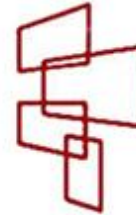




The future is in our fiber.



First Quarter 2014

Financial and Operating Results

Philippine Long Distance Telephone Company (PLDT)

6 May 2014



PLDT Group: 1Q14 Financial Highlights

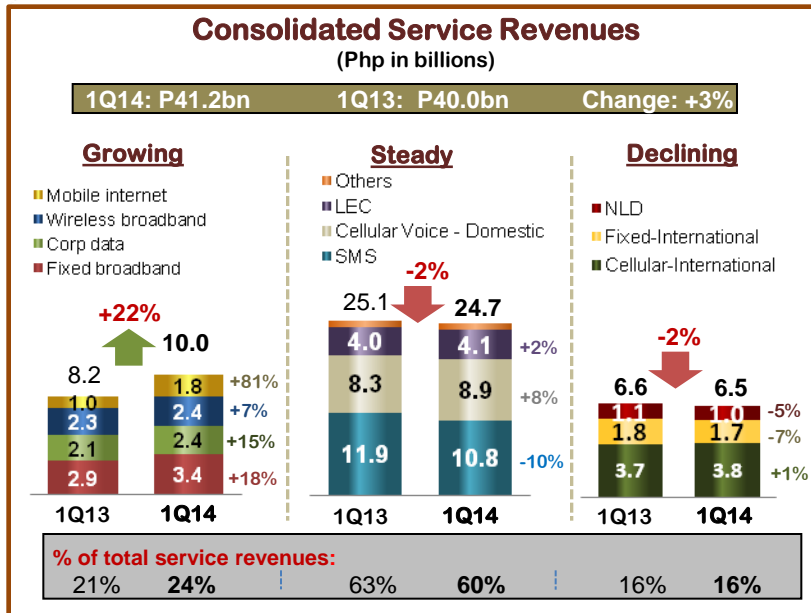
(PhP in billions, except EBITDA margin and core EPS)	1Q2014	1Q2013	% Y-o-Y
	(unaudited)		
Service Revenues	41.2	40.0	↑ 3%
• Wireless	28.9	28.4	↑ 2%
• Fixed Line	16.1	15.3	↑ 5%
EBITDA	19.7	20.1	↓ -2%
• Wireless	13.2	14.3	↓ -8%
• Fixed Line	6.4	5.6	↑ 13%
EBITDA Margin*	48%	50%	↓
• Wireless	46%	50%	↓
• Fixed Line	40%	37%	↑
Reported Net Income	9.4	9.2	↑ 2%
Core Net Income	9.8	9.6	↑ 2%
Core EPS	45.12	44.28	↑ 2%

* FY 2013 EBITDA: 47%

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

Foreign Exchange Rates (Php:US\$1)	1Q2014	1Q2013	% Y-o-Y
Period-end	44.81	40.92	10%
Period-average	44.88	40.70	10%

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
 - Data and broadband revenues growing and replacing high-margin legacy businesses
 - ✓ Relative to local and regional telcos, PLDT's legacy revenues comprise a greater percentage of total revenues
 - ✓ In 2012, revenues from data and broadband overtook revenues from the legacy businesses

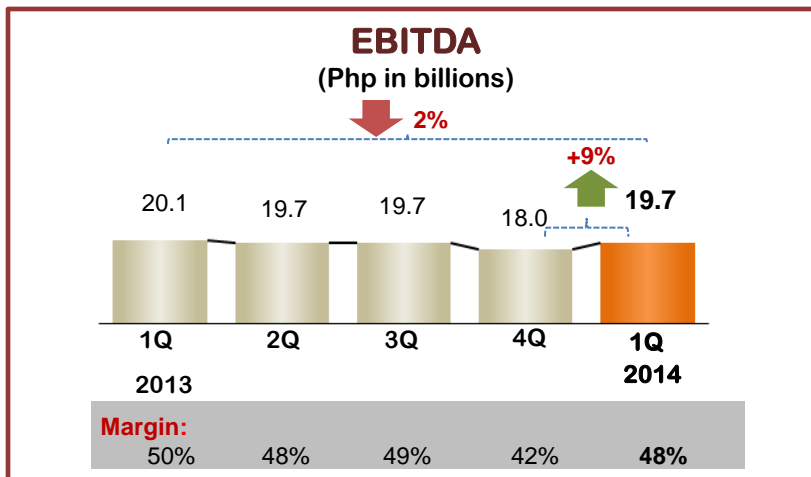
- Consolidated service revenues grew by P1.2bn or 3% to P41.2bn in 1Q14 as the P1.8bn increase in data and broadband revenues exceeded the P0.5bn decline in revenues from the other businesses

- Revenues from data and broadband rose 22% to P10.0bn and now comprise nearly a quarter of total revenues compared with 21% in 1Q13
- Legacy revenues from international fixed and wireless voice and NLD accounting for 16% of total revenues declined by P0.1bn or 2% year-on-year to P6.5bn, partly cushioned in 1Q14 by the depreciation of the peso
- Combined revenues from cellular SMS, cellular domestic voice, and LEC declined by 2% year-on-year or P0.4bn to P24.7bn, mainly due to a P1.1bn dip in SMS revenues which offset the P0.7bn rise in domestic voice and LEC revenues

- Consolidated EBITDA was lower by P0.5bn or 2% year-on-year to P19.7bn as the P1.2bn increase in service revenues was offset by P1.0bn of higher cash operating expenses and P0.7bn rise in subsidies

- Consolidated EBITDA margin of 48% in 1Q14 was lower compared with 50% in 1Q13 but higher than 47% for FY13

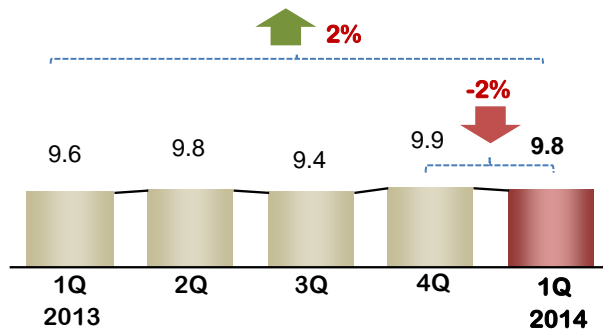
- Wireless 46% (1Q13: 50% ; FY13: 47%)
- Fixed Line 40% (1Q13: 37% ; FY13: 36%)





PLDT Group: Core and Reported Net Income

Core Net Income
(Php in billions)



➤ PLDT expects to be firmly back on the growth track, with core income for 2014 estimated at P39.5bn, or 2% higher year-on-year

- Core income of P38.7bn in 2013 was a 5% year-on-year increase following two consecutive years of declining profits

➤ Core net income for 1Q14 rose by P0.2bn or 2% to P9.8bn as a result of:

- Increase in service revenues of P1.2bn exceeded rise in cash opex of P1.0bn
- Lower financing costs - net by P0.2bn
- Higher equity share in earnings of subsidiaries by P0.2bn
- Higher miscellaneous income of P0.6bn

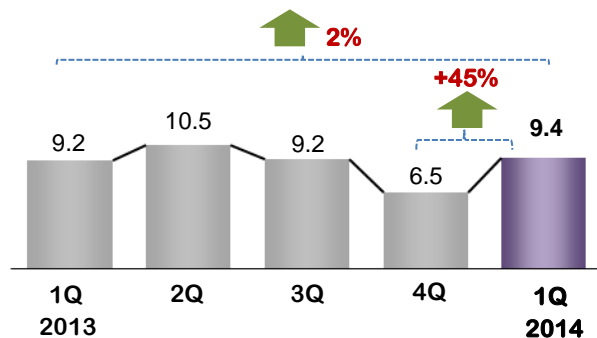
offset by:

- Increase in subsidies by P0.7bn in line with initiatives to grow data revenues and expand the postpaid subscriber base
- Higher non-cash expenses of P0.1bn
- Rise in provision for income tax of P0.1bn

➤ Reported net income grew by P0.2bn or 2% year-on-year to P9.4bn due to the combined effect of:

- Higher core net income by P0.2bn
- 1Q13 included PAS 19 adjustments to MRP expenses
- Higher net forex and derivatives losses of P0.8bn

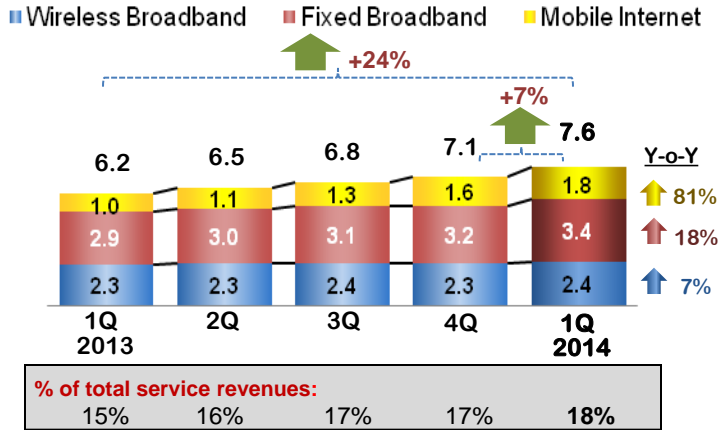
Reported Net Income
(Php in billions)



Broadband revenues

Consolidated Broadband Service Revenues

(Php in billions)



➤ **Broadband service revenues of P7.6bn in 1Q14 account for 18% of consolidated service revenues and is 24% higher year-on-year by P1.5bn, more than double the P0.6bn year-on-year increase in 1Q13**

- Mobile internet revenues were up by P0.8bn or 81% at P1.8bn and account for 23% of total broadband revenues and 4% of total consolidated service revenues
 - ✓ From 10% in 1Q13, about 18% of our cellular subscribers own smartphones in 1Q14
 - ✓ Mobile internet usage rose by 152% to 6,549 Terabytes
- Fixed broadband revenues representing 45% of total broadband revenues were higher by P0.5bn or 18% at P3.4bn, after a 10% rise in subscribers
- Wireless broadband revenues or 32% of total broadband revenues increased by P0.2bn or 7% to P2.4bn, driven by a 14% growth in subscribers

➤ **At the end of March 2014, the Group's broadband subscriber base grew by 4% to 3.6mn, with over 136,000 net adds from end 2013**

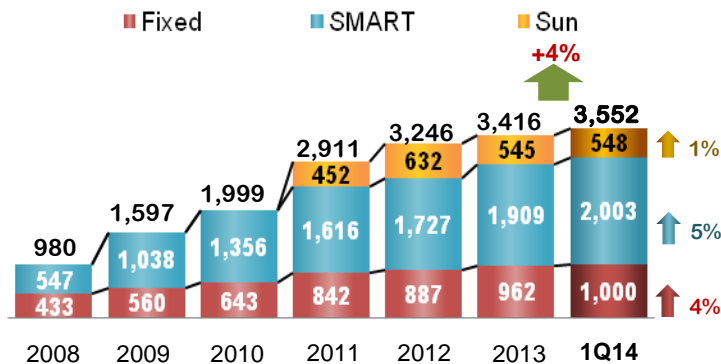
- Fixed broadband subscribers crossed the 1mn mark with net adds of over 38,000
- Wireless broadband subscribers reached about 2.6mn with net adds of over 98,000 in 1Q14

➤ **PLDT group offers a wide range of fixed, wireless and mobile broadband services at several price points, at different speeds and volumes to respond to the varied needs, habits and budgets of our customers**

- Fixed broadband offers include DSL, fiber-to-the-home, triple-play services
- Wireless broadband products consist of broadband access using dongles; fixed-wireless services on Canopy/WiMax and TD-LTE broadband for the home
- Mobile broadband services including data sachets/sachet apps, time- and volume-based prepaid and postpaid plans

Broadband Subscribers

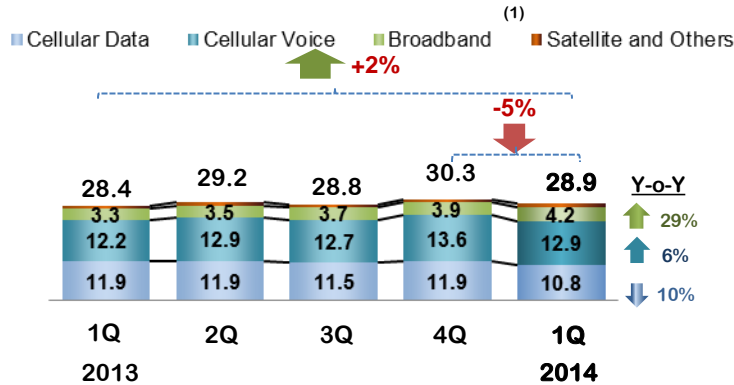
(in thousands)



Wireless segment

Wireless Service Revenues

(Php in billions)



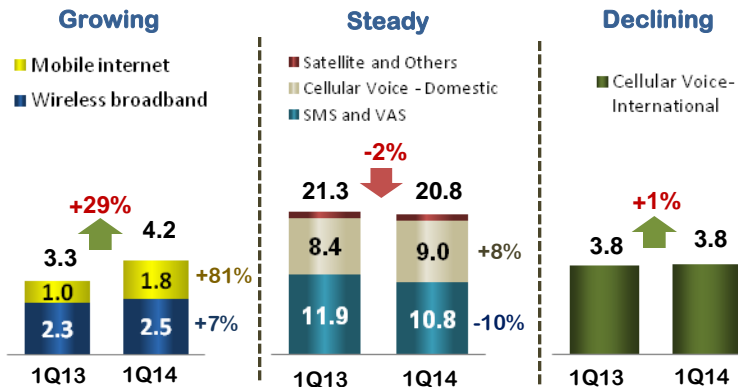
(1) Includes mobile internet revenues

➤ **Wireless service revenues for 1Q14 grew by P0.5bn or 2% year-on-year to P28.9bn due to the continued rise in broadband and voice revenues**

- Cellular voice revenues representing 45% of total wireless service revenues were higher by P0.7bn or 6% at P12.9bn
 - ✓ Domestic voice revenues grew by 8% resulting from the increase in postpaid subscribers
 - ✓ International voice revenues grew by 1% due to the peso depreciation which offset the 10% decline in call volumes
- Broadband revenues accounting for 15% of total wireless revenues rose by P0.9bn or 29% to P4.2bn
 - ✓ Wireless broadband revenues were up 7% to P2.5bn following a 14% increase in subscribers
 - ✓ Mobile internet browsing revenues grew by 81% or P0.8bn to P1.8bn as usage rose
- SMS and VAS revenues contributing 37% to total wireless service revenues dipped by P1.1bn or 10% to P10.8bn mainly due to an 11% decrease in SMS volumes

Wireless Service Revenues

(Php in billions)



% of total wireless service revenues:

12% 15% | 75% 72% | 13% 13%

➤ **Structural change in revenue mix in the wireless business segment is at a relatively early stage as broadband revenues only overtook legacy revenues in 1Q14**

➤ **Postpaid revenues of P5.1bn in 1Q14 now account for 20% of cellular revenues, and are higher by 17% year-on-year or P0.7bn**

- Growth in postpaid revenues more than the P0.6bn increase in subsidies
- Postpaid subscriber base grew by 19% about 394K from 1Q13 to 2.5mn

➤ **Prepaid revenues were lower by P0.4bn or 2% year-on-year at P20.3bn due to declines in text messaging and international outbound voice revenues partly offset by increases in mobile internet and domestic outbound voice revenues**

- Prepaid subscriber base grew by 1% or net adds of over 363K from end 2013 to 68.0mn

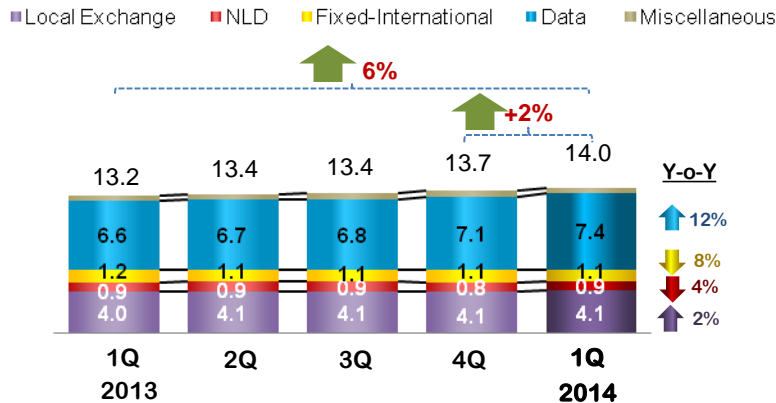
➤ **Wireless EBITDA decreased by P1.1bn or 8% to P13.2bn as impact of increases in subsidies and certain cash opex items felt starting 2Q13 onwards**

- EBITDA margin declined to 46% from 47% for FY13 partly due to structural change in revenue mix and the increase in postpaid revenues to total revenues

Fixed line segment

Fixed Line Service Revenues*

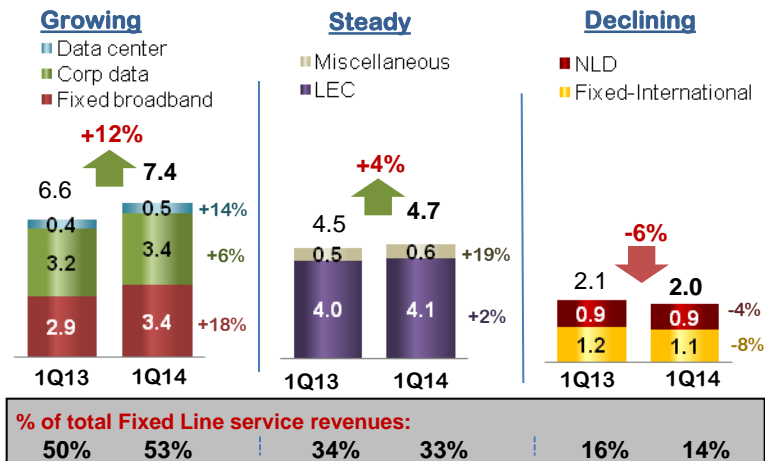
(Php in billions)



- Fixed line service revenues for 1Q14 of P14.0bn, net of interconnection costs, were higher by P0.8bn or 6% year-on-year primarily driven by growth in retail and corporate data revenues
 - Data revenues were up by P0.8bn or 12% at P7.4bn and contribute 53% to total fixed line service revenues
 - ✓ Corporate data and other network services, accounting for 47% of total fixed line data revenues, grew by P0.2bn or 6% to P3.4bn
 - ✓ Fixed broadband revenues, representing 46% of total fixed line data revenues, improved by P0.5bn or 18% to P3.4bn following a 10% increase in subscribers
 - ✓ Data center revenues or 7% of total fixed line data revenues, were up by P0.1bn or 14% to P0.5bn
 - LEC revenues rose by P0.1bn or 2% to P4.1bn and account for 29% of total fixed line revenues
 - Combined ILD and NLD revenues, representing 14% of total fixed line revenues, were lower by P0.1bn or 6% to P2.0bn

Fixed Line Service Revenues *

(Php in billions)



- Structural change in the revenue mix of the fixed line business segment has been ongoing for several years such that over half of total revenues are now from the growing data business while declining legacy revenues have been reduced to below 15% of total revenues
- Fixed line EBITDA rose by P0.7bn or 13% year-on-year to P6.4bn in 1Q14 as higher revenues and lower provisions for inventory and receivables were greater than increases in subsidies and cash operating expenses
 - EBITDA margin improved to 40% from 37% in 1Q13
- At end March 2014, PLDT had 2.1mn fixed line subscribers of which 1.0mn or 48% have fixed broadband subscriptions

* Net of interconnection costs



Market opportunities and initiatives

Opportunities

Data and Broadband

- Internet/social network habit among young, literate market mainly using internet cafes, wi-fi
- Low smartphone penetration, range of handsets available are increasing with prices coming down
- Potential for data adoption/purchase in the large untapped prepaid market
- 48% of landline subscribers have DSL subscriptions
- Sustained economic improvement fuelling business expansions of corporates, SMEs, BPO

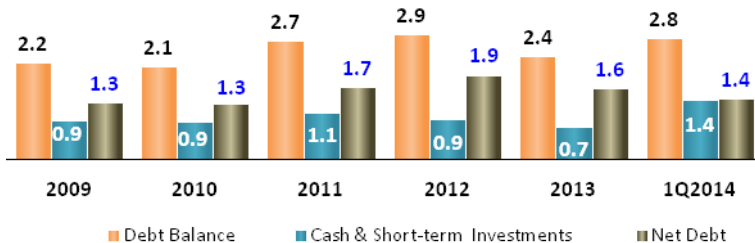
Initiatives

- ✓ “Always-on” experience via low-denomination prepaid data sachets, PowerApps, “ring-fenced” sachet apps
- ✓ Push SMS+voice+data bundles to partly address shift to alternative messaging services
- ✓ Use of engaging/compelling content (e. g., music, games, movies, sports, TV) to encourage usage, generate additional revenues, and for customer retention
- ✓ Increase access device ownership: cellular postpaid plans, fixed line offers: Telpad, TVolution
- ✓ Wide range of fixed line data plans, including triple-play, fiber-to-the-home
- ✓ Expand household reach via wireless technology (eg TD-LTE) to complement fixed network
- ✓ Enterprise solutions: Ethernet, cloud computing and data center services
- ✓ Leverage unrivalled integrated network advantage to deliver quality of experience

PLDT Group: Debt Profile

Debt Balance

(US\$ in billions)



Net Debt/EBITDA

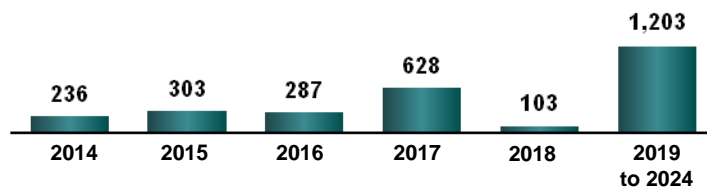
0.7x 0.7x 0.9x 1.05x 0.9x **0.8x**

- **Net debt of US\$1.4bn and net debt to EBITDA ratio of 0.8x as of 1Q14 were both lower compared with YE13**
 - Net of approx. US\$0.6bn or P25bn of dividend payments in April 2014, net debt and net debt to EBITDA to rise to US\$2.0bn and 1.14x, respectively
- **At end March 2014, gross debt increased by US\$0.4mn to US\$2.8bn**
 - 47% of gross debt is US\$ denominated
 - Taking into account our US\$ cash holdings and hedges, only US\$933mn or 34% of total debt is unhedged
 - ✓ US\$190mn or 21% of 1Q14 revenues are dollar-linked
 - 58% are fixed-rate loans, while 42% are floating-rate loans
 - Average interest cost (pre-tax) of 4.01% for 1Q14 (FY13: 4.33% ; 1Q13: 4.50%)
- **Debt maturities continue to be well spread out**
 - US\$234mn bonds maturing in 2017
 - 44% of total debt due to mature beyond 2018, including P15bn retail bonds issued in 1Q14
- **PLDT rated investment grade by three major international ratings agencies**

Debt Maturities

(as of 31 March 2014, US\$ in millions)

Total: US\$2,760mn

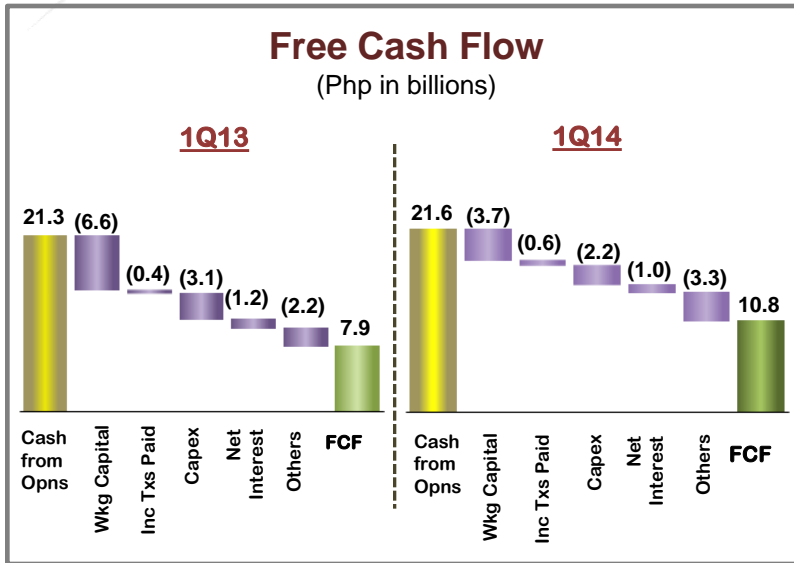


Debt maturities to total debt:

8% 11% 10% 23% 4% 44%

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 1Q14 was higher by P2.9bn or 37% at P10.8bn from P7.9bn last year resulting from:

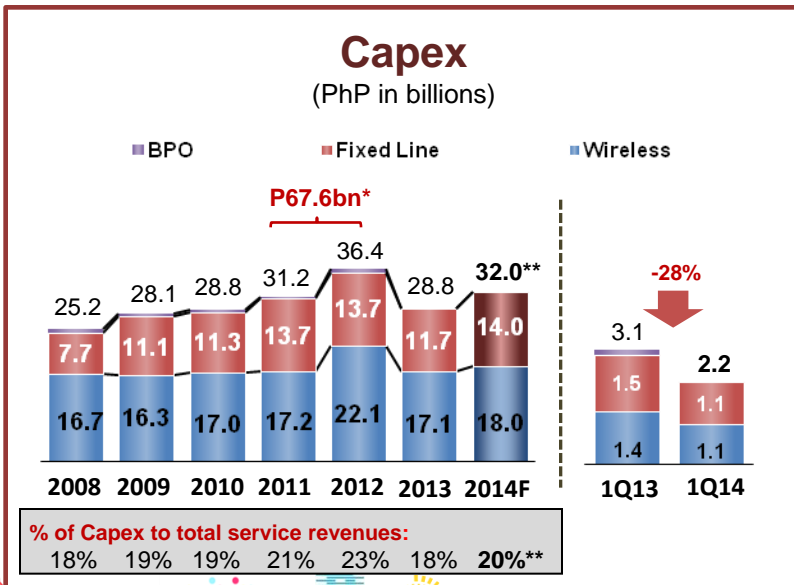
- Higher cash from operations of P0.3bn
- Lower net decrease in working capital of P2.9bn
- Decrease in capex by P0.8bn
- Reduction in net interest paid of P0.2bn

offset by:

- Higher income taxes paid of P0.1bn

➤ Following the completion of the two-year network modernization program in 2012, 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 include:
 - ✓ Wider coverage: attain 92% 3G population coverage (100% of cities and municipalities), enhanced coverage via supplemental in-building presence
 - ✓ Expansion of fiber network to reach about 90,000 kms.
 - ✓ Expansion of 4G LTE population coverage to around 50% from about 25% as of end 2013
 - ✓ Investment in a new international cable system
 - ✓ Strengthening of transport and support facilities anticipating climate change and severe weather conditions
- 1Q14 capex lower by P0.8bn or 28% at P2.2bn from P3.1bn in 1Q13



➤ On-going network activities:

- Expanding 3G population coverage: 72% at 1Q14
- Fortifying the group's fiber footprint: approximately 85,000 kms., with total fiber strands of 3.4mn kms. at end March 2014
- Building out the LTE network: powered up over 200 TD-LTE sites to enable PLDT's newest high-speed fixed wireless HOME offer, ULTERA
- Unified Smart-Sun network project:
 - ✓ Completed 62% of all provinces (Mindanao 100%)
 - ✓ Significant coverage gains for Sun, physical site gains for Smart, resulting in opex and capex avoidance
- Projects to enhance multi-media capability:
 - ✓ Additional VDSL coverage for 36 buildings
 - ✓ Close to 23,000 additional FTTH and NGN lines
 - ✓ New MMDS (multi-channel multi-point distribution service) platform already operational which recently enabled several pay-per view services
 - ✓ Commenced migration activities to our modernized content availability platform with capability of handling digital content including music and games

% of Capex to total service revenues:

18% 19% 19% 21% 23% 18% 20%**



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



Other Details



Recap of 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
- Music downloads available for as low as P15 or about US\$0.34 per track
- 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 (PLDT investment via Mediaquest PDRs)

- CignalTV had over 681,000 subscribers at the end of 1Q14 from about 602,000 at YE13 and over 441,000 at the end of 2012
 - ✓ 32% postpaid, 68% prepaid
- Prepaid plans range from P290-430; while postpaid plans range from P430-1,590
 - ✓ Blended ARPU of P325 in 1Q14 from P270 in 1Q13
- EBITDA positive at YE13, booked a profit in 1Q14
- 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

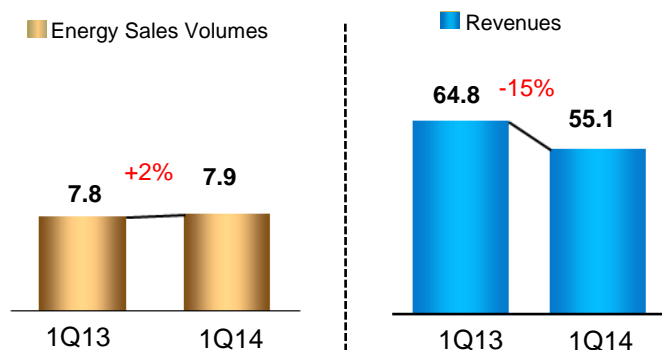
- Currently in its beta phase, and available on mobile devices that run on the Android Jelly Bean operating system (OS), and will soon be available on other OS





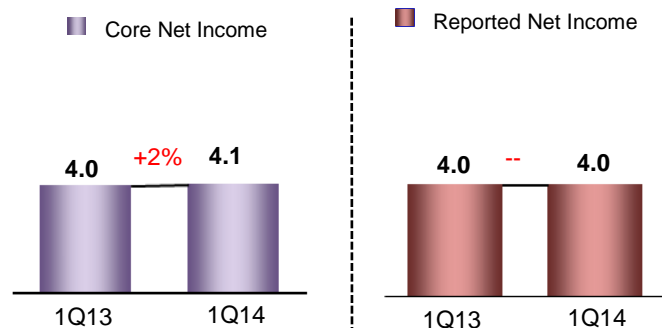
Energy Sales Volumes and Revenues

(in '000 GWh and Php in billions)



Core and Reported Net Income

(Php in billions)



- **MERALCO's consolidated revenues in 1Q14 of P55.1bn were lower by P9.7bn or 15% year-on-year to due to the billing adjustment in the WESM rate for December 2013 power purchases as ordered by the ERC, and the shift of contestable customers to other retail electricity suppliers (RES)**
- **Consolidated EBITDA for 1Q14 of P7.5bn was higher by P0.4bn or 5% year-on-year; EBITDA margin rose 14% from 11% in 1Q13**
- **Core net income for the first quarter of 2014 increased by P0.1bn or 2% to P4.1bn , while reported net income was stable at P4.0bn**
- **Other operational highlights:**
 - Capex in 1Q14 rose by P0.1bn or 8% to P2.1bn primarily due to the “cut-in” of Therma Mobile and the completion of new Araneta-Cubao-Kamuning Transmission 115KV Line
 - Ongoing pilot of Prepaid Retail Electricity Service (PRES) in Taytay and Angono to expand to more areas
 - Meralco signed four (4) Interim Power Supply Agreements (IPSAs) covering the contract period of 1 April to 30 June 2014 to serve anticipated higher customer demand during summer months
 - Power generation portfolio target of 3,000MW; current initiatives include:
 - ✓ San Buenaventura Power in Mauban, Quezon (JV between MGen and Thailand's EGCO): 455MW (net) coal-fired power plant
 - ✓ RPEnergy in Subic, Zambales: 2x300MW CFB coal-fired power plant
 - ✓ 20% interest in Global Business Power Corporation, the largest independent power producer in the Visayas
 - ✓ Pacific Light Power in Singapore (partnership of MGen and First Pacific Company of HK): 800MW LNG power plant; started full commercial operations in February 2014
- **Beacon Electric, co-owned 50% by PCEV and by Metro Pacific Investment Corporation, is the largest shareholder of MERALCO with approximately 50% shareholdings**
 - PCEV equity share in core income of Beacon/MERALCO in 1Q14 of P0.7bn and P0.6bn in 1Q13



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 CignalTV (a 100% subsidiary of MediaQuest)**
 - ✓ Investment in Cignal 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***
 - ✓ As of 6 May 2014, PDRs have not been issued
- **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**



Appendix

Subscriber Data: Cellular

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Cellular Subscribers by category:

	Mar-14	Dec- 13	Sept- 13	Jun-13	Mar-13	1Q14 vs 1Q13		1Q14 vs FY13	
						Net Adds	%	Net Adds	%
CELLULAR									
Prepaid	68,030,812	67,667,750	70,198,270	71,197,952	69,628,396	(1,597,584)	-2%	363,062	1%
Smart Prepaid	24,959,498	24,608,687	23,867,643	24,631,062	24,593,169	366,329	1%	350,811	1%
Sun Prepaid	13,581,189	13,574,046	14,407,793	14,745,876	14,464,318	(883,129)	-6%	7,143	-
Talk 'N Text	29,490,125	29,485,017	31,922,834	31,821,014	30,570,909	(1,080,784)	-4%	5,108	-
Postpaid	2,464,660	2,377,877	2,300,000	2,185,433	2,070,867	393,793	19%	86,783	4%
Smart Postpaid	928,390	889,696	866,160	827,507	767,277	161,113	21%	38,694	4%
Sun Postpaid	1,536,270	1,488,181	1,433,840	1,357,926	1,303,590	232,680	18%	48,089	3%
Total Cellular Subscribers	70,495,472	70,045,627	72,498,270	73,383,385	71,699,263	(1,203,791)	-2%	449,845	1%

Cellular Subscribers by brand:

	Mar-14	Dec- 13	Sept- 13	Jun-13	Mar-13	1Q14 vs 1Q13		1Q14 vs FY13	
						Net Adds	%	Net Adds	%
CELLULAR									
Smart	25,887,888	25,498,383	24,733,803	25,458,569	25,360,446	527,442	2%	389,505	2%
Smart Prepaid	24,959,498	24,608,687	23,867,643	24,631,062	24,593,169	366,329	1%	350,811	1%
Smart Postpaid	928,390	889,696	866,160	827,507	767,277	161,113	21%	38,694	4%
Talk 'N Text	29,490,125	29,485,017	31,922,834	31,821,014	30,570,909	(1,080,784)	-4%	5,108	-
Sun Cellular	15,117,459	15,062,227	15,841,633	16,103,802	15,767,908	(650,449)	-4%	55,232	-
Sun Prepaid	13,581,189	13,574,046	14,407,793	14,745,876	14,464,318	(883,129)	-6%	7,143	-
Sun Postpaid	1,536,270	1,488,181	1,433,840	1,357,926	1,303,590	232,680	18%	48,089	3%
Total Cellular Subscribers	70,495,472	70,045,627	72,498,270	73,383,385	71,699,263	(1,203,791)	-2%	449,845	1%

Subscriber Data: Broadband

The future is in our fiber.



	Mar-14	Dec-13	Sept-13	Jun-13	Mar-13	1Q14 vs 1Q13		1Q14 vs FY13	
						Net Adds	%	Net Adds	%
BROADBAND									
Wireless Broadband	2,551,882	2,453,826	2,378,607	2,322,416	2,238,979	312,903	14%	98,056	4%
Smart Broadband	2,003,433	1,909,209	1,843,839	1,803,520	1,740,572	262,861	15%	94,224	5%
Prepaid	1,435,216	1,359,862	1,294,152	1,254,400	1,226,054	209,162	17%	75,354	6%
Postpaid	568,217	549,347	549,687	549,120	514,518	53,699	10%	18,870	3%
Sun Broadband	548,449	544,617	534,768	518,896	498,407	50,042	10%	3,832	1%
Prepaid	295,887	309,756	303,034	293,449	272,113	23,774	9%	(13,869)	-4%
Postpaid	252,562	234,861	231,734	225,447	226,294	26,268	12%	17,701	8%
Fixed Line Broadband	1,000,028	961,967	949,762	920,147	907,703	92,325	10%	38,061	4%
Total Broadband Subscribers	3,551,910	3,415,793	3,328,369	3,242,563	3,146,682	405,228	13%	136,117	4%



1Q2014: Consolidated Financial Highlights

<i>(Php in millions)</i>	1Q2014				1Q2013	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (unaudited)	
Service Revenues	28,868	16,082	-	41,217	39,968	3%
Cash operating expenses ⁽¹⁾	13,002	9,630	1	18,800	17,806	6%
Depreciation and amortization	3,908	3,297	-	7,205	7,228	-
Financing costs, net	(391)	(945)	-	(1,324)	(1,604)	-17%
Income before income tax	8,352	2,872	913	12,137	11,731	3%
Provision for income tax	1,985	732	28	2,745	2,669	3%
EBITDA	13,204	6,354	(1)	19,657	20,141	-2%
<i>EBITDA Margin ⁽²⁾</i>	<i>46%</i>	<i>40%</i>	<i>-</i>	<i>48%</i>	<i>50%</i>	
Net Income attributable to Equity Holders of PLDT	6,364	2,130	885	9,379	9,178	2%
Continuing Operations	6,364	2,130	885	9,379	9,053	4%
Discontinued Operations	-	-	-	-	125	-100%
Core net income	6,782	2,094	886	9,762	9,580	2%
Continuing Operations	6,782	2,094	886	9,762	9,456	3%
Discontinued Operations	-	-	-	-	124	-100%

⁽¹⁾ Net of the retroactive effect of the adoption of the Revised PAS 19 in MRP costs of Php791mn for 1Q2013 (Php119mn for Wireless and Php672mn for Fixed Line)

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

Reconciliation of Core and Reported Net Income

<i>(Php in millions)</i>	1Q2014				1Q2013	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (unaudited)	
Net Income attributable to equity holder of PLDT - continuing operations	6,364	2,130	885	9,379	9,053	4%
Add (deduct):						
Foreign exchange losses (gains), net	544	207	(16)	735	(213)	445%
Losses (gains) on derivative financial instruments, net	2	(260)	(7)	(265)	(92)	188%
PAS 19 Adjustment	-	-	-	-	791	-100%
Others	-	1	20	21	(14)	250%
Tax effect	(128)	16	4	(108)	(69)	57%
Core Net Income - Continuing operations	6,782	2,094	886	9,762	9,456	3%
Core Net Income - Discontinued operations	-	-	-	-	124	-100%
Total Core Net Income	6,782	2,094	886	9,762	9,580	2%

Consolidated Service Revenues

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<i>(Php in billions)</i>	2014	2013					% Change 1Q14 vs	
	1Q	1Q	2Q	3Q	4Q	FY	1Q13	4Q13
SMS and VAS	10.8	11.9	11.9	11.5	11.9	47.3	-10%	-9%
Voice - Domestic	14.0	13.3	13.9	13.7	14.3	55.2	5%	-2%
Voice - International	5.5	5.5	5.6	5.6	5.9	22.7	-1%	-8%
Non-SMS data	10.0	8.2	8.7	9.0	9.5	35.4	22%	6%
Others	0.9	0.9	0.9	0.8	0.9	3.6	1%	6%
Total	41.2	40.0	41.1	40.6	42.4	164.1	3%	-3%

Expenses

(Php in millions)	1Q2014				1Q2013	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (unaudited)	
Operating expenses						
Compensation and employee benefits ⁽¹⁾	1,940	3,225	-	5,160	4,965	4%
Repairs and maintenance	2,153	1,496	-	3,484	3,301	6%
Selling and promotions	1,706	416	-	2,113	1,922	10%
Rent	2,724	573	-	1,538	1,477	4%
Insurance and security services	306	169	-	448	422	6%
Taxes and licenses	592	329	-	921	912	1%
Professional and other contracted services	1,026	968	1	1,618	1,403	15%
Communication, training and travel	395	211	-	562	512	10%
Interconnection/settlement costs	2,036	2,073	-	2,663	2,577	3%
Other operating expenses	124	170	-	293	315	-7%
Cash operating expenses	13,002	9,630	1	18,800	17,806	6%
Depreciation and amortization	3,908	3,297	-	7,205	7,228	-
Asset impairment	599	38	-	637	602	6%
Amortization of intangible assets	286	-	-	286	202	42%
Non-cash operating expenses	4,793	3,335	-	8,128	8,032	1%
Cost of sales	2,926	523	-	3,449	2,411	43%
Total Expenses	20,721	13,488	1	30,377	28,249	8%

⁽¹⁾ Net of the retroactive effect of the adoption of the Revised PAS 19 in MRP costs of Php791mn for 1Q2013 (Php119mn for Wireless and Php672mn for Fixed Line)



Other Income (Expenses)

<i>(Php in millions)</i>	1Q2014				1Q2013	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (unaudited)	
Gains (losses) on derivative financial instruments, net	(2)	182	7	187	23	713%
Interest income	52	75	77	192	296	-35%
Equity share in net earnings of associates and joint ventures	-	26	690	716	553	29%
Foreign exchange gains (losses), net	(544)	(207)	16	(735)	213	-445%
Others	227	684	124	935	330	183%
Total	(267)	760	914	1,295	1,415	-8%
Financing costs, net						
Interest on loans and other related items	(377)	(848)	-	(1,213)	(1,273)	-5%
Accretion on financial liabilities	(29)	(4)	-	(33)	(260)	-87%
Financing charges	(39)	(144)	-	(183)	(232)	-21%
Capitalized interest	54	51	-	105	161	-35%
Total	(391)	(945)	-	(1,324)	(1,604)	-17%
Total other income (expenses)	(658)	(185)	914	(29)	(189)	-85%



Cellular and Broadband Net ARPU

Cellular Net ARPU

	2014	2013			
	1Q	1Q	2Q	3Q	4Q
Smart Postpaid	1,086	1,154	1,153	1,099	1,102
Smart Prepaid	132	141	141	142	153
Talk 'N Text	87	87	87	82	85
Sun Cellular Prepaid	67	57	58	60	68
Sun Cellular Postpaid	476	455	495	476	493

Cellular Prepaid and Postpaid blended Net ARPU

	2014	2013			
	1Q	1Q	2Q	3Q	4Q
Prepaid and Postpaid Blended, Net ⁽¹⁾	124	125	126	122	130

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

Broadband Net ARPU

	2014	2013			
	1Q	1Q	2Q	3Q	4Q
Smart Broadband blended	338	344	345	357	332
Sun Broadband blended	274	328	330	253	285
Fixed Broadband	1,174	1,089	1,119	1,113	1,109



Historical Consolidated: Service Revenues and EBITDA

(Php in millions)	2014	2013				
	1Q	1Q	2Q	3Q	4Q	FY
Fixed line	12,792	11,997	12,275	12,220	12,589	49,081
Local exchange	4,087	4,008	4,066	4,042	4,057	16,173
International long distance	1,679	1,798	1,701	1,581	1,768	6,848
National long distance	1,006	1,064	1,094	1,046	1,001	4,205
Data and other network	5,805	4,970	5,224	5,338	5,545	21,077
Miscellaneous	215	157	190	213	218	778
Wireless	28,425	27,971	28,794	28,347	29,859	114,971
Cellular services	25,662	25,323	26,118	25,652	27,185	104,278
Broadband, satellite and others	2,763	2,648	2,676	2,695	2,674	10,693
Broadband	2,448	2,295	2,335	2,363	2,333	9,326
Satellite and others	315	353	341	332	341	1,367
Total Consolidated Gross Service Revenues	41,217	39,968	41,069	40,567	42,448	164,052
Non-Service revenues	1,326	992	972	1,017	1,298	4,279
Total Consolidated Gross Revenues	42,543	40,960	42,041	41,584	43,746	168,331
Add:						
Cash Operating Expenses	(18,800)	(18,597)	(18,594)	(18,459)	(21,192)	(76,842)
Cost of sales	(3,449)	(2,411)	(3,127)	(2,994)	(3,274)	(11,806)
Writedown of Inventory and Provision for doubtful AR	(637)	(602)	(789)	(729)	(1,280)	(3,400)
PAS 19 adjustments	-	791	136	342	-	1,269
EBITDA	19,657	20,141	19,667	19,744	18,000	77,552
EBITDA Margin ⁽¹⁾	48%	50%	48%	49%	42%	47%

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



Historical Wireless: Service Revenues & EBITDA

(Php in millions)	2014	2013				FY
	1Q	1Q	2Q	3Q	4Q	
Wireless Gross Service Revenues						
Cellular services	26,078	25,709	26,529	26,040	27,597	105,875
Cellular Voice	12,868	12,187	12,869	12,733	13,595	51,384
Domestic	9,025	8,375	8,866	8,682	9,351	35,274
International	3,843	3,812	4,003	4,051	4,244	16,110
SMS	10,381	11,562	11,572	11,006	11,201	45,341
Domestic	9,574	10,699	10,676	10,147	10,300	41,822
International	807	863	896	859	901	3,519
Mobile Internet Revenues	1,769	979	1,126	1,283	1,580	4,968
VAS/Financial Services	408	372	366	529	682	1,949
Other Cellular Revenues	652	609	596	489	539	2,233
Broadband, satellite and others	2,790	2,675	2,702	2,725	2,702	10,804
Broadband	2,474	2,321	2,359	2,393	2,359	9,432
Satellite and others	316	354	343	332	343	1,372
Total Wireless Gross Service Revenues	28,868	28,384	29,231	28,765	30,299	116,679
Non-Service revenues	863	588	634	630	792	2,644
Total Wireless Gross Revenues	29,731	28,972	29,865	29,395	31,091	119,323
Add:						
Cash Operating Expenses	(13,002)	(12,370)	(13,021)	(13,594)	(14,213)	(53,198)
Cost of sales	(2,926)	(2,100)	(2,677)	(2,592)	(2,813)	(10,182)
Writedown of Inventory and Provision for doubtful AR	(599)	(295)	(501)	(467)	(514)	(1,777)
PAS 19 adjustments	-	119	76	342	-	537
EBITDA	13,204	14,326	13,742	13,084	13,551	54,703
<i>EBITDA Margin ⁽¹⁾</i>	<i>46%</i>	<i>50%</i>	<i>47%</i>	<i>45%</i>	<i>45%</i>	<i>47%</i>

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



Historical Fixed Line: Service Revenues and EBITDA

(Php in millions)	2014	2013				FY
	1Q	1Q	2Q	3Q	4Q	
Fixed Line Gross Service Revenues						
Local exchange	4,111	4,036	4,092	4,066	4,080	16,274
International long distance	2,859	2,968	2,802	2,678	2,974	11,422
National long distance	1,099	1,155	1,189	1,137	1,102	4,583
Data and other network	7,430	6,626	6,818	6,894	7,134	27,472
Miscellaneous	583	491	497	541	590	2,119
Total Fixed Line Service Revenues	16,082	15,276	15,398	15,316	15,880	61,870
Non-Service revenues	463	435	367	388	507	1,697
Total Fixed Line Gross Revenues	16,545	15,711	15,765	15,704	16,387	63,567
Add:						
Cash Operating Expenses	(9,630)	(10,156)	(9,285)	(8,450)	(10,846)	(38,737)
Cost of sales	(523)	(311)	(491)	(402)	(461)	(1,665)
Writedown of Inventory and Provision for doubtful AR	(38)	(307)	(288)	(262)	(766)	(1,623)
PAS 19 adjustments	-	672	60	-	-	732
EBITDA	6,354	5,609	5,761	6,590	4,314	22,274
<i>EBITDA Margin ⁽¹⁾</i>	<i>40%</i>	<i>37%</i>	<i>37%</i>	<i>43%</i>	<i>27%</i>	<i>36%</i>

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

Fixed line revenues - net of interconnection costs

(Php in millions)	2014	2013				FY
	1Q	1Q	2Q	3Q	4Q	
Fixed Line Gross Service Revenues						
Local exchange	4,109	4,035	4,089	4,065	4,076	16,265
International long distance	1,100	1,195	1,114	1,108	1,137	4,554
National long distance	865	904	911	884	848	3,547
Data and other network	7,352	6,566	6,745	6,824	7,054	27,189
Miscellaneous	583	491	497	541	590	2,119
Total	14,009	13,191	13,356	13,422	13,705	53,674



Earnings Per Share

	1Q2014 (unaudited)		1Q2013 (unaudited)	
	Basic	Diluted	Basic	Diluted
Net income (loss) attributable to equity holders of PLDT	9,379	9,379	9,178	9,178
Continuing Operations	9,379	9,379	9,053	9,053
Discontinued Operations	-	-	125	125
Dividends on preferred shares	(14)	(14)	(14)	(14)
Net income for the period attributable to common equity holders of PLDT	9,365	9,365	9,164	9,164
Outstanding common shares at beginning of period	216,056	216,056	216,056	216,056
Weighted average number of common shares, end	216,056	216,056	216,056	216,056
EPS (based on reported net income)				
EPS - Continuing Operations	43.34	43.34	41.84	41.84
EPS - Discontinued Operations	-	-	0.58	0.58
Total EPS	43.34	43.34	42.42	42.42
Core net income	9,762	9,762	9,580	9,580
Continuing Operations	9,762	9,762	9,456	9,456
Discontinued Operations	-	-	124	124
Dividends on preferred shares	(14)	(14)	(14)	(14)
Core Net income applicable to common shares	9,748	9,748	9,566	9,566
Weighted average number of shares, end	216,056	216,056	216,056	216,056
EPS (based on core net income)				
EPS - Continuing Operations	45.12	45.12	43.70	43.70
EPS - Discontinued Operations	-	-	0.58	0.58
Total EPS	45.12	45.12	44.28	44.28

Cash Flows

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<i>(Php in millions)</i>	1Q2014				1Q2013	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (unaudited)	
Net cash from operations	11,525	5,917	14	17,341	14,302	21%
Add(Deduct):						
Capital expenditures	(1,084)	(1,137)	-	(2,221)	(3,066)	-28%
Other investing activities	84	13,505	-	(1,408)	(361)	290%
Interest, net	(228)	(799)	25	(990)	(1,181)	-16%
Preferred share dividends	-	(15)	-	(15)	(15)	-
Others	(257)	(1,696)	29	(1,923)	(1,821)	6%
Free cash flow	10,040	15,775	68	10,784	7,858	37%
Common share dividends	(14,601)	(9)	(500)	(10)	(8)	25%
Investments	(539)	(464)	-	(1,003)	(868)	16%
Redemption of Investments	-	-	-	-	150	-100%
Redemption of Shares	-	-	-	-	(2)	-100%
Debt proceeds (repayments), net	5,174	13,508	-	18,682	(4,160)	-549%
Change in cash	74	28,810	(432)	28,453	2,970	858%
Cash and short term investments, beginning	11,098	9,829	11,697	32,623	38,870	-16%
Cash and short term investments, end	11,172	38,639	11,265	61,076	41,840	46%



Balance Sheet

<i>(Php in millions)</i>	Consolidated	
	March 31, 2014 (unaudited)	December 31, 2013 (Audited)
Total Assets	426,848	399,638
Nominal Value of Total Debt	123,691	104,472
<i>in US\$</i>	<i>\$2,760</i>	<i>\$2,353</i>
Less: Unamortized Debt Discount	434	382
Total Debt	123,257	104,090
Cash and short-term investments	61,076	32,623
Net Debt ⁽¹⁾	62,615	71,849
Equity	120,450	137,326
Total Debt⁽²⁾/Equity	<u>1.03x</u>	<u>0.76x</u>
Net Debt⁽¹⁾/Equity	<u>0.52x</u>	<u>0.52x</u>
Total Debt⁽²⁾/EBITDA	<u>1.60x</u>	<u>1.35x</u>
Net Debt ⁽¹⁾/EBITDA	<u>0.81x</u>	<u>0.93x</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

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<i>(US\$ in millions)</i>	2008	2009	2010	2011 ⁽¹⁾	2012 ⁽¹⁾	2013 ⁽¹⁾	1Q2014 ⁽¹⁾
Debt Balance	1,625	2,210	2,113	2,719	2,851	2,353	2,760
Cash and short-term investments	847	908	852	1,061	919	735	1,363
Net Debt	778	1,302	1,261	1,658	1,932	1,618	1,397

⁽¹⁾ Including Digitel

Debt Maturities

as of March 31, 2014

(US\$ in millions)

	Total
2014	236
2015	303
2016	287
2017	628
2018	103
2019 onwards	1,203
	<u>2,760</u>



Interest-bearing Liabilities

<i>(US\$ in millions)</i>	March 31, 2014 (unaudited)			December 31, 2013	Change
	Carrying Value	Unamortized Debt Discount/Debt Issuance	Face Value	(Audited) Face Value	
Debt					
PLDT	\$1,578.4	\$1.4	\$1,579.8	\$1,284.0	\$295.8
Smart	\$924.3	\$8.3	\$932.6	\$812.0	\$120.6
DIGITEL	\$248.0	-	\$248.0	\$257.0	(\$9.0)
Total Debt	\$2,750.7	\$9.7	\$2,760.4	\$2,353.0	\$407.4

Foreign Exchange Risk

Forex Impact on Core Income

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

	Conso - net of Elim
US\$ Revenues*	190.3
US\$ Expenses	(71.3)
Cash Opex*	(56.3)
Cost of sales	(1.5)
Financing costs	(13.6)
US\$ Income before tax	119.0
Tax effect	35.7
Core Earnings	83.3
EBITDA	132.5

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

	32.1
	2,287.1

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)*	1,097.2
Accounts Payable	185.0
Accrued Liabilities	122.3
Derivative Liabilities	38.3
Total US\$ denominated Liabilities	1,442.8
Cash and Cash Equivalents	144.0
Short-term Investments	13.5
Trade and other receivables	190.8
Derivative Assets	0.8
Investment in Debt Securities, Advances & Others	10.5
Total US\$ denominated Assets	359.6
Forex Revaluation for every P1 change	±1,083.2
* Debt	1,298.9
Less: LT hedges	201.7
Debt (net of LT hedges)	1,097.2

Forex Impact on Derivatives

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

Forex rate, 1Q2014

Ave.
44.88

Period End

44.81

Forex rate, 1Q2013

40.70

40.92

% of Peso depreciation vs US\$

+10%

+10%



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:

PLDT INVESTOR RELATIONS

(632) 816-8024

pldt_ir_center@pldt.com.ph



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