

First Half 2013 Financial and Operating Results

7 August 2013



PLDT Group: First Half 2013 Financial Highlights



(PhP in billions, except EBITDA margin and Core EPS)	1H2013	1H2012	2H2012	% Y-o-Y		% H-o-H	
	(Unaudited)						
Service Revenues* (net of interconnection costs)	75.7	74.2	74.5	↑	2%	↑	2%
• Wireless	53.5	52.5	52.8	↑	2%	↑	1%
• Fixed Line	26.5	25.8	25.6	↑	3%	↑	4%
Service Revenues*	81.1	79.7	80.0	↑	2%	↑	1%
• Wireless	57.7	56.7	57.1	↑	2%	↑	1%
• Fixed Line	30.7	29.5	29.6	↑	4%	↑	4%
EBITDA	40.0	39.1	37.8	↑	2%	↑	6%
• Continuing operations	39.8	38.4	37.0	↑	4%	↑	8%
EBITDA Margin**	49%	49%	47%	→		↑	
• Continuing operations	49%	48%	46%	↑		↑	
Reported Net Income	19.7	19.3	16.9	↑	2%	↑	17%
• Continuing operations	17.8	19.0	16.6	↓	-6%	↑	8%
Core Net Income	19.4	18.4	18.5	↑	5%	↑	5%
• Continuing operations	19.5	18.2	18.2	↑	7%	↑	7%
Core EPS	89.64	85.24	85.36	↑	5%	↑	5%

* Excluding BPO business segment

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



Foreign Exchange Rates (Php:US\$1)
 Period-end
 Period-average

	1H2013	1H2012	2H2012	%Y-o-Y	%H-o-H
Period-end	P43.26	P42.28	P41.08	+2%	+5%
Period-average	P41.24	P42.90	P41.56	-4%	-1%

PLDT Group: Second Quarter 2013 Financial Highlights

(Php in billions, except EBITDA margin and Core EPS)	2Q2013	1Q2013	2Q2012	% Q-o-Q		% Y-o-Y	
	(Unaudited)						
Service Revenues* (net of interconnection)	38.3	37.4	37.0	↑	2%	↑	3%
• Wireless	27.0	26.5	26.3	↑	2%	↑	3%
• Fixed Line	13.4	13.1	12.8	↑	3%	↑	5%
Service Revenues*	41.2	40.0	39.7	↑	3%	↑	4%
• Wireless	29.2	28.5	28.3	↑	3%	↑	3%
• Fixed Line	15.5	15.2	14.5	↑	2%	↑	7%
EBITDA	19.6	20.4	18.7	↓	-4%	↑	5%
• Continuing operations	19.7	20.1	18.4	↓	-2%	↑	7%
EBITDA Margin**	48%	51%	47%	↓		↑	
• Continuing operations	48%	50%	46%	↓		↑	
Reported Net Income	10.5	9.2	9.3	↑	15%	↑	13%
• Continuing operations	8.8	9.1	9.2	↓	-3%	↓	-5%
Core Net Income	9.8	9.6	9.2	↑	2%	↑	6%
• Continuing operations	10.0	9.5	9.1	↑	6%	↑	10%
Core EPS	45.36	44.28	42.72	↑	2%	↑	6%

* Excluding BPO business segment

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

Capital Management



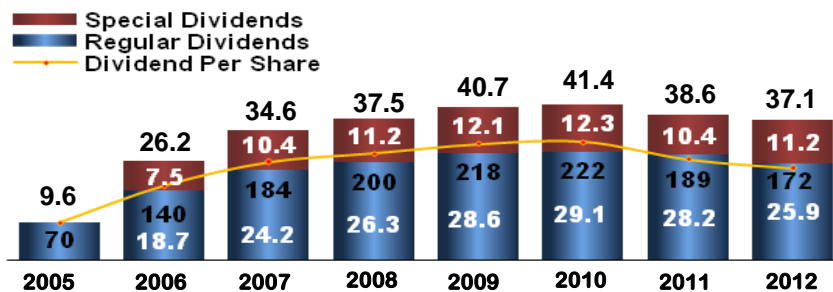
Dividend Declaration

Declaration Date	7 August 2013
Record Date	30 August 2013
Payment Date	27 September 2013
Interim Regular Dividend for 2013	P63 per share (70% of core EPS)

- PLDT's dividend policy is the payment of a regular dividend representing 70% of core earnings, with a "look-back" at the end of the year to determine the possibility of a special dividend
- Consistent with the dividend policy, an interim regular dividend of P63 per share representing 70% of PLDT's 1H13 core income per share was declared
 - ✓ 2013 interim dividend per share is P3 or 5% higher than the interim dividend declared in 2012
- PLDT has paid out 100% of its core income as dividends for six consecutive years
- Under its share buy-back program, PLDT may still acquire 2.3mn shares on opportunistic basis

Dividend Payments

(PhP billions, except per share amount)



Payout Ratio

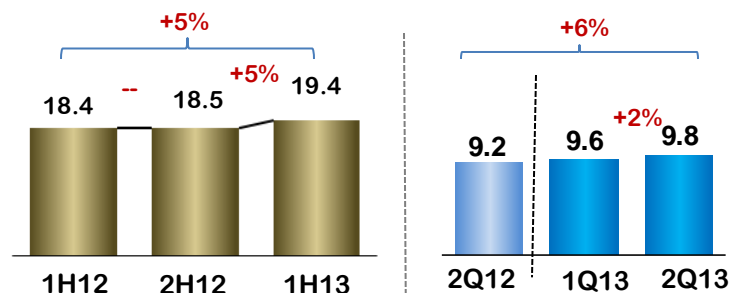
40% 85% 100% 100% 100% 100% 100% 100%

PLDT Group: Core and Reported Net Income



Core Net Income*

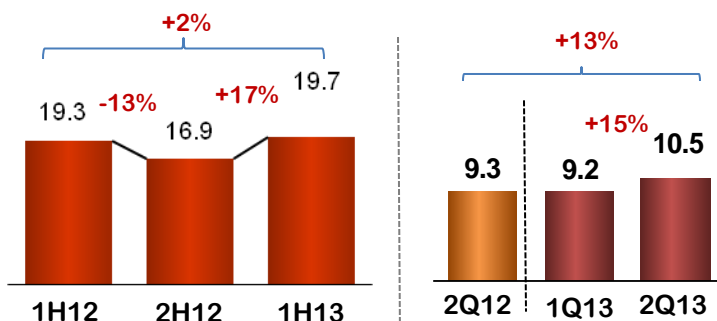
(Php in billions)



- 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 first half 2013 of P19.4bn is in line with full year guidance and reflects a 5% year-on-year increase as a result of higher EBITDA (1H12 included P1.7bn MRP costs) and lower depreciation expense
 - 2Q13 core net income of P9.8bn grew by P0.6bn or 6% year-on-year and by P0.2bn or 2% quarter-on-quarter
 - P0.9bn gain from the sale of the third tranche of Philweb shares in 2Q13 and P2.0bn gain from sale of Beacon preferreds in 2Q12 and P1.7bn (before tax) MRP expenses

Reported Net Income*

(Php in billions)



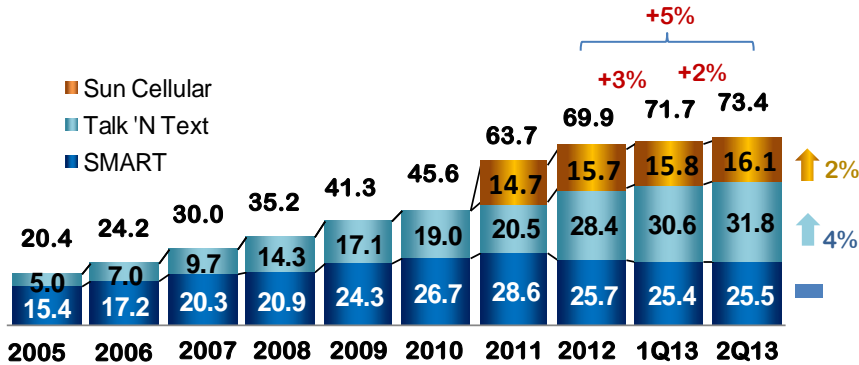
- Reported net income for 1H13 rose by P0.4bn or 2% year-on-year to P19.7bn mainly due to:
 - Increase in core net income by P1.0bn
 - Gain from sale of BPO business of P2.0bn
 offset by:
 - Higher forex and derivative net losses of P2.7bn before tax and P1.8bn net of tax
 - PAS 19 adjustment of P0.9bn

* Including Discontinued Operations

Subscriber Base: Cellular and Broadband



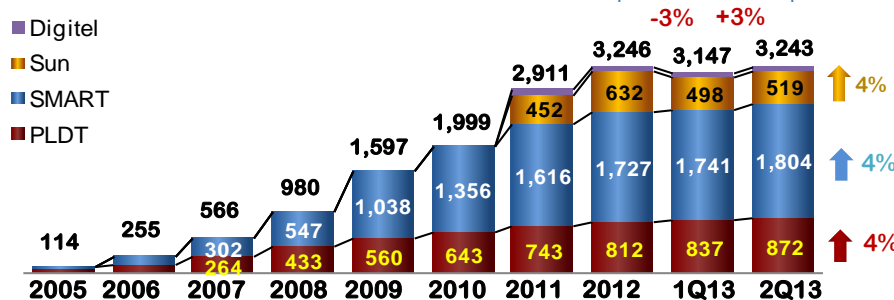
Cellular Subscribers (in millions)



- At the end of June 2013, PLDT Group combined fixed, wireless and broadband subscriber base stood at 78.7mn
- Combined cellular subscribers rose by 5% to 73.4mn at the end June 2013 from the end of 2012
 - 31.8mn TNT subscribers
 - 25.5mn Smart subscribers
 - 16.1mn Sun subscribers
- Prepaid cellular subscribers grew by 3.6mn to 71.2mn in the first half of 2013, accounting for 97% of total cellular subscriber base

- Postpaid cellular subscribers increased to 2.2mn as of 1H13
 - 1.4mn Sun subscribers and 0.8mn Smart subscribers
 - net adds of nearly 115,000 subscribers in 2Q13 following decline in subscriber count in 1Q13 due to clean-up of inactive Sun accounts

Broadband Subscribers (in thousands)

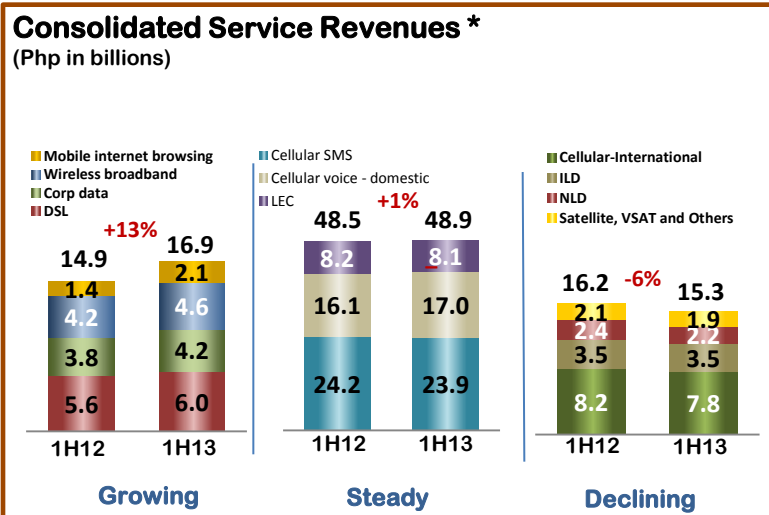


- Combined broadband subscriber base stood at 3.2mn at the end of June 2013
 - Wireless broadband subscribers of 2.3mn, of which 1.8mn are Smart subscribers and 0.5mn are Sun
 - DSL subscribers of over 920,000 is 45% of total fixed line subscriber base

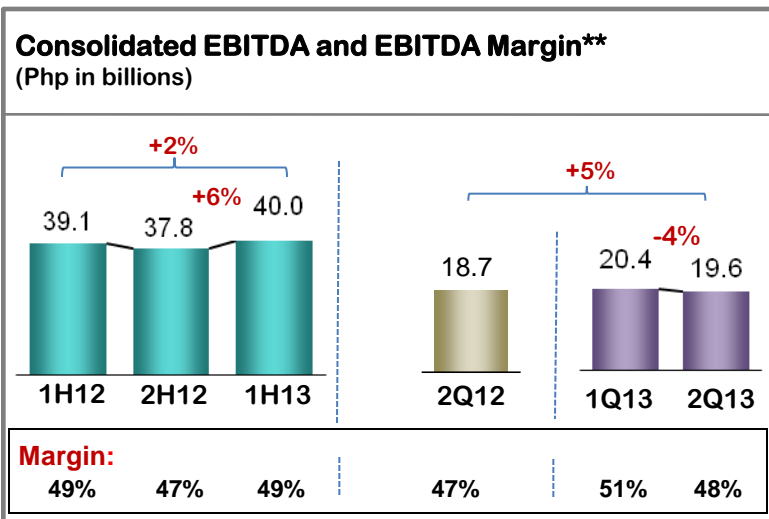
- Fixed line subscribers stable at 2.1mn as of 1H13

Note: Digitel DSL: 99K (2011), 75K (2012), 48K (1H13)

PLDT Group: Service Revenues and EBITDA



- Consolidated service revenues for the first semester 2013 rose by P1.4bn or 2% to P81.1bn as increases in revenues from the growing businesses outpaced the declines in legacy revenues
 - Non-SMS data revenues, accounting for 21% of total revenues, increased by P2.0bn or 13% year-on-year to P16.9bn and comprise our growing revenue base
 - Cellular SMS, cellular domestic voice and LEC revenues which contribute 60% to total revenues remained stable at P48.9bn
 - NLD, ILD, cellular international voice and satellite revenues declined by P1.0bn or 6% year-on-year to P15.3bn, representing 19% of total revenues



- 21% of 1H13 revenues are dollar-linked
 - Had the peso remained stable, consolidated service revenues would have been higher by P0.7bn or 1%
- EBITDA for the first half of 2013 grew by 2% or P0.9bn year-on-year to P40bn, while EBITDA margin was stable at 49%
 - ✓ 2Q13 EBITDA rose 5% year-on-year and EBITDA margin improved to 48% as P1.7bn in MRP costs recognized in 2Q12
- EBITDA margin per segment:
 - Wireless at 1H13: 49% (1H12: 50%; FY12: 48%)
 - Fixed Line at 1H13: 37% (1H12: 34%; FY12: 33%)

*Continuing Operations

** Includes Discontinued operations

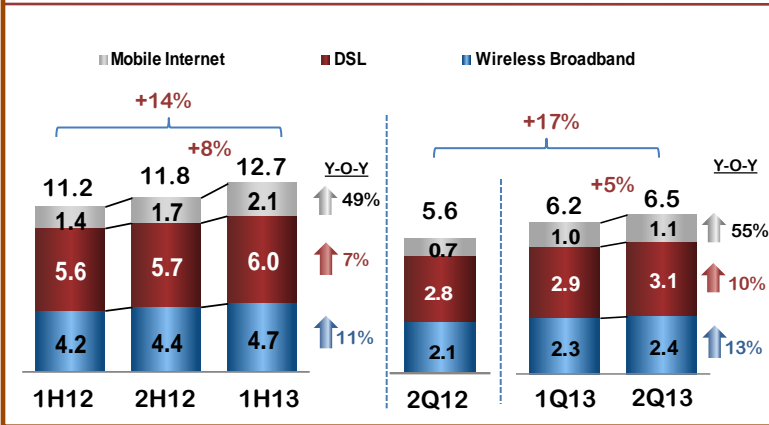


Service revenues and outlook per segment



Broadband Service Revenues

(Php in billions)



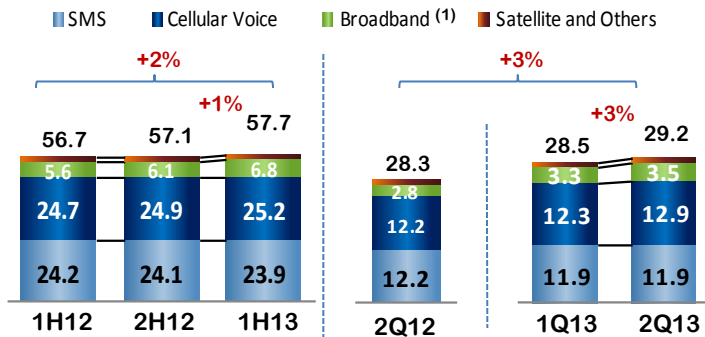
- **Broadband service revenues, now accounting for 16% of total consolidated service revenues, increased by P1.6bn or 14% year-on-year to P12.7bn**
 - Mobile internet revenues of P2.1bn registered the strongest growth by rising 49%
 - Wireless broadband revenues were up 11% to P4.7bn
 - DSL revenues of P6.0bn rose by 7%
- **Broadband ARPUs registered increases in 1H13 compared with the same period last year**
- **Growth in mobile internet browsing revenues expected to accelerate with increase in smartphone ownership**
 - Smartphone prices, including those for higher-end models, are on the decline
 - Expanding second hand smartphone market as early adopters upgrade their units
 - Aggressive marketing push by distributors of Chinese-made handsets (eg.. Lenovo, Cherry Mobile, Myphone, etc)
- **Average smartphone penetration of total subscriber base at 10%, with smartphone penetration of 54% for postpaid base of which almost half generate data revenues**
- **PLDT Group efforts focused on encouraging and increasing usage**
 - Bundling of engaging and compelling content available on multiple screens
 - Addressing concerns of “bill-shock” through affordable “social network only” variants, postpaid bundles with price caps, among others
 - A reliable network that ensures quality of experience

Service revenues and outlook per segment



Wireless Service Revenues

(Php in billions)



(1) Includes mobile internet browsing revenues

➤ **Wireless service revenues for the first semester of 2013 rose by P1.0bn or 2% year-on-year to P57.7bn reflecting continued growth of non-SMS data and modest increases in cellular voice and data revenues**

- Wireless broadband revenues of P6.8bn reflected a 21% or P1.2bn growth, inclusive of mobile internet revenues of P2.1bn which were higher by 49% or P0.7bn
- Cellular voice revenues were up by 2% or P0.5bn
- Cellular SMS revenues decreased by 1% or P0.3bn to P23.9bn

➤ **In addition to mitigating declines in cellular voice and SMS ARPUs, initiatives in the wireless business focus on growing non-SMS data revenues including seeding smartphone ownership under postpaid plans**

➤ **Fixed line service revenues for 1H13, net of interconnection costs, were higher by 3% or P0.7bn at P26.5bn as compared with 1H12 with the continued growth in DSL and corporate data revenues**

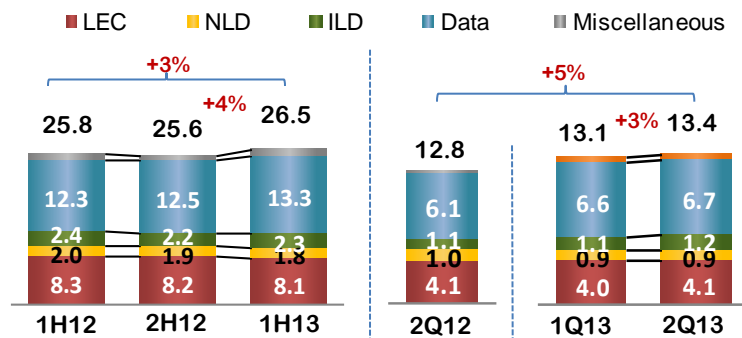
- Revenues from DSL, data center, and corporate data and other network services, representing 50% of total fixed line revenues increased by P1.0bn or 9% to P13.3bn
- Combined ILD, NLD and LEC revenues, accounting for 46% of total fixed line revenues, declined by P0.4bn or 3% to P12.2bn

➤ **Improving Philippine economic conditions augur well for our HOME and ENTERPRISE businesses**

- Increased consumer purchasing power, greater exposure to and growing habit of Internet usage, and ability to offer content are underpinning demand for HOME's various services: DSL, Telpad, Fibr/FTTH
- BPO industry, SMEs, business expansions, and demand for cloud and data center services provide a growth opportunities for our ENTERPRISE business

Fixed Line Service Revenues*

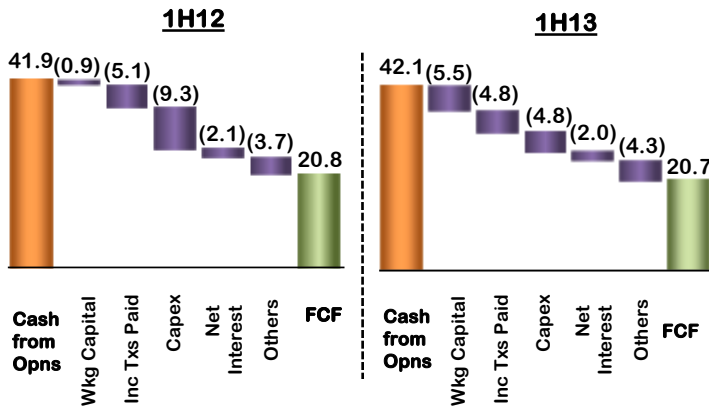
(Php in billions)



*net of interconnection costs

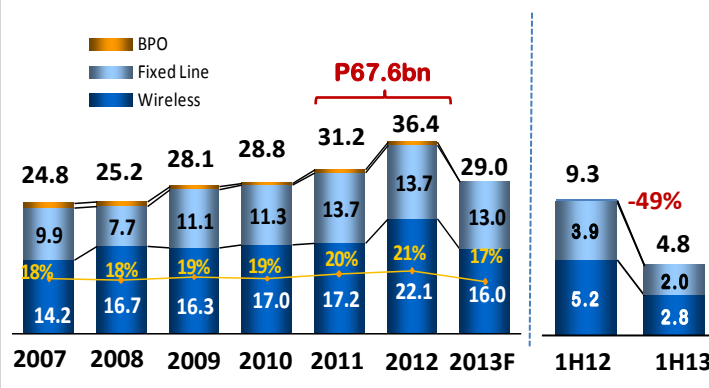
Free Cash Flow and Capex

Free Cash Flow (PhP in billions)

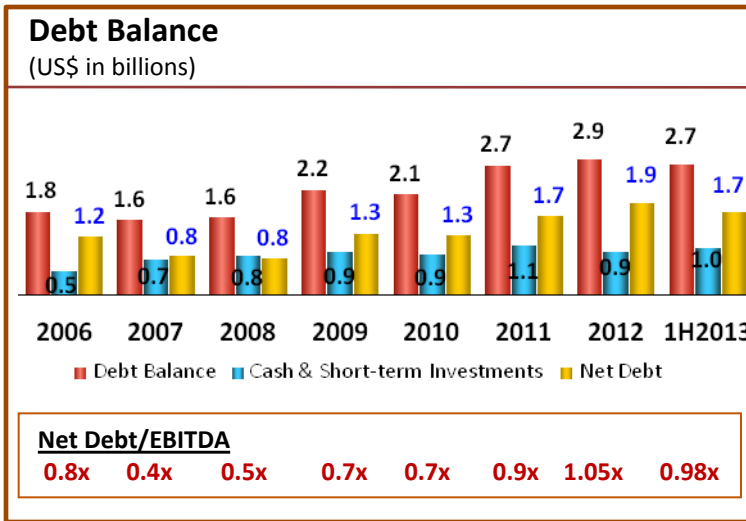


- Free cash flow for 1H13 declined by 1% or P0.1bn to P20.7bn from P20.8bn last year
 - Higher cash from operations by P0.2bn
 - Net decrease in working capital of P4.6bn
 - Lower capex by P4.5bn
 - Increase in other cash outflows by P0.6bn, including lower cash from deconsolidated operations of P1.2bn
- FCF of P20.7bn, in addition to P14.0bn of proceeds from the sale of the BPO business and the third tranche of Philweb shares, used for:
 - Payment of final regular and special dividend for 2012 of P24.1bn
 - Deposit on MediaQuest PDR subscription of P2.6bn
 - Repayment of P1.3mn of debt
- FCF for 1H13 of P20.7bn is greater than core income of P19.4bn
- PLDT Group capex for 2013 estimated at P29.0bn or P7.4bn lower than last year
- As of 1H13, capex amounted to P4.8bn or 49% lower than last year
 - Expansion of 3G coverage to 90% by year-end is on track
 - Increase in commercially active LTE sites to 1,100 with presence in over 170 major cities and municipalities nationwide
 - PLDT's total fiber footprint now spans over 71,000 kms., including 7,200 kms. of submarine-international fiber, over 4,000 kms. of submarine-domestic fiber, and 4,000 kms. in our wireless access network
 - Commissioned new systems in support of the group's multi-media strategy:
 - ✓ Content delivery platform to support Smart Music, the country's biggest online music portal
 - ✓ Multi-media delivery system that enables Cignal TV-to-Go, an OTT service that allows Smart and Cignal customers to watch their favorite channels on their mobile phones and tablets

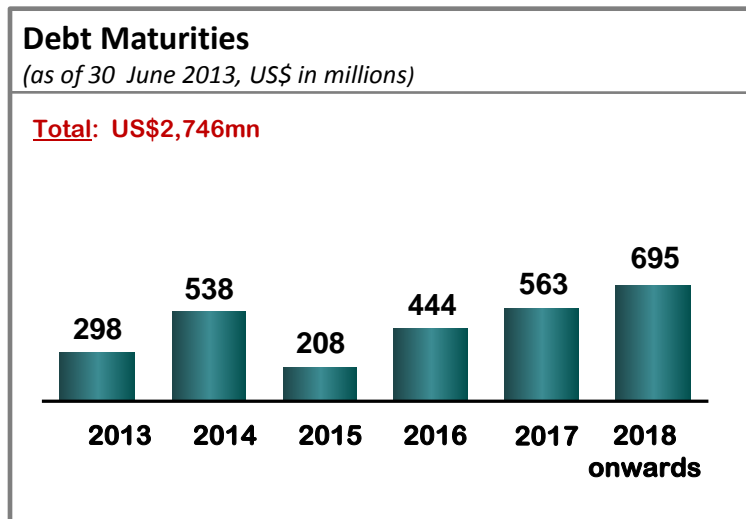
Capex (PhP in billions)



PLDT Group: Debt Profile



- Net debt at end June 2013 reduced by US\$0.2bn to US\$1.7bn with net debt to EBITDA at 0.98x, both lower compared with end 2012
- As of 1H13, gross debt was lower by US\$0.2bn at US\$2.7bn
 - 51% of gross debt are US\$ denominated
 - Taking into account our US\$ cash holdings and hedges, only US\$975 or 36% of total debt is unhedged
 - 68% are fixed- rate loans, while 32% are floating – rate loans



- Debt maturities continue to be well spread out
- PLDT has been rated investment grade by all three ratings agencies
 - Long-term foreign issuer rating: Fitch (BBB-) Moody's (Baa2) and Standard and Poor's (BBB-)
 - Long-term local issuer rating: Fitch (A-), Moody's (Baa2), S&P National (axA-)

Updates on PLDT Group multi-media initiatives



- **Smart Communications Inc. and MCA Music Inc., a Universal Music Group International company, signed a three-year exclusive partnership to offer a “game-changing” online music services – *Smart Music***
 - Smart Music is an online portal that will make available more than three million tracks from MCA Music’s global catalog to Smart, TNT, and Sun subscribers
 - Music downloads are available for as low as P15 or about US\$0.34 per track -- the lowest peso rate in the digital music market today, with new releases to be sold at P20 or US\$ 0.46 each track -- roughly half the comparable rates of other online music stores

- **Direct-to-home (DTH) CignalTV (PLDT investment via Mediaquest PDRs)**
 - CignalTV’s subscriber base crossed the half-million mark, now with nearly 515,000 subscribers
 - ✓ Grew from over 457,000 subscribers at end of March 2013, up from about 279,000 at the end of March 2012, and from over 441,000 at the end of 2012
 - EBITDA expected to be positive beginning 2H13
 - As of end July, CignalTV channel count at 88, of which 65 are standard definition (SD) and 23 are high definition (HD)

- **PLDT triple-play: Fibr (fiber-to-the-home)+landline+Cignal 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* provides access to over 200 blockbuster movies (from distributors like Sony Pictures and Warner Brothers) which allow customers to watch videos-on-demand

- **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, 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

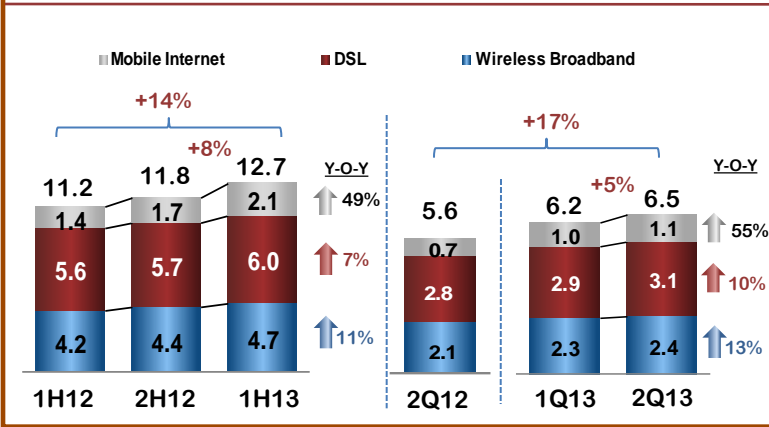
Dividend Pay-out Policy:
70% of Core EPS + “look-back” approach

Segment and Other Details

Broadband

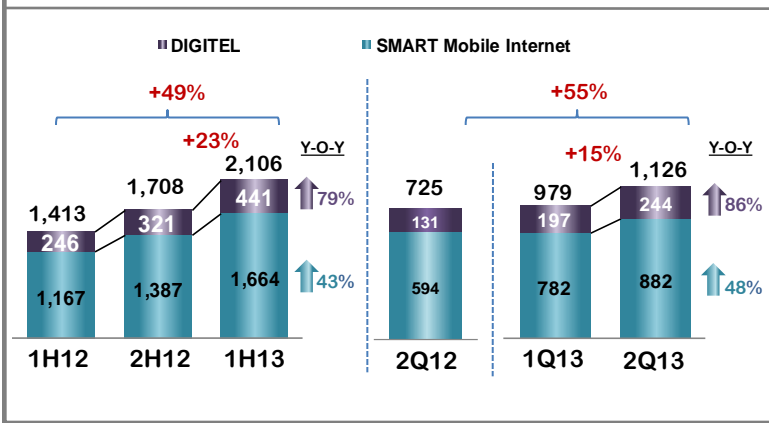
Broadband Service Revenues

(Php in billions)



Mobile Internet Browsing Service Revenues

(Php in millions)



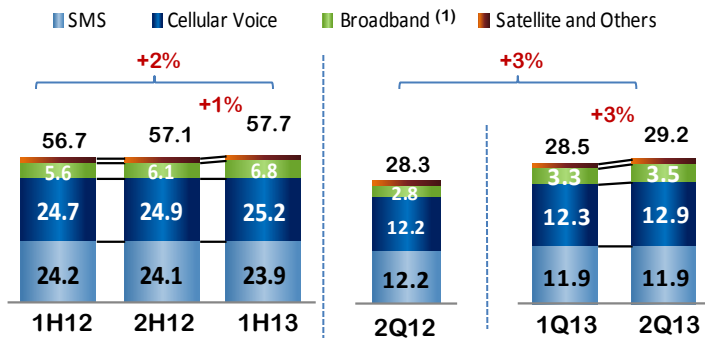
- **Broadband service revenues, now accounting for 16% of total consolidated service revenues, increased by P1.6bn or 14% year-on-year to P12.7bn**
 - Mobile internet revenues of P2.1bn registered the strongest growth by rising 49% or P0.7bn and contribute 3% to total service revenues
 - Wireless broadband revenues were up P0.5bn or 11% to P4.7bn following a 7% increase in subscribers
 - DSL revenues of P6.0bn, representing 47% of broadband revenues, rose by P0.4bn or 7% mainly due to a 13% growth in PLDT DSL subscribers
- **Broadband ARPUs registered increases in 1H13 compared with the same period last year**
 - PLDT DSL: P1,142 from P1,139
 - Digitel DSL: P676 from P671
 - Net blended Smart: P344 from P335
 - Net blended Sun: P329 from 297
- **Growth in mobile internet browsing revenues expected to accelerate with increase in smartphone ownership**
 - Smartphone prices, including those for higher-end models, are on the decline
 - Expanding second hand smartphone market as early adopters upgrade their units
 - Aggressive marketing push by distributors of Chinese-made handsets (eg.. Lenovo, Cherry Mobile, Myphone, etc)
- **Average smartphone penetration of total subscriber base at 10%, with smartphone penetration of 54% for postpaid base**
 - About 49% of postpaid smartphone subscribers generate data revenue, higher than 21% for the total subs base
- **PLDT Group efforts focused on encouraging and increasing usage**
 - Bundling of engaging and compelling content available on multiple screens
 - Addressing concerns of “bill-shock” through affordable “social network only” variants, postpaid bundles with price caps, among others
 - A reliable network that ensures quality of experience

Wireless



Wireless Service Revenues

(Php in billions)



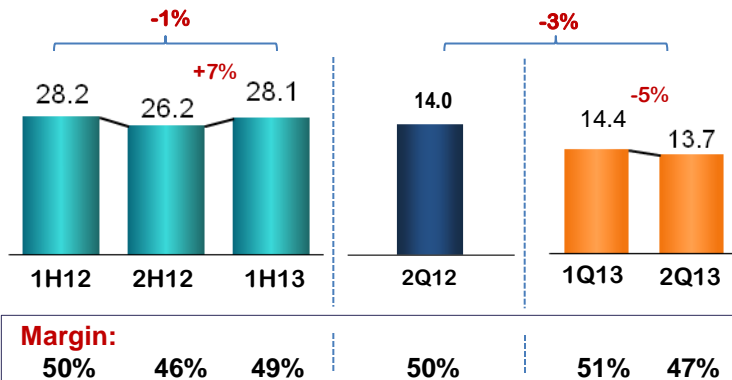
(1) Includes mobile internet browsing revenues

➤ **Wireless service revenues for the first semester of 2013 rose by P1.0bn or 2% year-on-year to P57.7bn reflecting continued growth of non-SMS data and modest increases in cellular voice and data revenues**

- Wireless broadband revenues of P6.8bn reflected a 21% or P1.2bn growth
 - ✓ Includes mobile internet revenues of P2.1bn higher by 49% or P0.7bn, and now accounting for 8% of cellular data revenues,
- Cellular voice revenues were up by 2% or P0.5bn
 - ✓ Cellular domestic revenues rose by P0.8bn or 5% to P17.2bn following a 5% increase in call minutes
 - ✓ Cellular international revenues declined by 4% or P0.4bn to P7.9bn due to lower inbound and outbound call revenues
- Cellular SMS revenues decreased by 1% or P0.3bn to P23.9bn
 - ✓ Domestic data revenues were stable at P21.4bn while international data revenues dipped 8% or P0.2bn to P1.8bn

EBITDA

(Php in billions)



➤ **17% of wireless service revenues are dollar-denominated**

- Had the peso remained stable, wireless service revenues would have been higher by P0.4bn or 1%

➤ **EBITDA dipped by 1% or P0.2bn year-on-year to P28.1bn at 1H13**

- Subsidy expenses were higher by P0.8bn during the period in line with efforts to increase smartphone ownership under postpaid plans, to further seed the growth of data revenues
 - ✓ Postpaid cellular revenues rose by 15% or P1.2bn to P9.1bn and now represents 18% of total cellular revenues from 16% in 1H12
 - ✓ Currently, 49% of our postpaid subscriber base own smartphones, and of these, data usage accounts for 44% of their ARPU

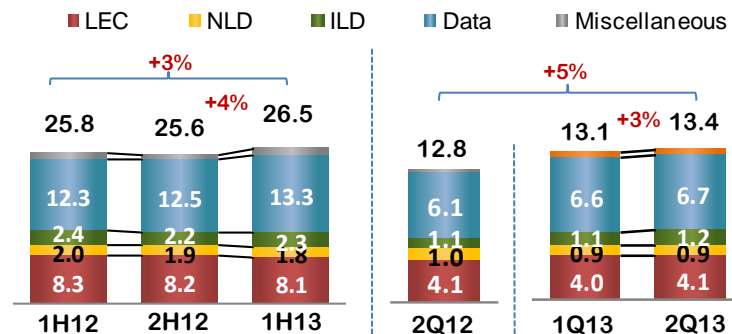
➤ **EBITDA margin stood at 49%**

Fixed Line



Fixed Line Service Revenues*

(Php in billions)

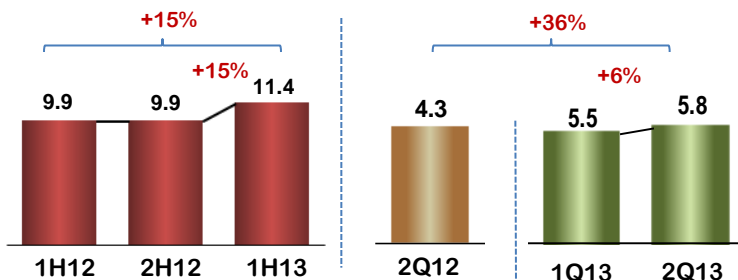


*net of interconnection costs

- Fixed line service revenues for 1H13, net of interconnection costs, were higher by 3% or P0.7bn at P26.5bn as compared with 1H12 with the continued growth in DSL and corporate data revenues
 - DSL revenues increased by P0.4bn or 7% to P6.0bn, accounting for 22% of total fixed line service revenues
 - Data center revenues climbed by 86% or P0.4bn to P0.8bn reflecting contribution from newly acquired data centers
 - Corporate data revenues and other network services were up by P0.3bn or 4% to P6.5bn
 - Combined ILD, NLD and LEC revenues declined by P0.4bn or 3% to P12.2bn

EBITDA

(Php in billions)



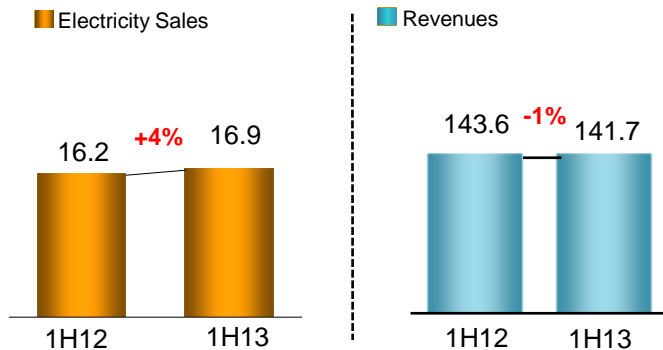
Margin:

34% 33% 37% 30% 36% 38%

- Had the peso remained stable, fixed line service revenues would have increased by another P0.4bn or 1%
- For 1H2013, fixed line EBITDA registered a P1.5bn or 15% year-on-year improvement to P11.4bn with the rise in expenses fully compensated by the growth in service revenues
 - EBITDA excludes the impact of P0.7bn in manpower reduction program (MRP) expenses arising from Revised PAS 19
- EBITDA margin for 1H13 rose to 37% and to 38% for 2Q13

Energy Sales and Revenues

(in '000 GWh and Php in Billions)



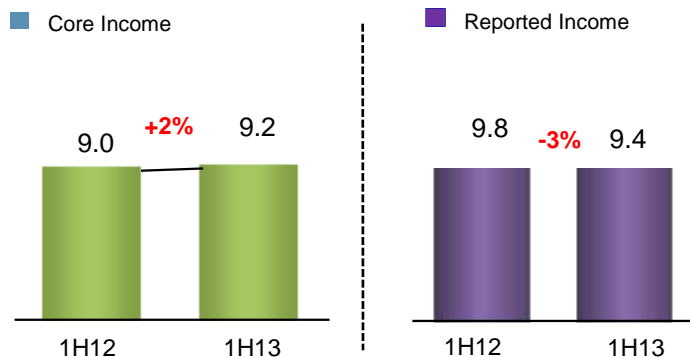
- Meralco's revenues dipped by P1.9bn or 1% year-on-year to P141.7bn due to the combined effect of a 4% growth in energy sales volumes, a 3% rise in customer count and higher distribution rates, offset by lower purchased power costs resulting from lower priced power supply contracted by Meralco
- Consolidated core EBITDA grew by 7% to P16.1bn, with EBITDA margin at 11%
- Core net income for 1H13 rose by 2% to P9.2bn while reported net income declined by 3% to P9.4bn as compared with last year
- Meralco declared interim dividend of P4.10 per share, representing 50% of Core EPS

Other operational highlights:

- In June 2013, S&P upgraded Meralco's credit rating to "BB" with a "stable" outlook
- Meralco's performance indicators remained well within "rewards range" signifying sustained operational efficiencies
- Capex for 1H2013 was 5% lower from last year to P3.7bn
- Power generation initiatives:
 - ✓ Investment of P9.0bn for a 28% interest in Pacific Light Power, a 2x400MW combined cycle gas turbine power plant in Jurong Island, Singapore; scheduled to be operational by the end of 2013
 - ✓ RP Energy (JV with Aboitiz and Taiwan Co-Gen for 2x300-MW coal plant in Subic) working on site preparation, finalization of land lease agreement, negotiations for coal supply and transmission line interconnection arrangement with the National Grid, and responding to legal case filed against the project by environmentalists
- Commercial test of prepaid electricity to commence in September 2013 involving up to 2,000 customers

- **Beacon Electric, owned 50% by PCEV, is the largest shareholder of Meralco with 49% shareholdings, inclusive of its recent purchase of 10mn shares at P270 per share [from San Miguel Corporation]**
 - PCEV equity share in core income of Beacon/Meralco of P1.4bn in 1H13

Core and Reported Net Income (Php in Billions)



Financial Investment in PDRs of MediaQuest



- **In May 2012, PLDT announced the financial investment by ePLDT of P6bn in Philippine Depository Receipts (PDRs) to be issued by MediaQuest**
 - MediaQuest, a wholly owned entity of the Beneficial Trust Fund, has investments in media assets that include TV5, CignalTV, among others
 - P6bn has been advanced as deposit on future PDR subscriptions
- **PLDT Board confirmed the P6bn investment in MediaQuest PDRs will give ePLDT a 40% economic interest in MediaScape/CignalTV**
 - MediaScape operates DTH PayTV business under the brand name “CignalTV”
- **Investments in MediaScape will be equity accounted in ePLDT’s financials as soon as the PDRs are issued**
- **PLDT Group’s investment in MediaScape is consistent with the overall strategy of broadening the PLDT group’s distribution platforms and increase its ability to deliver multi-media content to its customers across the group’s broadband and mobile networks**
- **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

As of 31 July 2013, P3.1bn has been advanced as deposit on future PDR subscriptions.

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 P791mn (before tax) recognized in 1Q13

➤ 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



	Jun-13	Mar-13	Dec- 12	Sept- 12	Jun- 12	Mar-12	1H13 vs FY12		1H13 vs 1H12		Net adds			
							Amount	%	Amount	%	1Q2013	%	2Q2013	%
CELLULAR														
Smart	25,458,569	25,360,446	25,744,933	26,036,774	27,492,175	28,370,594	(286,364)	-1%	(2,033,606)	-7%	(384,487)	-1%	98,123	-
Prepaid	24,631,062	24,593,169	25,061,453	25,377,864	26,850,116	27,753,369	(430,391)	-2%	(2,219,054)	-8%	(468,284)	-2%	37,893	-
Postpaid	827,507	767,277	683,480	658,910	642,059	617,225	144,027	21%	185,448	29%	83,797	12%	60,230	8%
Talk 'N Text	31,821,014	30,570,909	28,445,053	26,524,760	23,992,900	22,159,902	3,375,961	12%	7,828,114	33%	2,125,856	7%	1,250,105	4%
SUN Cellular	16,103,802	15,767,908	15,676,472	16,038,199	15,944,027	15,579,457	427,330	3%	159,775	1%	91,436	1%	335,894	2%
Prepaid	14,745,876	14,464,318	14,105,031	14,513,253	14,470,645	14,159,612	640,845	5%	275,231	2%	359,287	3%	281,558	2%
Postpaid	1,357,926	1,303,590	1,571,441	1,524,946	1,473,382	1,419,845	(213,515)	-14%	(115,456)	-8%	(267,851)	-17%	54,336	4%
Total Cellular Subscribers	73,383,385	71,699,263	69,866,458	68,599,733	67,429,102	66,109,953	3,516,927	5%	5,954,283	9%	1,832,805	3%	1,684,122	2%

	Jun-13	Mar-13	Dec- 12	Sept- 12	Jun- 12	Mar-12	1H13 vs FY12		1H13 vs 1H12		Net adds			
							Amount	%	Amount	%	1Q2013	%	2Q2013	%
BROADBAND														
Wireless Broadband	2,322,416	2,238,979	2,359,024	2,267,430	2,168,727	2,112,913	(36,608)	-2%	153,689	7%	(120,045)	-5%	83,437	4%
SmartBro	1,803,520	1,740,572	1,726,894	1,685,150	1,634,859	1,618,359	76,626	4%	168,661	10%	13,678	1%	62,948	4%
Prepaid	1,254,400	1,226,054	1,231,092	1,210,235	1,184,579	1,168,385	23,308	2%	69,821	6%	(5,038)	-	28,346	2%
Postpaid	549,120	514,518	495,802	474,915	450,280	449,974	53,318	11%	98,840	22%	18,716	4%	34,602	7%
Sun Broadband	518,896	498,407	632,130	582,280	533,868	494,554	(113,234)	-18%	(14,972)	-3%	(133,723)	-21%	20,489	4%
Prepaid	293,449	272,113	356,068	305,614	258,044	220,738	(62,619)	-18%	35,405	14%	(83,955)	-24%	21,336	8%
Postpaid	225,447	226,294	276,062	276,666	275,824	273,816	(50,615)	-18%	(50,377)	-18%	(49,768)	-18%	(847)	-
Fixed Line Broadband	920,147	907,703	887,399	879,237	870,650	864,154	32,748	4%	49,497	6%	20,304	2%	12,444	1%
PLDT DSL	872,486	837,443	812,478	793,103	774,541	762,335	60,008	7%	97,945	13%	24,965	3%	35,043	4%
Digital DSL	47,661	70,260	74,921	86,134	96,109	101,819	(27,260)	-36%	(48,448)	-50%	(4,661)	-6%	(22,599)	-32%
Total Broadband subscribers	3,242,563	3,146,682	3,246,423	3,146,667	3,039,377	2,977,067	(3,860)	-	203,186	7%	(99,741)	-3%	95,881	3%

1H2013: Consolidated Financial Highlights



(Php in millions)	1H2013			Consolidated (unaudited)	1H2012	% Change
	Wireless	Fixed Line	Others		Consolidated (as adjusted)	
Continuing Operations						
Service Revenues	57,713	30,674	-	81,135	79,729	2%
Cash operating expenses ⁽¹⁾	25,294	18,709	2	36,362	37,205	-2%
Depreciation and amortization	8,144	6,388	-	14,532	15,289	-5%
Financing costs, net	(1,512)	(1,823)	-	(3,327)	(3,364)	-1%
Income before income tax	16,501	3,955	1,936	22,538	25,240	-11%
Provision for income tax	3,837	767	73	4,677	6,235	-25%
Including Discontinued Operations						
EBITDA	28,068	11,370	(2)	39,991	39,119	2%
Continuing Operations	28,068	11,370	(2)	39,808	38,364	4%
Discontinued Operations	-	-	-	183	755	-76%
EBITDA Margin ⁽²⁾	49%	37%	-	49%	48%	
Core net income ⁽³⁾	14,003	3,946	1,399	19,395	18,441	5%
Continuing Operations	14,003	3,946	1,399	19,494	18,190	7%
Discontinued Operations	-	-	-	(99)	251	-139%
Net Income attributable to Equity Holders of PLDT	12,652	3,183	1,863	19,707	19,282	2%
Continuing Operations				17,844	19,036	-6%
Discontinued Operations				1,863	246	657%

⁽¹⁾ Net of the retroactive effect of the adoption of the Revised PAS 19 in MRP costs of Php927mn in the 1H2013 (Php195mn for Wireless and Php732mn for Fixed Line)

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

⁽³⁾ Consolidated net income before certain adjusting items and excluding gains/losses on foreign exchange/derivatives (after tax)

Reconciliation of Core and Reported Net Income

<i>(PhP in billions)</i>	1H2013	1H2012	Difference
Reported net income	19.7	19.3	0.4
Core net income	19.4	18.4	1.0
	0.3	0.8	(0.5)
Accounted for by:			
Forex gains (losses), net	(1.9)	1.6	(3.5)
Gains (losses) on derivatives, net	0.6	(0.3)	0.9
PAS 19 Adjustment	(0.9)	-	(0.9)
Adjustment in equity in investment	-	(0.1)	0.1
	(2.2)	1.2	(3.4)
Tax Effect	0.5	(0.4)	0.9
Adjustments in continuing operations	(1.7)	0.8	(2.5)
Adjustment in discontinued operations	2.0	-	2.0
	0.3	0.8	(0.5)

Consolidated Service Revenues



<i>(in billion pesos)</i>	2013			2012						% Change			
	1Q	2Q	1H	1Q	2Q	1H	3Q	4Q	2H	1H13 vs		2Q13 vs	
										1H12	2H12	1Q13	2Q12
SMS	11.9	11.9	23.9	12.0	12.2	24.2	11.9	12.2	24.1	-1%	-1%	-	-2%
Voice - Domestic	13.3	13.9	27.2	13.4	13.4	26.8	13.2	13.6	26.8	2%	1%	4%	4%
Voice - International	5.5	5.7	11.3	6.0	5.7	11.7	5.7	5.8	11.5	-4%	-2%	3%	1%
Non-SMS data	8.2	8.7	16.9	7.5	7.5	14.9	7.6	8.1	15.7	13%	8%	5%	16%
Others	0.9	0.9	1.9	1.0	1.0	2.1	1.0	1.0	2.0	-10%	-5%	-	-10%
Total	40.0	41.2	81.1	40.0	39.7	79.7	39.3	40.7	80.0	2%	1%	3%	4%

Revenues by Segment



<i>(PhP in millions)</i>	1H2013			1H2012	% Change
	Wireless	Fixed Line	Consolidated (unaudited)	Consolidated (as adjusted)	
Service Revenues					
Wireless	57,713				
Cellular	52,336		52,336	51,660	1%
Broadband	4,680		4,680	4,215	11%
Satellite and other services	697		697	800	-13%
Fixed line		30,674			
Local exchange		8,128	8,128	8,289	-2%
International long distance		5,770	5,770	5,289	9%
National long distance		2,344	2,344	2,631	-11%
Data and other network		13,444	13,444	12,417	8%
Miscellaneous		988	988	863	14%
Others					
Others			-	-	
Inter-segment transactions			(7,252)	(6,435)	13%
	57,713	30,674	81,135	79,729	2%
Non-Service Revenues	1,222	802	2,024	1,512	34%
Inter-segment transactions	-	-	(60)	(5)	1100%
	1,222	802	1,964	1,507	30%
Total Revenues	58,935	31,476	83,099	81,236	2%

Expenses

(PhP in millions)	1H2013			Consolidated (unaudited)	1H2012 Consolidated (as adjusted)	% Change
	Wireless	Fixed Line	Others			
Operating expenses						
Compensation and employee benefits ⁽¹⁾	4,067	6,033	-	10,072	11,347	-11%
Repairs and maintenance	3,941	2,935	-	6,534	6,407	2%
Selling and promotions	3,488	808	-	4,285	4,313	-1%
Rent	4,929	1,396	-	2,851	2,718	5%
Insurance and security services	523	283	-	755	707	7%
Taxes and licenses	1,086	630	-	1,716	1,866	-8%
Professional and other contracted services	1,849	1,784	2	2,832	2,610	9%
Communication, training and travel	751	392	-	1,063	1,025	4%
Interconnection/settlement costs	4,181	4,127	-	5,454	5,559	-2%
Other operating expenses	479	321	-	800	653	23%
Cash operating expenses	25,294	18,709	2	36,362	37,205	-
Depreciation and amortization	8,144	6,388	-	14,532	15,289	-5%
Asset impairment	796	595	-	1,391	1,184	17%
Amortization of intangible assets	452	1	-	453	712	-36%
Non-cash operating expenses	9,392	6,984	-	16,376	17,185	-5%
Cost of sales	4,777	802	-	5,538	4,483	24%
Total Expenses	39,463	26,495	2	58,276	58,873	-1%

⁽¹⁾ Net of the retroactive effect of the adoption of the Revised PAS 19 in MRP costs of Php927mn in the 1H2013
(Php195mn for Wireless and Php732mn for Fixed Line)

Other Income (Expenses)

<i>(PHP in millions)</i>	1H2013				1H2012	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (as adjusted)	
Gains (losses) on derivative financial instruments, net	4	444	-	448	(437)	203%
Interest income	226	227	40	485	619	-22%
Equity share in net earnings (losses) of associates and joint ventures	(41)	23	1,118	1,100	1,311	-16%
Foreign exchange gains (losses), net	(1,397)	(868)	343	(1,922)	1,606	-220%
Others	(56)	1,703	437	1,858	3,142	-41%
Total	(1,264)	1,529	1,938	1,969	6,241	-68%
Financing costs, net						
Interest on loans and other related items	(1,022)	(1,635)	-	(2,649)	(3,137)	-16%
Accretion on financial liabilities	(691)	(6)	-	(697)	(546)	28%
Financing charges	(41)	(243)	-	(284)	(157)	81%
Capitalized interest	242	61	-	303	476	-36%
Total	(1,512)	(1,823)	-	(3,327)	(3,364)	-1%
Total other income (expenses)	(2,776)	(294)	1,938	(1,358)	2,877	-147%

Wireless and Broadband Net ARPU

Wireless Net ARPU

	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13
Smart Postpaid	1,269	1,237	1,252	1,248	1,154	1,154
Smart Prepaid	153	145	141	150	141	141
Talk 'N Text	102	100	93	93	87	87
Sun Cellular Prepaid	65	66	69	77	80	69
Sun Cellular Postpaid	411	422	413	416	497	518

Prepaid and Postpaid blended Net ARPU

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

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

Broadband Net ARPU

	1Q12	2Q12	3Q12	4Q12	1Q13	2Q13
PLDT DSL	1,149	1,129	1,129	1,133	1,128	1,155
Digitel DSL	674	668	688	682	668	684

EBITDA



(PhP in millions)	1H2013				1H2012	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (as adjusted)	
Income before tax	16,501	3,955	1,936	22,538	25,240	-11%
Add (deduct):						
Depreciation and amortization	8,144	6,388	-	14,532	15,289	-5%
Financing costs, net	1,512	1,823	-	3,327	3,364	-1%
Amortization of intangible assets	452	1	-	453	712	-36%
Equity share in net losses (earnings) of associates and joint ventures	41	(23)	(1,118)	(1,100)	(1,311)	-16%
Losses (gains) on derivative financial instruments, net	(4)	(444)	-	(448)	437	203%
Foreign exchange losses (gains), net	1,397	868	(343)	1,922	(1,606)	-220%
Interest income	(226)	(227)	(40)	(485)	(619)	-
Other income	56	(1,703)	(437)	(1,858)	(3,142)	-41%
PAS 19 Adjustment	195	732	-	927	-	
EBITDA - continuing operations	28,068	11,370	(2)	39,808	38,364	4%
EBITDA - discontinued operations	-	-	-	183	755	-76%
Total EBITDA	28,068	11,370	(2)	39,991	39,119	2%
EBITDA Margin⁽¹⁾	49%	37%	-	49%	48%	

(1) EBITDA margin calculated as EBITDA – continuing operations divided by service revenues (gross of interconnect expenses)

Historical Consolidated: Service Revenues and EBITDA

(PhP in millions)	2013			2012					
	1Q	2Q	1H	1Q	2Q	1H	3Q	4Q	2H
Consolidated Gross Service Revenues ⁽¹⁾									
Fixed line	11,911	12,361	24,272	12,067	11,835	23,902	11,765	11,964	23,729
Local exchange	4,009	4,065	8,074	4,146	4,089	8,235	4,058	4,064	8,122
International long distance	1,711	1,788	3,499	1,801	1,725	3,526	1,715	1,668	3,383
National long distance	1,064	1,094	2,158	1,246	1,203	2,449	1,148	1,081	2,229
Data and other network	4,970	5,224	10,194	4,696	4,665	9,361	4,649	4,965	9,614
Miscellaneous	157	190	347	178	153	331	195	186	381
Wireless	28,057	28,806	56,863	27,963	27,864	55,827	27,556	28,724	56,280
Cellular services	25,409	26,130	51,539	25,481	25,392	50,873	25,018	26,153	51,171
Broadband, satellite and others	2,648	2,676	5,324	2,482	2,472	4,954	2,538	2,571	5,109
Broadband	2,295	2,335	4,630	2,087	2,069	4,156	2,145	2,198	4,343
Satellite and others	353	341	694	395	403	798	393	373	766
Total	39,968	41,167	81,135	40,030	39,699	79,729	39,321	40,688	80,009
Total EBITDA	20,370	19,621	39,991	20,376	18,743	39,119	19,188	18,589	37,777
EBITDA - continuing operations	20,141	19,667	39,808	19,979	18,385	38,364	18,841	18,182	37,023
EBITDA - discontinued operations	229	(46)	183	397	358	755	347	407	754
EBITDA Margin ⁽²⁾	50%	48%	49%	50%	46%	48%	48%	45%	46%

(1) Continuing operations

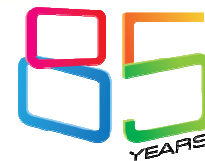
(2) EBITDA margin calculated as EBITDA – continuing operations divided by service revenues (gross of interconnect expenses)

Historical Wireless: Service Revenues & EBITDA

<i>(PhP in millions)</i>	2013			2012					
	1Q	2Q	1H	1Q	2Q	1H	3Q	4Q	2H
Wireless Gross Service Revenues									
Cellular services	25,795	26,541	52,336	25,884	25,776	51,660	25,428	26,517	51,945
Cellular Voice	12,273	12,880	25,153	12,493	12,207	24,700	12,175	12,751	24,926
Domestic	8,375	8,866	17,241	8,211	8,211	16,422	8,147	8,606	16,753
International	3,898	4,014	7,912	4,282	3,996	8,278	4,028	4,145	8,173
Cellular Data	12,913	13,065	25,978	12,712	12,899	25,611	12,653	13,152	25,805
Domestic	10,699	10,677	21,376	10,604	10,756	21,360	10,546	10,813	21,359
International	863	896	1,759	953	969	1,922	919	941	1,860
VAS/Financial Services	1,351	1,492	2,843	1,155	1,174	2,329	1,188	1,398	2,586
Mobile Internet Revenues	979	1,127	2,106	688	725	1,413	768	940	1,708
Other VAS/Financial Services	372	365	737	467	449	916	420	458	878
Other Cellular Revenues	609	596	1,205	679	670	1,349	600	614	1,214
Broadband, satellite and others	2,675	2,702	5,377	2,518	2,497	5,015	2,563	2,597	5,160
Broadband	2,321	2,359	4,680	2,122	2,093	4,215	2,169	2,222	4,391
Satellite and others	354	343	697	396	404	800	394	375	769
Total	28,470	29,243	57,713	28,402	28,273	56,675	27,991	29,114	57,105
EBITDA	14,412	13,656	28,068	14,219	14,013	28,232	13,746	12,502	26,248
<i>EBITDA Margin⁽¹⁾</i>	<i>51%</i>	<i>47%</i>	<i>49%</i>	<i>50%</i>	<i>50%</i>	<i>50%</i>	<i>49%</i>	<i>43%</i>	<i>46%</i>

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

Historical Fixed line: Service Revenues and EBITDA



(PhP in millions)	2013			2012					
	1Q	2Q	1H	1Q	2Q	1H	3Q	4Q	2H
Fixed Line Gross Service Revenues ⁽¹⁾									
Local exchange	4,037	4,087	8,124	4,175	4,113	8,288	4,088	4,092	8,180
International long distance	1,108	1,200	2,308	1,211	1,149	2,360	1,134	1,114	2,248
National long distance	902	913	1,815	1,038	999	2,037	941	926	1,867
Data and other network	6,567	6,745	13,312	6,149	6,120	12,269	6,062	6,430	12,492
Miscellaneous	491	497	988	445	418	863	479	365	844
Total	13,105	13,442	26,547	13,018	12,799	25,817	12,704	12,927	25,631
EBITDA	5,523	5,847	11,370	5,615	4,288	9,903	4,892	4,984	9,876
<i>EBITDA Margin</i> ⁽²⁾	36%	38%	37%	37%	30%	34%	33%	33%	33%

(1) Net of interconnection costs

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

* Fixed line revenues - gross of interconnection costs

(PhP in millions)	2013			2012					
	1Q	2Q	1H	1Q	2Q	1H	3Q	4Q	2H
Fixed Line revenues	15,190	15,484	30,674	14,995	14,494	29,489	14,610	14,972	29,582

Core Net Income

<i>(PhP in millions)</i>	1H2013				1H2012	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (as adjusted)	
Net Income attributable to equity holder of PLDT - continuing operations	12,652	3,183	1,863	17,844	19,036	-6%
Add (deduct):						
Foreign exchange losses (gains), net	1,397	868	(343)	1,922	(1,606)	-220%
Losses (gains) on derivatives financial instruments, net	(4)	(590)	-	(594)	264	-325%
PAS 19 Adjustment	195	732	-	927	-	-
Others	92	2	(183)	(89)	93	-196%
Tax effect	(329)	(249)	62	(516)	403	228%
Core Net Income - Continuing operations	14,003	3,946	1,399	19,494	18,190	7%
Core Net Income - Discontinued operations	-	-	-	(99)	251	-139%
Total Core Net Income	14,003	3,946	1,399	19,395	18,441	5%

Earnings Per Share



	1H2013 (unaudited)		1H2012 (as adjusted)	
	Basic	Diluted	Basic	Diluted
Net income (loss) attributable to equity holders of PLDT	19,707	19,707	19,283	19,283
Continuing Operations	17,844	17,844	19,037	19,037
Discontinued Operations	1,863	1,863	246	246
Dividends on preferred shares	(27)	(27)	(25)	(25)
Net income for the period attributable to common equity holders of PLDT	19,680	19,680	19,258	19,258
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	82.47	82.47	88.00	88.00
EPS - Discontinued Operations	8.62	8.62	1.13	1.13
Total EPS	91.09	91.09	89.13	89.13
Core net income	19,395	19,395	18,441	18,441
Continuing Operations	19,493	19,493	18,190	18,190
Discontinued Operations	(98)	(98)	251	251
Dividends on preferred shares	(27)	(27)	(25)	(25)
Core Net income applicable to common shares	19,368	19,368	18,416	18,416
Weighted average number of shares, end	216,056	216,056	216,056	216,056
EPS (based on core net income)				
EPS - Continuing Operations	90.10	90.10	84.08	84.08
EPS - Discontinued Operations	(0.46)	(0.46)	1.16	1.16
Total EPS	89.64	89.64	85.24	85.24

Cash Flows



<i>(PhP in millions)</i>	1H2013					1H2012 Consolidated (as adjusted)	% Change
	Wireless	Fixed Line	BPO	Others	Consolidated (unaudited)		
Net cash from operations	21,747	8,326	144	1,624	31,798	35,920	-11%
Add(Deduct):							
Capital expenditures	(2,753)	(2,034)	-	-	(4,787)	(9,298)	-49%
Other investing activities	(81)	17,481	2	(1,241)	(27)	299	-109%
Interest, net	(544)	(1,465)	(6)	31	(1,974)	(2,118)	-7%
Preferred share dividends	-	(30)	-	-	(30)	(38)	-21%
Cash from Deconsolidated Operations	-	(1,608)	(1,207)	-	(1,170)	-	-
Others	(441)	(2,920)	(67)	342	(3,086)	(3,935)	-22%
Free cash flow	17,928	17,751	(1,134)	756	20,724	20,830	-1%
Common share dividends	(12,207)	(24,122)	(1)	(5,660)	(24,123)	(23,897)	1%
Investments	(476)	(1,670)	-	13,035	9,245	(4,068)	-327%
Redemption of Investments	150	-	-	-	150	-	-
Redemption of Shares	-	-	-	(4)	(4)	-	-
Trust fund for redemption of shares	-	-	-	-	-	(5,647)	-100%
Redemption of Liabilities	-	-	-	-	-	(202)	-100%
Debt repayments, net	(1,925)	2,227	-	-	(1,344)	(1,408)	-5%
Change in cash	3,470	(5,814)	(1,135)	8,127	4,648	(14,393)	-132%
Cash and short term investments, beginning	16,514	16,966	1,135	4,255	38,870	46,616	-17%
Cash and short term investments, end	19,984	11,152	-	12,382	43,518	32,223	35%

Balance Sheet

<i>(PhP in millions)</i>	Consolidated	
	June 30, 2013 (Unaudited)	December 31, 2012 (Audited)
Total Assets	395,611	405,815
Nominal Value of Total Debt	118,798	117,115
<i>in US\$</i>	\$2,746	\$2,851
Less: Unamortized Debt Discount	903	1,323
Total Debt	117,895	115,792
Cash and short-term investments	43,518	37,735
Net Debt ⁽¹⁾	75,280	79,380
Equity	143,786	145,734
Total Debt⁽²⁾/Equity	<u>0.83x</u>	<u>0.80x</u>
Net Debt⁽¹⁾/Equity	<u>0.52x</u>	<u>0.54x</u>
Total Debt⁽²⁾/EBITDA⁽³⁾	<u>1.53x</u>	<u>1.52x</u>
Net Debt ⁽¹⁾/EBITDA ⁽³⁾	<u>0.98x</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⁾	1H2013 ⁽¹⁾
Debt Balance	1,756	1,585	1,625	2,210	2,113	2,719	2,851	2,746
Cash and short-term investments	514	745	847	908	852	1,061	919	1,006
Net Debt	1,242	840	778	1,302	1,261	1,658	1,932	1,740

⁽¹⁾ Including Digital

Debt Maturities as of June 30, 2013 *(US\$ in millions)*

	Total
2013	298
2014	538
2015	208
2016	444
2017	564
2018 onwards	695
	2,746

Interest-bearing Liabilities

<i>(US\$ in millions)</i>	June 30, 2013 (Unaudited)			December 31, 2012	Change
	Carrying Value	Unamortized Debt Discount/Debt Issuance	Face Value	(Audited) Face Value	
Debt					
PLDT	\$1,409	\$2	\$1,410	\$1,440	(\$30)
Smart	\$955	\$19	\$974	\$957	\$16
2014 Debt	\$267	\$13	\$280	\$280	\$-
Others	\$688	\$6	\$694	\$677	\$17
DIGITEL	\$362	\$-	\$362	\$454	(\$92)
Others	\$-	\$-	\$-	\$-	\$0
Total Debt	\$2,726	\$21	\$2,746	\$2,851	(\$105)
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*	408.6
US\$ Expenses	(179.3)
Cash Opex*	(132.3)
Cost of sales	(2.4)
Financing costs	(44.6)
US\$ Income before tax	229.3
Tax effect	68.8
Core Earnings	160.5
EBITDA	273.9

* Gross of interconnection costs amounting to:
Local exchange revenues (in million Php)

	71.2
	4,342.0

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)*	1,168.9
Accounts Payable	187.5
Accrued Liabilities	121.6
Derivative Liabilities	51.6
Total US\$ denominated Liabilities	1,529.6
Cash and Cash Equivalents	170.6
Short-term Investments	34.0
Trade and other receivables	212.6
Derivative Assets	-
Investment in Debt Securities & Advances	8.7
Total US\$ denominated Assets	425.9
Forex Revaluation for every P1 change	±1,1030.7
* Debt	1,370.6
Less: LT hedges (PO Swap)	201.7
Debt (net of LT hedges)	1,168.9

Forex Impact on Derivatives

P1 movement in the USD/PHP exchange rate corresponds to a P169M change in derivatives

Forex rate, 1H2013

Ave.
41.24

Period End

43.26

Forex rate, 1H2012

42.90

42.28

% of Peso Appreciation vs US\$

-4%

+2%

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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