

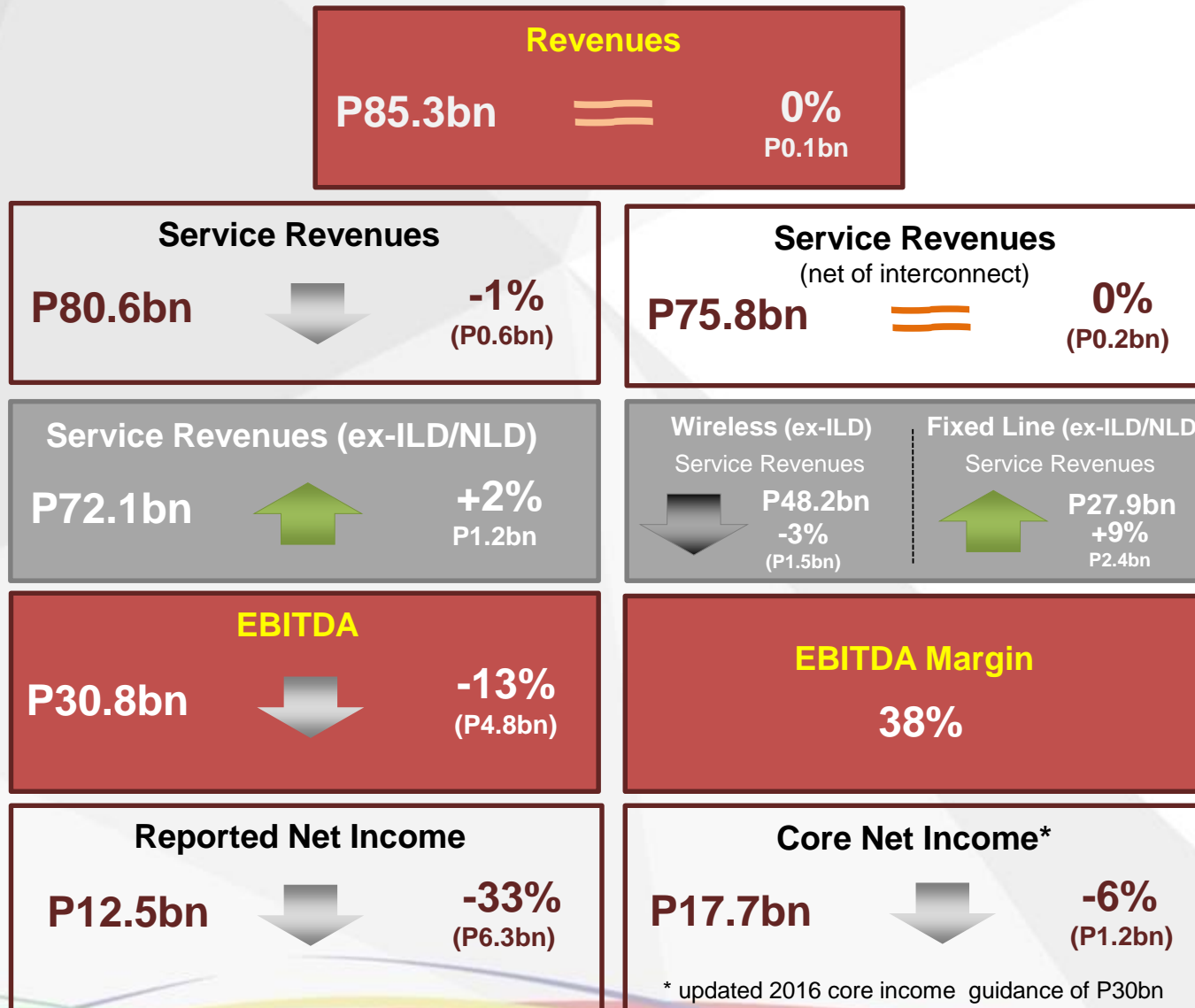


Delivering the total digital experience

PLDT Inc.
First Half 2016
Financial and Operating Results

2nd August 2016

PLDT Group: 1H16 vs 1H15 Financial Highlights



Consumer: Data surge fuels converged digital services in 1H16

BARRAGE OF DATA



MOBILE
INTERNET: 2X
growth rate vs.
2015

HOME: 3X growth
rate vs. 2015

SUPERIOR CONNECTIVITY



FIBR + TELPAD -
Control Center of the
Smart Home

ENTERTAINMENT



IPTV with Cignal +
TVolution VOD

PEACE OF MIND



FAMCAM Home
monitoring system

CONVERGENCE

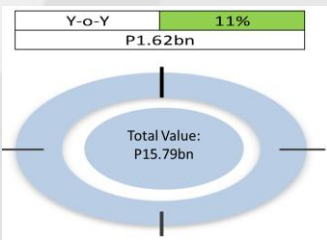


QuadPlay, Shared
Data, Wearables

SMART HOME & CONVERGED DIGITAL SERVICES
930M, +37% vs. 2015

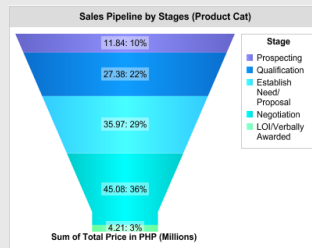
Enabling the Digital Enterprise

Double-digit YTD Revenue Growth



- Total YTD Jun Enterprise revenues of P15.79bn, YoY growth of P1.62bn or 11%
- Double-digit growth on both **ALPHA (10%)** and **SME (13%)**

Robust YTD Pipeline across Fixed, Wireless & ICT



- Enterprise with more than P300mn monthly recurring charges (MRC) and P1.2B one-time charges (OTC) in recorded opportunities

Real-time Sales Performance Tracking



- Real-time enterprise sales tracking through Salesforce.com
- Conso revenue performance monitoring automated thru SCV (Single Customer View)

Key Initiatives to Ensure Continued Strong Growth



- Aggressive Go-to-Market on the Enterprise front through **ALPHA's Digital Overdrive** and **SME's Sugod-Suyod** campaign

New Data Center Capacity to Sell



- New VITRO Makati opened on July 28, 2016 and VITRO Clark set to be opened in Sep, and will provide fresh/additional capacity of over 5,000 full racks

Voyager: Continued String of Breakthroughs in 1H16



Micro-credit lending
 : soft launch June 2016
 : Around **30%** response rate
 : greater than **50%** approval rate



Consumer lending w/ insurance and auto-savings
 : **>P4B** disbursed YTD 2016
 : now open to Globe subs



Consumer loans platform
 : 35 banks signed
 : Auto loans for CBS and pension loans for PNB now live



PayMaya Account Base doubled in H1 2016

- : Account growth significantly accelerating with **#NowNation** campaign
- : **UBER partnership**: PayMaya is the only Prepaid Card that works with Uber
- : **Payment platform of choice** for largest online merchants
- : Smart Padala **brand relaunch** in June 2016



SafeZone is now freenet!

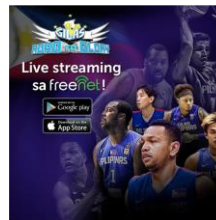
Enabling enterprises to reach digital consumers - "Digital Access for All!"

- : **Over 70** enterprises accounts onboarded
- : **Most visited local community site** as per Effective Measure as of end-June 2016



Enabling digital participation in major events

- : Mobile Live Stream of Presidential Inauguration and FIBA Olympic Qualifying Tournament Gilas Games Coverage
- #1 Trending in App Store PH



Digital Commerce



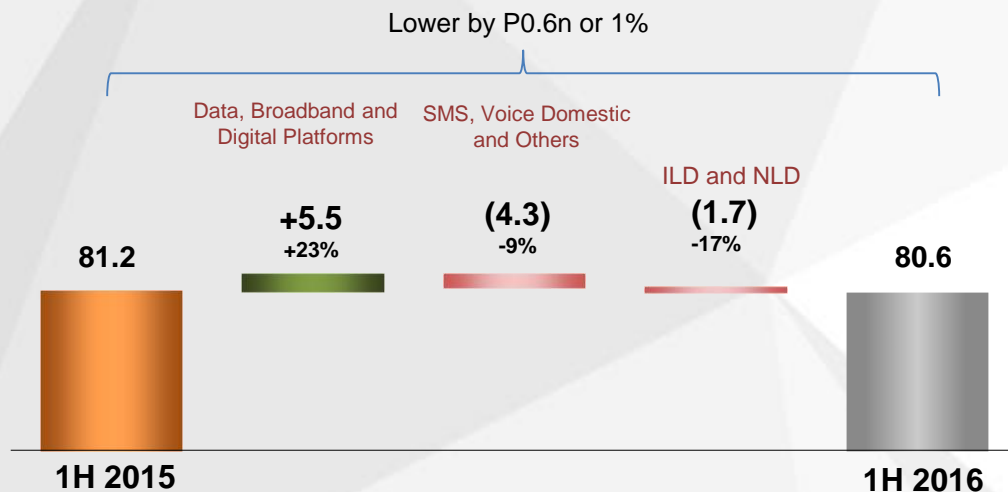
Digital commerce platform solutions for B2B2C

- : Chosen as **online store platform** by several large companies, including **UBER**
- TackThis!** cited as Best SME Service at the Asia Communications Awards

PLDT Group: Consolidated Service Revenues

(Php in billions)

By Service Revenue Streams

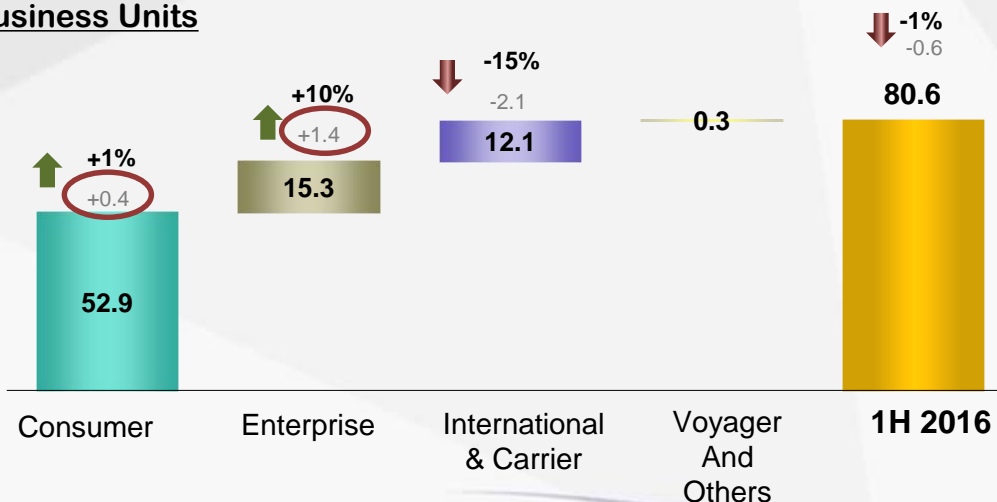


Service Revenue Mix	1H15	1H16
Data/Broadband/Digital Platforms	29%	36%
SMS/Domestic Voice	58%	53%
ILD	13%	11%

Service Revenues	1H15	1H16
Data/Broadband/Digital Platforms	23,965	29,499
SMS/Domestic Voice	46,954	42,610
ILD	10,240	8,495
Total	81,159	80,604

- Over 1/3 of consolidated service revenues are now from our data and broadband businesses

By Business Units



Service Revenue Mix	1H15	1H16
Consumer	65%	66%
Enterprise	17%	19%
International & Carrier	17%	15%
Voyager and Others	1%	0%

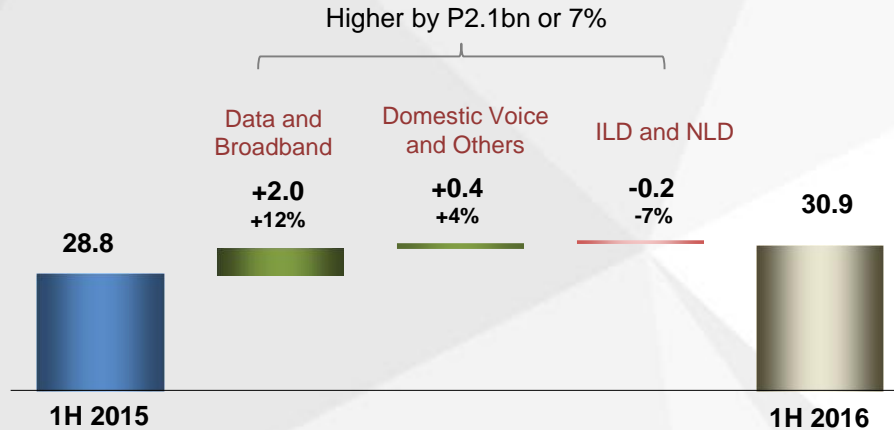
Service Revenues	1H15	1H16
Consumer	52,533	52,937
Enterprise	13,844	15,286
International & Carrier	14,167	12,100
Voyager and Others	615	281
Total	81,159	80,604

- Combined CONSUMER and ENTERPRISE businesses, accounted for 85% of total service revenues

Fixed Line and Wireless: Service Revenues

(Php in billions)

Fixed Line



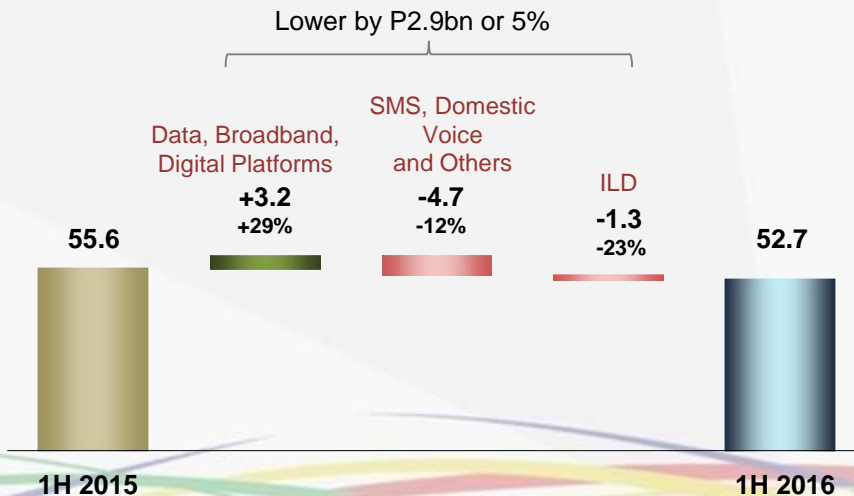
* Net of interconnect

Service Revenue Mix	1H15	1H16
Data/Broadband	57%	59%
Domestic Voice and Others	32%	31%
ILD/NLD	11%	10%

Service Revenues	1H15	1H16
Data/Broadband	16,301	18,299
Domestic Voice and Others	9,200	9,565
ILD/NLD	3,294	3,071
Total	28,795	30,935

- Increases in data/broadband fully offset declines in ILD/NLD revenues

Wireless



Service Revenue Mix	1H15	1H16
Data/Broadband/Digital Platforms	20%	27%
SMS/Domestic Voice	70%	65%
ILD	10%	8%

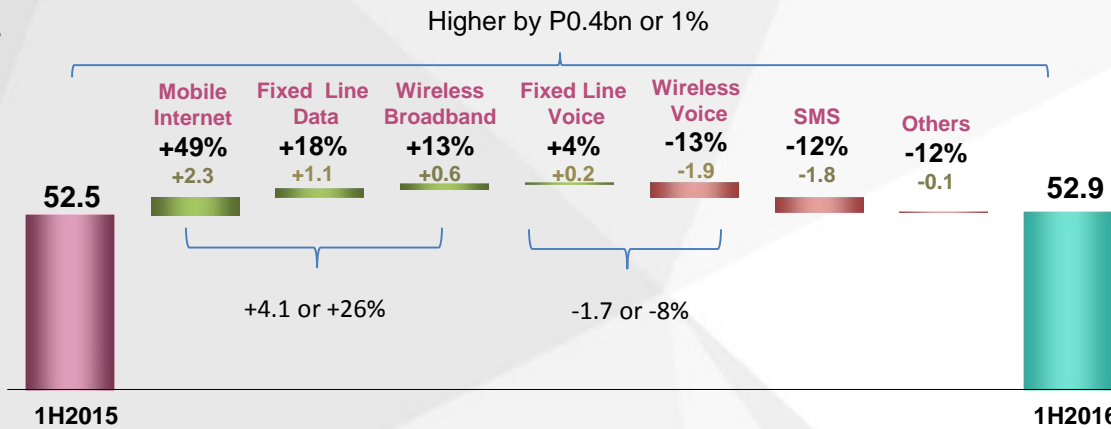
Service Revenues	1H15	1H16
Data/Broadband/Digital Platforms	10,931	14,104
SMS/Domestic Voice	38,854	34,144
ILD	5,808	4,493
Total	55,593	52,741

- Growth in data/broadband not yet enough to absorb declines in SMS, domestic voice and ILD

Breakdown of Consolidated Service Revenues

(Php in billions)

Consumer

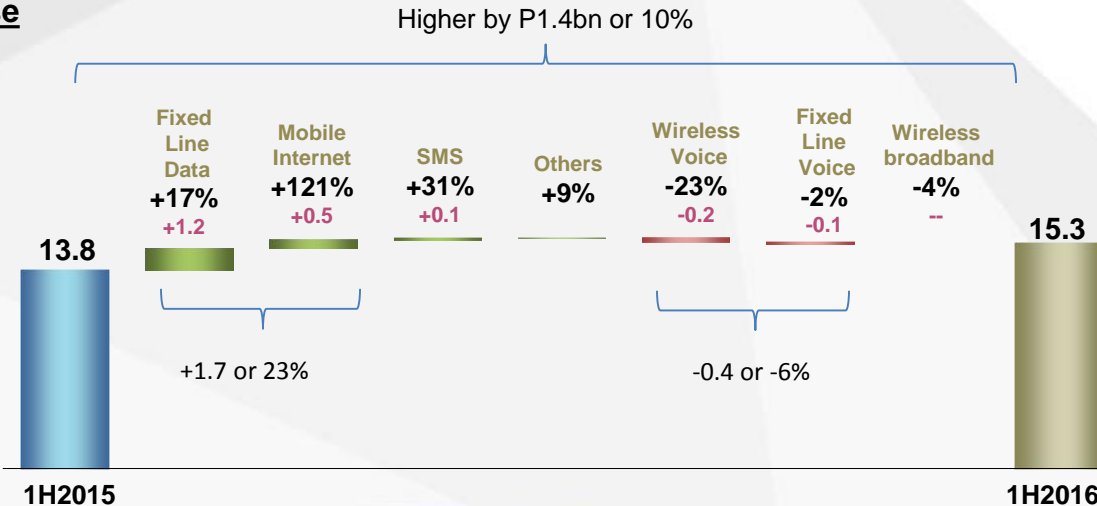


Service Revenue Mix	1H15	1H16
Data/Broadband	30%	38%
Voice	39%	35%
SMS	29%	25%
Others	2%	2%

Service Revenues	1H15	1H16
Data/Broadband	15,925	20,001
Voice	20,492	18,761
SMS	15,198	13,367
Others	918	808
Total	52,533	52,937

➤ Rise in data/broadband revenues of P4.1bn exceeded P3.5bn reduction in SMS and voice revenues

Enterprise



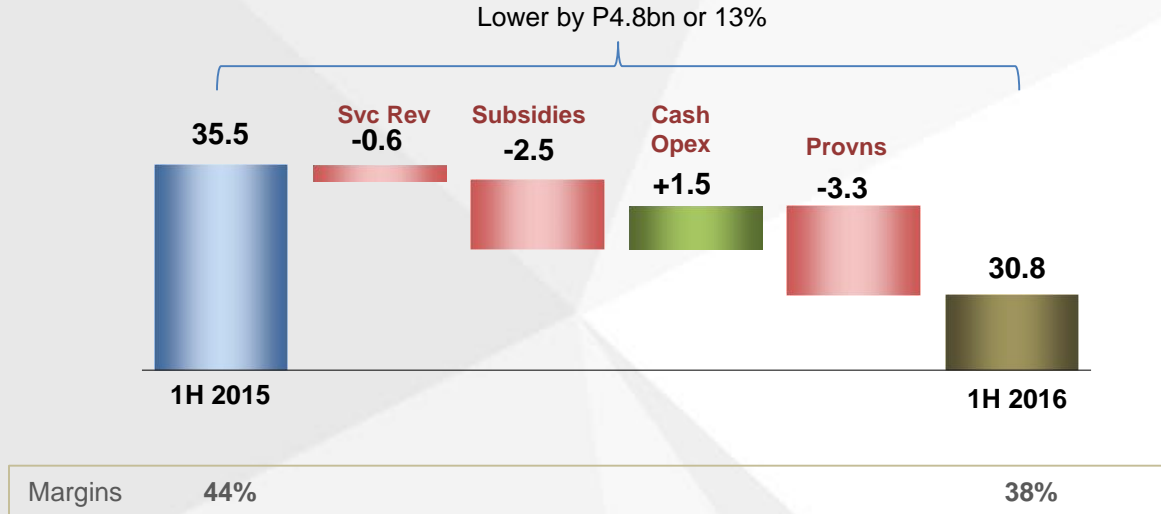
Service Revenue Mix	1H15	1H16
Data/Broadband	53%	59%
Voice	42%	36%
SMS	3%	3%
Others	2%	2%

Service Revenues	1H15	1H16
Data/Broadband	7,375	9,040
Voice	5,824	5,470
SMS	336	439
Others	309	337
Total	13,844	15,286

➤ Data/broadband revenue increases underpinned the growth in Enterprise revenues

PLDT Group: Consolidated EBITDA

(Php in billions)



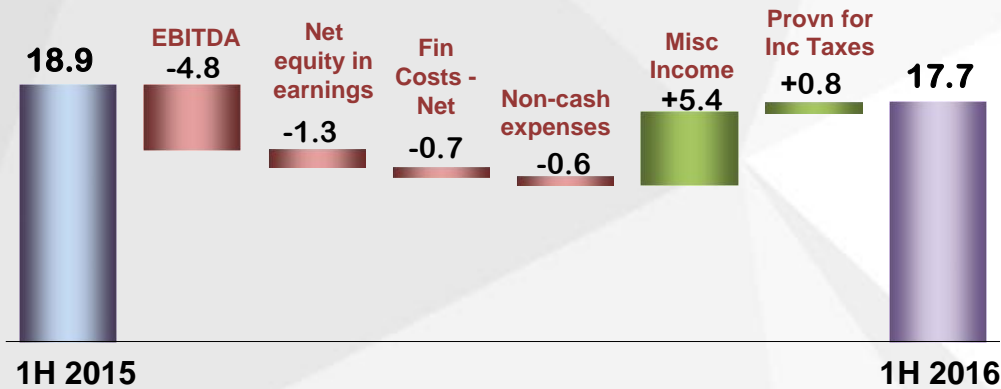
- **Consolidated EBITDA declined by P4.8bn or 13% year-on-year to P30.8bn in 1H16 mainly due to increases in subsidies and provisions for receivables and inventory to support initiatives to grow the data business and defend market share**
 - Data/broadband revenues grew by P5.5bn or 23% year-on-year
 - ✓ Now account for 36% of total service revenues from 30% in 1H15
 - Rise in subsidies by P2.5bn partly offset by P0.8bn reduction in selling and promo expenses
 - Excluding impact of P1.4bn in MRP expenses in 1H15, cash operating expenses remained stable
 - Front-end recognition of subsidy expenses vis-à-vis future revenues from the customer

- **EBITDA margin for 1H16 at 38%**
 - Partly reflects impact of structural change in revenue mix vis-à-vis 1H15
 - ✓ ILD/NLD representing 11% of total service revenues from 13%
 - ✓ SMS contributing 21% to total service revenues compared to 24%

(Php in billions)

Core Net Income

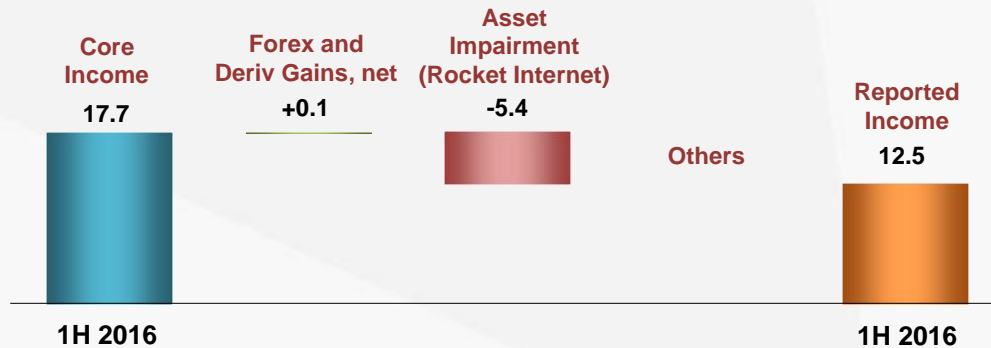
Lower by P1.2bn or 6%



- **Core net income for 2016 estimated at P30.0bn**
 - P2bn higher than original guidance of P28bn
 - ✓ P6.5bn net gain from sale of stake in Beacon
 - ✓ Lower EBITDA by P6bn vis-à-vis original guidance of P70bn
 - ✓ Additional financing costs arising from incremental capex from acquisition of SMC telco businesses
 - ✓ Equity in losses of SMC telco businesses

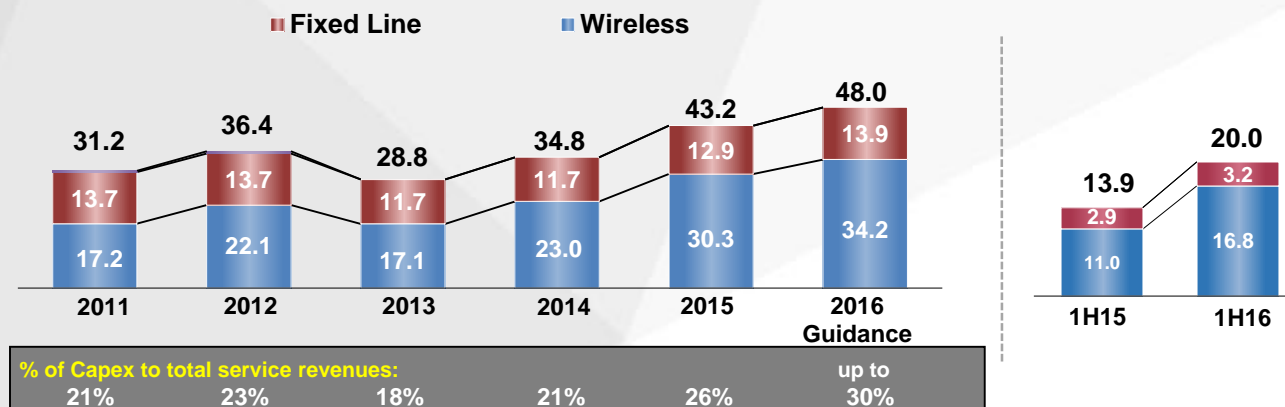
Reported Net Income

(Php in billions)



- **Asset impairment of P5.4bn booked in 1H16 reflecting the further decline in the value of the investment in Rocket Internet**
 - P9.2bn (€17.47/share) at end June 2016 vis-à-vis P14.6bn (€28.24/share) at end 2015
 - Of total investment of P19.7bn, impairment of P10.5bn YTD
 - As of 1 August 2016: Rocket closed at €18.22
- **Rocket focusing on:**
 - Improving profitability of its companies while supporting their growth
 - Streamlining operations and portfolio

PLDT Group: Capex

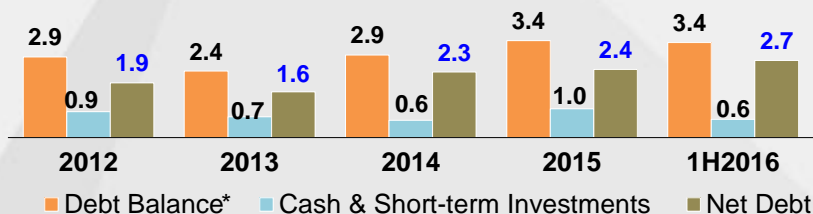


Note: BPO capex up to 2012 only

- **In addition to the P302bn or US\$6.7bn in capex spent from 2006 – 2015, PLDT is expected to invest another US\$1bn or P48bn in 2016**
 - 2016 capex includes additional P5bn or US\$100mn to utilize frequencies acquired from SMC
 - ✓ 360 cell sites using the 700MHz spectrum by YE16 (8 fired up to-date)
 - ✓ Switched on additional facilities in 2,221 cell sites using the 1800MHz spectrum acquired via the transaction with SMC
- **Multi-year network build out includes, among others:**
 - Continuous network optimization with the expansion of 3G, 4G/LTE roll-out for capacity and coverage
 - ✓ Elimination of coverage gaps in 3G (largely completed in 2015) and 4G in Metro Manila, Cebu and Davao (by 2016)
 - ✓ Enhancement of indoor penetration
 - Full integration of the Sun and Smart networks in Cebu and Metro Manila for improved coverage and cost/operational efficiencies
 - ✓ Will enable spectrum re-farming that will optimize spectrum utilization for 2G, 3G and 4G users
 - Additional fiber optic cabling (FOC) to augment existing fiber assets of over 120,000 kms. to fortify network resiliency and redundancy for greater operational stability and reliability
 - Expansion of international connectivity combined with on-shore caching to improve internet speeds and customer experience
 - Migration to new data centers at Tier 3 to improve service availability to 99.99%
- **Smart setting industry standards in terms of mobile connectivity speeds and experience**
 - ✓ Roll-out of next stage of LTE network technology (LTE-A carrier aggregation)
- **Network dominance and reliability is a key enabler in PLDT's delivery of a superior digital customer experience to our Consumer and Enterprise clients**

Debt Balance

(US\$ in billions)



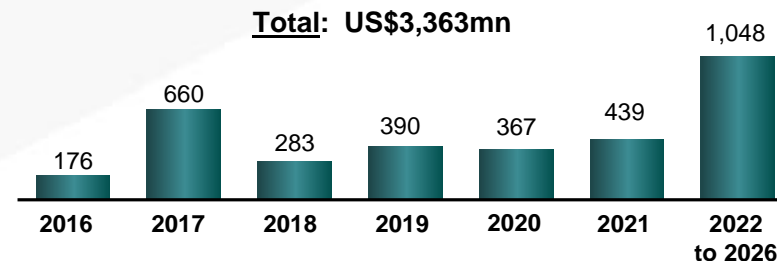
Net Debt/EBITDA				
1.05x	0.9x	1.35x	1.62x	1.96x

*Total debt based on nominal debt amount

- **At end June 2016, net debt and net debt to EBITDA at US\$2.7bn and 1.96x**
- **Gross debt as of end June 2016 stood at US\$3.4bn**
 - 37% of gross debt is US\$ denominated
 - Taking into account our US\$ cash holdings and hedges, only US\$0.3bn or 9% of total debt is unhedged
 - 67% are fixed-rate loans, while 33% are floating-rate loans; post-interest rate swaps: 91% fixed, 9% floating
 - Average interest cost (pre-tax) of 4.4% for end June 2016 (FY15: 4.2%)
- **Rise in debt levels following higher capex levels; investments funded from sale of assets**
 - Initial proceeds of P17bn from sale of Beacon stake used to fund:
 - ✓ First payment of P13.3bn for the acquisition of SMC's telco business
 - ✓ P3.5bn in preferred shares of Beacon to partly fund acquisition of Global Business Power Corporation

Debt Maturities

(US\$ in millions, as of end June 30, 2016)



Debt maturities to total debt						
5%	20%	8%	12%	11%	13%	31%

- **Debt maturities continue to be well spread out**
 - Approx. 2/3 of total debt to mature beyond 2018
 - Maturing dollar loans, including the US\$228mn dollar bonds due in 2017, are to be refinanced mainly in pesos:
 - ✓ Anticipating the continuing declines in dollar-linked revenues
 - ✓ To mitigate the impact of any peso depreciation vis-à-vis the U. S. dollar
- **As of end June 2016, PLDT's investment grade ratings remained unchanged from YE15**

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

- **PLDT and Globe each acquired 50% of the telco businesses of SMC**
 - Total consideration: P70bn consisting of equity value of P52.9bn and assumed liabilities of P17.1bn
 - ✓ Of PLDT's share in equity value of P26.5bn, P13.2bn has been paid; P6.6bn to be paid in December 2016 and May 2017
 - Companies subject of the acquisition had access to 365MHz of spectrum in various bands
 - ✓ 85MHz of spectrum returned to the NTC
 - ✓ 280MHz of spectrum shared equally between PLDT and Globe, covered by co-use agreements
- **Transaction closed on 30 May 2016 after parties complied with the transitory provisions of the Philippine Competition Act**
 - "Deemed approved" status following submission of requisite prior notice and terms of the transaction to the Philippine Competition Commission (PCC) before closing
- **On 8 July 2016, PLDT, Globe and SMC separately met with the PCC to seek clarification from PCC**
 - PCC position: transaction is not "deemed approved" under transitory provisions; transaction is under Phase 1 review
- **On 12 July 2016, PLDT filed with the Court of Appeals (CA) a Petition for Certiorari and Prohibition with Urgent Application for Issuance of a Temporary Restraining Order and/or Writ of Preliminary Injunction against the PCC to protect the "deemed approved" status of the transaction**
 - Similar case filed by Globe
 - On 25 July 2016, the CA gave the PCC 10 days to reply to the petitions filed by PLDT and Globe
- **Financial due diligence on-going**
- **Based on the co-use agreement with the NTC, PLDT has started to expand its network coverage and capability using the spectrum obtained from the SMC transaction which will help improve network quality and speed, and ultimately the customer experience**
 - 360 cell sites using the 700MHz spectrum by YE16 (8 fired up to-date)
 - Switched on additional facilities in 2,221 cell sites using SMC's 1800MHz spectrum

Updates: Beacon Electric Asset Holdings, Inc.

- **On May 30, 2016, PCEV sold 50% of its equity interest in Beacon to MPIC for a total consideration of P26.2 billion**
 - PCEV received P17 billion cash upon closing
 - Balance of P9.2 billion to be paid in annual installments until June 2020
- **Post-sale PCEV's equity ownership in Beacon: 25% (from 50%)**
 - PCEV's effective interest in Meralco: reduced to 8.74% (from 17.5%)
- **As a result of the sale, PCEV recognized a net gain of Php7.4 billion**
- **Of total P17bn received:**
 - P13.5bn declared by PCEV as dividends
 - ✓ Proceeds used for the acquisition of the SMC telco business
 - P3.5bn used to subscribe to 277 million Class "B" preferred shares of Beacon (MPIC also subscribed the same amount)
 - ✓ Proceeds used acquire an aggregate 56% of the issued share capital of Global Business Power Corporation through Beacon Powergen Holdings, Inc.
- **PLDT open to disposing the remaining stake in Beacon**

Capital Management

Core income for First Half 2016	P17.7bn
Core income per share	P82
Interim dividend per share (60%)	P49

Declaration Date	02 August 2016
Record Date	16 August 2016
Payment Date	01 September 2016

- **Core income for 1H16 of P17.7bn includes gains from asset sales which we mainly used to acquire SMC's telco business**
- **Dividend policy modified to prioritize management of leverage**
 - Regular dividend payout rate reduced to 60% of core income with 'look back' to determine at the end of the year the payout of any special dividends
- **Interim dividend of P49 per share declared in 1H16**
- **Considerations for dividend payout:**
 - Elevated capex levels to build-out a robust, superior network to support the continued growth in data traffic
 - Plans to invest in new adjacent businesses (albeit moderating) that will complement the current business and provide future sources of profits and dividends
 - Management of cash and gearing levels
 - ✓ Net debt to EBITDA expected to reach 2.5x by YE16 (1H15: 1.96x)

- **In line with PLDT's 'digital pivot' and 3-year digital transformation journey: follow-through on the objective of providing superior data experience to our Consumer and Enterprise customers**
 - Continued build out of a robust and reliable data network
 - ✓ Fast-track network roll-out utilizing spectrum acquired from SMC
 - ✓ Complete deployment of digital platforms to improve ease-of-use
 - ✓ Keep to a minimum a possible subscriber fall-out from remaining migration of Sun and Smart networks
 - Broaden content portfolio to increase relevance and deepen customer engagement as our customer evolves into a 'digital native'
 - ✓ Value Proposition for the Consumer: Entertainment, Convenience, Peace-of-Mind
 - ✓ SMACS (for the Enterprise): Social, Mobility/M2M, Analytics, Cloud, Security
 - ✓ Offer customers the unique benefits of converged fixed and wireless products
 - Expand current data center capacity to over 8,300 rack space with the opening of 3 data centers (Vitro Makati, Vitro Cebu and Vitro Davao)
 - ✓ To support continued and sustainable digital campaigns on business enhancing solutions leveraging on SMACS
 - ✓ Consistent with our positioning and commitment of leadership in enabling the ICT requirements of all businesses
- **Extract additional operating and cost efficiencies, including keeping a close watch on subsidies and quality of subscribers**
- **Expand market adoption of new digital service offerings of Voyager – particularly in FINTQ and PayMaya**
- **Manage cash and debt levels**

EBITDA: P64bn

- **Lower by P6bn from original guidance**
 - Low single digit growth in consolidated service revenues
 - ✓ Double-digit growth in data/broadband to continue
 - ✓ Anticipated declines in toll, cellular voice and SMS revenues
 - Expected cost increases to support efforts to grow data/broadband business and to stabilize market share losses
 - ✓ Includes higher provisions and subsidies to stimulate data adoption/usage and from ramping up our postpaid business

Capex: P48bn

- **Increase of P5bn (US\$100mn) from the original capex guidance of P43bn**
 - Additional capex related to the roll-out of network using the newly acquired frequencies from SMC

Core Income: P30bn

- **Higher by P2bn from original guidance of P28bn due to:**
 - Net gain from sale of 25% interest in Beacon offset by lower equity in earnings in Beacon
 - Lower EBITDA
 - Increase in financing costs due to higher capex

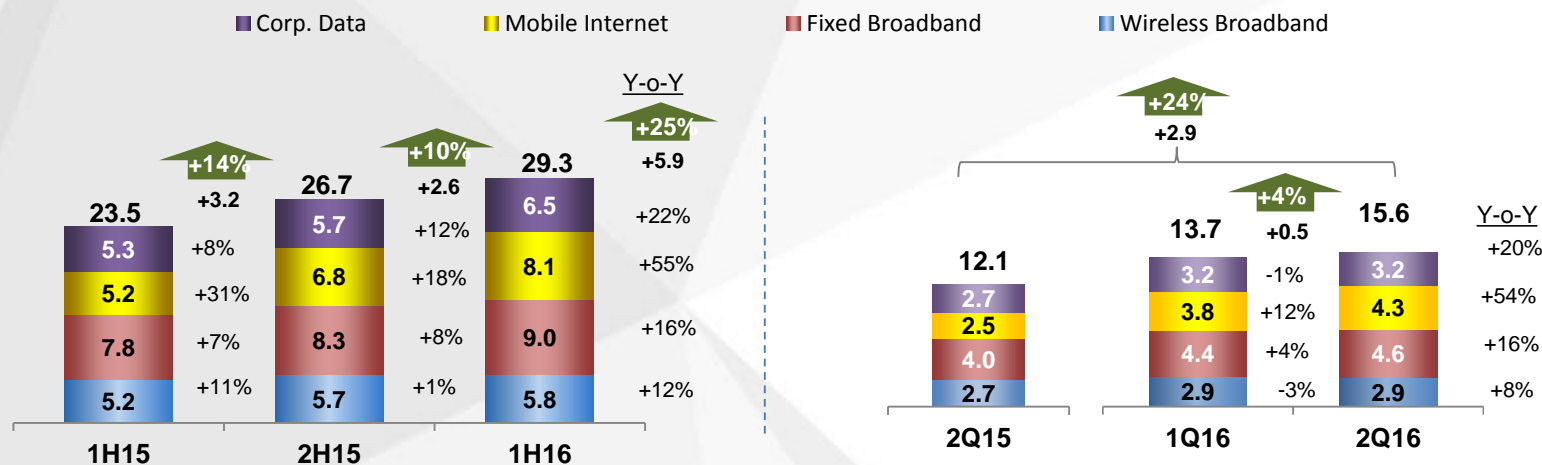
Dividend Payout: 60%

- **Updated dividend policy: Regular dividend payout of 60% of core income + 'look back'**
 - To determine at the end of the year the payout of any special dividends
- **Takes into consideration:**
 - Elevated capex levels in 2016 and 2017
 - Plans to invest in new adjacent businesses that will complement the current business and provide future sources of profits and dividends
 - Management of cash and gearing levels

Other Details

(Php in billions)

Data and Broadband Conso Revenues



Mobile Internet

- Mobile internet revenues of P8.1bn represent 27% of total data/broadband revenues in 1H16
 - Improvement in data monetization in 1H16 as a 24% year-on-year rise in usage resulted in a 55% growth in revenues (compared with a 169% growth in usage in 1H15 and a 32% increase in revenues)
- Data usage rose by 24% to 65,958 terabytes in 1H16
- Smartphone penetration: approximately 52%
- Focus: Enable and accelerate data adoption to drive usage
 - Launch of myPhone28s at P888 and Starmobile Play Click at P1,288 (both are bundled with 100MB of data per month)
 - Giga Surf 50 (1GB at P50 valid for 3 days)
 - Data sharing plans (Plan 999 which allows sharing of up to 6GB of data with up to three phones)

Corporate Data and Data Centers

- Corporate data and data center revenues of P6.5bn contributed 22% to total data/broadband revenues
 - Revenues grew 20% year-on-year to P3.2bn in 2Q16
- PLDT now has 7 data centers with the nation's largest rack capacity of nearly 7,000 racks

Fixed Broadband

- Fixed broadband revenues of P9.0bn accounted for 31% of total data/broadband revenues
 - Fixed broadband subscribers grew to over 1.3mn, with net adds of over 162,000 or 14% from last year or about 92,000 from YE15
 - 2Q16 Q-o-Q revenue growth was the highest since 1Q15
- Value proposition: Connected HOME
 - Connectivity + entertainment + convenience + peace-of-mind
 - Enable via devices: Telpad, TVolution, FamCam
 - Triple-play (fixed line, broadband, IPTV) and quad-play (including mobile) plans available, including data sharing plans
 - Range of speeds, including high-speed fiber services

Wireless Broadband

- Wireless broadband revenues (dongles and home broadband) of P5.8bn were 20% of total data/broadband revenues
 - Revenues from dongles improved by 24% year-on-year, offset by lower revenues from home broadband as customers shift to fixed broadband
 - Wireless broadband subscribers breached the 4.0mn mark, with net adds of over 373,000 or 10% from last year or about 117,000 from YE15

Appendix

Subscriber Data: Cellular

Cellular Subscribers by category:

	Jun-16	Mar-16	Dec-15	Sept-15	Jun-15	2Q16 vs 2Q15		2Q16 vs YE2015		Net Adds			
						Net Adds	%	Net Adds	%	1Q16	%	2Q16	%
CELLULAR													
Prepaid	61,479,780	61,484,747	61,980,425	64,082,775	65,843,593	(4,363,813)	-7%	(500,645)	-1%	(495,678)	-1%	(4,967)	-
Smart Prepaid	21,500,966	22,224,447	22,892,303	23,390,886	24,188,189	(2,687,223)	-11%	(1,391,337)	-6%	(667,856)	-3%	(723,481)	-3%
Sun Prepaid	9,115,368	9,940,900	11,033,962	12,983,058	13,753,240	(4,637,872)	-34%	(1,918,594)	-17%	(1,093,062)	-10%	(825,532)	-8%
TNT	30,863,446	29,319,400	28,054,160	27,708,831	27,902,164	2,961,282	11%	2,809,286	10%	1,265,240	5%	1,544,046	5%
Postpaid	2,993,990	2,964,639	2,957,649	2,920,068	3,018,671	(24,681)	-1%	36,341	1%	6,990	-	29,351	1%
Smart Postpaid	1,315,097	1,327,439	1,229,726	1,183,996	1,139,536	175,561	15%	85,371	7%	97,713	8%	(12,342)	-1%
Sun Postpaid	1,678,893	1,637,200	1,727,923	1,736,072	1,879,135	(200,242)	-11%	(49,030)	-3%	(90,723)	-5%	41,693	3%
Total Cellular Subscribers	64,473,770	64,449,386	64,938,074	67,002,843	68,862,264	(4,388,494)	-6%	(464,304)	-1%	(488,688)	-1%	24,384	-

Cellular Subscribers by brand:

	Jun-16	Mar-16	Dec-15	Sept-15	Jun-15	2Q16 vs 2Q15		2Q16 vs YE2015		Net Adds			
						Net Adds	%	Net Adds	%	1Q16	%	2Q16	%
CELLULAR													
Smart	22,816,063	23,551,886	24,122,029	24,574,882	25,327,725	(2,511,662)	-10%	(1,305,966)	-5%	(570,143)	-2%	(735,823)	-3%
Smart Prepaid	21,500,966	22,224,447	22,892,303	23,390,886	24,188,189	(2,687,223)	-11%	(1,391,337)	-6%	(667,856)	-3%	(723,481)	-3%
Smart Postpaid	1,315,097	1,327,439	1,229,726	1,183,996	1,139,536	175,561	15%	85,371	7%	97,713	8%	(12,342)	-1%
TNT	30,863,446	29,319,400	28,054,160	27,708,831	27,902,164	2,961,282	11%	2,809,286	10%	1,265,240	5%	1,544,046	5%
Sun Cellular	10,794,261	11,578,100	12,761,885	14,719,130	15,632,375	(4,838,114)	-31%	(1,967,624)	-15%	(1,183,785)	-9%	(783,839)	-7%
Sun Prepaid	9,115,368	9,940,900	11,033,962	12,983,058	13,753,240	(4,637,872)	-34%	(1,918,594)	-17%	(1,093,062)	-10%	(825,532)	-8%
Sun Postpaid	1,678,893	1,637,200	1,727,923	1,736,072	1,879,135	(200,242)	-11%	(49,030)	-3%	(90,723)	-5%	41,693	3%
Total Cellular Subscribers	64,473,770	64,449,386	64,938,074	67,002,843	68,862,264	(4,388,494)	-6%	(464,304)	-1%	(488,688)	-1%	24,384	-

Subscriber Data: Broadband and Fixed Line

Broadband Subscribers

	Jun-16	Mar-16	Dec-15	Sept-15	Jun-15	Mar-15	2Q16 vs 2Q15		2Q16 vs YE15		Net Adds				
							Net Adds	%	Net Adds	%	1Q16	%	2Q16	%	
BROADBAND															
Wireless Broadband	4,049,555	3,989,519	3,932,820	3,789,654	3,676,164	3,391,440	373,391	10%	116,735	3%	56,699	1%	60,036	2%	
Smart Broadband	3,207,722	3,143,892	3,057,958	2,896,187	2,829,074	2,613,672	378,648	13%	149,764	5%	85,934	3%	63,830	2%	
Prepaid	2,684,199	2,611,986	2,526,230	2,380,817	2,321,847	2,110,120	362,352	16%	157,969	6%	85,756	3%	72,213	3%	
Postpaid	523,523	531,906	531,728	515,370	507,227	503,552	16,296	3%	(8,205)	-2%	178	-	(8,383)	-2%	
Sun Broadband	841,833	845,627	874,862	893,467	847,090	777,768	(5,257)	-1%	(33,029)	-4%	(29,235)	-3%	(3,794)	-	
Prepaid	537,388	554,442	557,205	561,045	489,168	424,648	48,220	10%	(19,817)	-4%	(2,763)	-	(17,054)	-3%	
Postpaid	304,445	291,185	317,657	332,422	357,922	353,120	(53,477)	-15%	(13,212)	-4%	(26,472)	-8%	13,260	5%	
Fixed Line Broadband	1,347,422	1,296,402	1,255,864	1,224,735	1,185,319	1,138,598	162,103	14%	91,558	7%	40,538	3%	51,020	4%	
Total Broadband Subscribers	5,396,977	5,285,921	5,188,684	5,014,389	4,861,483	4,530,038	535,494	11%	208,293	4%	97,237	2%	111,056	2%	

Fixed Line Subscribers

	Jun-16	Mar-16	Dec-15	Sept-15	Jun-15	Mar-15	2Q16 vs 2Q15		2Q16 vs YE15		Net Adds			
							Net Adds	%	Net Adds	%	1Q16	%	2Q16	%
Fixed Line Subscribers	2,380,390	2,339,001	2,303,454	2,285,952	2,257,266	2,234,115	123,124	5%	76,936	3%	35,547	2%	41,389	2%

1H2016: Consolidated Financial Highlights

	1H2016			Consolidated (unaudited)	1H2015 Consolidated (unaudited)	% Change
	Wireless	Fixed Line	Others			
<i>(Php in millions)</i>						
Total Revenues	55,474	35,937	-	85,284	85,191	-
Service Revenues	52,741	33,989	-	80,604	81,159	(1%)
Cash operating expenses	25,091	20,468	21	38,729	40,276	(4%)
Depreciation and amortization	8,206	6,369	-	14,575	13,945	5%
Financing costs, net	(1,244)	(2,399)	(94)	(3,620)	(2,937)	23%
Income before income tax	7,605	6,191	3,336	17,132	24,173	(29%)
Provision for income tax	2,797	1,832	17	4,646	5,424	(14%)
EBITDA	16,886	13,168	(21)	30,758	35,520	(13%)
<i>EBITDA Margin⁽¹⁾</i>	32%	39%	-	38%	44%	
Net Income attributable to Equity Holders of PLDT	4,803	4,341	3,319	12,463	18,729	(33%)
Core net income	4,724	4,314	8,662	17,700	18,928	(6%)

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

Reconciliation of Core and Reported Net Income

<i>(Php in millions)</i>	1H2016			Consolidated (unaudited)	1H2015 Consolidated (unaudited)	% Change
	Wireless	Fixed Line	Others			
Net Income attributable to equity holder of PLDT	4,803	4,341	3,319	12,463	18,729	(33%)
Add (deduct):						
Foreign exchange losses (gains), net	(42)	(9)	(26)	(77)	439	(118%)
Gains on derivative financial instruments, net	(66)	(23)	-	(89)	(243)	(63%)
Asset Impairment	-	1	5,381	5,382	-	-
Others	-	(6)	(7)	(13)	(8)	63%
Tax effect	29	10	(5)	34	11	209%
Core Net Income	4,724	4,314	8,662	17,700	18,928	(6%)

Consolidated Service Revenues

(Php in millions)	2016			2015				
	1Q	2Q	1H	1Q	2Q	3Q	4Q	FY
Fixed line	14,287	14,320	28,607	13,034	13,302	13,589	13,817	53,742
Fixed Line voice - domestic	4,333	4,384	8,717	4,172	4,226	4,280	4,301	16,979
Fixed Line voice - international	1,240	1,092	2,332	1,311	1,323	1,273	1,336	5,243
National long distance	844	845	1,689	923	906	915	833	3,577
Data and other network	7,650	7,804	15,454	6,436	6,644	6,945	7,145	27,170
Miscellaneous	220	195	415	192	203	176	202	773
Wireless	26,311	25,686	51,997	27,514	27,309	27,253	27,112	109,188
Cellular services	23,059	22,615	45,674	24,529	24,103	23,872	23,794	96,298
Wireless broadband and others	3,119	3,014	6,133	2,721	2,962	3,031	3,128	11,842
Wireless broadband	2,931	2,856	5,787	2,506	2,655	2,820	2,925	10,906
Others	188	158	346	215	307	211	203	936
Digital platforms and mobile financial services	133	57	190	264	244	350	190	1,048
Total	40,598	40,006	80,604	40,548	40,611	40,842	40,929	162,930

Consolidated Service Revenues and EBITDA

(Php in millions)	2016			2015				
	1Q	2Q	1H	1Q	2Q	3Q	4Q	FY
Data/Broadband/Digital platforms	14,525	14,974	29,499	11,656	12,309	13,566	13,648	51,179
Mobile Internet	3,811	4,257	8,068	2,450	2,766	3,451	3,388	12,055
Wireless broadband	2,931	2,856	5,787	2,506	2,655	2,820	2,925	10,906
Fixed broadband	4,402	4,595	8,997	3,808	3,959	4,109	4,240	16,116
Corp. Data and Data Center	3,248	3,209	6,457	2,628	2,685	2,836	2,905	11,054
Digital	133	57	190	264	244	350	190	1,048
SMS and VAS/Domestic Voice/Others	21,697	20,913	42,610	23,678	23,276	22,483	22,578	92,015
SMS and VAS	8,688	8,643	17,331	9,927	9,547	9,382	9,115	37,971
Cellular voice - domestic	7,948	7,277	15,225	8,869	8,722	8,173	8,215	33,979
Fixed Line voice - domestic	4,333	4,384	8,717	4,172	4,226	4,280	4,301	16,979
Others	728	609	1,337	710	781	648	947	3,086
ILD/NLD	4,376	4,119	8,495	5,214	5,026	4,793	4,703	19,736
Fixed Line voice - international	1,240	1,092	2,332	1,311	1,323	1,273	1,336	5,243
National long distance	844	845	1,689	923	906	915	833	3,577
Cellular voice - international	2,292	2,182	4,474	2,980	2,797	2,605	2,534	10,916
Total Consolidated Gross Service Revenues	40,598	40,006	80,604	40,548	40,611	40,842	40,929	162,930
Non-Service revenues	2,181	2,499	4,680	2,005	2,027	1,838	2,303	8,173
Total Consolidated Gross Revenues	42,779	42,505	85,284	42,553	42,638	42,680	43,232	171,103
Add:								
Cash operating expenses	(19,295)	(19,434)	(38,729)	(18,701)	(21,575)	(19,158)	(20,935)	(80,369)
Cost of sales	(5,233)	(5,602)	(10,835)	(3,704)	(3,984)	(4,021)	(4,905)	(16,614)
Writedown of inventory and provision for doubtful AR	(1,645)	(3,317)	(4,962)	(866)	(841)	(955)	(1,240)	(3,902)
EBITDA	16,606	14,152	30,758	19,282	16,238	18,546	16,152	70,218
EBITDA Margin ⁽¹⁾	41%	35%	38%	48%	40%	45%	39%	43%

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

Wireless Service Revenues and EBITDA

(Php in millions)	2016			2015				
	1Q	2Q	1H	1Q	2Q	3Q	4Q	FY
Data/Broadband/Digital platforms	6,905	7,199	14,104	5,243	5,688	6,643	6,523	24,097
Mobile internet	3,811	4,257	8,068	2,450	2,766	3,451	3,388	12,055
Wireless broadband	2,960	2,882	5,842	2,528	2,677	2,841	2,945	10,991
Digital	134	60	194	265	245	351	190	1,051
SMS and VAS/Domestic Voice/Others	17,461	16,683	34,144	19,648	19,206	18,381	18,407	75,642
SMS and VAS/financial services	8,691	8,645	17,336	9,930	9,550	9,384	9,118	37,982
SMS	8,348	8,371	16,719	9,408	9,269	8,985	8,726	36,388
VAS/financial services	343	274	617	522	281	399	392	1,594
Cellular voice - domestic	8,042	7,373	15,415	8,993	8,838	8,285	8,324	34,440
Others	728	665	1,393	725	818	712	965	3,220
ILD	2,304	2,189	4,493	2,995	2,813	2,617	2,552	10,977
Cellular voice - international	2,304	2,189	4,493	2,995	2,813	2,617	2,552	10,977
Total Wireless Gross Service Revenues	26,670	26,071	52,741	27,886	27,707	27,641	27,482	110,716
Non-Service revenues	1,261	1,472	2,733	1,290	1,204	1,027	1,276	4,797
Total Wireless Gross Revenues	27,931	27,543	55,474	29,176	28,911	28,668	28,758	115,513
Add:								
Cash operating expenses	(12,515)	(12,576)	(25,091)	(12,775)	(13,941)	(13,202)	(14,827)	(54,745)
Cost of sales	(4,452)	(4,763)	(9,215)	(3,217)	(3,270)	(3,395)	(3,991)	(13,873)
Writedown of inventory and provision for doubtful AR	(1,335)	(2,947)	(4,282)	(581)	(539)	(639)	(899)	(2,658)
EBITDA	9,629	7,257	16,886	12,603	11,161	11,432	9,041	44,237
<i>EBITDA Margin ⁽¹⁾</i>	<i>36%</i>	<i>28%</i>	<i>32%</i>	<i>45%</i>	<i>40%</i>	<i>41%</i>	<i>33%</i>	<i>40%</i>

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

Fixed Line Service Revenues and EBITDA

(Php in millions)	2016			2015				
	1Q	2Q	1H	1Q	2Q	3Q	4Q	FY
Data/Broadband	9,110	9,216	18,326	8,074	8,261	8,537	8,876	33,748
Fixed broadband	4,428	4,638	9,066	3,812	3,962	4,113	4,254	16,141
Corp. data and other network services	3,944	3,810	7,754	3,660	3,680	3,747	3,916	15,003
Data center and ICT	738	768	1,506	602	619	677	706	2,604
Domestic Voice/Others	4,761	4,806	9,567	4,589	4,612	4,647	4,702	18,550
Fixed line voice - domestic	4,357	4,408	8,765	4,196	4,250	4,304	4,326	17,076
Miscellaneous	404	398	802	393	362	343	376	1,474
ILD/NLD	3,144	2,952	6,096	3,273	3,335	3,243	3,326	13,177
Fixed Line voice - international	2,203	1,998	4,201	2,255	2,335	2,233	2,396	9,219
National long distance	941	954	1,895	1,018	1,000	1,010	930	3,958
Total Fixed Line Service Revenues	17,015	16,974	33,989	15,936	16,208	16,427	16,904	65,475
Non-Service revenues ⁽¹⁾	920	1,028	1,948	715	824	812	1,039	3,390
Total Fixed Line Gross Revenues	17,935	18,002	35,937	16,651	17,032	17,239	17,943	68,865
Add:								
Cash operating expenses	(10,213)	(10,255)	(20,468)	(9,590)	(11,197)	(9,473)	(9,853)	(40,113)
Cost of sales	(781)	(840)	(1,621)	(491)	(714)	(626)	(928)	(2,759)
Writedown of inventory and provision for doubtful AR	(310)	(370)	(680)	(285)	(302)	(316)	(341)	(1,244)
EBITDA	6,631	6,537	13,168	6,285	4,819	6,824	6,821	24,749
<i>EBITDA Margin</i> ⁽²⁾	39%	39%	39%	39%	30%	42%	40%	38%

⁽¹⁾ Non-service revenues include sale of Telpad, TVolution, FamCam, PLDT Uno, FabTAB, and several managed PABX and OnCall solutions

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

Fixed line revenues - net of interconnection costs

(Php in millions)	2016			2015				
	1Q	2Q	1H	1Q	2Q	3Q	4Q	FY
Fixed Line Service Revenues, net								
Fixed line voice - domestic	4,357	4,406	8,763	4,196	4,249	4,303	4,326	17,074
Fixed Line voice - international	830	735	1,565	853	873	895	866	3,487
National long distance	747	759	1,506	786	782	804	719	3,091
Fixed broadband	4,428	4,638	9,066	3,812	3,962	4,113	4,254	16,141
Corp. data and other network services	3,931	3,796	7,727	3,642	3,664	3,720	3,912	14,938
Data center and ICT	738	768	1,506	602	619	677	706	2,604
Miscellaneous	404	398	802	393	362	343	376	1,474
Total	15,435	15,500	30,935	14,284	14,511	14,855	15,159	58,809

<i>(Php in millions)</i>	1H2016				1H2015	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (unaudited)	
Operating expenses						
Compensation and employee benefits	3,523	6,549	-	10,064	11,315	(11%)
Repairs and maintenance	4,186	3,658	-	7,593	7,452	2%
Selling and promotions	3,064	1,185	-	4,247	5,057	(16%)
Rent	4,756	1,718	-	3,411	3,019	13%
Insurance and security services	618	350	-	914	914	-
Taxes and licenses	1,490	607	2	2,073	2,176	(5%)
Professional and other contracted services	2,779	2,666	19	4,373	3,973	10%
Communication, training and travel	447	287	-	654	646	1%
Interconnection costs	4,052	3,054	-	4,834	5,189	(7%)
Other expenses	176	394	-	566	535	6%
Cash operating expenses	25,091	20,468	21	38,729	40,276	(4%)
Depreciation and amortization	8,206	6,369	-	14,575	13,945	5%
Asset impairment	4,282	681	5,381	10,344	1,707	506%
Amortization of intangible assets	544	-	-	544	542	-
Non-cash operating expenses	13,032	7,050	5,381	25,463	16,194	57%
Cost of sales	9,215	1,621	-	10,835	7,688	41%
Total Expenses	47,338	29,139	5,402	75,027	64,158	17%

Other Income (Expenses)

	1H2016				1H2015	% Change
	Wireless	Fixed Line	Others	Consolidated (unaudited)	Consolidated (unaudited)	
<i>(Php in millions)</i>						
Equity share in net earnings (losses) of associates and joint ventures	(209)	(239)	1,383	935	2,234	(58%)
Interest income	160	356	73	472	364	30%
Gains (losses) on derivative financial instruments, net	13	(191)	-	(178)	89	(300%)
Foreign exchange gains (losses), net	42	9	26	77	(439)	118%
Others	707	1,857	7,350	9,189	3,829	140%
Total	713	1,792	8,832	10,495	6,077	73%
Financing costs, net						
Loans and other related items	(1,298)	(2,397)	(94)	(3,672)	(2,971)	24%
Accretion on financial liabilities	(87)	(40)	-	(127)	(108)	18%
Financing charges	(38)	(6)	-	(44)	(41)	7%
Capitalized interest	179	44	-	223	183	22%
Total	(1,244)	(2,399)	(94)	(3,620)	(2,937)	23%
Total other income (expenses)	(531)	(607)	8,738	6,875	3,140	119%

Cellular Net ARPU

	2016		2015			
	1Q	2Q	1Q	2Q	3Q	4Q
Smart Postpaid	999	1,018	1,039	1,065	1,021	1,014
Smart Prepaid	109	106	118	114	115	113
TNT	80	77	85	83	82	83
Sun Cellular Prepaid	78	80	63	64	65	71
Sun Cellular Postpaid	459	443	449	419	436	482

Cellular Prepaid and Postpaid blended Net ARPU

	2016		2015			
	1Q	2Q	1Q	2Q	3Q	4Q
Prepaid and Postpaid Blended, Net ⁽¹⁾	114	112	119	118	118	118

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

Broadband Net ARPU

	2016		2015			
	1Q	2Q	1Q	2Q	3Q	4Q
Smart Broadband blended	245	241	274	262	267	257
Sun Broadband blended	251	223	237	213	207	241
Fixed Broadband	1,162	1,169	1,129	1,137	1,138	1,144

Earnings Per Share

	1H2016 (unaudited)		1H2015 (unaudited)	
	Basic	Diluted	Basic	Diluted
Net income attributable to equity holders of PLDT	12,463	12,463	18,729	18,729
Dividends on preferred shares	(30)	(30)	(29)	(29)
Net income for the period attributable to common equity holders of PLDT	12,433	12,433	18,700	18,700
Weighted average number of common shares, end	216,056	216,056	216,056	216,056
EPS (based on reported net income)	57.55	57.55	86.55	86.55
Core net income	17,700	17,700	18,928	18,928
Dividends on preferred shares	(30)	(30)	(29)	(29)
Core Net income applicable to common shares	17,670	17,670	18,898	18,898
Weighted average number of common shares, end	216,056	216,056	216,056	216,056
EPS (based on core income)	81.78	81.78	87.48	87.48

<i>(Php in millions)</i>	Consolidated	
	June 30, 2016 (unaudited)	December 31, 2015 (audited)
Total Assets	463,208	455,095
Nominal Value of Total Long-term Debt in US\$	158,077	161,568
Less: Unamortized Debt Discount	646	676
Total Long-term Debt	157,431	160,892
Cash and short-term investments	30,074	47,884
Net Debt ⁽¹⁾	128,003	113,684
Equity	111,727	113,898
Total Debt⁽²⁾/Equity	<u>1.41x</u>	<u>1.42x</u>
Net Debt⁽¹⁾/Equity	<u>1.15x</u>	<u>1.00x</u>
Total Debt⁽²⁾/EBITDA⁽³⁾	<u>2.42x</u>	<u>2.30x</u>
Net Debt⁽¹⁾/EBITDA⁽³⁾	<u>1.96x</u>	<u>1.62x</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 (LTM)

<i>(US\$ in millions)</i>	2011	2012	2013	2014	2015	1H2016
Debt Balance	2,719	2,851	2,353	2,920	3,429	3,363
Cash and short-term investments	1,061	919	735	610	1,016	640
Net Debt	1,658	1,932	1,618	2,310	2,413	2,723

Interest-bearing Liabilities

<i>(US\$ in millions)</i>	June 30, 2016 (unaudited)			December 31, 2015	Change
	Carrying Value	Unamortized Debt Discount/Debt Issuance	Face Value	(Audited) Face Value	
Debt					
PLDT	\$1,974	\$5	\$1,979	\$2,003	(\$24)
Smart	1,352	9	1,361	1,322	39
DIGITEL	23	-	23	104	(81)
Total Debt	\$3,349	\$14	\$3,363	\$3,429	(\$66)

Foreign Exchange Risk

Forex Impact on Core Income

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

	Conso - net of Elim
US\$ Revenues*	278.4
US\$ Expenses	(136.4)
Cash Opex*	(102.5)
Cost of sales	(2.0)
Financing costs	(31.9)
US\$ Income before tax	142.0
Tax effect	42.6
Core Earnings	99.4
EBITDA	173.9
* Gross of interconnection costs amounting to:	37.6
Local exchange revenues (in million Php)	5,013.5

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)*	772.4
Accounts Payable	115.3
Accrued Liabilities	170.2
Derivative Liabilities	30.7
Other Current & Non Current Liabilities	0.3
Total US\$ denominated Liabilities	1,088.9
Cash and Cash Equivalents	315.5
Short-term Investments	141.9
Trade and other receivables	142.6
Derivative Assets	3.0
Investment in Debt Securities, Advances & Others	14.1
Investment Available for Sale	215.5
Total US\$ denominated Assets	832.6
Forex Revaluation for every P1 change	±256.30
* Debt	1,251.1
Less: LT hedges	478.7
Debt (net of LT hedges)	772.4

Forex Impact on Derivatives

P1 movement in the USD/PHP exchange rate corresponds to a P194M change in derivatives

	Ave.	Period End
Forex rate, 1H2016	46.97	47.01
Forex rate, 1H2015	44.55	45.14
% of Peso depreciation vs US\$	5.4%	4.1%

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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