



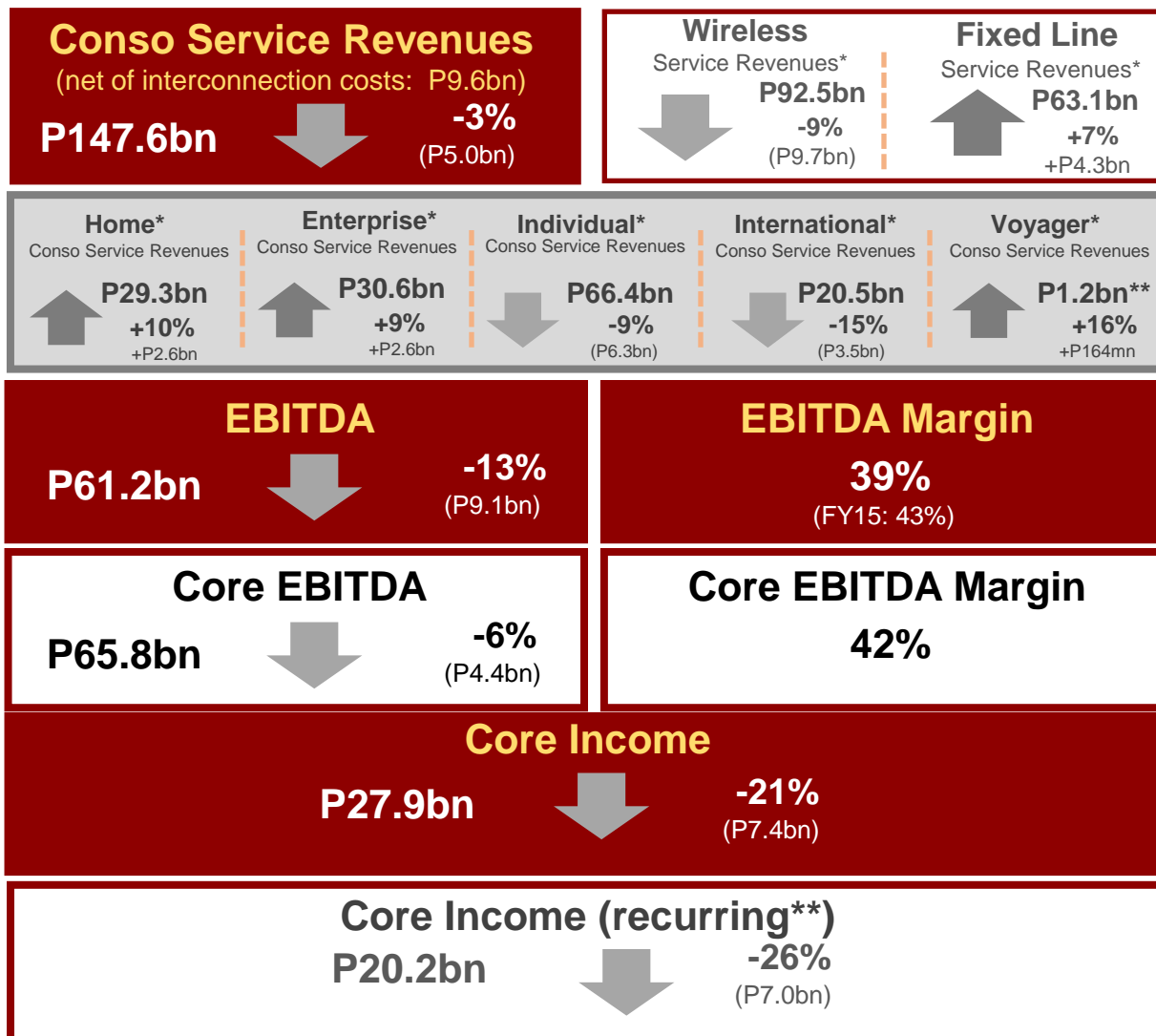
DELIVERING THE TOTAL DIGITAL EXPERIENCE

**PLDT Inc.**

**2016 Full Year Financial and Operating Results**

**7<sup>th</sup> March 2017**

# PLDT Group: FY2016 vs FY2015 Financial Highlights



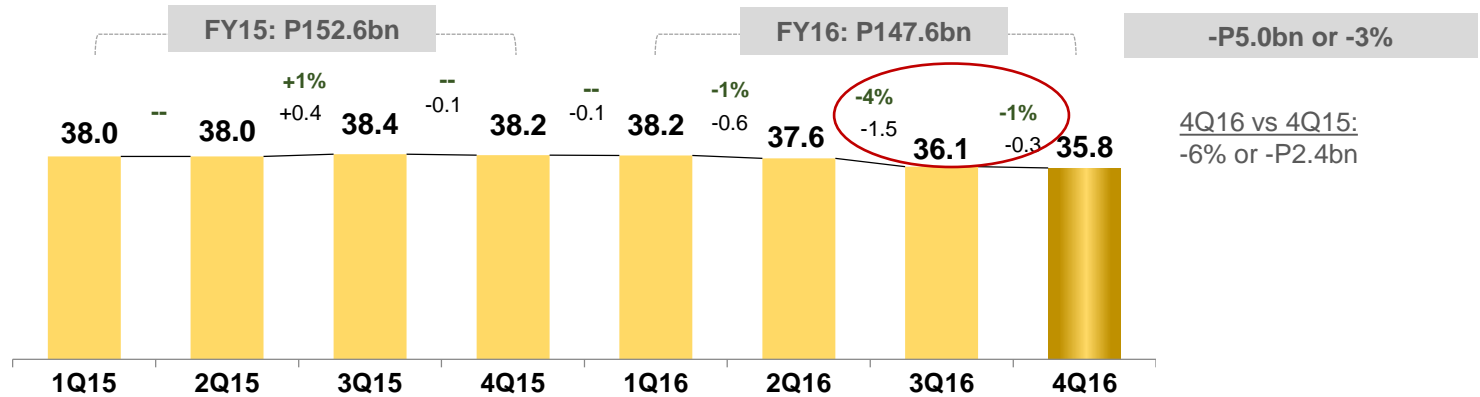
\* Net of interconnection costs

\*\* Includes P503mn from Feb – July 2016 when elnnovations (PayMaya) was deconsolidated

## By Business Segment

(Php in billions)

### Consolidated

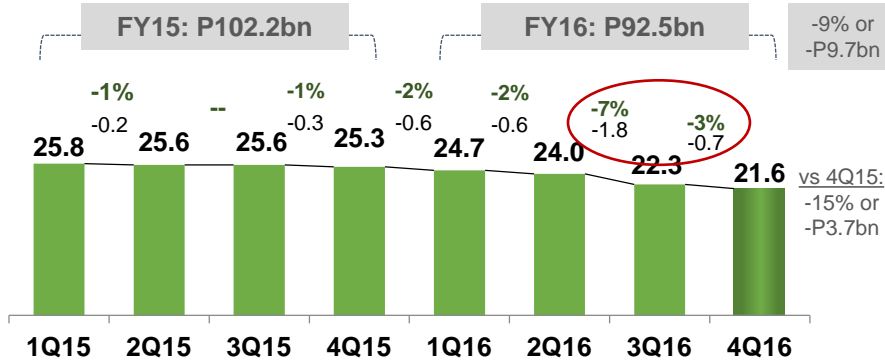


#### Service Revenue Mix:

Data/broadband

30% 32% 34% 35% 38% 40% 41% 43%

### Wireless

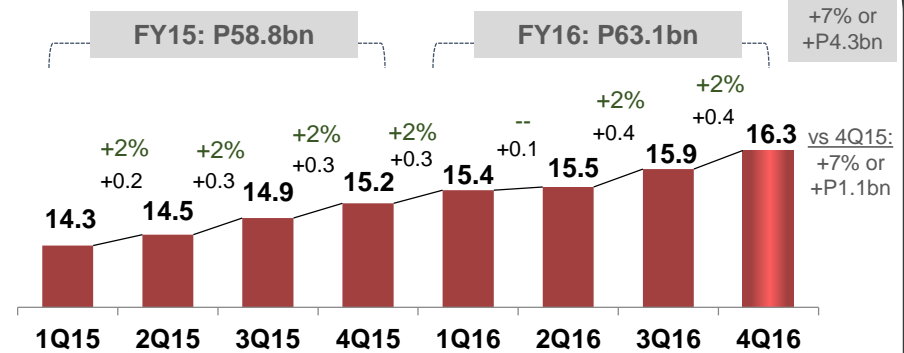


#### Service Revenue Mix:

Data/broadband

19% 21% 25% 25% 28% 30% 32% 33%

### Fixed Line



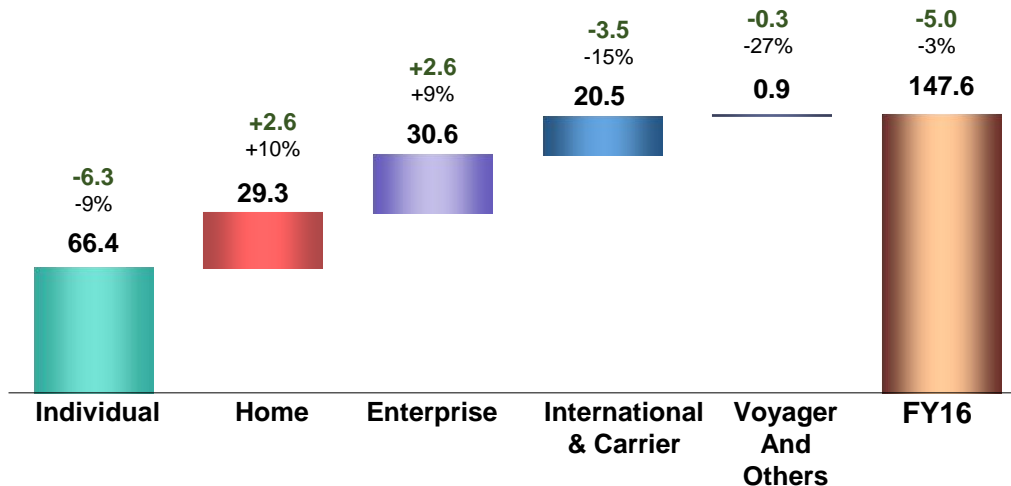
#### Service Revenues Mix:

Data/broadband

56% 57% 57% 59% 59% 59% 60% 61%

## By Business Units

(Php in billions)



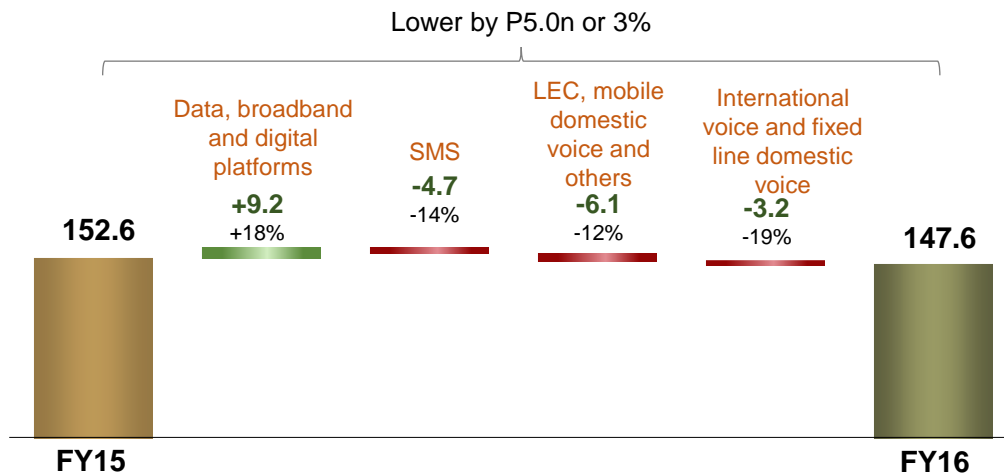
Service Revenues (Php in millions)	FY15	FY16
Individual	48%	45%
Home	17%	20%
Enterprise	18%	20%
International and Carrier	16%	14%
Voyager and Others	1%	1%
<b>Total</b>	<b>100%</b>	<b>100%</b>

Service Revenues (Php in millions)	FY15	FY16
Individual	72,673	66,370
Home	26,664	29,304
Enterprise	28,029	30,590
International and Carrier	23,981	20,452
Voyager and Others	1,266	921
<b>Total</b>	<b>152,613</b>	<b>147,637</b>

- **Home and Enterprise business units defending leadership position and grew at about 10% year-on-year**
  - Represent 40% of our Service Revenues
  - Home data and broadband revenues grew 14% to P17.6bn and now account for 60% of Home revenues

## By Product type

(Php in billions)



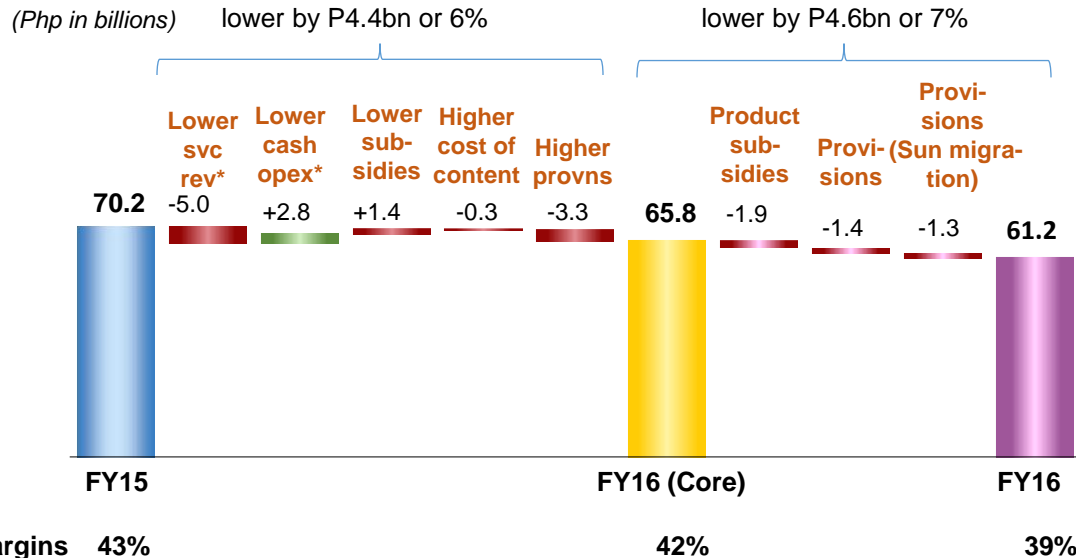
Service Revenue Mix	FY15	FY16
Data/Broadband/Digital Platforms	33%	41%
SMS	22%	19%
LEC/Mobile Domestic Voice/Others	34%	31%
International Voice/Fixed Line Domestic Voice	11%	9%

Service Revenues (Php in millions)	FY15	FY16
Data/Broadband/Digital Platforms	51,089	60,245
SMS	32,883	28,136
LEC/Mobile Domestic Voice/Others	51,296	45,154
International Voice/Fixed Line Domestic Voice	17,345	14,102
<b>Total</b>	<b>152,613</b>	<b>147,637</b>

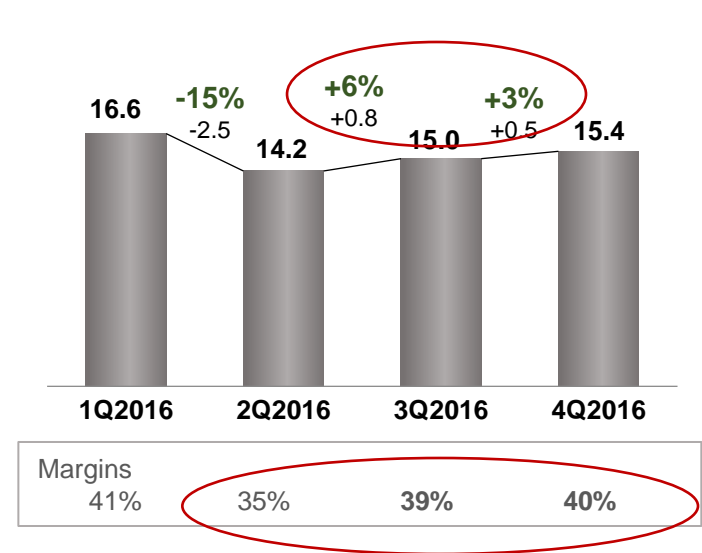
### ➤ Data/broadband account for 41% of consolidated service revenues

- Data/broadband make up 60% of Fixed Line service revenues and 30% of Wireless service revenues
- Mobile data grew by 26% year-on-year, underpinned by a 42% improvement in mobile internet revenues

# PLDT Group: Consolidated EBITDA



\* Net of interconnection costs



➤ **Consolidated EBITDA of P61.2bn for 2016 higher than guidance of P60.0bn**

- Includes subsidies and provisions of approx. P4.6bn related to aggressive initiatives to increase smartphone ownership and the migration of the Sun customers which are not expected to repeat in 2017
- Cash opex decreased by P2.8bn year-on-year mainly due to reductions in:
  - ✓ Selling and promotions (P2.1bn)
  - ✓ Compensation and benefits (P1.7bn) as 2015 included MRP expenses of P1.8bn
- Fixed line EBITDA grew by 9% year-on-year

➤ **Excluding the one-time provisions and subsidies, EBITDA would have been P65.8bn and margin at 42%**

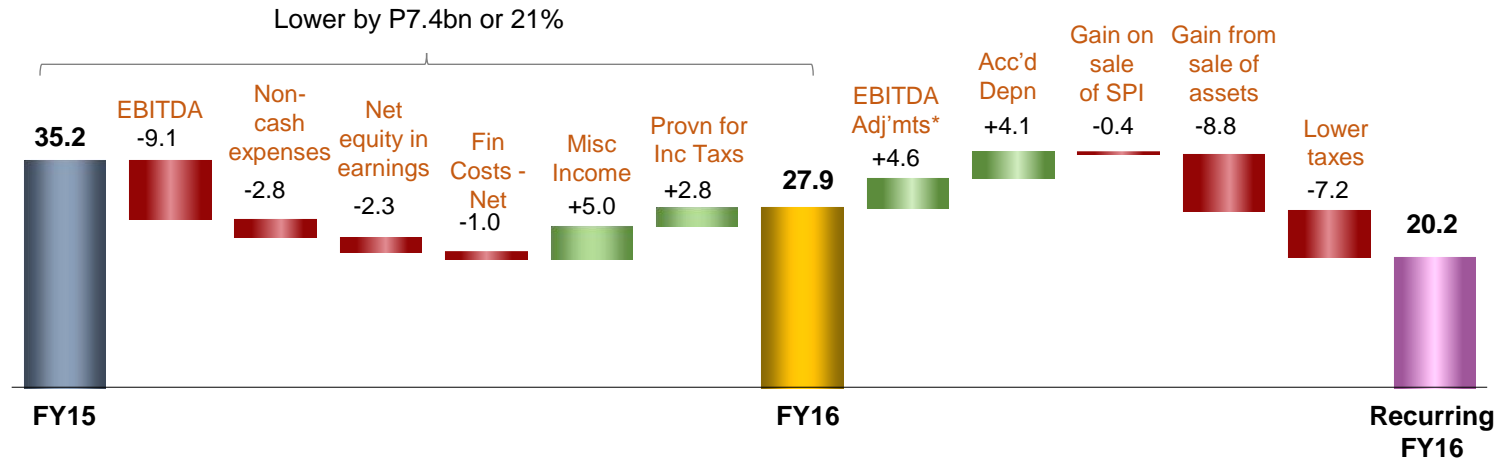
➤ **Two consecutive quarter-on-quarter improvements in consolidated EBITDA amounting to P1.2bn from P14.2bn in 2Q16 to P15.4bn in 4Q16**

- Mainly due to an aggregate decline in subsidies (P1.8bn), provisions (P0.9bn) and cash opex (P0.5bn) fully absorbing the P1.7bn decrease in service revenues

➤ **Consolidated EBITDA margin for 2016 at 39%, with 4Q16 EBITDA margin higher at 40% from 39% in 3Q16 and in 4Q15**

- ✓ Wireless: 32% at FY16, 35% at 4Q16 (vs FY15: 40%; 4Q15: 33%; 3Q16: 31%)
- ✓ Fixed Line: 39% at FY16, 37% at 4Q16 (vs FY15: 38%; 4Q15: 40%; 3Q16: 42%)

(Php in billions)



- **Core income for 2016 of P27.9bn is in line with guidance and lower by P7.4bn or 21% year-on-year due to:**
  - Lower EBITDA
  - Costs resulting from higher capex
    - ✓ Rise in depreciation expense by P2.8bn
    - ✓ Increase in financing costs by P1.0bn
  - Gain from sale of Beacon of P7.4bn in 2016 vs P3.2bn from sale of Meralco shares by Beacon in 2015
  - Lower equity in earnings due to:
    - ✓ Reduced ownership in Beacon/Meralco
    - ✓ Share in losses and purchase price amortization of P1.0bn relating to the acquisition of Vega Tel
  
- **Recurring core income for FY16 at P20.2bn**
  - Excludes asset sales, accelerated depreciation, one-time provisions and subsidies, and lower taxes arising from deferred tax asset recognition (P5.0bn) and the tax impact of adjustments to core income
  
- **Reported income for 2016 lower by P2.1bn or 9% at P20.0bn mainly due to a P5.4bn impairment of the investment in Rocket Internet**

\* consisting of subsidiaries and provisions

<b>Core EPS</b>	<b>P129</b>
<b>Dividends per share for 2016</b>	<b>P77</b>
Interim regular dividend (August 2016)	P49
Final regular dividend (March 2017)	P28

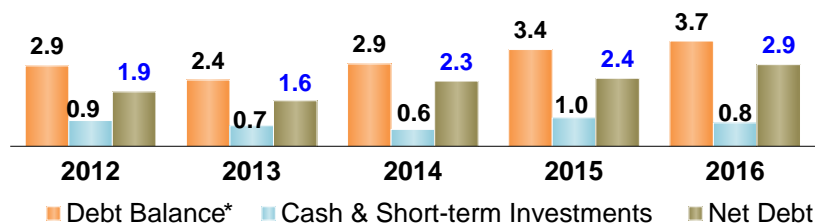
<b>Declaration Date</b>	<b>7 March 2017</b>
<b>Record Date</b>	<b>21 March 2017</b>
<b>Payment Date</b>	<b>6 April 2017</b>

- **In line with PLDT's dividend policy, P77 or 60% of 2016 core earnings were declared as regular dividends**
  - At PLDT's 2016 closing share price of P1,365, dividend yield is 5.6%
- **No special dividends are to be paid for 2016 earnings as available cash is prioritized to support:**
  - Capex requirements
  - Deleveraging and management of gearing levels
    - ✓ Intent to bring net debt to EBITDA back to 2.0x
- **From 2005, when PLDT resumed payment of dividends and including P16.6bn of dividends for 2016 earnings, total dividends paid to common shareholders amounted to P386.6bn over twelve (12) years or an average P32.2bn return per year**



## Debt Balance

(US\$ in billions)

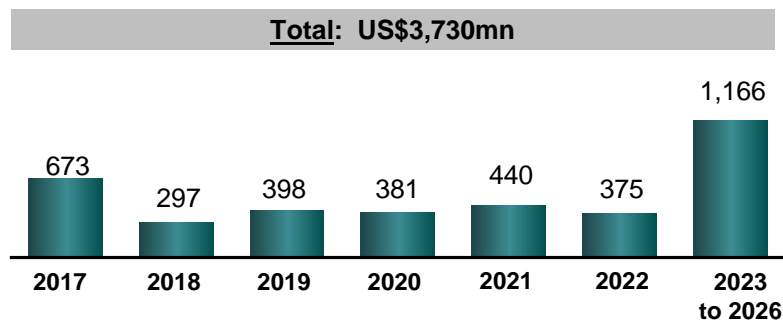


Net Debt/EBITDA:				
1.05x	0.9x	1.35x	1.62x	2.36x

\* Total debt based on nominal debt amount

## Debt Maturities

(US\$ in millions)



Debt maturities to total debt:						
18%	8%	11%	10%	12%	10%	31%

- **Net debt and net debt to EBITDA as of end December 2016 stood at US\$2.9bn and 2.36x**
  - Additional debt for acquisition of Vega Tel raised gearing by 0.14x; with bulk of purchase price funded by proceeds from sale of Beacon
  - ✓ Balance of P6.6bn due in May 2017
- **At end December 2016, gross debt amounted to US\$3.7bn**
  - 32% of gross debt is US\$ denominated
  - Taking into account our available US\$ cash and hedges, only US\$0.3bn or 9% of total debt is unhedged
  - 72% are fixed-rate loans, while 28% are floating-rate loans; post-interest rate swaps: 92% fixed, 8% floating
  - Average interest cost (pre-tax) of 4.5% (FY15: 4.2%)
- **Refinancing facilities for 2017 maturities, including US\$228mn bond, in place**
  - Other than US\$25m, 2017 maturities refinanced in pesos
  - Refinancing facilities at lower interest rates compared with maturing loans which include the 8.35% US\$ bond fully paid on 6 March 2017
- **Continued focus on managing leverage/debt levels which have increased due to higher capex and the acquisition of Vega Tel**
  - Reduced regular dividend payout to 60% (from 75%)
  - Acquisition of Vega Tel partly funded from sale of assets
  - Evaluating options for additional asset sales
- **As of end December 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 (FC IDR); negative (LC IDR)
Moody's	Baa2	Baa2	stable
Standard and Poor's / S&P National	BBB+	axA+	stable

\* On 23 October 2016, Fitch revised the outlook for the Philippine telecom sector to "negative" from "stable", with a similar "negative" outlook for PLDT's Long-Term Local-Currency Issuer Default Rating (LC IDR)

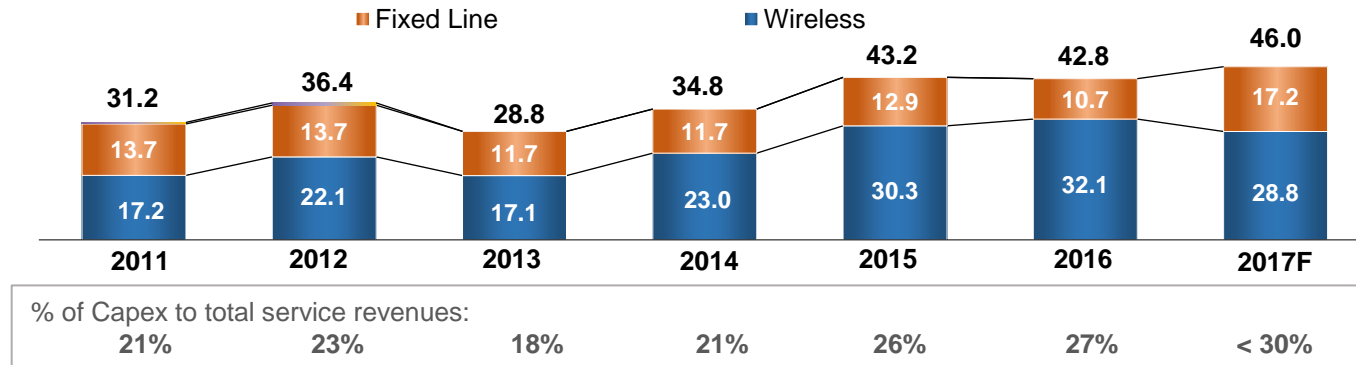
## 2016 Key Accomplishments

- **Spectrum refarming (Boracay, Davao, Rizal)**
- **Completed integration of Sun/Smart networks in MM and Cebu**
  - Shut down of Sun network → improved coverage for Sun and Smart subs + cost savings
- **Upgraded transport/backhaul network**
  - Expanded NGN ports, FTTH rollout → 2.5mn homes
  - +1.53Tbps DFON capacity, additional resiliency/redundancy
- **Deployed Vega Tel spectrum to more than 2,000 sites**
- **Wi-fi rollout (LRT2, 20 airports, 4 seaports)**
- **Closed gaps in 3G and LTE coverage**
- **Leadership in overall LTE download speeds**

## 2017 Capex

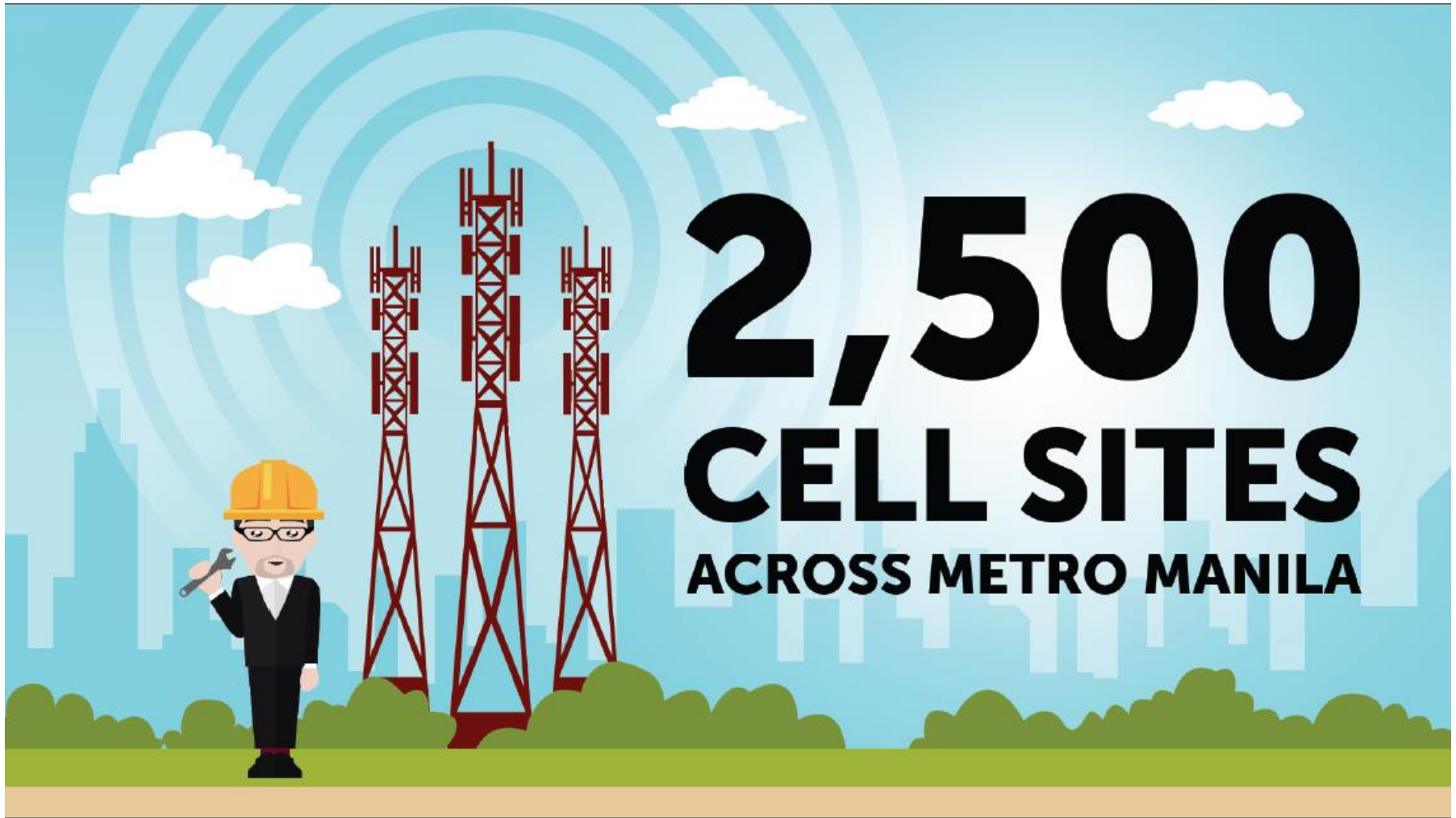
- **Deployment of G.fast technology to achieve fiber-like speeds over copper**
- **Fiber homes to pass target of 4.4mn homes by YE17**
- **LTE superiority:**
  - Complete refarming in MM and Cebu by 2Q17
  - Blanket LTE coverage of 12 more cities by YE17 to achieve approx. 70% population coverage in LTE
  - Rollout of latest LTE capabilities to enable higher data speeds
- **Pursue 5G-readiness, including transport network transformation and design of a simple and highly scalable architecture**
- **IT/SDP transformation to boost customer digital experience, time to market and efficiencies**

(Php in billions)



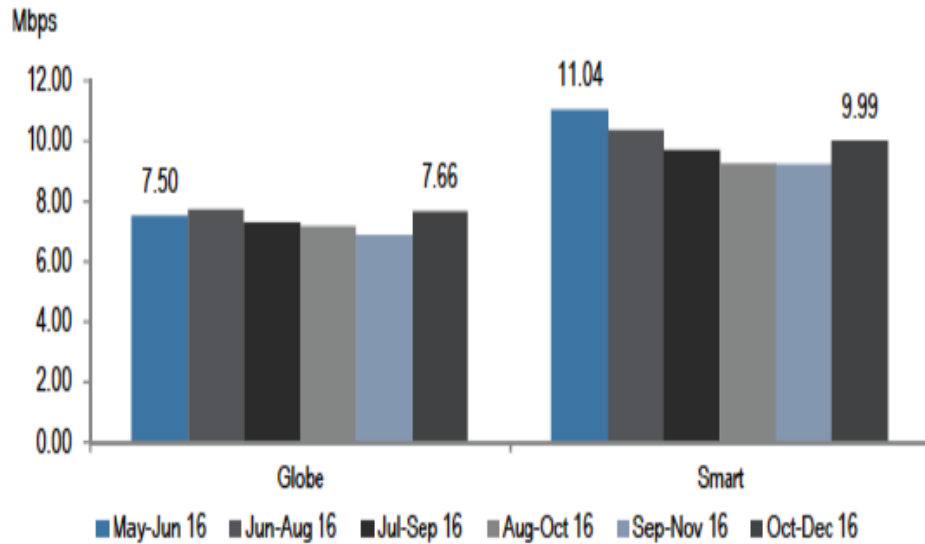
Note: BPO capex up to 2012 only

- **PLDT Group's overarching objective is to deliver to the customer a superior overall data experience**
  - Network dominance and reliability are the key enablers in the delivery of a superior digital customer experience
- **Capex for 2016 of P42.8bn lower than P48.0bn guidance pending completion/acceptance of some projects started during the year**
- **Capex for 2017 projected at P46.0bn (inclusive of 2016 carry-overs), with an anticipated increase in fixed line network spend**
- **PLDT's total capex investments from 2006-16 at P344.7bn or US\$7.6bn**

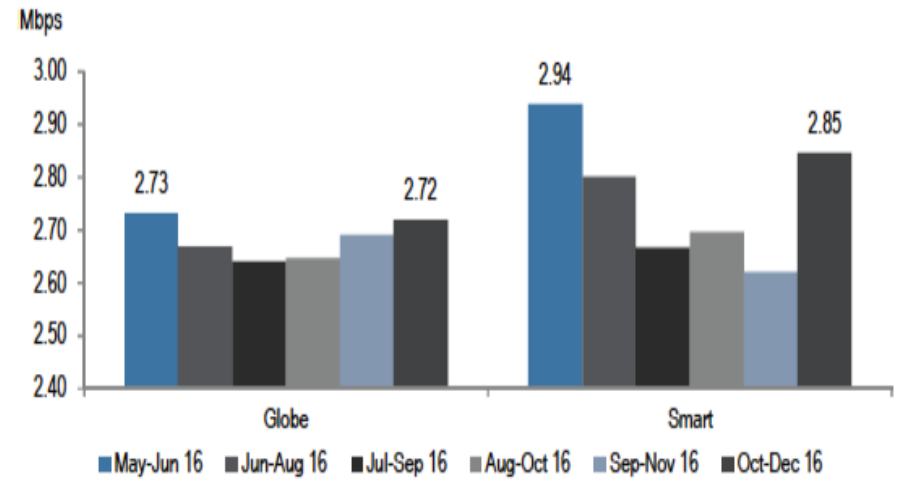


# Open Signal: Smart leads in NCR Download Speeds

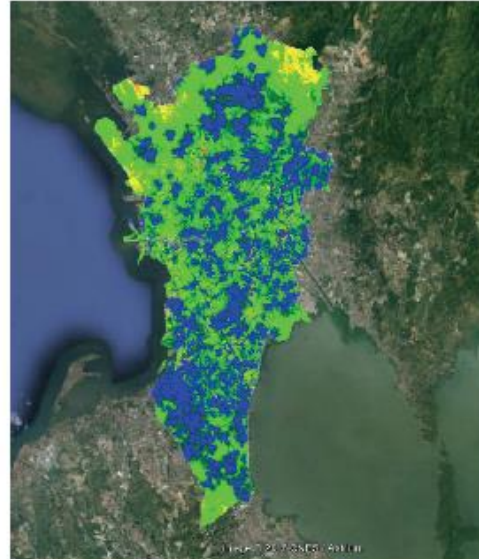
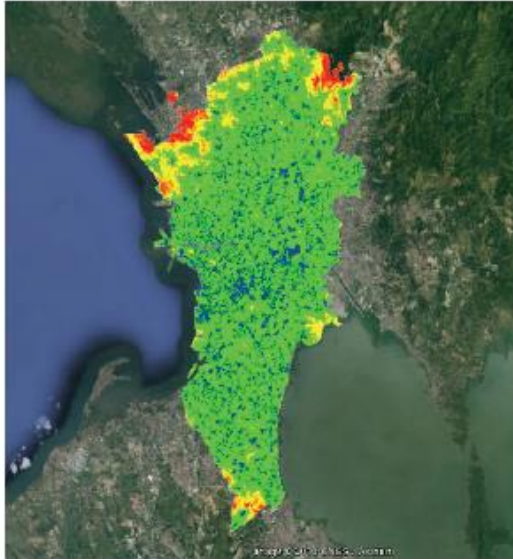
### LTE Download Speeds (NCR)



### 3G Download Speeds (NCR)

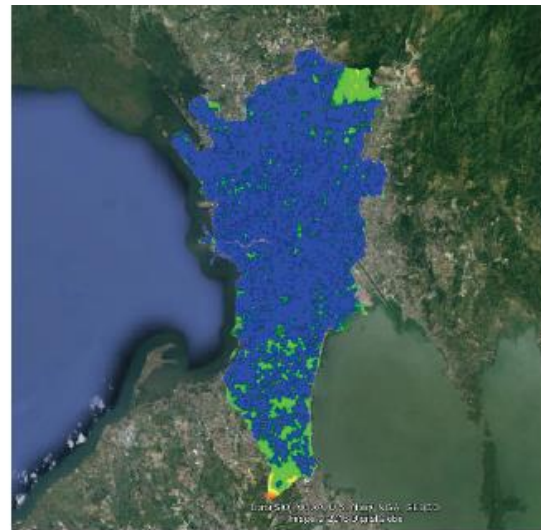
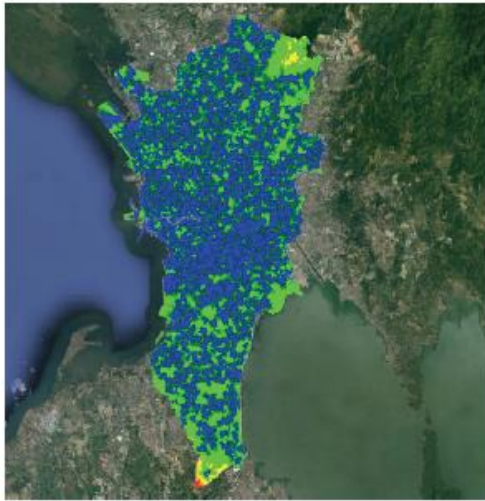


## NCR Region



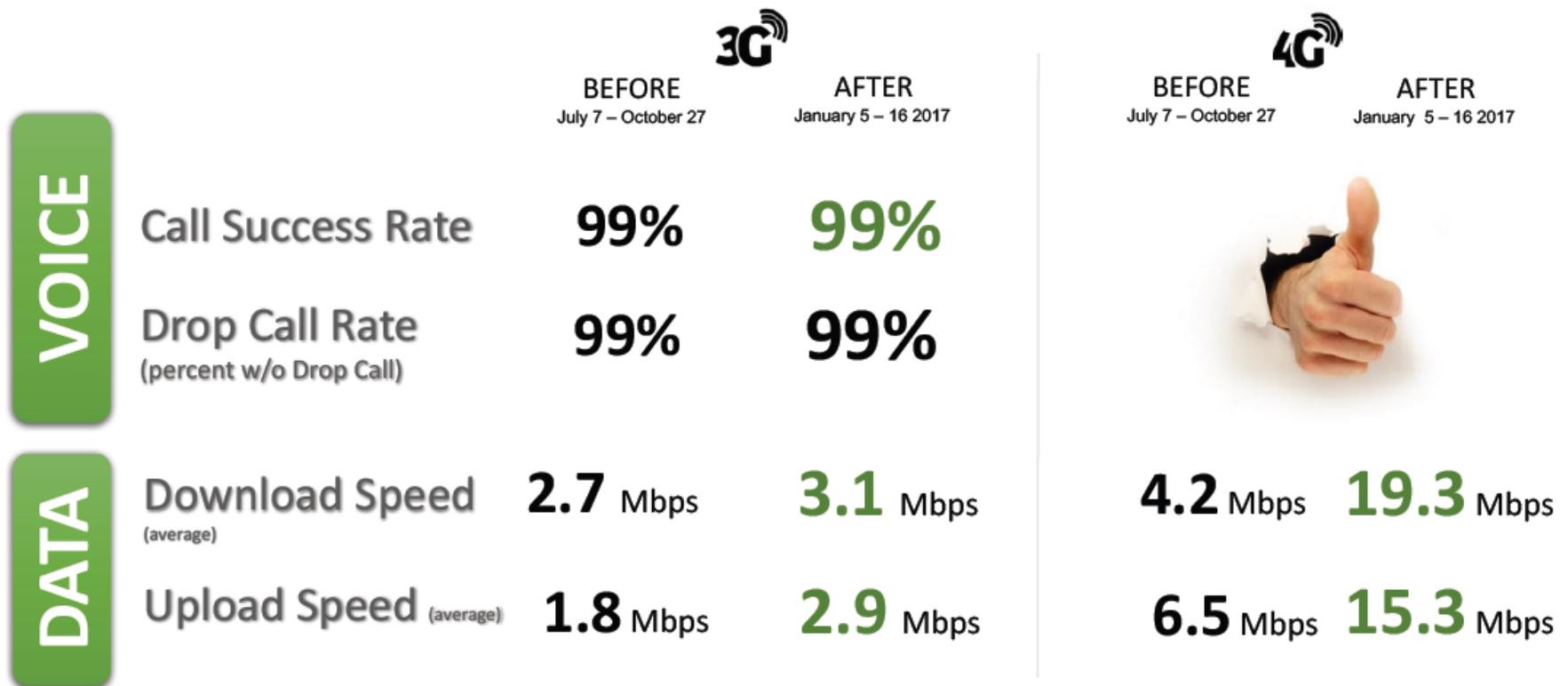
	Pre Refarm	As Of Jan 30	Post Refarm
Indoor Coverage	17%	45%	78%

## NCR Region



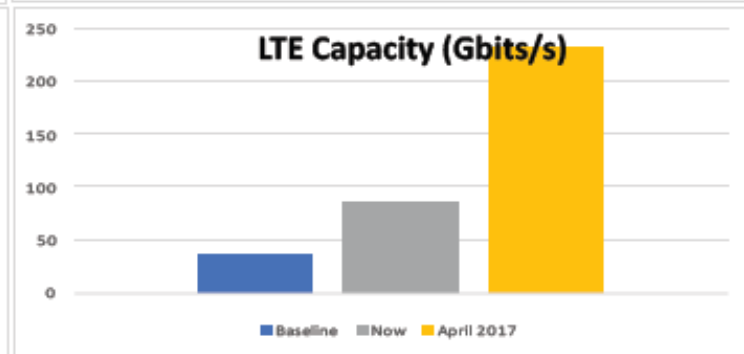
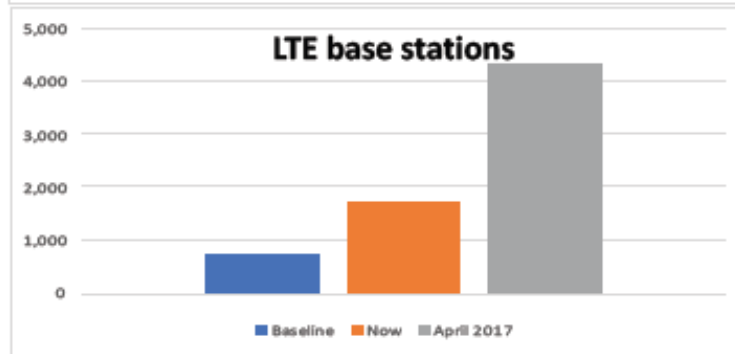
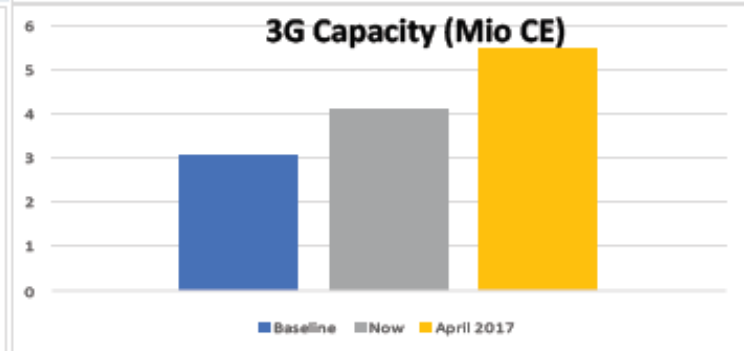
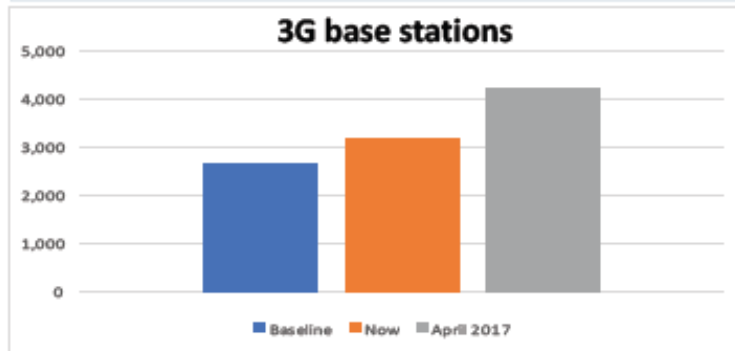
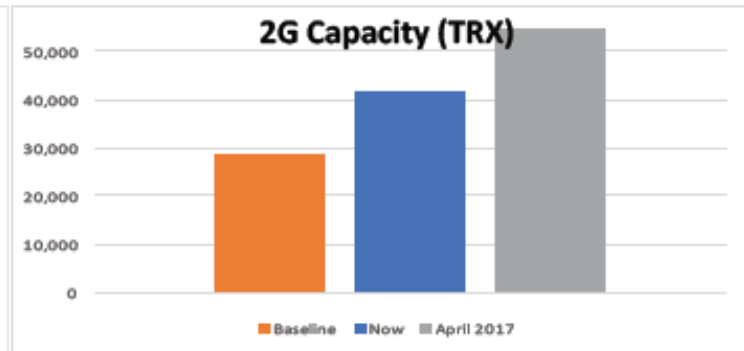
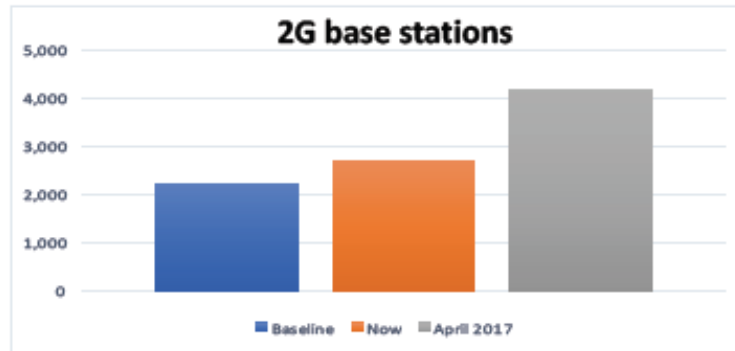
	Pre Refarm	As Of Jan 30	Post Refarm
Indoor Coverage	78%	88%	93%

## Customer Experience testing after 80% Completion





# NCR & Cebu: Implementing Significant Capacity Expansion



# BUILDING FOR THE FUTURE

ONGOING  
NETWORK  
IMPROVEMENT



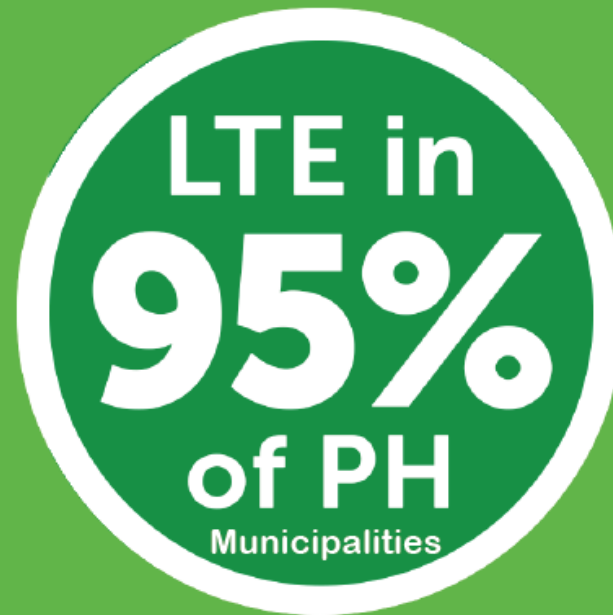
- **In 2017 we will increase our fixed network rollout to enable the Filipino Gigabit society.**
- **560,000 additional FTTH lines bringing the total installed capacity to 1.1M lines.**
- **Modernization of 1.7M copper ports for speeds up to 100 Mbps using VDSL.**
- **We will enable speeds up to 400 Mbps using G.fast in more than 100 buildings.**
- **By YE 2018, our network will have 5M ports that can support fiber like speeds (at least 100 Mbps).**

- **In line with our commitment to the NTC we will grow the number of municipalities with LTE coverage to 785 (of 1551).**

*By YE 2017 about 70% of the population will have access to Smart LTE*

- **Target for 2017 is to rollout:**
  - ✓ 2,165 sites with LTE in low spectrum bands (LTE 700 and 850);
  - ✓ 3,568 sites with LTE in high spectrum bands (LTE 1800 and 2100).
- **Continue to invest in our 2G and 3G networks where required to meet customer demand and ensure best customer experience.**





# 3 YR NETWORK ROLLOUT PLAN



## by end-2018

equal to 97% population coverage



WIRELESS 	66.4 B
HOME 	29.3 B
ENTERPRISE 	30.6 B
INTERNATIONAL 	20.5 B
<b>TOTAL</b>	<b>146.7 B</b>

PLDT  Smart

**HOME AND ENTERPRISE, OUR FASTEST GROWING SEGMENTS, COMPRISE 47% OF BUSINESS AS OF YE2016 (Net of International), WILL CROSS OVER TO 51% IN 2017, AND FORECASTED TO GROW TO APPROXIMATELY 56% BY 2019.**



# Sustained Double Digit Growth in Home

(FORECAST 27% CONTRIBUTION TO TOTAL GROUP REVENUE BY 2019)

01

## HIGH DEMAND FOR HOME BROADBAND OPENING UP VAST OPPORTUNITIES TO UPSELL DIGITAL CONTENT AND SERVICES

Strong demand for broadband in the home, with growth of 15% in wired subscriptions, led by Fibr



Content and Digital Services will supplement data growth, create stickiness, and improve yields



02

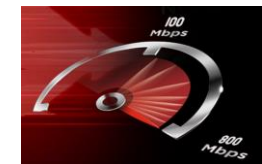
## STRONG MARKET LEADERSHIP IN THE HOME SUPPORTED BY LEADING EDGE TECHNOLOGIES

Over 3,500 areas nationwide now on Fiber. Widest fiber optic network spanning over 150K kms

2.8M HOMES PASSED YE 2016, and a target of 6M HOMES PASSED in 2020



All fixed broadband subscribers shall enjoy Fibr and Fibr-fast speeds in 2 years, which can deliver internet speeds of up to 1 Gbps





# High Revenue Growth Rates in Enterprise

(FORECAST 29% CONTRIBUTION TO TOTAL GROUP REVENUE BY 2019)

01

STRENGTHEN OUR POSITION AS THE TRUSTED ICT EXPERT PARTNER AND ENABLER OF THE ENTERPRISE MARKET



02


INDISPUTABLE MARKET LEADERSHIP IN THE ENTERPRISE SPACE ENABLED BY UNPARALLELED INVESTMENTS IN ICT AND DIGITAL INFRASTRUCTURE

Continued investment and growth in the group's data center, cloud, and other ICT managed service capabilities via ePLDT

Total of 9 Data Centers with capacity of 9K racks

Enabling global data connectivity in 4 continents: United States, UK, Singapore, Hong Kong, and Australia.





**STABILIZE AND ARREST  
NEGATIVE MOMENTUM, AND  
QUICKLY ESTABLISH A BASE  
BY WHICH TO BUILD A NEW  
GROWTH FOUNDATION**

**A**

## REORGANIZATION



Create a Pivotal  
Strategy



Streamline  
Operations



Achieve Revenue Maximization  
and Cost Rationalization

**B**

## NETWORK IMPROVEMENTS (LTE,WIFI)

**C**

## LEVERAGE ON ANALYTICS, INSIGHTS AND DIGITAL MARKETING

Better bundle propositioning (based on ability to pay, geographic location and affinity to our 3 distinct brands)

## PLDT: Road to recovery

- **In 2016, the PLDT Group recognized the need to undertake a “digital pivot” to re-establish undisputed market leadership amidst rapid consumer and technological changes**
- **Consequently, PLDT embarked on a 3-year journey that involved:**
  - Development and execution of a roadmap to revitalize the Group’s Network and IT platforms to achieve superiority
  - Determination to fortify and defend leadership in the HOME and Enterprise businesses
  - Exhaustive assessment and re-vamp of the Individual business to stem deterioration in market leadership and profitability
  - Organizational changes involving structure/design and new appointments at senior and executive levels, including new areas such as customer experience and data analytics
  - Business transformation initiatives that aim to reshape the organization’s culture, people and processes to align with the ‘digital pivot’
- **A reset in profitability in 2016 to a lower level, reflects the impact of the changes in the business, the customer base, and the organization**
- **PLDT is setting out to achieve a sequential recovery in profitability starting with an increase in recurring core income to P21.5bn in 2017 from P20bn in 2016**
  - Data to continue to power growth engines in HOME and Enterprise businesses
  - Stabilize/arrest negative momentum in mobile by leveraging on better network and sharper operational execution
  - Aim to increase data contribution to total revenue mix and improve data yields
  - Operate from a more efficient cost base
  - Grow our capability to leverage on analytics and business insights to allow more granular and cost effective brand marketing and product positioning

## EBITDA: P70bn

- **To grow by P8.8bn from P61.2bn in 2016**
  - impact of P4.6bn in subsidies and provisions in 2016 which will not recur in 2017
  - Low-single digit growth in consolidated service revenues
    - ✓ Double-digit growth in data/broadband to continue
    - ✓ Continuing declines in toll, cellular voice and SMS revenues
  - Reduction in cash opex to result from tighter management of costs

## Recurring Core Income: P21.5bn

- **Recurring core income from telco operations to rise to P21.5bn**
  - P1.5bn increase due to the combined effect of:
    - ✓ Higher EBITDA partly offset by increases in depreciation and financing costs resulting from the higher capex
    - ✓ Lower equity in earnings due to reduced ownership in Beacon, and losses and amortization of purchase price acquisition related to the Vega Tel transaction
- **Including asset sales, core income anticipated at P25bn or higher**
  - Anticipated gain from asset sales to be offset by expected MRP expense

\* Normalized to exclude asset sales and impact of higher provisions

## Capex: P46bn

- **Higher by P3.2bn from P42.8bn in 2016**
  - Includes carry-over of capex started in 2016 to be completed/accepted in 2017
  - Anticipated increase in fixed line capex to support push to further grow the Home and Enterprise businesses

## Dividend Payout: 60%

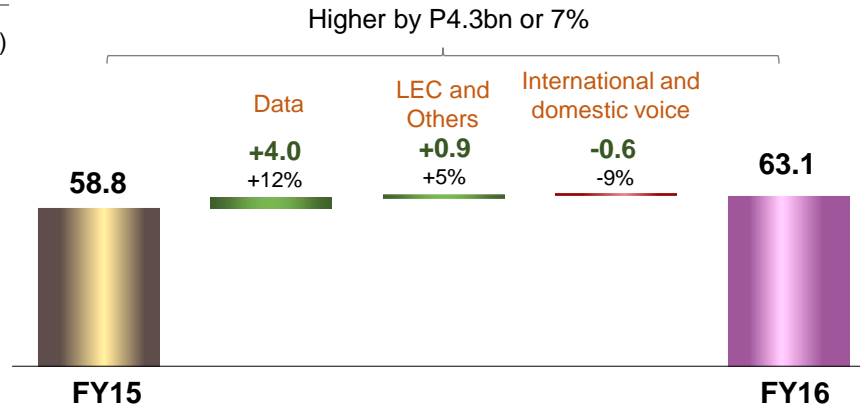
- **Dividend policy: Regular dividend payout of 60% of core income**
- **Takes into consideration:**
  - Technology roadmap/capex requirements
  - Management of cash and gearing levels
  - Plans to invest (on opportunistic basis) in new adjacent businesses that will complement the current business and provide future sources of profits and dividends

## Other Details

- Consolidated service revenues\* declined by P5.0bn or 3% year-on-year to P147.6bn in FY16
  - 40% or P59.5bn from home broadband and data, up by 19% from FY15

## Fixed Line\*

(Php in billions)



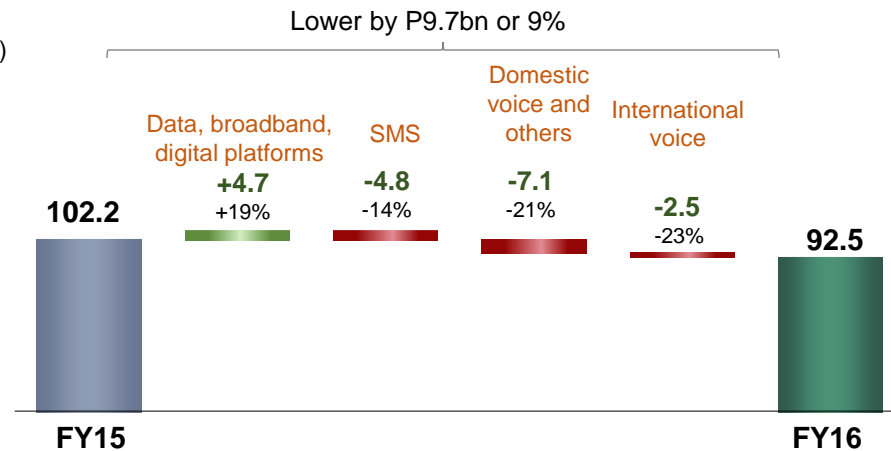
Service Revenue Mix	FY15	FY16
Data	57%	60%
LEC/Others	32%	31%
International Voice/Domestic Voice	11%	9%

Service Revenues (Php in millions)	FY15	FY16
Data	33,683	37,659
LEC/Others	18,548	19,453
International Voice/Domestic Voice	6,578	5,954
<b>Total</b>	<b>58,809</b>	<b>63,066</b>

- Increases in data revenues able to fully absorb declines in ILD and NLD

## Wireless\*

(Php in billions)



Service Revenue Mix	FY15	FY16
Data/Broadband/Digital Platforms	24%	31%
SMS	32%	30%
Domestic Voice/Others	34%	30%
International Voice	10%	9%

Service Revenues (Php in millions)	FY15	FY16
Data/Broadband/Digital Platforms	24,231	28,884
SMS	32,895	28,145
Domestic Voice/Others	34,385	27,312
International Voice	10,692	8,206
<b>Total</b>	<b>102,203</b>	<b>92,547</b>

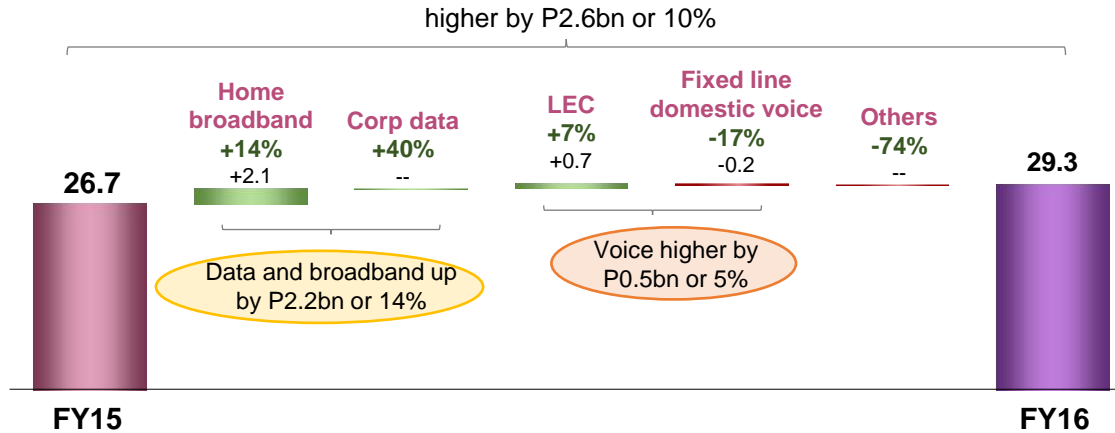
- Revenues from data/broadband and digital platforms now the largest contributor to total service revenues at 31%

\* Net of interconnection costs

# PLDT Group: Consolidated Service Revenues\*

## Home

(Php in billions)

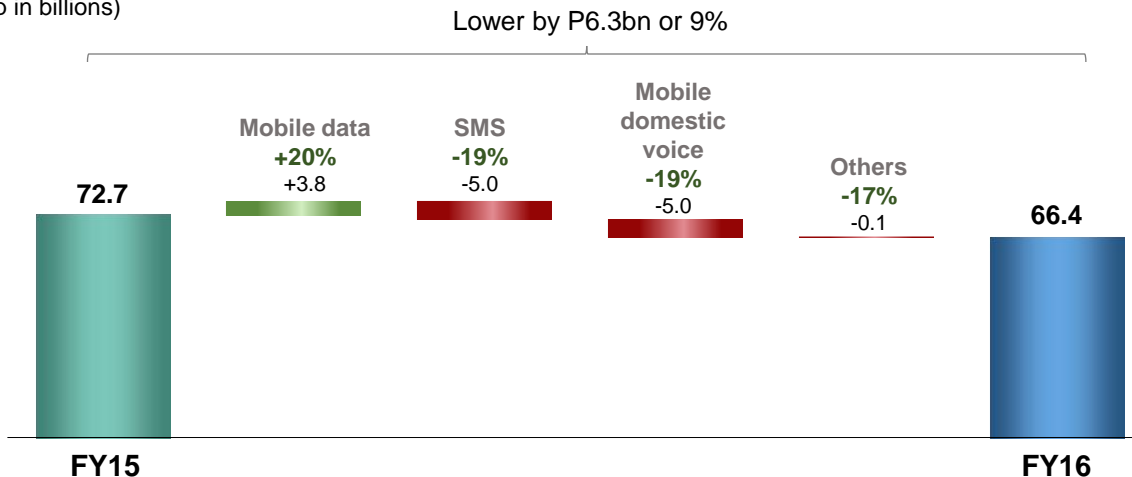


Service Revenue Mix	FY15	FY16
Data/Broadband	58%	60%
Voice	42%	40%
Others	0%	0%

Service Revenues (Php in millions)	FY15	FY16
Data/Broadband	15,447	17,631
Voice	11,151	11,656
Others	66	17
<b>Total</b>	<b>26,664</b>	<b>29,304</b>

## Individual

(Php in billions)



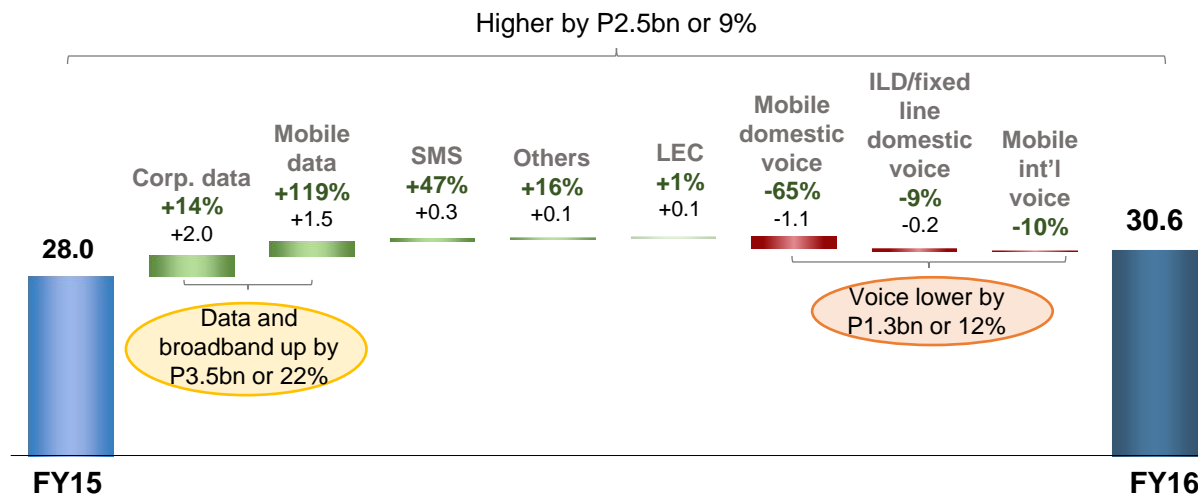
Service Revenue Mix	FY15	FY16
Mobile Data	25%	34%
Mobile Domestic Voice	37%	33%
SMS	37%	33%
Others	1%	0%

Service Revenues (Php in millions)	FY15	FY16
Mobile Data	18,486	22,274
Mobile Domestic Voice	26,760	21,752
SMS	27,016	22,003
Others	411	341
<b>Total</b>	<b>72,673</b>	<b>66,370</b>

\* Net of interconnection costs

## Enterprise\*

(Php in billions)



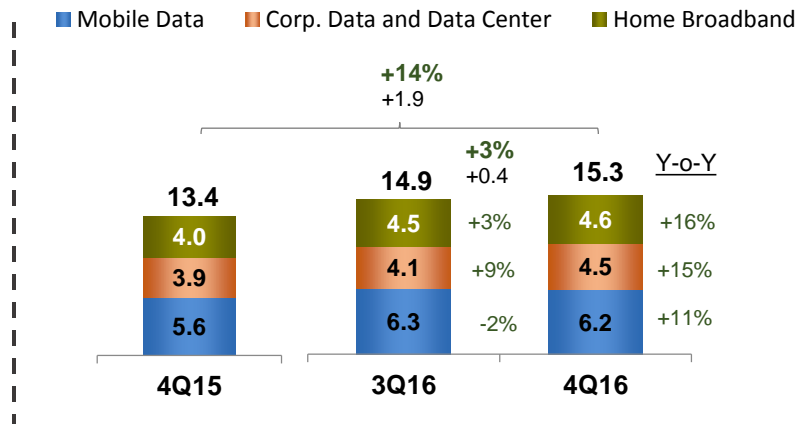
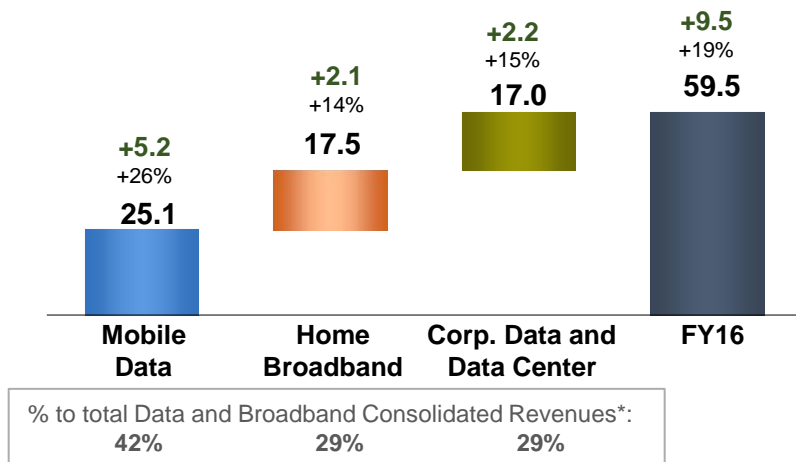
Service Revenue Mix	FY15	FY16
Data/Broadband	56%	63%
Voice	40%	32%
SMS	2%	3%
Others	2%	2%

Service Revenues (Php in millions)	FY15	FY16
Data/Broadband	15,735	19,218
Voice	11,104	9,799
SMS	622	912
Others	568	661
<b>Total</b>	<b>28,029</b>	<b>30,590</b>

\* Net of interconnection costs



(Php in billions)



## Mobile Internet

- **Mobile data, including revenues from mobile Internet and mobile broadband, grew by P5.2bn or 26% to P25.1bn**
  - Mobile Internet revenues or 29% of total data and broadband revenues were up by P5.0bn or 42% to P17.1bn
    - ✓ Data usage improved by 49% to 147,994 terabytes in FY16
      - Usage in 4Q16 increased by 63% year-on-year and 15% quarter-on-quarter
    - ✓ Smartphone penetration: approximately 50% of subs base, about half of whom pay for data
    - ✓ Focus: Enable and accelerate data adoption to drive usage
      - Recent launch of O+ Presto 700 LTE at P2,188 bundled with P300 load (includes 100mb of data per month for 1 year)
      - Giga Surf 50 and data sharing plan
      - Expansion of content portfolio to increase relevance to customers (e. g., partnership with ABS-CBN's iWant TV, Fox+, iflix, Netflix, Signal)
  - Mobile broadband revenues rose by P0.2bn or 2% to P8.0bn and account for 13% of total data and broadband revenues

## Home Broadband

- **Home broadband revenues grew by P2.1bn or 14% to P17.5bn**
  - Broadband subscriber base, including Home Broadband and Corporate Fixed Broadband subscribers, stood at over 1.7mn, with net adds of over 206,000 or 14% from YE16
- **Value proposition: to enable 'the HOME of the future'**
  - Via devices: Telpad, TVolution, FamCam, Fam Zone, Smart Watch
  - 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

## Corporate Data and Data Centers

- **Corporate data and data center revenues of P17.0bn were higher by P2.2bn or 15%**
- **PLDT has the nation's largest rack capacity with over 8,300 racks in 7 data centers, with 3 additional data centers coming on-stream by YE17**

\* Net of interconnection costs

# Appendix\*

\*Unaudited FY 2016 Financial Statements; Audited FY 2015 Financial Statements

# Subscriber Base: Mobile

## Mobile Subscribers <sup>(1)</sup> by Category:

	Dec-16	Sept-16	Jun-16	Mar-16	Dec-15	Sept-15	Jun-15	Mar-15
<b>Mobile Subscriber Base <sup>(1)</sup></b>								
<b>Prepaid</b>	<b>59,952,941</b>	<b>62,259,067</b>	<b>64,701,367</b>	<b>64,651,175</b>	<b>65,063,860</b>	<b>67,024,637</b>	<b>68,654,608</b>	<b>69,256,011</b>
Smart Prepaid	21,643,963	23,560,542	24,185,165	24,836,433	25,418,533	25,771,703	26,510,036	26,929,933
Sun Prepaid	8,463,469	8,846,953	9,652,756	10,495,342	11,591,167	13,544,103	14,242,408	14,270,854
TNT	29,845,509	29,851,572	30,863,446	29,319,400	28,054,160	27,708,831	27,902,164	28,055,224
<b>Postpaid</b>	<b>2,810,268</b>	<b>3,117,035</b>	<b>3,556,485</b>	<b>3,539,055</b>	<b>3,548,258</b>	<b>3,496,365</b>	<b>3,595,902</b>	<b>3,454,273</b>
Smart Postpaid	1,383,830	1,482,672	1,573,147	1,610,670	1,502,678	1,427,871	1,358,845	1,289,055
Sun Postpaid	1,426,438	1,634,363	1,983,338	1,928,385	2,045,580	2,068,494	2,237,057	2,165,218
<b>Total Mobile Subscribers</b>	<b>62,763,209</b>	<b>65,376,102</b>	<b>68,257,852</b>	<b>68,190,230</b>	<b>68,612,118</b>	<b>70,521,002</b>	<b>72,250,510</b>	<b>72,710,284</b>

## Mobile Subscribers <sup>(1)</sup> by Brand:

	Dec-16	Sept-16	Jun-16	Mar-16	Dec-15	Sept-15	Jun-15	Mar-15
<b>Mobile Subscriber Base <sup>(1)</sup></b>								
<b>Smart</b>	<b>23,027,793</b>	<b>25,043,214</b>	<b>25,758,312</b>	<b>26,447,103</b>	<b>26,921,211</b>	<b>27,199,574</b>	<b>27,868,881</b>	<b>28,218,988</b>
Smart Prepaid	21,643,963	23,560,542	24,185,165	24,836,433	25,418,533	25,771,703	26,510,036	26,929,933
Smart Postpaid	1,383,830	1,482,672	1,573,147	1,610,670	1,502,678	1,427,871	1,358,845	1,289,055
<b>TNT</b>	<b>29,845,509</b>	<b>29,851,572</b>	<b>30,863,446</b>	<b>29,319,400</b>	<b>28,054,160</b>	<b>27,708,831</b>	<b>27,902,164</b>	<b>28,055,224</b>
<b>Sun Cellular</b>	<b>9,889,907</b>	<b>10,481,316</b>	<b>11,636,094</b>	<b>12,423,727</b>	<b>13,636,747</b>	<b>15,612,597</b>	<b>16,479,465</b>	<b>16,436,072</b>
Sun Prepaid	8,463,469	8,846,953	9,652,756	10,495,342	11,591,167	13,544,103	14,242,408	14,270,854
Sun Postpaid	1,426,438	1,634,363	1,983,338	1,928,385	2,045,580	2,068,494	2,237,057	2,165,218
<b>Total Mobile Subscribers</b>	<b>62,763,209</b>	<b>65,376,102</b>	<b>68,257,852</b>	<b>68,190,230</b>	<b>68,612,118</b>	<b>70,521,002</b>	<b>72,250,510</b>	<b>72,710,284</b>

<sup>(1)</sup> Includes Mobile Broadband subscribers

# Subscriber Base: Broadband and Fixed Line

## Broadband Subscribers

	Dec-16	Sept-16	Jun-16	Mar-16	Dec-15	Sept-15	Jun-15	Mar-15
<b>BROADBAND</b>								
Home Broadband (Wireless)	270,203	271,572	265,473	248,675	258,776	271,495	287,918	303,303
Fixed Line Broadband	1,450,550	1,407,122	1,347,422	1,296,402	1,255,864	1,224,735	1,185,319	1,138,598
<b>Total Broadband Subscribers</b>	<b>1,720,753</b>	<b>1,678,694</b>	<b>1,612,895</b>	<b>1,545,077</b>	<b>1,514,640</b>	<b>1,496,230</b>	<b>1,473,237</b>	<b>1,441,901</b>

## Fixed Line Subscribers

	Dec-16	Sept-16	Jun-16	Mar-16	Dec-15	Sept-15	Jun-15	Mar-15
<b>Fixed Line Subscribers</b>	<b>2,438,473</b>	<b>2,404,893</b>	<b>2,380,390</b>	<b>2,339,001</b>	<b>2,303,454</b>	<b>2,285,952</b>	<b>2,257,266</b>	<b>2,234,115</b>

# FY 2016: Consolidated Financial Highlights

<i>(Php in millions)</i>	FY2016				FY2015	% Change
	Wireless	Fixed Line	Others	Consolidated	Consolidated	
<b>Total Revenues</b>	104,914	72,728	20	165,262	171,103	(3%)
<b>Service Revenues</b>	100,582	69,006	20	157,210	162,930	(4%)
<b>Cash Operating Expenses</b>	49,578	41,152	42	76,804	80,369	(4%)
<b>Depreciation and Amortization</b>	18,984	15,471	-	34,455	31,519	9%
<b>Financing Costs, Net</b>	(2,487)	(4,917)	(187)	(7,354)	(6,259)	17%
<b>Income before Income Tax</b>	8,193	11,152	2,726	22,071	26,638	(17%)
<b>Provision for Income Tax</b>	(1,270)	3,018	161	1,909	4,563	(58%)
<b>EBITDA</b>	32,661	26,950	(22)	61,161	70,218	(13%)
<i>EBITDA Margin<sup>(1)</sup></i>	32%	39%	-110%	39%	43%	
<b>Net Income Attributable to Equity Holders of PLDT</b>	9,457	7,985	2,564	20,006	22,065	(9%)
<b>Core income</b>	11,402	7,746	8,709	27,857	35,212	(21%)

<sup>(1)</sup> EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnection costs)

# Underlying Core Income

<i>(Php in millions)</i>	1Q	2Q	3Q	4Q	FY2016	1Q	2Q	3Q	4Q	FY2015
<b>Core Income</b>	<b>7,211</b>	<b>10,489</b>	<b>4,036</b>	<b>6,121</b>	<b>27,857</b>	<b>9,280</b>	<b>9,648</b>	<b>8,149</b>	<b>8,135</b>	<b>35,212</b>
Core Income Adjustments										
One-Time Provisions and Subsidies (EBITDA Adjustments)	1,011	2,034	1,605	-	4,650	-	-	-	-	-
Asset Sales	(970)	(7,365)	(396)	(438)	(9,169)	-	(3,175)	-	-	(3,175)
Accelerated Depreciation	-	-	-	4,084	4,084	-	-	-	-	-
Deferred Tax Asset Recognition	-	-	-	(5,027)	(5,027)	-	-	(821)	(3,978)	(4,799)
Net Tax Effect of Adjustments	(12)	(611)	(481)	(1,094)	(2,198)	-	-	-	-	-
<b>Underlying Core Income</b>	<b>7,240</b>	<b>4,547</b>	<b>4,764</b>	<b>3,646</b>	<b>20,197</b>	<b>9,280</b>	<b>6,473</b>	<b>7,328</b>	<b>4,157</b>	<b>27,238</b>

# Reconciliation of Core and Reported net income

<i>(Php in millions)</i>	FY2016				FY2015	% Change
	Wireless	Fixed Line	Others	Consolidated	Consolidated	
<b>Net Income Attributable to Equity Holders of PLDT</b>	<b>9,457</b>	<b>7,985</b>	<b>2,564</b>	<b>20,006</b>	<b>22,065</b>	<b>(9%)</b>
Add (Deduct):						
Foreign Exchange Losses, Net	1,702	486	597	2,785	3,036	(8%)
Gains on Derivative Financial Instruments, Net	(593)	(946)	-	(1,539)	(762)	102%
Asset Impairment	1,172	36	5,381	6,589	10,954	(40%)
Others	-	47	48	95	179	(47%)
Tax Effect	(336)	138	119	(79)	(260)	(70%)
<b>Core Income</b>	<b>11,402</b>	<b>7,746</b>	<b>8,709</b>	<b>27,857</b>	<b>35,212</b>	<b>(21%)</b>

# Consolidated Service Revenues\*

(Php in millions)	FY2016					FY2015				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
<b>Fixed Line</b>	<b>14,287</b>	<b>14,320</b>	<b>14,446</b>	<b>15,033</b>	<b>58,086</b>	<b>13,034</b>	<b>13,302</b>	<b>13,589</b>	<b>13,817</b>	<b>53,742</b>
LEC	4,333	4,384	4,479	4,499	17,695	4,172	4,226	4,280	4,301	16,979
Fixed Line Voice - International	1,240	1,092	1,015	1,111	4,458	1,311	1,323	1,273	1,336	5,243
Fixed Line Voice - Domestic (NLD)	844	845	863	797	3,349	923	906	915	833	3,577
Home Broadband	3,413	3,615	3,781	3,920	14,729	2,871	3,019	3,161	3,277	12,328
Corporate Data and Data Center	4,237	4,189	4,098	4,474	16,998	3,565	3,625	3,784	3,868	14,842
Miscellaneous	220	195	210	232	857	192	203	176	202	773
<b>Wireless</b>	<b>26,311</b>	<b>25,686</b>	<b>23,882</b>	<b>23,236</b>	<b>99,115</b>	<b>27,514</b>	<b>27,309</b>	<b>27,253</b>	<b>27,112</b>	<b>109,188</b>
Mobile Services	25,305	24,806	22,826	22,129	95,066	26,227	25,985	25,954	26,009	104,175
Mobile Voice	10,240	9,458	8,272	8,011	35,981	11,849	11,519	10,778	10,749	44,895
SMS	8,688	8,644	7,872	7,533	32,737	9,927	9,548	9,381	9,115	37,971
Mobile Data	6,063	6,443	6,376	6,333	25,215	4,150	4,649	5,534	5,613	19,946
Inbound Roaming and Others	314	261	306	252	1,133	301	269	261	532	1,363
Home Broadband	679	670	696	713	2,758	806	772	738	701	3,017
Digital Platforms and Mobile Financial Services	133	57	219	300	709	264	244	350	190	1,048
MVNO and Others	194	153	141	94	582	217	308	211	212	948
<b>Others</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>40,598</b>	<b>40,006</b>	<b>38,328</b>	<b>38,278</b>	<b>157,210</b>	<b>40,548</b>	<b>40,611</b>	<b>40,842</b>	<b>40,929</b>	<b>162,930</b>

\*Gross of Interconnection costs



# Consolidated Service Revenues\* and EBITDA

(Php in millions)	2016					2015				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
<b>Data/Broadband/Digital Platforms</b>	<b>14,525</b>	<b>14,974</b>	<b>15,170</b>	<b>15,749</b>	<b>60,418</b>	<b>11,656</b>	<b>12,309</b>	<b>13,567</b>	<b>13,649</b>	<b>51,181</b>
Mobile Data	6,063	6,443	6,376	6,333	25,215	4,150	4,649	5,534	5,613	19,946
Mobile Internet	3,811	4,257	4,471	4,628	17,167	2,450	2,765	3,451	3,389	12,055
Mobile Broadband	2,252	2,186	1,904	1,704	8,046	1,700	1,883	2,083	2,224	7,890
Other Data	-	-	1	1	2	-	1	-	-	1
Home Broadband	4,092	4,285	4,477	4,633	17,487	3,677	3,791	3,899	3,978	15,345
Fixed	3,413	3,615	3,781	3,920	14,729	2,871	3,019	3,161	3,277	12,328
Wireless	679	670	696	713	2,758	806	772	738	701	3,017
Corp. Data and Data Center	4,237	4,189	4,098	4,474	16,998	3,565	3,625	3,784	3,868	14,842
Digital Platforms and Others	133	57	219	309	718	264	244	350	190	1,048
<b>SMS/Mobile Voice - Domestic/LEC/Others</b>	<b>21,697</b>	<b>20,913</b>	<b>19,333</b>	<b>18,645</b>	<b>80,588</b>	<b>23,678</b>	<b>23,276</b>	<b>22,483</b>	<b>22,576</b>	<b>92,013</b>
SMS	8,688	8,644	7,872	7,533	32,737	9,927	9,548	9,381	9,115	37,971
Mobile Voice - Domestic	7,948	7,276	6,325	6,035	27,584	8,869	8,722	8,174	8,214	33,979
LEC	4,333	4,384	4,479	4,499	17,695	4,172	4,226	4,280	4,301	16,979
Others	728	609	657	578	2,572	710	780	648	946	3,084
Inbound Roaming and Others	314	261	306	252	1,133	301	269	261	532	1,363
MVNO and Others	194	153	141	94	582	217	308	211	212	948
Miscellaneous - Fixed Line	220	195	210	232	857	192	203	176	202	773
<b>ILD/Fixed Line - Domestic (NLD)</b>	<b>4,376</b>	<b>4,119</b>	<b>3,825</b>	<b>3,884</b>	<b>16,204</b>	<b>5,214</b>	<b>5,026</b>	<b>4,792</b>	<b>4,704</b>	<b>19,736</b>
Fixed Line Voice - Domestic (NLD)	844	845	863	797	3,349	923	906	915	833	3,577
Fixed Line Voice - International	1,240	1,092	1,015	1,111	4,458	1,311	1,323	1,273	1,336	5,243
Mobile Voice - International	2,292	2,182	1,947	1,976	8,397	2,980	2,797	2,604	2,535	10,916
<b>Total Consolidated Gross Service Revenues</b>	<b>40,598</b>	<b>40,006</b>	<b>38,328</b>	<b>38,278</b>	<b>157,210</b>	<b>40,548</b>	<b>40,611</b>	<b>40,842</b>	<b>40,929</b>	<b>162,930</b>
Non-Service Revenues	2,181	2,499	1,774	1,598	8,052	2,005	2,027	1,838	2,303	8,173
<b>Total Consolidated Gross Revenues</b>	<b>42,779</b>	<b>42,505</b>	<b>40,102</b>	<b>39,876</b>	<b>165,262</b>	<b>42,553</b>	<b>42,638</b>	<b>42,680</b>	<b>43,232</b>	<b>171,103</b>
<b>Deduct:</b>										
Cash Operating Expenses	(19,295)	(19,434)	(19,128)	(18,947)	(76,804)	(18,701)	(21,575)	(19,158)	(20,935)	(80,369)
Cost of Sales	(5,126)	(5,519)	(3,337)	(2,771)	(16,753)	(3,704)	(3,984)	(3,972)	(4,729)	(16,389)
Cost of Content	(107)	(83)	(107)	(279)	(576)	-	-	(49)	(176)	(225)
Writedown of Inventory and Provision for Doubtful AR	(1,645)	(3,317)	(2,571)	(2,435)	(9,968)	(866)	(841)	(955)	(1,240)	(3,902)
<b>EBITDA</b>	<b>16,606</b>	<b>14,152</b>	<b>14,959</b>	<b>15,444</b>	<b>61,161</b>	<b>19,282</b>	<b>16,238</b>	<b>18,546</b>	<b>16,152</b>	<b>70,218</b>
EBITDA Margin <sup>(1)</sup>	41%	35%	39%	40%	39%	48%	40%	45%	39%	43%

<sup>(1)</sup> EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnection costs)

\*Gross of Interconnection costs

# Wireless Service Revenues\* and EBITDA

(Php in millions)	2016					2015				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
<b>Data/Broadband/Digital Platforms</b>	<b>6,944</b>	<b>7,269</b>	<b>7,375</b>	<b>7,429</b>	<b>29,017</b>	<b>5,281</b>	<b>5,725</b>	<b>6,702</b>	<b>6,562</b>	<b>24,270</b>
Mobile Data	6,127	6,535	6,445	6,410	25,517	4,203	4,702	5,608	5,666	20,179
Mobile Internet	3,811	4,257	4,471	4,628	17,167	2,450	2,765	3,451	3,389	12,055
Mobile Broadband	2,276	2,209	1,926	1,736	8,147	1,715	1,899	2,098	2,239	7,951
Other Data	40	69	48	46	203	38	38	59	38	173
Home Broadband	683	674	700	715	2,772	813	778	743	706	3,040
Digital Platforms	134	60	230	304	728	265	245	351	190	1,051
<b>SMS/Mobile Voice - Domestic/Others</b>	<b>17,422</b>	<b>16,613</b>	<b>14,917</b>	<b>14,185</b>	<b>63,137</b>	<b>19,610</b>	<b>19,169</b>	<b>18,322</b>	<b>18,368</b>	<b>75,469</b>
SMS	8,690	8,646	7,876	7,533	32,745	9,930	9,551	9,384	9,117	37,982
Mobile Voice - Domestic	8,221	7,552	6,592	6,301	28,666	9,162	9,022	8,464	8,504	35,152
Others	511	415	449	351	1,726	518	596	474	747	2,335
<b>Mobile Voice - International</b>	<b>2,304</b>	<b>2,189</b>	<b>1,953</b>	<b>1,982</b>	<b>8,428</b>	<b>2,995</b>	<b>2,813</b>	<b>2,617</b>	<b>2,552</b>	<b>10,977</b>
<b>Total Wireless Gross Service Revenues</b>	<b>26,670</b>	<b>26,071</b>	<b>24,245</b>	<b>23,596</b>	<b>100,582</b>	<b>27,886</b>	<b>27,707</b>	<b>27,641</b>	<b>27,482</b>	<b>110,716</b>
Non-Service Revenues	1,261	1,472	838	761	4,332	1,290	1,204	1,027	1,276	4,797
<b>Total Wireless Gross Revenues</b>	<b>27,931</b>	<b>27,543</b>	<b>25,083</b>	<b>24,357</b>	<b>104,914</b>	<b>29,176</b>	<b>28,911</b>	<b>28,668</b>	<b>28,758</b>	<b>115,513</b>
<b>Deduct:</b>										
Cash Operating Expenses	(12,515)	(12,576)	(12,640)	(11,847)	(49,578)	(12,775)	(13,941)	(13,202)	(14,827)	(54,745)
Cost of Sales	(4,421)	(4,748)	(2,748)	(2,223)	(14,140)	(3,217)	(3,270)	(3,362)	(3,962)	(13,811)
Cost of Content	(31)	(15)	(35)	(208)	(289)	-	-	(33)	(29)	(62)
Writedown of Inventory and Provision for Doubtful AR	(1,335)	(2,947)	(2,237)	(1,727)	(8,246)	(581)	(539)	(639)	(899)	(2,658)
<b>EBITDA</b>	<b>9,629</b>	<b>7,257</b>	<b>7,423</b>	<b>8,352</b>	<b>32,661</b>	<b>12,603</b>	<b>11,161</b>	<b>11,432</b>	<b>9,041</b>	<b>44,237</b>
<i>EBITDA Margin<sup>(1)</sup></i>	<i>36%</i>	<i>28%</i>	<i>31%</i>	<i>35%</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)

\*Gross of Interconnection costs

# Fixed Line Service Revenues and EBITDA

(Php in millions)	2016					2015				
	1Q	2Q	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
<b>Data/Broadband</b>	<b>9,110</b>	<b>9,216</b>	<b>9,457</b>	<b>9,928</b>	<b>37,711</b>	<b>8,074</b>	<b>8,261</b>	<b>8,537</b>	<b>8,876</b>	<b>33,748</b>
Home Broadband	3,434	3,655	3,835	3,972	14,896	2,871	3,019	3,161	3,287	12,338
Corp. Data and Other Network Services	4,938	4,793	4,970	5,279	19,980	4,601	4,623	4,699	4,883	18,806
Data Center and ICT	738	768	652	677	2,835	602	619	677	706	2,604
<b>LEC/Others</b>	<b>4,761</b>	<b>4,806</b>	<b>4,922</b>	<b>4,968</b>	<b>19,457</b>	<b>4,589</b>	<b>4,612</b>	<b>4,647</b>	<b>4,702</b>	<b>18,550</b>
LEC	4,357	4,408	4,503	4,524	17,792	4,196	4,250	4,304	4,326	17,076
Miscellaneous	404	398	419	444	1,665	393	362	343	376	1,474
<b>Fixed Line Voice - International/Domestic</b>	<b>3,144</b>	<b>2,952</b>	<b>2,819</b>	<b>2,923</b>	<b>11,838</b>	<b>3,273</b>	<b>3,335</b>	<b>3,243</b>	<b>3,326</b>	<b>13,177</b>
Fixed Line Voice - International	2,203	1,998	1,842	2,013	8,056	2,255	2,335	2,233	2,396	9,219
Fixed Line Voice - Domestic (NLD)	941	954	977	910	3,782	1,018	1,000	1,010	930	3,958
<b>Total Fixed Line Service Revenues</b>	<b>17,015</b>	<b>16,974</b>	<b>17,198</b>	<b>17,819</b>	<b>69,006</b>	<b>15,936</b>	<b>16,208</b>	<b>16,427</b>	<b>16,904</b>	<b>65,475</b>
Non-Service Revenues <sup>(1)</sup>	920	1,028	936	838	3,722	715	824	812	1,039	3,390
<b>Total Fixed Line Gross Revenues</b>	<b>17,935</b>	<b>18,002</b>	<b>18,134</b>	<b>18,657</b>	<b>72,728</b>	<b>16,651</b>	<b>17,032</b>	<b>17,239</b>	<b>17,943</b>	<b>68,865</b>
<b>Deduct:</b>										
Cash Operating Expenses	(10,213)	(10,255)	(9,995)	(10,689)	(41,152)	(9,590)	(11,197)	(9,473)	(9,853)	(40,113)
Cost of Sales	(705)	(772)	(589)	(551)	(2,617)	(491)	(714)	(610)	(781)	(2,596)
Cost of Content	(76)	(68)	(72)	(71)	(287)	-	-	(16)	(147)	(163)
Writedown of Inventory and Provision for Doubtful AR	(310)	(370)	(334)	(708)	(1,722)	(285)	(302)	(316)	(341)	(1,244)
<b>EBITDA</b>	<b>6,631</b>	<b>6,537</b>	<b>7,144</b>	<b>6,638</b>	<b>26,950</b>	<b>6,285</b>	<b>4,819</b>	<b>6,824</b>	<b>6,821</b>	<b>24,749</b>
<i>EBITDA Margin</i> <sup>(2)</sup>	39%	39%	42%	37%	39%	39%	30%	42%	40%	38%

<sup>(1)</sup> Non-service revenues include sale of PLP units, FabTAB, Tvolution, managed ICT equipment, Telpad, UNO equipment and managed PABX

<sup>(2)</sup> 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	3Q	4Q	FY	1Q	2Q	3Q	4Q	FY
<b>Fixed Line Service Revenues, Net</b>										
LEC	4,357	4,406	4,502	4,523	17,788	4,196	4,249	4,303	4,326	17,074
Fixed Line Voice - International	830	735	716	660	2,941	853	873	895	866	3,487
Fixed Line Voice - Domestic (NLD)	747	759	790	717	3,013	786	782	804	719	3,091
Home Broadband	3,434	3,655	3,835	3,972	14,896	2,871	3,019	3,161	3,287	12,338
Corp. Data and Other Network Services	4,925	4,779	4,957	5,267	19,928	4,583	4,607	4,672	4,879	18,741
Data Center and ICT	738	768	652	677	2,835	602	619	677	706	2,604
Miscellaneous	404	398	419	444	1,665	393	362	343	376	1,474
<b>Total</b>	<b>15,435</b>	<b>15,500</b>	<b>15,871</b>	<b>16,260</b>	<b>63,066</b>	<b>14,284</b>	<b>14,511</b>	<b>14,855</b>	<b>15,159</b>	<b>58,809</b>

<i>(Php in millions)</i>	FY2016				FY2015	% Change
	Wireless	Fixed Line	Others	Consolidated	Consolidated	
<b>Operating Expenses</b>						
Compensation and Employee Benefits	6,706	13,238	-	19,928	21,606	(8%)
Repairs and Maintenance	8,367	7,480	-	15,212	15,035	1%
Selling and Promotions	5,570	2,133	-	7,687	9,747	(21%)
Rent	9,805	3,373	-	6,912	6,376	8%
Insurance and Security Services	1,149	697	-	1,739	1,797	(3%)
Taxes and Licenses	2,675	1,131	2	3,782	4,592	(18%)
Professional and Other Contracted Services	6,119	5,641	39	9,474	8,234	15%
Communication, Training and Travel	809	612	-	1,253	1,349	(7%)
Interconnection Costs	8,035	5,940	-	9,573	10,317	(7%)
Other Expenses	343	907	1	1,244	1,316	(5%)
<b>Cash Operating Expenses</b>	<b>49,578</b>	<b>41,152</b>	<b>42</b>	<b>76,804</b>	<b>80,369</b>	<b>(4%)</b>
Depreciation and Amortization	18,984	15,471	-	34,455	31,519	9%
Asset Impairment	9,284	1,758	-	11,042	9,690	14%
Amortization of Intangible Assets	929	-	-	929	1,076	(14%)
<b>Non-Cash Operating Expenses</b>	<b>29,197</b>	<b>17,229</b>	<b>-</b>	<b>46,426</b>	<b>42,285</b>	<b>10%</b>
<b>Cost of Sales</b>	<b>14,140</b>	<b>2,617</b>	<b>-</b>	<b>16,753</b>	<b>16,389</b>	<b>2%</b>
<b>Cost of Content</b>	<b>289</b>	<b>287</b>	<b>-</b>	<b>576</b>	<b>225</b>	<b>156%</b>
<b>Total Expenses</b>	<b>93,204</b>	<b>61,285</b>	<b>42</b>	<b>140,559</b>	<b>139,268</b>	<b>1%</b>

# Other Income (expenses)

(Php in millions)	FY2016				FY2015	% Change
	Wireless	Fixed Line	Others	Consolidated	Consolidated	
Equity Share in Net Earnings (Losses) of Associates and Joint Ventures						
Beacon	-	-	2,089	2,089	3,205	(35%)
Vega	-	-	(1,027)	(1,027)	-	-
Others	(237)	(40)	396	119	36	231%
<b>Total Equity Share in Net Earnings (Losses)</b>	<b>(237)</b>	<b>(40)</b>	<b>1,458</b>	<b>1,181</b>	<b>3,241</b>	<b>(64%)</b>
Financing Costs, Net						
Loans and Other Related Items	(2,663)	(4,909)	(187)	(7,522)	(6,289)	20%
Accretion on Financial Liabilities	(157)	(73)	-	(230)	(231)	-
Financing Charges	(134)	(34)	-	(168)	(109)	54%
Capitalized Interest	467	99	-	566	370	53%
<b>Total Financing Costs</b>	<b>(2,487)</b>	<b>(4,917)</b>	<b>(187)</b>	<b>(7,354)</b>	<b>(6,259)</b>	<b>17%</b>
Other Income (Expenses), Net						
Gain from Sale of Beacon/Meralco Shares	-	-	7,365	7,362	2,694	173%
Gain on Sale of Properties	-	1,408	-	1,408	-	-
Investment Impairment (includes Rocket Internet Impairment)	(134)	-	(5,381)	(5,515)	(5,166)	7%
Others	288	2,526	(216)	1,029	2,110	(51%)
<b>Other Income (Expenses), Net</b>	<b>154</b>	<b>3,934</b>	<b>1,768</b>	<b>4,284</b>	<b>(362)</b>	<b>(1283%)</b>
<b>Interest Income</b>	<b>270</b>	<b>707</b>	<b>306</b>	<b>1,046</b>	<b>799</b>	<b>31%</b>
<b>Gains on Derivative Financial Instruments, Net</b>	<b>485</b>	<b>511</b>	<b>-</b>	<b>996</b>	<b>420</b>	<b>137%</b>
<b>Foreign Exchange Losses, Net</b>	<b>(1,702)</b>	<b>(486)</b>	<b>(597)</b>	<b>(2,785)</b>	<b>(3,036)</b>	<b>8%</b>
<b>Total Other Income (Expenses)</b>	<b>(3,517)</b>	<b>(291)</b>	<b>2,748</b>	<b>(2,632)</b>	<b>(5,197)</b>	<b>(49%)</b>

## Mobile ARPU, Net<sup>(1)</sup> :

	2016				2015			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Smart Postpaid	938	951	946	970	991	1,012	968	955
Smart Prepaid	112	110	102	104	119	116	119	116
TNT	80	77	71	75	85	83	82	83
Sun Postpaid	475	453	402	418	443	415	434	474
Sun Prepaid	80	81	84	85	66	67	67	73

<sup>(1)</sup> Includes Mobile Broadband subscribers

## Broadband ARPU, Net :

	2016				2015			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Home Broadband (Wireless)	891	875	866	870	839	861	868	875
Fixed Broadband <sup>(2)</sup>	1,162	1,169	1,171	1,165	1,129	1,137	1,138	1,144

<sup>(2)</sup> Includes Corporate Fixed Broadband

# Earnings Per Share (EPS)

	FY2016		FY2015	
	Basic	Diluted	Basic	Diluted
Net Income Attributable to Equity Holders of PLDT	20,006	20,006	22,065	22,065
Dividends on Preferred Shares	(59)	(59)	(59)	(59)
<b>Net Income for the Period Attributable to Common Equity Holders of PLDT</b>	<b>19,947</b>	<b>19,947</b>	<b>22,006</b>	<b>22,006</b>
<b>Weighted Average Number of Common Shares, End</b>	<b>216,056</b>	<b>216,056</b>	<b>216,056</b>	<b>216,056</b>
<b>EPS (Based on Reported Net Income)</b>	<b>92.33</b>	<b>92.33</b>	<b>101.85</b>	<b>101.85</b>
Core Income	27,857	27,857	35,212	35,212
Dividends on Preferred Shares	(55)	(55)	(59)	(59)
<b>Core Income Applicable to Common Shares</b>	<b>27,802</b>	<b>27,802</b>	<b>35,153</b>	<b>35,153</b>
<b>Weighted Average Number of Common Shares, End</b>	<b>216,056</b>	<b>216,056</b>	<b>216,056</b>	<b>216,056</b>
<b>EPS (Based on Core Income)</b>	<b>128.68</b>	<b>128.68</b>	<b>162.70</b>	<b>162.70</b>

<i>(Php in millions)</i>	Consolidated	
	December 31, 2016	December 31, 2015
<b>Total Assets</b>	<b>475,119</b>	<b>455,095</b>
<b>Nominal Value of Total Long-Term Debt in US\$</b>	<b>185,663</b>	<b>161,568</b>
<b>Less: Unamortized Debt Discount</b>	<b>631</b>	<b>676</b>
<b>Total Long-Term Debt</b>	<b>185,032</b>	<b>160,892</b>
<b>Cash and Short-Term Investments</b>	<b>41,460</b>	<b>47,884</b>
<b>Net Debt <sup>(1)</sup></b>	<b>144,203</b>	<b>113,684</b>
<b>Equity</b>	<b>108,537</b>	<b>113,898</b>
<b>Total Debt <sup>(2)</sup>/Equity</b>	<b><u>1.71x</u></b>	<b><u>1.42x</u></b>
<b>Net Debt <sup>(1)</sup>/Equity</b>	<b><u>1.33x</u></b>	<b><u>1.00x</u></b>
<b>Total Debt <sup>(2)</sup>/EBITDA</b>	<b><u>3.04x</u></b>	<b><u>2.30x</u></b>
<b>Net Debt <sup>(1)</sup>/EBITDA</b>	<b><u>2.36x</u></b>	<b><u>1.62x</u></b>

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

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



<i>(US\$ in millions)</i>	2011	2012	2013	2014	2015	2016
Debt Balance	2,719	2,851	2,353	2,920	3,429	3,730
Cash and Short-Term Investments	1,061	919	735	610	1,016	833
<b>Net Debt</b>	<b>1,658</b>	<b>1,932</b>	<b>1,618</b>	<b>2,310</b>	<b>2,413</b>	<b>2,897</b>

## Interest-Bearing liabilities

<i>(US\$ in millions)</i>	December 31, 2016			December 31, 2015	Change
	Carrying Value	Unamortized Debt Discount/Debt Issuance	Face Value	(Audited) Face Value	
<b>Debt</b>					
PLDT	\$2,208	\$5	\$2,212	\$2,003	\$209
Smart	1,504	8	1,512	1,322	190
DIGITEL	6	-	6	104	(98)
<b>Total Debt</b>	<b>\$3,718</b>	<b>\$13</b>	<b>\$3,730</b>	<b>\$3,429</b>	<b>\$301</b>

# Foreign Exchange Risk

## Forex Impact on Core Income

Forex sensitivity for every P1 change (in US\$ millions)	Conso - net of Elim
<b>US\$ Revenues*</b>	<b>544.2</b>
<b>US\$ Expenses</b>	<b>(287.4)</b>
Cash Opex*	(220.1)
Cost of sales	(5.3)
Financing costs	(62.0)
US\$ Income before tax	<b>256.8</b>
Tax effect	77.0
<b>Core Earnings</b>	<b>179.8</b>
<b>EBITDA</b>	<b>318.8</b>
* Gross of interconnection costs amounting to:	74.3
Local exchange revenues (in million Php)	10,185.0

## 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)*	725.3
Accounts Payable	190.4
Accrued Liabilities	171.0
Derivative Liabilities	4.6
Other Current & Non Current Liabilities	0.1
<b>Total US\$ denominated Liabilities</b>	<b>1,091.4</b>
Cash and Cash Equivalents	418.9
Short-term Investments	54.6
Trade and other receivables	157.8
Derivative Assets	14.9
Investment in Debt Securities, Advances & Others	7.5
<b>Total US\$ denominated Assets</b>	<b>653.7</b>
<b>Forex Revaluation for every P1 change</b>	<b>±437.7</b>
* Debt	1,175.5
Less: LT hedges	450.2
Debt (net of LT hedges)	725.3

## Forex Impact on Derivatives

**P1 movement in the USD/PHP exchange rate corresponds to a P200M change in derivatives**

	Ave.	Period End
<b>Forex rate, FY 2016</b>	<b>47.48</b>	<b>49.77</b>
<b>Forex rate, FY 2015</b>	<b>45.51</b>	<b>47.12</b>
<b>% of Peso depreciation vs US\$</b>	<b>4.3%</b>	<b>5.6%</b>

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

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