



First Half 2014

Financial and Operating Results

Philippine Long Distance Telephone Company (PLDT)

5 August 2014

PLDT Group: 1H2014 Financial Highlights



(Php in billions, except EBITDA margin and Core EPS)	1H2014	1H2013	2H2013	% Y-o-Y	% H-o-H
	(unaudited)				
Service Revenues	82.5	81.0	83.0	2%	-1%
• Wireless	57.9	57.6	59.1		-2%
• Fixed Line	32.2	30.7	31.2	5%	3%
EBITDA	38.2	39.8	37.7	-4%	1%
• Wireless	25.5	28.1	26.6	-9%	-4%
• Fixed Line	12.6	11.4	10.9	11%	16%
EBITDA Margin*	46%	49%	45%		
• Wireless	44%	49%	45%		
• Fixed Line	39%	37%	35%		
Reported Net Income	20.0	19.7	15.7	2%	27%
Core Net Income	19.8	19.4	19.3	2%	3%
Core EPS	91.66	89.64	89.29	2%	3%

* FY 2013 EBITDA: 47%

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

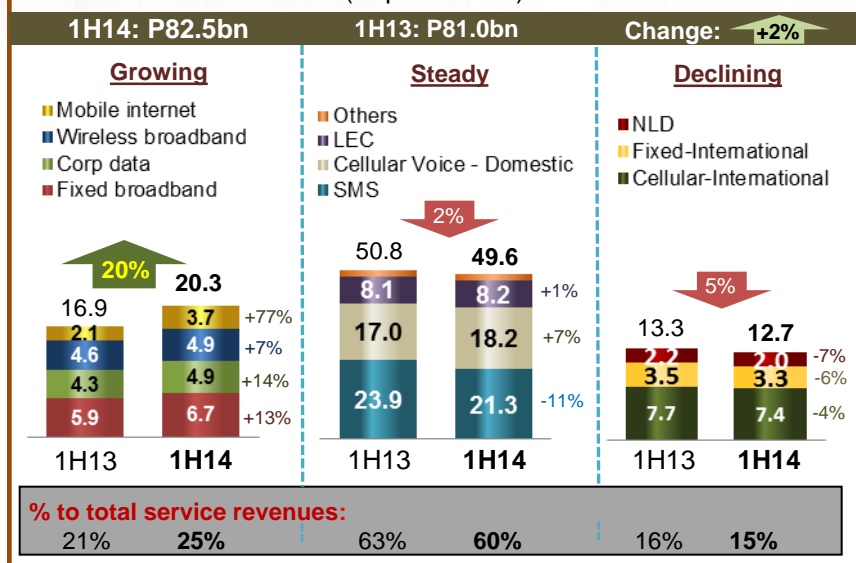
Foreign Exchange Rates (Php:US\$1)	1H2014	1H2013	2H2013	% Y-o-Y	% H-o-H
Period-end	43.65	43.26	44.40	1%	-2%
Period-average	44.50	41.24	43.64	8%	2%

PLDT Group: Service Revenues and EBITDA



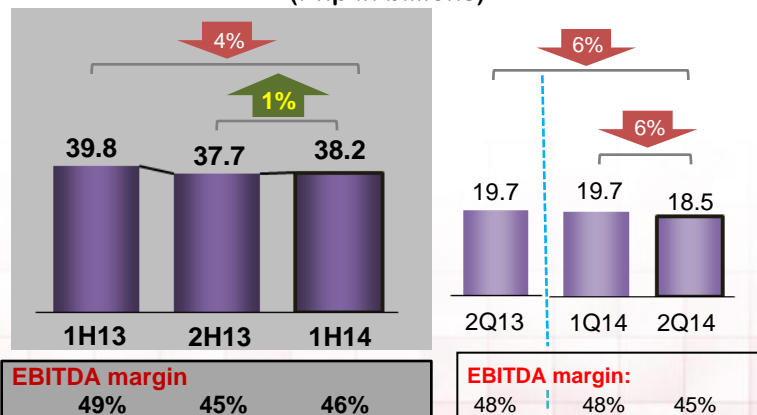
Consolidated Service Revenues

(Php in billions)



EBITDA

(Php in billions)



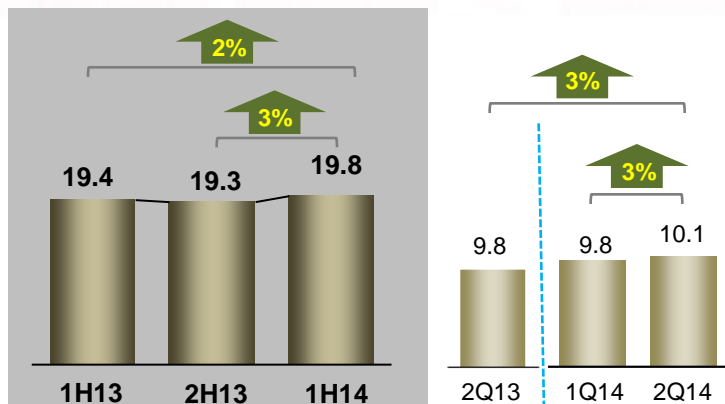
- The on-going structural change in PLDT's revenue mix continues to limit consolidated revenue growth rates and EBITDA margins
 - Increasing contribution from growing data and broadband businesses with relatively lower margins replacing high margin legacy revenues
 - ✓ PLDT's legacy revenues account for a greater percentage of total revenues compared with local and regional telcos
 - About 60% of PLDT's revenues are relatively stable although revenues from SMS and voice are anticipated to transition over time to data and broadband
- Consolidated service revenues rose by P1.5bn or 2% year-on-year to P82.5bn as the P3.3bn increase in data and broadband revenues more than offset the P1.8bn dip in revenues from the other businesses
 - Data and broadband revenues grew by 20% or P3.3bn to P20.3bn, and now contribute 25% to total revenues
 - Revenues from international fixed and wireless voice and NLD, representing 15% of total service revenues, were lower by P0.7bn or 5% at P12.7bn, partly supported in 1H14 by the depreciation of the peso
 - Combined revenues from cellular SMS, cellular domestic voice, and LEC, accounting for 60% of total revenues, dipped year-on-year by 2% or P1.2bn to P49.6bn as the P2.6bn decline in SMS revenues exceeded the P1.3bn increase in domestic voice and LEC revenues
- Consolidated EBITDA decreased by P1.6bn or 4% year-on-year to P38.2bn in 1H14 as the P1.5bn rise in service revenues were overtaken by the P2.8bn rise in cash operating expenses and the P0.5bn increase in subsidies
- Consolidated EBITDA margin for 1H14 was at 46% higher than 2H13 EBITDA of 45% (FY13: 47%; 1H13: 49%)
 - Wireless 44% (FY13: 47%; 2H13: 45%; 1H13: 49%)
 - Fixed Line 39% (FY13: 36%; 2H13: 35%; 1H13: 37%)

PLDT Group: Core and Reported Net Income



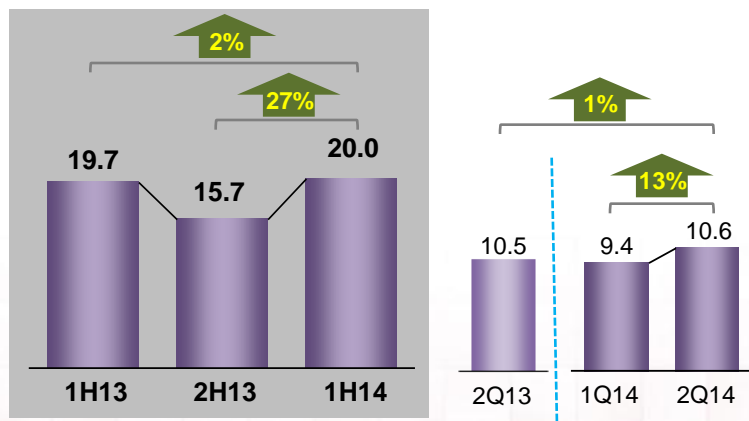
Core Net Income

(Php in billions)



Reported 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 1H14 grew by P0.4bn or 2% to P19.8bn due to:**

- Rise in service revenues of P1.5bn
- Lower financing costs (net) by P0.7bn
- Higher equity share in earnings of subsidiaries by P0.7bn, including Beacon's gain from sale of Meralco shares of P0.3bn
- Decline in non-cash expenses of P0.1bn
- Increase in Miscellaneous Income of P1.6bn consisting of:
 - ✓ Higher asset sales by P0.5bn due to the recognition of deferred gain from sale of Meralco shares of P1.4bn booked in 2Q14 vis-à-vis the P0.9bn gain from sale of the third tranche of Philweb shares in 2Q13

offset by:

- Rise in cash operating expenses by P2.8bn excluding the retroactive effect of the application of Revised PAS 19 of P0.9bn on our Manpower Reduction Program (MRP) expenses in 1H13, higher selling and promotions, repairs and maintenance, rent, among others
- Increase in subsidies by P0.5bn in line with effort to grow data revenues and expand the postpaid subscriber base
- Higher provision for income tax of P1.0bn

➤ **Reported net income grew by P0.3bn or 2% year-on-year to P20.0bn resulting from the combined effect of :**

- Rise in core net income by P0.4bn
- Higher net forex and derivatives gain of P1.8bn before tax, and P1.2bn after tax
- Contribution from discontinued operations (BPO) of P1.9bn in 1H13
- Impact of Revised PAS 19 on MRP expenses of P0.9bn in 1H13
- Impairment of transport network assets affected by upgrade in 2Q14 of P0.2bn

PLDT Group: Capital Management



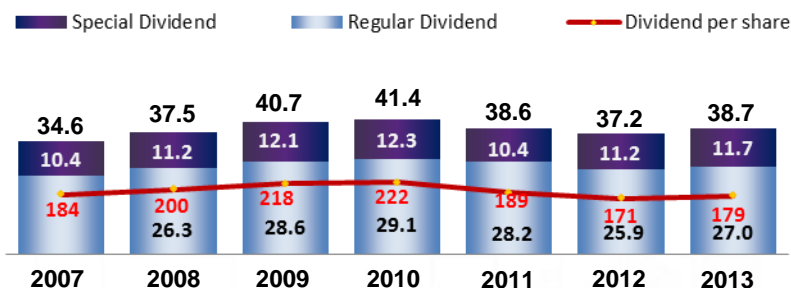
Dividend Declaration

Interim Dividend for 2014	P69 per share (75% of Core EPS)
Declaration Date	5 August 2014
Record Date	28 August 2014
Payment Date	26 September 2014

- PLDT has declared 100% of core earnings as dividends for the last seven years (2007-2013)
- On 5 August 2014, the PLDT Board approved the amendment of PLDT's dividend policy increasing the regular dividend payout rate to 75% of core EPS (from 70%), while maintaining the "look back" to determine possibility of a special dividend
 - Signals greater confidence in ability to sustain dividend payout given the outlook for the business, including anticipated capex levels
- Interim dividend of P69 per share representing 75% of PLDT's 1H14 core earnings per share was approved
 - 2014 interim dividend per share is P6 or 10% higher than the interim dividend in 2013
- PLDT dividend yield remains attractive at about 6%

Dividend Payments

(billion pesos, except per share amount)



Div. Pay-out Ratio:

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

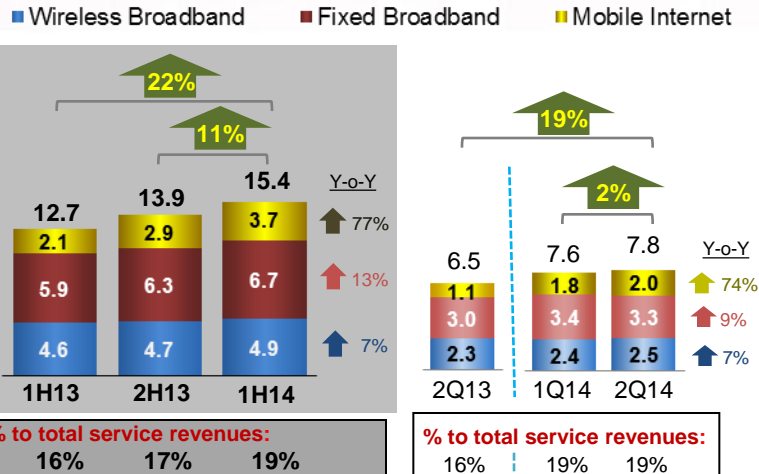
100% dividend pay-out for 7 years

PLDT Group: Broadband revenues



Consolidated Broadband Service Revenues

(Php in billions)



➤ **Broadband service revenues for 1H14, representing 19% of total service revenues from 16% last year, grew to P15.4bn or by P2.7bn or 22% year-on-year and P1.5bn or 11% from 2H13**

- Mobile internet revenues of P3.7bn were higher by P1.6bn or 77%, and contributed 24% to total broadband revenues or 5% to total consolidated service revenues
 - ✓ More than 20% of our cellular subscribers own smartphones, up from 10% last year
 - ✓ Mobile internet usage surged by 121% to 15,493 Terabytes in 1H14 from 7,010 Terabytes in 1H13, with 2Q14 quarter-on-quarter growth of 37% better than 1Q14 quarter-on-quarter increase of 29%
- Fixed broadband revenues, accounting for 44% of total broadband revenues, grew by P0.8bn or 13% at P6.7bn following an 11% rise in subscribers
- Wireless broadband revenues, representing 32% of total broadband revenues, were up by P0.3bn or 7% to P4.9bn, following a 12% growth in subscribers

➤ **Broadband subscriber base expanded by 6% or over 203,000 net adds to 3.6mn at the end of June 2014**

- Fixed broadband subscribers grew to over 1mn, with net adds in excess of 58,000
- Wireless broadband subscribers increased to 2.6mn, with net adds of over 145,000
 - ✓ Smart wireless broadband subscribers rose by 7% to 2.1mn
 - ✓ Sun wireless broadband subscribers was stable at 0.5mn

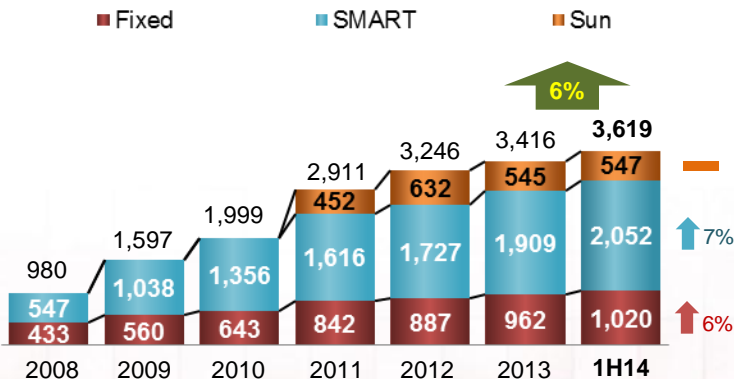
➤ **PLDT Group has a wide range of fixed, wireless, and mobile broadband services that cater to customers' affordability, usage habits, and data requirements**

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

➤ **Data and broadband strategy includes greater use of content (music, video, sports/games, e-books, social network/chat apps) and bundling to build usage habit and influence purchases**

Broadband Subscribers

(in thousands)

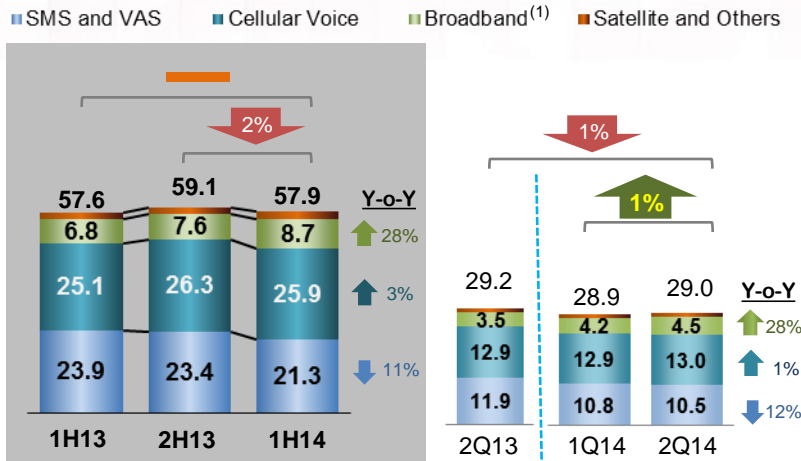


PLDT Group: Wireless segment



Wireless Service Revenues

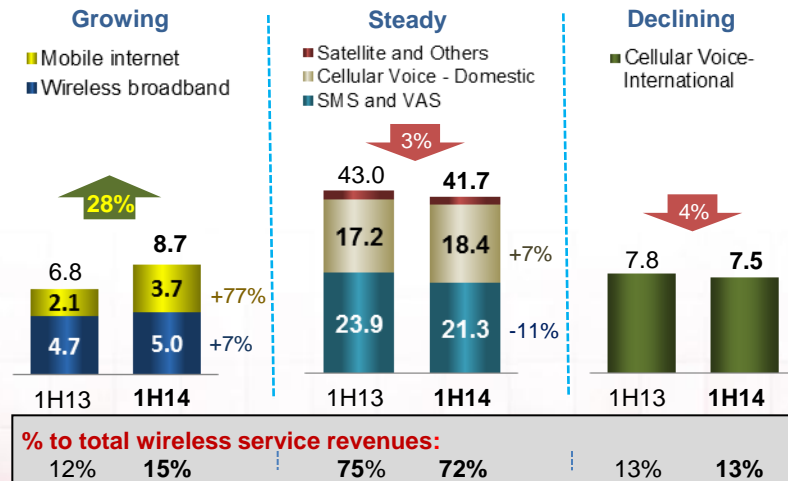
(Php in billions)



(1) Includes mobile internet revenues

Wireless Service Revenues

(Php in billions)



➤ **Wireless service revenues of P57.9bn in 1H14 were ahead by P0.3bn year-on-year due to the sustained rise in broadband and mobile data revenues**

- Broadband revenues rose by P1.9bn or 28% to P8.7bn, accounting for 15% of total wireless revenues in 1H14 from 12% in 1H13
 - ✓ Wireless broadband revenues were higher by P0.3bn or 7% to P5.0bn driven by the 12% increase in subscribers
 - ✓ Mobile internet revenues were up by P1.6bn or 77% to P3.7bn as usage grew by 121% to 15,493 terabytes in 1H14
- Cellular voice revenues, contributing 45% to total wireless service revenues, rose by P0.9bn or 3% to P25.9bn
 - ✓ Domestic voice revenues were higher by 7% or P1.2bn at P18.4bn or 32% of total wireless service revenues
 - ✓ International voice revenues were lower by 4% or P0.3bn at P7.5bn or 13% of total wireless service revenues, following a 12% decline in call volumes as usage has started to shift to VOIP and similar alternatives
- SMS and VAS revenues, representing 37% of total wireless service revenues, decreased by P2.6bn or 11% to P21.3bn, mainly due to a 14% decline in SMS count
 - ✓ Reduction in SMS count in 1H14 due to the combined effect of:
 - ❖ shift to voice calls under postpaid plans
 - ❖ use of alternative messaging services
 - ✓ Lower quarter-on-quarter decline in SMS revenues in 2Q14 of P0.3bn compared with P0.8bn in 1Q14

➤ **Postpaid revenues of P10.4bn at end June 2014 were higher by P1.3bn or 14%, and represent 20% of total cellular revenues from 17% in 1H13**

- Increase in postpaid revenues more than fully offset the P0.5bn rise in subsidies
- Postpaid subscriber base grew to about 2.6mn or over 179K net adds, 92K of which were recorded in 2Q14

➤ **Wireless EBITDA of P25.5bn in 1H14 was lower by P2.6bn or 9% due to higher subsidies and operating expenses related to an expanded network, residual post-typhoon Yolanda restoration costs, and the push to grow revenues**

- EBITDA margin reduced to 44% from 45% in 2H13 and 47% in FY13 partly due to the structural change in the revenue mix and the greater proportion of postpaid revenues to total revenues

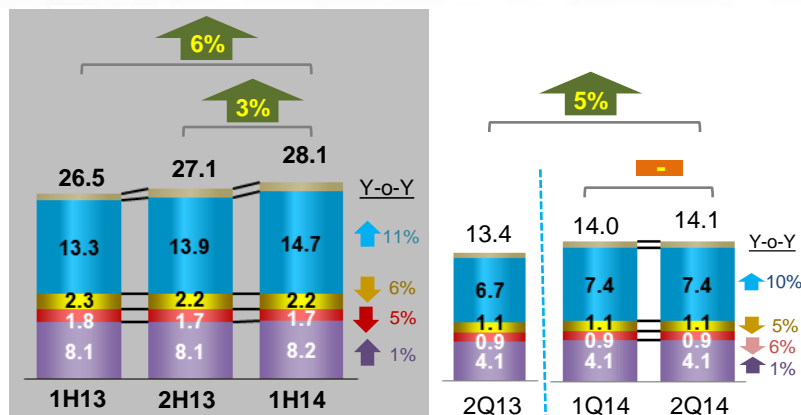
PLDT Group: Fixed line segment



Fixed Line Service Revenues*

(Php in billions)

Local Exchange NLD Fixed-International Data Miscellaneous

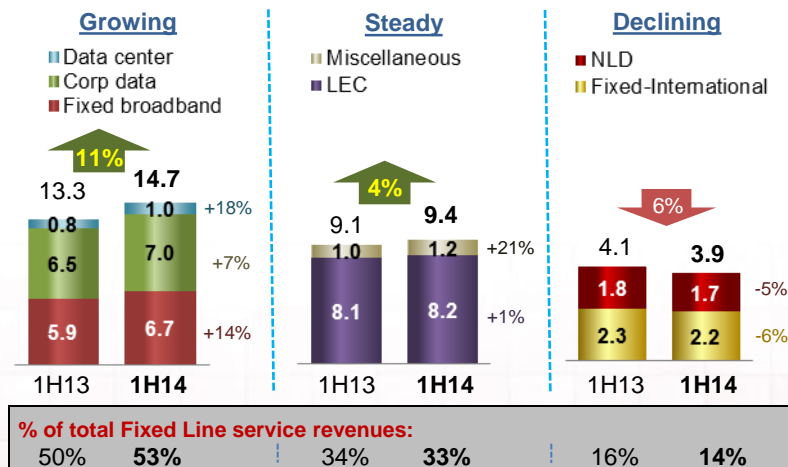


➤ Fixed line service revenues for 1H14, net of interconnection costs, rose by 6% or P1.5bn year-on-year to P28.1bn underpinned by sustained growth in retail and corporate data revenues

- Data revenues improved by P1.4bn or 11% to P14.7bn, and account for 53% of total fixed line service revenues
 - Fixed broadband revenues, representing 46% of total fixed line data revenues, were higher by P0.8bn or 14% at P6.7bn driven by an 11% growth in subscribers
 - Corporate data and other network services rose by P0.5bn or 7% to P7.0bn and account for 47% of total fixed line data revenues
 - Data center revenues increased by P0.2bn or 18% to hit the P1.0bn-mark and now contribute 7% to total fixed line data revenues
- LEC revenues, accounting for 29% of total fixed line service revenues, were up by P0.1bn or 1% to P8.2bn following a 5% or over 96,000 increase in subscribers
- Combined ILD and NLD revenues dipped by P0.2bn or 6% to P3.9bn and represent 14% of total fixed line service revenues

Fixed Line Service Revenues*

(Php in billions)



➤ Fixed line EBITDA grew by P1.2bn or 11% year-on-year to P12.6bn at the end of June 2014 as higher revenues and lower provisions for receivables amounting to P2.1bn offset the P0.8bn increase in cash operating expenses

- EBITDA margin rose to 39% from 37% in 1H13 and from 36% in FY13
- Structural change in the fixed line segment revenues has been ongoing for many years such that more than half of total revenues are already from the growing data and broadband businesses, which are almost 4x the revenues from ILD and NLD
 - Double digit growth in data and broadband revenues far exceed ILD and NLD revenue declines
 - Pressure on EBITDA margin of reduced contribution from high margin ILD and NLD businesses mitigated

➤ At the end of June 2014, PLDT had 2.2mn fixed line subscribers of which over 1.0mn or 47% had fixed broadband subscriptions

* Net of interconnection costs

Market opportunities and initiatives

Opportunities

- 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
- 47% of landline subscribers have DSL subscriptions



Data and
Broadband –
Individual
and HOME

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
 - Deezer, SPINNR
 - GameX
 - e-publications (tie up with Summit Media)
 - Content from SignalTV (now with nearly 755,000 subscribers)
- ✓ Increase access device ownership: cellular postpaid plans, fixed line offers: Telpad, TVolution
- ✓ Wide range of fixed line data plans, including fiber-to-the-home and triple-play
- ✓ Expand household reach via wireless technology (eg TD-LTE) to complement fixed network
- ✓ Leverage unrivalled integrated network advantage to deliver quality of experience

Market opportunities and initiatives

Data and
Broadband –
Corporates,
SMEs

Opportunities

- Sustained economic improvement fuelling business expansions of corporates, SMEs, BPOs creating demand for IT and enterprise solutions:
 - Ethernet
 - Cloud computing
 - Data center services
- SMEs/MSMEs account for 99% of establishments in the Philippines and account for 66% of employment in the private sector
 - PLDT market share at about 70%
- Philippines is a top destination for outsourcing and is #1 for voice BPO
 - Offshoring and outsourcing industry revenues reached US\$13bn in 2013 with 15% growth expected for 2014
 - PLDT the primary carrier of choice



Initiatives

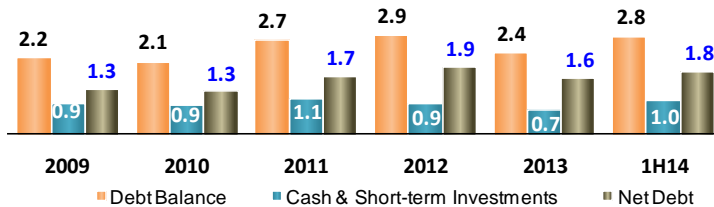
- ✓ PLDT Group has 5 data centers that offer: colocation, server hosting/outsourcing, disaster recovery, connectivity, and data scrubbing services
 - Telco-grade, carrier neutral and vendor agnostic international data center
 - At end June 2014, rack capacity of 2,262 the largest in the Philippines
 - By end-2015, expansion to full capacity of over 6,600 racks when construction of 2 additional data centers is completed
- ✓ End-to-end ICT solutions to include cloud and managed services, that include: IaaS (Infrastructure as a Service), SaaS (Software as a Service), PaaS (Platform-as-a-Service) and UCaaS (Unified Communications as a Service)
 - Cloud services web portal, *cloud.com.ph*, designed to be accessible to Filipino entrepreneurs, freelancers and SMEs
- ✓ Suite of enterprise products that include: M2M, B2C, B2B solutions
- ✓ Leverage unrivalled integrated network advantage and extensive footprint/reach to enable and empower businesses

PLDT Group: Debt Profile



Debt Balance

(US\$ in billions)



Net Debt/EBITDA

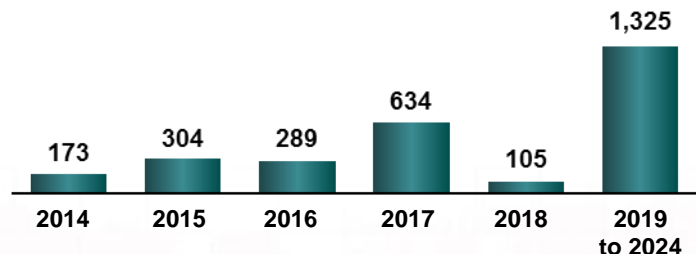
0.7x 0.7x 0.9x 1.05x 0.9x **1.05x**

- **Net debt stood at US\$1.8bn and net debt to EBITDA ratio at 1.05x as of end June 2014**
 - Lower than net debt of US\$2.0bn and net debt to EBITDA of 1.14x at the end of 1Q14, adjusted for approx. US\$0.6bn or P25bn of dividend payments in April 2014
- **As of 1H14, gross debt rose by US\$0.5mn from YE13 to US\$2.8bn, mainly due to the P15bn (approx. US\$0.3bn) retail bonds issued in 1Q14**
 - 44% of gross debt is US\$ denominated
 - Taking into account our US\$ cash holdings and hedges, only US\$0.9bn or 32% of total debt is unhedged
 - ✓ Natural hedge from dollar-linked revenues: 20% of 1H14 revenues or US\$0.4bn
 - 61% are fixed-rate loans, while 39% are floating-rate loans
 - Average interest cost (pre-tax) of 4.05% for 1H14 (FY13: 4.33% ; 1H13: 4.39%)
- **Debt maturities continue to be well spread out**
 - US\$234mn bonds maturing in 2017
 - 47% of total debt due to mature beyond 2018, including P15bn retail bonds
- **PLDT rated investment grade by three major international ratings agencies**

Debt Maturities

(as of 30 June 2014, US\$ in millions)

Total: US\$2,830mn

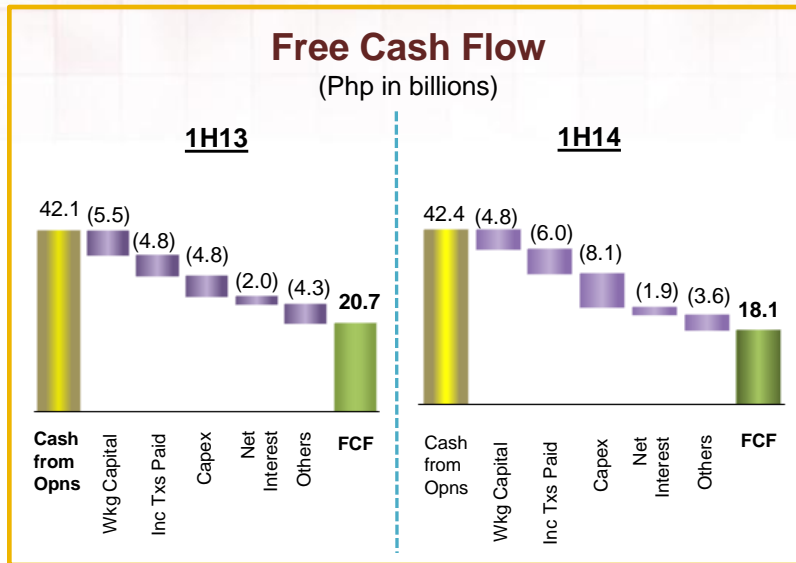


Debt maturities to total debt:

6% 11% 10% 22% 4% 47%

Ratings Agencies	Long-Term Foreign Issuer Rating	Long-term Local Issuer Rating	Outlook
Fitch	BBB	A-	stable
Moody's	Baa2	Baa2	stable
Standard and Poor's / S&P National	BBB+	axA+	stable

PLDT Group: Free Cash Flow and Capex

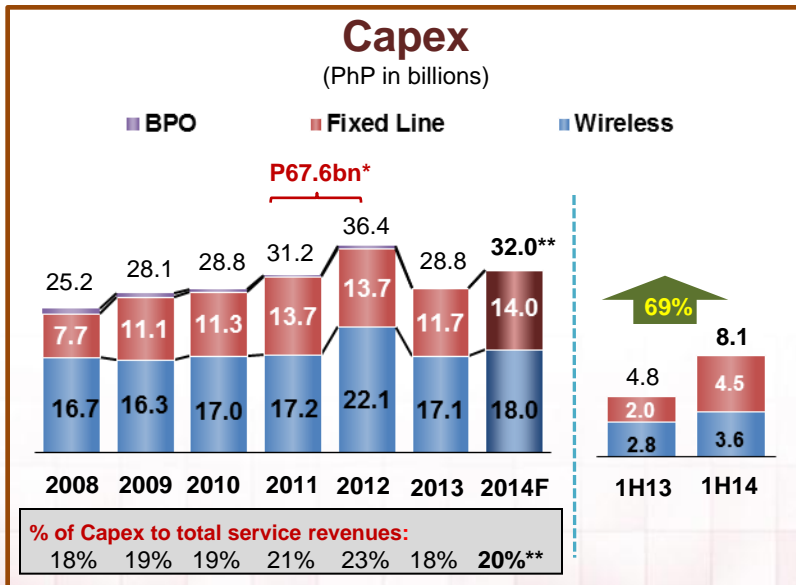


➤ Free cash flow of P18.1bn for 1H14 was lower by P2.6bn or 13% from same period in 2013 due to:

- Higher capex by P3.3bn
 - Increase in income taxes paid by P1.1bn
- offset by:
- Higher cash from operations of P0.4bn
 - Lower net decrease in working capital of P0.6bn
 - Reduction in net interest 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:
 - ✓ About 92% 3G population coverage (100% of cities and municipalities), including supplemental in-building presence
 - ✓ Wider fiber footprint of at least 90,000 kms.
 - ✓ Expansion of 4G LTE population coverage to around 50% from about 25% as of end 2013
- 1H14 capex was higher year-on-year by P3.3bn or 69% at P8.1bn



➤ On-going network activities:

- Expanded 3G / 4G / HSPA+ population coverage to 82% at 1H14
- Extended the fiber network to over 88,000 kms. (total fiber strands of 3.5mn kms.)
 - ✓ Fortified the Visayas-Mindanao Fiber Optic backbone link with the completion of the Bohol leg of DFON
- Increased FD/TD LTE coverage to around 1,800 BTS
- Reinforced existing network infrastructure to improve resiliency against severe weather conditions through buried fiber optic links, deployment of super-sized base stations, elevated equipment shelters, among others
- Unified Smart-Sun network project
 - ✓ Completed 70% of all provinces (Mindanao 100%)
 - ✓ Activated nationwide Domestic Roaming for Sun customers into the Smart network except in Metro Manila
- Enhanced PLDT Group multi-media capability via additional VDSL coverage for 55 buildings, and build out of close to 60,000 additional FTTH and NGN lines

* Network transformation program

** Upper range

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:
75%* of Core EPS + “look-back” approach

* Regular dividend payout updated from 70% on 5 August 2014

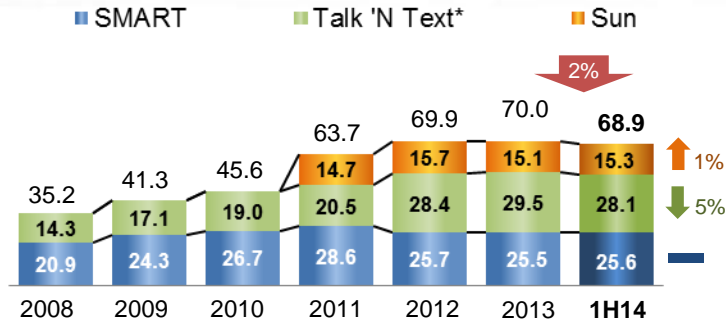
Other Details

Subscribers



Wireless Subscribers

(in millions)



* 2013 onwards, TNT subs base excludes subscribers whose minimum balance is derived via accumulation from its rewards program

➤ PLDT Group registered 74.7mn subscribers at the end of June 2014

➤ Cellular subscriber base stood at 68.9mn, of which 96% or 66.3mn were prepaid subscribers

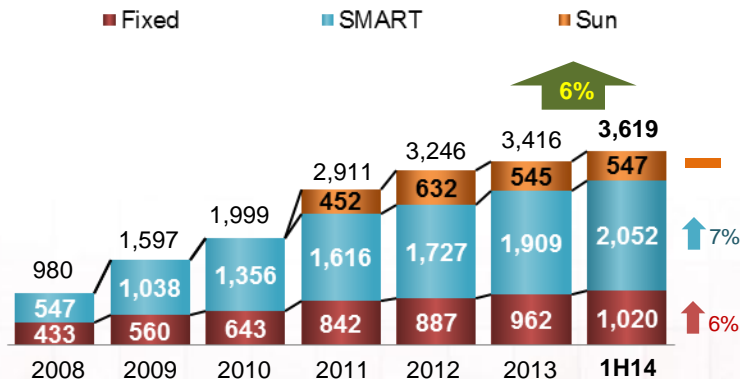
- Smart subscribers of 25.6mn or about 82,000 net adds from end 2013
- TNT subscribers of 28.1mn
- Sun subscribers of 15.3mn or more than 198,000 net adds from YE13

➤ Postpaid subscribers, now accounting for 4% of total subscribers, grew to 2.6mn at end of 1H14 or net adds of over 179,000, of which 92,000 were recorded in 2Q14

- Smart postpaid base increased to over 969,000 subscribers or net adds of about 80,000
- Sun postpaid base rose to nearly 1.6mn or net adds of more than 99,000

Broadband Subscribers

(in thousands)



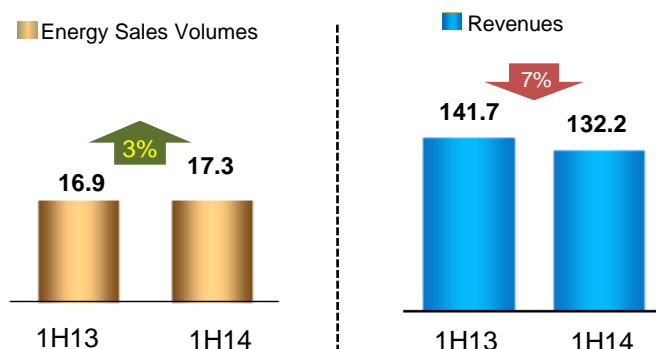
➤ PLDT Group's broadband subscriber base expanded by 6% or over 203,000 net adds to 3.6mn at the end of June 2014

- Fixed broadband subscribers grew to over 1mn, with net adds in excess of 58,000
- Wireless broadband subscribers increased to 2.6mn, with net adds of over 145,000
 - ✓ Smart wireless broadband subscribers rose by 7% to 2.1mn
 - ✓ Sun wireless broadband subscribers was stable at 0.5mn

➤ PLDT had 2.2mn fixed line subscribers at the end of 1H14, of which over 1.0mn or 47% had fixed broadband subscriptions

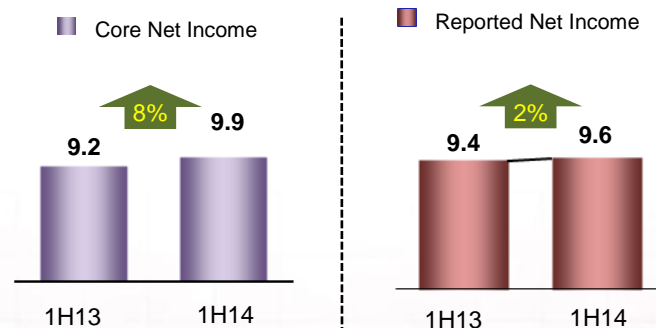
Energy Sales Volumes and Revenues

(in '000 GWh and Php in billions)



Core and Reported Net Income

(Php in billions)



- MERALCO's consolidated revenues in 1H14 of P132.2bn were lower by P9.5bn or 7% year-on-year despite 3% rise in electricity volumes, due to the P9.3bn downward adjustment on MERALCO's purchases from the WESM billed by PEMC as ordered by the ERC, the shift of contestable customers to other retail electricity suppliers (RES), and lower system loss charge
- Consolidated EBITDA for 1H14 increased by P1.3bn or 8% year-on-year to P17.3bn; EBITDA margin stood at 13%
- Core net income grew by P0.7bn or 8% to P9.9bn at the end of June 2014, while reported net income rose by P0.2bn or 2% to P9.6bn
- Meralco declared a cash dividend of P5.91 per share, consisting of 50% of 1H14 core earnings as interim regular dividend, and 10% of 2013 earnings as a special dividend
- Other operational highlights in 1H14:
 - Customer base rose to 5.5mn, with residential customers hitting the 5mn-mark
 - Capex was up by P0.9bn or 23% to P4.9bn, bringing total capex for the three years of the Third Regulatory Period to P30.1bn
 - Meralco signed four (4) Interim Power Supply Agreements (IPSAs) to source lower priced power and to mitigate impact of anticipated power supply shortages
 - Domestic 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 expected to be in full operation by 1Q 2018
 - ✓ Meralco PowerGen (MGen) has increased its stake in GBPC by 2% to 22% for P184.9mn, and made further investment of P1.07bn thru GBPC's capital call for the funding of the 150MW expansion project of Panay Energy Dev't Corp
 - ✓ PacificLight Power in Singapore (partnership of MGen and First Pacific Company of HK and Petronas of Malaysia) was officially launched on 3 June 2014
 - Meralco signed a 25-year Concession agreement with PEZA for the operations and maintenance of the power distribution facilities in the Cavite Ecozone (CEZ)
 - Fully restored power service in the franchise area on 21 July 2014 post-typhoon Glenda which hit on 16 July 2014
- On 24 June 2014, Beacon Electric, co-owned 50% by PCEV and by MPIC, sold 56mn MERALCO shares representing 5% of MERALCO to MPIC at P235/share or P13.2bn
 - PCEV recognized deferred gain of P1.4bn
 - Beacon remains the largest shareholder of MERALCO with about 45% ownership: PLDT and MPIC effective ownership of 22.5% and 27.5%, respectively

PLDT Group: Appendix

Subscriber Data: Cellular

Cellular Subscribers by category:

	Jun-14	Mar-14	Dec- 13	Sept- 13	Jun-13	1H14 vs 1H13		1H14 vs FY13		Net Adds			
						Net Adds	%	Net Adds	%	1Q14	%	2Q14	%
CELLULAR													
Prepaid	66,339,954	68,030,812	67,667,750	70,198,270	71,197,952	(4,857,998)	-7%	(1,327,796)	-2%	363,062	1%	(1,690,858)	-2%
Smart Prepaid	24,610,726	24,959,498	24,608,687	23,867,643	24,631,062	(20,336)	-	2,039	-	350,811	1%	(348,772)	-1%
Sun Prepaid	13,673,112	13,581,189	13,574,046	14,407,793	14,745,876	(1,072,764)	-7%	99,066	1%	7,143	-	91,923	1%
Talk 'N Text	28,056,116	29,490,125	29,485,017	31,922,834	31,821,014	(3,764,898)	-12%	(1,428,901)	-5%	5,108	-	(1,434,009)	-5%
Postpaid	2,557,152	2,464,660	2,377,877	2,300,000	2,185,433	371,719	17%	179,275	8%	86,783	4%	92,492	4%
Smart Postpaid	969,612	928,390	889,696	866,160	827,507	142,105	17%	79,916	9%	38,694	4%	41,222	4%
Sun Postpaid	1,587,540	1,536,270	1,488,181	1,433,840	1,357,926	229,614	17%	99,359	7%	48,089	3%	51,270	3%
Total Cellular Subscribers	68,897,106	70,495,472	70,045,627	72,498,270	73,383,385	(4,486,279)	-6%	(1,148,521)	-2%	449,845	1%	(1,598,366)	-2%

Cellular Subscribers by brand:

	Jun-14	Mar-14	Dec- 13	Sept- 13	Jun-13	1H14 vs 1H13		1H14 vs FY13		Net Adds			
						Net Adds	%	Net Adds	%	1Q14	%	2Q14	%
CELLULAR													
Smart	25,580,338	25,887,888	25,498,383	24,733,803	25,458,569	121,769	-	81,955	-	389,505	2%	(307,550)	-1%
Smart Prepaid	24,610,726	24,959,498	24,608,687	23,867,643	24,631,062	(20,336)	-	2,039	-	350,811	1%	(348,772)	-1%
Smart Postpaid	969,612	928,390	889,696	866,160	827,507	142,105	17%	79,916	9%	38,694	4%	41,222	4%
Talk 'N Text	28,056,116	29,490,125	29,485,017	31,922,834	31,821,014	(3,764,898)	-12%	(1,428,901)	-5%	5,108	-	(1,434,009)	-5%
Sun Cellular	15,260,652	15,117,459	15,062,227	15,841,633	16,103,802	(843,150)	-5%	198,425	1%	55,232	-	143,193	1%
Sun Prepaid	13,673,112	13,581,189	13,574,046	14,407,793	14,745,876	(1,072,764)	-7%	99,066	1%	7,143	-	91,923	1%
Sun Postpaid	1,587,540	1,536,270	1,488,181	1,433,840	1,357,926	229,614	17%	99,359	7%	48,089	3%	51,270	3%
Total Cellular Subscribers	68,897,106	70,495,472	70,045,627	72,498,270	73,383,385	(4,486,279)	-6%	(1,148,521)	-2%	449,845	1%	(1,598,366)	-2%

Subscriber Data: Broadband

	Jun-14	Mar-14	Dec-13	Sept-13	Jun-13	1H14 vs 1H13		1H14 vs FY13		Net Adds			
						Net Adds	%	Net Adds	%	1Q14	%	2Q14	%
BROADBAND													
Wireless Broadband	2,598,920	2,551,882	2,453,826	2,378,607	2,322,416	276,504	12%	145,094	6%	98,056	4%	47,038	2%
Smart Broadband	2,052,107	2,003,433	1,909,209	1,843,839	1,803,520	248,587	14%	142,898	7%	94,224	5%	48,674	2%
Prepaid	1,496,560	1,435,216	1,359,862	1,294,152	1,254,400	242,160	19%	136,698	10%	75,354	6%	61,344	4%
Postpaid	555,547	568,217	549,347	549,687	549,120	6,427	1%	6,200	1%	18,870	3%	(12,670)	-2%
Sun Broadband	546,813	548,449	544,617	534,768	518,896	27,917	5%	2,196	-	3,832	1%	(1,636)	-
Prepaid	274,538	295,887	309,756	303,034	293,449	(18,911)	-6%	(35,218)	-11%	(13,869)	-4%	(21,349)	-7%
Postpaid	272,275	252,562	234,861	231,734	225,447	46,828	21%	37,414	16%	17,701	8%	19,713	8%
Fixed Line Broadband	1,020,094	1,000,028	961,967	949,762	920,147	99,947	11%	58,127	6%	38,061	4%	20,066	2%
Total Broadband Subscribers	3,619,014	3,551,910	3,415,793	3,328,369	3,242,563	376,451	12%	203,221	6%	136,117	4%	67,104	2%

1H2014: Consolidated Financial Highlights



<i>(Php in millions)</i>	1H2014				1H2013	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (unaudited)	
Service Revenues	57,888	32,236	-	82,530	81,037	2%
Cash operating expenses ⁽¹⁾	27,308	19,546	2	39,105	36,264	8%
Depreciation and amortization	7,845	6,645	-	14,490	14,532	-
Financing costs, net	(804)	(1,719)	-	(2,498)	(3,327)	-25%
Income before income tax	16,941	5,622	3,673	26,236	22,538	16%
Provision for income tax	4,738	1,471	26	6,235	4,677	33%
EBITDA	25,450	12,596	(2)	38,204	39,808	-4%
<i>EBITDA Margin ⁽²⁾</i>	44%	39%	-	46%	49%	
Net Income attributable to Equity Holders of PLDT	12,226	4,150	3,647	20,023	19,707	2%
Continuing Operations	12,226	4,150	3,647	20,023	17,844	12%
Discontinued Operations	-	-	-	-	1,863	-100%
Core net income	12,080	4,104	3,650	19,834	19,395	2%
Continuing Operations	12,080	4,104	3,650	19,834	19,494	2%
Discontinued Operations	-	-	-	-	(99)	-100%

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

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

Reconciliation of Core and Reported Net Income

<i>(Php in millions)</i>	1H2014				1H2013	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (unaudited)	
Net Income attributable to equity holder of PLDT - continuing operations	12,226	4,150	3,647	20,023	17,844	12%
Add (deduct):						
Foreign exchange losses (gains), net	(186)	(280)	7	(459)	1,922	124%
Losses (gains) on derivative financial instruments, net	32	(15)	(7)	10	(594)	-102%
PAS 19 Adjustment	-	-	-	-	927	-100%
Asset Impairment	-	227	-	227	-	-
Others	-	1	3	4	(89)	104%
Tax effect	8	21	-	29	(516)	106%
Core Net Income - Continuing operations	12,080	4,104	3,650	19,834	19,494	2%
Core Net Income - Discontinued operations	-	-	-	-	(99)	-100%
Total Core Net Income	12,080	4,104	3,650	19,834	19,395	2%

Consolidated Service Revenues

<i>(Php in billions)</i>	2014			2013							% Change	
	1Q	2Q	1H	1Q	2Q	1H	3Q	4Q	2H	FY	1H14 vs 1H13	2Q14 vs 2Q13
SMS and VAS	10.8	10.5	21.3	11.9	11.9	23.9	11.5	11.9	23.4	47.3	-11%	-12%
Voice - Domestic	14.0	14.4	28.4	13.3	13.9	27.2	13.7	14.3	27.9	55.2	4%	4%
Voice - International	5.5	5.2	10.6	5.5	5.6	11.2	5.6	5.9	11.5	22.7	-5%	-8%
Non-SMS data	10.0	10.2	20.3	8.2	8.7	16.9	9.0	9.5	18.4	35.4	20%	18%
Others	0.9	1.0	1.9	0.9	0.9	1.9	0.8	0.9	1.7	3.6	3%	4%
Total	41.2	41.3	82.5	40.0	41.1	81.0	40.6	42.4	83.0	164.1	2%	1%

Expenses



<i>(Php in millions)</i>	1H2014			Consolidated (unaudited)	1H2013	% Change
	Wireless	Fixed Line	Others		Consolidated (unaudited)	
Operating expenses						
Compensation and employee benefits ⁽¹⁾	4,004	6,450	-	10,443	9,931	5%
Repairs and maintenance	4,326	3,095	-	7,111	6,534	9%
Selling and promotions	3,998	944	-	4,928	4,285	15%
Rent	5,596	1,235	-	3,243	2,851	14%
Insurance and security services	608	351	-	906	843	7%
Taxes and licenses	1,356	591	-	1,947	1,741	12%
Professional and other contracted services	2,203	1,924	2	3,383	2,832	19%
Communication, training and travel	794	422	-	1,135	1,063	7%
Interconnection/settlement costs	4,047	4,177	-	5,277	5,356	-1%
Other operating expenses	376	357	-	732	828	-12%
Cash operating expenses	27,308	19,546	2	39,105	36,264	8%
Depreciation and amortization	7,845	6,645	-	14,490	14,532	-
Asset impairment	1,120	301	-	1,421	1,391	2%
Amortization of intangible assets	574	-	-	574	453	27%
Non-cash operating expenses	9,539	6,946	-	16,485	16,376	1%
Cost of sales	5,818	1,111	-	6,925	5,538	25%
Total Expenses	42,665	27,603	2	62,515	58,178	7%

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

Other Income (Expenses)



<i>(Php in millions)</i>	1H2014				1H2013	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (unaudited)	
Gains (losses) on derivative financial instruments, net	(32)	(139)	7	(164)	448	-137%
Interest income	109	156	155	395	485	-19%
Equity share in net earnings of associates and joint ventures	-	106	1,977	2,083	1,505	38%
Foreign exchange gains (losses), net	186	280	(7)	459	(1,922)	124%
Others	451	1,214	1,543	3,048	1,453	110%
Total	714	1,617	3,675	5,821	1,969	196%
Financing costs, net						
Loans and other related items	(794)	(1,786)	-	(2,555)	(2,649)	-4%
Accretion on financial liabilities	(66)	(18)	-	(84)	(697)	-88%
Financing charges	(58)	(25)	-	(83)	(284)	-71%
Capitalized interest	114	110	-	224	303	-26%
Total	(804)	(1,719)	-	(2,498)	(3,327)	-25%
Total other income (expenses)	(90)	(102)	3,675	3,323	(1,358)	345%

Cellular and Broadband Net ARPU

Cellular Net ARPU

	2014		2013			
	1Q	2Q	1Q	2Q	3Q	4Q
Smart Postpaid	1,086	1,074	1,154	1,153	1,099	1,102
Smart Prepaid	132	134	141	141	142	153
Talk 'N Text	87	89	87	87	82	85
Sun Cellular Prepaid	67	66	57	58	60	68
Sun Cellular Postpaid	476	467	455	495	476	493

Cellular Prepaid and Postpaid blended Net ARPU

	2014		2013			
	1Q	2Q	1Q	2Q	3Q	4Q
Prepaid and Postpaid Blended, Net ⁽¹⁾	124	127	125	126	122	130

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

Broadband Net ARPU

	2014		2013			
	1Q	2Q	1Q	2Q	3Q	4Q
Smart Broadband blended	338	332	344	345	357	332
Sun Broadband blended	274	285	328	330	253	285
Fixed Broadband	1,155	1,098	1,089	1,119	1,113	1,109

Historical Consolidated: Service Revenues and EBITDA



(Php in millions)	2014			2013						
	1Q	2Q	1H	1Q	2Q	1H	3Q	4Q	2H	FY
Fixed line	12,792	12,717	25,509	11,997	12,275	24,272	12,220	12,589	24,809	49,081
Local exchange	4,087	4,107	8,194	4,008	4,066	8,074	4,042	4,057	8,099	16,173
International long distance	1,679	1,603	3,282	1,798	1,701	3,499	1,581	1,768	3,349	6,848
National long distance	1,006	1,007	2,013	1,064	1,094	2,158	1,046	1,001	2,047	4,205
Data and other network	5,805	5,796	11,601	4,970	5,224	10,194	5,338	5,545	10,883	21,077
Miscellaneous	215	204	419	157	190	347	213	218	431	778
Wireless	28,425	28,596	57,021	27,971	28,794	56,765	28,347	29,859	58,206	114,971
Cellular services	25,662	25,792	51,454	25,323	26,118	51,441	25,652	27,185	52,837	104,278
Broadband, satellite and others	2,763	2,804	5,567	2,648	2,676	5,324	2,695	2,674	5,369	10,693
Broadband	2,448	2,490	4,938	2,295	2,335	4,630	2,363	2,333	4,696	9,326
Satellite and others	315	314	629	353	341	694	332	341	673	1,367
Total Consolidated Gross Service Revenues	41,217	41,313	82,530	39,968	41,069	81,037	40,567	42,448	83,015	164,052
Non-Service revenues	1,326	1,572	2,898	992	972	1,964	1,017	1,298	2,315	4,279
Total Consolidated Gross Revenues	42,543	42,885	85,428	40,960	42,041	83,001	41,584	43,746	85,330	168,331
Add:										
Cash Operating Expenses	(18,800)	(20,305)	(39,105)	(18,597)	(18,594)	(37,191)	(18,459)	(21,192)	(39,651)	(76,842)
Cost of sales	(3,449)	(3,476)	(6,925)	(2,411)	(3,127)	(5,538)	(2,994)	(3,274)	(6,268)	(11,806)
Writedown of Inventory and Provision for doubtful AR	(637)	(557)	(1,194)	(602)	(789)	(1,391)	(729)	(1,280)	(2,009)	(3,400)
PAS 19 adjustments	-	-	-	791	136	927	342	-	342	1,269
EBITDA	19,657	18,547	38,204	20,141	19,667	39,808	19,744	18,000	37,744	77,552
EBITDA Margin ⁽¹⁾	48%	45%	46%	50%	48%	49%	49%	42%	45%	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						
	1Q	2Q	1H	1Q	2Q	1H	3Q	4Q	1H	FY
Wireless Gross Service Revenues										
Cellular services	26,078	26,190	52,268	25,709	26,529	52,238	26,040	27,597	53,637	105,875
Cellular Voice	12,868	13,049	25,917	12,187	12,869	25,056	12,733	13,595	26,328	51,384
Domestic	9,025	9,423	18,448	8,375	8,866	17,241	8,682	9,351	18,033	35,274
International	3,843	3,626	7,469	3,812	4,003	7,815	4,051	4,244	8,295	16,110
SMS	10,381	10,109	20,490	11,562	11,573	23,135	11,006	11,201	22,207	45,342
Domestic	9,574	9,270	18,844	10,699	10,677	21,376	10,147	10,300	20,447	41,823
International	807	839	1,646	863	896	1,759	859	901	1,760	3,519
Mobile Internet Revenues	1,769	1,957	3,726	979	1,127	2,106	1,283	1,580	2,863	4,969
VAS/Financial Services	408	418	826	372	365	737	529	682	1,211	1,948
Other Cellular Revenues	652	657	1,309	609	595	1,204	489	539	1,028	2,232
Broadband, satellite and others	2,790	2,830	5,620	2,675	2,702	5,377	2,725	2,702	5,427	10,804
Broadband	2,474	2,515	4,989	2,321	2,359	4,680	2,393	2,359	4,752	9,432
Satellite and others	316	315	631	354	343	697	332	343	675	1,372
Total Wireless Gross Service Revenues	28,868	29,020	57,888	28,384	29,231	57,615	28,765	30,299	59,064	116,679
Non-Service revenues	863	945	1,808	588	634	1,222	630	792	1,422	2,644
Total Wireless Gross Revenues	29,731	29,965	59,696	28,972	29,865	58,837	29,395	31,091	60,486	119,323
Add:										
Cash Operating Expenses	(13,002)	(14,306)	(27,308)	(12,370)	(13,021)	(25,391)	(13,594)	(14,213)	(27,807)	(53,198)
Cost of sales	(2,926)	(2,892)	(5,818)	(2,100)	(2,677)	(4,777)	(2,592)	(2,813)	(5,405)	(10,182)
Writedown of Inventory and Provision for doubtful AR	(599)	(521)	(1,120)	(295)	(501)	(796)	(467)	(514)	(981)	(1,777)
PAS 19 adjustments	-	-	-	119	76	195	342	-	342	537
EBITDA	13,204	12,246	25,450	14,326	13,742	28,068	13,084	13,551	26,635	54,703
<i>EBITDA Margin⁽¹⁾</i>	<i>46%</i>	<i>42%</i>	<i>44%</i>	<i>50%</i>	<i>47%</i>	<i>49%</i>	<i>45%</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						
	1Q	2Q	1H	1Q	2Q	1H	3Q	4Q	2H	FY
Fixed Line Gross Service Revenues										
Local exchange	4,111	4,132	8,243	4,036	4,092	8,128	4,066	4,080	8,146	16,274
International long distance	2,859	2,843	5,702	2,968	2,802	5,770	2,678	2,974	5,652	11,422
National long distance	1,099	1,100	2,199	1,155	1,189	2,344	1,137	1,102	2,239	4,583
Data and other network	7,430	7,468	14,898	6,626	6,818	13,444	6,894	7,134	14,028	27,472
Miscellaneous	583	611	1,194	491	497	988	541	590	1,131	2,119
Total Fixed Line Service Revenues	16,082	16,154	32,236	15,276	15,398	30,674	15,316	15,880	31,196	61,870
Non-Service revenues	463	628	1,091	435	367	802	388	507	895	1,697
Total Fixed Line Gross Revenues	16,545	16,782	33,327	15,711	15,765	31,476	15,704	16,387	32,091	63,567
Add:										
Cash Operating Expenses	(9,630)	(9,916)	(19,546)	(10,156)	(9,285)	(19,441)	(8,450)	(10,846)	(19,296)	(38,737)
Cost of sales	(523)	(588)	(1,111)	(311)	(491)	(802)	(402)	(461)	(863)	(1,665)
Writedown of Inventory and Provision for doubtful AR	(38)	(36)	(74)	(307)	(288)	(595)	(262)	(766)	(1,028)	(1,623)
PAS 19 adjustments	-	-	-	672	60	732	-	-	-	732
EBITDA	6,354	6,242	12,596	5,609	5,761	11,370	6,590	4,314	10,904	22,274
<i>EBITDA Margin</i> ⁽¹⁾	40%	39%	39%	37%	37%	37%	43%	27%	35%	36%

⁽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						
	1Q	2Q	1H	1Q	2Q	1H	3Q	4Q	2H	FY
Fixed Line Gross Service Revenues										
Local exchange	4,109	4,132	8,241	4,035	4,089	8,124	4,065	4,076	8,141	16,265
International long distance	1,100	1,062	2,162	1,195	1,113	2,308	1,108	1,137	2,245	4,553
National long distance	865	857	1,722	904	911	1,815	884	848	1,732	3,547
Data and other network	7,352	7,388	14,740	6,566	6,746	13,312	6,824	7,054	13,878	27,190
Miscellaneous	583	611	1,194	491	497	988	541	590	1,131	2,119
Total	14,009	14,050	28,059	13,191	13,356	26,547	13,422	13,705	27,127	53,674

Earnings Per Share



	1H2014 (unaudited)		1H2013 (unaudited)	
	Basic	Diluted	Basic	Diluted
Net income (loss) attributable to equity holders of PLDT	20,023	20,023	19,707	19,707
Continuing Operations	20,023	20,023	17,844	17,844
Discontinued Operations	-	-	1,863	1,863
Dividends on preferred shares	(29)	(29)	(27)	(27)
Net income for the period attributable to common equity holders of PLDT	19,994	19,994	19,680	19,680
Weighted average number of common shares, end	216,056	216,056	216,056	216,056
EPS (based on reported net income)				
EPS - Continuing Operations	92.54	92.54	82.47	82.47
EPS - Discontinued Operations	-	-	8.62	8.62
Total EPS	92.54	92.54	91.09	91.09
Core net income	19,834	19,834	19,395	19,395
Continuing Operations	19,834	19,834	19,494	19,494
Discontinued Operations	-	-	(99)	(99)
Dividends on preferred shares	(29)	(29)	(27)	(27)
Core Net income applicable to common shares	19,805	19,805	19,368	19,368
Weighted average number of common shares, end	216,056	216,056	216,056	216,056
EPS (based on core net income)				
EPS - Continuing Operations	91.66	91.66	90.10	90.10
EPS - Discontinued Operations	-	-	(0.46)	(0.46)
Total EPS	91.66	91.66	89.64	89.64

Cash Flows



<i>(Php in millions)</i>	1H2014				1H2013	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (unaudited)	
Net cash from operations	20,114	11,604	(16)	31,656	31,798	-
Add(Deduct):						
Capital expenditures	(3,615)	(4,489)	-	(8,104)	(4,787)	69%
Other investing activities	(51)	13,019	1,855	(256)	(27)	848%
Interest, net	(585)	(1,346)	48	(1,858)	(1,974)	-6%
Preferred share dividends	-	(29)	-	(30)	(30)	-
Others	(202)	(3,124)	6	(3,319)	(4,252)	-22%
Free cash flow	15,661	15,635	1,893	18,089	20,728	-13%
Common share dividends	(14,196)	(24,982)	(905)	(24,982)	(24,123)	4%
Investments	(1,720)	(491)	-	(2,211)	9,241	-124%
Redemption of Investments	390	-	-	390	150	160%
Redemption of Shares	-	-	-	-	(4)	-100%
Debt proceeds (repayments), net	3,270	16,747	-	20,017	(1,344)	-1589%
Change in cash	3,405	6,909	988	11,303	4,648	143%
Cash and short term investments, beginning	11,098	9,829	11,697	32,623	38,870	-16%
Cash and short term investments, end	14,503	16,738	12,685	43,926	43,518	1%

Balance Sheet



<i>(Php in millions)</i>	Consolidated	
	June 30, 2014 (unaudited)	December 31, 2013 (Audited)
Total Assets	411,152	399,638
Nominal Value of Total Debt	123,521	104,472
<i>in US\$</i>	\$2,830	\$2,353
Less: Unamortized Debt Discount	528	382
Total Debt	122,993	104,090
Cash and short-term investments	43,926	32,623
Net Debt ⁽¹⁾	79,595	71,849
Equity	130,265	137,326
Total Debt⁽²⁾/Equity	<u>0.95x</u>	<u>0.76x</u>
Net Debt⁽¹⁾/Equity	<u>0.61x</u>	<u>0.52x</u>
Total Debt⁽²⁾/EBITDA	<u>1.63x</u>	<u>1.35x</u>
Net Debt ⁽¹⁾/EBITDA	<u>1.05x</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



<i>(US\$ in millions)</i>	2008	2009	2010	2011 ⁽¹⁾	2012 ⁽¹⁾	2013 ⁽¹⁾	1H2014 ⁽¹⁾
Debt Balance	1,625	2,210	2,113	2,719	2,851	2,353	2,830
Cash and short-term investments	847	908	852	1,061	919	735	1,006
Net Debt	778	1,302	1,261	1,658	1,932	1,618	1,824

⁽¹⁾ Including Digitel

Debt Maturities as of June 30, 2014 *(US\$ in millions)*

	Total	% of Debt Maturities to total debt
2014	173	6%
2015	304	11%
2016	289	10%
2017	634	22%
2018	105	4%
2019 to 2024	1,325	47%
	<u>2,830</u>	

Interest-bearing Liabilities

<i>(US\$ in millions)</i>	June 30, 2014 (unaudited)			December 31, 2013	Change
	Carrying Value	Unamortized Debt Discount/Debt Issuance	Face Value	(Audited) Face Value	
Debt					
PLDT	\$1,675	\$5	\$1,680	\$1,284	\$396
Smart	920	8	928	812	116
DIGITEL	223	-	223	257	(34)
Total Debt	\$2,818	\$13	\$2,830	\$2,353	\$477

Foreign Exchange Risk (for update)



Forex Impact on Core Income

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

	Conso - net of Elim
US\$ Revenues*	378.1
US\$ Expenses	(155.4)
Cash Opex*	(127.6)
Cost of sales	(1.1)
Financing costs	(26.7)
US\$ Income before tax	222.7
Tax effect	66.8
Core Earnings	155.9
EBITDA	249.4
* Gross of interconnection costs amounting to:	62.6
Local exchange revenues (in million Php)	4,582.0

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)*	1,043.4
Accounts Payable	176.6
Accrued Liabilities	131.9
Derivative Liabilities	44.1
Total US\$ denominated Liabilities	1,396.0
Cash and Cash Equivalents	106.3
Short-term Investments	13.8
Trade and other receivables	193.0
Derivative Assets	0.6
Investment in Debt Securities, Advances & Others	7.2
Total US\$ denominated Assets	320.9
Forex Revaluation for every P1 change	±1,075.1
* Debt	1,245.1
Less: LT hedges	201.7
Debt (net of LT hedges)	1,043.4

Forex Impact on Derivatives

P1 movement in the USD/PHP exchange rate corresponds to a P175M change in derivatives

	Ave.	Period End
Forex rate, 1H2014	44.50	43.65
Forex rate, 1H2013	41.24	43.26
% of Peso depreciation vs US\$	+8%	+1%

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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