



2018 Nine Months Results

Financial and Operating Results

8th November 2018

PLDT Group: 9M18 vs 9M17 Financial Highlights

(Php in billions)

| <u>Excluding Voyager</u> | 9M2018 (Pro-forma) | 9M2017 | % Change (Y-o-Y) | 9M2018 (PFRS 15) | % Change (Y-o-Y) | 9M2018 PFRS15 Impact |
|---|-----------------------|--------|---------------------|---------------------|---------------------|----------------------------|
| Service Revenues (Net of interconnection costs) | 111.0 | 106.4 | +4% +4.7 | 108.2 | +2% +1.8 | (2.9) |
| EBITDA | 52.1 | 49.8 | +4% +2.2 | 51.4 | +3% +1.6 | (0.6) |
| Telco Core Income | 19.1 | 18.1 | +5% +1.0 | 18.9 | +4% +0.7 | (0.2) |

| <u>Voyager Results</u> | 9M2018 (Pro-forma) | 9M2017 | % Change (Y-o-Y) |
|-------------------------|-----------------------|--------|---------------------|
| Service Revenues | 0.9 | 1.0 | -9% |
| EBITDA | (1.7) | (0.7) | -145% |
| Core Income | (1.8) | (0.8) | -133% |

PLDT Group: 9M18 vs 9M17 Financial Highlights

(Php in billions)

| <u>With Voyager</u> | 9M2018 (Pro-forma) | 9M2017 | Change (Y-o-Y) | 9M2018 (PFRS 15) | Change (Y-o-Y) | 9M2018 PFRS15 Impact |
|--|-------------------------------|---------------|---------------------------|-----------------------------|---------------------------|-------------------------------------|
| Service Revenues* | 111.9 | 107.3 | +4% +4.6 | 109.0 | +2% +1.7 | (2.9) |
| ex-ILD/NLD* | 104.9 | 98.5 | +7% +6.4 | 102.1 | +4% +3.6 | (2.9) |
| EBITDA | 50.3 | 49.1 | +2% +1.2 | 49.7 | +1% +0.6 | (0.6) |
| Telco Core Income | 19.1 | 18.1 | +5% +1.0 | 18.9 | +4% +0.7 | (0.2) |
| Voyager Loss | (1.8) | (0.8) | | | | |
| Underlying Core Income (With Voyager) | 17.3 | 17.4 | --- -0.1 | 17.1 | -2% -0.3 | (0.2) |
| Asset Sales | 1.8 | 8.4 | | | | |
| MRP, net of tax | --- | (1.1) | | | | |
| Gain on Investment Valuation (Rocket) | 1.1 | --- | | | | |
| Accelerated Depreciation | (4.5) | (2.0) | | | | |
| Asset Impairment | (0.4) | (1.2) | | | | |
| Others | 0.2 | --- | | | | |
| Tax effect | 1.1 | 0.5 | | | | |
| Reported Net Income | 16.5 | 21.9 | -25% -5.4 | 16.3 | -26% -5.6 | (0.2) |

* net of interconnection costs

Consolidated Service Revenues*: Six quarters of sequential growth

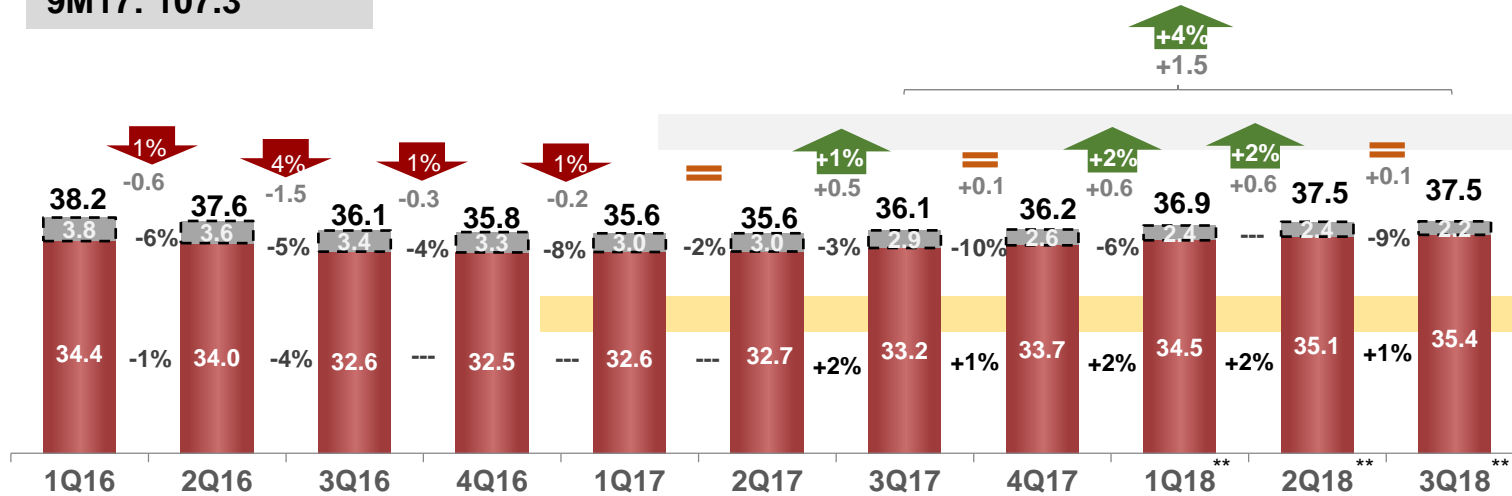
(Php in billions)

**IAS18
(Pro-forma)**

9M18: 111.9 **+4%**
9M17: 107.3 **+4.6**

Ex-ILD/NLD, 7 consecutive quarters of increases recorded

■ ex-ILD/NLD
■ ILD/NLD



- **Excluding ILD/NLD: service revenues grew 7% vis-à-vis 9M17**
 - 3Q18 service revenues rose 6% year-on-year and 1% quarter-on-quarter
- **In 3Q18, revised revenue split among data, voice and SMS was effected to reflect current usage trends**

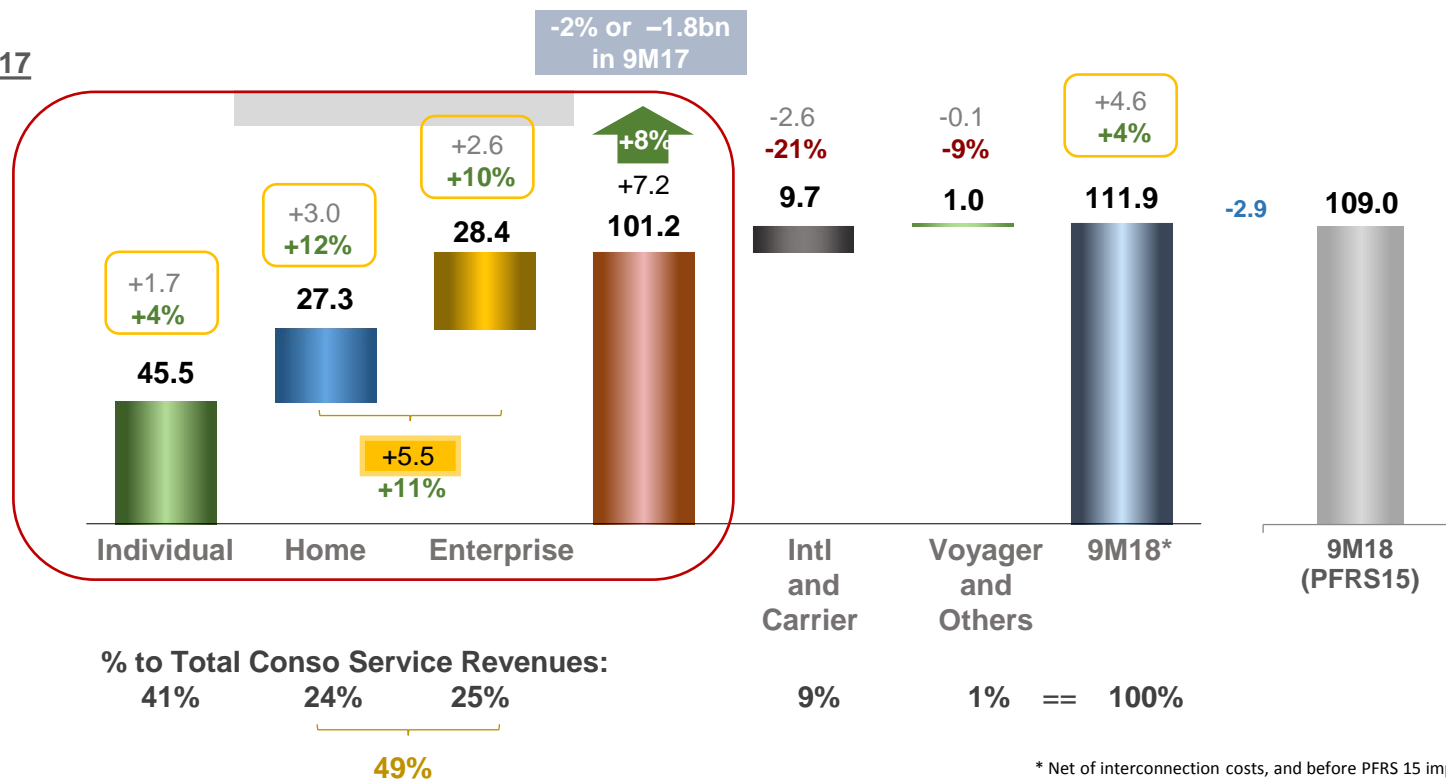
* Net of interconnection costs
** Reflects revised revenue split

Consolidated Service Revenues (by Business Unit):

Combined Home, Enterprise and Individual revenues higher 8% year-on-year

(Php in billions)

9M18 vs 9M17



* Net of interconnection costs, and before PFRS 15 impact

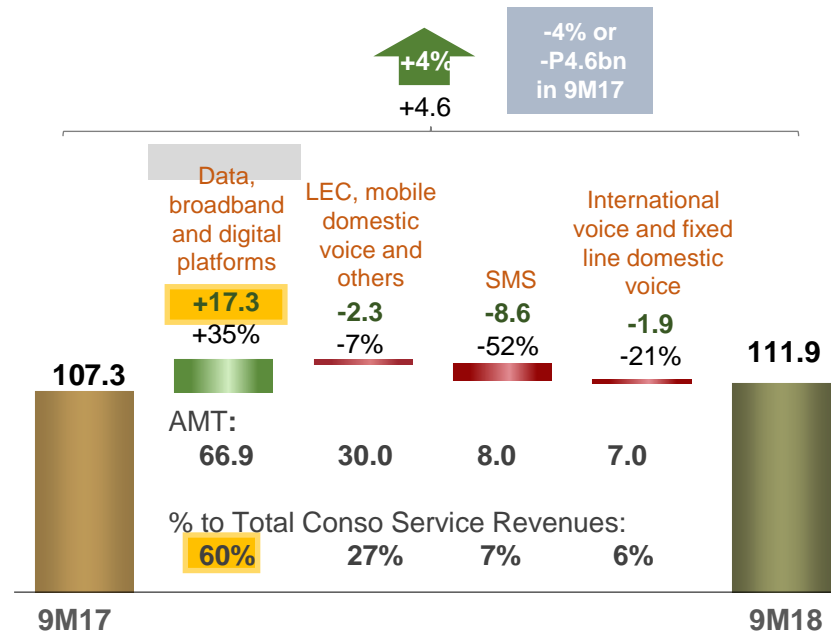
- **Combined Home, Enterprise and Individual service revenues of P101.2bn in 9M18 represent 90% of total service revenues and are higher year-on-year by 8% or P7.2bn**
 - Year-on-year growth of P7.2bn in 9M18 is a marked change over the P1.8bn year-on-year decline in 9M17
 - ✓ Total improvement of P9.1bn
 - Combined Home and Enterprise revenues now account for 49% of total service revenues, and registered an 11% or P5.5bn increase year-on-year
 - ✓ Home and Enterprise service revenues grew by 12% and 10% from last year, respectively
 - Individual service revenues were up by 4% year-on-year

- **Data and broadband remain the growth drivers of the Home, Enterprise and Individual segments representing 75%, 64% and 59% of total service revenues, respectively**

Data/broadband 60% of total in 9M18

(Php in billions)

9M18 vs 9M17



- Data and broadband accounted for 72% of Fixed Line* and 49% of Wireless* service revenues
- Effective 2018, allocation of Fixed Line and Wireless service revenues were updated to reflect current consumption trends of bundles based on network usage study
 - Data/broadband and digital platform revenues of P66.9bn rose by P17.3bn or 35% (15% based on previous revenue allocation)
 - ✓ Mobile data revenues higher by 52% or P9.9bn at P29.2bn (or 20% based on previous basis)
 - ✓ Fixed Home broadband revenues grew by 55% or P7.2bn to P20.2bn (or 32% based on previous basis)
 - ✓ Corporate data and data center revenues up by 14% or P2.1bn to P16.6bn

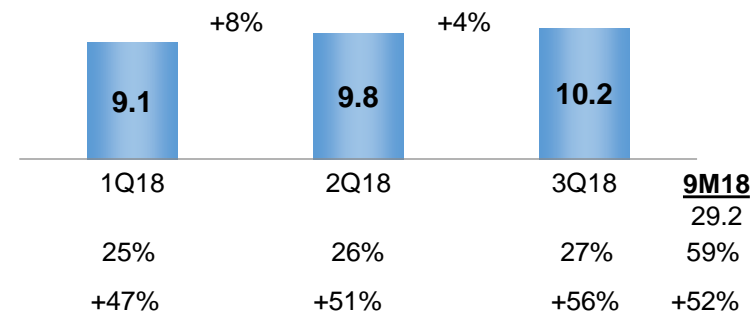
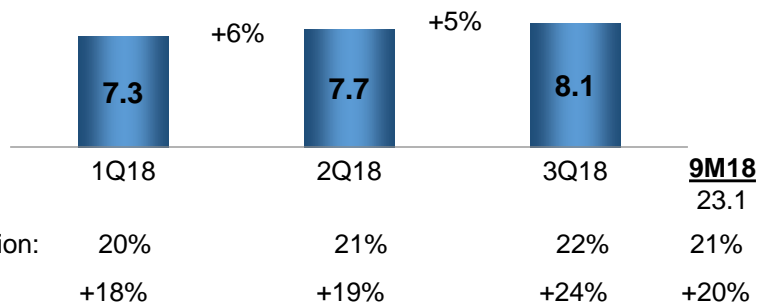
Revenue Allocation Comparison

➤ Effective 2018, allocation of Fixed Line and Wireless service revenues were updated to reflect current consumption trends of bundles based on network usage study

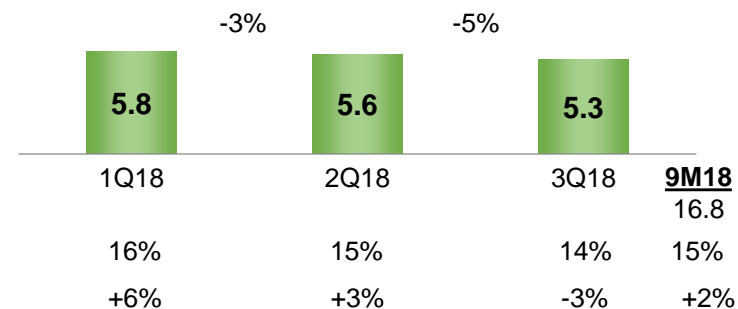
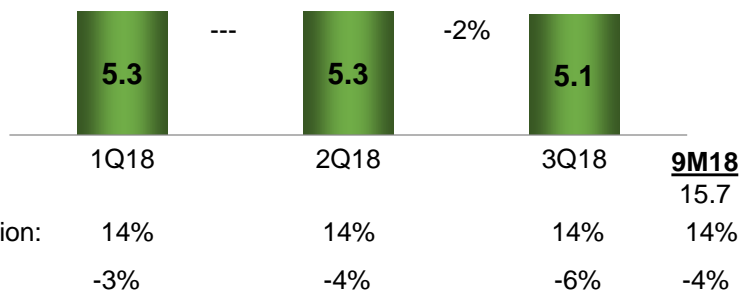
Previous

Current

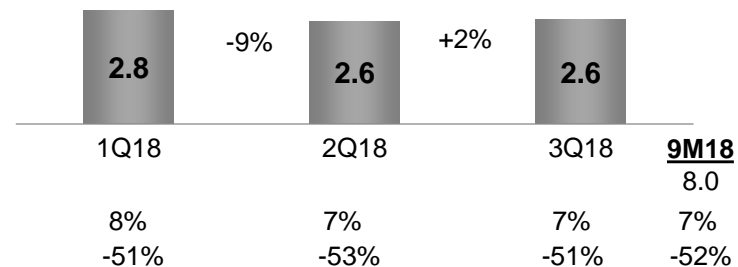
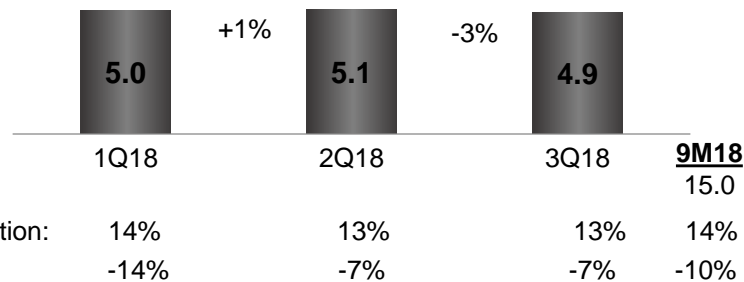
Mobile Data



Domestic Voice



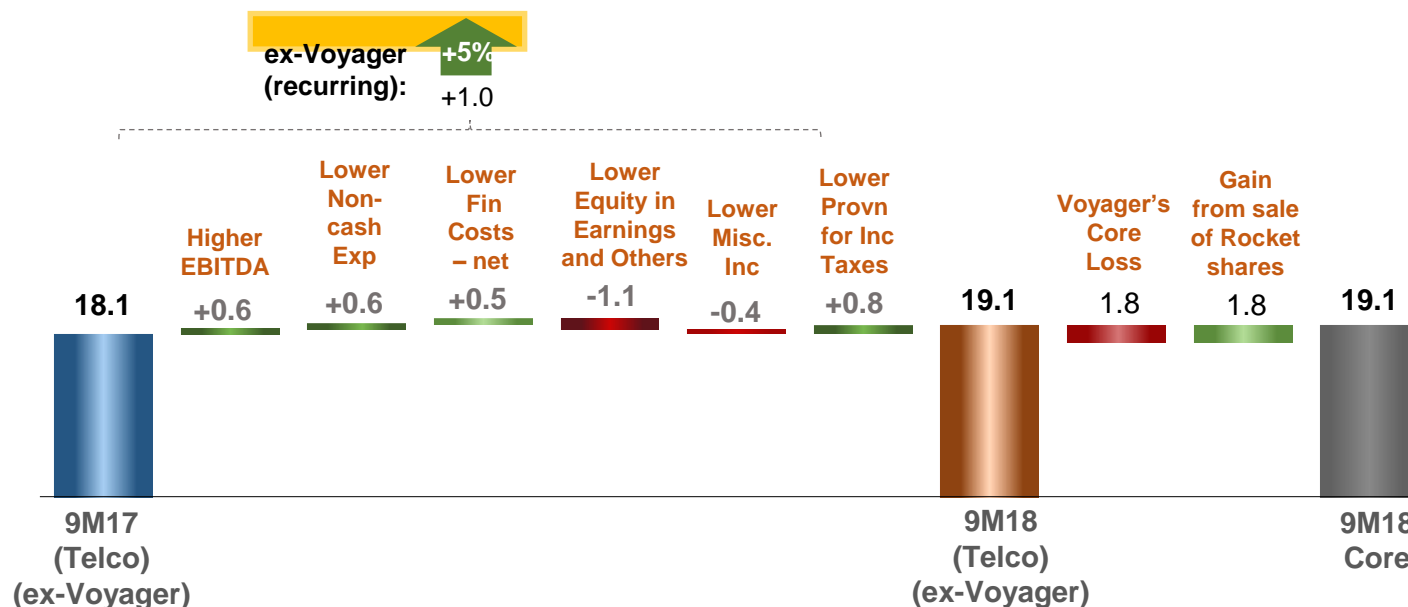
SMS



*as reported

Telco Core Income*: 5% increase over 9M17

(Php in billions)



- **Telco core income at P19.1bn**
- **Including the gain from the sale of Rocket Internet shares and losses from Voyager, core income for 9M18 at P19.1bn**
 - A total of 7.5mn Rocket Internet shares sold:
 - ✓ In May 2018, Rocket Internet bought back PLDT Online's 6.8mn shares at €24/share (€163.2mn or P10.1bn)
 - ✓ In 3Q18, 712K more shares were sold for €21.7mn for a total gain of P434mn
 - Core income for 9M17 included a P6.6bn gain from the sale of Beacon shares and P1.4bn equity share in gain on sale of SPi
- **Reported net income at P16.5bn**
 - Revaluation gain on Rocket Internet investment of P1.1bn recognized in 9M18 following adoption of PFRS 9
 - ✓ Increase in investment value of the remaining Rocket Internet shares from €21.125 at YE17 to €26.96 at end September 2018
 - 2.6mn shares remaining
 - Non-core accelerated depreciation of P4.5bn recognized in 9M18 in connection with the shortened estimated useful life of network assets resulting from PLDT's aggressive network upgrade aimed to achieve dramatic improvements in customer experience
 - ✓ P4.6bn of non-core accelerated depreciation is expected to be recognized in 2018

PLDT Group: Debt Profile

Debt Balance

(US\$ in billions)



Net Debt/EBITDA:
2.36x

2.10x

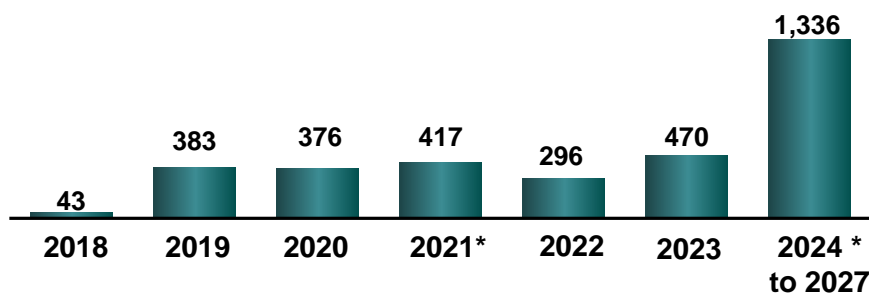
1.94x

* Total debt based on nominal debt amount

Debt Maturities

(US\$ in millions, end September 2018)

**Total: US\$3,321mn (gross)
US\$2,396mn (net)**



Debt maturities to total debt:

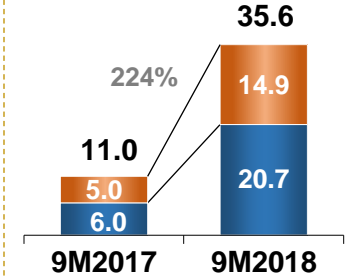
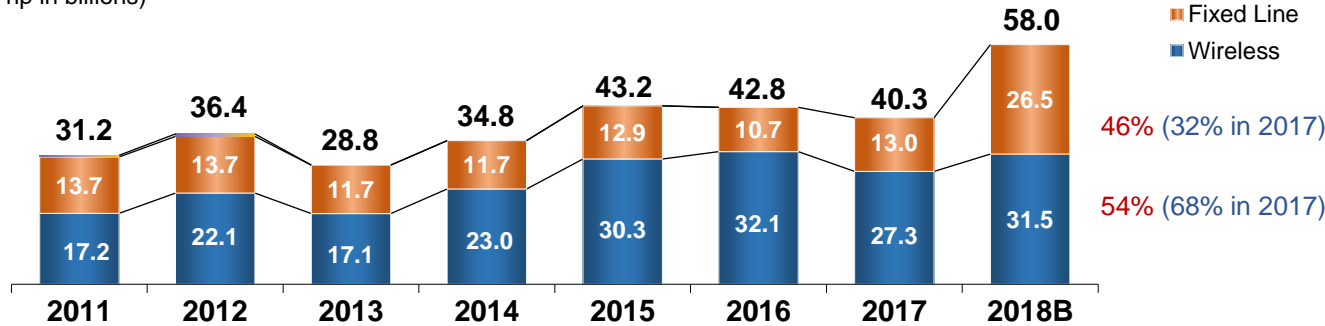
1% 12% 11% 13% 9% 14% 40%

- As of end September 2018, net debt and net debt to EBITDA at US\$2.4bn and 1.94x, respectively
- Gross debt as of end September 2018 amounted to US\$3.3bn
 - US\$ denominated gross debt now at 14% from 20% at YE17
 - Taking into account our available US\$ cash and hedges allocated for debt, only US\$0.3bn or 8% of total debt is unhedged
 - 79% are fixed-rate loans, while 21% are floating-rate loans; post-interest rate swaps: 89% fixed, 11% floating
 - Average interest cost (pre-tax) of 4.5% (FY17: 4.2%)
- Operating cash flows supplemented by:
 - Proceeds from discounted receivables from MPI of P7.0bn
 - Proceeds from sale of 7.5mn Rocket Internet shares of approx. P11.4bn (including P10.1bn from 6.8mn shares bought back by Rocket Internet)
- As of end September 2018, PLDT's credit ratings remained at investment grade

| 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 |

* On 28 August 2018, Fitch revised rating for PLDT's Long-Term Foreign-Currency Issuer Default Rating (FC IDR) to BBB from BBB+.

(Php in billions)



| % of Capex to total service revenues: | | | | | | | |
|---------------------------------------|-----|-----|-----|-----|-----|-----|------|
| 21% | 23% | 18% | 21% | 26% | 27% | 27% | >30% |

Note: BPO capex up to 2012 only

➤ Capex guidance for 2018 at P58.0bn: P35.6bn booked in 9M18

- At end September 2018: Network-related (P25.2bn), IT-related (P4.6bn), Business-related (P3.4bn) and Others (P2.4bn)
- 2018 capex Includes investments in upgrading various network- and customer-facing platforms (OSS, BSS)
 - ✓ Multi-year agreements signed in 1Q18 with Huawei (US\$28.5mn) and Amdocs (US\$300mn)
 - ✓ Agreement with Amdocs for transformation of PLDT and Smart IT infrastructure
- Involves projects to make the transport and core networks 5G-ready

✓ Memorandum of Understanding signed by PLDT, Smart, Clark Development Corporation and Ericsson to make Clark the 1st 5G Smart City in the Philippines

➤ Capex to support growing data usage, unserved broadband demand, and improvement in overall customer experience

- Data usage growing as a result of network infrastructure build-out and massive market adoption of LTE
 - ✓ **100% increase in payload for mobile internet and broadband**
 - 75% increase in LTE devices on the network → accounting for 1/3 of total devices, surpassing 3G devices
 - ✓ 27% rise in mobile internet and broadband users
- PLDT capacity to address demand for home fiber expanded with 5.75mn homes passed and 2.25mn ports at end September 2018
 - ✓ Includes roll-out of FTTH ports and upgrade of copper to hybrid fiber

- Superior network quality of PLDT network vis-à-vis competitors continues to be recognized in third party surveys (Open Signal, Akamai, Ookla)
 - ✓ **Open Signal State of Mobile Video Report (ca. Sept 2018) showed that Smart garnered a video experience score of 42.2**
 - Significantly higher than competitor's 29.2, and well above the Philippines' overall score of 34.98
 - Ahead of US operators: AT&T (40.9) and Sprint (41.1)

➤ Smart is on track to fulfil its commitment to NTC to cover 90% of cities and municipalities by end 2018



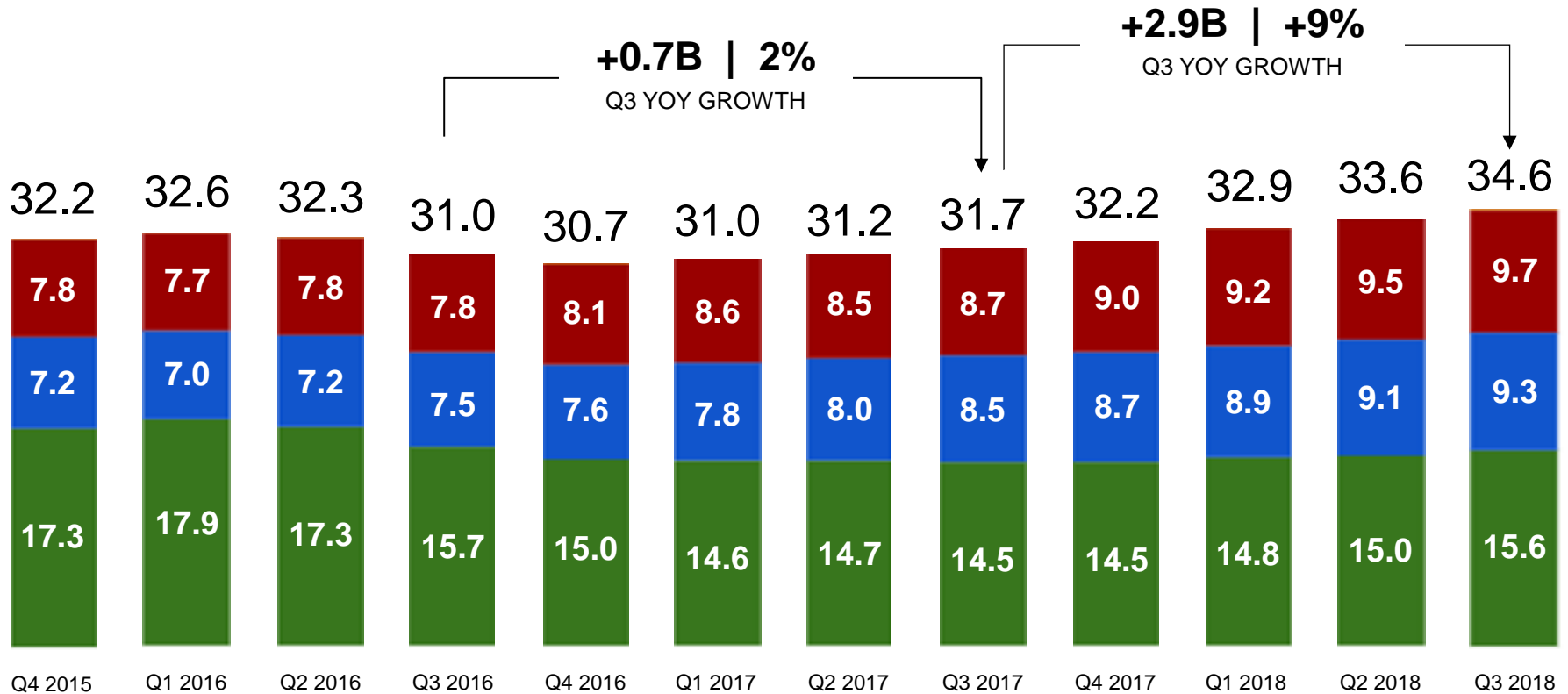
Chief Revenue Office
**2018 3rd Quarter
Business Results**

Q3 2018 HIGHLIGHTS : TOTAL CRO

Service Revenue Net of Interconnection Cost

In Billions of PHP

- Enterprise
- Home
- Individual

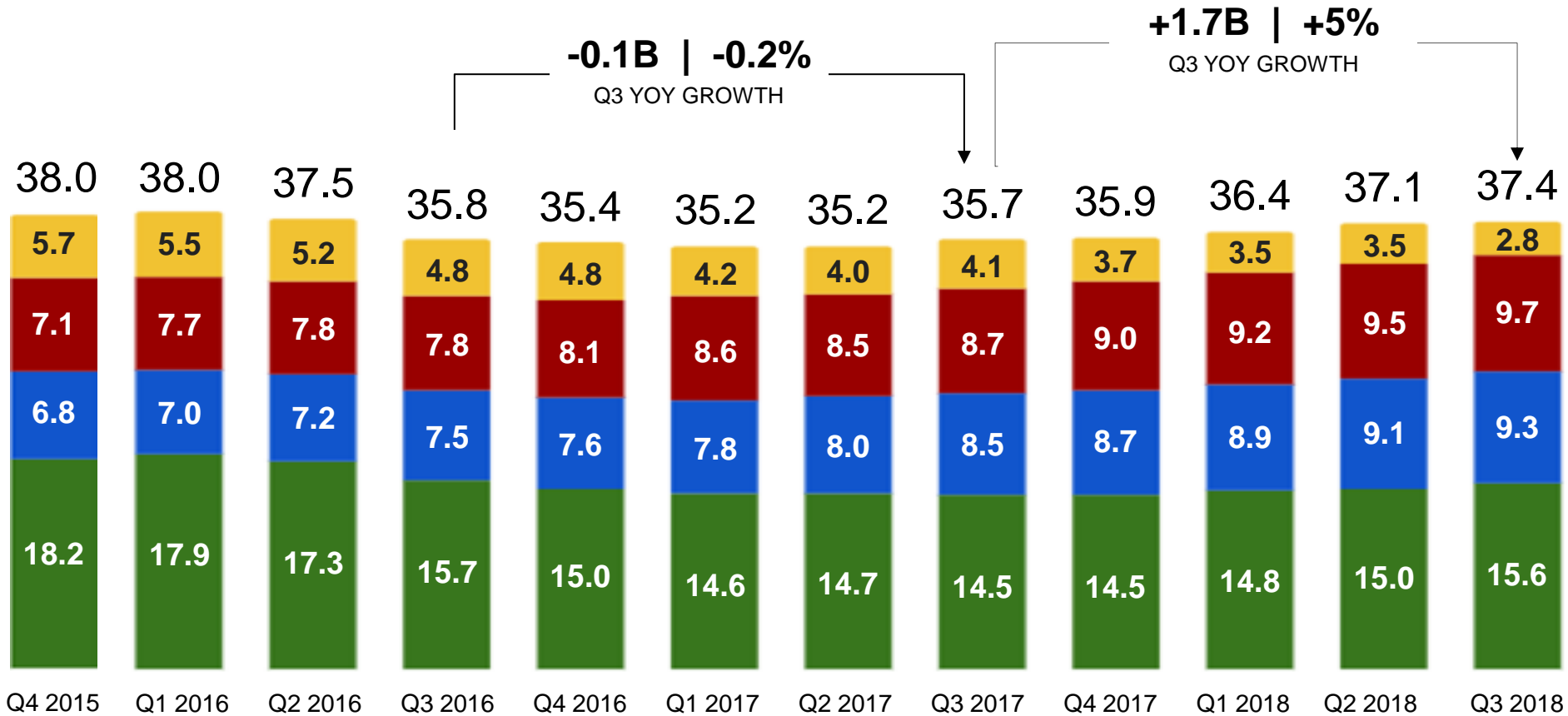


Q3 2018 HIGHLIGHTS : TOTAL CRO

Service Revenue Net of Interconnection Cost

In Billions of PHP

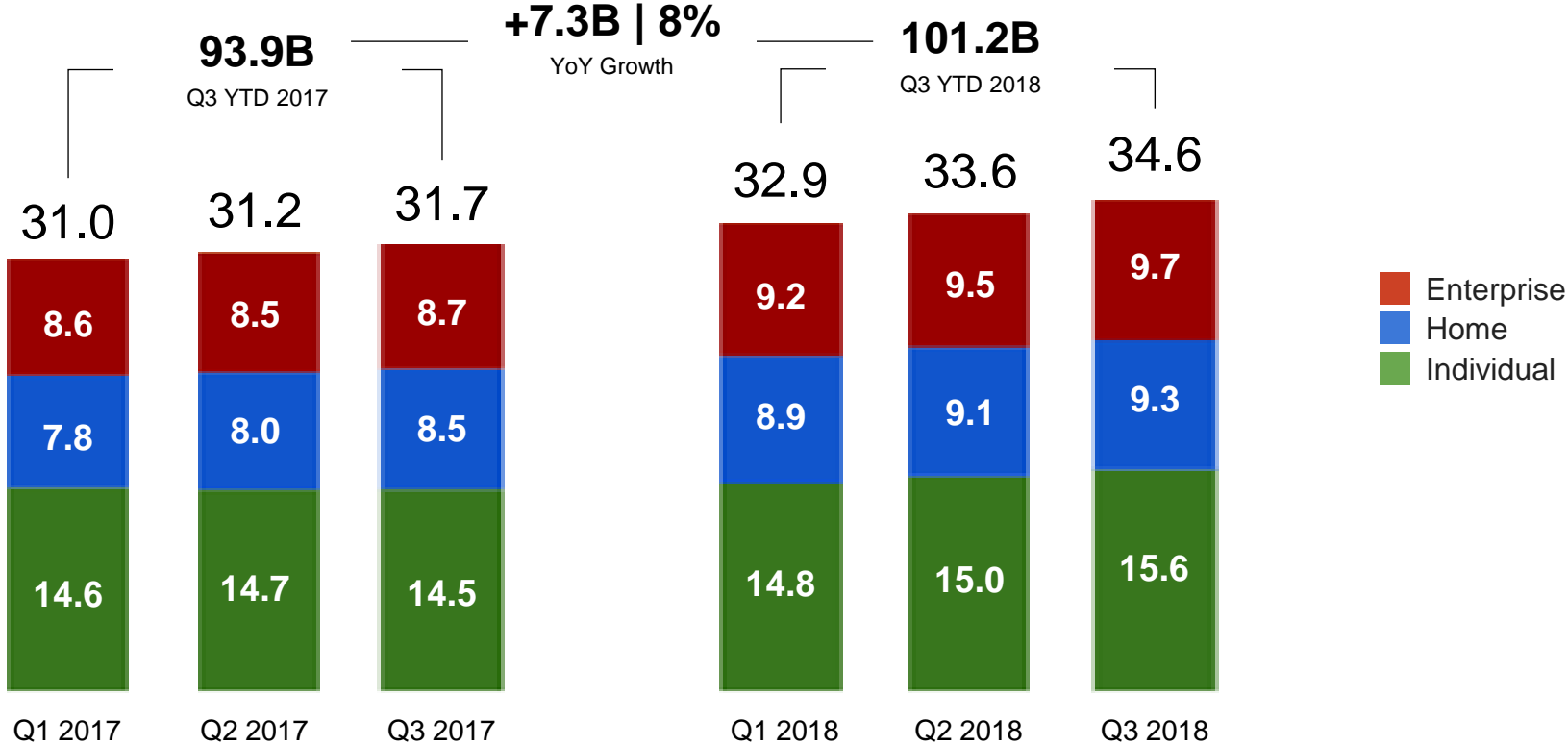
- International
- Enterprise
- Home
- Individual



Q3 YTD 2018 HIGHLIGHTS : TOTAL CRO

Service Revenue Net of Interconnection Cost

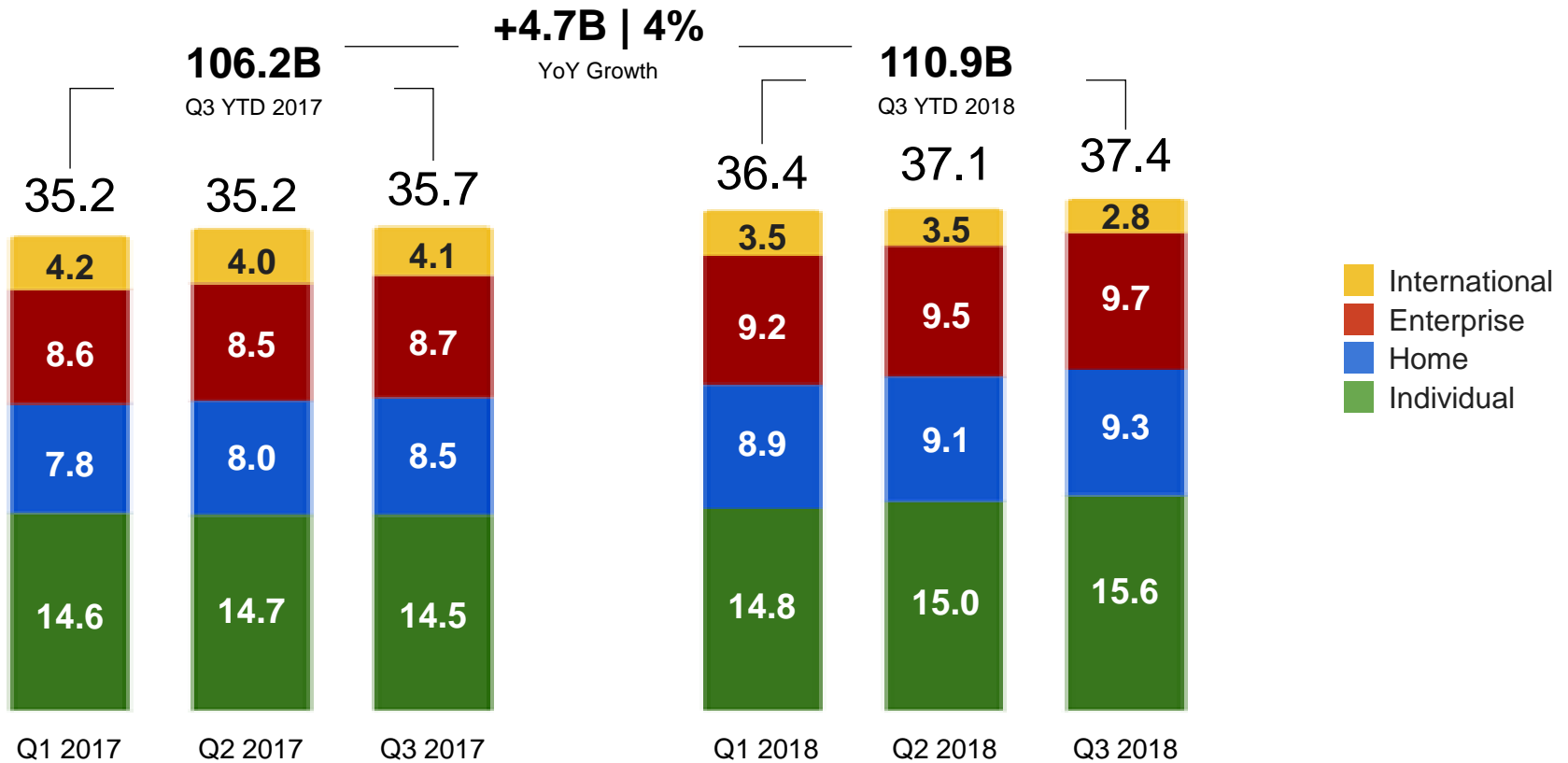
In Billions of PHP



Q3 YTD 2018 HIGHLIGHTS : TOTAL CRO

Service Revenue Net of Interconnection Cost

In Billions of PHP







SERVICE REVENUES

Net of Interconnection Cost | In Billions of Pesos

YTD Sep 2018 :

SEGMENT HIGHLIGHTS

Excluding Voyager and Others

| | YTD Sep'17 | YTD Sep'18 | GROWTH PHP | % |
|--|---------------|---------------|---------------|------------|
| ENTERPRISE  | 25.9 | 28.4 | +2.6B | +10% |
| HOME  | 24.3 | 27.3 | +3.0B | +12% |
| INDIVIDUAL  | 43.8 | 45.5 | +1.7B | +4% |
| SUB-TOTAL | 93.9 | 101.2 | +7.3B | +8% |
| INT'L  | 12.3 | 9.7 | -2.6B | -21% |
| TOTAL | 106.2 | 110.9 | +4.7B | +4% |



2018 3rd Quarter Business Results

Net Service Revenues

Sept YTD 2018 vs SPLY

(in PHP billions)



Sept 2017

Sept 2018

YoY Growth 10%, +2.5B

FIXED

7%

+1.3B

WIRELESS

22%

+0.9B

ICT

14%

+0.3B

Performance Highlights

Sept YTD 2018

Fixed Line continues to grow driven by demand for Data.

- Broadband 19%
- Private Data Networking 10%
- Corporate Voice -3%

Wireless growing like never before.

- Corporate Postpaid 25%
- Wireless Broadband 15%
- IoT / M2M / Solutions 20%

ICT sustains strong double digit growth across business pillars.

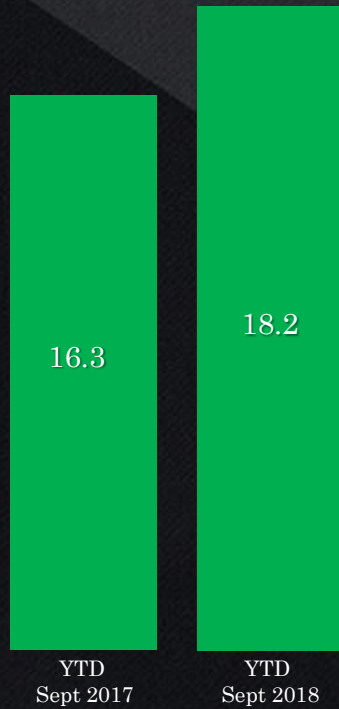
- Data Center 17%
- Cloud Infra & SaaS 23%
- Cyber Security 60%

Enterprise growing where it matters.

YTD Sept 2018

DATA & ICT

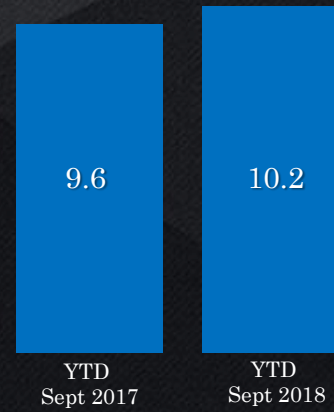
12%, 1.9B



63% → 64%

VOICE & SMS

7%, 0.6B



37% → 36%

Enterprise Corporate Data Revenues

YTD Sept 2018

PLDT Enterprise

14%, 2.2B



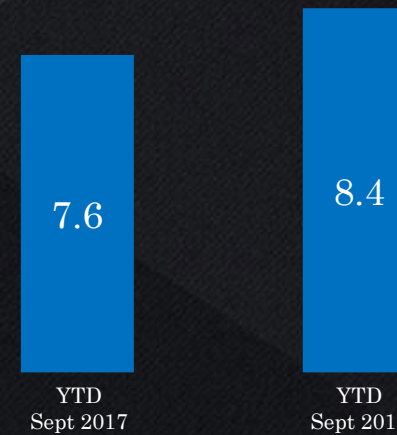
66.6%



67.4%

Globe Business

11%, 0.8B



33.4%



32.6%

Leading Innovations & Partnerships



PLDT – NGENA (SD-WAN)



PLDT – PCCW Global Partnership



GMA ELEKSYON 2019 Partnership



ePLDT- NTT Security Partnership

Pervasive Industry Thought Leadership

CCAP Contact Islands 2018



Nat'l Retailers Conference & Expo



RBAP Summit



IOT Summit Philippines 2018



Digital Transformation with BSP & FINTQ



Nat'l Data Privacy Summit



CLOUD Security Alliance Summit

Inspiring Filipino Entrepreneurship



First in 5G





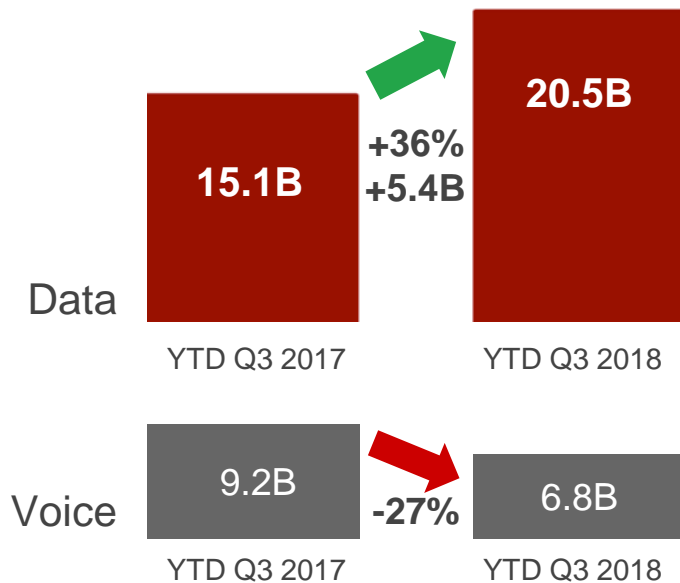
PLDT  Smart

CONSUMER HOME

PLDT Home Broadband grows +36% YTD Q3 2018, bringing next-gen data experience to the Philippines!

PLDT HOME NET SERVICE REVENUES*

In Billions of PhP



Google

PLDT HOME FIBR AND GOOGLE NOW GIVE YOU FULL WI-FI COVERAGE



As a valued subscriber, we are giving you a **FREE speed boost** to thank you for the years we've been together!

20 MBPS

To top it off, enjoy all these other amazing gifts just for you.



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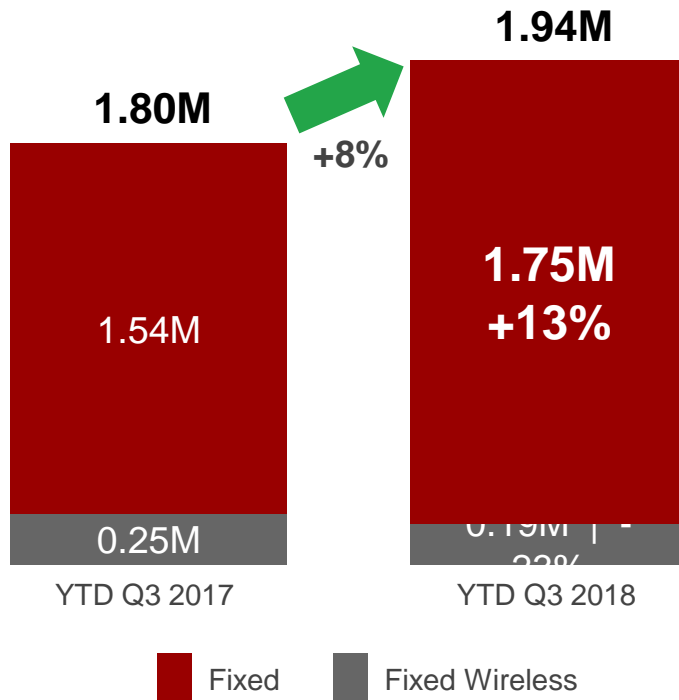
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*New allocation of revenues applied to 2018

High speed Fixed HOME Broadband subscriber base growing @ +13%!

HOME BROADBAND SUBSCRIBER BASE

In Millions of PHP



HOME broadband penetration is at an all-time high of 1.9M

1

Strong growth driven by expansion in Fibr ports

Targeted on-ground campaigning using analytics accelerating take-up

PLDT FIBR NATION



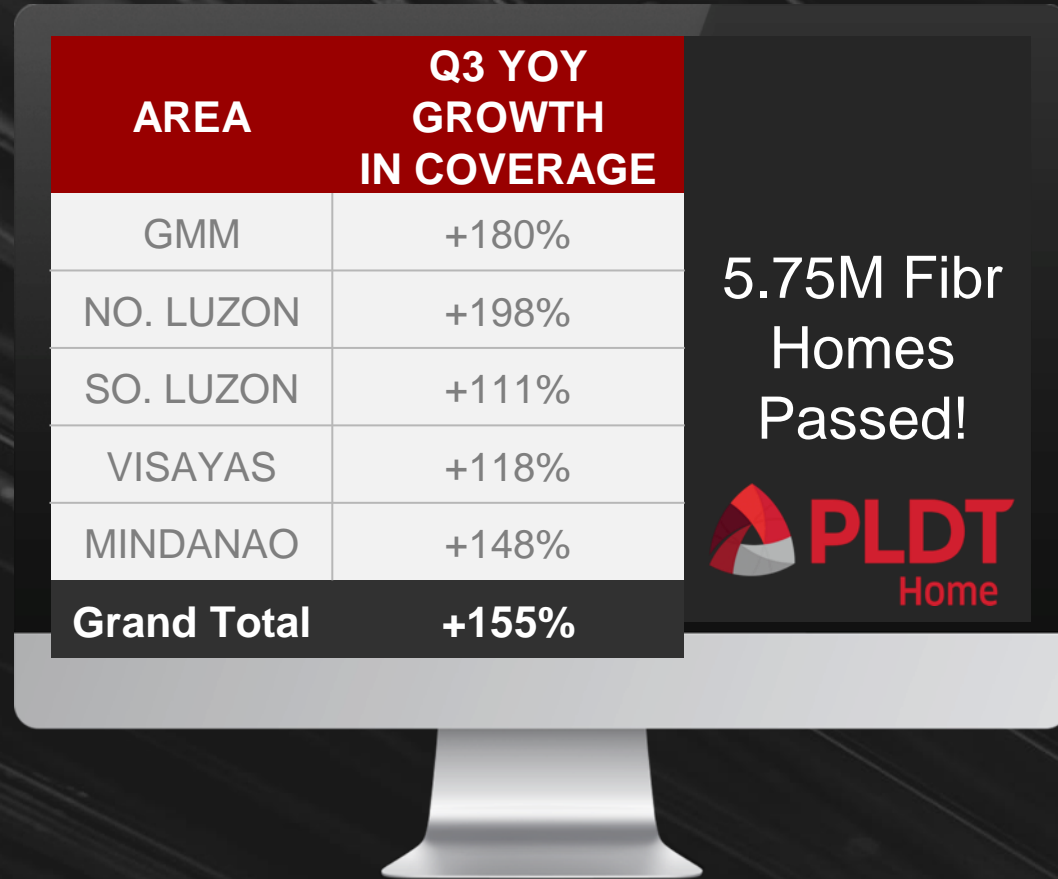
PLDT Home now @2.25M
FIBR-FAST BROADBAND
PORTS as of Q3 YTD'18



HOMES PASSED now at
5.75M by end Q3 2018



TOTAL FIBER FOOTPRINT
now at 221k km, an
additional 56k km vs Q3'17



2

Growth also driven by strong progress on Fibr migration & Upsell



6.1X

more subs have been upgraded to Fibr as of Q3'18 vs YE'17



2.2X


more Fibr upgraded subs upsold in Q3'18 vs YE'17



2

Speed Increase of Fibr Subs for better CX


MODERNIZED SUBSCRIBERS ENJOY THE FOLLOWING EXCLUSIVE OFFERS




As a valued subscriber, we are giving you a **FREE speed boost** to thank you for the years we've been together!

20 MBPS

To top it off, enjoy all these other amazing gifts just for you.



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MENU

Click on "Menu" then "iFlix VIP"

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Enter this voucher code XXXXXXXX

Have a great day!

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Free 1yr iFlix subscription



Get your free MVP rewards card and complete the Fibr experience

Enjoy these special deals and discounts



Now you can view and download your bills online. [Click here to enroll to paperless billing](#)

Free delivery of MVP rewards card



5Mbps
Plan 1299

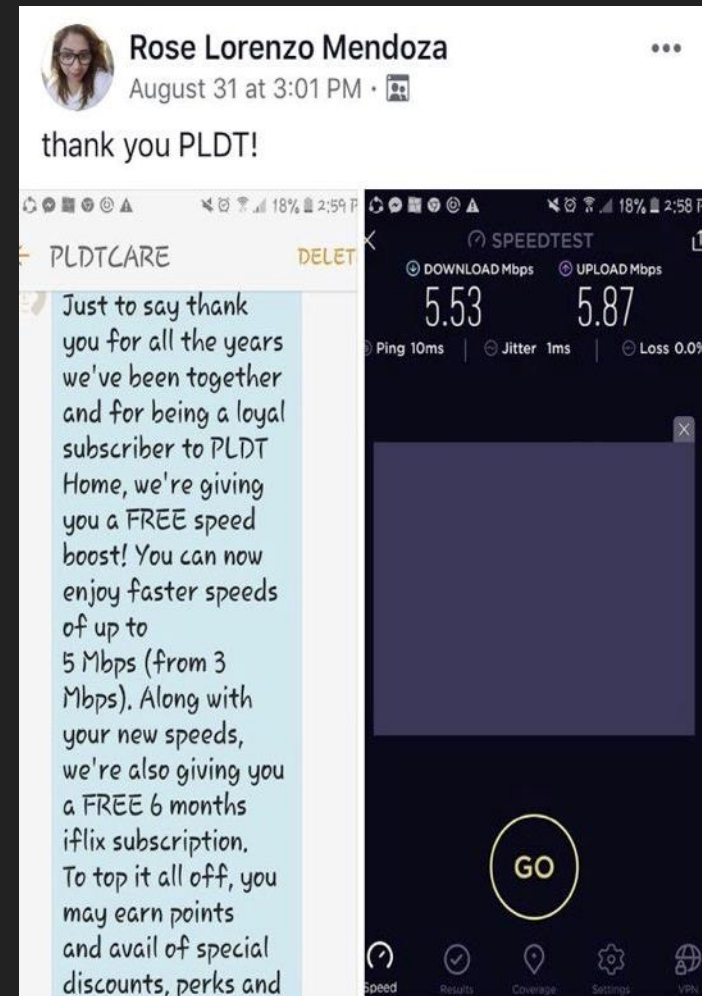
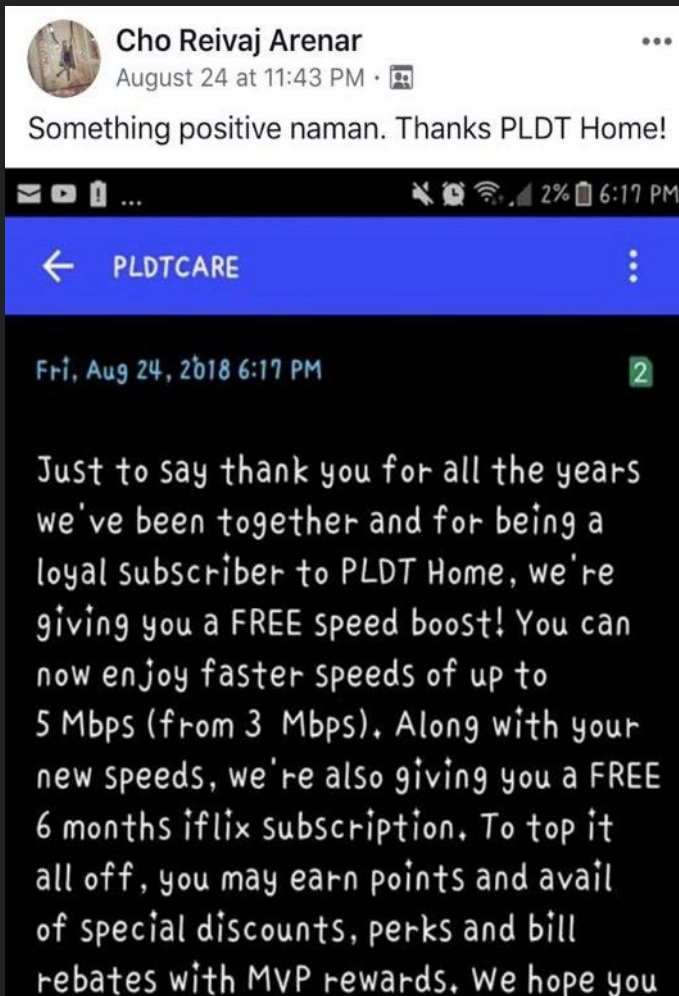
10Mbps
Plan 1699

25Mbps
Plan 1899

2

Speed Increase of Fibrized Subs for better CX

Drive advocacy among existing subs thru the speed increase program



3

Launch of the Google WiFi Partnership

Introduce the Home Fibr Google Plans



GOOGLE WIFI PLAN 3799

50Mbps Unlimited Fibr
+ 3 Whole Home WiFi Pucks



GOOGLE ADD-ON PACK

P799/set (3 pcs)
P299 per pc.
Add on to Plan 1899 & above

4

Launch of Home Wifi Prepaid tapping a new market

Encouraging early wins for Home Wifi (Fixed Wireless)



SUPER AFFORDABLE
AS LOW AS P15/DAY



JUST PLUG & SURF
INSTANT ACTIVATION



SUPER BILIS
POWERED BY SMART
LTE



CONNECT UP TO
5 DEVICES

5

Launched a New Converged Retail Experience



Home
Monitor your family
wherever you are

Experiences
(Travel, Photography, etc)
#ForTheGram

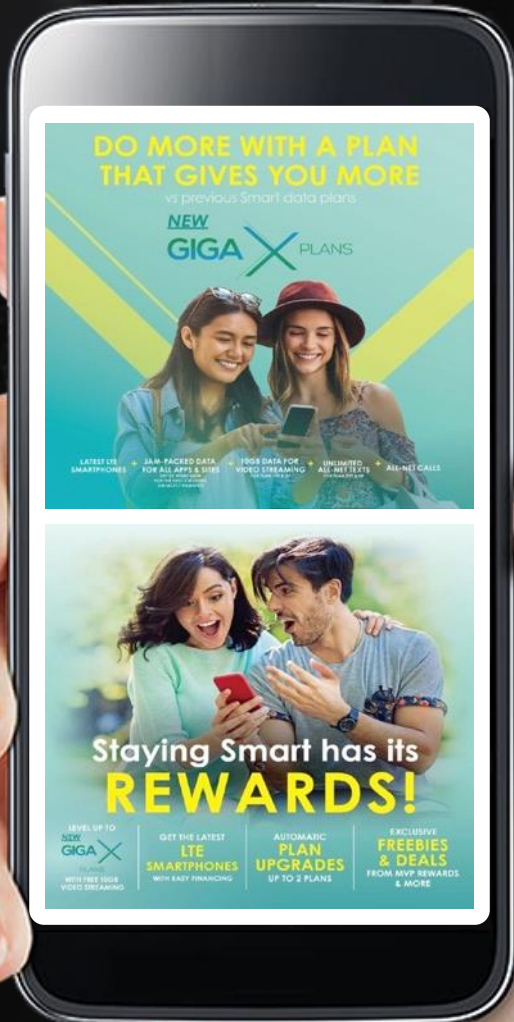
Upsell
Menuboard

Aftersales

Launch Pad

Sales Area

Sales Area



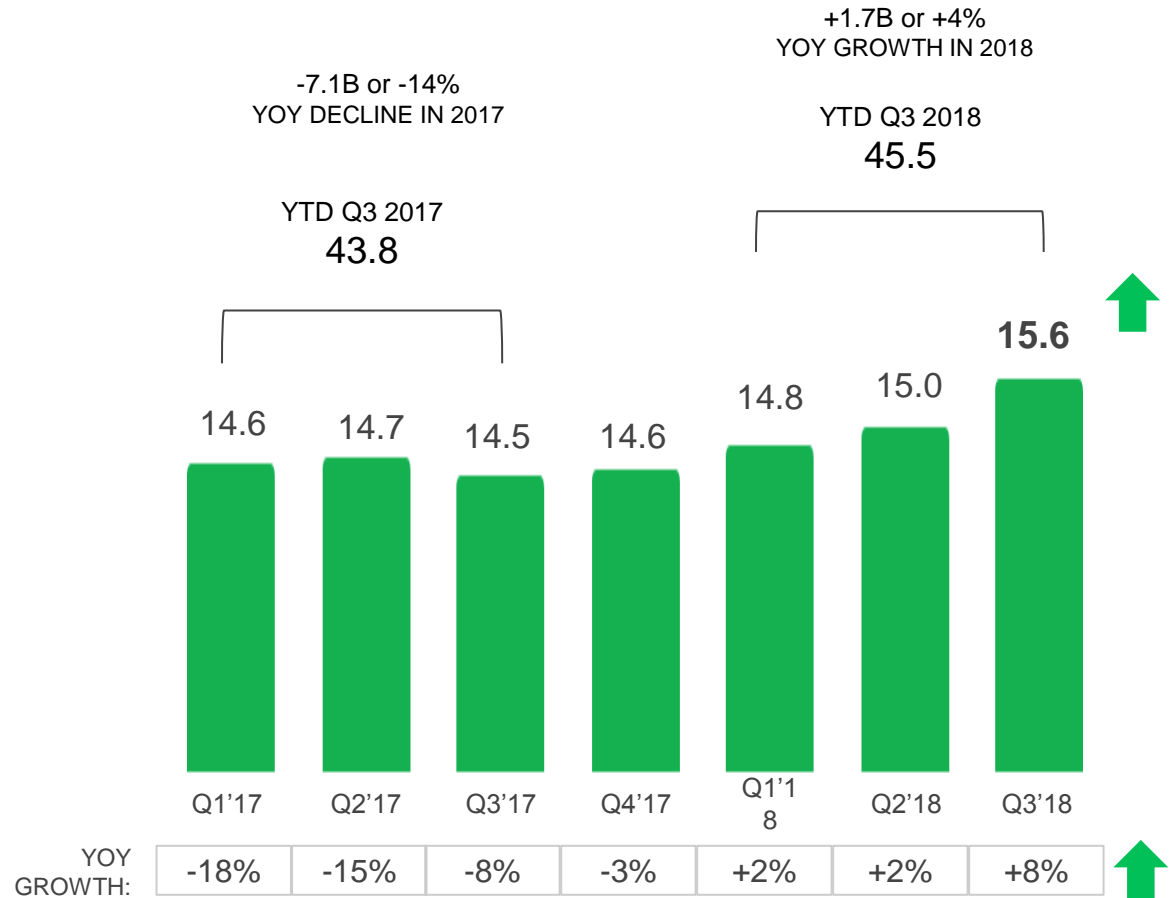
PLDT  Smart

CONSUMER
INDIVIDUAL

Individual will complete its turnaround in 2018, with accelerating growth in Q3'18 to +8%!

QUARTERLY NET SERVICE REVENUES

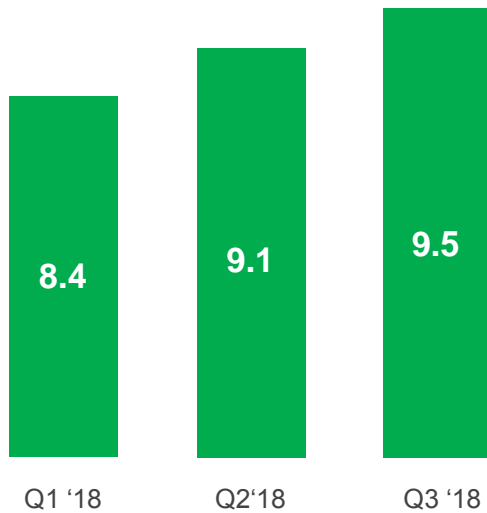
In Billions of PHP | Excluding Infinity



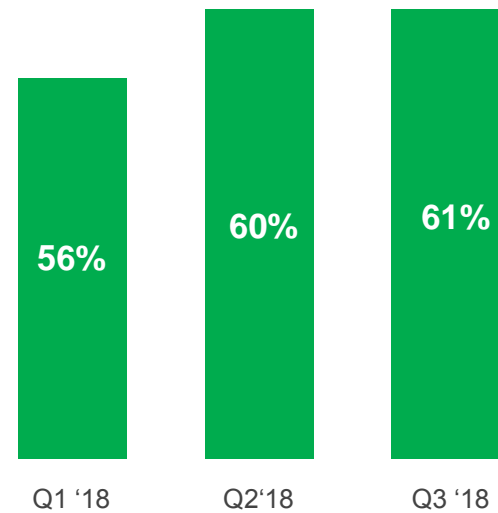
Data revenue grows from to 9.3B in Q3'18 pushing data revenue contribution to a new high of 61%

WIRELESS INDIVIDUAL DATA REVENUE

In Billions of Php



DATA CONTRIBUTION TO REVENUE



**New allocation of revenues applied to 2018*

1

Single minded focus for Smart to lead mobile video experience in PH driving growth



Filipinos are avid video consumers



The Philippines surpassed the global average of 6.75 hours.



PH's best in video



Smart garnered the highest video experience score in the Philippines.



International



Smart's score is at par with some international, even US carriers.



Weekly Video Consumption



6.75 hours



8.5 hours



8.75 hours
(8 hrs 46 mins)



Video Experience Score



34.98



29.20



42.2



Video Experience Score



40.88



41.10

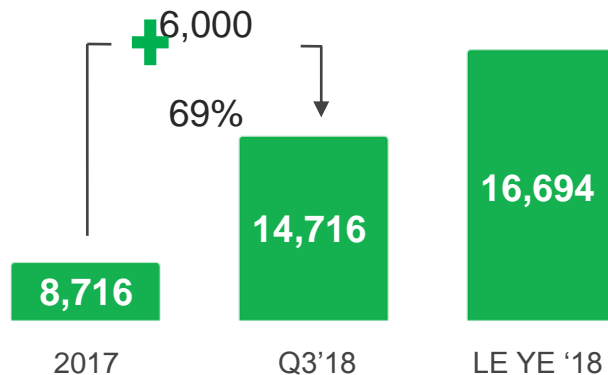


42.2

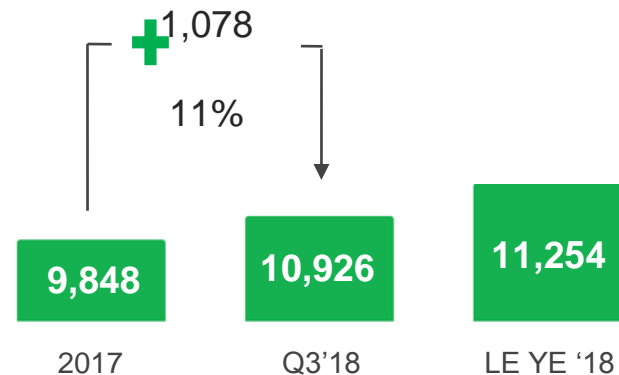
1

Bringing world-class mobile data experience to more and more Filipinos

4G Base Stations



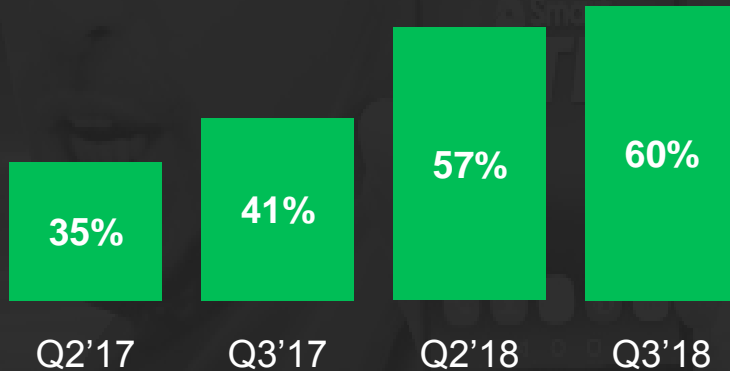
3G Base Stations



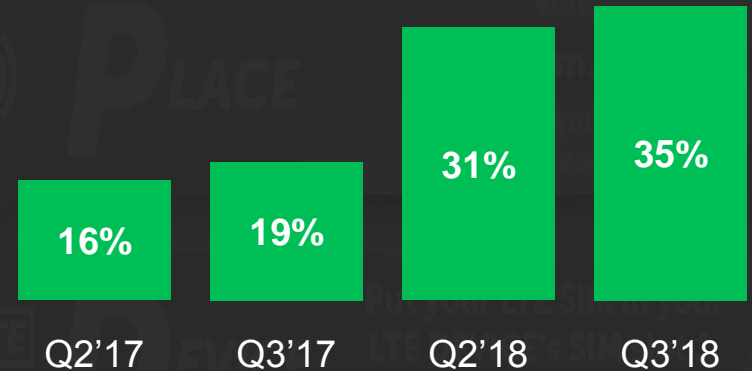
2

Aggressive LTE Migration efforts yielding significant take-up, now up to 35% of subs base capable of experiencing best LTE network in the country

60% of total base now with
LTE SIMs



35% of total base now with
LTE smartphones

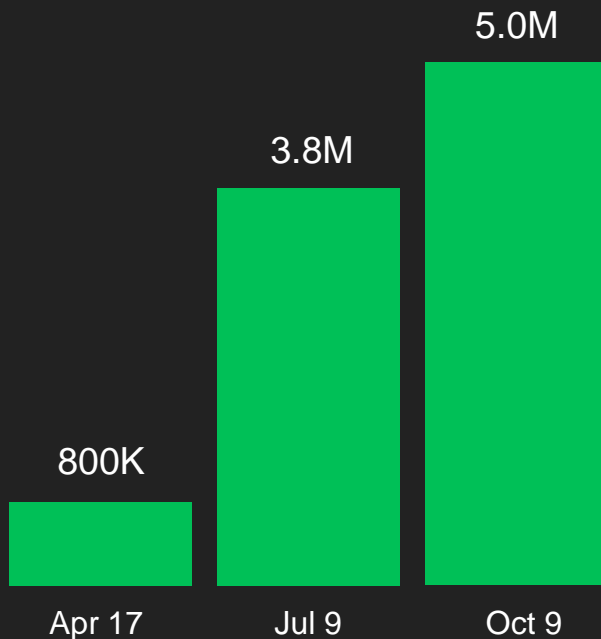


Driven by the continuous communication of our LTE network

3

YouTube Promo driving data adoption with best video experience in SMART's world class network

DAILY YOUTUBE USERS
(In Millions)



₱21
Incremental
Top-up per User

9%
ARPU Uplift

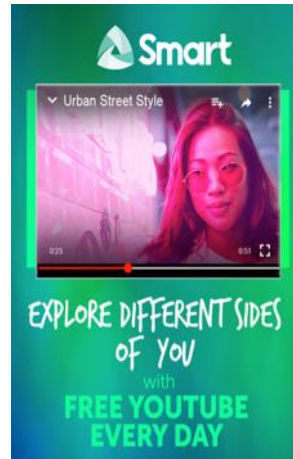


3

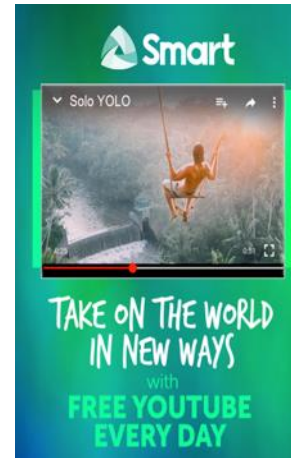
Monetizing the Video Habit

Bundling Video access to drive upsell to higher value Data packages

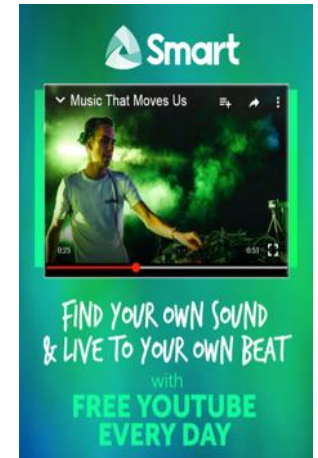
Providing inspiration and an **Opportunity** to pursue passions



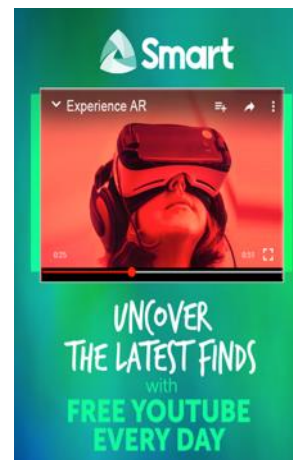
Lifestyle & How To's



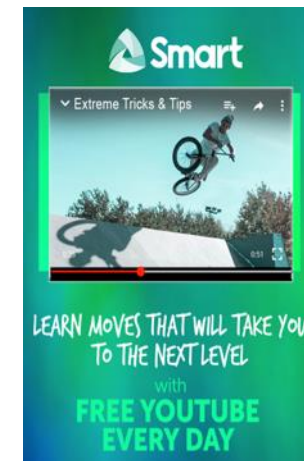
Travel



Music



Tech



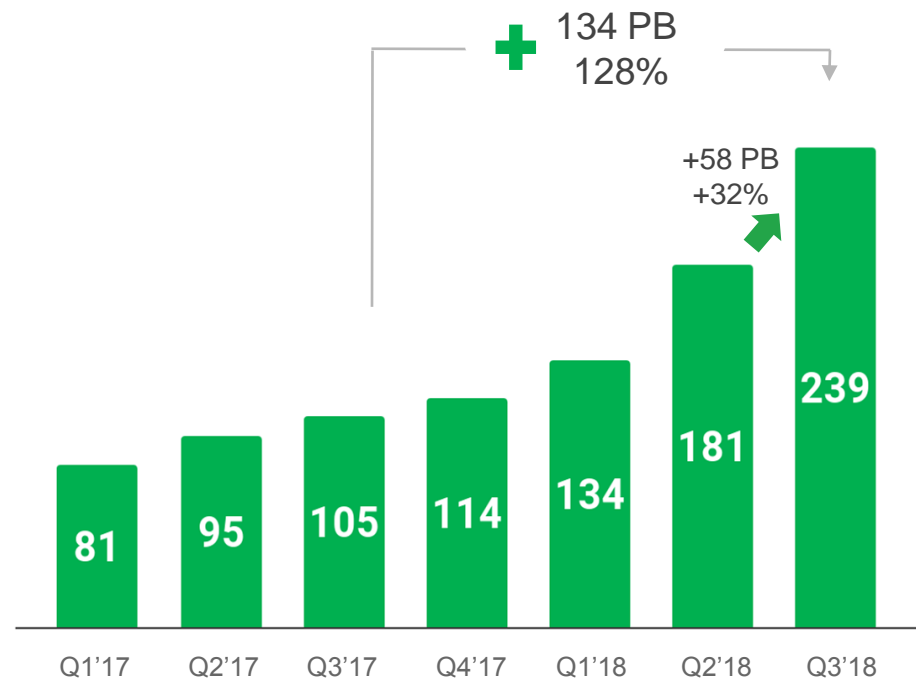
Sports

3

Mobile Data Traffic showing very strong growth, providing a higher base for monetization

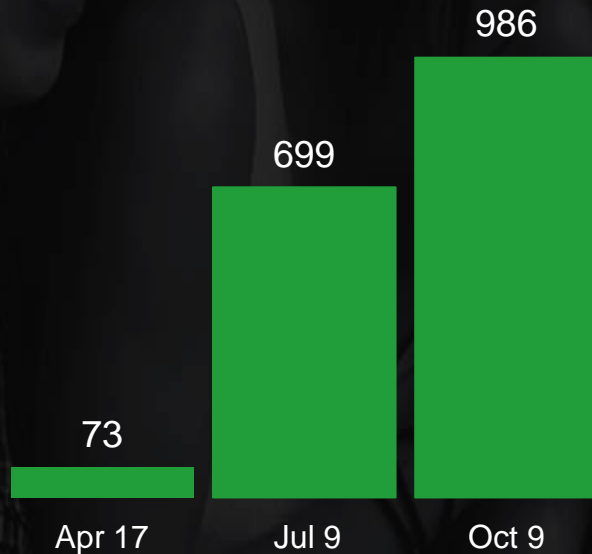
WIRELESS DATA USAGE

(In Millions of PB)



Primed for monetization as YouTube promo drives up usage traffic and creates daily video habits

YOUTUBE TRAFFIC (TB / Day)



13.5X

Increase in YouTube Usage traffic
(73 TB/day to 986 TB/day)

60%

of users driving over 95%
of Usage traffic

Monetizing the Video Habit

Bundling Video access to drive upsell to higher value Data packages



Launch of NEW GigaSurf Data packs with VIDEO EVERY DAY

- ❑ Up to 1 Hour of Video access daily on 7-day and 30-day GigaSurf packages
- ❑ Easy availment through *121# and App

| GIGASURF 50 | GIGASURF 99 | GIGASURF 299 | GIGASURF 599 | GIGASURF 899 |
|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| 1 GB | 2 GB | 2 GB | 5 GB | 8 GB |
| with 300MB for Video | with VIDEO EVERY DAY | with VIDEO EVERY DAY | with VIDEO EVERY DAY | with VIDEO EVERY DAY |
| 1 Hour/Day | 1 Hour/Day | 1 Hour/Day | 1 Hour/Day | 1 Hour/Day |
| 3 Days | 7 Days | 30 Days | 30 Days | 30 Days |

PLDT SMART

PLDT Smart



KKR and Tencent US\$175mn Investment in Voyager:

Largest investment to-date in a Philippine technology company

- **On 4 October 2018, Voyager signed subscription agreements to raise a total of US\$175mn of new funding via issuance of new shares to KKR and Tencent as Lead Investors**
 - With an option to upsize from follower investors
- **The global expertise and fresh capital from the investors will enable Voyager to:**
 - Provide greater access to mobile payments and the internet as a whole to the population
 - Help in accelerating digital and financial inclusion in the country
- **As follower investors continue to seek internal approvals, the final ownership of PLDT and the Lead Investors after incorporating all new funding from follower investors is yet to be determined**
 - PLDT ownership expected to fall below 50%, but to remain the largest single shareholder
- **Transaction with Lead Investors expected to close in 4Q18**
- **Key benefits to PLDT and Voyager:**
 - Funding into Voyager expected to cover Voyager's cash requirements for at least 2 years
 - ✓ Funding relief for PLDT: allows it to direct available funds to main telco business
 - Voyager will be able to leverage on the value add of having PLDT plus KKR and Tencent as lead investors
 - ✓ KKR and Tencent are highly experienced in the global payments and tech spaces
 - Both have a deep expertise in optimizing and mentoring growth-oriented companies and their management
 - ✓ Having high-profile investors in KKR and Tencent brings increased credibility and visibility for Voyager

PLDT Group: Guidance for 2018

Recurring Core Income (ex-Voyager)*: P23-24bn

- **To grow by P1-2bn from P22bn in 2017**
 - Mainly from the combined impact of:
 - ✓ Higher EBITDA
 - Improvement in consolidated service revenues supported by the continued rise in data/broadband:
 - Sustained double-digit growth in Home and Enterprise revenues
 - Improvements in Individual revenues
 - Structural declines in ILD/NLD, SMS and cellular voice revenues
 - ✓ Expected increases in costs resulting from higher capex, i. e., depreciation and financing costs
 - ✓ Lower equity in earnings resulting from the sale of Beacon, recurring costs arising from the Vega Tel acquisition
 - Excludes Voyager
 - ✓ Similar to other e-commerce businesses, ramp up of Voyager operations will entail EBITDA losses.
 - ✓ On-going discussion on funding options, pace of expansion

Capex: P58bn

- **To increase by P18bn from P40bn in 2017**
 - Focus on:
 - ✓ Improving network quality and provide the customer a superior data experience
 - ✓ Enabling the growth of the data/broadband business
 - Approx 54% wireless and 46% fixed line (including backhaul/transport capex)
 - To be funded from operating cashflows supplemented by proceeds from asset sales and discounting of MPI receivables from Beacon shares sale

Dividend Payout: 60%

- **Dividend policy: Regular dividend payout of 60% of core income Takes into account:**
 - Technology roadmap/capex requirements
 - Management of cash and gearing levels

* Excludes MRP expenses, gain from asset sales, accelerated depreciation, and EBITDA adjustments

Other Details

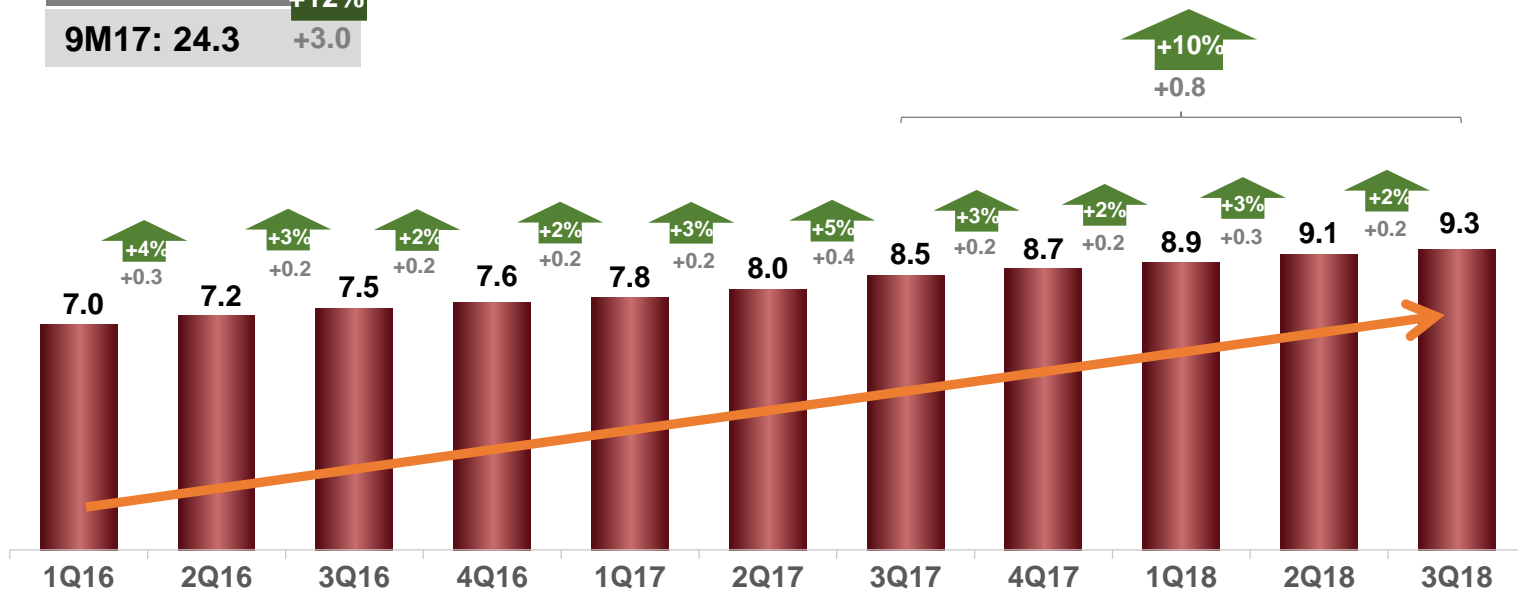
Home: Fixed home broadband remains key driver

(Php in billions)

**IAS18
(Pro-forma)**

9M18: 27.3 **+12%**
9M17: 24.3 **+3.0**

Since 1Q15, 14 quarters of sequential revenue increases



- **Home service revenues of P27.3bn in 9M18 were higher year-on-year by P3.0bn or 12%**
 - Account for 24% of total consolidated service revenues
 - Growth driven by 36% increase in data and broadband revenues, primarily due to a 55% improvement in fixed Home broadband
 - Revenues rose quarter-on-quarter partly muted by the impact of DOLE Order on installation activities in early 3Q18
- **Effective 1Q2018, allocation of Fixed Line service revenues updated to reflect current consumption trend of bundles**
 - Data and broadband growth at 33% on pro-forma basis
- **Data/broadband represent 75% of total HOME revenues**

Enterprise: Double digit growth persists

(Php in billions)



- **Enterprise service revenues grew year-on-year by P2.6bn or 10% to P28.4bn in 9M18**
 - Represent 25% of total consolidated service revenues
 - Growth underpinned by a 12% increase in data and broadband to P18.2bn
 - ✓ Corporate data revenues grew by 12%
 - ✓ Data center revenues rose by 21%

- **Data/broadband represent 64% of total Enterprise revenues**

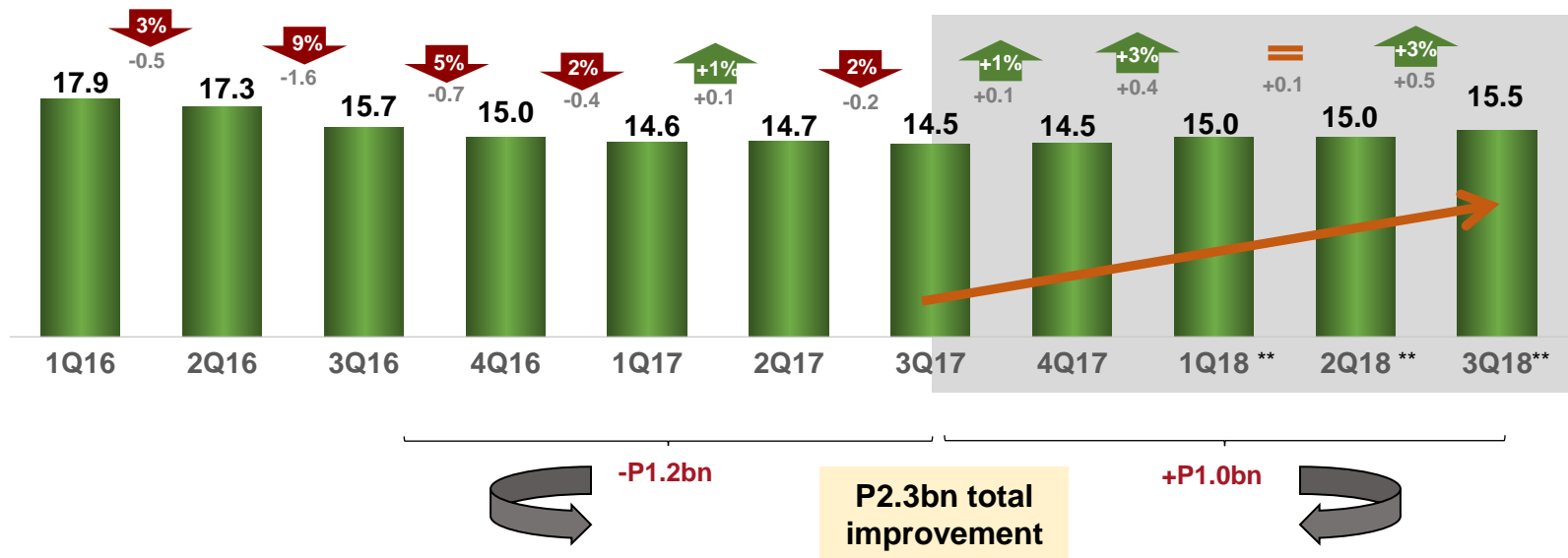
Individual: Momentum is building -- revenues higher for fourth consecutive quarter

(Php in billions)

**IAS18
(Pro-forma)**

9M18: 45.5 +4%
9M17: 43.8 +1.7

+7%
+1.0



➤ **Individual service revenues for 9M18 improved year-on-year by P1.7bn or 4% at P45.5bn or 41% of total consolidated service revenues**

- Growth of 4% in 9M18 is a sharp contrast from the 14% or P7.1bn year-on-year decline in 9M17
 - ✓ Combined turn-around of P8.8bn
- Revenue increase supported by a 83% rise in mobile internet revenues [from 9M17]
- Impact of reduction in interconnection costs starting 1 September 2018 of P0.3bn reflected in 3Q18

➤ **Data/broadband contribute 59%** to total Individual revenues**

- About 60% of subscribers own smartphones – more than half pay for data
- Mobile data traffic grew by 97% year-on-year

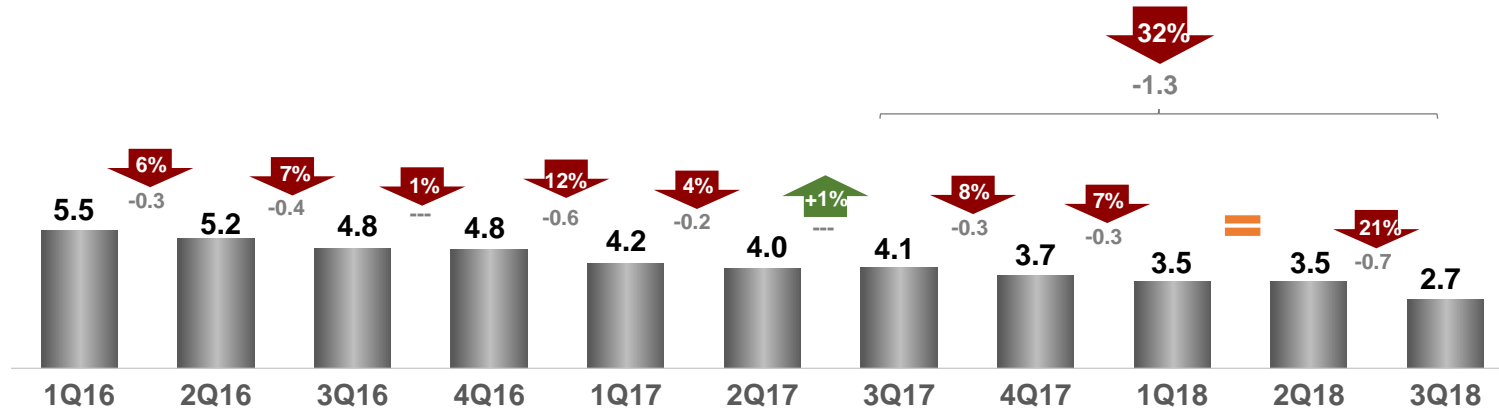
** Reflects revised revenue split

➤ **In 3Q18, revised revenue split among data, voice and SMS effected to reflect current usage trends**

International/Carrier: Lower interconnection rates add to revenue declines

(Php in billions)

| | |
|------------|------|
| 9M18: 9.7 | -21% |
| 9M17: 12.3 | -2.6 |



- **International/Carrier service revenues were lower by P2.6bn or 21% to P9.7bn in 9M18 vis-à-vis 9M17**
 - Approx. 84% or P8.1bn of revenues are wireless revenues, while around 16% or P1.6bn are fixed revenues
- **Revenues continue their sequential decline with the unabated increase in the availability and use of over-the-top alternatives**
- **3Q18 reflects P0.3bn impact of reduction in interconnect revenues starting 1 September 2018**
 - Excluding this, 3Q18 revenues would have been lower by 11% quarter-on-quarter

Fixed Fiber and Wireless Network: Selected Highlights

Accelerated Fixed Network Rollout

2018 targets exceeded at end 9M18

TOTAL HOMES PASSED

(Million Homes)

- As of end September 2018, homes passed nearing 6mn 2020 target

TOTAL CAPACITY

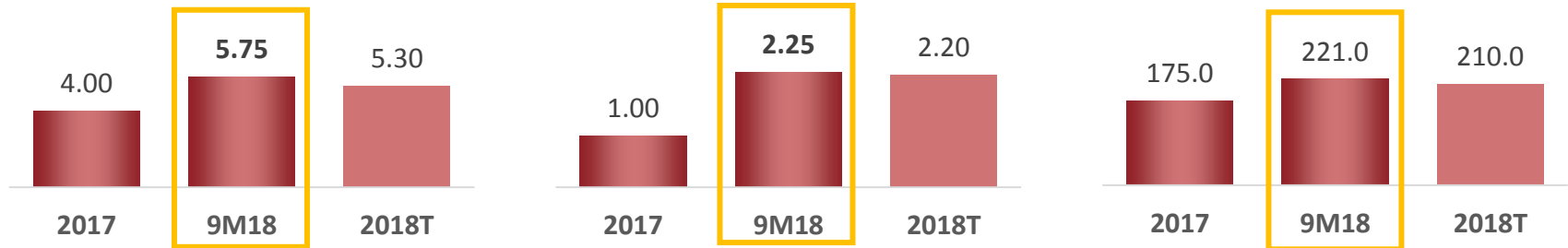
(Million Ports)

- Existing port capacity more than double YE17
- 1.25mn available/saleable ports

TOTAL FIBER FOOTPRINT

(Thousand Cable Kilometers Laid)

- 17K kms rolled out in 3Q18 in addition to 29K kms laid in 1H18



and the Wireless Network Rollout

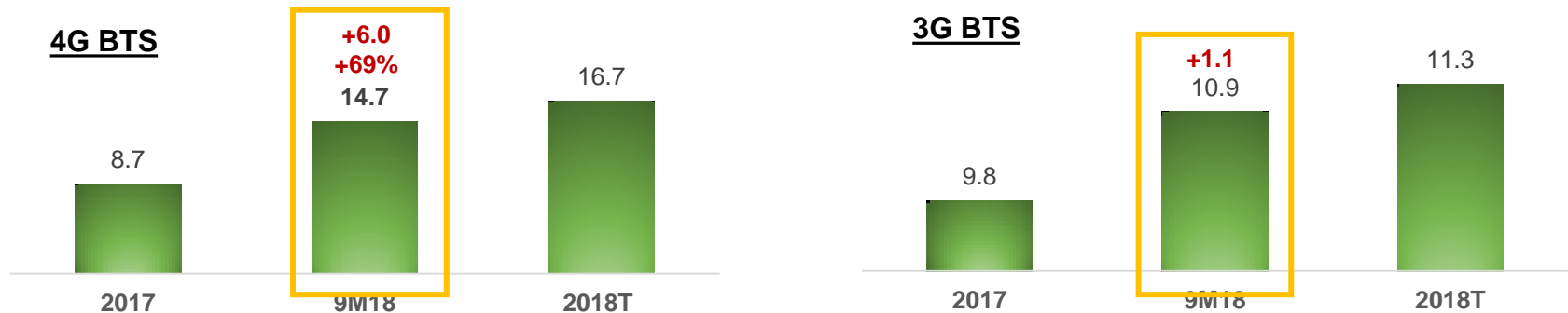
LTE and 3G Rollout (in thousands)

4G BTS

+6.0
+69%
14.7

3G BTS

+1.1
10.9



Appendix

Subscriber Base: Mobile

Mobile Subscribers ⁽¹⁾ by Category:

| | Sept-18 ⁽²⁾ | Jun-18 ⁽²⁾ | Mar-18 ⁽²⁾ | Dec-17 ⁽²⁾ | Sept-17 ⁽²⁾ | Jun-17 ⁽²⁾ | Mar-17 |
|--|------------------------|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|-------------------|
| Mobile Subscriber Base ⁽¹⁾ | | | | | | | |
| Prepaid ⁽²⁾ | 55,627,968 | 56,081,230 | 55,666,020 | 55,776,646 | 55,651,398 | 56,083,707 | 60,421,068 |
| Smart Prepaid | 19,526,064 | 20,261,130 | 20,198,965 | 20,433,351 | 20,537,068 | 20,587,687 | 21,933,462 |
| Sun Prepaid | 5,972,878 | 6,066,566 | 6,235,105 | 6,535,331 | 6,749,894 | 7,014,726 | 8,086,432 |
| TNT | 30,129,026 | 29,753,534 | 29,231,950 | 28,807,964 | 28,364,436 | 28,481,294 | 30,401,174 |
| Postpaid | 2,406,039 | 2,429,642 | 2,451,799 | 2,517,262 | 2,566,636 | 2,620,025 | 2,721,410 |
| Smart Postpaid | 1,430,675 | 1,425,105 | 1,402,046 | 1,388,090 | 1,372,661 | 1,353,468 | 1,365,709 |
| Sun Postpaid | 975,364 | 1,004,537 | 1,049,753 | 1,129,172 | 1,193,975 | 1,266,557 | 1,355,701 |
| Total Mobile Subscribers | 58,034,007 | 58,510,872 | 58,117,819 | 58,293,908 | 58,218,034 | 58,703,732 | 63,142,478 |

Mobile Subscribers ⁽¹⁾ by Brand:

| | Sept-18 ⁽²⁾ | Jun-18 ⁽²⁾ | Mar-18 ⁽²⁾ | Dec-17 ⁽²⁾ | Sept-17 ⁽²⁾ | Jun-17 ⁽²⁾ | Mar-17 |
|--|------------------------|-----------------------|-----------------------|-----------------------|------------------------|-----------------------|-------------------|
| Mobile Subscriber Base ⁽¹⁾ | | | | | | | |
| Smart | 20,956,739 | 21,686,235 | 21,601,011 | 21,821,441 | 21,909,729 | 21,941,155 | 23,299,171 |
| Smart Prepaid ⁽²⁾ | 19,526,064 | 20,261,130 | 20,198,965 | 20,433,351 | 20,537,068 | 20,587,687 | 21,933,462 |
| Smart Postpaid | 1,430,675 | 1,425,105 | 1,402,046 | 1,388,090 | 1,372,661 | 1,353,468 | 1,365,709 |
| TNT ⁽²⁾ | 30,129,026 | 29,753,534 | 29,231,950 | 28,807,964 | 28,364,436 | 28,481,294 | 30,401,174 |
| Sun Cellular | 6,948,242 | 7,071,103 | 7,284,858 | 7,664,503 | 7,943,869 | 8,281,283 | 9,442,133 |
| Sun Prepaid ⁽²⁾ | 5,972,878 | 6,066,566 | 6,235,105 | 6,535,331 | 6,749,894 | 7,014,726 | 8,086,432 |
| Sun Postpaid | 975,364 | 1,004,537 | 1,049,753 | 1,129,172 | 1,193,975 | 1,266,557 | 1,355,701 |
| Total Mobile Subscribers | 58,034,007 | 58,510,872 | 58,117,819 | 58,293,908 | 58,218,034 | 58,703,732 | 63,142,478 |

⁽¹⁾ Includes Mobile Broadband subscribers

⁽²⁾ Beginning 2Q2017, prepaid subscriber base excludes subscribers who do not reload within 90 days versus the previous cut-off of 120 days

Subscriber Base: Fixed Line and Broadband

Fixed Line Subscribers

| | Sept-18 | June-18 | Mar-18 | Dec-17 | Sept-17 | Jun-17 | Mar-17 |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Fixed Line Subscribers | 2,778,274 | 2,756,865 | 2,707,079 | 2,663,210 | 2,614,248 | 2,546,992 | 2,487,601 |

Broadband Subscribers

| | Sept-18 | June-18 | Mar-18 | Dec-17 | Sept-17 | Jun-17 | Mar-17 |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| BROADBAND | | | | | | | |
| Fixed Line Broadband ⁽¹⁾ | 1,859,210 | 1,829,096 | 1,772,836 | 1,713,527 | 1,651,515 | 1,575,914 | 1,506,578 |
| Fixed Wireless Broadband | 195,015 | 209,237 | 223,064 | 237,354 | 251,897 | 257,187 | 264,227 |
| Total Broadband Subscribers | 2,054,225 | 2,038,333 | 1,995,900 | 1,950,881 | 1,903,412 | 1,833,101 | 1,770,805 |

⁽¹⁾ Includes Corporate Fixed Broadband Subscribers

ARPU

Mobile ARPU, Net⁽¹⁾ :

| | 2018 ⁽²⁾ | | | 2017 | | | |
|------------------------------|---------------------|-----|-----|------|-----|-----|-----|
| | 1Q | 2Q | 3Q | 1Q | 2Q | 3Q | 4Q |
| Smart Postpaid | 809 | 813 | 810 | 965 | 985 | 975 | 961 |
| Smart Prepaid ⁽³⁾ | 112 | 116 | 120 | 104 | 109 | 108 | 110 |
| TNT ⁽³⁾ | 73 | 73 | 71 | 71 | 77 | 74 | 75 |
| Sun Postpaid | 382 | 403 | 406 | 413 | 412 | 421 | 428 |
| Sun Prepaid ⁽³⁾ | 80 | 82 | 82 | 78 | 82 | 82 | 85 |

⁽¹⁾ Includes Mobile Broadband subscribers

⁽²⁾ Using PFRS15 numbers

⁽³⁾ Beginning 2Q2017, prepaid subscriber base excludes subscribers who do not reload within 90 days versus the previous cut-off of 120 days

Broadband ARPU, Net :

| | 2018 ⁽¹⁾ | | | 2017 | | | |
|--------------------------|---------------------|-------|-------|-------|-------|-------|-------|
| | 1Q | 2Q | 3Q | 1Q | 2Q | 3Q | 4Q |
| Fixed Line Broadband | 1,372 | 1,389 | 1,343 | 1,168 | 1,170 | 1,182 | 1,185 |
| Fixed Wireless Broadband | 844 | 851 | 872 | 813 | 778 | 865 | 844 |

⁽¹⁾ Using PFRS15 numbers

9M2018: Consolidated Financial Highlights

| | 9M2018 (PFRS15) | | | | 9M2017 | Y-o-Y % Change |
|--|--------------------|------------|---------|--------------|---------|-------------------|
| | Wireless | Fixed Line | Others | Consolidated | | |
| <i>(Php in millions)</i> | | | | | | |
| Service Revenues ⁽¹⁾ | 62,269 | 60,491 | 585 | 114,876 | 113,029 | 2% |
| Cash Operating Expenses ⁽²⁾ | 32,752 | 33,154 | 1,831 | 58,218 | 56,821 | 2% |
| Subsidies and Cost of Services | 2,162 | 775 | (20) | 2,795 | 3,663 | (24%) |
| Provisions | 1,922 | 2,242 | - | 4,164 | 3,416 | 22% |
| EBITDA | 25,433 | 24,320 | (1,226) | 49,699 | 49,129 | 1% |
| EBITDA Margin ⁽³⁾ | 41% | 40% | - | 43% | 43% | |
| Depreciation and Amortization | 15,710 | 11,704 | 86 | 27,500 | 25,547 | 8% |
| Financing Costs, Net | (1,346) | (3,941) | (113) | (5,292) | (5,628) | (6%) |
| Other Income | 269 | 1,934 | 2,577 | 3,226 | 7,315 | (56%) |
| Income (Loss) before Income Tax | 8,531 | 11,656 | 1,444 | 21,249 | 27,878 | (24%) |
| Provision (Benefit from) for Income Tax | 2,221 | 2,483 | 219 | 4,923 | 5,936 | (17%) |
| Net Income (Loss) Attributable to Equity Holders of PLDT | 6,311 | 9,115 | 1,225 | 16,269 | 21,878 | (26%) |
| Core income | 9,514 | 8,982 | 781 | 18,895 | 23,189 | (19%) |
| Underlying Core Income | 9,514 | 8,982 | (1,056) | 17,058 | 17,355 | (2%) |

| 9M2018 (Pro-forma) | 9M2018 (PFRS 15) vs Pro-forma | Y-o-Y % Change |
|-----------------------|-------------------------------------|-------------------|
| Consolidated | | |
| 117,741 | (2,865) | 4% |
| 58,218 | - | 2% |
| 5,075 | (2,280) | 39% |
| 4,127 | 37 | 21% |
| 50,321 | (622) | 2% |
| 43% | | |
| 27,500 | - | 8% |
| (5,292) | - | (6%) |
| 3,227 | (1) | (56%) |
| 21,564 | (315) | (23%) |
| 5,018 | (95) | (15%) |
| 16,489 | (220) | (25%) |
| 19,115 | (220) | (18%) |
| 17,278 | (220) | - |

(1) Service Revenues, gross of interconnection costs

| | | | | | | |
|--|--------|--------|-----|---------|---------|----|
| Service revenues, gross of interconnection costs | 62,269 | 60,491 | 585 | 114,876 | 113,029 | 2% |
| Interconnection costs | 4,017 | 3,612 | 1 | 5,849 | 5,712 | 2% |
| Service revenues, net of interconnection costs | 58,252 | 56,879 | 584 | 109,027 | 107,317 | 2% |

(2) Cash Operating Expenses includes interconnection costs

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

| | | |
|---------|---------|----|
| 117,741 | (2,865) | 4% |
| 5,849 | - | 2% |
| 111,892 | (2,865) | 4% |

Reconciliation of Underlying Core and Reported net income

| <i>(Php in millions)</i> | 9M2018 (PFRS15) | | | | 9M2017 | Y-o-Y % Change | 9M2018 | 9M2018 | Y-o-Y % Change |
|---|--------------------|--------------|----------------|---------------|---------------|-------------------|---------------|-----------------------|-------------------|
| | | | | | | | (Pro-forma) | (PFRS15) vs Pro-forma | |
| | Wireless | Fixed Line | Others | Consolidated | | | Consolidated | | |
| Net Income (Losses) Attributable to Equity Holders of PLDT | 6,311 | 9,115 | 1,225 | 16,269 | 21,878 | (26%) | 16,489 | (220) | (25%) |
| Add (Deduct): | | | | | | | | | |
| Foreign Exchange Losses, Net | 496 | 36 | 359 | 891 | 787 | 13% | 891 | - | 13% |
| Gains on Derivative Financial Instruments, Net | (518) | (291) | (282) | (1,091) | (818) | 33% | (1,091) | - | 33% |
| Impairment of Investments | 60 | - | - | 60 | 1,167 | (95%) | 60 | - | (95%) |
| Depreciation due to shortened life of property and equipment | 4,511 | - | - | 4,511 | - | 100% | 4,511 | - | 100% |
| Investment Written-off | - | - | 362 | 362 | - | 100% | 362 | - | 100% |
| Gain on Investment Valuation | - | - | (1,089) | (1,089) | - | 100% | (1,089) | - | 100% |
| Others | - | 45 | - | 45 | 66 | (32%) | 45 | - | (32%) |
| Net Tax Effect of aforementioned adjustments | (1,346) | 77 | 206 | (1,063) | 109 | (1,075%) | (1,063) | - | (1,075%) |
| Core Income | 9,514 | 8,982 | 781 | 18,895 | 23,189 | (19%) | 19,115 | (220) | (18%) |
| Add (Deduct): | | | | | | | | | |
| Asset Sales | - | - | (1,837) | (1,837) | (8,376) | (78%) | (1,837) | - | (78%) |
| MRP, net of tax | - | - | - | - | 1,112 | (100%) | - | - | (100%) |
| Accelerated Depreciation, net of tax | - | - | - | - | 1,430 | (100%) | - | - | (100%) |
| Underlying Core Income | 9,514 | 8,982 | (1,056) | 17,058 | 17,355 | (2%) | 17,278 | (220) | - |

Consolidated Service Revenues

| (Php in millions) | 2018 (PFRS15) | | | | 2017 | | | | | | Y-o-Y % Change | 2018 (Pro-forma) | | | | 9M2018 (PFRS15) vs Pro-forma | Y-o-Y % Change |
|---|---|---------------|---------------|----------------|---------------|---------------|---------------|----------------|---------------|----------------|-------------------|---------------------|---------------|---------------|----------------|------------------------------------|-------------------|
| | 1Q | 2Q | 3Q | 9M | 1Q | 2Q | 3Q | 9M | 4Q | FY | | 1Q | 2Q | 3Q | 9M | | |
| | Data/Broadband/Digital Platforms | 20,511 | 21,721 | 22,109 | 64,341 | 16,221 | 16,608 | 16,948 | 49,777 | 17,422 | | 67,199 | 29% | 21,284 | 22,510 | | |
| Mobile Data ⁽¹⁾ | 8,378 | 9,104 | 9,577 | 27,059 | 6,235 | 6,614 | 6,493 | 19,342 | 6,639 | 25,981 | 40% | 9,114 | 9,841 | 10,252 | 29,207 | (2,148) | 51% |
| Home Broadband | 6,449 | 6,756 | 6,656 | 19,861 | 4,726 | 4,909 | 5,265 | 14,900 | 5,456 | 20,356 | 33% | 6,516 | 6,803 | 6,958 | 20,277 | (416) | 36% |
| Fixed | 6,401 | 6,717 | 6,619 | 19,737 | 4,074 | 4,300 | 4,603 | 12,977 | 4,832 | 17,809 | 52% | 6,468 | 6,764 | 6,921 | 20,153 | (416) | 55% |
| Wireless | 48 | 39 | 37 | 124 | 652 | 609 | 662 | 1,923 | 624 | 2,547 | (94%) | 48 | 39 | 37 | 124 | - | (94%) |
| Corp. Data and Data Center | 5,387 | 5,585 | 5,571 | 16,543 | 4,951 | 4,760 | 4,863 | 14,574 | 5,062 | 19,636 | 14% | 5,357 | 5,590 | 5,669 | 16,616 | (73) | 14% |
| Corp. Data and Leased Lines | 4,714 | 4,839 | 4,801 | 14,354 | 4,333 | 4,223 | 4,209 | 12,765 | 4,438 | 17,203 | 12% | 4,684 | 4,844 | 4,899 | 14,427 | (73) | 13% |
| Data Center and IT | 673 | 746 | 770 | 2,189 | 618 | 537 | 654 | 1,809 | 624 | 2,433 | 21% | 673 | 746 | 770 | 2,189 | - | 21% |
| Digital Platforms and Others | 297 | 276 | 305 | 878 | 309 | 325 | 327 | 961 | 265 | 1,226 | (9%) | 297 | 276 | 305 | 878 | - | (9%) |
| SMS/Mobile Voice - Domestic/LEC/Others | 14,391 | 13,739 | 13,159 | 41,289 | 17,923 | 17,669 | 17,555 | 53,147 | 17,566 | 70,713 | (22%) | 14,489 | 13,835 | 13,192 | 41,516 | (227) | (22%) |
| SMS ⁽¹⁾ | 3,726 | 3,445 | 3,315 | 10,486 | 6,910 | 6,514 | 6,271 | 19,695 | 6,341 | 26,036 | (47%) | 3,743 | 3,463 | 3,330 | 10,536 | (50) | (47%) |
| Mobile Voice - Domestic ⁽¹⁾ | 5,996 | 5,851 | 5,480 | 17,327 | 5,796 | 5,810 | 5,804 | 17,410 | 5,819 | 23,229 | (0%) | 6,118 | 5,972 | 5,585 | 17,675 | (348) | 2% |
| LEC | 3,827 | 3,786 | 3,849 | 11,462 | 4,553 | 4,623 | 4,695 | 13,871 | 4,727 | 18,598 | (17%) | 3,786 | 3,743 | 3,762 | 11,291 | 171 | (19%) |
| Others | 842 | 657 | 515 | 2,014 | 664 | 722 | 785 | 2,171 | 679 | 2,850 | (7%) | 842 | 657 | 515 | 2,014 | - | (7%) |
| ILD/Fixed Line - Domestic (NLD) | 2,975 | 3,160 | 3,111 | 9,246 | 3,557 | 3,405 | 3,143 | 10,105 | 3,148 | 13,253 | (9%) | 2,975 | 3,160 | 3,112 | 9,247 | (1) | (8%) |
| Fixed Line Voice - Domestic (NLD) | 788 | 774 | 763 | 2,325 | 789 | 777 | 780 | 2,346 | 799 | 3,145 | -1% | 788 | 774 | 763 | 2,325 | - | (1%) |
| Fixed Line Voice - International | 910 | 1,142 | 1,299 | 3,351 | 970 | 859 | 800 | 2,629 | 924 | 3,553 | 27% | 910 | 1,142 | 1,299 | 3,351 | - | 27% |
| Mobile Voice - International | 1,277 | 1,244 | 1,049 | 3,570 | 1,798 | 1,769 | 1,563 | 5,130 | 1,425 | 6,555 | (30%) | 1,277 | 1,244 | 1,050 | 3,571 | (1) | (30%) |
| Total Consolidated Gross Service Revenues ⁽²⁾ | 37,877 | 38,620 | 38,379 | 114,876 | 37,701 | 37,682 | 37,646 | 113,029 | 38,136 | 151,165 | 2% | 38,748 | 39,505 | 39,488 | 117,741 | (2,865) | 4% |

⁽¹⁾ In 3Q18, revised revenue split among data, voice and SMS was effected to reflect current usage trends – 2018 quarterly revenues reflects revised revenue split

⁽²⁾ Gross of interconnection costs

Consolidated service revenues, net of interconnection costs

| (Php in millions) | 2018 (PFRS15) | | | | 2017 | | | | | | Y-o-Y % Change | 2018 (Pro-forma) | | | | 9M2018 (PFRS15) vs Pro-forma | Y-o-Y % Change |
|--|---|---------------|---------------|----------------|---------------|---------------|---------------|----------------|---------------|----------------|-------------------|---------------------|---------------|---------------|----------------|------------------------------------|-------------------|
| | 1Q | 2Q | 3Q | 9M | 1Q | 2Q | 3Q | 9M | 4Q | FY | | 1Q | 2Q | 3Q | 9M | | |
| | Consolidated Service Revenues, gross of interconnection costs | 37,877 | 38,620 | 38,379 | 114,876 | 37,701 | 37,682 | 37,646 | 113,029 | 38,136 | | 151,165 | 2% | 38,748 | 39,505 | | |
| Interconnection Costs | 1,874 | 2,034 | 1,941 | 5,849 | 2,091 | 2,062 | 1,559 | 5,712 | 1,907 | 7,619 | 2% | 1,874 | 2,034 | 1,941 | 5,849 | - | 2% |
| Consolidated Service Revenues, net of interconnection costs | 36,003 | 36,586 | 36,438 | 109,027 | 35,610 | 35,620 | 36,087 | 107,317 | 36,229 | 143,546 | 2% | 36,874 | 37,471 | 37,547 | 111,892 | (2,865) | 4% |

Wireless Service Revenues

| (Php in millions) | 2018 (PFRS15) | | | | 2017 | | | | | | Y-o-Y % Change | 2018 (Pro-forma) | | | | 9M2018 (PFRS15) vs Pro-forma | Y-o-Y % Change |
|--|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|---------------------|---------------|---------------|---------------|------------------------------------|-------------------|
| | 1Q | 2Q | 3Q | 9M | 1Q | 2Q | 3Q | 9M | 4Q | FY | | 1Q | 2Q | 3Q | 9M | | |
| Data/Broadband/Digital Platforms | 8,797 | 9,220 | 9,686 | 27,703 | 7,281 | 7,627 | 7,555 | 22,463 | 7,614 | 30,077 | 23% | 9,532 | 9,957 | 10,361 | 29,850 | (2,147) | 33% |
| Mobile Data ⁽¹⁾ | 8,448 | 9,181 | 9,649 | 27,278 | 6,308 | 6,691 | 6,566 | 19,565 | 6,716 | 26,281 | 39% | 9,183 | 9,918 | 10,324 | 29,425 | (2,147) | 50% |
| Home Broadband ⁽²⁾ | 48 | 39 | 37 | 124 | 655 | 612 | 663 | 1,930 | 626 | 2,556 | (94%) | 48 | 39 | 37 | 124 | - | (94%) |
| Digital Platforms and Mobile Financial Services ⁽³⁾ | 301 | - | - | 301 | 318 | 324 | 326 | 968 | 272 | 1,240 | (69%) | 301 | - | - | 301 | - | (69%) |
| SMS/Mobile Voice - Domestic/Others | 10,973 | 10,320 | 9,679 | 30,972 | 13,388 | 12,979 | 12,853 | 39,220 | 12,767 | 51,987 | (21%) | 11,113 | 10,458 | 9,800 | 31,371 | (399) | (20%) |
| SMS ⁽¹⁾ | 3,727 | 3,447 | 3,316 | 10,490 | 6,912 | 6,516 | 6,274 | 19,702 | 6,343 | 26,045 | (47%) | 3,745 | 3,464 | 3,332 | 10,541 | (51) | (46%) |
| Mobile Voice - Domestic ⁽¹⁾ | 6,214 | 6,065 | 5,675 | 17,954 | 6,029 | 6,039 | 6,026 | 18,094 | 6,042 | 24,136 | (1%) | 6,336 | 6,186 | 5,780 | 18,302 | (348) | 1% |
| Others | 1,032 | 808 | 688 | 2,528 | 447 | 424 | 553 | 1,424 | 382 | 1,806 | 78% | 1,032 | 808 | 688 | 2,528 | - | 78% |
| Inbound Roaming and Others | 495 | 352 | 355 | 1,202 | 332 | 287 | 461 | 1,080 | 309 | 1,389 | 11% | 495 | 352 | 355 | 1,202 | - | 11% |
| MVNO and Others | 537 | 456 | 333 | 1,326 | 115 | 137 | 92 | 344 | 73 | 417 | 285% | 537 | 456 | 333 | 1,326 | - | 285% |
| Mobile Voice - International | 1,287 | 1,249 | 1,058 | 3,594 | 1,806 | 1,777 | 1,571 | 5,154 | 1,434 | 6,588 | (30%) | 1,287 | 1,250 | 1,058 | 3,595 | (1) | (30%) |
| Total Wireless Gross Service Revenues ⁽⁴⁾ | 21,057 | 20,789 | 20,423 | 62,269 | 22,475 | 22,383 | 21,979 | 66,837 | 21,815 | 88,652 | (7%) | 21,932 | 21,665 | 21,219 | 64,816 | (2,547) | (3%) |

⁽¹⁾ In 3Q18, revised revenue split among data, voice and SMS was effected to reflect current usage trends – 2018 quarterly revenues reflects revised revenue split

⁽²⁾ Revenues from ULTERA and WiMAX transferred from Smart to PLDT starting 1Q18

⁽³⁾ Revenues from Digital and Platforms booked under Others segment starting 2Q18 primarily due to the transfer of Voyager Innovations Holdings (VIH) from Smart to PCEV in April 2018

⁽⁴⁾ Gross of interconnection costs

Wireless service revenues - net of interconnection costs*

| (Php in millions) | 2018 (PFRS15) | | | | 2017 | | | | | | Y-o-Y % Change | 2018 (Pro-forma) | | | | 9M2018 (PFRS15) vs Pro-forma | Y-o-Y % Change |
|--|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|---------------------|---------------|---------------|---------------|------------------------------------|-------------------|
| | 1Q | 2Q | 3Q | 9M | 1Q | 2Q | 3Q | 9M | 4Q | FY | | 1Q | 2Q | 3Q | 9M | | |
| Wireless Service Revenues, gross of interconnection costs | 21,057 | 20,789 | 20,423 | 62,269 | 22,475 | 22,383 | 21,979 | 66,837 | 21,815 | 88,652 | (7%) | 21,932 | 21,665 | 21,219 | 64,816 | (2,547) | (3%) |
| Interconnection Costs | 1,446 | 1,429 | 1,142 | 4,017 | 1,709 | 1,764 | 1,362 | 4,835 | 1,538 | 6,373 | (17%) | 1,446 | 1,429 | 1,142 | 4,017 | - | (17%) |
| Wireless Service Revenues, net of interconnection costs | 19,611 | 19,360 | 19,281 | 58,252 | 20,766 | 20,619 | 20,617 | 62,002 | 20,277 | 82,279 | (6%) | 20,486 | 20,236 | 20,077 | 60,799 | (2,547) | (2%) |

Fixed Line Service Revenues

| (Php in millions) | 2018 (PFRS15) | | | | 2017 | | | | | | Y-o-Y % Change |
|---|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|
| | 1Q | 2Q | 3Q | 9M | 1Q | 2Q | 3Q | 9M | 4Q | FY | |
| Data/Broadband | 13,187 | 13,234 | 14,019 | 40,440 | 10,574 | 10,885 | 11,111 | 32,570 | 11,724 | 44,294 | 24% |
| Home Broadband ⁽¹⁾ | 6,467 | 6,783 | 6,684 | 19,934 | 4,134 | 4,361 | 4,663 | 13,158 | 4,896 | 18,054 | 51% |
| Corp. Data and Other Network Services | 5,817 | 5,351 | 6,337 | 17,505 | 5,622 | 5,711 | 5,573 | 16,906 | 5,983 | 22,889 | 4% |
| Data Center and ICT | 903 | 1,100 | 998 | 3,001 | 818 | 813 | 875 | 2,506 | 845 | 3,351 | 20% |
| LEC/Others | 4,303 | 4,238 | 4,226 | 12,767 | 5,035 | 5,153 | 5,185 | 15,373 | 5,286 | 20,659 | (17%) |
| LEC ⁽¹⁾ | 3,851 | 3,809 | 3,874 | 11,534 | 4,580 | 4,646 | 4,719 | 13,945 | 4,751 | 18,696 | (17%) |
| Miscellaneous | 452 | 429 | 352 | 1,233 | 455 | 507 | 466 | 1,428 | 535 | 1,963 | (14%) |
| Fixed Line Voice - International/Domestic | 2,182 | 2,487 | 2,615 | 7,284 | 2,640 | 2,542 | 2,341 | 7,523 | 2,281 | 9,804 | (3%) |
| Fixed Line Voice - International | 1,261 | 1,593 | 1,765 | 4,619 | 1,744 | 1,643 | 1,425 | 4,812 | 1,341 | 6,153 | (4%) |
| Fixed Line Voice - Domestic (NLD) | 921 | 894 | 850 | 2,665 | 896 | 899 | 916 | 2,711 | 940 | 3,651 | (2%) |
| Total Fixed Line Service Revenues ⁽²⁾ | 19,672 | 19,959 | 20,860 | 60,491 | 18,249 | 18,580 | 18,637 | 55,466 | 19,291 | 74,757 | 9% |

| 2018 (Pro-forma) | | | | 9M2018 (PFRS15) vs Pro-forma | Y-o-Y % Change |
|---------------------|---------------|---------------|---------------|------------------------------------|-------------------|
| 1Q | 2Q | 3Q | 9M | | |
| 13,224 | 13,286 | 14,418 | 40,928 | (488) | 26% |
| 6,534 | 6,830 | 6,985 | 20,349 | (415) | 55% |
| 5,787 | 5,356 | 6,435 | 17,578 | (73) | 4% |
| 903 | 1,100 | 998 | 3,001 | - | 20% |
| 4,262 | 4,195 | 4,138 | 12,595 | 172 | (18%) |
| 3,810 | 3,766 | 3,786 | 11,362 | 172 | (19%) |
| 452 | 429 | 352 | 1,233 | - | (14%) |
| 2,182 | 2,487 | 2,615 | 7,284 | - | (3%) |
| 1,261 | 1,593 | 1,765 | 4,619 | - | (4%) |
| 921 | 894 | 850 | 2,665 | - | (2%) |
| 19,668 | 19,968 | 21,171 | 60,807 | (316) | 10% |

⁽¹⁾ Effective 1Q2018, allocation of Fixed Line service revenues updated to reflect current consumption trend of bundles

⁽²⁾ Gross of interconnection costs

Fixed line service revenues - net of interconnection costs*

| (Php in millions) | 2018 (PFRS15) | | | | 2017 | | | | | | Y-o-Y % Change |
|---|------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------|
| | 1Q | 2Q | 3Q | 9M | 1Q | 2Q | 3Q | 9M | 4Q | FY | |
| Fixed Line Service Revenues, Net | | | | | | | | | | | |
| LEC | 3,850 | 3,808 | 3,874 | 11,532 | 4,579 | 4,645 | 4,719 | 13,943 | 4,750 | 18,693 | (17%) |
| Fixed Line Voice - International | 425 | 495 | 468 | 1,388 | 565 | 530 | 570 | 1,665 | 450 | 2,115 | (17%) |
| Fixed Line Voice - Domestic (NLD) | 791 | 766 | 754 | 2,311 | 765 | 775 | 790 | 2,330 | 811 | 3,141 | (1%) |
| Home Broadband | 6,467 | 6,783 | 6,684 | 19,934 | 4,134 | 4,361 | 4,663 | 13,158 | 4,896 | 18,054 | 51% |
| Corp. Data and Other Network Services | 5,807 | 5,344 | 6,329 | 17,480 | 5,611 | 5,688 | 5,541 | 16,840 | 6,013 | 22,853 | 4% |
| Data Center and ICT | 903 | 1,100 | 998 | 3,001 | 818 | 813 | 875 | 2,506 | 845 | 3,351 | 20% |
| Miscellaneous | 452 | 429 | 352 | 1,233 | 455 | 507 | 466 | 1,428 | 535 | 1,963 | (14%) |
| Total | 18,695 | 18,725 | 19,459 | 56,879 | 16,927 | 17,319 | 17,624 | 51,870 | 18,300 | 70,170 | 10% |

| 2018 (Pro-forma) | | | | 9M2018 (PFRS15) vs Pro-forma | Y-o-Y % Change |
|---------------------|---------------|---------------|---------------|------------------------------------|-------------------|
| 1Q | 2Q | 3Q | 9M | | |
| 3,809 | 3,765 | 3,786 | 11,360 | 172 | (19%) |
| 425 | 495 | 468 | 1,388 | - | (17%) |
| 791 | 766 | 754 | 2,311 | - | (1%) |
| 6,534 | 6,830 | 6,985 | 20,349 | (415) | 55% |
| 5,777 | 5,349 | 6,427 | 17,553 | (73) | 4% |
| 903 | 1,100 | 998 | 3,001 | - | 20% |
| 452 | 429 | 352 | 1,233 | - | (14%) |
| 18,691 | 18,734 | 19,770 | 57,195 | (316) | 10% |

Expenses

| (Php in millions) | 9M2018 (PFRS15) | | | | 9M2017 | Y-o-Y % Change | 9M2018 | 9M2018 | Y-o-Y % Change |
|--|--------------------|---------------|--------------|----------------|---------------|-------------------|-----------------------------|---------------------------|-------------------|
| | Wireless | Fixed Line | Others | Consolidated | | | (Pro-forma) Consolidated | (PFRS 15) vs Pro-forma | |
| Operating Expenses | | | | | | | | | |
| Compensation and Employee Benefits | 5,515 | 10,691 | 519 | 16,712 | 17,870 | (6%) | 16,712 | - | (6%) |
| Repairs and Maintenance | 6,322 | 4,337 | 72 | 10,280 | 9,555 | 8% | 10,280 | - | 8% |
| Selling and Promotions | 2,639 | 1,191 | 472 | 4,297 | 4,682 | (8%) | 4,297 | - | (8%) |
| Rent | 7,088 | 2,474 | 60 | 5,302 | 5,067 | 5% | 5,302 | - | 5% |
| Insurance and Security Services | 660 | 554 | 11 | 1,144 | 1,212 | (6%) | 1,144 | - | (6%) |
| Taxes and Licenses | 1,722 | 944 | 13 | 2,679 | 2,836 | (6%) | 2,679 | - | (6%) |
| Professional and Other Contracted Services | 4,009 | 8,389 | 636 | 10,312 | 8,550 | 21% | 10,312 | - | 21% |
| Communication, Training and Travel | 521 | 364 | 37 | 779 | 836 | (7%) | 779 | - | (7%) |
| Interconnection Costs | 4,017 | 3,612 | 1 | 5,849 | 5,712 | 2% | 5,849 | - | 2% |
| Other Expenses | 259 | 598 | 10 | 864 | 501 | 72% | 864 | - | 72% |
| Cash Operating Expenses | 32,752 | 33,154 | 1,831 | 58,218 | 56,821 | 2% | 58,218 | - | 2% |
| Depreciation and Amortization | 15,710 | 11,704 | 86 | 27,500 | 25,547 | 8% | 27,500 | - | 8% |
| Asset Impairment | 1,922 | 2,242 | - | 4,164 | 3,805 | 9% | 4,127 | 37 | 8% |
| Amortization of Intangible Assets | 606 | - | 35 | 641 | 622 | 3% | 641 | - | 3% |
| Non-Cash Operating Expenses | 18,238 | 13,946 | 121 | 32,305 | 29,974 | 8% | 32,268 | 37 | 8% |
| Cost of Sales and Services | 7,568 | 3,620 | 5 | 11,070 | 9,700 | 14% | 11,070 | - | 14% |
| Total Expenses | 58,558 | 50,720 | 1,957 | 101,593 | 96,495 | 5% | 101,556 | 37 | 5% |

Total Expenses, excluding interconnection costs:

| (Php in millions) | 9M2018 (PFRS15) | | | | 9M2017 | Y-o-Y % Change | 9M2018 | 9M2018 | Y-o-Y % Change |
|--|--------------------|---------------|--------------|---------------|---------------|-------------------|-----------------------------|---------------------------|-------------------|
| | Wireless | Fixed Line | Others | Consolidated | | | (Pro-forma) Consolidated | (PFRS 15) vs Pro-forma | |
| Total Cash Operating Expenses | 32,752 | 33,154 | 1,831 | 58,218 | 56,821 | 2% | 58,218 | - | 2% |
| Less: Interconnection Costs | 4,017 | 3,612 | 1 | 5,849 | 5,712 | 2% | 5,849 | - | 2% |
| Total Cash Operating Expenses, excluding Interconnection Costs | 28,735 | 29,542 | 1,830 | 52,369 | 51,109 | 2% | 52,369 | - | 2% |
| Non-Cash Operating Expenses | 18,238 | 13,946 | 121 | 32,305 | 29,974 | 8% | 32,268 | 37 | 8% |
| Cost of Sales and Services | 7,568 | 3,620 | 5 | 11,070 | 9,700 | 14% | 11,070 | - | 14% |
| Total Expenses, excluding Interconnection Costs | 54,541 | 47,108 | 1,956 | 95,744 | 90,783 | 5% | 95,707 | 37 | 5% |

Other Income (expenses)

| (Php in millions) | 9M2018 (PFRS15) | | | | 9M2017 | Y-o-Y % Change | 9M2018 | 9M2018 | Y-o-Y |
|--|--------------------|----------------|--------------|----------------|----------------|-------------------|-----------------------------|---------------------------|---------------|
| | Wireless | Fixed Line | Others | Consolidated | | | (Pro-forma) Consolidated | (PFRS 15) vs Pro-forma | % Change |
| Equity Share in Net Earnings (Losses) of Associates and Joint Ventures | | | | | | | | | |
| Beacon | - | - | - | - | 887 | (100%) | - | - | (100%) |
| Vega | - | - | (15) | (15) | (246) | (94%) | (15) | - | (94%) |
| Others | 62 | 152 | - | 214 | 2,093 | (90%) | 214 | - | (90%) |
| Total Equity Share in Net Earnings (Losses) | 62 | 152 | (15) | 199 | 2,734 | (93%) | 199 | - | (93%) |
| Financing Costs, Net | | | | | | | | | |
| Loans and Other Related Items | (2,155) | (4,013) | (109) | (6,169) | (5,911) | 4% | (6,169) | - | 4% |
| Accretion on Financial Liabilities | (59) | (45) | (4) | (108) | (169) | (36%) | (108) | - | (36%) |
| Financing Charges | (50) | (85) | - | (135) | (127) | 6% | (135) | - | 6% |
| Capitalized Interest | 918 | 202 | - | 1,120 | 579 | 93% | 1,120 | - | 93% |
| Total Financing Costs | (1,346) | (3,941) | (113) | (5,292) | (5,628) | (6%) | (5,292) | - | (6%) |
| Other Income, Net | | | | | | | | | |
| Investment Impairment | (60) | - | - | (60) | (778) | (92%) | (60) | - | (92%) |
| Investment Written-Off | - | - | (362) | (362) | - | - | (362) | - | - |
| Gain on Investment Valuation (Includes Rocket Internet) | - | 133 | 1,089 | 1,222 | - | - | 1,222 | - | - |
| Realized Gain on Sale of Investment (Rocket Internet) | - | - | 1,837 | 1,837 | - | - | 1,837 | - | - |
| Gain on Asset Sales | - | - | - | - | 6,923 | (100%) | - | - | (100%) |
| Others | 329 | 1,801 | 13 | 589 | 1,170 | (50%) | 590 | (1) | (50%) |
| Other Income, Net | 269 | 1,934 | 2,577 | 3,226 | 7,315 | (56%) | 3,227 | (1) | (56%) |
| Interest Income | 436 | 649 | 419 | 1,396 | 1,023 | 36% | 1,088 | 308 | 6% |
| Gains on Derivative Financial Instruments, Net | 489 | 282 | 282 | 1,053 | 650 | 62% | 1,053 | - | 62% |
| Foreign Exchange losses, Net | (496) | (36) | (359) | (891) | (787) | 13% | (891) | - | 13% |
| Total Other Income (Expenses) | (586) | (960) | 2,791 | (309) | 5,307 | (106%) | (616) | 307 | (112%) |

Earnings Per Share (EPS)

| | 9M2018 (PFRS 15) | | 9M2017 | |
|--|---------------------|----------------|----------------|----------------|
| | Basic | Diluted | Basic | Diluted |
| <i>(Php in millions except EPS (in Php) and Shares (in mn))</i> | | | | |
| Net Income Attributable to Equity Holders of PLDT | 16,269 | 16,269 | 21,878 | 21,878 |
| Dividends on Preferred Shares | (44) | (44) | (44) | (44) |
| Net Income for the Period Attributable to Common Equity Holders of PLDT | 16,225 | 16,225 | 21,834 | 21,834 |
| Weighted Average Number of Common Shares, End | 216,056 | 216,056 | 216,056 | 216,056 |
| EPS (Based on Reported Net Income) | 75.09 | 75.09 | 101.06 | 101.06 |
| Core Income | 18,895 | 18,895 | 23,189 | 23,189 |
| Dividends on Preferred Shares | (44) | (44) | (44) | (44) |
| Core Income Applicable to Common Shares | 18,851 | 18,851 | 23,145 | 23,145 |
| Weighted Average Number of Common Shares, End | 216,056 | 216,056 | 216,056 | 216,056 |
| EPS (Based on Core Income) | 87.25 | 87.25 | 107.12 | 107.12 |

Balance Sheet

| <i>(Php in millions)</i> | Consolidated | |
|--|---------------------|---------------------|
| | September 30, 2018 | December 31, 2017 |
| Total Assets | 470,841 | 459,444 |
| Nominal Value of Total Long-Term Debt | 179,678 | 173,136 |
| <i>in US\$</i> | \$3,321 | \$3,466 |
| Less: Unamortized Debt Discount | 455 | 525 |
| Total Long-Term Debt | 179,223 | 172,611 |
| Cash and Short-Term Investments | 50,052 | 33,979 |
| Net Debt ⁽¹⁾ | 129,626 | 139,157 |
| Equity | 113,776 | 111,183 |
| Total Debt ⁽²⁾/Equity | <u>1.58x</u> | <u>1.56x</u> |
| Net Debt ⁽¹⁾/Equity | <u>1.14x</u> | <u>1.25x</u> |
| Total Debt ⁽²⁾/EBITDA LTM ⁽³⁾ | <u>2.69x</u> | <u>2.62x</u> |
| Net Debt ⁽¹⁾/EBITDA LTM ⁽³⁾ | <u>1.94x</u> | <u>2.10x</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)

Debt Profile

| <i>(US\$ in millions)</i> | 2016 | 2017 | 9M2018 |
|---------------------------------|--------------|--------------|--------------|
| Debt Balance | 3,730 | 3,466 | 3,321 |
| Cash and Short-Term Investments | 833 | 668 | 925 |
| Net Debt | 2,897 | 2,798 | 2,396 |

Interest-Bearing liabilities

| <i>(US\$ in millions)</i> | September 30, 2018 | | | December 31, 2017 | Change |
|---------------------------|--------------------|---|----------------|-------------------|----------------|
| | Carrying Value | Unamortized Debt Discount/Debt Issuance | Face Value | Face Value | |
| Debt | | | | | |
| PLDT | \$2,051 | \$4 | \$2,055 | \$2,212 | (\$157) |
| Smart | 1,262 | 4 | 1,266 | 1,254 | 12 |
| DIGITEL | - | - | - | - | - |
| Total Debt | \$3,313 | \$8 | \$3,321 | \$3,466 | (\$145) |

Foreign Exchange Risk

Forex Impact on Core Income

| Forex sensitivity for every P1 change (in US\$ millions) | Conso - net of Elim |
|---|---------------------|
| US\$ Revenues* | 341.1 |
| US\$ Expenses | (173.8) |
| Cash Opex* | (140.3) |
| Cost of Sales and Services | (19.1) |
| Financing Costs | (14.4) |
| US\$ Income before tax | 167.3 |
| Tax effect | 50.2 |
| Core Earnings | 117.1 |
| EBITDA | 181.7 |
| * Gross of interconnection costs amounting to: | 52.6 |
| Local exchange revenues (in million Php) | 6,509.2 |

Forex Impact of B/S Revaluation

| Forex sensitivity for every P1 change on B/S Revaluation (in US\$ millions) | Conso |
|--|--------------|
| Debt (net of LT hedges & ST Forwards/options) | 418.3 |
| Accounts Payable (net of ST Forwards/options) | 316.9 |
| Accrued Liabilities | 159.4 |
| Derivative Liabilities | 0.5 |
| Other Current & Non Current Liabilities | 0.2 |
| Total US\$ denominated Liabilities | 895.3 |
| Cash and Cash Equivalents | 602.0 |
| Short-term Investments | 84.3 |
| Trade and other receivables | 222.9 |
| Derivative Assets | 9.9 |
| Other Financial Assets & Current Assets | 0.3 |
| Total US\$ denominated Assets | 919.4 |
| Forex Revaluation for every P1 change | ±24.1 |

Forex rate, 9M 2018
Forex rate, 9M 2017
% of Peso depreciation vs US\$

Ave.
52.50
50.24
4.5%

Period End
54.10
50.83
6.4%

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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