



Enriching Connections

Full Year 2014

Financial and Operating Results

Philippine Long Distance Telephone Company (PLDT)

3 March 2015

PLDT Group: FY2014 Financial Highlights



(Php in billions, except EBITDA margin and Core EPS) <i>audited</i>	FY2014	FY2013	% Y-o-Y
Service Revenues	165.1	164.1	1%
• Wireless	115.0	116.7	-1%
• Fixed Line	65.2	61.9	5%
EBITDA	76.9	77.6	-1%
• Wireless	50.9	54.7	-7%
• Fixed Line	25.6	22.3	15%
EBITDA Margin*	47%	47%	
• Wireless	44%	47%	
• Fixed Line	39%	36%	
Reported Net Income	34.1	35.4	-4%
Core Net Income	37.4	38.7	-3%
Core EPS	172.88	178.93	-3%

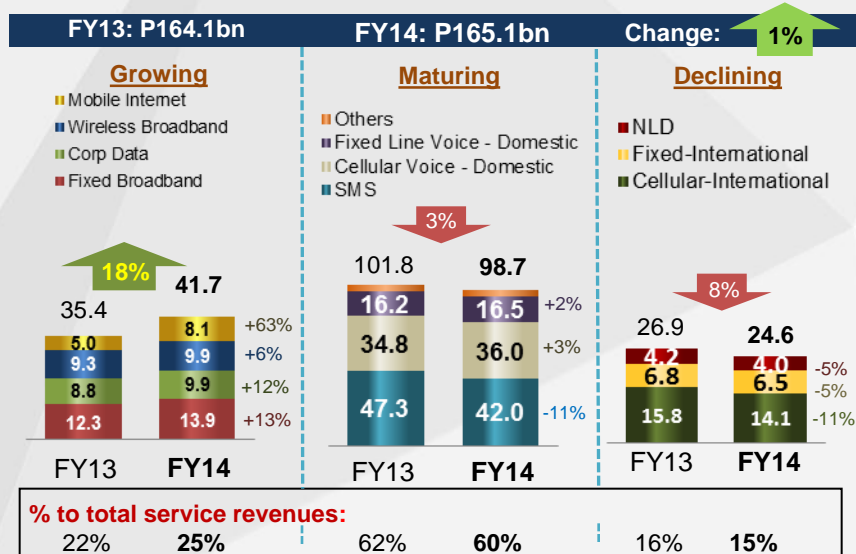
* EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnection costs)

Foreign Exchange Rates (Php:US\$1)	2014	2013	% Y-o-Y
Period-end	44.74	44.40	1%
Period-average	44.40	42.44	5%

PLDT Group: Service Revenues and EBITDA

Consolidated Service Revenues

(Php in billions)



➤ Data and broadband growth makes available alternatives to international voice and SMS, resulting in muted service revenue and EBITDA growth rates

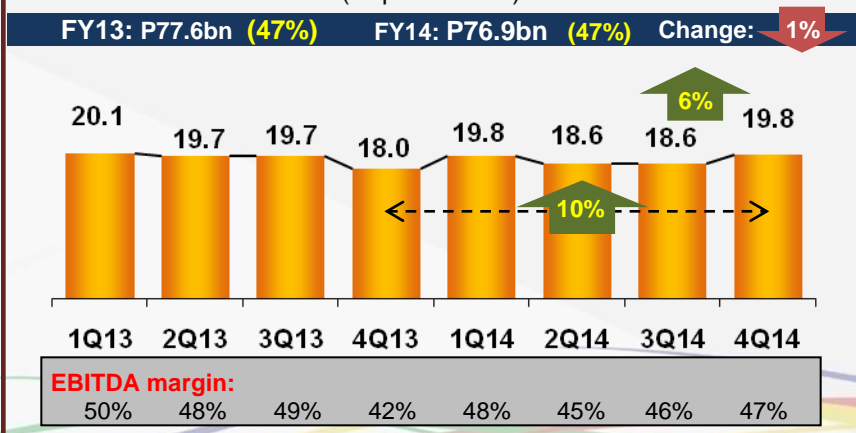
- Total revenues from data and broadband of P41.7bn now as large as SMS revenues
- P6.4bn rise in data and broadband revenues not yet able to fully offset P5.2bn reduction in SMS revenues and P2.3bn decline in international voice and NLD revenues
- Maturing of SMS business accelerated by price-focused competition

➤ Consolidated service revenues for 2014 grew by P1.0bn or 1% year-on-year to P165.1bn underpinned by the rise in data, broadband and domestic voice revenues

- Data and broadband revenues, accounting for 25% of total service revenues, increased by P6.4bn or 18% to P41.7bn
- International fixed and cellular voice, and NLD revenues were lower by P2.3bn or 8% at P24.6bn and accounted for 15% of total service revenues
- Combined revenues from cellular SMS and VAS, cellular and fixed line domestic voice, representing 60% of total service revenues, declined by P3.1bn or 3% to P98.7bn, as the P1.5bn growth in cellular and fixed line domestic voice revenues were offset by the P5.2bn dip in SMS revenues

EBITDA

(Php in billions)



➤ Consolidated EBITDA of P76.9bn for 2014 was lower by 1% or P0.7bn as the improvement of P1.0bn in service revenues and the decline of P1.2bn in provisions were offset by the P1.5bn rise in cash operating expenses particularly those related to operating an expanded network and in response to competition

- 2H14 EBITDA of P38.5bn was 2% higher than 2H13 and stable vis-à-vis 1H14
- 4Q14 EBITDA of P19.8bn was 10% higher than 4Q13 and 6% up from 3Q14

➤ Consolidated EBITDA margin for 2014 was stable at 47% with margin improvements for 4Q14 y-o-y and q-o-q (4Q14: 47%; 4Q13: 42%; 3Q14: 46%) and in 2H14 y-o-y and h-o-h (2H14:47%; 2H13:45%; 1H14:46%)

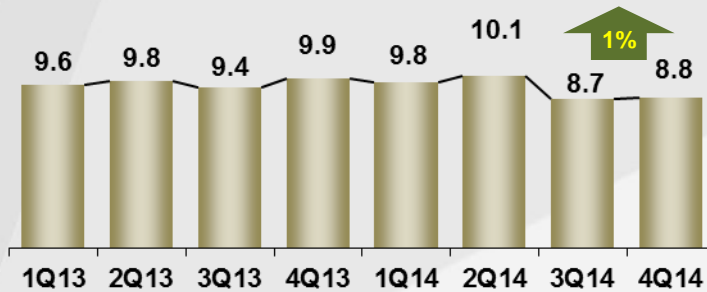
- Wireless: 44% (FY13: 47%; 4Q14: 45%; 4Q13: 45%)
- Fixed Line: 39% (FY13: 36%; 4Q14: 40%; 4Q13: 27%)

PLDT Group: Core and Reported Net Income

Core Net Income

(Php in billions)

FY13: P38.7bn FY14: P37.4bn % Change: **-3%**



➤ **Core net income of P37.4bn for 2014 was 3% or P1.3bn lower year-on-year mainly due to:**

- Decrease in EBITDA by P0.7bn
- Increase in non-cash expenses by P1.2bn
- Higher provision for income tax by P1.7bn

offset by:

- Lower financing cost (net) by P1.1bn
- Higher equity share in earnings of subsidiaries by P1.2bn, including Beacon's gain from sale of Meralco shares of P0.3bn

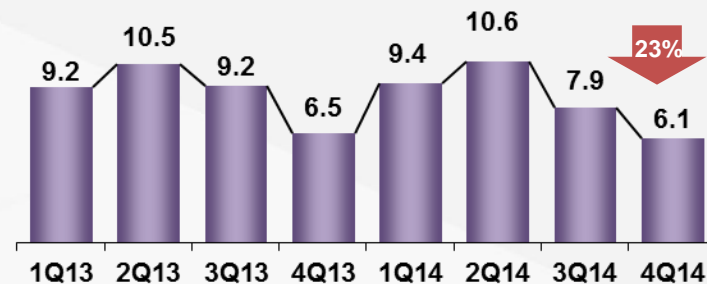
➤ **Reported net income for 2014 dipped by P1.3bn or 4% year-on-year to P34.1bn as a result of:**

- Decline in core net income by P1.3bn
- Contribution from discontinued operations (BPO) of P2.1bn in 2013
- Higher impairment of transport assets affected by network upgrade of P1.7bn
- Lower net forex and derivatives losses of P1.8bn after tax
- Impact of Revised PAS 19 on MRP expenses of P1.3bn in 2013

Reported Net Income

(Php in billions)

FY13: P35.4bn FY14: P34.1bn % Change: **-4%**



Capital Management

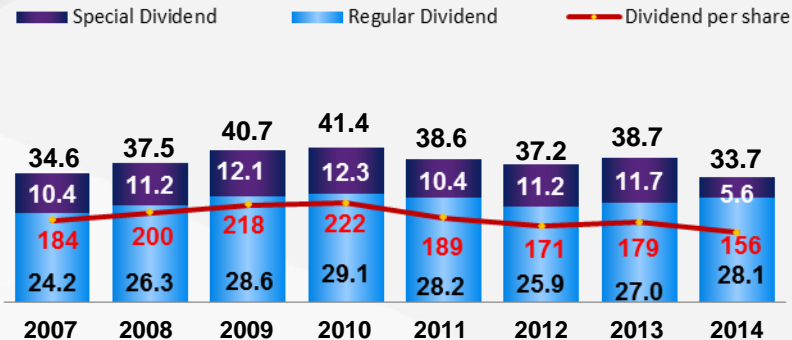
Dividend Declaration

Core earnings for 2014	P 173 per share
Total dividends per share for 2014	P156 per share (90% of core EPS)
Regular Dividends	P130 per share (75% of core EPS)
Interim Dividend (Aug 2014)	P 69 per share
Final Dividend (Mar 2015)	P 61 per share
Special Dividend (Mar 2015)	P 26 per share (15% of core EPS)

Declaration Date	3 March 2015
Record Date	17 March 2015
Payment Date	16 April 2015

Dividend Payments

(billion pesos, except per share amount)

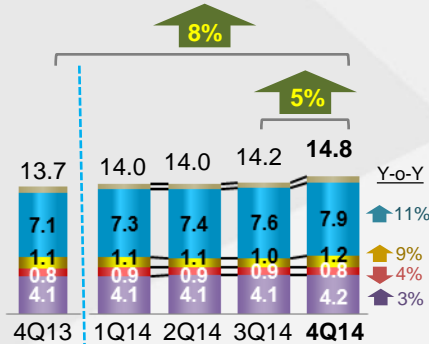
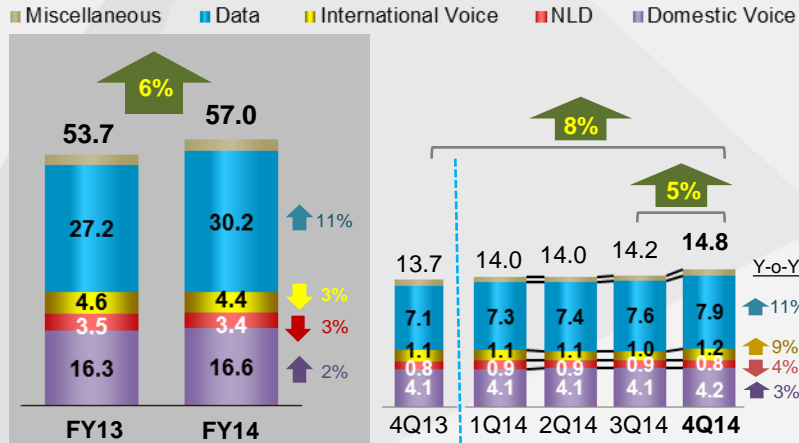


Dividend Pay-out ratio:							
100%	100%	100%	100%	100%	100%	100%	90%

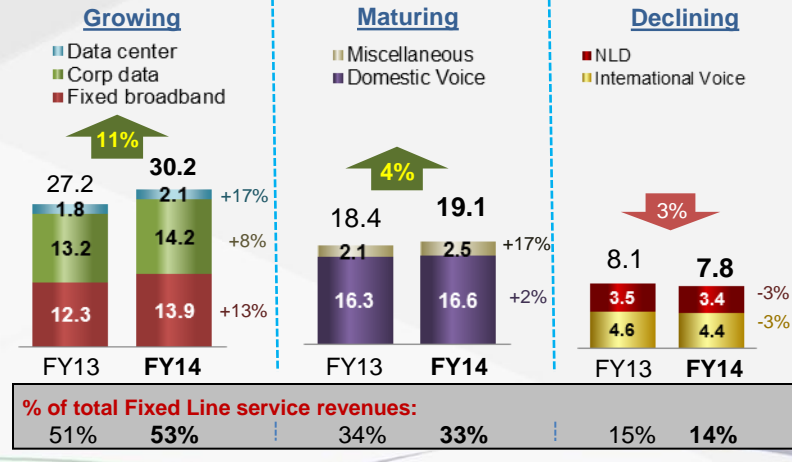
- **PLDT's dividend policy: regular dividends of 75% of core EPS + "look back" to determine possibility of a special dividend**
- **On 3 March 2015, Board of Directors declared total dividends of P87 consisting of a regular dividend of P61 and a special dividend of P26 per share**
- **For 2014, PLDT declared total dividends of P156 per share representing 90% of core earnings**
 - Regular dividends of P130 per share or 75% of core EPS
 - ✓ Interim regular dividend of P69 paid in September 2014
 - ✓ Final regular dividend of P61 to be paid in April 2015
 - Special dividend of P26 per share or 15% of core EPS to be paid in April 2015
- **After 100% payout of core earnings for 2007-13, payout for 2014 at 90%, to take into account:**
 - Higher capex to support growing data business
 - Investment in Rocket Internet
 - Plans to complement the traditional access business with investments in new adjacent businesses that will provide future sources of profits and dividends
- **At 2014 closing share price of P2,906, PLDT's dividend yield is 5.4%**

PLDT Group: Fixed line segment

Fixed Line Service Revenues*
(Php in billions)



Fixed Line Service Revenues*
(Php in billions)



% of total Fixed Line service revenues:	
51%	53%
34%	33%
15%	14%

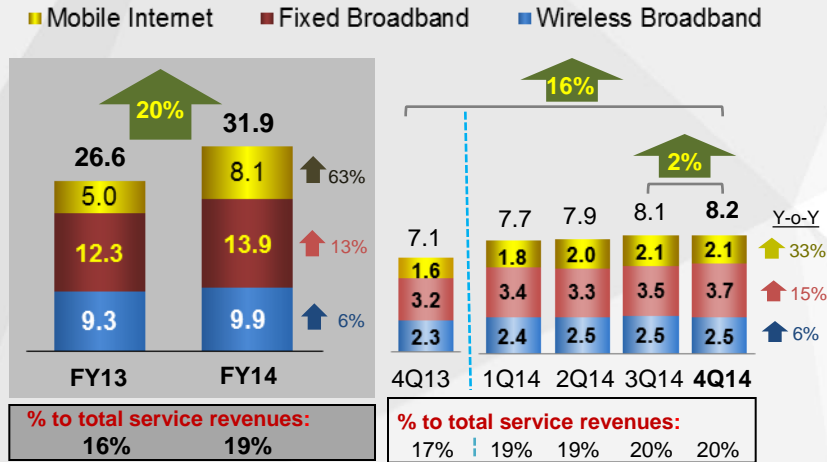
- **Fixed line service revenues for FY14, net of interconnection costs, improved by 6% or P3.4bn to P57.0bn buoyed by the robust growth in retail and corporate data revenues and an increase in domestic voice**
 - Data revenues or 53% of total fixed line revenues were higher by P3.0bn or 11% at P30.2bn
 - ✓ Fixed broadband revenues, accounting for 46% of total fixed line data revenues, rose by P1.6bn or 13% to P13.9bn following a 13% growth in subscribers
 - ✓ Corporate data and other network services or 47% of total fixed line data revenues increased by P1.1bn or 8% to P14.2bn
 - ✓ Data center revenues grew by P0.3bn or 17% to P2.1bn and represented 7% of total fixed line data revenues
 - Domestic voice revenues or 29% to total fixed line service revenues grew by P0.3bn or 2% to P16.6bn driven by a 7% rise in subscribers
 - International voice and NLD revenues dipped by 3% or P0.3bn to P7.8bn, and accounted for 14% of total fixed line service revenues
 - ✓ International voice and NLD revenues registered a CAGR of -6% from 2010 to 2014, having declined by 21% from P9.9bn in 2010, then contributing 20% to total fixed line service revenues, to P7.8bn in 2014 or 14% of total fixed line service revenues
- **Except for international voice and NLD, all fixed line businesses, representing 86% of total fixed line revenues, registered increases**
 - P3.0bn rise in data revenues and P0.3bn improvement in domestic voice revenues fully offset the P0.3bn decline in international voice and NLD revenues
 - Diversity of product offerings and business solutions backed by PLDT Group's integrated network enable both HOME and Enterprise units to sustain growth momentum
- **Fixed line EBITDA for 2014 was higher by P3.3bn or 15% year-on-year at P25.6bn as the P3.3bn growth in service revenues and P1.4bn decline in provisions fully offset the rise in cash operating expenses**
 - EBITDA margin of 39% higher compared with 36% for 2013
- **PLDT Group had over 2.2mn fixed line subscribers at the end of December 2014, of which about 1.1mn or 49% had fixed broadband subscriptions**

* Net of interconnection costs

PLDT Group: Broadband revenues

Consolidated Broadband Revenues

(Php in billions)



➤ **Data/broadband service revenues climbed by P5.3bn or 20% year-on-year to P31.9bn at YE14, and accounted for 19% total consolidated service revenues**

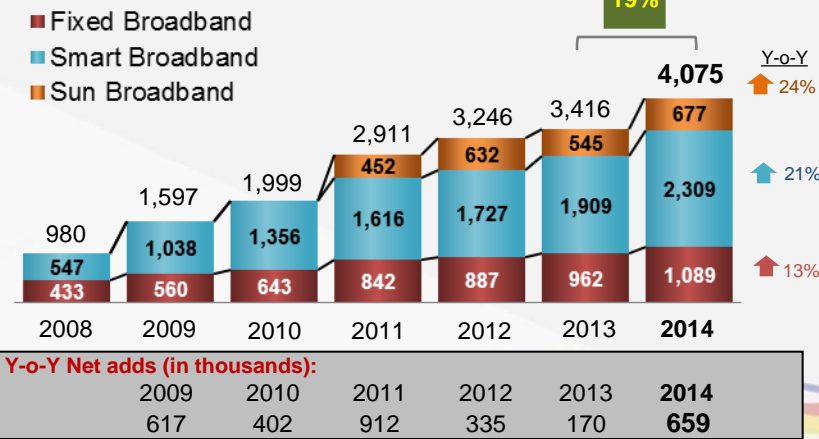
- Mobile internet revenues, representing 25% of total broadband revenues, grew by 63% or P3.1bn to P8.1bn as usage increased by 167% to 48,329 Terabytes
 - ✓ 4Q14 mobile internet revenues remained stable quarter-on-quarter despite the “free Internet” promo launched on 26 September 2014
- Fixed broadband revenues were up by 13% or P1.6bn to P13.9bn and contributed 44% to total broadband revenues supported by a 13% increase in subscribers
- Wireless broadband revenues, accounting for 31% of total broadband revenues, rose by 6% or P0.6bn to P9.9bn following a 22% growth in subscribers

➤ **PLDT Group’s broadband subscriber base crossed the 4mn mark with a 19% growth or over 659,000 net adds from end 2013**

- 4Q14 net adds of 328,800 are more than double 3Q14 net adds, and account for almost 50% of net adds for FY14
- Fixed broadband subscribers grew to 1.1mn, with net adds for 2014 of 127,000 compared with FY13 net adds of about 75,000
- Wireless broadband subscriber base nearly at 3.0mn, with net adds of over 532,000 in 2014
 - ✓ Smart broadband subscribers expanded by 21% to over 2.3mn
 - ✓ Sun broadband subscribers rose by 24% to over 676,000
 - ✓ 4Q14 net adds of over 291,000 account for 55% of FY14 net adds and are 3x more than 3Q14

Broadband Subscribers

(in thousands)

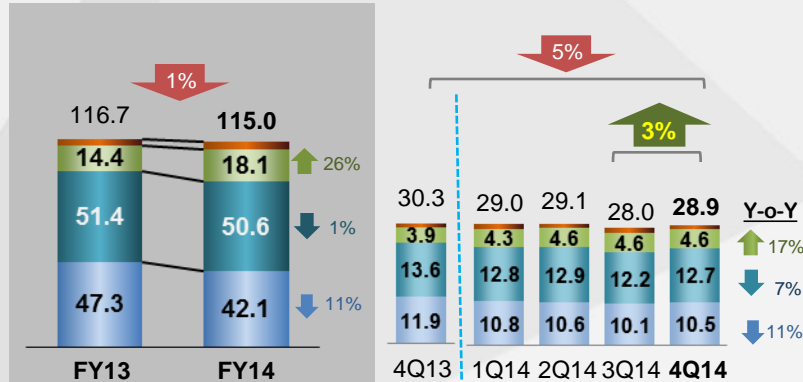


PLDT Group: Wireless segment

Wireless Service Revenues

(Php in billions)

■ Satellite and Others ■ Data/Broadband⁽¹⁾ ■ Cellular Voice ■ SMS and VAS



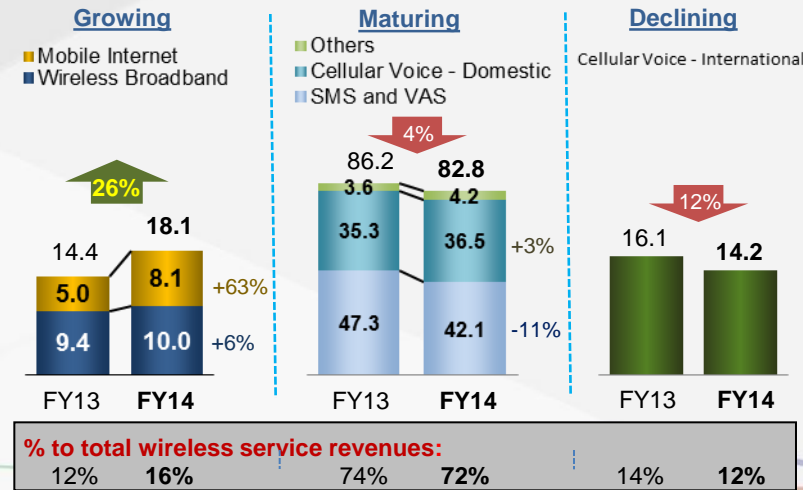
⁽¹⁾ Includes mobile internet revenues

➤ **Wireless service revenues dipped by 1% or P1.6bn year-on-year to P115.0bn in 2014 as the increase in data/broadband revenues was overtaken by declines in SMS and voice revenues**

- Data/broadband revenues rose by P3.7bn or 26% to P18.1bn or 16% of total wireless service revenues from 12% in 2013
 - ✓ Wireless broadband revenues grew by P0.6bn or 6% to P10.0bn, driven by a 22% or over 532,000 increase in subscribers
 - ✓ Mobile internet revenues increased by P3.1bn or 63% to P8.1bn
 - “Free Internet promo” launched on 26 September 2014 and extended up to 28 February 2015
 - 4Q14 revenues of P2.1bn higher by 33% year-on-year, and stable quarter-on-quarter
- Cellular voice revenues declined by P0.7bn or 1% to P50.6bn and accounted for 44% of total wireless service revenues
 - ✓ Domestic voice revenues were up by P1.2bn or 3% to P36.5bn or 32% of total wireless service revenues
 - ✓ International voice revenues were lower by P1.9n or 12% to P14.2bn or 12% of total wireless service revenues
- SMS and VAS revenues of P42.1bn or 37% of total wireless service revenues decreased by P5.2bn or 11%, due to price-oriented competition and a 16% reduction in SMS count due to greater availability of alternative messaging options

Wireless Service Revenues

(Php in billions)



➤ **Postpaid revenues grew by P2.6bn or 14% to P21.7bn in 2014, and already accounted for 21% of total cellular revenues**

- Rise in postpaid revenues higher than the P0.3bn increase in subsidies
- Smart revenues improved by 14% or P1.5bn, while Sun revenues grew by 13% or P1.1bn
- Postpaid subscriber base increased to over 2.7mn or net adds for 2014 of more than 387,000

➤ **Prepaid revenues decreased by P5.5bn or 6% year-on-year to P79.1bn as a result of price-focused competition, including Smart/Sun’s more aggressive response to defend market share in 2H14**

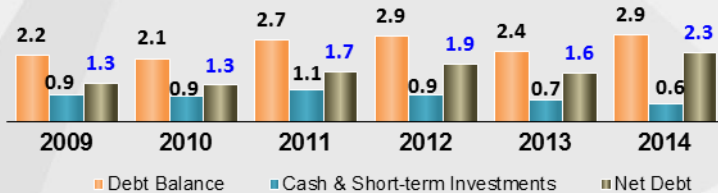
➤ **Wireless EBITDA for 2014 was lower by P3.8bn or 7% year-on-year at P50.9bn; EBITDA margin stood at 44%**

- 4Q14 EBITDA margin of 45% higher than 44% in 3Q14, and stable year-on-year
- 2H14 EBITDA margin stable vis-à-vis 1H14

PLDT Group: Debt Profile

Debt Balance

(US\$ in billions)



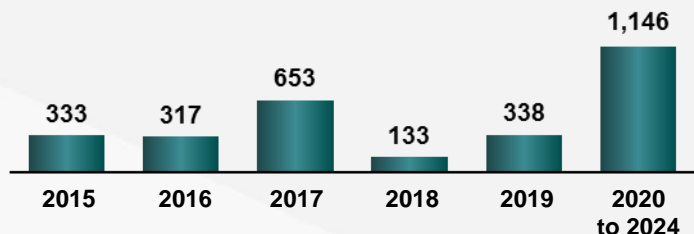
Net Debt/EBITDA

0.7x	0.7x	0.9x	1.05x	0.9x	1.34x
------	------	------	-------	------	-------

Debt Maturities

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

Total: US\$2,920mn



Debt maturities to total debt:

11%	11%	22%	5%	12%	39%
-----	-----	-----	----	-----	-----

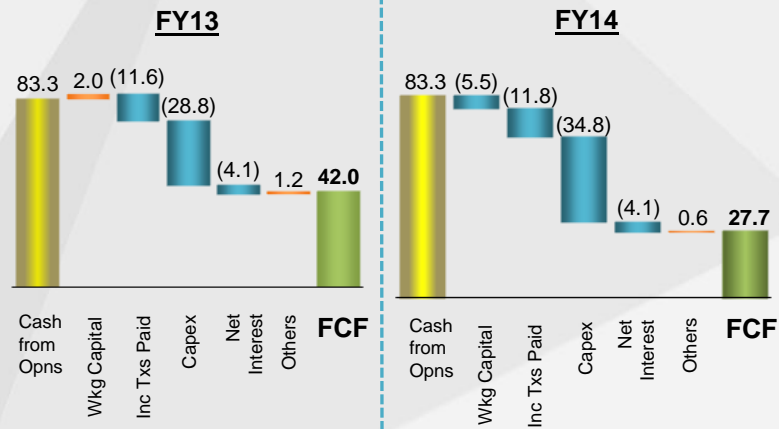
- **Net debt and net debt to EBITDA rose to US\$2.3bn and 1.34x, respectively, at end December 2014**
 - Reflects impact of investment in Rocket Internet
 - Full-year effect of higher debt level in 2015
- **As of FY14, gross debt stood at US\$2.9bn, higher by US\$0.6bn from YE13, mainly due to the P15bn (approx. US\$0.3bn) retail bonds issued in 1Q14**
 - 47% of gross debt is US\$ denominated
 - Taking into account our US\$ cash holdings and hedges, only US\$1.0bn or 34% of total debt is unhedged
 - ✓ Natural hedge from dollar-linked revenues: 20% of FY14 revenues or US\$0.7bn
 - 59% are fixed-rate loans, while 41% are floating-rate loans; post-interest rate swaps: 78% fixed, 22% floating
 - Average interest cost (pre-tax) of 4.05% for FY14 (FY13: 4.33%)
- **Debt maturities continue to be well spread out**
 - US\$227mn bonds maturing in 2017
 - Over 50% of total debt due to mature beyond 2018, including P15bn retail bonds
- **PLDT rated investment grade by three major international ratings agencies**

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+	BBB+/axA+	stable

PLDT Group: Free Cash Flow and Capex

Free Cash Flow

(Php in billions)



➤ Free cash flow for 2014 was lower year-on-year by P14.3bn or 34% at P27.7bn due to the combined effect of:

- Stable cash from operations
- Higher net decrease in working capital of P7.5bn
- Increase in capex by P5.9bn
- Higher income taxes paid by P0.2bn

➤ FCF of P27.7bn and proceeds from debt (net) of P25.6bn were used for:

- Payment of cash dividends of P39.8bn consisting of the final regular and special dividends for 2013 and the interim dividend for 2014
- Investment in Rocket Internet of P19.7bn

➤ From sale of SPi's healthcare business, PLDT received US\$42mn distribution in 4Q14

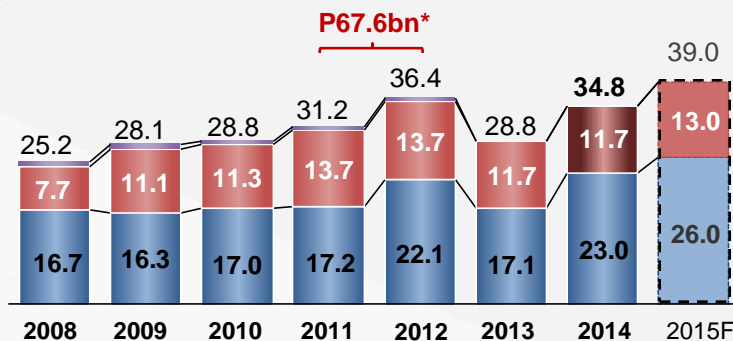
➤ Capex for 2014 rose to P34.8bn or 21% of service revenues to support the PLDT Group's network requirements, particularly for the data and broadband businesses

- Greater coverage
 - ✓ Roll-out and activation of more 3G base stations
 - ✓ Deployment of in-building solutions
 - ✓ Expansion of 4G network footprint (HSPA+, FD-LTE, TD-LTE, WiMax)
 - Accelerated build out of TD-LTE network to complement fixed line network
- Increased fiber reach and capacity
 - ✓ PLDT Group's fiber footprint at over 98,000 kms., with capacity to be boosted by 520Gbps or 13% higher than current capacity
 - ✓ Fiber-to-the-home (FTTH) coverage of approx. 300,000 lines
 - ✓ Tie-up with PCCW Global for the construction of a new 25,000km undersea cable network, AAE-1, with 100Gbps capacity
- Modernization and fortification of the fixed line network
 - ✓ Completed migration of PLDT legacy lines to NGN lines
 - ✓ Burying overhead/aerial cables to underground conduit system for improved reliability and resiliency during typhoons
- Capacity expansion of fixed and mobile broadband packet core network, transmission, internet peering and caching nodes and data policy control platforms
- Unified Smart-Sun network project resulting in operational efficiency:

Capex

(PhP in billions)

■ Wireless ■ Fixed Line ■ BPO



Year	2008	2009	2010	2011	2012	2013	2014	2015F
% of Capex to total service revenues:	18%	19%	19%	21%	23%	18%	21%	23%

* Network transformation program

➤ Capex for 2015 to rise further to P39.0bn in anticipation of an exponential growth in network traffic from greater smartphone ownership and our initiatives to stimulate data usage

Five Pillars of the PLDT Group's converged digital communications business



- **Re-shaping PLDT Group from a telco-access business to a converged digital communication business**
 - Charting PLDT's future path-to-growth
 - Transition involves an investment phase
 - Valuation model: from P&L/DCF to "sum-of-the-parts": challenge in presenting and valuing the adjacent digital businesses/investments

Smart “Internet for all” Campaign



Your first step to the free side of the Internet



Discover mobile apps and sites you can access at no data cost!



- **Smart “Internet for all” campaign for digital inclusion: “Fast, Safe, and Fun Internet for all your needs, for every Filipino”**
 - “Free Internet” promo granting 30MB/user/day launched on 26 September 2014 to stimulate usage and increase awareness of an “always-on” mobile data experience
 - ✓ Promo extended to 28 February 2015 given positive traction in the initial phase
 - Significant rise in unique mobile internet prepaid users increasing data penetration
 - Higher ARPU and top-up frequency recorded for “free Internet users”
 - ✓ Helps familiarize market with “volume-based” plans
 - ✓ At YE14, around 30% of our cellular subscriber base own smartphones of which about 1/3 pay for data
 - Power apps and low-denomination data+load bundles
 - ✓ “Unli-chat and text” prepaid promo for P10/day
 - Communication bundle with unlimited SMS and rich messaging (e. g., Viber, Whats App et al) to address threat of substitution
 - Maintains ARPU of P10/day and encourages more frequent top-ups
 - SafeZone and Load Protect
 - ✓ Platform that allows access to the free side of the Internet (mobile apps and sites) and the ability to prevent unwanted data charges
 - ✓ Partnership with top digital brands
 - Flexible plans offering a range of gadgets and data allocations to suit different budgets and usage habits
 - ✓ Smart Bro All-day and Flexi-Surfing and Gadget Plans
 - ✓ Partnership with Google to offer Android One phones, such as Cherry Mobile, MyPhone
 - FMCG partnerships to use mobile data as mobile marketing tool
 - ✓ Free “Super Messaging 10” coupons for selected orders at McDonald’s
 - Use of engaging content (e.g. music, games, movies, sports) to encourage usage, generate additional revenues, and for customer retention: **Blink** (movies via tie up with Solar Entertainment), **Deezer** and **SPINNR** (music), **GameX** (online games), **e-publications** (tie up with Summit Media), partnership with **Disney Interactive**

The strongest connections are at

Broadband Plans



➤ **PLDT's HOME provides a compelling suite of digital services ranging from communication, entertainment, and home monitoring, all running on a formidable integrated network, with the end goal of delivering to the customer a **CONNECTED HOME****

- Broadband plans (with voice/landline) include: DSL, Fibr (fiber-to-the-home), and ULTERA (TD-LTE)
 - ✓ Plans start at P990/month (DSL and ULTERA)
 - ✓ High-speed Fibr plans range from P1,899-P20,000/month
 - ✓ ARPU of P1,127 for 2014, up from P1,102 in 2013
- A variety of value-added services are available to complement the broadband plans which also provide opportunities for PLDT to “bill above”
 - ✓ Device bundles: Telpad (the only online landline), TVolution (OTT box that transforms ordinary TV into internet TV) help to enable access for homes without PCs or laptops
 - ✓ Fam Cam – a home monitoring service- allows remote viewing using wi-fi or mobile
- Access to content (e.g. music, games, movies, sports, TV) to enhance the customer experience
 - ✓ Clickplay (movies, TV series)
 - ✓ SPINNR (music)
 - ✓ EA Games (online games)
 - ✓ Content from CignalTV

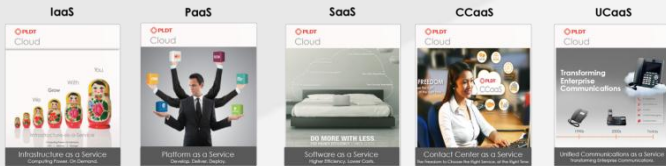
Value-Added Services



Bundled Content



Alpha Enterprise and SME Nation: enabling businesses



WorkForce
Pharma
Telemetry
Credit



PowerForm
Pay
Sales
Merchandising

FUTURE Talks



- ✓ PLDT's Enterprise segment continues to support growth of Philippine businesses (large corporates, BPOs, SMEs) by providing end-to-end business and ICT solutions delivered via the PLDT Group's fixed and wireless networks
- ✓ End-to-end ICT solutions include cloud and managed services, such as: IaaS (Infrastructure as a Service), SaaS (Software as a Service), PaaS (Platform-as-a-Service), UCaaS (Unified Communications as a Service), CCaaS (Contact Center as a Service), and Disaster Recovery as a Service
 - Regionally-awarded Metro Ethernet Services and Broadband Services serve high-bandwidth requirements
- ✓ PLDT Group has 6 data centers that offer: colocation, server hosting/outsourcing, disaster recovery, connectivity, security and mitigation services
 - Telco-grade, carrier neutral and vendor agnostic international data center
 - Largest rack capacity in the Philippines with more than 2,300 racks at the end of 2014
 - Expansion to full capacity of over 6,800 racks by end 2015 when construction of 1 additional data center is completed
- ✓ Suite of enterprise products that include: M2M Solutions and other digital services (e. g., NextGen Videocon, ePLDT Visual IVR+)
- ✓ Strategic Thought Leadership Conferences aimed at equipping SMEs with prescriptive knowledge and insights to prepare them for the fast approaching integrated economy
 - Future Talks, TECHISLAND, and MVP Bossing Awards

Signal TV: The Philippines' premier DTH pay TV provider



Top Channels on Signal TV



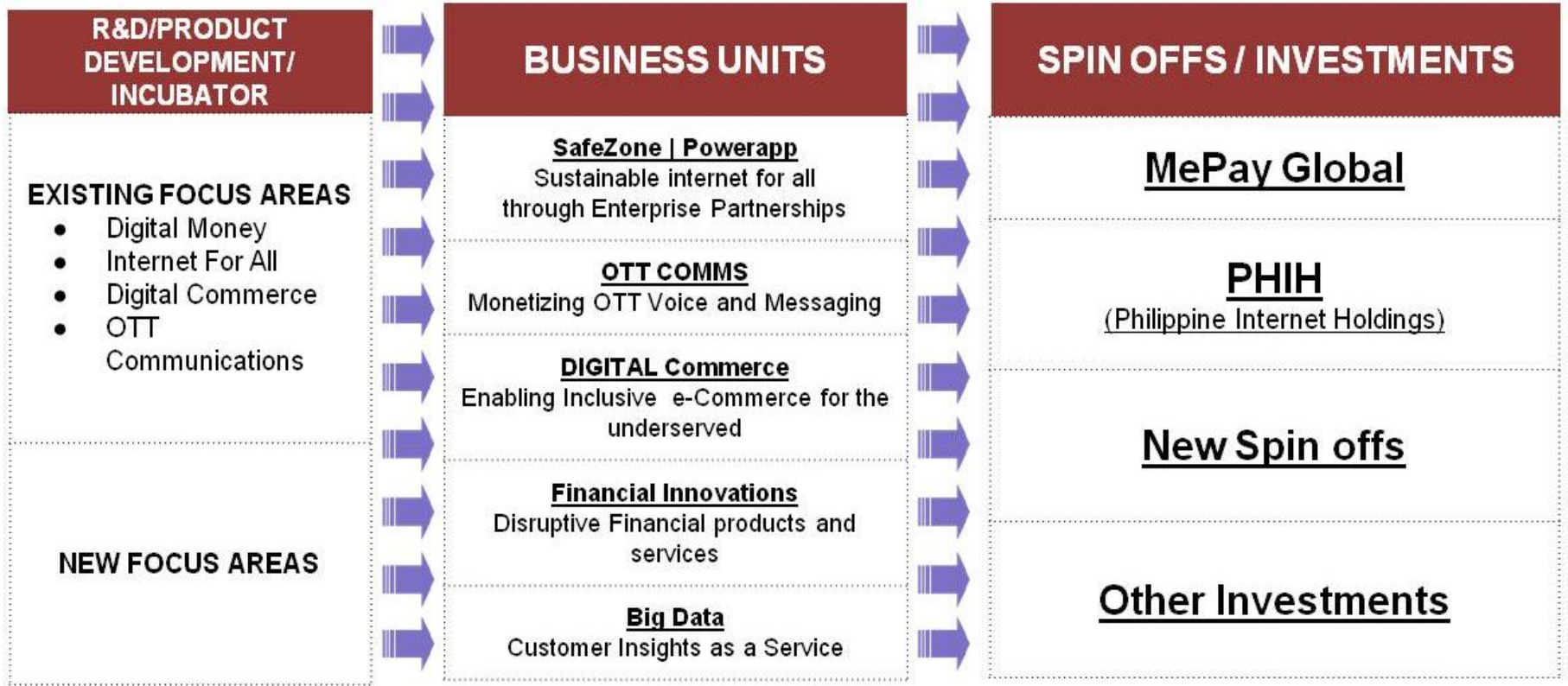

StarWorld



- ✓ At the end of 2014, Signal TV had over 844,000 subscribers, surpassing the 20-year incumbent
 - 34% increase in subscribers from over 630,000 at YE13
- ✓ Signal TV is 100% digital, with a nation-wide footprint
- ✓ Up to 97 channels available, including 27 in HD (high definition)
- ✓ Wide array of plans available including:
 - Prepaid plans starting at P300 (SD) and P490 (HD, 20 channels)
 - Postpaid plans for as low as P490 (HD, 52 channels)
 - Fibr Bundles starting at P630 (HD, 64 channels)
 - Institutional Plans for as low as P230 (SD, 19 channels)

PLDT to expand its footprint in the digital space organically and in partnership with global players

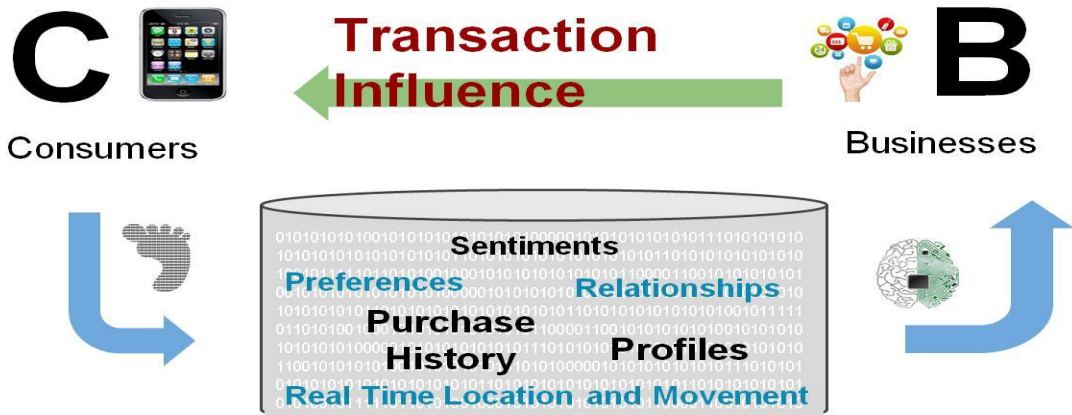
Our Digital Unit



PLDT Group to focus on adjacent businesses which have links and/or the ability to enhance the telco access business

- Mobile remittance (Smart Money, Smart Padala)
- e-commerce/mobile payments (MePay, Takatack, Tack this)
- Digital platforms and products (e. g., Lock-by-Mobile)
- Big data, data analytics, transaction influence:
 - ✓ Insights from the PLDT Group's subscriber base of over 76 million

The ENGINE of Big Data



Over **60%** of the consumption of the ASEAN-6 Region will be Digitally Influenced

Rocket Internet: Recent updates

- **PLDT investment: €333mn (€33/share), 6.1% ownership**
 - IPO listing price (2 October 2014): €42.50/share
 - As of 2 March 2015:
 - ✓ Closing Price €51.12/share
 - ✓ Market Cap: €8,442mn
 - ✓ Value of PLDT Interest: €515mn (55% over original investment)
- **Recent developments:**
 - Rocket completed **€588.5mn private placement** via the issuance of 12mn shares at €49/share (13 February 2015)
 - ✓ PLDT % ownership reduced from 6.6% to 6.1% post-placement
 - Rocket created **Global Online Takeaway Group** (February 2015)
 - ✓ Identified “food and groceries” as the next frontier of e-commerce
 - ✓ Combined stakes in *foodpanda*, *Delivery Hero*, *La Nevera Roja* (Spain), *Pizzabo* (Italy) and *Talabat.com* (Middle East)
 - ✓ On a combined basis, the group is present in 64 countries, works with 140 thousand restaurants and based on annualized December 2014 numbers, processed 78 million orders
 - Agreement for creation of **Philippines Internet Group** (January 2015)
 - ✓ PLDT (through Voyager) and the Asia Pacific Internet Group (“APACIG”, 50% owned by Rocket Internet) to become partners
 - PLDT to invest €30mn for a 33.3% stake with an option to increase this to 50%
 - ✓ To focus on online business development in the Philippines
 - ✓ Will bundle activities of existing high-growth companies which are already operating in the Philippines like *Lamudi*, *Carmudi*, *Clickbus* and *Pricepanda*, and aims to launch numerous new companies in the coming quarters
 - Agreement for creation of **global Joint Venture for Mobile-First Payment Solutions** (January 2015)
 - ✓ 50/50 JV for mobile-first payment services with a focus on emerging markets
 - ✓ JV to leverage:
 - Rocket’s network of online companies in more than 100 countries
 - PLDT/Smart e-Money Inc.’s pioneering mobile payments platform

PLDT Group Guidance for 2015

Core Net Income

P35.0bn

(P2.4bn or 6.4% lower than 2014)

CAPEX

P39.0bn

(approx. 23% of service revenues)

Capital Management

Dividend Pay-out Policy:

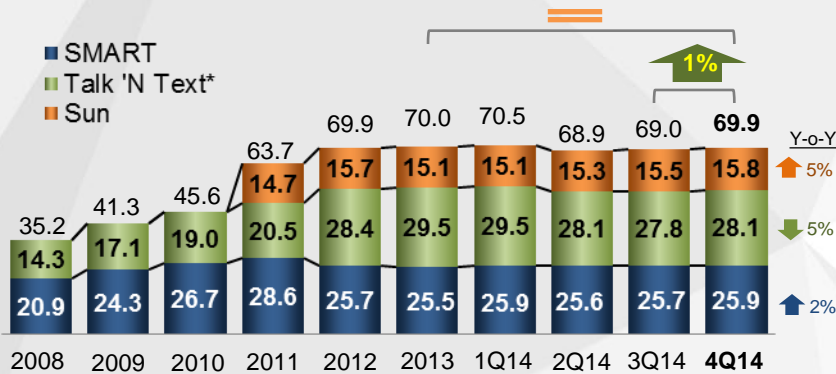
75% of Core EPS + “look-back” approach

Other Details

Subscribers

Wireless Subscribers

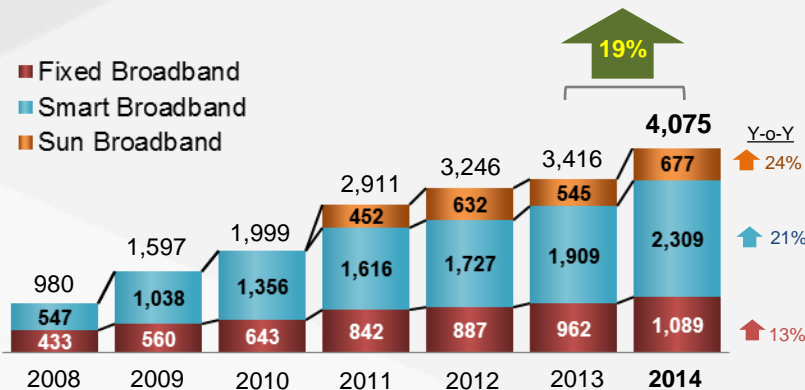
(in millions)



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

Broadband Subscribers

(in thousands)



Y-o-Y Net adds (in thousands):

Year	2009	2010	2011	2012	2013	2014
Net adds	617	402	912	335	170	659

➤ PLDT Group had 76.1mn subscribers at the end of December 2014

➤ Cellular subscriber base stood at 69.9mn, of which 96% or 67.1mn were prepaid subscribers

- 4Q14 net adds of over 826,000, consisting of 717,000 prepaid and 109,000 postpaid, were 6x more than 3Q14 net adds
- TNT subscribers of over 28.1mn
- Smart subscribers of 25.9mn or about 419,000 net adds from end 2013
- Sun subscribers of 15.8mn or more than 728,000 net adds from YE13, with 4Q14 net adds of over 286,000

➤ Postpaid subscribers, accounting for 4% of total subscribers, grew by 16% to 2.8mn, or over 387,000 net adds from YE13

- FY14 net adds were 3x more than FY13 net adds
- Sun postpaid subscriber base grew to more than 1.7mn, with net adds of 237,000 or a 16% increase from FY13
- Smart postpaid subscriber base expanded to over 1mn, with more than 150,000 net adds or a 17% rise from end 2013

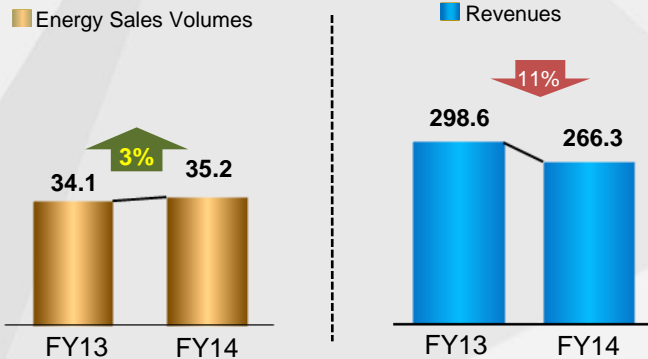
➤ PLDT Group's broadband subscriber base crossed the 4mn mark with a 19% growth or over 659,000 net adds from end 2013

- 4Q14 net adds of 328,800 are more than double the 3Q14 net adds, and account for almost 50% of net adds for FY14
- Fixed broadband subscribers grew to 1.1mn, with net adds for 2014 of 127,000 compared with FY13 net adds of about 75,000
- Wireless broadband subscriber base nearly at 3.0mn, with net adds of over 532,000 in 2014
 - ✓ Smart broadband subscribers expanded by 21% to over 2.3mn
 - ✓ Sun broadband subscribers rose by 24% to over 676,000
 - ✓ 4Q14 net adds of over 291,000 account for 55% of FY14 net adds and are 3x more than 3Q14

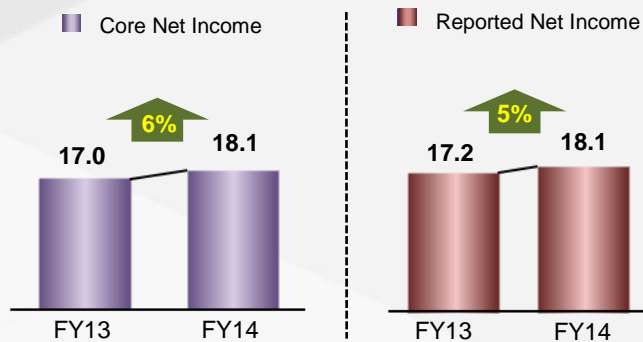
➤ PLDT Group had 2.2mn fixed line subscribers at end-December 2014, of which about 1.1mn or 49% had fixed broadband subscriptions

MERALCO

Energy Sales Volumes and Revenues (in '000 GWh and Php in billions)



Core and Reported Net Income (Php in billions)



- **MERALCO's consolidated revenues declined by P32.3bn or 11% to P266.3bn in FY14, due to the combined effect of:**
 - Higher electricity sales by 3%
 - P9.3bn downward adjustment on MERALCO's purchases from the WESM billed by PEMC as ordered by the ERC
 - Lower pass-through charges attributed to negotiated Power Supply Agreements (PSAs) and the shift of contestable customers to other retail electricity suppliers (RES)
 - Unrealized sales due to three weather disturbances within Meralco's franchise area
- **Consolidated core EBITDA higher by P2.3bn or 8% to P33.2bn; FY14 EBITDA margin higher at 12% from 10% in FY13**
- **Core net income rose by P1.1bn or 6% year-on-year to P18.1bn; and reported net income was up by P0.8bn or 5% to P18.1bn**
- **Meralco declared total cash dividends of P12.87 per share or 80% of 2014 core earnings**
 - In February 2015, total cash dividend of P8.49 per share (regular dividend of P3.66 and special dividend of P4.83) declared
- **Other operational highlights:**
 - Customer base grew by 4% year-on-year to about 5.6mn at YE14
 - Capex for 2014 was higher by P2.2bn or 21% to P12.4bn
 - On-going power generation initiatives include:
 - ✓ San Buenaventura Power Ltd. (JV between MGen and Thailand's EGCO): 460MW (net) coal-fired power plant in Mauban, Quezon; PSA awaiting ERC approval
 - ✓ RP Energy: 600MW CFB coal-fired plant in Subic; environmental case resolved; construction to commence in 2015
 - ✓ Atimonan One Energy: 2x600 MW PC coal-fired power plant in Atimonan, Quezon; development activities underway
 - ✓ Projects under Global Business Power Corporation, in which MGen has a 22% interest:
 - Toledo Power Company commenced commercial operation of its 1 x 82 MW CFB coal-fired power plant in December 2014
 - Panay Energy Development Corp.'s 1x150 MW CFB coal-fired plant in Iloilo City under construction, with commercial operations by 3Q16
 - Expanded distribution service areas to include: Cavite Economic Zone and Pampanga Electric Cooperative II (PELCO II)
- **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:

	Dec- 14	Sept-14	Jun-14	Mar-14	Dec- 13	FY14 vs FY13		Net Adds							
						Net Adds	%	1Q14	%	2Q14	%	3Q14	%	4Q14	%
CELLULAR															
Prepaid	67,091,612	66,374,421	66,339,954	68,030,812	67,667,750	(576,138)	-1%	363,062	1%	(1,690,858)	-2%	34,467	-	717,191	1%
Smart Prepaid	24,877,144	24,735,917	24,610,726	24,959,498	24,608,687	268,457	1%	350,811	1%	(348,772)	-1%	125,191	1%	141,227	1%
Sun Prepaid	14,065,108	13,853,723	13,673,112	13,581,189	13,574,046	491,062	4%	7,143	-	91,923	1%	180,611	1%	211,385	2%
Talk 'N Text	28,149,360	27,784,781	28,056,116	29,490,125	29,485,017	(1,335,657)	-5%	5,108	-	(1,434,009)	-5%	(271,335)	-1%	364,579	1%
Postpaid	2,765,448	2,656,323	2,557,152	2,464,660	2,377,877	387,571	16%	86,783	4%	92,492	4%	99,171	4%	109,125	4%
Smart Postpaid	1,040,221	1,006,124	969,612	928,390	889,696	150,525	17%	38,694	4%	41,222	4%	36,512	4%	34,097	3%
Sun Postpaid	1,725,227	1,650,199	1,587,540	1,536,270	1,488,181	237,046	16%	48,089	3%	51,270	3%	62,659	4%	75,028	5%
Total Cellular Subscribers	69,857,060	69,030,744	68,897,106	70,495,472	70,045,627	(188,567)	-	449,845	1%	(1,598,366)	-2%	133,638	-	826,316	1%

Cellular Subscribers by brand:

	Dec- 14	Sept-14	Jun-14	Mar-14	Dec- 13	FY14 vs FY13		Net Adds							
						Net Adds	%	1Q14	%	2Q14	%	3Q14	%	4Q14	%
CELLULAR															
Smart	25,917,365	25,742,041	25,580,338	25,887,888	25,498,383	418,982	2%	389,505	2%	(307,550)	-1%	161,703	1%	175,324	1%
Smart Prepaid	24,877,144	24,735,917	24,610,726	24,959,498	24,608,687	268,457	1%	350,811	1%	(348,772)	-1%	125,191	1%	141,227	1%
Smart Postpaid	1,040,221	1,006,124	969,612	928,390	889,696	150,525	17%	38,694	4%	41,222	4%	36,512	4%	34,097	3%
Talk 'N Text	28,149,360	27,784,781	28,056,116	29,490,125	29,485,017	(1,335,657)	-5%	5,108	-	(1,434,009)	-5%	(271,335)	-1%	364,579	1%
Sun Cellular	15,790,335	15,503,922	15,260,652	15,117,459	15,062,227	728,108	5%	55,232	-	143,193	1%	243,270	2%	286,413	2%
Sun Prepaid	14,065,108	13,853,723	13,673,112	13,581,189	13,574,046	491,062	4%	7,143	-	91,923	1%	180,611	1%	211,385	2%
Sun Postpaid	1,725,227	1,650,199	1,587,540	1,536,270	1,488,181	237,046	16%	48,089	3%	51,270	3%	62,659	4%	75,028	5%
Total Cellular Subscribers	69,857,060	69,030,744	68,897,106	70,495,472	70,045,627	(188,567)	-	449,845	1%	(1,598,366)	-2%	133,638	-	826,316	1%

Subscriber Data: Broadband

	Dec-14	Sept-14	Jun-14	Mar-14	Dec-13	FY14 vs FY13		Net Adds							
						Net Adds	%	1Q14	%	2Q14	%	3Q14	%	4Q14	%
BROADBAND															
Wireless Broadband	2,986,146	2,694,840	2,598,920	2,551,882	2,453,826	532,320	22%	98,056	4%	47,038	2%	95,920	4%	291,306	11%
Smart Broadband	2,309,366	2,103,587	2,052,107	2,003,433	1,909,209	400,157	21%	94,224	5%	48,674	2%	51,480	3%	205,779	10%
Prepaid	1,795,039	1,560,743	1,496,560	1,435,216	1,359,862	435,177	32%	75,354	6%	61,344	4%	64,183	4%	234,296	15%
Postpaid	514,327	542,844	555,547	568,217	549,347	(35,020)	-6%	18,870	3%	(12,670)	-2%	(12,703)	-2%	(28,517)	-5%
Sun Broadband	676,780	591,253	546,813	548,449	544,617	132,163	24%	3,832	1%	(1,636)	-	44,440	8%	85,527	14%
Prepaid	347,527	292,076	274,538	295,887	309,756	37,771	12%	(13,869)	-4%	(21,349)	-7%	17,538	6%	55,451	19%
Postpaid	329,253	299,177	272,275	252,562	234,861	94,392	40%	17,701	8%	19,713	8%	26,902	10%	30,076	10%
Fixed Line Broadband	1,089,004	1,051,469	1,020,094	1,000,028	961,967	127,037	13%	38,061	4%	20,066	2%	31,375	3%	37,535	4%
Total Broadband Subscribers	4,075,150	3,746,309	3,619,014	3,551,910	3,415,793	659,357	19%	136,117	4%	67,104	2%	127,295	4%	328,841	9%

FY2014: Consolidated Financial Highlights

<i>(Php in millions)</i>	FY2014				FY2013	% Change
	Wireless	Fixed Line	Others	Consolidated (audited)	Consolidated (audited)	
Service Revenues	115,037	65,164	-	165,070	164,052	1%
Cash operating expenses ⁽¹⁾	54,326	39,522	56	78,371	75,573	4%
Depreciation and amortization	16,375	15,004	-	31,379	30,304	4%
Financing costs, net	(1,646)	(3,724)	(60)	(5,320)	(6,589)	-19%
Income before income tax	29,053	9,540	5,555	44,148	41,632	6%
Provision for income tax	7,158	2,818	82	10,058	8,248	22%
EBITDA	50,917	25,612	(56)	76,877	77,552	-1%
<i>EBITDA Margin ⁽²⁾</i>	44%	39%	-	47%	47%	
Net Income attributable to Equity Holders of PLDT	21,915	6,703	5,473	34,091	35,420	-4%
Continuing Operations	21,915	6,703	5,473	34,091	33,351	2%
Discontinued Operations	-	-	-	-	2,069	-100%
Core net income	25,176	6,691	5,543	37,410	38,717	-3%
Continuing Operations	25,176	6,691	5,543	37,410	38,816	-4%
Discontinued Operations	-	-	-	-	(99)	100%

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

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

Reconciliation of Core and Reported Net Income

<i>(in million pesos)</i>	FY2014				FY2013	% Change
	Wireless	Fixed Line	Others	Consolidated (audited)	Consolidated (audited)	
Net Income attributable to equity holder of PLDT - continuing operations	21,915	6,703	5,473	34,091	33,351	2%
Add (deduct):						
Foreign exchange losses (gains), net	464	39	(121)	382	2,893	-87%
Losses (gains) on derivative financial instruments, net	34	(320)	78	(208)	(816)	-75%
Retroactive effect of adoption of Revised PAS 19	-	-	-	-	1,269	-100%
Others	3,616	233	74	3,923	2,962	32%
Tax effect	(853)	36	39	(778)	(843)	-8%
Core Net Income - Continuing operations	25,176	6,691	5,543	37,410	38,816	-4%
Core Net Income - Discontinued operations	-	-	-	-	(99)	100%
Total Core Net Income	25,176	6,691	5,543	37,410	38,717	-3%

Consolidated Service Revenues

<i>(Php in billions)</i>	2014					2013					% Change	
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY	FY14 vs FY13	4Q14 vs 4Q13
SMS and VAS	10.8	10.6	10.1	10.5	42.0	11.9	11.9	11.5	11.9	47.3	-11%	-11%
Voice - Domestic	13.9	14.3	13.9	14.3	56.4	13.3	13.9	13.7	14.3	55.2	2%	-
Voice - International	5.5	5.2	4.8	5.2	20.6	5.5	5.6	5.6	5.9	22.7	-9%	-12%
Non-SMS data	10.0	10.3	10.6	10.8	41.7	8.2	8.7	9.0	9.5	35.4	18%	14%
Others	1.0	1.1	1.0	1.1	4.2	0.9	0.9	0.8	0.9	3.6	18%	25%
Total	41.3	41.4	40.4	42.0	165.1	40.0	41.1	40.6	42.4	164.1	1%	-1%

Expenses

<i>(Php in millions)</i>	FY2014				FY2013	% Change
	Wireless	Fixed Line	Others	Consolidated (audited)	Consolidated (audited)	
Operating expenses						
Compensation and employee benefits ⁽¹⁾	6,944	11,825	-	18,749	20,100	-7%
Repairs and maintenance	8,666	6,956	-	14,988	13,107	14%
Selling and promotions	8,512	2,126	-	10,619	9,776	9%
Rent	11,008	2,619	-	6,605	6,041	9%
Insurance and security services	1,274	717	-	1,884	1,815	4%
Taxes and licenses	2,944	1,568	51	4,563	3,925	16%
Professional and other contracted services	5,287	4,183	4	7,748	7,173	8%
Communication, training and travel	1,084	631	-	1,552	1,417	10%
Interconnection costs	8,229	8,117	-	10,507	10,610	-1%
Other expenses	378	780	1	1,156	1,609	-28%
Cash operating expenses	54,326	39,522	56	78,371	75,573	4%
Depreciation and amortization	16,375	15,004	-	31,379	30,304	4%
Asset impairment	5,620	426	-	6,046	5,543	9%
Amortization of intangible assets	1,149	-	-	1,149	1,020	13%
Non-cash operating expenses	23,144	15,430	-	38,574	36,867	5%
Cost of sales	11,632	1,903	-	13,512	11,806	14%
Total Expenses	89,102	56,855	56	130,457	124,246	5%

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

Other Income (Expenses)

	FY2014				FY2013	% Change
	Wireless	Fixed Line	Others	Consolidated (audited)	Consolidated (audited)	
<i>(Php in millions)</i>						
Equity share in net earnings of associates and joint ventures	(11)	63	3,789	3,841	2,742	40%
Interest income	217	350	295	752	932	-19%
Gains (losses) on derivative financial instruments, net	(34)	11	(78)	(101)	511	-120%
Foreign exchange gains (losses), net	(464)	(39)	121	(382)	(2,893)	-87%
Others	1,214	2,499	1,544	4,853	4,113	18%
Total	922	2,884	5,671	8,963	5,405	66%
Financing costs, net						
Loans and other related items	(1,683)	(3,796)	(60)	(5,429)	(5,086)	7%
Accretion on financial liabilities	(130)	(35)	-	(165)	(1,541)	-89%
Financing charges	(81)	(87)	-	(168)	(383)	-56%
Capitalized interest	248	194	-	442	421	5%
Total	(1,646)	(3,724)	(60)	(5,320)	(6,589)	-19%
Total other income (expenses)	(724)	(840)	5,611	3,643	(1,184)	408%

Cellular and Broadband Net ARPU

Cellular Net ARPU

	2014				2013			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Smart Postpaid	1,086	1,074	1,068	1,084	1,154	1,153	1,099	1,102
Smart Prepaid	132	134	124	125	141	141	142	153
Talk 'N Text	87	89	87	89	87	87	82	85
Sun Cellular Prepaid	67	66	64	65	57	58	60	68
Sun Cellular Postpaid	476	467	469	497	455	495	476	493

Cellular Prepaid and Postpaid blended Net ARPU

	2014				2013			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Prepaid and Postpaid Blended, Net ⁽¹⁾	124	127	122	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	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Smart Broadband blended	338	332	325	299	344	345	357	332
Sun Broadband blended	274	285	286	268	328	330	253	285
Fixed Broadband	1,155	1,098	1,111	1,146	1,077	1,111	1,110	1,111

Historical Consolidated: Service Revenues and EBITDA

(Php in millions)	2014					2013				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
Fixed line	12,748	12,669	12,804	13,394	51,615	11,997	12,275	12,220	12,589	49,081
Local exchange	4,087	4,107	4,104	4,189	16,487	4,008	4,066	4,042	4,057	16,173
International long distance	1,679	1,603	1,483	1,769	6,534	1,798	1,701	1,581	1,768	6,848
National long distance	1,006	1,007	1,031	942	3,986	1,064	1,094	1,046	1,001	4,205
Data and other network	5,761	5,748	5,976	6,246	23,731	4,970	5,224	5,338	5,545	21,077
Miscellaneous	215	204	210	248	877	157	190	213	218	778
Wireless	28,518	28,690	27,625	28,622	113,455	27,971	28,794	28,347	29,859	114,971
Cellular services	25,755	25,886	24,837	25,875	102,353	25,323	26,118	25,652	27,185	104,278
Broadband, satellite and others	2,763	2,804	2,788	2,747	11,102	2,648	2,676	2,695	2,674	10,693
Broadband	2,448	2,490	2,519	2,465	9,922	2,295	2,335	2,363	2,333	9,326
Satellite and others	315	314	269	282	1,180	353	341	332	341	1,367
Total Consolidated Gross Service Revenues	41,266	41,359	40,429	42,016	165,070	39,968	41,069	40,567	42,448	164,052
Non-Service revenues	1,326	1,572	1,462	1,532	5,892	992	972	1,017	1,298	4,279
Total Consolidated Gross Revenues	42,592	42,931	41,891	43,548	170,962	40,960	42,041	41,584	43,746	168,331
Add:										
Cash Operating Expenses	(18,756)	(20,257)	(19,604)	(19,754)	(78,371)	(18,597)	(18,594)	(18,459)	(21,192)	(76,842)
Cost of sales	(3,449)	(3,476)	(3,255)	(3,332)	(13,512)	(2,411)	(3,127)	(2,994)	(3,274)	(11,806)
Writedown of Inventory and Provision for doubtful AR	(637)	(557)	(394)	(614)	(2,202)	(602)	(789)	(729)	(1,280)	(3,400)
Retroactive effect of adoption of Revised PAS 19	-	-	-	-	-	791	136	342	-	1,269
EBITDA	19,750	18,641	18,638	19,848	76,877	20,141	19,667	19,744	18,000	77,552
EBITDA Margin ⁽¹⁾	48%	45%	46%	47%	47%	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				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
Wireless Gross Service Revenues										
Cellular services	26,171	26,284	25,233	26,148	103,836	25,709	26,529	26,040	27,597	105,875
Cellular Voice	12,782	12,926	12,226	12,706	50,640	12,187	12,869	12,733	13,595	51,384
Domestic	8,940	9,299	8,908	9,308	36,455	8,375	8,866	8,682	9,351	35,274
International	3,842	3,627	3,318	3,398	14,185	3,812	4,003	4,051	4,244	16,110
SMS	10,408	10,146	9,706	10,140	40,400	11,562	11,573	11,006	11,201	45,341
Domestic	9,601	9,308	8,936	9,366	37,211	10,699	10,677	10,146	10,300	41,822
International	807	838	770	774	3,189	863	896	859	901	3,519
Mobile Internet Revenues	1,827	2,044	2,103	2,105	8,079	979	1,127	1,282	1,580	4,968
VAS/Financial Services	408	418	425	407	1,658	372	365	530	682	1,949
Other Cellular Revenues	746	750	773	790	3,059	609	595	490	539	2,233
Broadband, satellite and others	2,790	2,830	2,812	2,769	11,201	2,675	2,702	2,725	2,702	10,804
Broadband	2,474	2,515	2,543	2,487	10,019	2,321	2,359	2,393	2,359	9,432
Satellite and others	316	315	269	282	1,182	354	343	332	343	1,372
Total Wireless Gross Service Revenues	28,961	29,114	28,045	28,917	115,037	28,384	29,231	28,765	30,299	116,679
Non-Service revenues	863	945	969	1,065	3,842	588	634	630	792	2,644
Total Wireless Gross Revenues	29,824	30,059	29,014	29,982	118,879	28,972	29,865	29,395	31,091	119,323
Add:										
Cash Operating Expenses	(13,002)	(14,306)	(13,507)	(13,511)	(54,326)	(12,370)	(13,021)	(13,594)	(14,213)	(53,198)
Cost of sales	(2,926)	(2,892)	(2,838)	(2,976)	(11,632)	(2,100)	(2,677)	(2,592)	(2,813)	(10,182)
Writedown of Inventory and Provision for doubtful AR	(599)	(521)	(392)	(492)	(2,004)	(295)	(501)	(467)	(514)	(1,777)
Retroactive effect of adoption of Revised PAS 19	-	-	-	-	-	119	76	342	-	537
EBITDA	13,297	12,340	12,277	13,003	50,917	14,326	13,742	13,084	13,551	54,703
<i>EBITDA Margin⁽¹⁾</i>	46%	42%	44%	45%	44%	50%	47%	45%	45%	47%

(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	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
Fixed Line Gross Service Revenues										
Local exchange	4,111	4,132	4,131	4,213	16,587	4,036	4,092	4,066	4,080	16,274
International long distance	2,859	2,843	2,696	3,006	11,404	2,968	2,802	2,678	2,974	11,422
National long distance	1,099	1,100	1,128	1,038	4,365	1,155	1,189	1,137	1,102	4,583
Data and other network	7,386	7,420	7,605	7,923	30,334	6,626	6,818	6,894	7,134	27,472
Miscellaneous	583	611	614	666	2,474	491	497	541	590	2,119
Total Fixed Line Service Revenues	16,038	16,106	16,174	16,846	65,164	15,276	15,398	15,316	15,880	61,870
Non-Service revenues	463	628	493	487	2,071	435	367	388	507	1,697
Total Fixed Line Gross Revenues	16,501	16,734	16,667	17,333	67,235	15,711	15,765	15,704	16,387	63,567
Add:										
Cash Operating Expenses	(9,586)	(9,868)	(9,940)	(10,128)	(39,522)	(10,156)	(9,285)	(8,450)	(10,846)	(38,737)
Cost of sales	(523)	(588)	(417)	(375)	(1,903)	(311)	(491)	(402)	(461)	(1,665)
Writedown of Inventory and Provision for doubtful AR	(38)	(36)	(2)	(122)	(198)	(307)	(288)	(262)	(766)	(1,623)
Retroactive effect of adoption of Revised PAS 19	-	-	-	-	-	672	60	-	-	732
EBITDA	6,354	6,242	6,308	6,708	25,612	5,609	5,761	6,590	4,314	22,274
<i>EBITDA Margin⁽¹⁾</i>	<i>40%</i>	<i>39%</i>	<i>39%</i>	<i>40%</i>	<i>39%</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				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
Fixed Line Service Revenues, net										
Local exchange	4,109	4,132	4,130	4,213	16,584	4,035	4,089	4,065	4,076	16,265
International long distance	1,100	1,062	996	1,245	4,403	1,195	1,113	1,109	1,137	4,554
National long distance	865	857	888	814	3,424	904	911	884	848	3,547
Data and other network	7,329	7,363	7,559	7,911	30,162	6,566	6,746	6,823	7,054	27,189
Miscellaneous	583	611	614	666	2,474	491	497	541	590	2,119
Total	13,986	14,025	14,187	14,849	57,047	13,191	13,356	13,422	13,705	53,674

Earnings Per Share

	FY2014 (audited)		FY2013 (audited)	
	Basic	Diluted	Basic	Diluted
Net income attributable to equity holders of PLDT	34,091	34,091	35,420	35,420
Continuing Operations	34,091	34,091	33,351	33,351
Discontinued Operations	-	-	2,069	2,069
Dividends on preferred shares	(59)	(59)	(59)	(59)
Net income for the period attributable to common equity holders of PLDT	34,032	34,032	35,361	35,361
Weighted average number of common shares, end	216,056	216,056	216,056	216,056
EPS (based on reported net income)				
EPS - Continuing Operations	157.51	157.51	154.09	154.09
EPS - Discontinued Operations	-	-	9.58	9.58
Total EPS	157.51	157.51	163.67	163.67
Core net income	37,410	37,410	38,717	38,717
Continuing Operations	37,410	37,410	38,816	38,816
Discontinued Operations	-	-	(99)	(99)
Dividends on preferred shares	(59)	(59)	(59)	(59)
Core Net income applicable to common shares	37,351	37,351	38,658	38,658
Weighted average number of common shares, end	216,056	216,056	216,056	216,056
EPS (based on core net income)				
EPS - Continuing Operations	172.88	172.88	179.38	179.38
EPS - Discontinued Operations	-	-	(0.45)	(0.45)
Total EPS	172.88	172.88	178.93	178.93

Cash Flows

<i>(Php in millions)</i>	FY2014				FY2013	% Change
	Wireless	Fixed Line	Others	Consolidated (audited)	Consolidated (audited)	
Net cash from operations	49,884	18,145	(1,818)	66,015	73,763	-11%
Add(Deduct):						
Capital expenditures	(23,048)	(11,711)	-	(34,759)	(28,838)	21%
Interest, net	(1,205)	(3,128)	4	(4,154)	(4,114)	1%
Preferred share dividends paid	-	(59)	-	(59)	(59)	-
Other investing activities	(182)	17,047	1,880	1,318	314	320%
Other financing activities	(221)	(718)	287	(651)	924	-170%
Free cash flow	25,228	19,576	353	27,710	41,990	-34%
Common share dividends	(24,898)	(39,838)	(2,505)	(39,841)	(37,745)	6%
Investments	(1,731)	(497)	(19,536)	(21,764)	6,507	-434%
Maturity of Investment in debt securities	1,164	-	1,858	3,022	241	1154%
Payments for redemption of shares	-	-	(51)	(51)	(5)	920%
Debt proceeds (repayments), net	3,926	21,677	9,952	25,603	(17,235)	249%
Change in cash	3,689	918	(9,929)	(5,321)	(6,247)	-15%
Cash and short term investments, beginning	11,098	9,829	11,697	32,623	38,870	-16%
Cash and short term investments, end	14,787	10,747	1,768	27,302	32,623	-16%

Balance Sheet

	Consolidated	
	December 31, 2014 (audited)	December 31, 2013 (audited)
<i>(Php in millions)</i>		
Total Assets	436,295	399,638
Nominal Value of Total Long-term Debt	130,634	104,472
<i>in US\$</i>	\$2,920	\$2,353
Less: Unamortized Debt Discount	511	382
Total Long-term Debt	130,123	104,090
Cash and short-term investments	27,302	32,623
Net Debt ⁽¹⁾	103,332	71,849
Equity	134,668	137,326
Total Debt⁽²⁾/Equity	<u>0.97x</u>	<u>0.76x</u>
Net Debt⁽¹⁾/Equity	<u>0.77x</u>	<u>0.52x</u>
Total Debt⁽²⁾/EBITDA	<u>1.70x</u>	<u>1.35x</u>
Net Debt ⁽¹⁾/EBITDA	<u>1.34x</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⁾	2014 ⁽¹⁾
Debt Balance	1,625	2,210	2,113	2,719	2,851	2,353	2,920
Cash and short-term investments	847	908	852	1,061	919	735	605
Net Debt	778	1,302	1,261	1,658	1,932	1,618	2,315

⁽¹⁾ Including Digitel

Debt Maturities:

Debt Maturities		
as of December 31, 2014		
<i>(US\$ in millions)</i>		
	Total	% of Debt Maturities
2015	333	11%
2016	317	11%
2017	653	22%
2018	133	5%
2019	338	12%
2020 to 2024	1,146	39%
	2,920	

Interest-bearing Liabilities

	December 31, 2014 (audited)			December 31, 2013	Change
	Carrying Value	Unamortized Debt Discount/Debt Issuance	Face Value	(Audited) Face Value	
<i>(US\$ in millions)</i>					
Debt					
PLDT	\$1,762	\$4	\$1,766	\$1,284	\$482
Smart	955	7	962	812	150
DIGITEL	192	-	192	257	(65)
Total Debt	\$2,909	\$11	\$2,920	\$2,353	\$567

Foreign Exchange Risk

Forex Impact on Core Income

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

	Conso - net of Elim
US\$ Revenues*	734.9
US\$ Expenses	(295.5)
Cash Opex*	(236.8)
Cost of sales	(3.1)
Financing costs	(55.6)
US\$ Income before tax	439.4
Tax effect	131.8
Core Earnings	307.6
EBITDA	495.0
* Gross of interconnection costs amounting to:	118.9
Local exchange revenues (in million Php)	9,236.7

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)*	1,160.3
Accounts Payable	121.5
Accrued Liabilities	153.2
Derivative Liabilities	38.3
Total US\$ denominated Liabilities	1,473.3
Cash and Cash Equivalents	149.0
Short-term Investments	14.0
Trade and other receivables	215.5
Derivative Assets	2.1
Investment in Debt Securities, Advances & Others	7.6
Total US\$ denominated Assets	388.2
Forex Revaluation for every P1 change	±1,085.1
* Debt	1,362.0
Less: LT hedges	201.7
Debt (net of LT hedges)	1,160.3

Forex Impact on Derivatives

P1 movement in the USD/PHP exchange rate corresponds to a P177M change in derivatives

	Ave.	Period End
Forex rate, FY2014	44.40	44.74
Forex rate, FY2013	42.44	44.40
% of Peso depreciation vs US\$	+5%	+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.

For inquiries, please contact: **PLDT INVESTOR RELATIONS**
(632) 816-8024
pldt_ir_center@pldt.com.ph

