



Enriching Connections

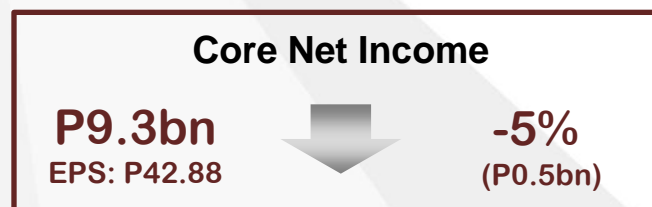
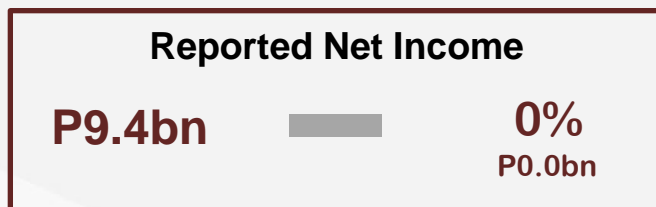
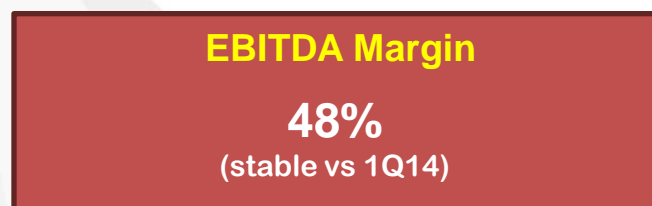
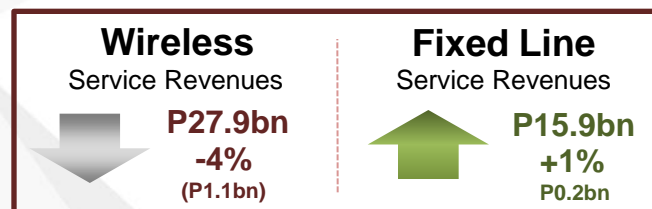
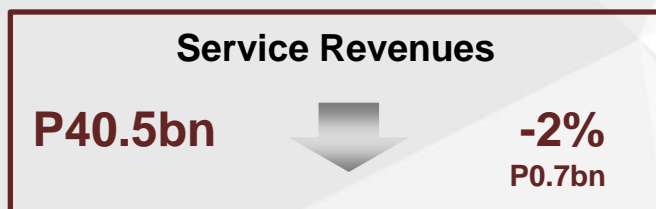
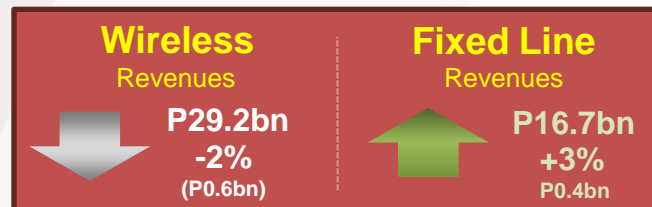
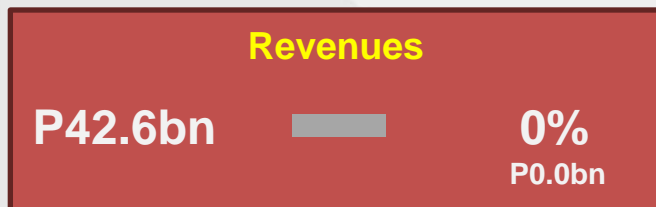
First Quarter 2015

Financial and Operating Results

Philippine Long Distance Telephone Company (PLDT)

5 May 2015

PLDT Group: 1Q 2015 Financial Highlights



Foreign Exchange Rates (Php:US\$1)

Period-end

Period-average

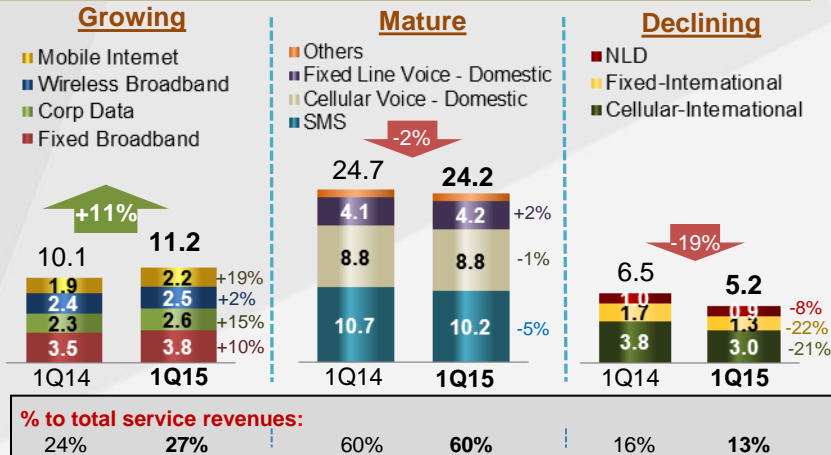
1Q2015	1Q2014	% Y-o-Y
44.73	44.81	0%
44.42	44.88	-1%

PLDT Group: Service Revenues and EBITDA

Consolidated Service Revenues

P40.5bn **-2%**
(P0.7bn)

due to declines in legacy and traditional businesses



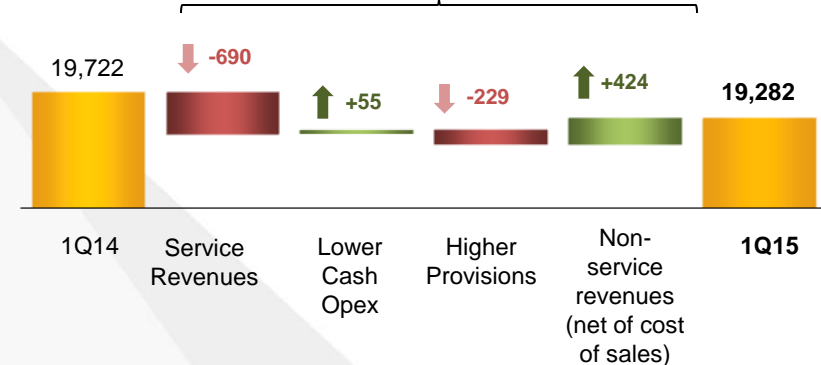
- Consolidated service revenues for 1Q15 dipped by 2% or P0.7bn year-on-year to P40.5bn
 - Data and broadband revenues, accounting for 27% of total service revenues, grew by P1.1bn or 11% to P11.2bn
 - ✓ Data and broadband revenues now exceed SMS revenues
 - Combined revenues from cellular SMS and VAS, cellular and fixed line domestic voice, representing 60% of total service revenues were lower by P0.5bn or 2% at P24.2bn
 - ✓ Voice domestic revenues were stable year-on-year
 - ✓ SMS revenues decreased by 5%
 - International fixed and cellular voice, and NLD revenues declined by P1.3bn or 19% to P5.2bn and contributed 13% to total service revenues from 16% in 1Q14

EBITDA and EBITDA Margin

P19.3bn **-2%**
(P0.4bn)

EBITDA Margin: 48%

P0.4bn decline in EBITDA was due to changes in:



- Consolidated EBITDA of P19.3bn for 1Q15 was lower year-on-year by 2% or P0.4bn
 - Lower cash operating expenses by P0.1bn and higher non-service revenues (net of cost of sales) of P0.4bn, partly offset the P0.7bn decline in service revenues and higher provisions
- Consolidated EBITDA margin at 48%, stable vis-à-vis 1Q14 and higher q-o-q (FY14: 47%; 4Q14: 47%; 1Q14: 48%)
 - Wireless: 45% (FY14: 44%; 4Q14: 45%; 1Q14: 46%)
 - Fixed Line: 39% (FY14: 38%; 4Q14: 39%; 1Q14: 39%)

PLDT Group: Reported and Core Net Income

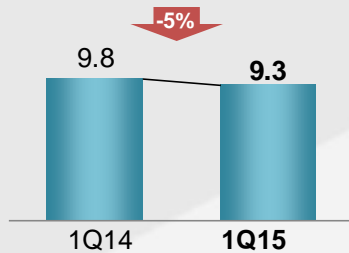
Core Net Income

P9.3bn



-5%
(P0.5bn)

2015 Core Income Guidance: P35.0bn



➤ Core net income for 1Q15 of P9.3bn was lower by P0.5bn or 5% due to:

- Lower EBITDA by P0.4bn
- Increase in financing costs-net by P0.2bn resulting from higher debt level
- Decline in miscellaneous income by P0.1bn
- Dip in equity share in earnings by P0.1bn

offset by

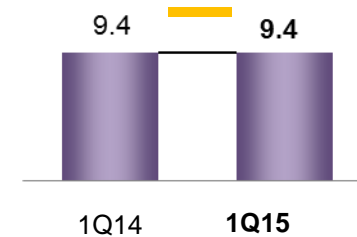
- Lower provision for income tax
- Decrease in non-cash opex by P0.3bn

Reported Net Income

P9.4bn



0%
P0.0bn



➤ Reported net income for 1Q15 was stable year-on-year at P9.4bn

- Decline in core income by P0.5bn
- Higher net foreign exchange and derivative gains of P0.5bn

PLDT Group: Fixed line segment

Service Revenues

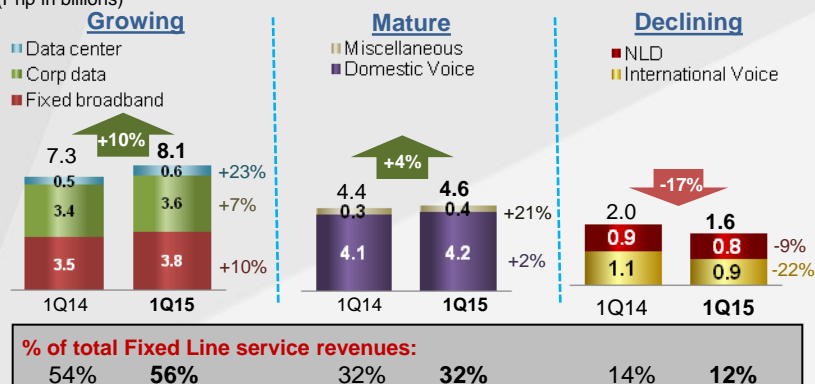
P14.3bn*

+4%
P0.5bn

* net of interconnection costs

due to higher data/broadband and domestic voice revenues

(Php in billions)



- **Data revenues, or 56% of total fixed line revenues, grew by 10% or P0.7bn to P8.1bn**
 - Fixed broadband revenues, accounting for 47% of total fixed line data revenues, rose by 10% or P0.3bn at P3.8bn, due to a 12% growth in subscribers
 - Corporate data and other network services, or 45% of total fixed line data revenues, rose by 7% or P0.3bn to P3.6bn
 - Data center revenues were up by 23% or P0.1bn to P0.6bn and contributed 8% to total fixed line data revenues
- **Domestic voice revenues, or 29% to total fixed line service revenues, rose by 2% or P0.1bn to P4.2bn following a 6% growth in subscribers**

Subscribers

2.2mn

6%
0.1mn

+1% or net adds of over 26,000 from YE14

- **1.1mn have broadband subscriptions**
- **Fixed broadband ARPU of P1,138**



- **Legacy revenues, accounting for 12% of total fixed line service revenues, were lower by P0.3bn or 17% at P1.6bn**
 - International voice revenues declined by P0.3bn or 22% to P0.9bn
 - National long distance revenues decreased by P0.1bn or 9% to P0.8bn
- **Non-service revenues from the sale of Telpad, TVolution, FamCam, and Cignal on Fibr, grew by 54% or P0.3bn to P0.7bn**
 - Non-service revenues, net of cost of sales, higher by P0.3bn at P0.2bn
- **EBITDA for 1Q15 rose by 3% or P0.2bn to P6.3bn due to higher service revenues, higher net non-service revenues, and stable cash operating expenses, partly offset by higher provisions for doubtful accounts**
 - EBITDA margin of 39% was stable year-on-year and vis-à-vis 4Q14

PLDT Group: Wireless segment

Service Revenues

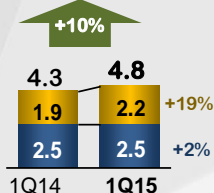
P27.9bn -4%
P1.1bn

due to declines in SMS, voice, and legacy revenues

(Php in billions)

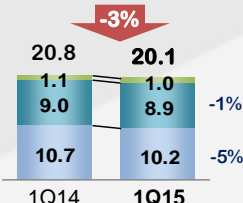
Growing

- Mobile Internet
- Wireless Broadband



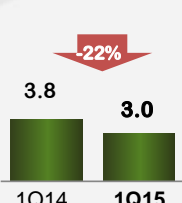
Mature

- Others
- Cellular Voice - Domestic
- SMS and VAS



Declining

- Cellular Voice - International



% to total wireless service revenues:

Category	1Q14	1Q15
Growing	15%	17%
Mature	72%	72%
Declining	13%	11%

- Broadband revenues grew by 10% or P0.4bn to P4.8bn, now representing 17% of total wireless revenues**
 - Mobile internet revenues rose 19% to P2.2bn underpinned by a 188% increase in mobile data usage
 - Wireless broadband revenues rose by 2% to P2.5bn following a 33% rise in subscribers to 3.4mn
- Revenues from maturing businesses, which contributed 72% to total wireless revenues, were lower by 3% or P0.6bn at P20.1bn**
 - Domestic voice revenues dipped by 1% at P8.9bn
 - SMS and VAS revenues declined by P0.5bn or 5% to P10.2bn impacted by a 15% decline in SMS volumes
- International voice revenues, accounting for 11% of total wireless revenues, decreased by 22% or P0.8bn to P3.0bn**

Subscribers

73.0mn 0%

stable vs FY14

Cellular Revenues and Subscribers

	Revenues	% Y-o-Y	Subscribers	% Y-o-Y
Postpaid	P5.7bn	+11%	2.9mn	+18%
Prepaid	P18.7bn	-8%	66.7mn	-2%

Wireless Broadband Revenues and Subscribers

	Revenues	% Y-o-Y	Subscribers	% Y-o-Y
Wireless broadband	P2.5bn	+2%	3.4mn	+33%

- Postpaid revenues improved by 11% or P0.6bn to P5.7bn, now representing 23% of total cellular revenues from 20% in 1Q14**
 - Postpaid subscriber base up by 18% from 1Q14 and 5% from YE14 to 2.9mn
 - Subsidies decreased by P0.1bn
- Prepaid revenues were lower by P1.6bn or 8% at P18.7bn**
 - Subscriber base of 66.7mn lower by 2% vs 1Q14 and 1% from YE14
- EBITDA declined by P0.7bn or 5% to P12.6bn as a result of lower service revenues partly offset by decreases in cash operating expenses and subsidies**
 - EBITDA margin stable quarter-on-quarter at 45% and lower from 46% in 1Q14

PLDT Group: Data and broadband

Revenues

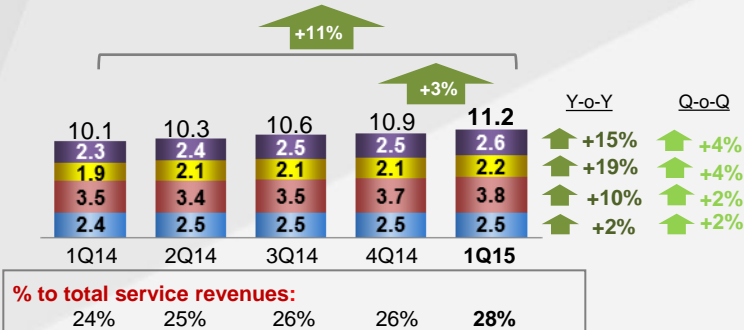
P11.2bn

+11%
P1.1bn

Representing 27% of consolidated service revenues

(Php in billions)

■ Corp. Data ■ Mobile Internet ■ Fixed Broadband ■ Wireless Broadband



- **Mobile internet revenues: 20% of total data/broadband revenues**
 - Higher by 19% or P0.4bn at P2.2bn in 1Q15
 - Increase in data usage by 188% to 21,598 terabytes
 - Consistent quarter-on-quarter increases from 1Q14
 - Free Internet promo from 26 September 2014 to 28 February 2015: 6mn unique users of which 70% were first-time users
- **Corp. data revenues: 24% of total data/broadband revenues**
 - Higher by 15% or P0.3bn to P2.6bn
 - Includes data center revenues which were 24% higher than 1Q14
- **Fixed broadband revenues: 34% of total data/broadband revenues**
 - Rose by 10% or P0.3bn to P3.8bn
 - 12% increase in subscribers to 1.1mn
- **Wireless broadband revenues: 22% of total data/broadband revenues**
 - Grew by 2% or P0.1bn to P2.5bn
 - 33% rise in subscribers

Subscribers

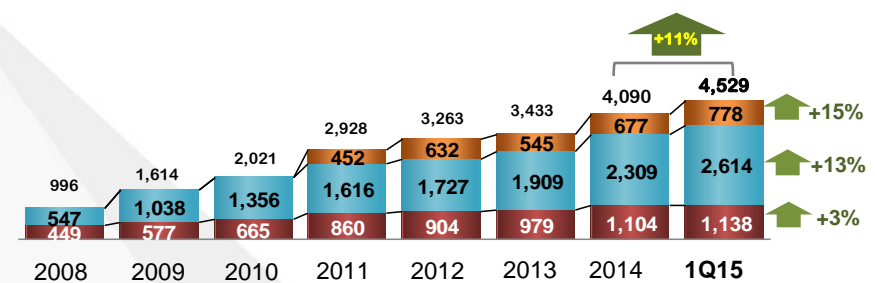
4.5mn

+27%
1.0mn

+11% or over 438,000 from YE14

(in thousands)

■ Sun Broadband ■ Smart Broadband ■ Fixed Broadband



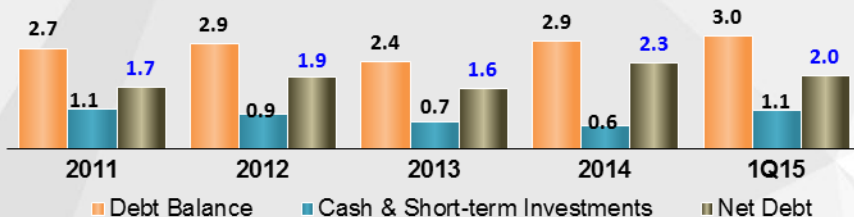
- **Fixed broadband subscribers rose to 1.1mn, with net adds of over 33,000**
- **Wireless broadband subscriber base crossed the 3.0mn mark, with net adds of 405,000**
 - Smart broadband subscribers grew by over 304,000 from YE14 to 2.6mn
 - Sun broadband subscribers increased by 15% or 101,000 from end 2014 to nearly 778,000

Mobile Internet Users

- **Smartphone penetration:** about 30% of cellular subscriber base, of which 1/3 pay for data
- **Average usage:** under 30MB per day
- **Current initiatives focused on:** data stimulation (Internet.org, SafeZone), data monetization (free internet with purchase, sponsored data) and volume-based plans

Debt Balance

(US\$ in billions)



Net Debt/EBITDA

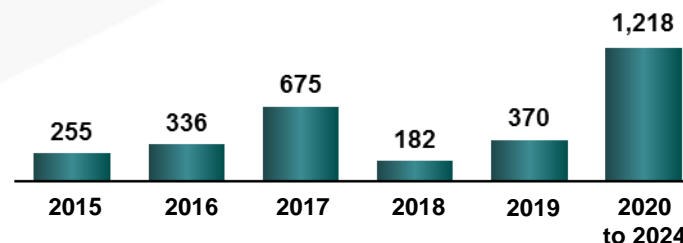
0.9x 1.05x 0.9x 1.35x 1.16x

- **Net debt and net debt to EBITDA at end March 2015 were lower from end 2014 at US\$2.0bn and 1.16x, respectively**
 - Excluding approx. P18.8bn or US\$0.4bn of cash for dividend payment in April 2015, net debt and net debt to EBITDA is US\$2.4bn and 1.40x, respectively
- **As of end March 2015, gross debt stood at US\$3.0bn, higher by US\$0.1bn from YE14**
 - 47% 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: 18% of 1Q15 revenues or US\$0.2bn
 - 58% are fixed-rate loans, while 42% are floating-rate loans; post-interest rate swaps: 84% fixed, 16% floating
 - Average interest cost (pre-tax) of 4.3% for 1Q15 (FY14: 4.05%)

Debt Maturities

(as of March 31, 2015, US\$ in millions)

Total: US\$3,036mn



Debt maturities to total debt

9% 11% 22% 6% 12% 40%

- **Debt maturities continue to be well spread out**
 - US\$227mn bonds maturing in 2017
 - Close to 60% of total debt due to mature beyond 2017, including P15bn retail bonds
- **PLDT rated investment grade by three major international ratings agencies**

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

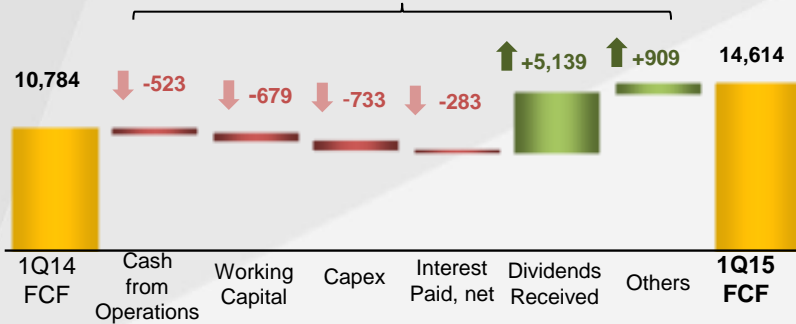
PLDT Group: Free Cash Flow and Capex

Free Cash Flow

P14.6bn +36%
P3.8bn

due to changes in:

(Php in millions)



➤ **Free cash flow for 1Q15 was higher by P3.8bn or 36% at P14.6bn due to:**

- Dividends of P5.1bn received from Beacon in connection with sale of 5% Meralco stake in June 2014

offset by:

- Lower cash from operations by P0.5bn
- Higher net decrease in working capital of P0.7bn
- Increase in capex by P0.7bn
- Higher interest paid (net) of P0.3bn

Capex

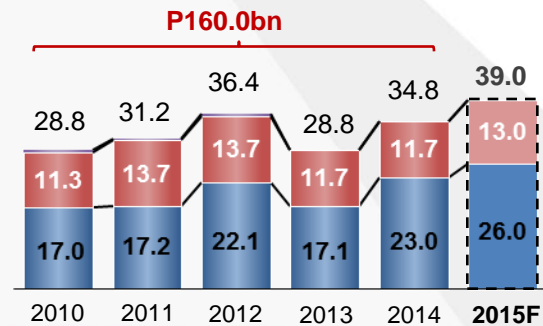
P3.0bn +33%
P0.9bn

2015 Capex Guidance: P39.0bn

- 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
- Enhancement of indoor & outdoor coverage
- Augmenting network resiliency and redundancy
- Increasing data center capacity to 8,000 racks by YE16
- Investments for operational efficiency (Unified Network)

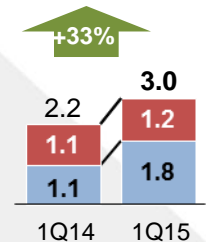
PhP in billions

■ BPO ■ Fixed Line ■ Wireless



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

* transmission, distribution and FTTH



PLDT's digital building blocks: Preparing for the future

Customer-centric changes

- Evolution of the telco subscriber into a digital consumer requires viewing the customer through a different lens in order to identify new ways of serving the customer
- With these changes come new opportunities for the PLDT group to enable businesses to gain a deeper understanding of their customers in order to identify new engagement touchpoints and provide a unified customer experience

Platforms

- Investment in Transformative Infrastructure with “Intelligent Data Fabric” as the “Digital Spine” for the integrated PLDT fixed and wireless network (2G, 3G, 4G, copper, DSL, fiber)
- Data center infrastructure as digital enabler
 - ✓ owned: currently at 2,500 racks to expand to 8,000 by YE16
 - ✓ partnerships (to serve out-of-country requirements and to complement global selling of local data center assets): Acasia, NTT Nextcenters

Products

- For the Enterprise/SME: Cloud-as-a-Service, Big Data Platform-as-a-Service, Big Data Insight Solutions
- For the Individual: mobile Internet and browsing, mobile money/payments, mobile apps and services

Pathway to Execution

- In-house development with Voyager as catalyst to accelerate innovation both within and outside the Philippines
- Investments (Rocket Internet, mePay Global, iflix) and partnerships

People

- Reshaping the workplace into a digital environment, including evolving the workforce to include more digital human capital (data scientists, data analysts)

Strategic enabler for digital enterprise transformation

Leadership in Enabling Infrastructure



Largest Data Center Operations

- End-2015: 6,700 racks, 7 Data Centers
- End-2016: 8,000 racks, 8 Data Centers

Pioneer in Big Data Platform and Enterprise Insight Solutions

SCALABLE COMPUTE MODEL



SCALABLE STORAGE MODEL

- Big Data Platform as a Service
- Big Data Insight Solutions
 - Location-Based Insights such as route planning and site selection
- Only Asian founding member of *Open Data Platform Initiative*



Efficiency Enhancing Mobility Solutions



Workforce

Sales force planning and workload management tool



Credit

Automated Credit investigation tool for financial institutions



Health

Remote fetal monitoring and ECG solutions



Pay

Wireless payment service using smart devices as POS terminals.

Strategic Partnerships

Bringing Value Beyond Connectivity



Voyager, Smart e-money: Traction in local and global markets

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



- P250bn throughput
- Biggest domestic remittance platform
- Major partnership with Xoom for bills payment
- Smart e-Money gateway used by **Zalora** to process credit card purchases using Mastercard
- **Easy Taxi** drivers paid using Smart e-Money
- To launch in 4 Asian countries
- Europe, Latin America beach heads

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



SAFEZONE

- Making mobile data within reach to all via Freemium or Sponsored
- Product allows customers to access registered sites for free; sites pay Voyager for data access
 - ✓ Zalora, Lazada are registered
 - Enterprise clients experience multiple increase in visits and conversions



- Making Mobile data within reach of all via Sachet Model
- 70% of mobile Internet users downloaded the app
 - Now embedded in major telco vendor's equipment

The Future of Retail is eCommerce



An online storefront to help **SMEs** create their own online shop in minutes

- More than 20,000 merchants have registered



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

- 100,000 products are featured



Disruptive Mobile Financial Solutions: LockbyMobile
Protecting your account from rampant fraud through your mobile phone

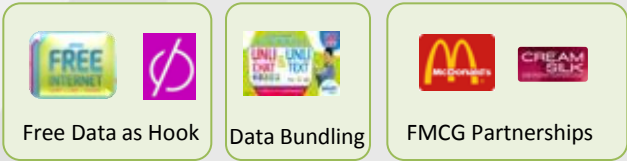
- Under evaluation by global financial service providers
- Addressable market of 13bn cards



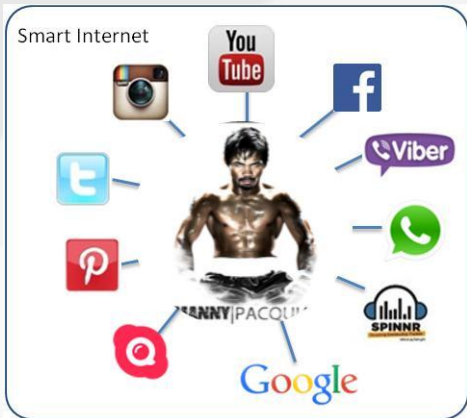
- Processed P1.6bn in Q1 representing 38% of Conditional Cash Transfers (CCTs)

Focused digital effort on the consumer

PLDT uniquely positioned to offer a unified customer experience:
CONNECTED Individual and CONNECTED HOME



- **Data bundling and FMCG partnerships** to deepen customer engagement by offering value



- **“Digital Icon 360” campaigns** : to achieve superior data addiction approach



- **Signal on Telpad:** select kid-friendly Signal programs now available on Telpad



- **Signal on Broadband** (Signal over Fibr, Signal over DSL): the only IPTV service in the country

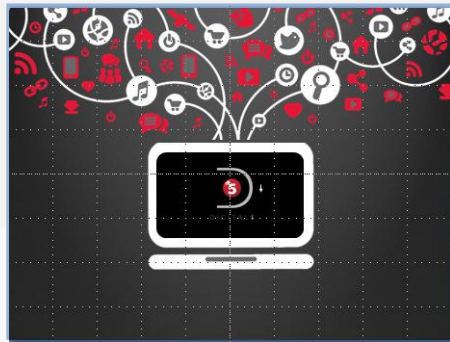


- **BEST Telpad ever:** with infra-red functionality to control devices at home



- **FAMCAM:** PLDT HOME can give parents peace of mind with home-monitoring functionality running over broadband which can be accessed through Telpad and over mobile

Shaping the digital multi-media landscape



- **Signal TV: the Philippines' premier and largest pay TV provider in the country**
 - At the end of 1Q15, Signal TV had over 868,000 subscribers, maintaining lead over the 20-year incumbent
 - ✓ 28% increase in subscribers vis-à-vis 1Q14 and a 3% rise in subscribers from 844,000 at YE14
 - Revenues grew 41% from 1Q14 and Signal remains bottom-line positive
 - Adding more original channels and own content creation and production through partnership with Viva Productions
 - In April 2015, Signal signed up with Bloomberg TV to launch Bloomberg Television Philippines, the first 24-hour business channel in the country by the latter part of 2015
 - Signal over DSL to further push subscriber growth
- **New5 Everywhere: the number one dedicated online news video service in the country**
 - 102mn unique views in its first year of operations (May 2013-2014); 265mn unique views from May 2014
- **Digital5: full service digital content unit designed to deliver full 360-degree services to advertisers**
 - Digital content ideation, creation, curation across genres, target consumers, and different screens
 - Aims to be the leading entertainment, sports and information digital content site in the country
 - Delivers online eyeballs using original Digital 5 content for advertising opportunities
 - 3 months after beta stage: 2mn page views, 11 minutes on average time spent on site
 - Brand new media first end-to-end content marketing outfit in the Philippines – can link to the groups mobile payment services

Investments in adjacent digital spaces



- €333mn (€33/share, pre-IPO) in August 2014
- IPO price of €42.50/share in October 2014
- PLDT ownership stake: 6.1%
- Rocket's mission is to become the world's largest Internet platform outside of the US and China, with on-line businesses in over 100 countries
- Value of PLDT stake at end April 2015: €443.3mn (based on Rocket closing share price of €44.00 or market cap of €7.3bn)



- 50-50 joint-venture with Rocket Internet for payment services with a focus on emerging markets
- Smart will contribute the intellectual property, platforms and business operations of Smart Money Inc.
- Rocket will contribute its participations in two of the leading payment platforms for high-growth, small and medium sized e-commerce businesses across Europe

Philippines Internet Group (PHIG)

- €30mn investment for a 33.33% ownership stake, with option to increase to 50%
- Partnership with Asia Internet Holdings – owned 50% by Rocket Internet
- PHIG will concentrate on creating and developing online businesses in the Philippines, and will drive the activities of high-growth companies already operating in the Philippines (Lamudi, Carmudi, Clickbus, pricepanda)



- US\$15mn in April 2015
- iflix plans to be Southeast Asia's leading internet TV service which will offer subscription video-on-demand (SVOD) that can be viewed on multiple screens
- Created by Catcha Group (one of the largest investors in the ASEAN/emerging markets digital sector (private media, new media, online classifieds, e-commerce businesses) and Evolution Media Capital

PLDT's digital building blocks: Preparing for the future

People

- In order to provide the digital consumer with a unified experience, leadership for the entire Consumer business to be assumed by: **Ariel Fermin**, who spearheaded the growth of the PLDT HOME business through an aggressive broadband campaign
- Appointment of a Chief Strategy Officer (CSO): **Winston Damarillo**, a technology entrepreneur with a proven track record in Enterprise Software and in digital enterprise transformation
- Appointment of a Chief Technology and Integration Advisor (CTIA): **Joachim Horn**, with over 30 years of global experience in telecommunications having worked at Siemens, T-Mobile, Bharti Airtel and Tele2
- Centralized management of digital assets and media resources across all the Group's many platforms under **Orlando "Doy" Vea**, co-founder of SMART and previously Chief Wireless Advisor of SMART; to work closely with **Noel Lorenzana**, President and CEO of Mediaquest, SignalTV, and TV5, in charting the digital course
- PLDT's big data unit called **Talas**, runs the Intelligent Data Fabric (IDF) of the group under Winston Damarillo
 - Talas has a combined talent pool of 100 people with best-in-class skills on telco, banking, digital, enterprise, relationships, and an infusion of global talent on data science and insights
 - ✓ Includes PhD and masteral degree holders in astrophysics, computer science and business from premiere US universities, and talents with digital experience from multinational tech, consumer, and media companies

Core Net Income

P35.0bn

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

CAPEX

P39.0bn

(approx. 23% of service revenues)

Capital Management

Dividend Pay-out Policy:

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



Other Details

PLDT Group: 76.4mn combined subscriber base

Cellular Subscribers

69.6mn



-1%
(0.9mn)

stable vs. YE14

Postpaid

2.9mn

Prepaid

66.7mn

vs FY14



vs 1Q14



25.9mn subscribers



28.1mn subscribers



15.7mn subscribers

Broadband Subscribers

4.5mn



+27%
1.0mn

+11% or net adds of over 438,000 from YE14

vs FY14

vs 1Q14

Wireless
broadband

3.4mn



Fixed
broadband

1.1mn



Fixed Line Subscribers

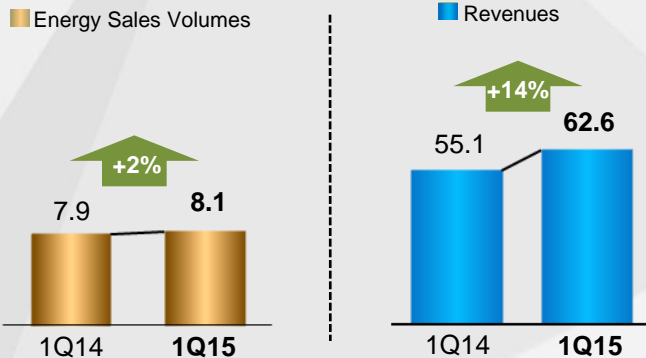
2.2mn



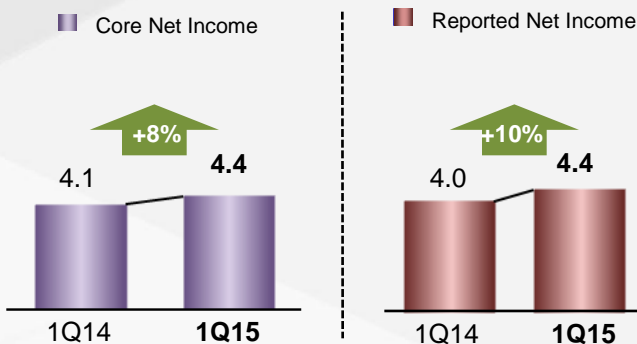
6%
0.1mn

+1% or net adds of over 26,000 from YE14

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



Core and Reported Net Income (Php in billions)



- **MERALCO's consolidated revenues grew by P7.5bn or 14% to P62.6bn in 1Q15 mainly due to:**
 - Higher electricity sales by 2%
 - P9.3bn downward adjustment on MERALCO's purchases from the WESM billed by PEMC, as ordered by the ERC
- **Consolidated core EBITDA of P8.2bn was higher year-on-year by P0.8bn or 10%; 1Q15 EBITDA margin lower at 13%**
- **Core net income increased by P0.3bn or 8% to P4.4bn; and reported net income rose by P0.4bn or 10% to P4.4bn**
- **Other operational highlights:**
 - Customer base grew by 4% year-on-year to over 5.6mn at 1Q15
 - 1Q15 capex was higher by P0.9bn or 45% to P3.0bn
 - On-going power generation initiatives include:
 - ✓ **San Buenaventura Power Ltd.** (JV between MGen and Thailand's EGCO): 455MW (net) coal-fired power plant in Mauban, Quezon; PSA awaiting ERC approval, expected in April 2015; Target commissioning by 2H2018 to 1H2019
 - ✓ **RP Energy:** 600MW CFB coal-fired plant in Subic; environmental case resolved; target to commence construction in the latter part of 2015
 - ✓ **Atimonan One Energy:** 2x600 MW PC coal-fired power plant in Atimonan, Quezon; development activities underway; endorsement of Quezon Province Gov't issued in Feb 2015
 - ✓ Ongoing Project under Global Business Power Corporation (22% interest of MGen)
 - **Panay Energy Development Corp.**'s 1x150 MW coal-fired plant in Iloilo City: 40.1% of construction has been completed as of March 19, 2015, with commercial operations date is expected by 3Q16
 - **Toledo Power Corp.**: 1x82MW CFB coal-fired power plant expansion; commercial operations commenced in December 2014
- **As of end March 2015, Beacon Electric, co-owned 50% by PCEV and by MPIC, remained the largest shareholder of Meralco with about 45% ownership**
 - PLDT and MPIC effective ownership in Meralco at 22.5% and 27.5%, respectively
 - PCEV recognized deferred gain of P1.4bn
- **On April 15, 2015, PCEV and MPI announced that Beacon will sell 112.71mn shares or a 10% stake in Meralco to MPI for P235/share or an aggregate amount of P26.5bn**
 - Sales proceeds (P18bn: P1.0bn paid upon signing and P17.0bn to be paid in June 2015) to pay down debt at Beacon; will allow Beacon to upstream Meralco dividends
 - Balance of P8.5bn in sales proceeds to be paid on or before July 2016
 - PCEV to recognize total gain of approx. P3.3bn, including deferred gain of P2.8bn
 - Beacon remains the largest shareholder of Meralco at 35%, with PLDT and MPIC effective ownership at 17.5% and 32.5%, respectively

PLDT Group: Appendix

Subscriber Data: Cellular



Cellular Subscribers by category:

	Mar- 14	Dec- 14	Sept-14	Jun-14	Mar-14	1Q15 vs 1Q14		Net Adds	
						Net Adds	%	1Q15	%
CELLULAR									
Prepaid	66,721,243	67,091,612	66,374,421	66,339,954	68,030,812	(1,309,569)	-2%	(370,369)	-1%
Smart Prepaid	24,819,813	24,877,144	24,735,917	24,610,726	24,959,498	(139,685)	-1%	(57,331)	-
Sun Prepaid	13,846,206	14,065,108	13,853,723	13,673,112	13,581,189	265,017	2%	(218,902)	-2%
Talk 'N Text	28,055,224	28,149,360	27,784,781	28,056,116	29,490,125	(1,434,901)	-5%	(94,136)	-
Postpaid	2,900,904	2,765,448	2,656,323	2,557,152	2,464,660	436,244	18%	135,456	5%
Smart Postpaid	1,088,806	1,040,221	1,006,124	969,612	928,390	160,416	17%	48,585	5%
Sun Postpaid	1,812,098	1,725,227	1,650,199	1,587,540	1,536,270	275,828	18%	86,871	5%
Total Cellular Subscribers	69,622,147	69,857,060	69,030,744	68,897,106	70,495,472	(873,325)	-1%	(234,913)	-

Cellular Subscribers by brand:

	Mar-15	Dec-14	Sept-14	Jun-14	Mar-14	1Q15 vs 1Q14		Net Adds	
						Net Adds	%	1Q15	%
CELLULAR									
Smart	25,908,619	25,917,365	25,742,041	25,580,338	25,887,888	20,731	-	(8,746)	-
Smart Prepaid	24,819,813	24,877,144	24,735,917	24,610,726	24,959,498	(139,685)	-1%	(57,331)	-
Smart Postpaid	1,088,806	1,040,221	1,006,124	969,612	928,390	160,416	17%	48,585	5%
Talk 'N Text	28,055,224	28,149,360	27,784,781	28,056,116	29,490,125	(1,434,901)	-5%	(94,136)	-
Sun Cellular	15,658,304	15,790,335	15,503,922	15,260,652	15,117,459	540,845	4%	(132,031)	-1%
Sun Prepaid	13,846,206	14,065,108	13,853,723	13,673,112	13,581,189	265,017	2%	(218,902)	-2%
Sun Postpaid	1,812,098	1,725,227	1,650,199	1,587,540	1,536,270	275,828	18%	86,871	5%
Total Cellular Subscribers	69,622,147	69,857,060	69,030,744	68,897,106	70,495,472	(873,325)	-1%	(234,913)	-

Subscriber Data: Broadband

	Mar-15	Dec-14	Sept-14	Jun-14	Mar-14	1Q15 vs 1Q14		Net Adds	
						Net Adds	%	1Q15	%
BROADBAND									
Wireless Broadband	3,391,440	2,986,146	2,694,840	2,598,920	2,551,882	839,558	33%	405,294	14%
Smart Broadband	2,613,672	2,309,366	2,103,587	2,052,107	2,003,433	610,239	30%	304,306	13%
Prepaid	2,110,120	1,795,039	1,560,743	1,496,560	1,435,216	674,904	47%	315,081	18%
Postpaid	503,552	514,327	542,844	555,547	568,217	(64,665)	-11%	(10,775)	-2%
Sun Broadband	777,768	676,780	591,253	546,813	548,449	229,319	42%	100,988	15%
Prepaid	424,648	347,527	292,076	274,538	295,887	128,761	44%	77,121	22%
Postpaid	353,120	329,253	299,177	272,275	252,562	100,558	40%	23,867	7%
Fixed Line Broadband	1,137,616	1,104,101	1,069,013	1,037,874	1,018,549	119,067	12%	33,515	3%
Total Broadband Subscribers	4,529,056	4,090,247	3,763,853	3,636,794	3,570,431	958,625	27%	438,809	11%

1Q2015: Consolidated Financial Highlights



<i>(Php in millions)</i>	1Q2015				1Q2014	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (unaudited)	
Service Revenues	27,886	15,936	-	40,548	41,238	-2%
Cash operating expenses	12,775	9,590	2	18,701	18,756	-
Depreciation and amortization	3,730	3,166	-	6,896	7,205	-4%
Financing costs, net	(426)	(1,121)	(43)	(1,535)	(1,324)	16%
Income before income tax	8,698	2,608	950	12,256	12,137	1%
Provision for income tax	2,044	805	9	2,858	2,745	4%
EBITDA	12,603	6,285	(2)	19,282	19,722	-2%
<i>EBITDA Margin ⁽¹⁾</i>	<i>45%</i>	<i>39%</i>	<i>-</i>	<i>48%</i>	<i>48%</i>	
Net Income attributable to Equity Holders of PLDT	6,652	1,794	941	9,387	9,379	-
Core net income	6,599	1,738	943	9,280	9,762	-5%

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

Reconciliation of Core and Reported Net Income



<i>(in million pesos)</i>	1Q2015			Consolidated (unaudited)	1Q2014	% Change
	Wireless	Fixed Line	Others		Consolidated (unaudited)	
Net Income attributable to equity holder of PLDT	6,652	1,794	941	9,387	9,379	-
Add (deduct):						
Foreign exchange losses (gains), net	(49)	11	(5)	(43)	735	-106%
Losses (gains) on derivative financial instruments, net	(15)	(90)	-	(105)	(265)	-60%
Others	-	(1)	8	7	21	-67%
Tax effect	11	24	(1)	34	(108)	131%
Core Net Income	6,599	1,738	943	9,280	9,762	-5%

Consolidated Service Revenues



	2015	2014					% Change
	1Q	1Q	2Q	3Q	4Q	FY	1Q15 vs 1Q14
<i>(Php in billions)</i>							
SMS and VAS	10.2	10.7	10.5	9.9	10.3	41.4	-5%
Voice - Domestic	13.9	13.9	14.3	14.1	14.5	56.9	-
Voice - International	4.3	5.5	5.2	4.8	5.2	20.6	-22%
Non-SMS data	11.2	10.1	10.3	10.6	10.9	41.9	11%
Others	1.0	1.0	1.0	1.0	1.1	4.1	-4%
Total	40.5	41.2	41.3	40.4	42.0	164.9	-2%

Expenses

<i>(Php in millions)</i>	1Q2015				1Q2014	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (unaudited)	
Operating expenses						
Compensation and employee benefits	1,781	3,204	-	4,981	5,160	-3%
Repairs and maintenance	2,194	1,617	-	3,667	3,484	5%
Selling and promotions	1,550	467	-	2,017	2,113	-5%
Rent	2,678	535	-	1,458	1,534	-5%
Insurance and security services	304	183	-	460	448	3%
Taxes and licenses	539	510	2	1,051	921	14%
Professional and other contracted services	1,280	1,167	-	1,926	1,792	7%
Communication, training and travel	231	119	-	311	388	-20%
Interconnection costs	2,106	1,652	-	2,583	2,623	-2%
Other expenses	112	136	-	247	293	-16%
Cash operating expenses	12,775	9,590	2	18,701	18,756	-
Depreciation and amortization	3,730	3,166	-	6,896	7,205	-4%
Asset impairment	581	285	-	866	637	36%
Amortization of intangible assets	268	-	-	268	286	-6%
Non-cash operating expenses	4,579	3,451	-	8,030	8,128	-1%
Cost of sales	3,217	491	-	3,704	3,449	7%
Total Expenses	20,571	13,532	2	30,435	30,333	-

Other Income (Expenses)

	1Q2015				1Q2014	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (unaudited)	
<i>(Php in millions)</i>						
Equity share in net earnings of associates and joint ventures	(9)	(2)	664	653	716	-9%
Interest income	89	127	23	184	192	-4%
Gains (losses) on derivative financial instruments, net	15	15	-	30	187	-84%
Foreign exchange gains (losses), net	49	(11)	5	43	(735)	106%
Others	375	481	303	763	870	-12%
Total	519	610	995	1,673	1,230	36%
Financing costs, net						
Loans and other related items	(439)	(1,021)	(43)	(1,448)	(1,213)	19%
Accretion on financial liabilities	(35)	(10)	-	(45)	(33)	36%
Financing charges	(16)	(112)	-	(128)	(183)	-30%
Capitalized interest	64	22	-	86	105	-18%
Total	(426)	(1,121)	(43)	(1,535)	(1,324)	16%
Total other income (expenses)	93	(511)	952	138	(94)	247%

Cellular and Broadband Net ARPU



Cellular Net ARPU

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

Cellular Prepaid and Postpaid blended Net ARPU

	2015	2014			
	1Q	1Q	2Q	3Q	4Q
Prepaid and Postpaid Blended, Net ⁽¹⁾	119	124	127	122	124

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

Broadband Net ARPU

	2015	2014			
	1Q	1Q	2Q	3Q	4Q
Smart Broadband blended	274	338	332	325	299
Sun Broadband blended	237	274	285	286	268
Fixed Broadband	1,138	1,152	1,095	1,108	1,143

Historical Consolidated: Service Revenues and EBITDA



(Php in millions)	2015	2014				
	1Q	1Q	2Q	3Q	4Q	FY
Fixed line	13,034	12,720	12,635	12,773	13,360	51,488
Local exchange	4,172	4,087	4,107	4,104	4,189	16,487
International long distance	1,311	1,679	1,603	1,483	1,769	6,534
National long distance	923	1,006	1,007	1,031	942	3,986
Data and other network	6,436	5,760	5,744	5,975	6,242	23,721
Miscellaneous	192	188	174	180	218	760
Wireless	27,514	28,518	28,690	27,625	28,622	113,455
Cellular services	24,793	25,755	25,886	24,837	25,875	102,353
Broadband, satellite and others	2,721	2,763	2,804	2,788	2,747	11,102
Broadband	2,506	2,448	2,490	2,519	2,465	9,922
Satellite and others	215	315	314	269	282	1,180
Total Consolidated Gross Service Revenues	40,548	41,238	41,325	40,398	41,982	164,943
Non-Service revenues	2,005	1,326	1,572	1,462	1,532	5,892
Total Consolidated Gross Revenues	42,553	42,564	42,897	41,860	43,514	170,835
Add:						
Cash operating expenses	(18,701)	(18,756)	(20,257)	(19,604)	(19,754)	(78,371)
Cost of sales	(3,704)	(3,449)	(3,476)	(3,255)	(3,332)	(13,512)
Writedown of inventory and provision for doubtful AR	(866)	(637)	(557)	(394)	(614)	(2,202)
EBITDA	19,282	19,722	18,607	18,607	19,814	76,750
EBITDA Margin ⁽¹⁾	48%	48%	45%	46%	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	2014				
	1Q	1Q	2Q	3Q	4Q	FY
Wireless Gross Service Revenues						
Cellular services	25,143	26,171	26,284	25,233	26,148	103,836
Cellular voice	11,914	12,811	12,946	12,382	12,926	51,065
Domestic	8,919	8,968	9,320	9,064	9,528	36,880
International	2,995	3,843	3,626	3,318	3,398	14,185
SMS	9,698	10,333	10,077	9,505	9,879	39,794
Domestic	9,016	9,526	9,239	8,734	9,106	36,605
International	682	807	838	771	773	3,189
Mobile internet revenues	2,235	1,872	2,089	2,146	2,146	8,253
VAS/financial services	521	410	421	427	407	1,665
Other cellular revenues	775	745	751	773	790	3,059
Broadband, satellite and others	2,743	2,790	2,830	2,812	2,769	11,201
Broadband	2,528	2,474	2,515	2,543	2,487	10,019
Satellite and others	215	316	315	269	282	1,182
Total Wireless Gross Service Revenues	27,886	28,961	29,114	28,045	28,917	115,037
Non-Service revenues	1,290	863	945	969	1,065	3,842
Total Wireless Gross Revenues	29,176	29,824	30,059	29,014	29,982	118,879
Add:						
Cash operating expenses	(12,775)	(13,002)	(14,306)	(13,507)	(13,511)	(54,326)
Cost of sales	(3,217)	(2,926)	(2,892)	(2,838)	(2,976)	(11,632)
Writedown of inventory and provision for doubtful AR	(581)	(599)	(521)	(392)	(492)	(2,004)
EBITDA	12,603	13,297	12,340	12,277	13,003	50,917
<i>EBITDA Margin ⁽¹⁾</i>	<i>45%</i>	<i>46%</i>	<i>42%</i>	<i>44%</i>	<i>45%</i>	<i>44%</i>

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

Historical Fixed Line: Service Revenues and EBITDA



(Php in millions)	2015	2014				
	1Q	1Q	2Q	3Q	4Q	FY
Fixed Line Gross Service Revenues						
Local exchange	4,196	4,111	4,132	4,131	4,213	16,587
International long distance	2,255	2,859	2,843	2,696	3,006	11,404
National long distance	1,018	1,099	1,100	1,128	1,038	4,365
Data and other network	8,074	7,385	7,420	7,605	7,922	30,332
Miscellaneous	393	324	344	352	399	1,419
Total Fixed Line Service Revenues	15,936	15,778	15,839	15,912	16,578	64,107
Non-Service revenues	715	463	628	493	487	2,071
Total Fixed Line Gross Revenues	16,651	16,241	16,467	16,405	17,065	66,178
Add:						
Cash operating expenses	(9,590)	(9,586)	(9,868)	(9,940)	(10,128)	(39,522)
Cost of sales	(491)	(523)	(588)	(417)	(375)	(1,903)
Writedown of inventory and provision for doubtful AR	(285)	(38)	(36)	(2)	(122)	(198)
EBITDA	6,285	6,094	5,975	6,046	6,440	24,555
<i>EBITDA Margin⁽¹⁾</i>	<i>39%</i>	<i>39%</i>	<i>38%</i>	<i>38%</i>	<i>39%</i>	<i>38%</i>

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

Fixed line revenues - net of interconnection costs

(Php in millions)	2015	2014				
	1Q	1Q	2Q	3Q	4Q	FY
Fixed Line Service Revenues, net						
Local exchange	4,196	4,109	4,132	4,130	4,213	16,584
International long distance	853	1,100	1,062	996	1,245	4,403
National long distance	786	865	857	888	814	3,424
Data and other network	8,056	7,347	7,382	7,585	7,933	30,247
Miscellaneous	393	324	344	352	399	1,419
Total	14,284	13,745	13,777	13,951	14,604	56,077

Earnings Per Share



	1Q2015 (unaudited)		1Q2014 (unaudited)	
	Basic	Diluted	Basic	Diluted
Net income attributable to equity holders of PLDT	9,387	9,387	9,379	9,379
Dividends on preferred shares	(14)	(14)	(14)	(14)
Net income for the period attributable to common equity holders of PLDT	9,373	9,373	9,365	9,365
Weighted average number of common shares, end	216,056	216,056	216,056	216,056
EPS (based on reported net income)	43.38	43.38	43.34	43.34
Core net income	9,280	9,280	9,762	9,762
Dividends on preferred shares	(14)	(14)	(14)	(14)
Core Net income applicable to common shares	9,265	9,265	9,748	9,748
Weighted average number of common shares, end	216,056	216,056	216,056	216,056
EPS (based on core net income)	42.88	42.88	45.12	45.12

Cash Flows



<i>(Php in millions)</i>	1Q2015				1Q2014	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (unaudited)	
Net cash from operations	11,295	8,964	(3,012)	16,146	17,341	-7%
Add(Deduct):						
Capital expenditures	(1,759)	(1,195)	-	(2,954)	(2,221)	33%
Interest, net	(213)	(1,119)	(1)	(1,273)	(990)	29%
Preferred share dividends paid	-	(15)	-	(15)	(15)	-
Others	(370)	(2,060)	5,140	2,710	(3,331)	181%
Free cash flow	8,953	4,575	2,127	14,614	10,784	36%
Common share dividends	-	(1,048)	(2)	(9)	(10)	-10%
Investments	(169)	-	-	(169)	(1,003)	-83%
Maturity of Investment in debt securities	100	-	-	100	-	-
Debt proceeds (repayments), net	3,250	1,902	-	5,152	18,682	72%
Change in cash	12,134	5,429	2,125	19,688	28,453	-31%
Cash and short term investments, beginning	14,787	10,747	1,768	27,302	32,623	-16%
Cash and short term investments, end	26,921	16,176	3,893	46,990	61,076	-23%

Balance Sheet

<i>(Php in millions)</i>	Consolidated	
	March 31, 2015 (unaudited)	December 31, 2014 (audited)
Total Assets	440,531	436,295
Nominal Value of Total Long-term Debt in US\$	135,773	130,634
Less: Unamortized Debt Discount	568	511
Total Long-term Debt	135,205	130,123
Cash and short-term investments	46,990	27,302
Net Debt ⁽¹⁾	88,783	103,332
Equity	118,789	134,668
Total Debt⁽²⁾/Equity	<u>1.14x</u>	<u>0.97x</u>
Net Debt⁽¹⁾/Equity	<u>0.75x</u>	<u>0.77x</u>
Total Debt⁽²⁾/EBITDA⁽³⁾	<u>1.78x</u>	<u>1.70x</u>
Net Debt⁽¹⁾/EBITDA⁽³⁾	<u>1.16x</u>	<u>1.35x</u>

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

⁽²⁾ Nominal value of total debt

⁽³⁾ EBITDA for the last twelve months

Debt Profile



<i>(US\$ in millions)</i>	2011	2012	2013	2014	1Q2015
Debt Balance	2,719	2,851	2,353	2,920	3,036
Cash and short-term investments	1,061	919	735	610	1,051
Net Debt	1,658	1,932	1,618	2,310	1,985

Interest-bearing Liabilities

<i>(US\$ in millions)</i>	March 31, 2015 (unaudited)			December 31, 2014	Change
	Carrying Value	Unamortized Debt Discount/Debt Issuance	Face Value	(Audited) Face Value	
Debt					
PLDT	\$1,805	\$4	\$1,809	\$1,766	\$43
Smart	1,034	9	1,043	962	81
DIGITEL	184	-	184	192	(8)
Total Debt	\$3,023	\$13	\$3,036	\$2,920	\$116

Foreign Exchange Risk

Forex Impact on Core Income

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

	Conso - net of Elim
US\$ Revenues*	165.7
US\$ Expenses	(69.7)
Cash Opex*	(52.4)
Cost of sales	(0.4)
Financing costs	(16.9)
US\$ Income before tax	96.0
Tax effect	28.8
Core Earnings	67.2
EBITDA	112.9
* Gross of interconnection costs amounting to:	26.1
Local exchange revenues (in million Php)	2,366.5

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)*	1,233.4
Accounts Payable	93.7
Accrued Liabilities	153.4
Derivative Liabilities	38.1
Total US\$ denominated Liabilities	1,518.6
Cash and Cash Equivalents	244.9
Short-term Investments	14.1
Trade and other receivables	155.5
Derivative Assets	2.2
Investment in Debt Securities, Advances & Others	7.6
Investment in Available for Sale	499.8
Total US\$ denominated Assets	924.1
Forex Revaluation for every P1 change	±594.5
* Debt	1,435.1
Less: LT hedges	201.7
Debt (net of LT hedges)	1,233.4

Forex Impact on Derivatives

P1 movement in the USD/PHP exchange rate corresponds to a P181M change in derivatives

	Ave.	Period End
Forex rate, 1Q2015	44.42	44.73
Forex rate, 1Q2014	44.88	44.81
% of Peso appreciation vs US\$	-1%	--

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

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