	(289)	100%
Debt repayments, net	(10,075)	(5,514)	-	(17,235)	2,076	-930%
Change in cash	(5,416)	(7,137)	7,442	(6,247)	(7,745)	-19%
Cash and short term investments, beginning	16,514	16,966	4,255	38,870	46,615	-17%
Cash and short term investments, end⁽¹⁾	11,098	9,829	11,697	32,623	38,870	-16%

(1) FY2012 Cash, end includes P1,135mn cash for discontinued operations



Balance Sheet

<i>(Php in millions)</i>	Consolidated	
	December 31, 2013 (Audited)	December 31, 2012 (Audited)
Total Assets	399,638	405,815
Nominal Value of Total Debt	104,472	117,115
<i>in US\$</i>	\$2,353	\$2,851
Less: Unamortized Debt Discount	382	1,323
Total Debt	104,090	115,792
Cash and short-term investments	32,623	37,735
Net Debt ⁽¹⁾	71,849	79,380
Equity	137,326	145,734
Total Debt⁽²⁾/Equity	<u>0.76x</u>	<u>0.80x</u>
Net Debt⁽¹⁾/Equity	<u>0.52x</u>	<u>0.54x</u>
Total Debt⁽²⁾/EBITDA	<u>1.35x</u>	<u>1.55x</u>
Net Debt ⁽¹⁾/EBITDA	<u>0.93x</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

Debt Profile

The future is in our fiber.



<i>(US\$ in millions)</i>	2006	2007	2008	2009	2010	2011 ⁽¹⁾	2012 ⁽¹⁾	2013 ⁽¹⁾
Debt Balance	1,756	1,585	1,625	2,210	2,113	2,719	2,851	2,353
Cash and short-term investments	514	745	847	908	852	1,061	919	735
Net Debt	1,242	840	778	1,302	1,261	1,658	1,932	1,618

⁽¹⁾ Including Digital

Debt Maturities

as of December 31, 2013

(US\$ in millions)

	Total
2014	344
2015	290
2106	276
2017	618
2018	92
2019 onwards	733
	2,353



Interest-bearing Liabilities

	December 31, 2013 (Audited)			December 31, 2012	Change
	Carrying Value	Unamortized Debt Discount/Debt Issuance	Face Value	(Audited) Face Value	
<i>(US\$ in millions)</i>					
Debt					
PLDT	\$1,282	\$2	\$1,284	\$1,440	(\$156)
Smart	\$805	\$7	\$812	\$957	(\$145)
DIGITEL	\$257	\$ -	\$257	\$454	(\$197)
Others	\$ -	\$ -	\$ -	\$ -	\$ -
Total Debt	\$2,344	\$9	\$2,353	\$2,851	(\$498)

Foreign Exchange Risk

Forex Impact on Core Income

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

	Conso - net of Elim
US\$ Revenues*	805.7
US\$ Expenses	(349.6)
Cash Opex*	(249.4)
Cost of sales	(4.6)
Financing costs	(95.6)
US\$ Income before tax	456.1
Tax effect	136.8
Core Earnings	319.3
EBITDA	551.7
* Gross of interconnection costs amounting to:	131.1
Local exchange revenues (in million Php)	8,873.9

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)*	1,131.1
Accounts Payable	166.2
Accrued Liabilities	125.0
Derivative Liabilities	44.5
Total US\$ denominated Liabilities	1,466.8
Cash and Cash Equivalents	145.3
Short-term Investments	13.3
Trade and other receivables	173.1
Derivative Assets	0.7
Investment in Debt Securities, Advances & Others	49.7
Total US\$ denominated Assets	382.1
Forex Revaluation for every P1 change	±1,184.7
* Debt	1,338.9
Less: LT hedges (PO Swap)	207.8
Debt (net of LT hedges)	1,131.1

Forex Impact on Derivatives

P1 movement in the USD/PHP exchange rate corresponds to a P174M change in derivatives

	Ave.	Period End
Forex rate, FY2013	42.44	44.40
Forex rate, FY2012	42.24	41.08
% of Peso Appreciation vs US\$	----	+8%



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.

For inquiries, please contact:

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The future is in our fiber.

