PLDT SMART LIVE MORE SUN CELLULAR

Enriching Connections

First Half 2015
Financial and Operating Results

Philippine Long Distance Telephone Company (PLDT)

4 August 2015

PLDT Group: 1H 15 vs 1H14 Financial Highlights

Revenues
P85.2bn — 0% (P0.3bn)

Wireless Revenues
P58.1bn -3% (P1.8bn)

Fixed Line Revenues
P33.7bn +3% P1.0bn

Service Revenues
P81.2bn -2% (P1.4bn)

Wireless Service Revenues
P55.6bn -4% (P2.5bn)

Fixed Line Service Revenues
P32.1bn +2% P0.5bn

EBITDA*
P35.5bn -7% (P2.8bn)
* P36.9bn or -4% if excluding P1.4bn in MRP costs

EBITDA Margin**
44%
** 45% if excluding impact of MRP

Reported Net Income
P18.7bn -6% (P1.3bn)

Core Net Income
P18.9bn -5% (P0.9bn)
EPS: P87.48

Interim Regular Dividend per Share
P65
Record Date: 27 August 2015
Payment Date: 25 September 2015

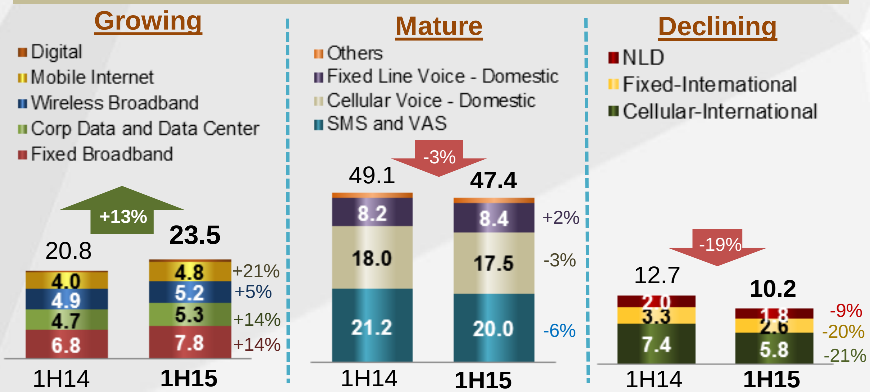
Foreign Exchange Rates (Php:US$1)	*1H2015*	*1H2014*	*2H2014*	*% Y-o-Y*	*% H-o-H*
Period-end	*45.14*	*43.65*	*44.74*	*3%*	*1%*
Period-average	*44.55*	*44.50*	*44.29*	*0%*	*1%*

PLDT Group: Service Revenues and EBITDA

Consolidated Service Revenues

P81.2bn **-2%** **(P1.4bn)**

due to declines in legacy and traditional businesses



% to total service revenues:					
25%	**29%**	60%	**58%**	15%	**13%**

- **Excluding ILD and NLD revenues of P10.2bn, consolidated service revenues for 1H15 of P70.9bn were higher by P1.0bn or 1% year-on-year**
  - P2.7bn rise in consolidated data/broadband revenues fully absorbed the P1.8bn reduction in cellular domestic voice and SMS and VAS revenues

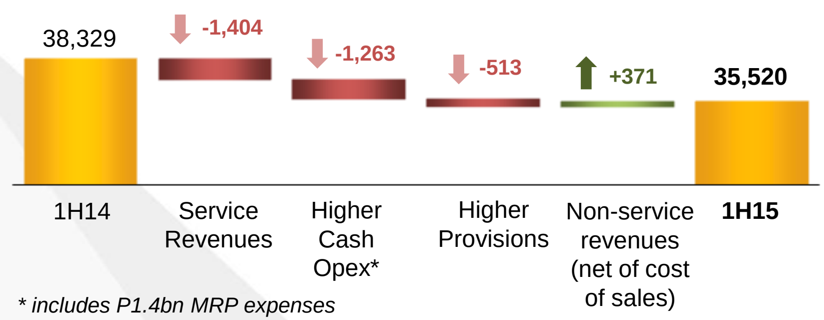
- **Innovations unit, Voyager, contributed revenues of P0.5bn in 1H15, higher by 21% year-on-year, mainly from fintech/Smart Money**

EBITDA and EBITDA Margin

P35.5bn **-7%** **(P2.8bn)**

EBITDA Margin: 44%

P2.8bn decline in EBITDA was due to changes in:



** includes P1.4bn MRP expenses*

- **Consolidated EBITDA for 1H15 was lower year-on-year by P2.8bn or 7% at P35.5bn due to the combined effect of:**
  - Lower service revenues by P1.4bn mainly from the wireless business
  - Rise in cash operating expenses including P1.4bn in MRP expenses booked in 2Q15
  - Higher provisions by P0.5bn
  - Increase in non-service revenues largely from the fixed line business

- **Consolidated EBITDA margin at 44% compared with 46% in 1H14**

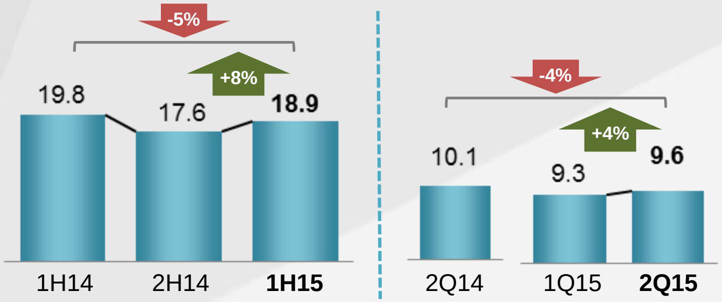
- **Excluding P1.4bn MRP expenses booked in 2Q15, consolidated EBITDA would have been P36.9bn or a decline of 4% or P1.4bn vis-à-vis 1H14, and EBITDA margin at 45%**

PLDT Group: Core and Reported Net Income

Core Net Income

P18.9bn **-5%** **(P0.9bn)**

2015 Core Income Guidance: P35.0bn



- **Core net income for 1H15 of P18.9bn dipped by P0.9bn or 5% year-on-year due to:**
  - Decline in EBITDA by P2.8bn reflecting the impact of lower revenues from the wireless business and the P1.4bn MRP expenses booked in 2Q15
  - Higher financing costs by P0.5bn as a result of higher debt levels

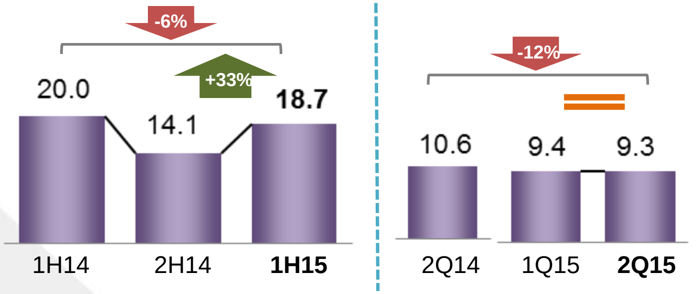
  offset by

  - Increase in other income by P0.9bn:
    - ✓ 2Q15 includes P3.2bn gain from the sale of 10% of Meralco shares by Beacon, while 2Q14 includes P1.7bn gain from sale of 5% of Meralco shares by Beacon
  - Lower provision for income tax by P0.8bn
  - Decrease in other non-cash opex by P0.6bn

Reported Net Income

P18.7bn **-6%** **(P1.3bn)**

higher by P4.7bn or 33% vs 2H14



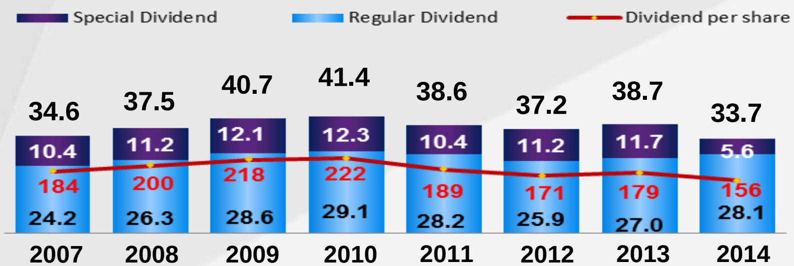
- **Reported net income of P18.7bn in 1H15 was lower year-on-year by P1.3bn or 6% as a result of:**
  - Dip in core income by P0.9bn
  - Net foreign and derivatives losses of P0.2bn in 1H15 as compared with net foreign and derivatives gains of P0.4bn in 1H14

Capital Management

Core Earnings Per Share
P87.48
Core Income for 1H15 of P18.9bn

Interim Dividend Per Share
P65.00
75% of Core EPS

Dividend Payments
(billion pesos, except per share amount)



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

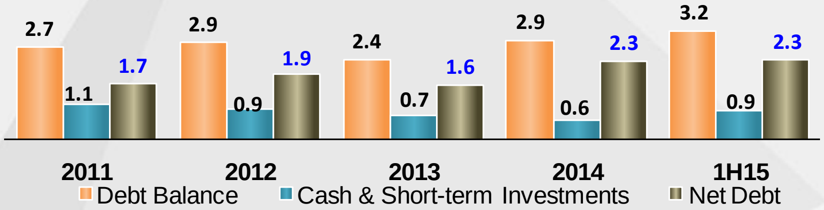
Declaration Date	4 August 2015
Record Date	27 August 2015
Payment Date	25 September 2015

- **PLDT's dividend policy: regular dividends of 75% of core EPS + "look back" to determine possibility of a special dividend after year end**

- **PLDT paid 90% of 2014 core earnings as dividends following 100% payout for 2007-13 to take into account:**
  - Elevated capex levels in 2015 and 2016 to further improve its network and the customer experience anticipating the continued growth in data traffic
  - €333mn investment in Rocket Internet
  - Plans to complement the access business with investments in new adjacent businesses that will provide future sources of profits and dividends

PLDT Group: Debt Profile

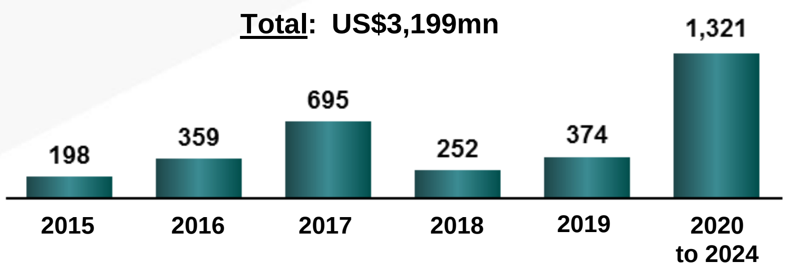
Debt Balance
(US$ in billions)



Net Debt/EBITDA				
0.9x	1.05x	0.9x	1.35x	**1.43x**

- **Net debt at end June 2015 was stable from end 2014 with net debt to EBITDA higher at 1.43x**
- **As of end June 2015, gross debt stood at US$3.2bn, higher by US$0.3bn from YE14**
  - 48% of gross debt is US$ denominated
  - Taking into account our US$ cash holdings and hedges, only US$1.0bn or 32% of total debt is unhedged
    - ✓ Natural hedge from dollar-linked revenues: 17% of 1H15 revenues or US$0.3bn
  - 56% are fixed-rate loans, while 44% are floating-rate loans; post-interest rate swaps: 85% fixed, 15% floating
  - Average interest cost (pre-tax) of 4.3% for 1H15 (FY14: 4.05%)

Debt Maturities
(US$ in millions, as of June 30, 2015)



Debt maturities to total debt					
6%	**11%**	**22%**	**8%**	**12%**	**41%**

- **Debt maturities continue to be well spread out**
  - US$228mn bonds maturing in 2017
  - Over 60% of total debt due to mature beyond 2017
- **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

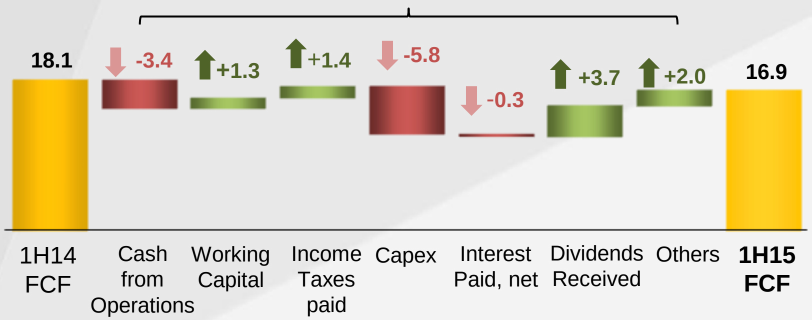
PLDT Group: Free Cash Flow and Capex

Free Cash Flow

P16.9bn **-6%** **(P1.1bn)**

decline in FCF due to the combined changes in:

(Php in billions)



- **Free cash flow for 1H15 was lower by P1.1bn or 6% at P16.9bn due to:**
  - Higher dividends received by P3.7bn
    - ✓ P5.1bn received in 1Q15 from Beacon in connection with the sale of 5% Meralco stake in June 2014
  - Lower net decrease in working capital by P1.3bn
  - Reduction in income taxes paid by P1.4bn

  offset by:
  - Higher capex by P5.8bn
  - Lower cash from operations of P3.4bn
  - Higher interest paid (net) of P0.3bn

- **FCF of P16.9bn and net debt proceeds of P13.1bn to be used for:**
  - Payment of cash dividends of P18.8bn in April 2015, consisting of final regular and special cash dividends for 2014 core earnings
  - Payment of interim cash dividend payment of P14.0bn in September 2015

Capex

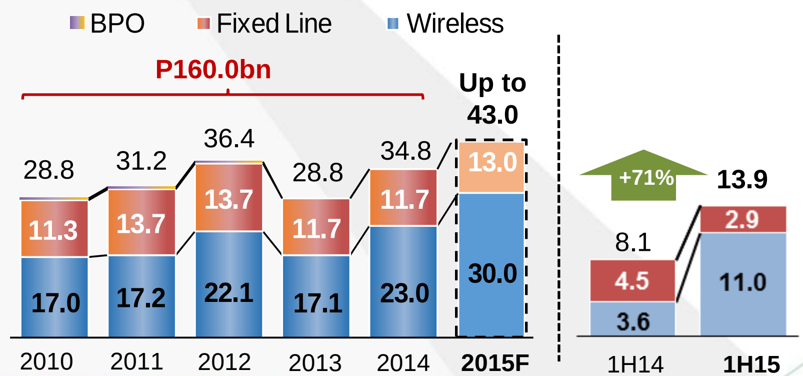
P13.9bn **+71%** **P5.8bn**

2015 Revised Capex Guidance: Up to P43bn

- Investments to further improve network quality and customer experience
  - Expansion of 3G and 4G access networks
  - All IP 3G and extension of total fiber assets* to 114,000 kms by YE15
  - Build out of 4G coverage and capacity: FD-LTE for mobile and TD-LTE as upgrade path for fixed-wireless Canopy and Wimax technologies
  - Continuing network optimization
  - Enhancement of indoor and outdoor coverage
  - Augmenting network resiliency and redundancy to improve operational stability and reliability
  - Increasing data center capacity to 8,000 racks by YE16
  - Investments for operational efficiency (Unified Network)

* transmission, distribution and FTTH

PhP in billions



% of Capex to total service revenues:					Up to
19%	21%	23%	18%	21%	27%

PLDT Group: Segment Revenues

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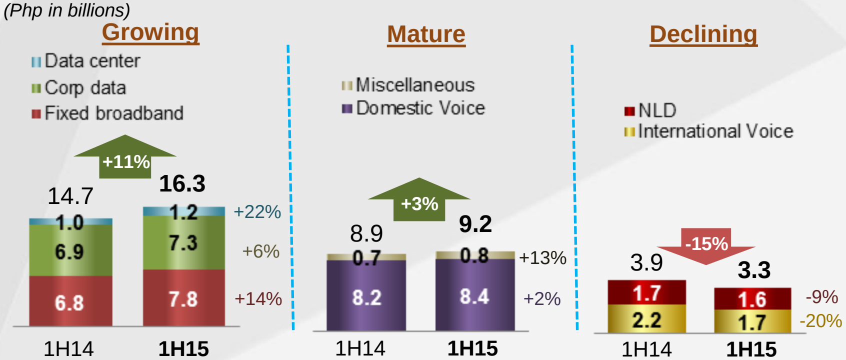
Fixed Line Service Revenues

P28.8bn* **+5%** **P1.3bn**

* net of interconnection costs

continued growth in data/broadband and domestic voice

(Php in billions)



% of total Fixed Line service revenues:					
54%	**57%**	32%	**32%**	14%	**11%**

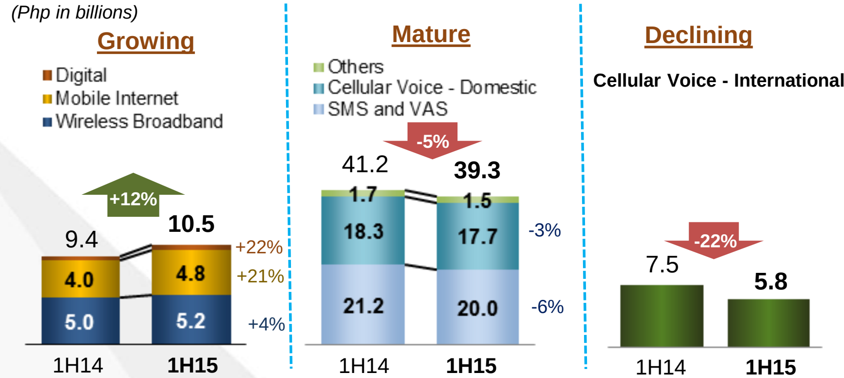
- **Increase in data/broadband revenues P1.0bn higher than declines in NLD and ILD revenues**
- **EBITDA for 1H15 declined by P1.0bn or 8% to P11.1bn primarily due to P1.4bn in MRP costs booked in 2Q15; EBITDA margin at 35%**
  - MRP covered 450 employees
  - Excluding the impact of the MRP expense, EBITDA would have been higher by P0.4bn or 3% at P12.5bn with EBITDA margin at 39%
- **Fixed line subscriber base of 2.3mn**
  - Fixed broadband subscribers at about 1.2mn

Wireless Service Revenues

P55.6bn **-4%** **(P2.5bn)**

due to declines in legacy revenues

(Php in billions)



% to total wireless service revenues:					
16%	**19%**	71%	**71%**	13%	**10%**

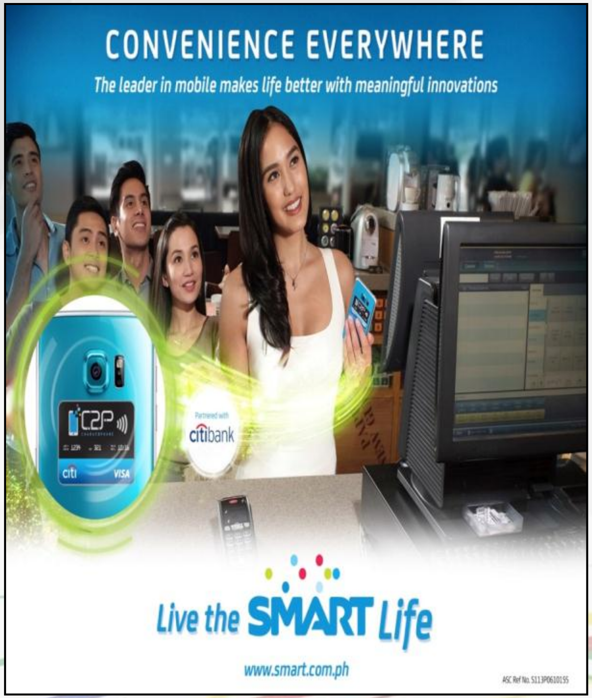
- **Rise in data/broadband and digital revenues of P1.1bn not able to fully offset P1.8bn decline in SMS and domestic voice revenues**
- **International voice revenues declined by P1.7bn**
- **EBITDA was lower by P1.9bn or 7% at P23.8bn due to the decline in service revenues, but partly offset by lower cash operating expenses; EBITDA margin at 43%**
- **Combined wireless subscriber base of 72.5mn**
  - Cellular subscribers at 68.9mn
  - Wireless broadband subscribers at 3.7mn

CONVERGENCE: home & away

CONNECTED HOME MEETS SMART LIFE

CONVERGENCE: home & away

CONNECTED HOME MEETS SMART LIFE



- **Digital consumer.**
- **Anchored on innovation and leadership.**
- **Convergence with PLDT Home and Voyager.**

- **Value-seeking consumer.**
- **Complements SMART.**


iflix
FOX
LIVE TV
CATCH-UP TV
SUBSCRIPTION
VIDEO-ON-DEMAND
HAPPY FEET
FAMILY GUY
FINAL DESTINATION
TRANSFORMERS
KUNG FU PANDA
SHERLOCK HOLMES
GARFIELD
A TAIL OF TWO KITTIES
THE WHITE QUEEN
PARKER
PLDT
HOME
SMART
ENTERTAINMENT
EVERYWHERE

Sustaining Market Leadership by Digitally Enabling Businesses

- **Consolidated corporate data and other network revenues in 1H15 were higher by 14% year-on-year at P5.3bn**
  - Includes data center revenues of P0.9bn which rose by 26% from 1H14

Intensified Expansion of Digital Infrastructure

P1.3B Vitro Clark Data Center Groundbreaking with 1,200 full rack capacity

Largest Data Center Operations

End-2015: 6,700 racks, 7 Data Centers

End-2016: 8,000 racks, 8 Data Centers

Enabling Businesses with Mobility Solutions

PHARMA

Workforce Solutions Launch

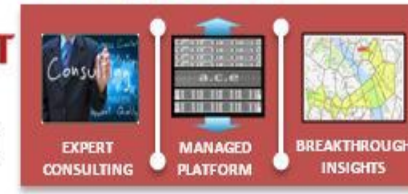
STORE MANAGER

WORKFORCE MANAGER

SALES MANAGER

Data-Driven Solutions Gaining Traction

ePLDT Big Data



Strong market interest proven by active engagements with enterprises in the financial, utilities, logistics, retail and services sectors.

Transforming WiFi into Business Opportunities

Penetrating New Territories

PLDT Global

UK & US East Coast POP Launch

Full Service Managed data services for BPO's and multinationals.

Strategic Partnering with global ICT pacesetters

vmware

SOFTLAYER an IBM Company

SAP Partner · Microsoft Partner · salesforce · Google · cisco

Value-creating partnerships to expand ICT capabilities and expertise beyond connectivity and infrastructure.

Voyager:

Smart Money/PayMaya: Traction in local and global markets

Mobile Money/ e-Money for the unbanked, unconnected and uncarded

SMART e-money

- P83.7bn throughput in 1H15, including trade money of P41.6bn
- Biggest domestic remittance platform: 1H15 throughput of P41.4bn
- Major partnership with Xoom for bills presentment
- Payments processing using merchant acquiring license for both Mastercard and VISA; major key accounts (*PAL*, *Zalora*) on-line; *foodpanda* Mobile Point of Sale (MPOS) agreement signed
- Disbursement platform for Easy Taxi drivers and other major Multi-Level Marketing (MLM) communities
- To launch in 5 Asian countries

PayMaya

- Commercial launch of physical card and app by early September 2015
- Co-branded PayMaya cards (PLDT HOME, Smart, Cignal) by mid-September 2015
- Integration with Metro Rail BEEP card
- Launch in another Asian country by 2016

Key elements for success of mobile payments business:

platform + usage occasion + distribution (money-in/money-out centers) + license + branding

Voyager:
Traction in local and global markets

Financial Technology

LOCK by MOBILE

Disruptive Mobile Financial Solutions: LockbyMobile

Protecting your account from rampant fraud through your mobile phone

- Compliance and regulatory certification underway
- Endorsed by VISA to its global associates
- On-going commercial discussions with four international financial institutions

G2P

LANDBANK MOBILE LOANSAVER

POWERED BY SMART e-money

- P3.6bn cash grants to 1.8mn Conditional Cash Transfer (CCT) beneficiaries for 1H15, representing 48% of CCTs

- Mobile loan application facility offered by Landbank to government employees
- P2.6bn of loans disbursed in 1H15

Will help grow the ecosystem by creating occasion to fund the wallet

Next Gen Communication/Digital Commerce

Sustainable and Affordable Free Internet Access for All: a Globally Exportable Platform

SAFEZONE

Making mobile data within reach to all via Freemium or Sponsored

- Allows access to registered sites for free; sites pay Voyager for data access
  - ✓ 27 enterprise partners registered including Zalora, Lazada, Skyscanner, Agoda.com
- Enterprise clients experience multiple increase in visits and conversions
- 2.6mn registered users
- Reached #1 local community site in the Philippines

POWERAPP

Making Mobile data within reach of all via Sachet Model

- 70% of mobile Internet users downloaded the app
- Now embedded in a major telco vendor's equipment, working on 3 more

The Future of Retail is eCommerce

tack this!™

An online store front to help businesses create their on-line shop

- About 23,000 registered merchants
- Combined GMV of P25mn in 1H15
- Mobile app beta launched: merchants recorded 3x conversion, 10x page visits; 7x longer engagement

Takatack

An online centralised marketplace which aggregates **eCommerce** players on a lead generation model

- 295,000 featured products

PLDT Group Guidance for 2015

Core Net Income	**P35.0bn** (P2.4bn or 6.4% lower than 2014)
CAPEX	**Up to P43bn** (approx. up to 27% of service revenues)
Capital Management	**Dividend Pay-out Policy:** 75% of Core EPS + “look-back” approach

PLDT Group: Challenges

- **Declines in toll revenues (ILD and NLD) continue to bear down heavily on revenue growth, with the onslaught of the Internet causing adverse substitution**
  - Lower by P2.5bn in 1H15: P1.6bn for wireless and P0.9bn for fixed line
  - Annualized decrease of P4 to 5bn year-on-year for FY15
  - Could decline even faster in coming months as smart phone penetration accelerates (around 35% currently)
- **We need to improve network and quality of customer experience, especially their digital experience**
  - Close to 100% 3G coverage before YE15 with base stations connected by fiber to the core network
  - Continued build out of 4G/LTE
  - Enhance network resiliency to ensure operational reliability, stability, and quality of service - especially data; process of optimization of wireless network on-going
  - Revamp our service development platforms to handle more data-centric offers and provide easier access to the Internet by subscribers
  - Re-organize our branding across the board, with a view to positioning each brand better and optimizing the value of each brand
- **Consequently, capex levels will remain elevated in 2015, and in 2016 at the least**

PLDT Group: Outlook

- **Data/broadband will be the main growth engine for PLDT and the major focus of our efforts**
  - Fixed line businesses already reflecting this – more than 50% (actual – 57% for 1H2015) are data/broadband-driven
    - ✓ Upward momentum in the Enterprise segment continues, underpinned by revenues from data-rich business solutions, as well as from data center, and emerging cloud and big data services
    - ✓ HOME broadband business expanding strongly by leveraging on improved content and access device offers
- **Key to growing the wireless business is a greater focus on serving the needs of the evolving digital consumer as we combined our Individual and HOME businesses under one head (reorganized mid-May 2015)**
  - Value Proposition: provide connectivity + entertainment + peace-of-mind + convenience
- **Innovations unit, Voyager, to continue to generate pipeline of possible "future winners" including platforms that could enhance PLDT's value proposition**
  - PayMaya (mobile payments) to launch card and app in the Philippines by September 2015
- **PLDT to be the consumer's preferred digital services provider**
  - Offering the consumer a superior Value Proposition by continuously broadening the array of product and service offers, including leveraging fixed and wireless assets
  - Delivering consistent quality customer experience
- **Impact of these initiatives to fully manifest by 2016 at the earliest**

Other Details

PLDT Group: Fixed line segment

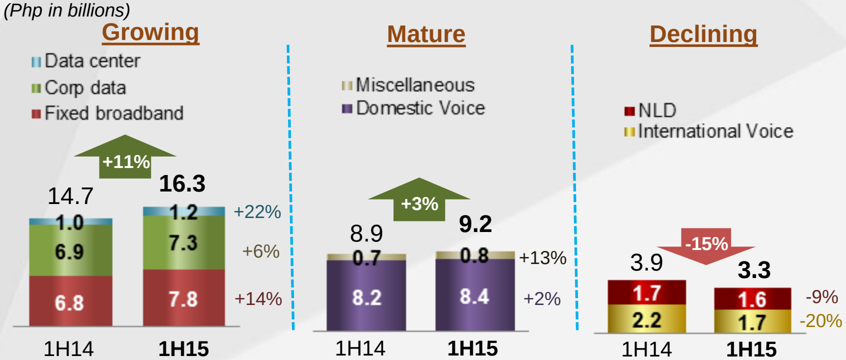
Service Revenues

P28.8bn* — **5%** **P1.3bn**

* net of interconnection costs

continued growth in data/broadband and domestic voice

(Php in billions)



% of total Fixed Line service revenues:

54%	**57%**	32%	**32%**	14%	**11%**

- **Data/broadband revenues grew by P1.6bn or 11% to P16.3bn and now represent 57% of total fixed line service revenues**
  - Fixed broadband revenues, or 48% of total fixed line data revenues, increased by 14% or P0.9bn to P7.8bn, following a 14% growth in subscribers
    - ✓ Fixed broadband ARPU of P1,137, higher compared with P1,123 in 1H14 and P1,125 in 2H14
  - Corporate data and other network services, accounting for 45% of total fixed line data revenues, rose by 6% or P0.4bn to P7.3bn, as Philippine businesses, including BPOs, continue to expand
  - Data center revenues, or 7% of total fixed line data revenues, grew by 22% or P0.2bn to P1.2bn with greater demand for cloud, disaster recovery, and co-location services
- **Domestic voice revenues were higher by P0.2bn or 2% at P8.4bn due to a 5% rise in subscribers, and contributed 29% to total fixed line service revenues**

Subscribers

2.3mn — **+5%** **0.1mn**

+2% or net adds of more than 49,000 from YE14

- **About 1.2mn or 53% of fixed line subscribers have broadband subscriptions**

- **Legacy revenues, accounting for 11% of total fixed line service revenues, declined by P0.6bn or 15% to P3.3bn**
  - International voice revenues declined by P0.4bn or 20% to P1.7bn due to alternative calling options such as VOIP
  - National long distance revenues dipped by P0.2bn or 9% to P1.6bn
- **Non-service revenues from the sale of Telpad, TVolution, FamCam, and Cignal on Fibr, improved by 41% or P0.4bn to P1.5bn, and exceeded cost of sales of P1.2bn**
  - "Bill-above" options: offers entertainment, peace-of-mind
- **EBITDA for 1H15 declined by P1.0bn or 8% to P11.1bn primarily due to P1.4bn in MRP costs booked in 2Q15; EBITDA margin at 35%**
  - MRP covered 450 employees
  - Excluding the impact of the MRP expense, EBITDA would have been higher by P0.4bn or 3% at P12.5bn with EBITDA margin at 39%

PLDT Group: Wireless segment

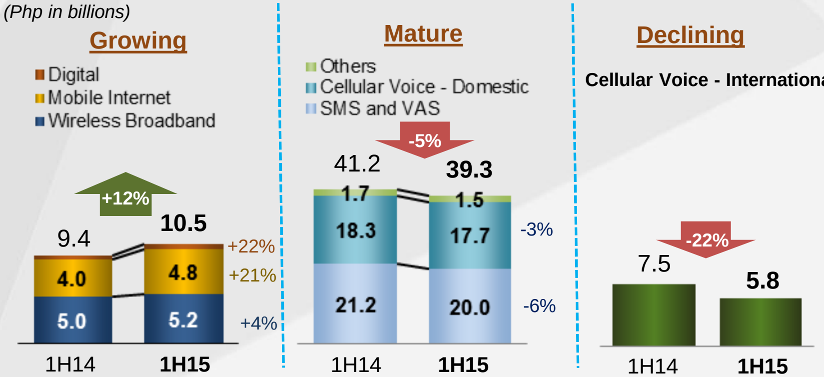
PLDT SMART LIVE MORE SUN CELLULAR

Service Revenues

P55.6bn **-4% (P2.5bn)**

due to declines in legacy revenues

(Php in billions)



% to total wireless service revenues:

	1H14	1H15
Growing	16%	**19%**
Mature	71%	**71%**
Declining	13%	**10%**

- **Revenues from data/broadband and digital businesses were up by 12% or P1.1bn to P10.5bn**
  - ✓ Mobile internet revenues rose by 21% or P0.8bn to P4.8bn, following a 169% increase in mobile data usage
  - ✓ Wireless broadband revenues grew by P0.2bn or 4% to P5.2bn, underpinned by a 41% growth in subscribers
  - ✓ Revenues from the Digital group were higher by 22% at P0.5bn
- **In addition to domestic price competition, greater adoption of data/broadband accelerated declines in revenues from domestic and international voice, and SMS**
  - ✓ Domestic voice revenues were lower by P0.6bn or 3% at P17.7bn
  - ✓ SMS and VAS revenues decreased by P1.2bn or 6% to P20.0bn, mainly due to a 12% decline in SMS count
  - ✓ International voice revenues dipped by P1.7bn or 22% to P5.8bn
- **Increase in data/broadband revenues not enough to cover decrease in revenues from mature and declining businesses**

Subscribers

72.5mn **+1% 1.0mn**

stable vs YE14

Cellular Revenues and Subscribers

	Revenues	% Y-o-Y	Subscribers	% Y-o-Y
Postpaid	P11.6bn	+12%	3.0mn	+18%
Prepaid	P36.7bn	-9%	65.8mn	-1%

Wireless Broadband Revenues and Subscribers

	Revenues	% Y-o-Y	Subscribers	% Y-o-Y
Wireless broadband	P5.2bn	+4%	3.7mn	+41%

- **Postpaid revenues grew by P1.2bn or 12% to P11.6bn, representing 23% of total cellular service revenues from 20% in 1H14**
  - Postpaid subscriber base expanded by 18% or over 461,000 to breach the 3.0mn mark
  - Subsidies in 1H15 stable year-on-year
  - Xiaomi Mi4 exclusive under Smart Postpaid Plans
- **Prepaid revenues declined by P3.8bn or 9% to P36.7bn**
  - Prepaid subscriber base of 65.8mn was lower by 1% vs 1H14
- **EBITDA was lower by P1.9bn or 7% at P23.8bn due to the P2.5bn decline in service revenues but partly offset by a decrease in cash operating expenses by P0.6bn**
  - EBITDA margin at 43%, lower vs 44% in 1H14 and in 2H14

PLDT Group: Data and broadband

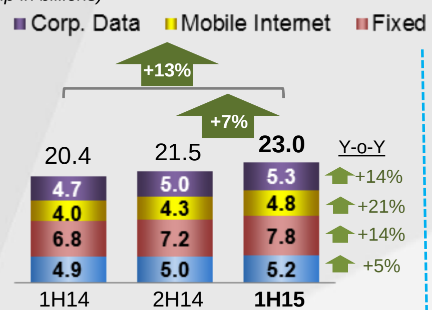
PLDT SMART LIVE MORE sun CELLULAR

Revenues

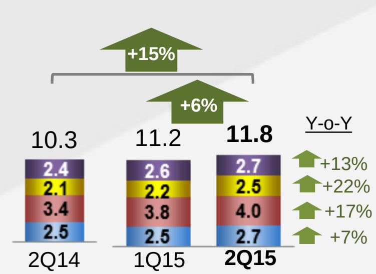
P23.0bn **+13%** **P2.6bn**

Representing 28% of consolidated service revenues

(Php in billions)



% to total service revenues:
25% 26% **28%**



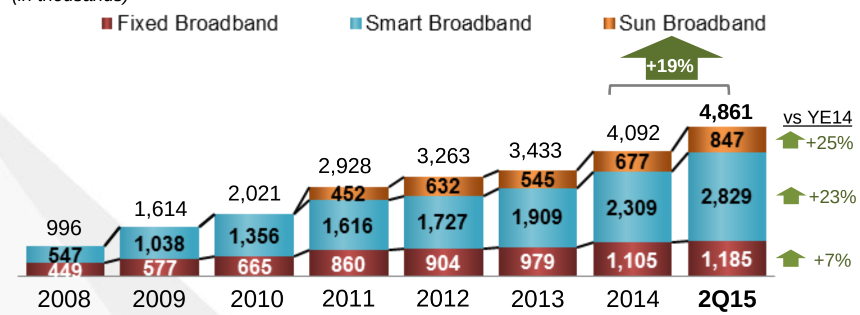
% to total service revenues:
25% 28% **29%**

Subscribers

4.9mn **+34%** **1.2mn**

+19% or about 770,000 from YE14

(in thousands)



Mobile Internet

- **Mobile internet revenues: 21% of total data/broadband revenues**
  - Higher year-on-year by 21% or P0.8bn at P4.8bn in 1H15
  - Increase in data usage by 169% to 46,226 terabytes
    - ✓ At near parity with FY14 usage of 48,325 terabytes
- **Smartphone penetration**: over 30% of cellular subscriber base, of which 1/3 pay for data
- **Variety of content offered to stimulate data usage and monetize data**: entertainment everywhere (partnership with iFlix and Fox), video bundles (thru Youtube and SkypeQik), free access (Instagram) with top-ups of popular packages

Corporate Data and Data Centers

- **Corporate data and data center revenues were up by 14% or P0.7bn 5.3bn in 1H15, representing 23% of total data/broadband revenues**
  - Corporate data revenues rose by 12% or P0.5bn to P4.4bn
  - Data center revenues grew by 26% or P0.2bn to P0.9bn with the PLDT group having the largest rack capacity in the Philippines

Fixed Broadband

- **Fixed broadband revenues: 34% of total data/broadband revenues**
  - Higher year-on-year by 14% or P0.9bn at P7.8bn in 1H15
- **Fixed broadband subscribers expanded to nearly 1.2mn, up by 14% year-on-year, with net adds of about 80,000 from YE14**
- **Content and access device offers to grow data usage:** entertainment everywhere (iFlix and Fox), Tvolution, Telpad, Disney/ Kids Channel
- **Converged offer: Quad Play** (landline + fixed broadband + mobile + IPTV) **to leverage fixed and wireless assets**

Wireless Broadband

- **Wireless broadband revenues: 22% of total data/broadband revenues**
  - Improved by 5% or P0.2bn to P5.2bn in 1H15
  - Ultera (TD-LTE) fixed wireless services to complement fixed broadband reach
- **Wireless broadband subscriber base grew to about 3.7mn, higher by 41% year-on-year, with net adds of 690,000 or a 23% rise from YE14**

PLDT Group: Appendix

Subscriber Data: Cellular

Cellular Subscribers by category:

	Jun-15	Mar-15	Dec-14	Sept-14	Jun-14	1H15 vs 1H14		1H15 vs FY14		Net Adds			
						Net Adds	%	Net Adds	%	1Q15	%	2Q15	%
CELLULAR													
Prepaid	**65,843,593**	**66,721,243**	**67,091,612**	**66,374,421**	**66,339,954**	**(496,361)**	**(1%)**	**(1,248,019)**	**(2%)**	**(370,369)**	**(1%)**	**(877,650)**	**(1%)**
Smart Prepaid	24,188,189	24,819,813	24,877,144	24,735,917	24,610,726	(422,537)	(2%)	(688,955)	(3%)	(57,331)	-	(631,624)	(3%)
Sun Prepaid	13,753,240	13,846,206	14,065,108	13,853,723	13,673,112	80,128	1%	(311,868)	(2%)	(218,902)	(2%)	(92,966)	(1%)
Talk 'N Text	27,902,164	28,055,224	28,149,360	27,784,781	28,056,116	(153,952)	(1%)	(247,196)	(1%)	(94,136)	-	(153,060)	(1%)
Postpaid	**3,018,671**	**2,900,904**	**2,765,448**	**2,656,323**	**2,557,152**	**461,519**	**18%**	**253,223**	**9%**	**135,456**	**5%**	**117,767**	**4%**
Smart Postpaid	1,139,536	1,088,806	1,040,221	1,006,124	969,612	169,924	18%	99,315	10%	48,585	5%	50,730	5%
Sun Postpaid	1,879,135	1,812,098	1,725,227	1,650,199	1,587,540	291,595	18%	153,908	9%	86,871	5%	67,037	4%
Total Cellular Subscribers	**68,862,264**	**69,622,147**	**69,857,060**	**69,030,744**	**68,897,106**	**(34,842)**	**-**	**(994,796)**	**(1%)**	**(234,913)**	**-**	**(759,883)**	**(1%)**

Cellular Subscribers by brand:

	Jun-15	Mar-15	Dec-14	Sept-14	Jun-14	1H15 vs 1H14		1H15 vs FY14		Net Adds			
						Net Adds	%	Net Adds	%	1Q15	%	2Q15	%
CELLULAR													
Smart	**25,327,725**	**25,908,619**	**25,917,365**	**25,742,041**	**25,580,338**	**(252,613)**	**(1%)**	**(589,640)**	**(2%)**	**(8,746)**	**-**	**(580,894)**	**(2%)**
Smart Prepaid	24,188,189	24,819,813	24,877,144	24,735,917	24,610,726	(422,537)	(2%)	(688,955)	(3%)	(57,331)	-	(631,624)	(3%)
Smart Postpaid	1,139,536	1,088,806	1,040,221	1,006,124	969,612	169,924	18%	99,315	10%	48,585	5%	50,730	5%
Talk 'N Text	**27,902,164**	**28,055,224**	**28,149,360**	**27,784,781**	**28,056,116**	**(153,952)**	**(1%)**	**(247,196)**	**(1%)**	**(94,136)**	**-**	**(153,060)**	**(1%)**
Sun Cellular	**15,632,375**	**15,658,304**	**15,790,335**	**15,503,922**	**15,260,652**	**371,723**	**2%**	**(157,960)**	**(1%)**	**(132,031)**	**(1%)**	**(25,929)**	**-**
Sun Prepaid	13,753,240	13,846,206	14,065,108	13,853,723	13,673,112	80,128	1%	(311,868)	(2%)	(218,902)	(2%)	(92,966)	(1%)
Sun Postpaid	1,879,135	1,812,098	1,725,227	1,650,199	1,587,540	291,595	18%	153,908	9%	86,871	5%	67,037	4%
Total Cellular Subscribers	**68,862,264**	**69,622,147**	**69,857,060**	**69,030,744**	**68,897,106**	**(34,842)**	**-**	**(994,796)**	**(1%)**	**(234,913)**	**-**	**(759,883)**	**(1%)**

Subscriber Data: Broadband

	Jun-15	Mar-15	Dec-14	Sept-14	Jun-14	1H15 vs 1H14		1H15 vs FY14		Net Adds			
						Net Adds	%	Net Adds	%	1Q15	%	2Q15	%
BROADBAND													
Wireless Broadband	**3,676,164**	**3,391,440**	**2,986,146**	**2,694,840**	**2,598,920**	**1,077,244**	**41%**	**690,018**	**23%**	**405,294**	**14%**	**284,724**	**8%**
Smart Broadband	2,829,074	2,613,672	2,309,366	2,103,587	2,052,107	776,967	38%	519,708	23%	304,306	13%	215,402	8%
Prepaid	2,321,847	2,110,120	1,795,039	1,560,743	1,496,560	825,287	55%	526,808	29%	315,081	18%	211,727	10%
Postpaid	507,227	503,552	514,327	542,844	555,547	(48,320)	(9%)	(7,100)	(1%)	(10,775)	(2%)	3,675	1%
Sun Broadband	847,090	777,768	676,780	591,253	546,813	300,277	55%	170,310	25%	100,988	15%	69,322	9%
Prepaid	489,168	424,648	347,527	292,076	274,538	214,630	78%	141,641	41%	77,121	22%	64,520	15%
Postpaid	357,922	353,120	329,253	299,177	272,275	85,647	31%	28,669	9%	23,867	7%	4,802	1%
Fixed Line Broadband	**1,185,319**	**1,138,598**	**1,105,368**	**1,069,013**	**1,037,874**	**147,445**	**14%**	**79,951**	**7%**	**33,230**	**3%**	**46,721**	**4%**
Total Broadband Subscribers	**4,861,483**	**4,530,038**	**4,091,514**	**3,763,853**	**3,636,794**	**1,224,689**	**34%**	**769,969**	**19%**	**438,524**	**11%**	**331,445**	**7%**

1H2015: Consolidated Financial Highlights

(Php in millions)	1H2015 Wireless	1H2015 Fixed Line	1H2015 Others	1H2015 Consolidated (unaudited)	1H2014 Consolidated (unaudited)	% Change
Service Revenues	55,593	32,144	-	81,159	82,563	(2%)
Cash operating expenses	26,716	20,787	49	40,276	39,013	3%
Depreciation and amortization	7,560	6,385	-	13,945	14,490	(4%)
Financing costs, net	(858)	(2,104)	(87)	(2,937)	(2,498)	18%
Income before income tax	15,337	3,720	5,116	24,173	26,236	(8%)
Provision for income tax	4,219	1,168	37	5,424	6,235	(13%)
EBITDA	23,764	11,104	(49)	35,520	38,329	(7%)
EBITDA Margin [1]	*43%*	*35%*	-	*44%*	*46%*	
Net Income attributable to Equity Holders of PLDT	11,113	2,537	5,079	18,729	20,023	(6%)
Core net income	11,207	2,550	5,171	18,928	19,834	(5%)

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

Reconciliation of Core and Reported Net Income

(Php in millions)	1H2015 Wireless	1H2015 Fixed Line	1H2015 Others	1H2015 Consolidated (unaudited)	1H2014 Consolidated (unaudited)	% Change
Net Income attributable to equity holder of PLDT	11,113	2,537	5,079	18,729	20,023	(6%)
Add (deduct):						
Foreign exchange losses (gains), net	139	217	83	439	(459)	(196%)
Losses (gains) on derivative financial instruments, net	(14)	(229)	-	(243)	10	(2530%)
Others	-	-	(8)	(8)	231	(103%)
Tax effect	(31)	25	17	11	29	(62%)
Core Net Income	**11,207**	**2,550**	**5,171**	**18,928**	**19,834**	**(5%)**

Consolidated Service Revenues

(Php in billions)	2015			2014							% Change	
	1Q	2Q	1H	1Q	2Q	1H	3Q	4Q	2H	FY	1H15 vs 1H14	2Q15 vs 2Q14
SMS and VAS	10.2	9.8	20.0	10.7	10.5	21.2	9.9	10.3	20.2	41.4	(6%)	(6%)
Voice - Domestic	13.9	13.8	27.7	13.9	14.3	28.2	14.1	14.5	28.6	56.9	(2%)	(4%)
Voice - International	4.3	4.1	8.4	5.5	5.2	10.6	4.8	5.2	10.0	20.6	(21%)	(20%)
Non-SMS data	11.4	12.1	23.5	10.2	10.6	20.8	10.9	11.2	22.1	43.0	13%	14%
Others	0.7	0.8	1.5	0.9	0.8	1.6	0.7	0.7	1.4	3.1	(8%)	3%
Total	**40.5**	**40.6**	**81.2**	**41.2**	**41.3**	**82.6**	**40.4**	**42.0**	**82.4**	**164.9**	**(2%)**	**(2%)**

Expenses

(Php in millions)	1H2015				1H2014	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (unaudited)	
Operating expenses						
Compensation and employee benefits	3,585	7,739	-	11,315	10,443	8%
Repairs and maintenance	4,385	3,348	-	7,452	7,111	5%
Selling and promotions	4,017	1,041	-	5,057	4,928	3%
Rent	5,351	1,168	-	3,019	3,233	(7%)
Insurance and security services	600	367	-	914	906	1%
Taxes and licenses	1,218	914	44	2,176	1,947	12%
Professional and other contracted services	2,590	2,319	5	3,973	3,759	6%
Communication, training and travel	471	253	-	646	759	(15%)
Interconnection costs	4,249	3,349	-	5,189	5,195	-
Other expenses	250	289	-	535	732	(27%)
Cash operating expenses	**26,716**	**20,787**	**49**	**40,276**	**39,013**	**3%**
Depreciation and amortization	7,560	6,385	-	13,945	14,490	(4%)
Asset impairment	1,120	587	-	1,707	1,421	20%
Amortization of intangible assets	542	-	-	542	574	(6%)
Non-cash operating expenses	**9,222**	**6,972**	**-**	**16,194**	**16,485**	**(2%)**
Cost of sales	**6,487**	**1,205**	**-**	**7,688**	**6,925**	**11%**
Total Expenses	**42,425**	**28,964**	**49**	**64,158**	**62,423**	**3%**

Other Income (Expenses)

(Php in millions)	1H2015 Wireless	1H2015 Fixed Line	1H2015 Others	1H2015 Consolidated (unaudited)	1H2014 Consolidated (unaudited)	% Change
Equity share in net earnings of associates and joint ventures	(23)	(15)	2,272	2,234	2,083	7%
Interest income	157	268	51	364	395	(8%)
Gains (losses) on derivative financial instruments, net	14	75	-	89	(164)	(154%)
Foreign exchange gains (losses), net	(139)	(217)	(83)	(439)	459	(196%)
Others	524	994	3,012	3,829	2,923	31%
Total	**533**	**1,105**	**5,252**	**6,077**	**5,696**	**7%**
Financing costs, net						
Loans and other related items	(901)	(2,095)	(87)	(2,971)	(2,555)	16%
Accretion on financial liabilities	(73)	(35)	-	(108)	(84)	29%
Financing charges	(24)	(17)	-	(41)	(83)	(51%)
Capitalized interest	140	43	-	183	224	(18%)
Total	**(858)**	**(2,104)**	**(87)**	**(2,937)**	**(2,498)**	**18%**
Total other income (expenses)	**(325)**	**(999)**	**5,165**	**3,140**	**3,198**	**(2%)**

Cellular and Broadband Net ARPU

Cellular Net ARPU

	2015		2014			
	1Q	2Q	1Q	2Q	3Q	4Q
Smart Postpaid	1,039	1,065	1,086	1,074	1,068	1,084
Smart Prepaid	118	114	132	134	124	125
Talk 'N Text	85	83	87	89	87	89
Sun Cellular Prepaid	63	64	67	66	64	65
Sun Cellular Postpaid	449	419	476	467	469	497

Cellular Prepaid and Postpaid blended Net ARPU

	2015		2014			
	1Q	2Q	1Q	2Q	3Q	4Q
Prepaid and Postpaid Blended, Net[1]	119	118	124	127	122	124

[1] The average monthly ARPU of all prepaid and postpaid cellular subscribers; excluding DMPI

Broadband Net ARPU

	2015		2014			
	1Q	2Q	1Q	2Q	3Q	4Q
Smart Broadband blended	274	262	338	332	325	299
Sun Broadband blended	237	213	274	285	286	268
Fixed Broadband	1,137	1,137	1,152	1,095	1,108	1,142

Historical Consolidated: Service Revenues and EBITDA

	2015			2014						
(Php in millions)	1Q	2Q	1H	1Q	2Q	1H	3Q	4Q	2H	FY
Fixed line	**13,034**	**13,302**	**26,336**	**12,720**	**12,635**	**25,355**	**12,773**	**13,360**	**26,133**	**51,488**
Local exchange	4,172	4,226	8,398	4,087	4,107	8,194	4,104	4,189	8,293	16,487
International long distance	1,311	1,323	2,634	1,679	1,603	3,282	1,483	1,769	3,252	6,534
National long distance	923	906	1,829	1,006	1,007	2,013	1,031	942	1,973	3,986
Data and other network	6,436	6,644	13,080	5,760	5,744	11,504	5,975	6,242	12,217	23,721
Miscellaneous	192	203	395	188	174	362	180	218	398	760
Wireless	**27,514**	**27,309**	**54,823**	**28,518**	**28,690**	**57,208**	**27,625**	**28,622**	**56,247**	**113,455**
Cellular services	24,529	24,103	48,632	25,608	25,614	51,222	24,570	25,505	50,075	101,297
Wireless broadband and others	2,721	2,962	5,683	2,763	2,804	5,567	2,788	2,747	5,535	11,102
Wireless broadband	2,506	2,655	5,161	2,448	2,490	4,938	2,519	2,465	4,984	9,922
Others	215	307	522	315	314	629	269	282	551	1,180
Digital	264	244	508	147	272	419	267	370	637	1,056
Total Consolidated Gross Service Revenues	**40,548**	**40,611**	**81,159**	**41,238**	**41,325**	**82,563**	**40,398**	**41,982**	**82,380**	**164,943**
Non-Service revenues	2,005	2,027	4,032	1,326	1,572	2,898	1,462	1,532	2,994	5,892
Total Consolidated Gross Revenues	**42,553**	**42,638**	**85,191**	**42,564**	**42,897**	**85,461**	**41,860**	**43,514**	**85,374**	**170,835**
Add:										
Cash operating expenses	(18,701)	(21,575)	(40,276)	(18,756)	(20,257)	(39,013)	(19,604)	(19,754)	(39,358)	(78,371)
Cost of sales	(3,704)	(3,984)	(7,688)	(3,449)	(3,476)	(6,925)	(3,255)	(3,332)	(6,587)	(13,512)
Writedown of inventory and provision for doubtful AR	(866)	(841)	(1,707)	(637)	(557)	(1,194)	(394)	(614)	(1,008)	(2,202)
EBITDA	**19,282**	**16,238**	**35,520**	**19,722**	**18,607**	**38,329**	**18,607**	**19,814**	**38,421**	**76,750**
EBITDA Margin[1]	48%	40%	44%	48%	45%	46%	46%	47%	47%	47%

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

Historical Wireless: Service Revenues & EBITDA

(Php in millions)	2015 1Q	2015 2Q	2015 1H	2014 1Q	2014 2Q	2014 1H	2014 3Q	2014 4Q	2014 2H	2014 FY
Wireless Gross Service Revenues										
Cellular services	24,878	24,478	49,356	26,024	26,012	52,036	24,966	25,778	50,744	102,780
Cellular voice	11,915	11,599	23,514	12,811	12,946	25,757	12,382	12,926	25,308	51,065
Domestic	8,920	8,786	17,706	8,968	9,320	18,288	9,064	9,528	18,592	36,880
International	2,995	2,813	5,808	3,843	3,626	7,469	3,318	3,398	6,716	14,185
SMS	9,698	9,542	19,240	10,333	10,077	20,410	9,505	9,879	19,384	39,794
Domestic	9,016	8,860	17,876	9,526	9,239	18,765	8,734	9,106	17,840	36,605
International	682	682	1,364	807	838	1,645	771	773	1,544	3,189
Mobile internet revenues	2,235	2,543	4,778	1,872	2,089	3,961	2,146	2,146	4,292	8,253
VAS/financial services	521	282	803	410	421	831	427	407	834	1,665
Other cellular revenues	509	512	1,021	598	479	1,077	506	420	926	2,003
Wireless broadband and others	2,743	2,984	5,727	2,790	2,830	5,620	2,812	2,769	5,581	11,201
Wireless broadband	2,528	2,677	5,205	2,474	2,515	4,989	2,543	2,487	5,030	10,019
Others	215	307	522	316	315	631	269	282	551	1,182
Digital	265	245	510	147	272	419	267	370	637	1,056
Total Wireless Gross Service Revenues	**27,886**	**27,707**	**55,593**	**28,961**	**29,114**	**58,075**	**28,045**	**28,917**	**56,962**	**115,037**
Non-Service revenues	1,290	1,204	2,494	863	945	1,808	969	1,065	2,034	3,842
Total Wireless Gross Revenues	**29,176**	**28,911**	**58,087**	**29,824**	**30,059**	**59,883**	**29,014**	**29,982**	**58,996**	**118,879**
Add:										
Cash operating expenses	(12,775)	(13,941)	(26,716)	(13,002)	(14,306)	(27,308)	(13,507)	(13,511)	(27,018)	(54,326)
Cost of sales	(3,217)	(3,270)	(6,487)	(2,926)	(2,892)	(5,818)	(2,838)	(2,976)	(5,814)	(11,632)
Writedown of inventory and provision for doubtful AR	(581)	(539)	(1,120)	(599)	(521)	(1,120)	(392)	(492)	(884)	(2,004)
EBITDA	**12,603**	**11,161**	**23,764**	**13,297**	**12,340**	**25,637**	**12,277**	**13,003**	**25,280**	**50,917**
EBITDA Margin [1]	*45%*	*40%*	*43%*	*46%*	*42%*	*44%*	*44%*	*45%*	*44%*	*44%*

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

Historical Fixed Line: Service Revenues and EBITDA

(Php in millions)	2015			2014						
	1Q	2Q	1H	1Q	2Q	1H	3Q	4Q	2H	FY
Fixed Line Gross Service Revenues										
Local exchange	4,196	4,250	8,446	4,111	4,132	8,243	4,131	4,213	8,344	16,587
International long distance	2,255	2,335	4,590	2,859	2,843	5,702	2,696	3,006	5,702	11,404
National long distance	1,018	1,000	2,018	1,099	1,100	2,199	1,128	1,038	2,166	4,365
Data and other network	8,074	8,261	16,335	7,385	7,420	14,805	7,605	7,922	15,527	30,332
Miscellaneous	393	362	755	324	344	668	352	399	751	1,419
Total Fixed Line Service Revenues	**15,936**	**16,208**	**32,144**	**15,778**	**15,839**	**31,617**	**15,912**	**16,578**	**32,490**	**64,107**
Non-Service revenues	715	824	1,539	463	628	1,091	493	487	980	2,071
Total Fixed Line Gross Revenues	**16,651**	**17,032**	**33,683**	**16,241**	**16,467**	**32,708**	**16,405**	**17,065**	**33,470**	**66,178**
Add:										
Cash operating expenses	(9,590)	(11,197)	(20,787)	(9,586)	(9,868)	(19,454)	(9,940)	(10,128)	(20,068)	(39,522)
Cost of sales	(491)	(714)	(1,205)	(523)	(588)	(1,111)	(417)	(375)	(792)	(1,903)
Writedown of inventory and provision for doubtful AR	(285)	(302)	(587)	(38)	(36)	(74)	(2)	(122)	(124)	(198)
EBITDA	**6,285**	**4,819**	**11,104**	**6,094**	**5,975**	**12,069**	**6,046**	**6,440**	**12,486**	**24,555**
EBITDA Margin [1]	*39%*	*30%*	*35%*	*39%*	*38%*	*38%*	*38%*	*39%*	*38%*	*38%*

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

Fixed line revenues - net of interconnection costs

(Php in millions)	2015			2014						
	1Q	2Q	1H	1Q	2Q	1H	3Q	4Q	2H	FY
Fixed Line Service Revenues, net										
Local exchange	4,196	4,249	8,445	4,109	4,132	8,241	4,130	4,213	8,343	16,584
International long distance	853	873	1,726	1,100	1,062	2,162	996	1,245	2,241	4,403
National long distance	786	782	1,568	865	857	1,722	888	814	1,702	3,424
Data and other network	8,056	8,245	16,301	7,347	7,382	14,729	7,585	7,933	15,518	30,247
Miscellaneous	393	362	755	324	344	668	352	399	751	1,419
Total	**14,284**	**14,511**	**28,795**	**13,745**	**13,777**	**27,522**	**13,951**	**14,604**	**28,555**	**56,077**

Earnings Per Share

	1H2015 (unaudited)		1H2014 (unaudited)	
	Basic	Diluted	Basic	Diluted
Net income attributable to equity holders of PLDT	18,729	18,729	20,023	20,023
Dividends on preferred shares	(29)	(29)	(29)	(29)
Net income for the period attributable to common equity holders of PLDT	**18,700**	**18,700**	**19,994**	**19,994**
Weighted average number of common shares, end	**216,056**	**216,056**	**216,056**	**216,056**
EPS (based on reported net income)	**86.55**	**86.55**	**92.54**	**92.54**
Core net income	18,928	18,928	19,834	19,834
Dividends on preferred shares	(29)	(29)	(29)	(29)
Core Net income applicable to common shares	**18,899**	**18,899**	**19,805**	**19,805**
Weighted average number of common shares, end	**216,056**	**216,056**	**216,056**	**216,056**
EPS (based on core net income)	**87.48**	**87.48**	**91.66**	**91.66**

Cash Flows

(Php in millions)	1H2015 Wireless	1H2015 Fixed Line	1H2015 Others	1H2015 Consolidated (unaudited)	1H2014 Consolidated (unaudited)	% Change
Net cash from operations	22,032	9,161	(72)	30,946	31,656	(2%)
Add(Deduct):						
Capital expenditures	(11,013)	(2,864)	-	(13,877)	(8,104)	71%
Interest, net	(546)	(1,766)	20	(2,182)	(1,858)	17%
Preferred share dividends paid	-	(38)	-	(38)	(30)	27%
Others	5,184	11,292	5,553	2,100	(3,575)	159%
Free cash flow	**15,657**	**15,785**	**5,501**	**16,949**	**18,089**	**(6%)**
Common share dividends	(14,500)	(18,751)	(5,498)	(18,755)	(24,982)	(25%)
Investments	(202)	(2)	-	(204)	(2,211)	(91%)
Maturity of Investment in debt securities	360	-	-	360	390	(8%)
Payments for redemption of shares	-	-	(1)	(1)	-	-
Debt proceeds (repayments), net	4,356	8,746	-	13,102	20,017	(35%)
Change in cash	5,671	5,778	2	11,451	11,303	1%
Cash and short term investments, beginning	14,787	10,747	1,768	27,302	32,623	(16%)
Cash and short term investments, end	**20,458**	**16,525**	**1,770**	**38,753**	**43,926**	**(12%)**

Balance Sheet

(Php in millions)	Consolidated June 30, 2015 (unaudited)	Consolidated December 31, 2014 (audited)
Total Assets	**438,098**	**436,295**
Nominal Value of Total Long-term Debt	**144,385**	**130,634**
in US$	***$3,199***	***$2,920***
Less: Unamortized Debt Discount	**650**	**511**
Total Long-term Debt	**143,735**	**130,123**
Cash and short-term investments	**38,753**	**27,302**
Net Debt [1]	**105,632**	**103,332**
Equity	**124,706**	**134,668**
Total Debt[2]/Equity	**1.16x**	**0.97x**
Net Debt[1]/Equity	**0.85x**	**0.77x**
Total Debt[2]/EBITDA[3]	**1.95x**	**1.70x**
Net Debt [1]/EBITDA[3]	**1.43x**	**1.35x**

[1] Net Debt calculated based on nominal value of debts less cash and cash equivalents and short-term investments
[2] Nominal value of total debt
[3] EBITDA for the last twelve months

Debt Profile

(US$ in millions)	2011	2012	2013	2014	1H2015
Debt Balance	2,719	2,851	2,353	2,920	3,199
Cash and short-term investments	1,061	919	735	610	859
Net Debt	**1,658**	**1,932**	**1,618**	**2,310**	**2,340**

Interest-bearing Liabilities

	June 30, 2015 (unaudited)			December 31, 2014	
(US$ in millions)	Carrying Value	Unamortized Debt Discount/Debt Issuance	Face Value	(Audited) Face Value	Change
Debt					
PLDT	$1,946	$6	$1,952	$1,766	$186
Smart	1,077	8	1,085	962	123
DIGITEL	162	-	162	192	(30)
Total Debt	**$3,185**	**$14**	**$3,199**	**$2,920**	**$279**

Foreign Exchange Risk

Forex Impact on Core Income

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

	Conso - net of Elim
US$ Revenues*	**319.8**
US$ Expenses	**(148.8)**
Cash Opex*	(114.7)
Cost of sales	(1.0)
Financing costs	(33.1)
US$ Income before tax	**171.0**
Tax effect	51.3
Core Earnings	119.7
EBITDA	204.1

** Gross of interconnection costs amounting to:*	51.7
Local exchange revenues (in million Php)	4,769.2

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)*	1,346.0
Accounts Payable	103.2
Accrued Liabilities	150.4
Derivative Liabilites	35.9
Total US$ denominated Liabilities	**1,635.5**
Cash and Cash Equivalents	286.2
Short-term Investments	19.3
Trade and other receivables	152.9
Derivative Assets	3.5
Investment in Debt Securities, Advances & Others	13.0
Investment in Available for Sale	445.8
Total US$ denominated Assets	**920.7**
Forex Revaluation for every P1 change	**±714.8**

** Debt*	1,547.7
Less: LT hedges	201.7
Debt (net of LT hedges)	1,346.0

Forex Impact on Derivatives

P1 movement in the USD/PHP exchange rate corresponds to a P184M change in derivatives

	Ave.	Period End
Forex rate, 1H2015	**44.55**	**45.14**
Forex rate, 1H2014	**44.50**	**43.65**
% of Peso depreciation vs US$	***---***	***3%***

Except for historical financial and operating data and other information in respect of historical matters, the statements contained herein are "forward-looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended, and Section 21E of the U.S. Securities Exchange Act of 1934, as amended. The words "believe", "intend", "plan", "anticipate", "continue", "estimate", "expect", "may", "will" or other similar words are frequently used to indicate these forward looking statements. Any such forward-looking statement is not a guarantee of future performance and involves a number of known and unknown risks, uncertainties and other factors that could cause the actual performance, financial condition or results of operation of PLDT to be materially different from any future performance, financial condition or results of operation implied by such forward-looking statement. Among the factors that could cause actual results to differ from the implied or expected results are those factors discussed under "Risk Factors" in Item 3 in PLDT's annual report on Form 20-F.

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