



**Nine Months 2014**  
**Financial and Operating Results**  
**Philippine Long Distance Telephone Company (PLDT)**

4 November 2014

# PLDT Group: 9M2014 Financial Highlights



(PhP in billions, except EBITDA margin and Core EPS)	9M2014	9M2013	% Y-o-Y	
	(unaudited)			
<b>Service Revenues</b>	<b>122.9</b>	<b>121.6</b>		<b>1%</b>
• <b>Fixed Line</b>	<b>48.5</b>	<b>46.0</b>		<b>5%</b>
• <b>Wireless</b>	<b>85.8</b>	<b>86.4</b>		<b>-1%</b>
<b>EBITDA</b>	<b>56.8</b>	<b>59.6</b>		<b>-5%</b>
• <b>Fixed Line</b>	<b>18.9</b>	<b>18.0</b>		<b>5%</b>
• <b>Wireless</b>	<b>37.6</b>	<b>41.2</b>		<b>-9%</b>
<b>EBITDA Margin*</b>	<b>46%</b>	<b>49%</b>		
• <b>Fixed Line</b>	<b>39%</b>	<b>39%</b>		
• <b>Wireless</b>	<b>44%</b>	<b>48%</b>		
<b>Reported Net Income</b>	<b>28.0</b>	<b>29.0</b>		<b>-3%</b>
<b>Core Net Income</b>	<b>28.6</b>	<b>28.8</b>		<b>-1%</b>
<b>Core EPS</b>	<b>131.99</b>	<b>133.03</b>		<b>-1%</b>

\* FY 2013 EBITDA: 47%

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

Foreign Exchange Rates (Php:US\$1)	9M2014	9M2013	% Y-o-Y
Period-end	44.88	43.54	3%
Period-average	44.26	42.06	5%



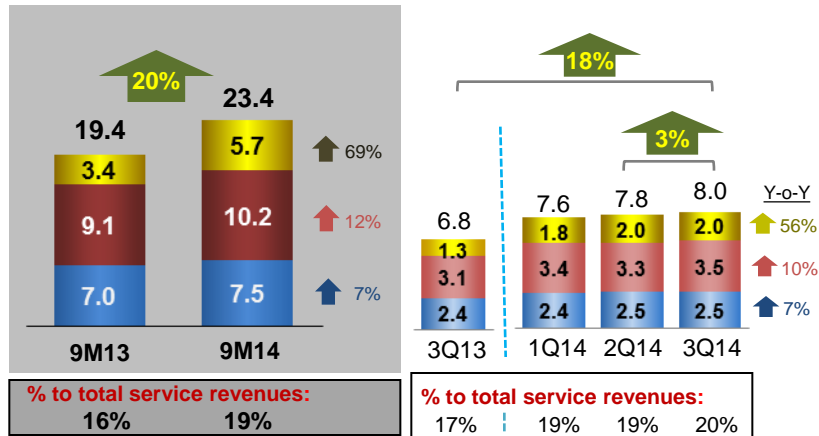
# PLDT Group: Broadband revenues



## Consolidated Broadband Revenues

(Php in billions)

■ Mobile Internet ■ Fixed Broadband ■ Wireless Broadband



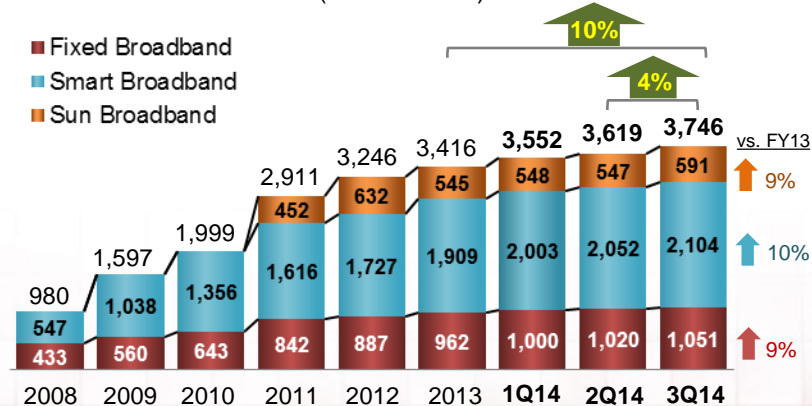
➤ **Broadband revenues for 9M14 grew by P3.9bn or 20% year-on-year to P23.4bn or 19% of total service revenues from 16% in 9M13**

- Fixed broadband revenues, representing 44% of total broadband revenues, rose by P1.1bn or 12% to P10.2bn, following an 11% rise in subscribers
- Wireless broadband revenues, accounting for 32% of total broadband revenues, grew by P0.5bn or 7% to P7.5bn, driven by a 13% growth in subscribers
- Mobile internet revenues improved by P2.3bn or 69% to P5.7bn or 24% of total broadband revenues
  - 9M14 mobile internet revenues exceeded FY13 revenues of P5.0bn by 15% or P0.8bn
  - Over 25% of our cellular subscribers own smartphones, up from 11% last year
    - Only about 1/3 pay for data
  - Mobile internet usage rose by 112% to 27,687 Terabytes in 9M14 from 13,030 Terabytes in 9M13
    - 3Q14 usage of 12,193 Terabytes more than double the 6,020 Terabytes in 3Q13, and 36% higher than 8,945 Terabytes in 2Q14

## Broadband Subscribers

(in thousands)

■ Fixed Broadband ■ Smart Broadband ■ Sun Broadband



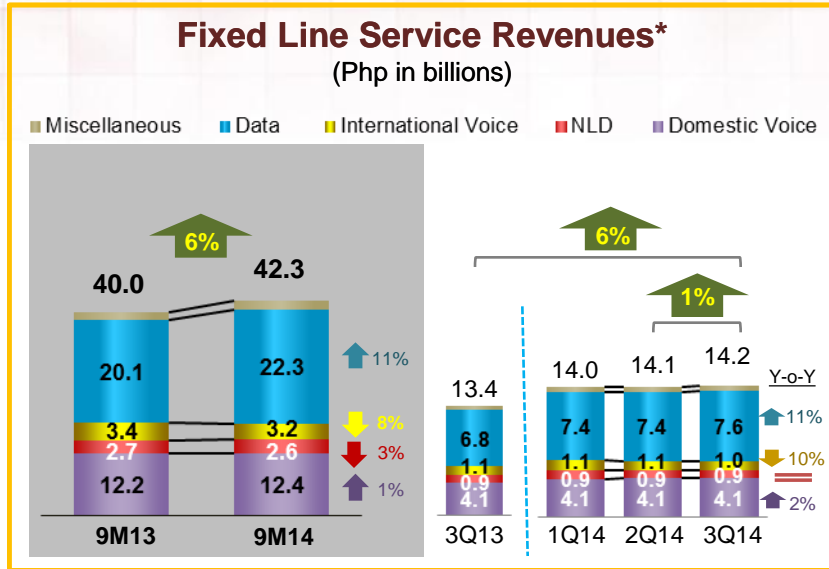
➤ **PLDT Group's broadband subscriber base rose by 10% or more than 330,000 net adds to 3.7mn from end-2013, with 3Q14 net adds of over 127,000 almost double the 2Q14 net adds**

- Fixed broadband subscribers increased to about 1.1mn, with net adds of over 89,500, more than the FY13 net adds of about 75,000
- Wireless broadband subscriber base grew to almost 2.7mn, with net adds of over 241,000 or more than double the FY13 net adds of nearly 95,000
  - Smart broadband subscribers expanded by 10% to over 2.1mn
  - Sun broadband subscribers rose by 9% to almost 600,000

➤ **To enable access to across a wider spectrum of users, the PLDT Group launched a "free Internet promo" available from 26 September 2014 – 5 January 2015**

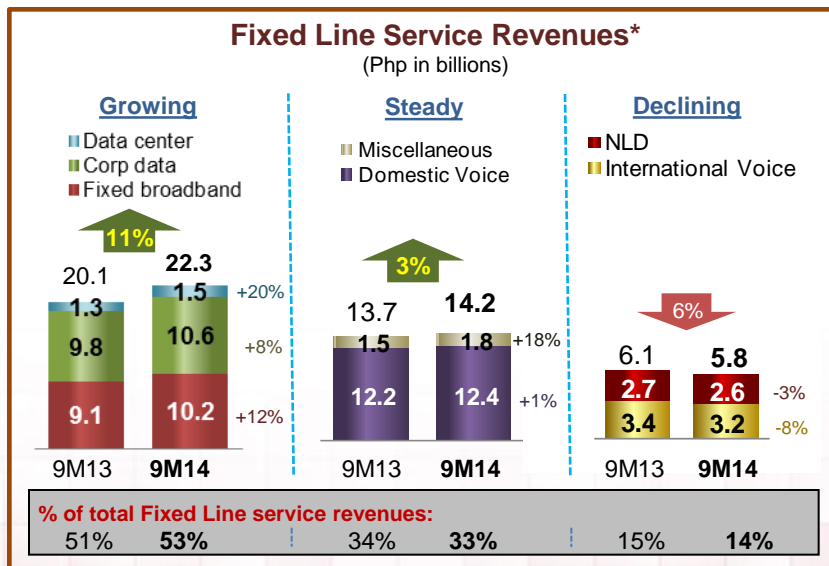
- 30MB/user/day with free Facebook; excluding video streaming, VoIP, and chat applications
- Results to-date are encouraging with more than 50% of users being non-data users; over 10% being new subscribers/users
- Average usage of less than 20MB/day

# PLDT Group: Fixed line segment



➤ Fixed line service revenues for 9M14, net of interconnection costs, grew by 6% or P2.3bn year-on-year to P42.3bn due to the continued rise in retail and corporate data revenues

- Data revenues increased by P2.2bn or 11% to P22.3bn or 53% of total fixed line service revenues
  - Fixed broadband revenues, accounting for 46% of total fixed line data revenues, improved by P1.1bn or 12% to P10.2bn underpinned by an 11% growth in subscribers
  - Corporate data and other network services of P10.6bn or 47% of total fixed line data revenues were higher by P0.8bn or 8%
  - Data center revenues, representing 7% of total fixed line data revenues, rose by P0.3bn or 20% to P1.5bn
- Domestic voice revenues, contributing 29% to total fixed line service revenues, were up by P0.2bn or 1% at P12.4bn, resulting from a 5% year-on-year rise in subscribers of over 111,000
- International voice and NLD revenues declined by 6% or P0.3bn to P5.8bn and represent 14% of total fixed line service revenues
  - International voice and NLD revenues have reduced by 22% from P7.4bn in 9M10 then accounting for about 20% of total fixed line service revenues, to P5.8bn in 9M14 now representing 14% of total fixed line service revenues, or a CAGR of -6%



➤ Fixed line EBITDA was higher by P0.9bn or 5% year-on-year at P18.9bn as the P2.3bn growth in service revenues and P0.8bn dip in provisions fully offset the P2.2bn increase in cash operating expenses

- EBITDA margin of 39% for 9M14 is stable vis-à-vis 1H14 and 9M13, and higher than the 36% for FY13

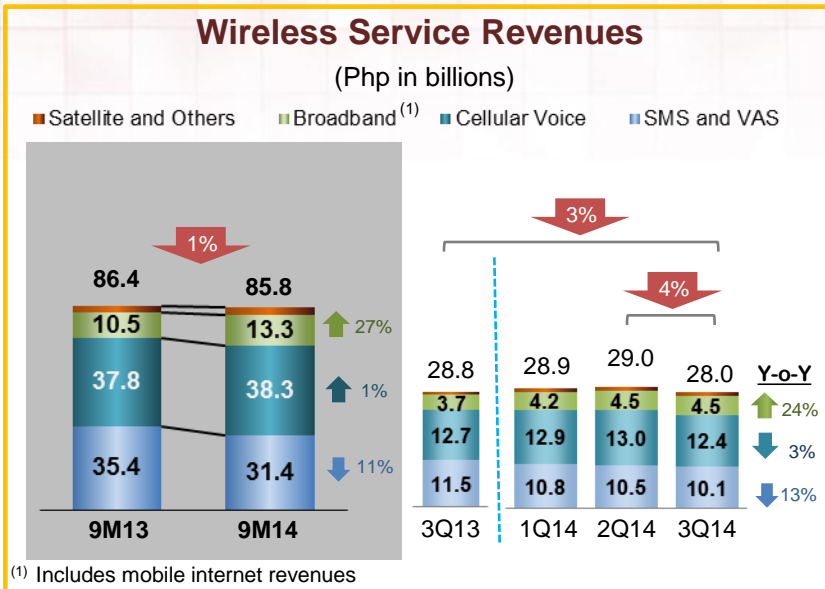
➤ On-going structural change in the fixed line segment service revenue mix has resulted in only less than 15% of total revenues coming from the legacy/declining international voice and NLD businesses, while over 85% of total revenues registered increases

- Over 50% of revenues are from data and broadband which continue to grow by double-digits
- About 1/3 of revenues are from the domestic voice business which also recorded modest year-on-year growth

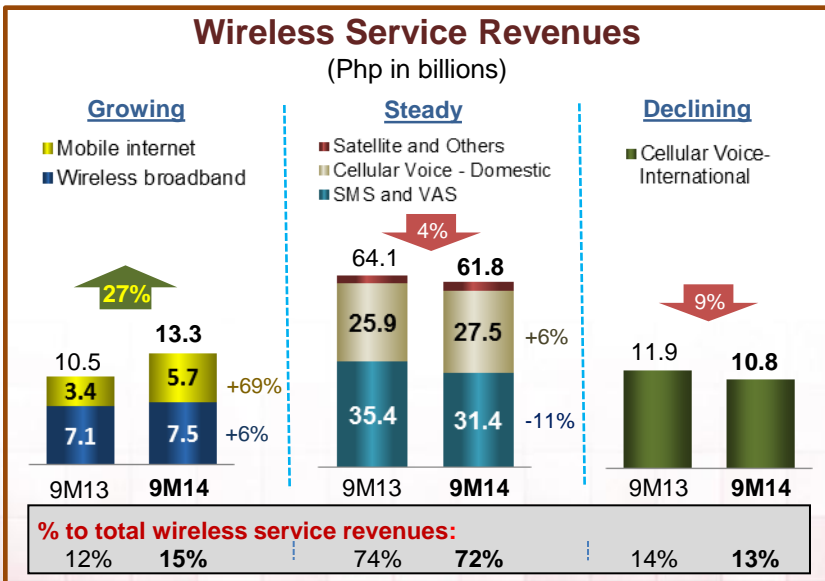
➤ PLDT had nearly 2.2mn fixed line subscribers at the end of September 2014, of which about 1.1mn or 48% had fixed broadband subscriptions

\* Net of interconnection costs

# PLDT Group: Wireless segment



- Wireless service revenues were lower by P0.5bn or 1% at P85.8bn as increases in cellular voice and broadband revenues were fully offset by declines in SMS and VAS revenues as competition intensified
  - Broadband revenues grew by P2.8bn or 27% to P13.3bn or 15% of total wireless service revenues from 12% in 9M13
    - Wireless broadband revenues improved by P0.5bn or 6% to P7.5bn, following a 13% or over 316,000 increase in subscribers
    - Mobile internet revenues in 9M14 of P5.7bn rose by P2.3bn or 69% year-on-year
      - 3Q14 revenues of P2.0bn up by 56% year-on-year, and stable quarter-on-quarter; "free Internet promo" launched on 26 September
  - Cellular voice revenues, accounting for 45% of total wireless service revenues, improved by P0.5bn or 1% to P38.3bn
    - Domestic voice revenues rose by P1.6bn or 6% to P27.5bn or 32% of total wireless service revenues
    - International voice revenues declined by P1.1bn or 9% to P10.8bn or 13% of total wireless service revenues
  - SMS and VAS revenues of P31.4bn or 37% of total wireless service revenues dipped by P4.0bn or 11%, resulting from a 16% reduction in SMS count and price-driven competition escalating in 3Q14:
    - Reduction in SMS count due to the combined effect of:
      - Shift to voice calls under postpaid plans
      - Use of alternative messaging services resulting from greater number of smartphones and initiatives to grow the data business



- Prepaid revenues for 9M14 decreased by P3.1bn or 5% year-on-year to P59.6bn resulting from the intensification of price-focused competition
- Postpaid revenues rose by P1.9bn or 14% to P15.8bn at 9M14, and account for 20% of total cellular revenues from 18% in 9M13
  - Growth in postpaid revenues more than fully offset the P0.4bn increase in wireless subsidies
  - Postpaid subscriber base stood at nearly 2.7mn or more than 278,000 net adds from end 2013; of which, over 99,000 were recorded in 3Q14
    - 9M14 net adds of over 278,000 more than double the FY13 net adds of about 123,000
- Wireless EBITDA for 9M14 declined year-on-year by P3.5bn or 9% to P37.6bn resulting from lower service revenues of P0.5bn, higher cash operating expenses, and increase in subsidies by P0.4bn
  - EBITDA margin for 9M14 stable vis-à-vis 1H14 at 44%, but lower from 48% in 9M13
  - 3Q14 EBITDA margin of 44% higher than 42% in 2Q14

# 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



## Initiatives

- ✓ “Free Internet” for all prepaid, postpaid and broadband subscribers until 5 Jan. 2015
- ✓ “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
  - Blink (tie up with Solar Entertainment)
  - Deezer, SPINNR (music)
  - GameX (online games)
  - e-publications (tie up with Summit Media)
  - Content from SignalTV (now with nearly 767,000 subscribers)
- ✓ Increase access device ownership: cellular postpaid plans, fixed line offers: Telpad, TVolution, smartphone/tablet upgrade bundles
- ✓ 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

Data and  
Broadband –  
Individual  
and HOME

# Market opportunities and initiatives



## Opportunities

- **Sustained economic improvement fuelling business expansions of corporates, SMEs, BPOs creating demand for IT and enterprise solutions:**
  - Ethernet, Premium Internet and International Private Lines
  - 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 September 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 and other Digital Services (e.g., NextGen Videocon, ePLDT Visual IVR+)**
- ✓ **Leverage unrivalled integrated network advantage and extensive footprint/reach to enable and empower businesses**
  - Activation of the **Bohol and Palawan DFON loops** allowing expansion of local economies into high value industries such as BPO
  - Launch of **IPVSAT** service: offers critical data connectivity even in the most remote areas

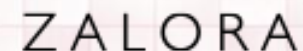
Data and  
Broadband –  
Corporates,  
SMEs



# PLDT's investment in Rocket Internet AG ("Rocket")



- On 7 August 2014, PLDT and Rocket entered into a global strategic partnership to drive the development of online and mobile payment solutions in emerging markets
  - PLDT invested €333mn (pre-IPO, €33/share) and holds a 6.6% post-IPO stake in Rocket
    - ✓ At 3 November 2014 closing price of €41.50, PLDT stake valued at €419mn
  - PLDT represented on the 9-person Rocket Supervisory Board by President/CEO N. L. Nazareno
  - Reflects PLDT's long-term commitment to Rocket and strategic intent to combine its world-class mobile money expertise and resources with Rocket's global platform to drive future value enhancing growth opportunities
- PLDT and Rocket are developing a "Proof of Concept" (POC) or a commercial model that integrates Smart Money payments in selected existing Rocket e-commerce businesses in the Philippines (i. e., Zalora, EasyTaxi and foodpanda)
  - Target launch in the Philippines before year-end 2014
  - POC for adaption/mobilization in other international markets where Rocket operates

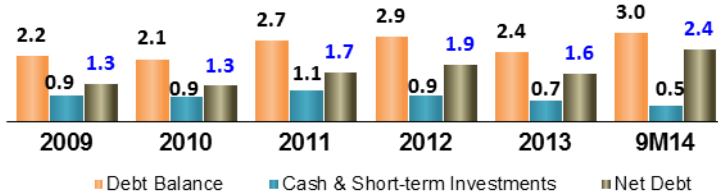


# PLDT Group: Debt Profile



## Debt Balance

(US\$ in billions)



### Net Debt/EBITDA

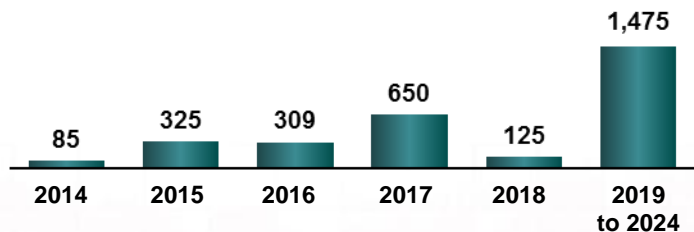
0.7x    0.7x    0.9x    1.05x    0.9x    1.46x

- Net debt and net debt to EBITDA rose to US\$2.4bn and 1.46x, respectively, as of end September 2014
  - Reflects impact of investment in Rocket Internet
- As of 9M14, gross debt stood at US\$3.0bn, 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\$1.1bn or 36% of total debt is unhedged
    - ✓ Natural hedge from dollar-linked revenues: 20% of 9M14 revenues or US\$0.6bn
  - 58% are fixed-rate loans, while 42% are floating-rate loans; post-interest rate swaps: 74% fixed, 26% floating
  - Average interest cost (pre-tax) of 4.06% for 9M14 (FY13: 4.33% ; 9M13: 4.30%)
- Debt maturities continue to be well spread out
  - US\$234mn bonds maturing in 2017
  - 50% of total debt due to mature beyond 2019, including P15bn retail bonds
- PLDT rated investment grade by three major international ratings agencies

## Debt Maturities

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

Total: US\$2,969mn

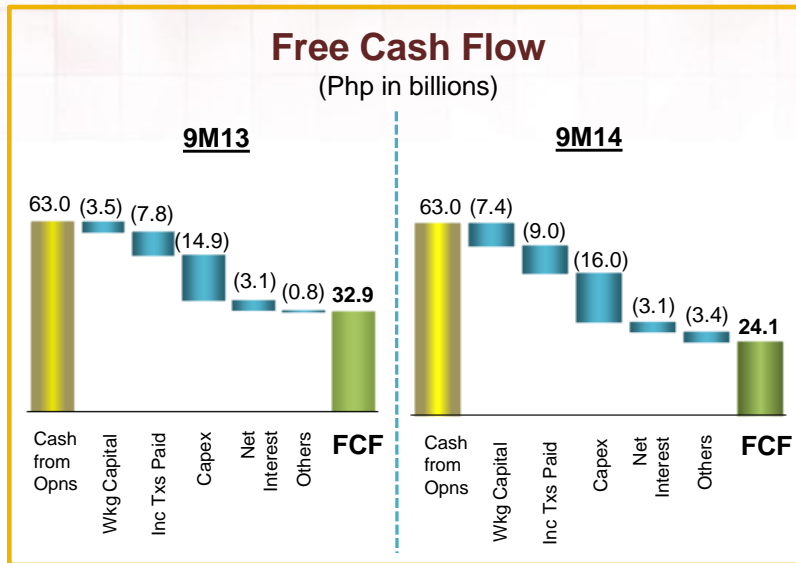


### Debt maturities to total debt:

3%    11%    10%    22%    4%    50%

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 for 9M14 was lower year-on-year by P8.8bn or 27% at P24.1bn, mainly due to the combined effect of:

- Stable cash from operations
- Higher net decrease in working capital of P3.9bn
- Increase in capex by P1.1bn
- Higher income taxes paid by P1.1bn

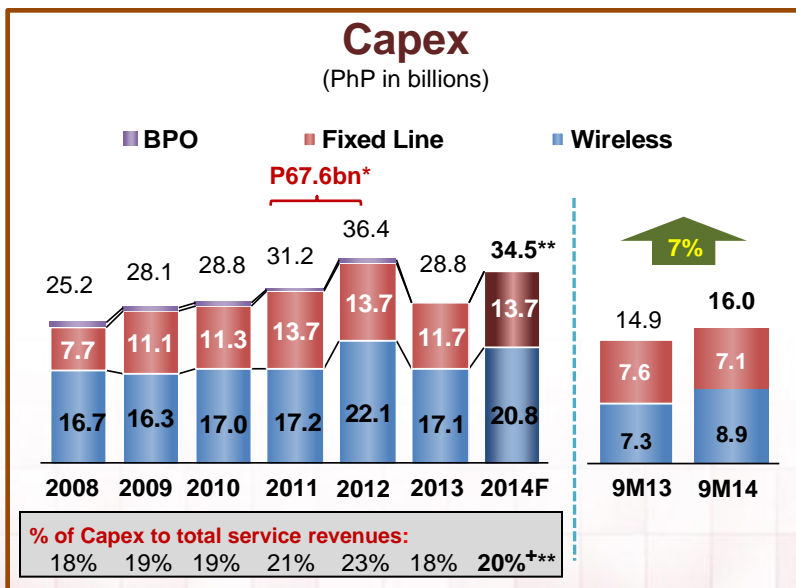
➤ FCF of P24.1bn and proceeds from debt (net) of P28.0bn were used for:

- 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 P19.6bn (€333mn)

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

➤ In anticipation of the continued growth of the market's appetite for data services following our free Internet promo as well as to meet increasing fixed wireless data demand, PLDT is accelerating its data capacity build-out in 2014 and 2015

- Capex for 2014 is projected at P34.5bn or over 20% of service revenues, including:
  - ✓ Further enhancement of 3G coverage currently present in all cities and 92% of all municipalities
  - ✓ Wider fiber optic cable network footprint of at least 90,000 kms., including the activation of the DFON third leg between Visayas and Mindanao
  - ✓ Fortification of the Northern and Southern Luzon aerial fiber optic cable to underground conduit system for improved reliability and resiliency during typhoons
  - ✓ Expansion of 4G network footprint (HSPA+, FD-LTE, TD-LTE, WiMax)
  - ✓ Capacity expansion of fixed and mobile broadband packet core network, transmission, internet peering and caching nodes and data policy control platforms
  - ✓ Roll-out of fiber-to-the-home (FTTH) infrastructure
- 9M14 capex higher year-on-year by P1.1bn or 7% at P16.0bn



- PLDT tie-up with PCCW Global for the construction of a new 25,000km undersea cable network, AAE-1, with 100Gbps capacity and expected to be completed in 2016
- Continuing migration of PLDT legacy lines to NGN lines: to-date, 250,000 lines migrated; to be completed by 1Q15
- Boosting the capacity of over 92,000kms DFON by 520Gbps or 13% higher from current capacity; expected completion by 1Q15
- FD/TD LTE coverage enhancement to around 2,600 base stations by YE14
- Unified Smart-Sun network project to result in operational efficiency:
  - ✓ Completed 78% of all provinces (Mindanao 100%): 800 sites for shut-down by YE14; 300 sites already fully decommissioned
  - ✓ Activated nationwide Domestic Roaming for Sun customers into the Smart network

% of Capex to total service revenues:

18% 19% 19% 21% 23% 18% 20%+\*\*

\* Network transformation program

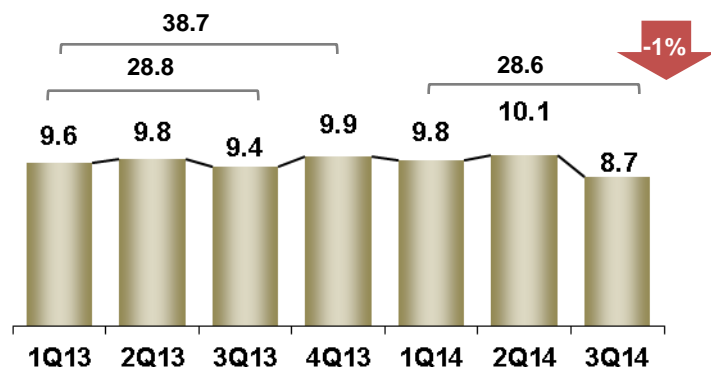
\*\* Upper range

# PLDT Group: Core and Reported Net Income



## Core Net Income

(Php in billions)



➤ Increased price-led competitive intensity in the prepaid cellular market, continued decline in inbound international revenues, the negative impact on SMS of the increasing popularity of messaging apps, as well as higher operating expenses, will continue to exert downward pressure on profitability in the ensuing quarters

➤ Core net income for 9M14 declined by P0.2bn or 1% to P28.6bn due to:

- Increase in service revenues by P1.3bn
- Lower financing cost (net) by P1.3bn
- Reduction in non-cash operating expenses by P0.7bn
- Higher equity share in earnings of subsidiaries by P0.4bn, including Beacon's gain from sale of Meralco shares of P0.3bn
- Increase in Miscellaneous Income of P2.7bn 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:

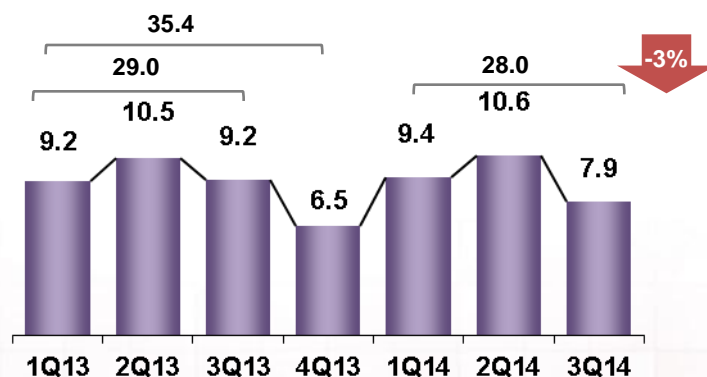
- Rise in cash operating expenses by P4.4bn mainly for repairs and maintenance, selling and promotions expense, and rent
- Increase in subsidies by P0.3bn to support initiatives to grow the data business and the postpaid subscriber base
- Higher provision for income tax by P2.1bn

➤ Reported net income decreased by P1.0bn or 3% year-on-year to P28.0bn, resulting from:

- Dip in core net income by P0.2bn
- Contribution from discontinued operations (BPO) of P2.1bn in 9M13
- Impact of Revised PAS 19 on MRP expenses of P1.3bn in 9M13
- Lower net forex and derivatives losses of P0.8bn before tax, and P0.4bn after tax
- Impairment of transport network assets affected by upgrade of P0.2bn

## Reported Net Income

(Php in billions)



# PLDT Group Guidance for 2014



**Core Net Income**

**P37.0bn**  
(P1.7bn or 4% lower than 2013)

**Capex**

**P34.5bn**  
(over 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

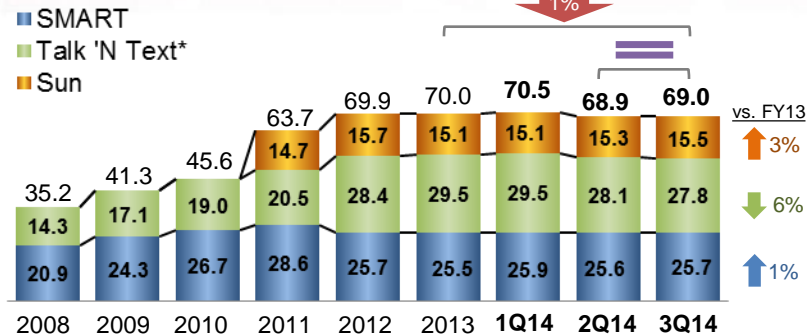
## Other Details

# 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 had 75.0mn subscribers at the end of September 2014

➤ Cellular subscriber base stood at 69.0mn, of which 96% or 66.4mn were prepaid subscribers

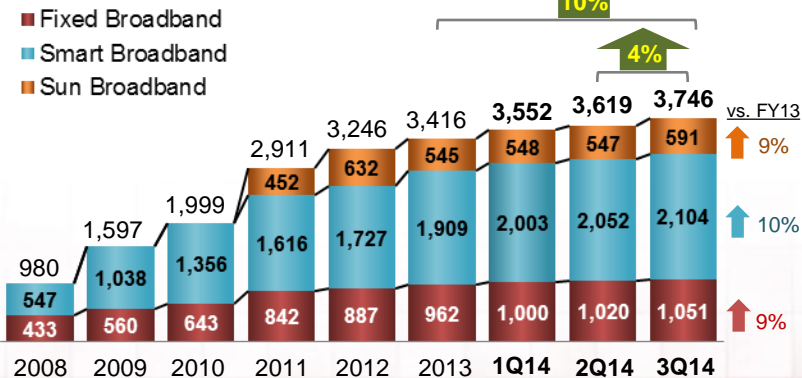
- More than 133,000 new subscribers from 2Q14
- TNT subscribers of about 27.8mn
- Smart subscribers of 25.7mn or over 243,000 net adds from end 2013
- Sun subscribers of over 15.5mn or about 442,000 net adds from YE13, with the 3Q14 net adds of over 243,000

➤ Postpaid subscribers, accounting for 4% of total subscribers, grew by 12% or over 278,000 net adds from YE13 to nearly 2.7mn

- Smart postpaid subscriber base crossed the 1mn mark with 116,000 net adds or a 13% increase from end 2013
- Sun postpaid subscriber base expanded to about 1.7mn, with net adds of over 162,000 or an 11% rise from FY13

## Broadband Subscribers

(in thousands)



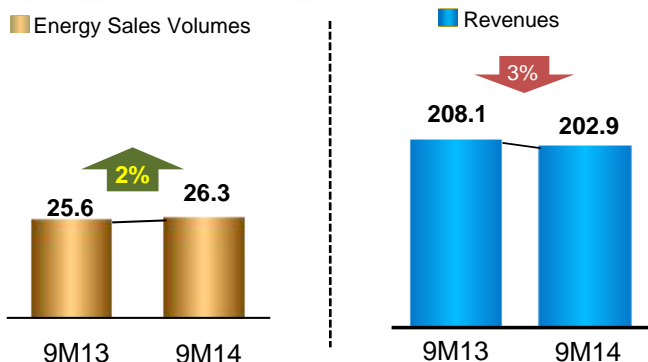
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  - ✓ Smart broadband subscribers expanded by 10% to over 2.1mn
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➤ PLDT had nearly 2.2mn fixed line subscribers at the end of September 2014, of which about 1.1mn or 48% had fixed broadband subscriptions

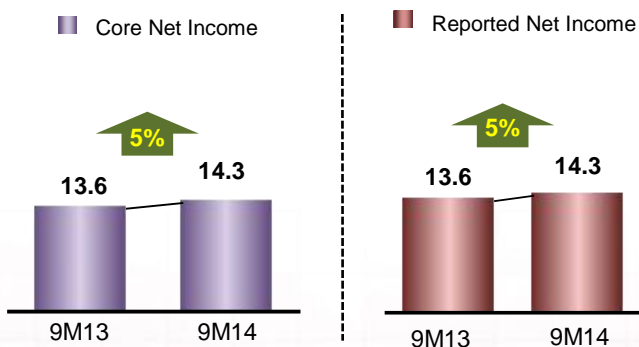
## Energy Sales Volumes and Revenues

(in '000 GWh and Php in billions)



## Core and Reported Net Income

(Php in billions)



- **MERALCO's 9M14 consolidated revenues were lower year-on-year by P5.2bn or 3% at P202.9bn due to the combined effect of:**
  - Higher electricity sales by 2%
  - Downward adjustment on MERALCO's purchases from the WESM billed by PEMC as ordered by the ERC
  - Lower pass-through charges attributed to negotiated 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 was up by P2.1bn or 8% to P26.6bn; 9M14 EBITDA margin higher at 13% from 12% in 9M13**
- **Core net income and reported net income rose by P0.7bn or 5% year-on-year to P14.3bn**
  - Consolidated core net income guidance for FY14 at P17.8bn
- **Other operational highlights in 9M14:**
  - Customer base grew by 4% year-on-year to over 5.5mn, of which 91% are residential customers
  - Capex rose by P1.4bn or 23% to P7.5bn
  - Implementation of the 4<sup>th</sup> Regulatory Year Maximum Average Price (MAP) of P1.5562 starting 1 July 2014 caused the decline in the average distribution charge for the period to P1.63/kWh in 9M14 from P1.65/kWh in 9M13
  - Current initiatives include:
    - ✓ San Buenaventura Power Ltd. (JV between MGen and Thailand's EGCO): 455MW (net) coal-fired power plant in Mauban, Quezon; Power Sales Agreement (PSA) awaiting ERC approval; final stages of discussion with Engineering Procurement and Construction contractor
    - ✓ Projects under Global Business Power Corporation, in which MGen has a 22% interest:
      - ❖ Toledo Power Company commenced operations of its 1 x 82 MW CFB coal-fired power plant in Sept. 2014
      - ❖ Construction of 1x150 MW CFB coal-fired plant in Iloilo City through Panay Energy Development Corp. on going, with commercial operations by 3Q16
    - ✓ PacificLight Power in Singapore (partnership of MGen and First Pacific Company of HK and Petronas of Malaysia) officially launched on 3 June 2014
  - 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:

	Sept-14	Jun-14	Mar-14	Dec- 13	Sept- 13	9M14 vs 9M13		9M14 vs FY13		Net Adds					
						Net Adds	%	Net Adds	%	1Q14	%	2Q14	%	3Q14	%
<b>CELLULAR</b>															
<b>Prepaid</b>	<b>66,374,421</b>	<b>66,339,954</b>	<b>68,030,812</b>	<b>67,667,750</b>	<b>70,198,270</b>	<b>(3,823,849)</b>	<b>-5%</b>	<b>(1,293,329)</b>	<b>-2%</b>	<b>363,062</b>	<b>1%</b>	<b>(1,690,858)</b>	<b>-2%</b>	<b>34,467</b>	<b>-</b>
Smart Prepaid	24,735,917	24,610,726	24,959,498	24,608,687	23,867,643	868,274	4%	127,230	1%	350,811	1%	(348,772)	-1%	125,191	1%
Sun Prepaid	13,853,723	13,673,112	13,581,189	13,574,046	14,407,793	(554,070)	-4%	279,677	2%	7,143	-	91,923	1%	180,611	1%
Talk 'N Text	27,784,781	28,056,116	29,490,125	29,485,017	31,922,834	(4,138,053)	-13%	(1,700,236)	-6%	5,108	-	(1,434,009)	-5%	(271,335)	-1%
<b>Postpaid</b>	<b>2,656,323</b>	<b>2,557,152</b>	<b>2,464,660</b>	<b>2,377,877</b>	<b>2,300,000</b>	<b>356,323</b>	<b>15%</b>	<b>278,446</b>	<b>12%</b>	<b>86,783</b>	<b>4%</b>	<b>92,492</b>	<b>4%</b>	<b>99,171</b>	<b>4%</b>
Smart Postpaid	1,006,124	969,612	928,390	889,696	866,160	139,964	16%	116,428	13%	38,694	4%	41,222	4%	36,512	4%
Sun Postpaid	1,650,199	1,587,540	1,536,270	1,488,181	1,433,840	216,359	15%	162,018	11%	48,089	3%	51,270	3%	62,659	4%
<b>Total Cellular Subscribers</b>	<b>69,030,744</b>	<b>68,897,106</b>	<b>70,495,472</b>	<b>70,045,627</b>	<b>72,498,270</b>	<b>(3,467,526)</b>	<b>-5%</b>	<b>(1,014,883)</b>	<b>-1%</b>	<b>449,845</b>	<b>1%</b>	<b>(1,598,366)</b>	<b>-2%</b>	<b>133,638</b>	<b>-</b>

## Cellular Subscribers by brand:

	Sept-14	Jun-14	Mar-14	Dec- 13	Sept- 13	9M14 vs 9M13		9M14 vs FY13		Net Adds					
						Net Adds	%	Net Adds	%	1Q14	%	2Q14	%	3Q14	%
<b>CELLULAR</b>															
<b>Smart</b>	<b>25,742,041</b>	<b>25,580,338</b>	<b>25,887,888</b>	<b>25,498,383</b>	<b>24,733,803</b>	<b>1,008,238</b>	<b>4%</b>	<b>243,658</b>	<b>1%</b>	<b>389,505</b>	<b>2%</b>	<b>(307,550)</b>	<b>-1%</b>	<b>161,703</b>	<b>1%</b>
Smart Prepaid	24,735,917	24,610,726	24,959,498	24,608,687	23,867,643	868,274	4%	127,230	1%	350,811	1%	(348,772)	-1%	125,191	1%
Smart Postpaid	1,006,124	969,612	928,390	889,696	866,160	139,964	16%	116,428	13%	38,694	4%	41,222	4%	36,512	4%
<b>Talk 'N Text</b>	<b>27,784,781</b>	<b>28,056,116</b>	<b>29,490,125</b>	<b>29,485,017</b>	<b>31,922,834</b>	<b>(4,138,053)</b>	<b>-13%</b>	<b>(1,700,236)</b>	<b>-6%</b>	<b>5,108</b>	<b>-</b>	<b>(1,434,009)</b>	<b>-5%</b>	<b>(271,335)</b>	<b>-1%</b>
<b>Sun Cellular</b>	<b>15,503,922</b>	<b>15,260,652</b>	<b>15,117,459</b>	<b>15,062,227</b>	<b>15,841,633</b>	<b>(337,711)</b>	<b>-2%</b>	<b>441,695</b>	<b>3%</b>	<b>55,232</b>	<b>-</b>	<b>143,193</b>	<b>1%</b>	<b>243,270</b>	<b>2%</b>
Sun Prepaid	13,853,723	13,673,112	13,581,189	13,574,046	14,407,793	(554,070)	-4%	279,677	2%	7,143	-	91,923	1%	180,611	1%
Sun Postpaid	1,650,199	1,587,540	1,536,270	1,488,181	1,433,840	216,359	15%	162,018	11%	48,089	3%	51,270	3%	62,659	4%
<b>Total Cellular Subscribers</b>	<b>69,030,744</b>	<b>68,897,106</b>	<b>70,495,472</b>	<b>70,045,627</b>	<b>72,498,270</b>	<b>(3,467,526)</b>	<b>-5%</b>	<b>(1,014,883)</b>	<b>-1%</b>	<b>449,845</b>	<b>1%</b>	<b>(1,598,366)</b>	<b>-2%</b>	<b>133,638</b>	<b>-</b>

# Subscriber Data: Broadband



	Sept-14	Jun-14	Mar-14	Dec-13	Sept-13	9M14 vs 9M13		9M14 vs FY13		Net Adds					
						Net Adds	%	Net Adds	%	1Q14	%	2Q14	%	3Q14	%
<b>BROADBAND</b>															
<b>Wireless Broadband</b>	<b>2,694,840</b>	<b>2,598,920</b>	<b>2,551,882</b>	<b>2,453,826</b>	<b>2,378,607</b>	<b>316,233</b>	<b>13%</b>	<b>241,014</b>	<b>10%</b>	<b>98,056</b>	<b>4%</b>	<b>47,038</b>	<b>2%</b>	<b>95,920</b>	<b>4%</b>
Smart Broadband	2,103,587	2,052,107	2,003,433	1,909,209	1,843,839	259,748	14%	194,378	10%	94,224	5%	48,674	2%	51,480	3%
Prepaid	1,560,743	1,496,560	1,435,216	1,359,862	1,294,152	266,591	21%	200,881	15%	75,354	6%	61,344	4%	64,183	4%
Postpaid	542,844	555,547	568,217	549,347	549,687	(6,843)	-1%	(6,503)	-1%	18,870	3%	(12,670)	-2%	(12,703)	-2%
Sun Broadband	591,253	546,813	548,449	544,617	534,768	56,485	11%	46,636	9%	3,832	1%	(1,636)	-	44,440	8%
Prepaid	292,076	274,538	295,887	309,756	303,034	(10,958)	-4%	(17,680)	-6%	(13,869)	-4%	(21,349)	-7%	17,538	6%
Postpaid	299,177	272,275	252,562	234,861	231,734	67,443	29%	64,316	27%	17,701	8%	19,713	8%	26,902	10%
<b>Fixed Line Broadband</b>	<b>1,051,469</b>	<b>1,020,094</b>	<b>1,000,028</b>	<b>961,967</b>	<b>949,762</b>	<b>101,707</b>	<b>11%</b>	<b>89,502</b>	<b>9%</b>	<b>38,061</b>	<b>4%</b>	<b>20,066</b>	<b>2%</b>	<b>31,375</b>	<b>3%</b>
<b>Total Broadband Subscribers</b>	<b>3,746,309</b>	<b>3,619,014</b>	<b>3,551,910</b>	<b>3,415,793</b>	<b>3,328,369</b>	<b>417,940</b>	<b>13%</b>	<b>330,516</b>	<b>10%</b>	<b>136,117</b>	<b>4%</b>	<b>67,104</b>	<b>2%</b>	<b>127,295</b>	<b>4%</b>

# 9M2014: Consolidated Financial Highlights



<i>(Php in millions)</i>	9M2014				9M2013	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (unaudited)	
<b>Service Revenues</b>	85,842	48,452	-	122,910	121,604	1%
<b>Cash operating expenses <sup>(1)</sup></b>	(40,815)	(29,528)	(56)	(58,751)	(54,381)	8%
<b>Depreciation and amortization</b>	(11,859)	(10,038)	-	(21,897)	(22,180)	-1%
<b>Financing costs, net</b>	(1,219)	(2,673)	(16)	(3,855)	(5,245)	-27%
<b>Income before income tax</b>	24,268	8,126	4,309	36,703	33,197	11%
<b>Provision for income tax</b>	6,431	2,258	77	8,766	6,271	40%
<b>EBITDA</b>	37,636	18,904	(56)	56,751	59,552	-5%
<b><i>EBITDA Margin <sup>(2)</sup></i></b>	<b>44%</b>	<b>39%</b>	<b>-</b>	<b>46%</b>	<b>49%</b>	
<b>Net Income attributable to Equity Holders of PLDT</b>	<b>17,859</b>	<b>5,866</b>	<b>4,232</b>	<b>27,957</b>	<b>28,954</b>	<b>-3%</b>
Continuing Operations	17,859	5,866	4,232	27,957	26,885	4%
Discontinued Operations	-	-	-	-	2,069	-100%
<b>Core net income</b>	<b>18,349</b>	<b>5,925</b>	<b>4,287</b>	<b>28,561</b>	<b>28,786</b>	<b>-1%</b>
Continuing Operations	18,349	5,925	4,287	28,561	28,885	-1%
Discontinued Operations	-	-	-	-	(99)	-100%

<sup>(1)</sup> Net of the retroactive effect of the adoption of Revised PAS 19 in MRP costs of Php1,269mn for 9M2013 (Php537mn for Wireless and Php732mn for Fixed Line)

<sup>(2)</sup> 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>	9M2014				9M2013	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (unaudited)	
Net Income attributable to equity holder of PLDT - continuing operations	17,859	5,866	4,232	27,957	26,885	4%
Add (deduct):						
Foreign exchange losses (gains), net	623	128	(10)	741	2,004	-63%
Losses (gains) on derivative financial instruments, net	32	(273)	(3)	(244)	(719)	-66%
Retroactive effect of adoption of Revised PAS 19	-	-	-	-	1,269	-100%
Asset Impairment	-	228	-	228	-	-
Others	-	1	23	24	(32)	175%
Tax effect	(165)	(25)	45	(145)	(522)	-72%
<b>Core Net Income - Continuing operations</b>	<b>18,349</b>	<b>5,925</b>	<b>4,287</b>	<b>28,561</b>	<b>28,885</b>	<b>-1%</b>
Core Net Income - Discontinued operations	-	-	-	-	(99)	-100%
<b>Total Core Net Income</b>	<b>18,349</b>	<b>5,925</b>	<b>4,287</b>	<b>28,561</b>	<b>28,786</b>	<b>-1%</b>

# Consolidated Service Revenues

<i>(Php in billions)</i>	2014				2013						% Change	
	1Q	2Q	3Q	9M	1Q	2Q	3Q	9M	4Q	FY	9M14 vs 9M13	3Q14 vs 3Q13
SMS and VAS	10.8	10.5	10.1	31.4	11.9	11.9	11.5	35.4	11.9	47.3	-11%	-13%
Voice - Domestic	14.0	14.4	14.1	42.5	13.3	13.9	13.7	40.9	14.3	55.2	4%	3%
Voice - International	5.5	5.2	4.8	15.4	5.5	5.6	5.6	16.7	5.9	22.7	-8%	-15%
Non-SMS data	10.0	10.2	10.5	30.8	8.2	8.7	9.0	25.9	9.5	35.4	19%	17%
Others	0.9	1.0	0.9	2.9	0.9	0.9	0.8	2.7	0.9	3.6	5%	12%
<b>Total</b>	<b>41.2</b>	<b>41.3</b>	<b>40.4</b>	<b>122.9</b>	<b>40.0</b>	<b>41.1</b>	<b>40.6</b>	<b>121.6</b>	<b>42.4</b>	<b>164.1</b>	<b>1%</b>	<b>-</b>

# Expenses



<i>(Php in millions)</i>	9M2014			Consolidated (unaudited)	9M2013	% Change
	Wireless	Fixed Line	Others		Consolidated (unaudited)	
<b>Operating expenses</b>						
Compensation and employee benefits <sup>(1)</sup>	6,068	9,726	-	15,777	15,038	5%
Repairs and maintenance	6,488	4,939	-	10,952	9,524	15%
Selling and promotions	6,436	1,487	-	7,905	6,598	20%
Rent	8,195	1,801	-	4,754	4,224	13%
Insurance and security services	913	527	-	1,360	1,252	9%
Taxes and licenses	1,388	1,046	51	2,485	2,625	-5%
Professional and other contracted services	3,352	2,735	5	4,824	4,544	6%
Communication, training and travel	1,212	632	-	1,724	1,570	10%
Interconnection costs	6,107	6,185	-	7,866	7,865	-
Other expenses	656	450	-	1,104	1,141	-3%
<b>Cash operating expenses</b>	<b>40,815</b>	<b>29,528</b>	<b>56</b>	<b>58,751</b>	<b>54,381</b>	<b>8%</b>
Depreciation and amortization	11,859	10,038	-	21,897	22,180	-1%
Asset impairment	1,512	304	-	1,816	2,120	-14%
Amortization of intangible assets	862	-	-	862	736	17%
<b>Non-cash operating expenses</b>	<b>14,233</b>	<b>10,342</b>	<b>-</b>	<b>24,575</b>	<b>25,036</b>	<b>-2%</b>
<b>Cost of sales</b>	<b>8,656</b>	<b>1,528</b>	<b>-</b>	<b>10,180</b>	<b>8,532</b>	<b>19%</b>
<b>Total Expenses</b>	<b>63,704</b>	<b>41,398</b>	<b>56</b>	<b>93,506</b>	<b>87,949</b>	<b>6%</b>

<sup>(1)</sup> Net of the retroactive effect of the adoption of Revised PAS 19 in MRP costs of Php1,269mn for 9M2013  
(Php537mn for Wireless and Php732mn for Fixed Line)

# Other Income (Expenses)

<i>(Php in millions)</i>	9M2014				9M2013	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (unaudited)	
Gains (losses) on derivative financial instruments, net	(32)	42	3	13	492	-97%
Interest income	152	242	226	567	680	-17%
Equity share in net earnings of associates and joint ventures	-	88	2,599	2,687	2,308	16%
Foreign exchange gains (losses), net	(623)	(128)	10	(741)	(2,004)	-63%
Others	1,075	1,917	1,543	4,268	1,599	167%
<b>Total</b>	<b>572</b>	<b>2,161</b>	<b>4,381</b>	<b>6,794</b>	<b>3,075</b>	<b>121%</b>
Financing costs, net						
Loans and other related items	(1,240)	(2,773)	(16)	(3,976)	(3,928)	1%
Accretion on financial liabilities	(93)	(26)	-	(119)	(1,514)	-92%
Financing charges	(67)	(35)	-	(102)	(329)	-69%
Capitalized interest	181	161	-	342	526	-35%
<b>Total</b>	<b>(1,219)</b>	<b>(2,673)</b>	<b>(16)</b>	<b>(3,855)</b>	<b>(5,245)</b>	<b>-27%</b>
<b>Total other income (expenses)</b>	<b>(647)</b>	<b>(512)</b>	<b>4,365</b>	<b>2,939</b>	<b>(2,170)</b>	<b>235%</b>



# Cellular and Broadband Net ARPU

## Cellular Net ARPU

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

## Cellular Prepaid and Postpaid blended Net ARPU

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

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

## Broadband Net ARPU

	2014			2013			
	1Q	2Q	3Q	1Q	2Q	3Q	4Q
Smart Broadband blended	338	332	325	344	345	357	332
Sun Broadband blended	274	285	286	328	330	253	285
Fixed Broadband	1,155	1,098	1,111	1,077	1,111	1,110	1,111

# Historical Consolidated: Service Revenues and EBITDA



(Php in millions)	2014				2013					
	1Q	2Q	3Q	9M	1Q	2Q	3Q	9M	4Q	FY
<b>Fixed line</b>	<b>12,792</b>	<b>12,717</b>	<b>12,846</b>	<b>38,355</b>	<b>11,997</b>	<b>12,275</b>	<b>12,220</b>	<b>36,492</b>	<b>12,589</b>	<b>49,081</b>
Local exchange	4,087	4,107	4,104	12,298	4,008	4,066	4,042	12,116	4,057	16,173
International long distance	1,679	1,603	1,483	4,765	1,798	1,701	1,581	5,080	1,768	6,848
National long distance	1,006	1,007	1,031	3,044	1,064	1,094	1,046	3,204	1,001	4,205
Data and other network	5,805	5,796	6,018	17,619	4,970	5,224	5,338	15,532	5,545	21,077
Miscellaneous	215	204	210	629	157	190	213	560	218	778
<b>Wireless</b>	<b>28,425</b>	<b>28,596</b>	<b>27,534</b>	<b>84,555</b>	<b>27,971</b>	<b>28,794</b>	<b>28,347</b>	<b>85,112</b>	<b>29,859</b>	<b>114,971</b>
Cellular services	25,662	25,792	24,746	76,200	25,323	26,118	25,652	77,093	27,185	104,278
Broadband, satellite and others	2,763	2,804	2,788	8,355	2,648	2,676	2,695	8,019	2,674	10,693
Broadband	2,448	2,490	2,519	7,457	2,295	2,335	2,363	6,993	2,333	9,326
Satellite and others	315	314	269	898	353	341	332	1,026	341	1,367
<b>Total Consolidated Gross Service Revenues</b>	<b>41,217</b>	<b>41,313</b>	<b>40,380</b>	<b>122,910</b>	<b>39,968</b>	<b>41,069</b>	<b>40,567</b>	<b>121,604</b>	<b>42,448</b>	<b>164,052</b>
Non-Service revenues	1,326	1,572	1,462	4,360	992	972	1,017	2,981	1,298	4,279
<b>Total Consolidated Gross Revenues</b>	<b>42,543</b>	<b>42,885</b>	<b>41,842</b>	<b>127,270</b>	<b>40,960</b>	<b>42,041</b>	<b>41,584</b>	<b>124,585</b>	<b>43,746</b>	<b>168,331</b>
<b>Add:</b>										
Cash Operating Expenses	(18,800)	(20,305)	(19,646)	(58,751)	(18,597)	(18,594)	(18,459)	(55,650)	(21,192)	(76,842)
Cost of sales	(3,449)	(3,476)	(3,255)	(10,180)	(2,411)	(3,127)	(2,994)	(8,532)	(3,274)	(11,806)
Writedown of Inventory and Provision for doubtful AR	(637)	(557)	(394)	(1,588)	(602)	(789)	(729)	(2,120)	(1,280)	(3,400)
Retroactive effect of adoption of Revised PAS 19	-	-	-	-	791	136	342	1,269	-	1,269
<b>EBITDA</b>	<b>19,657</b>	<b>18,547</b>	<b>18,547</b>	<b>56,751</b>	<b>20,141</b>	<b>19,667</b>	<b>19,744</b>	<b>59,552</b>	<b>18,000</b>	<b>77,552</b>
EBITDA Margin <sup>(1)</sup>	48%	45%	46%	46%	50%	48%	49%	49%	42%	47%

<sup>(1)</sup> 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	9M	1Q	2Q	3Q	9M	4Q	FY
<b>Wireless Gross Service Revenues</b>										
Cellular services	26,078	26,190	25,142	77,410	25,709	26,529	26,040	78,278	27,597	105,875
Cellular Voice	12,868	13,049	12,365	38,282	12,187	12,869	12,733	37,789	13,595	51,384
Domestic	9,025	9,423	9,047	27,495	8,375	8,866	8,682	25,923	9,351	35,274
International	3,843	3,626	3,318	10,787	3,812	4,003	4,051	11,866	4,244	16,110
SMS	10,381	10,109	9,665	30,155	11,562	11,573	11,006	34,140	11,201	45,341
Domestic	9,574	9,270	8,895	27,739	10,699	10,677	10,146	31,522	10,300	41,822
International	807	839	770	2,416	863	896	859	2,618	901	3,519
Mobile Internet Revenues	1,769	1,957	2,005	5,731	979	1,127	1,282	3,388	1,580	4,968
VAS/Financial Services	408	418	425	1,251	372	365	530	1,267	682	1,949
Other Cellular Revenues	652	657	682	1,991	609	595	490	1,694	539	2,233
Broadband, satellite and others	2,790	2,830	2,812	8,432	2,675	2,702	2,725	8,102	2,702	10,804
Broadband	2,474	2,515	2,543	7,532	2,321	2,359	2,393	7,073	2,359	9,432
Satellite and others	316	315	269	900	354	343	332	1,029	343	1,372
<b>Total Wireless Gross Service Revenues</b>	<b>28,868</b>	<b>29,020</b>	<b>27,954</b>	<b>85,842</b>	<b>28,384</b>	<b>29,231</b>	<b>28,765</b>	<b>86,380</b>	<b>30,299</b>	<b>116,679</b>
Non-Service revenues	863	945	969	2,777	588	634	630	1,852	792	2,644
<b>Total Wireless Gross Revenues</b>	<b>29,731</b>	<b>29,965</b>	<b>28,923</b>	<b>88,619</b>	<b>28,972</b>	<b>29,865</b>	<b>29,395</b>	<b>88,232</b>	<b>31,091</b>	<b>119,323</b>
<b>Add:</b>										
Cash Operating Expenses	(13,002)	(14,306)	(13,507)	(40,815)	(12,370)	(13,021)	(13,594)	(38,985)	(14,213)	(53,198)
Cost of sales	(2,926)	(2,892)	(2,838)	(8,656)	(2,100)	(2,677)	(2,592)	(7,369)	(2,813)	(10,182)
Writedown of Inventory and Provision for doubtful AR	(599)	(521)	(392)	(1,512)	(295)	(501)	(467)	(1,263)	(514)	(1,777)
Retroactive effect of adoption of Revised PAS 19	-	-	-	-	119	76	342	537	-	537
<b>EBITDA</b>	<b>13,204</b>	<b>12,246</b>	<b>12,186</b>	<b>37,636</b>	<b>14,326</b>	<b>13,742</b>	<b>13,084</b>	<b>41,152</b>	<b>13,551</b>	<b>54,703</b>
<i>EBITDA Margin <sup>(1)</sup></i>	<i>46%</i>	<i>42%</i>	<i>44%</i>	<i>44%</i>	<i>50%</i>	<i>47%</i>	<i>45%</i>	<i>48%</i>	<i>45%</i>	<i>47%</i>

<sup>(1)</sup> 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	9M	1Q	2Q	3Q	9M	4Q	FY
<b>Fixed Line Gross Service Revenues</b>										
Local exchange	4,111	4,132	4,131	12,374	4,036	4,092	4,066	12,194	4,080	16,274
International long distance	2,859	2,843	2,696	8,398	2,968	2,802	2,678	8,448	2,974	11,422
National long distance	1,099	1,100	1,128	3,327	1,155	1,189	1,137	3,481	1,102	4,583
Data and other network	7,430	7,468	7,647	22,545	6,626	6,818	6,894	20,338	7,134	27,472
Miscellaneous	583	611	614	1,808	491	497	541	1,529	590	2,119
<b>Total Fixed Line Service Revenues</b>	<b>16,082</b>	<b>16,154</b>	<b>16,216</b>	<b>48,452</b>	<b>15,276</b>	<b>15,398</b>	<b>15,316</b>	<b>45,990</b>	<b>15,880</b>	<b>61,870</b>
Non-Service revenues	463	628	493	1,584	435	367	388	1,190	507	1,697
<b>Total Fixed Line Gross Revenues</b>	<b>16,545</b>	<b>16,782</b>	<b>16,709</b>	<b>50,036</b>	<b>15,711</b>	<b>15,765</b>	<b>15,704</b>	<b>47,180</b>	<b>16,387</b>	<b>63,567</b>
<b>Add:</b>										
Cash Operating Expenses	(9,630)	(9,916)	(9,982)	(29,528)	(10,156)	(9,285)	(8,450)	(27,891)	(10,846)	(38,737)
Cost of sales	(523)	(588)	(417)	(1,528)	(311)	(491)	(402)	(1,204)	(461)	(1,665)
Writedown of Inventory and Provision for doubtful AR	(38)	(36)	(2)	(76)	(307)	(288)	(262)	(857)	(766)	(1,623)
Retroactive effect of adoption of Revised PAS 19	-	-	-	-	672	60	-	732	-	732
<b>EBITDA</b>	<b>6,354</b>	<b>6,242</b>	<b>6,308</b>	<b>18,904</b>	<b>5,609</b>	<b>5,761</b>	<b>6,590</b>	<b>17,960</b>	<b>4,314</b>	<b>22,274</b>
<i>EBITDA Margin <sup>(1)</sup></i>	<i>40%</i>	<i>39%</i>	<i>39%</i>	<i>39%</i>	<i>37%</i>	<i>37%</i>	<i>43%</i>	<i>39%</i>	<i>27%</i>	<i>36%</i>

<sup>(1)</sup> 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	9M	1Q	2Q	3Q	9M	4Q	FY
<b>Fixed Line Service Revenues, net</b>										
Local exchange	4,109	4,132	4,130	12,371	4,035	4,089	4,065	12,189	4,076	16,265
International long distance	1,100	1,062	996	3,158	1,195	1,113	1,109	3,417	1,137	4,554
National long distance	865	857	888	2,610	904	911	884	2,699	848	3,547
Data and other network	7,352	7,388	7,580	22,320	6,566	6,746	6,823	20,135	7,054	27,189
Miscellaneous	583	611	614	1,808	491	497	541	1,529	590	2,119
<b>Total</b>	<b>14,009</b>	<b>14,050</b>	<b>14,208</b>	<b>42,267</b>	<b>13,191</b>	<b>13,356</b>	<b>13,422</b>	<b>39,969</b>	<b>13,705</b>	<b>53,674</b>

# Earnings Per Share



	9M2014 (unaudited)		9M2013 (unaudited)	
	Basic	Diluted	Basic	Diluted
Net income (loss) attributable to equity holders of PLDT	27,957	27,957	28,954	28,954
Continuing Operations	27,957	27,957	26,885	26,885
Discontinued Operations	-	-	2,069	2,069
Dividends on preferred shares	(44)	(44)	(44)	(44)
<b>Net income for the period attributable to common equity holders of PLDT</b>	<b>27,913</b>	<b>27,913</b>	<b>28,910</b>	<b>28,910</b>
<b>Weighted average number of common shares, end</b>	<b>216,056</b>	<b>216,056</b>	<b>216,056</b>	<b>216,056</b>
<b>EPS (based on reported net income)</b>				
EPS - Continuing Operations	129.19	129.19	124.23	124.23
EPS - Discontinued Operations	-	-	9.58	9.58
<b>Total EPS</b>	<b>129.19</b>	<b>129.19</b>	<b>133.81</b>	<b>133.81</b>
Core net income	28,561	28,561	28,786	28,786
Continuing Operations	28,561	28,561	28,885	28,885
Discontinued Operations	-	-	(99)	(99)
Dividends on preferred shares	(44)	(44)	(44)	(44)
<b>Core Net income applicable to common shares</b>	<b>28,517</b>	<b>28,517</b>	<b>28,742</b>	<b>28,742</b>
<b>Weighted average number of common shares, end</b>	<b>216,056</b>	<b>216,056</b>	<b>216,056</b>	<b>216,056</b>
<b>EPS (based on core net income)</b>				
EPS - Continuing Operations	131.99	131.99	133.48	133.48
EPS - Discontinued Operations	-	-	(0.45)	(0.45)
<b>Total EPS</b>	<b>131.99</b>	<b>131.99</b>	<b>133.03</b>	<b>133.03</b>

# Cash Flows



<i>(Php in millions)</i>	9M2014				9M2013	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (unaudited)	
Net cash from operations	31,508	15,185	(27)	46,573	51,605	-10%
Add(Deduct):						
Capital expenditures	(8,925)	(7,056)	-	(15,981)	(14,888)	7%
Interest, net	(844)	(2,415)	47	(3,140)	(3,090)	2%
Preferred share dividends paid	-	(44)	-	(44)	(44)	-
Other investing activities	(167)	14,976	1,855	(463)	(819)	-43%
Other financing activities	(109)	(3,060)	280	(2,888)	140	-2163%
<b>Free cash flow</b>	<b>21,463</b>	<b>17,586</b>	<b>2,155</b>	<b>24,057</b>	<b>32,904</b>	<b>-27%</b>
Common share dividends	(24,898)	(39,837)	(2,205)	(39,840)	(37,590)	6%
Investments	(1,720)	(496)	(19,402)	(21,618)	6,817	417%
Redemption of Investments	1,090	-	-	1,090	150	627%
Payments for redemption of shares	-	-	(6)	(6)	(5)	20%
Trust fund for redemption of shares	-	3	-	3	-	-
Payments for redemption of liabilities	-	(3)	-	(3)	-	-
Debt proceeds (repayments), net	5,762	22,266	9,952	28,028	(10,772)	360%
Change in cash	1,697	(481)	(9,506)	(8,289)	(8,496)	-2%
Cash and short term investments, beginning	11,098	9,829	11,697	32,623	38,870	-16%
<b>Cash and short term investments, end</b>	<b>12,795</b>	<b>9,348</b>	<b>2,191</b>	<b>24,334</b>	<b>30,374</b>	<b>-20%</b>

# Balance Sheet



<i>(Php in millions)</i>	Consolidated	
	September 30, 2014 (unaudited)	December 31, 2013 (Audited)
<b>Total Assets</b>	<b>416,137</b>	<b>399,638</b>
<b>Nominal Value of Total Long-term Debt in US\$</b>	<b>133,261</b>	<b>104,472</b>
<b>Less: Unamortized Debt Discount</b>	<b>559</b>	<b>382</b>
<b>Total Long-term Debt</b>	<b>132,702</b>	<b>104,090</b>
<b>Cash and short-term investments</b>	<b>24,344</b>	<b>32,623</b>
<b>Net Debt <sup>(1)</sup></b>	<b>108,917</b>	<b>71,849</b>
<b>Equity</b>	<b>122,753</b>	<b>137,326</b>
<b>Total Debt <sup>(2)</sup>/Equity</b>	<b><u>1.09x</u></b>	<b><u>0.76x</u></b>
<b>Net Debt <sup>(1)</sup>/Equity</b>	<b><u>0.89x</u></b>	<b><u>0.52x</u></b>
<b>Total Debt <sup>(2)</sup>/EBITDA <sup>(3)</sup></b>	<b><u>1.78x</u></b>	<b><u>1.35x</u></b>
<b>Net Debt <sup>(1)</sup>/EBITDA <sup>(3)</sup></b>	<b><u>1.46x</u></b>	<b><u>0.93x</u></b>

<sup>(1)</sup> Net Debt calculated based on nominal value of debts less cash and cash equivalents and short-term investments

<sup>(2)</sup> Nominal value of total debt

<sup>(3)</sup> EBITDA for the last twelve months (LTM)

# Debt Profile



<i>(US\$ in millions)</i>	2008	2009	2010	2011 <sup>(1)</sup>	2012 <sup>(1)</sup>	2013 <sup>(1)</sup>	9M2014 <sup>(1)</sup>
Debt Balance	1,625	2,210	2,113	2,719	2,851	2,353	2,969
Cash and short-term investments	847	908	852	1,061	919	735	542
<b>Net Debt</b>	<b>778</b>	<b>1,302</b>	<b>1,261</b>	<b>1,658</b>	<b>1,932</b>	<b>1,618</b>	<b>2,427</b>

<sup>(1)</sup> Including Digitel

## Debt Maturities:

### Debt Maturities

as of September 30, 2014

*(US\$ in millions)*

	Total	% of Debt Maturities to total debt
2014	85	3%
2015	325	11%
2016	309	10%
2017	650	22%
2018	125	4%
2019 to 2024	1,475	50%
	<b>2,969</b>	



# Interest-bearing Liabilities

<i>(US\$ in millions)</i>	September 30, 2014 (unaudited)			December 31, 2013	Change
	Carrying Value	Unamortized Debt Discount/Debt Issuance	Face Value	(Audited) Face Value	
<b>Debt</b>					
PLDT	\$1,771	\$4	\$1,775	\$1,284	\$491
Smart	973	8	981	812	169
DIGITEL	213	-	213	257	(44)
<b>Total Debt</b>	<b>\$2,957</b>	<b>\$12</b>	<b>\$2,969</b>	<b>\$2,353</b>	<b>\$616</b>

# Foreign Exchange Risk



## Forex Impact on Core Income

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

	Conso - net of Elim
<b>US\$ Revenues*</b>	<b>556.0</b>
<b>US\$ Expenses</b>	<b>(217.1)</b>
Cash Opex*	(174.3)
Cost of sales	(2.4)
Financing costs	(40.4)
<b>US\$ Income before tax</b>	<b>338.9</b>
Tax effect	101.7
<b>Core Earnings</b>	<b>237.2</b>
<b>EBITDA</b>	<b>379.3</b>
* Gross of interconnection costs amounting to:	91.4
Local exchange revenues (in million Php)	6,896.7

## 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)*	1,200.7
Accounts Payable	132.3
Accrued Liabilities	146.3
Derivative Liabilities	38.1
<b>Total US\$ denominated Liabilities</b>	<b>1,517.4</b>
Cash and Cash Equivalents	95.4
Short-term Investments	13.9
Trade and other receivables	226.2
Derivative Assets	4.0
Investment in Debt Securities, Advances & Others	8.2
<b>Total US\$ denominated Assets</b>	<b>347.7</b>
<b>Forex Revaluation for every P1 change</b>	<b>±1,169.7</b>
* Debt	1,402.4
Less: LT hedges	201.7
Debt (net of LT hedges)	1,200.7

## Forex Impact on Derivatives

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

	Ave.	Period End
<b>Forex rate, 9M2014</b>	<b>44.26</b>	<b>44.88</b>
<b>Forex rate, 9M2013</b>	<b>42.06</b>	<b>43.54</b>
<b>% of Peso depreciation vs US\$</b>	<b>+5%</b>	<b>+3%</b>

*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**

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