

Philippine Long Distance Telephone Company



First Quarter 2008 Financial and Operating Results

6 May 2008



PLDT Group: 1Q 2008 Financial Highlights



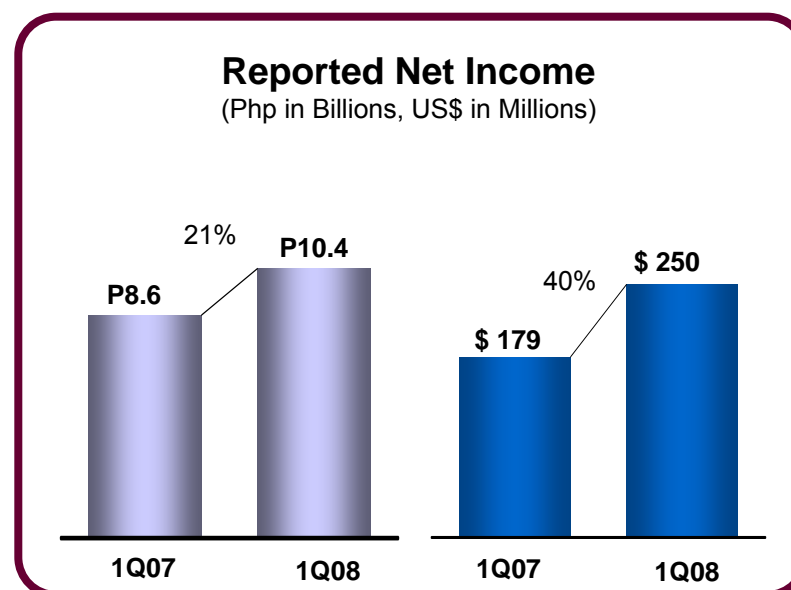
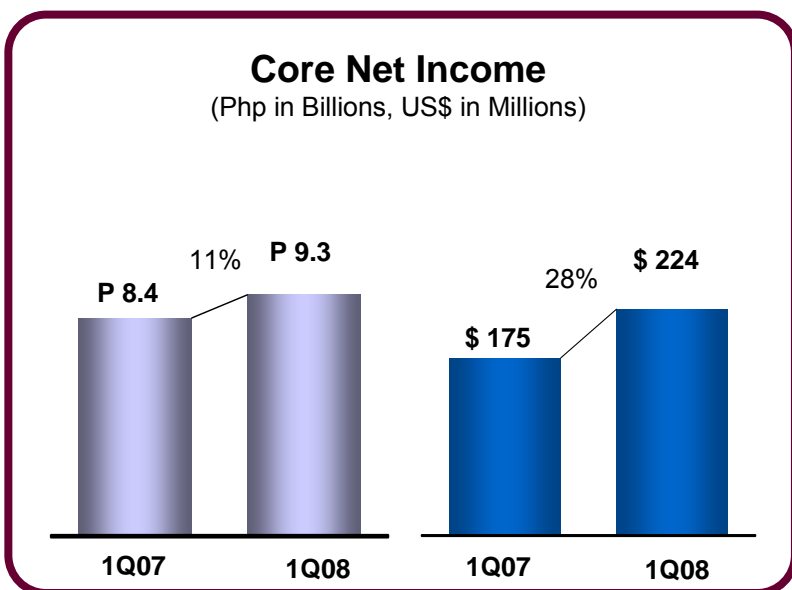
	1Q 2008 (unaudited)	1Q 2007 (unaudited)		% Y-o-Y
Service Revenues	P34.9bn	P33.1bn	↑	6%
EBITDA	P21.8bn	P20.5bn	↑	7%
EBITDA Margin	63%	62%		
Income Before Tax	P16.2bn	P13.4bn	↑	21%
Reported Net Income	P10.4bn	P 8.6bn	↑	21%
Reported Net Income	\$250mn	\$179mn	↑	40%
Core Net Income	P9.3bn	P 8.4bn	↑	11%
Core Net Income	\$224mn	\$175mn	↑	28%
Core EPS	P48.87	P44.13	↑	11%
Quarter-end PhP:US\$1	P41.756	P48.217	↓	13%
Quarter average PhP:US\$1	P41.12	P 48.92	↓	16%

* Peso/\$ exchange rate at 31 December 2007: P 41.411

PLDT Group: Core and Reported Net Income



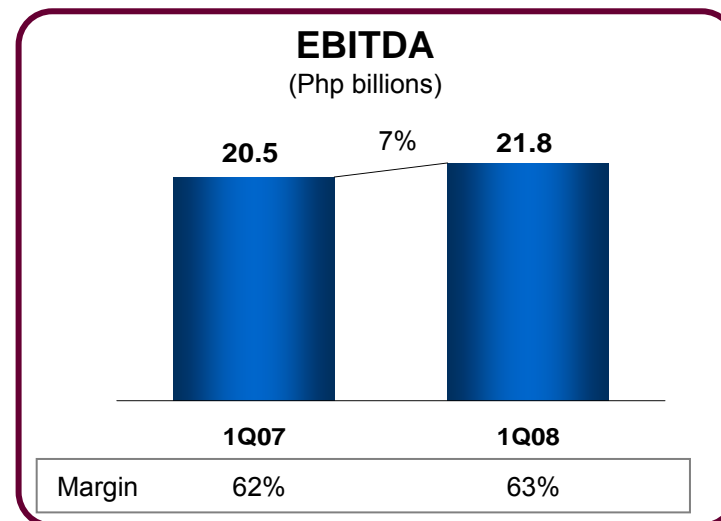
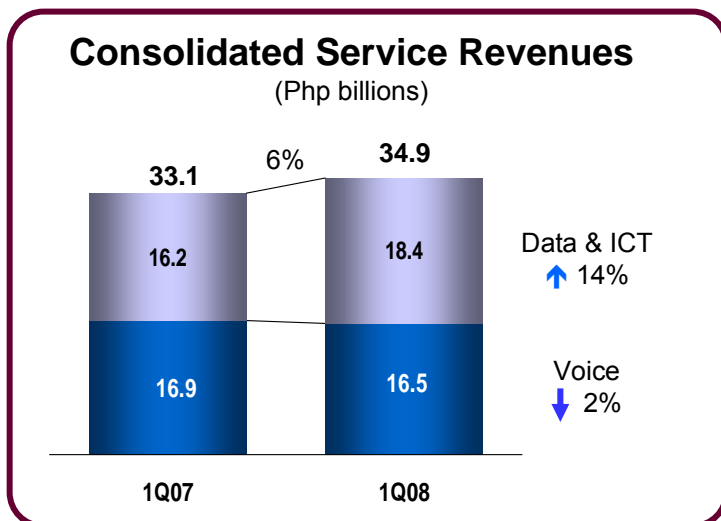
- **Core net income grew by P0.9bn or 11% to P9.3bn in 1Q08 on account of :**
 - Increases in revenues and EBITDA of 6% and 7%, respectively
 - Decrease in financing costs by 32%
- **Reported net income up by 21% to P 10.4 bn due to P 1.7bn gain from forex and derivatives**
- **Starting January 2008, changes in the mark-to-market (MTM) valuations of certain derivatives related to the Company's 2009, 2012 and 2017 bonds which had previously been designated as hedges would be reflected in the P&L**
- **We recognized a net gain on forex revaluation and derivative transactions amounting to P 1.5bn during the first quarter composed of:**
 - A one-time gain of P 0.7bn resulting in the de-designation of the PO swaps and option contracts as hedges
 - P 1.1bn net gain in MTM valuation for all our derivative instruments for the first quarter 2008
 - A P 0.3bn forex revaluation loss on our financial assets and liabilities



PLDT Group: Service Revenues and EBITDA



- **Consolidated service revenues grew 6% from P 33.1bn to P34.9bn in 1Q08 due to:**
 - 14% growth in data and ICT which now accounts for 53% of total service revenues, and which includes a 51% growth in broadband revenues
 - 2% decline in voice revenues resulting from the peso appreciation offsetting increases in cellular inbound and outbound traffic
- **1Q08 service revenues of P 34.9bn slightly higher than that of 4Q07 at P 34.8bn, notwithstanding the benefit of holiday spend in 4Q07**
- **Approximately 36% of consolidated service revenues are directly and indirectly US\$ linked**
 - Service revenues would have grown by an additional P 1.8bn or 5% had the peso remained stable, resulting in a 11% growth year-on-year
- **EBITDA grew by P 1.3bn or 7% to P21.8bn while EBITDA margin improved to 63%**
 - Wireless margin at 64%
 - Fixed line margin maintained at 56%
 - ICT margin at 14%

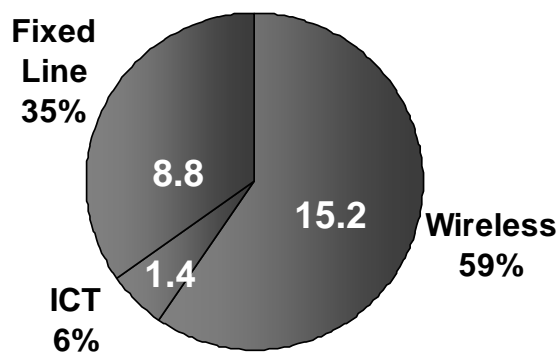


PLDT Group: Capex and Free Cash Flow



- **Capex spend for 2008 guided at P 25.4bn**
 - 59% or P 15.2 bn for wireless, 35% or P 8.8 bn for the fixed line, and 6% or P 1.4bn for ICT
 - Major capex: capacity provisioning for wireless and broadband subscriber take-up, transmission and outside plant upgrades, and international bandwidth
 - At 1Q08, capex stood at P 3.1bn: P 1.8bn for wireless, P 1.2bn for the fixed line and P 0.1bn for ICT
- **Free cash flow generated for 1Q08 amounted to P 17.3bn**
- **Net debt stood at US\$ 0.9bn at the end of 1Q08 (adjusted for P 23.4bn cash utilized for the common dividends paid in April 2008)**
- **Net debt/EBITDA at the end of the 1Q08 at 0.5x (net of cash for common dividend payment)**
- **346,260 shares have been bought back into treasury to-date at an average cost of P 2,720/ share or a total of P 942mn**

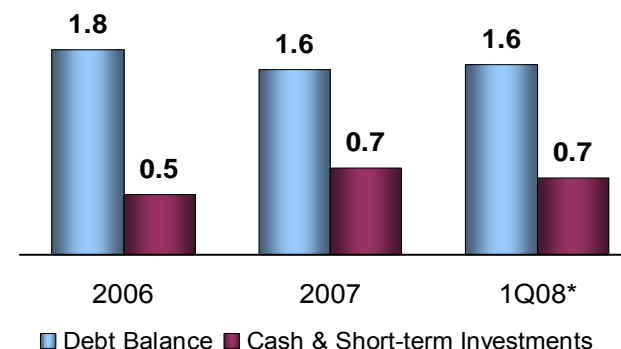
2008 Capital Expenditures by Business Unit



Total P25.4 billion

Debt Balance
(US\$ billions)

* Net of cash earmarked for dividend payout in April 2008

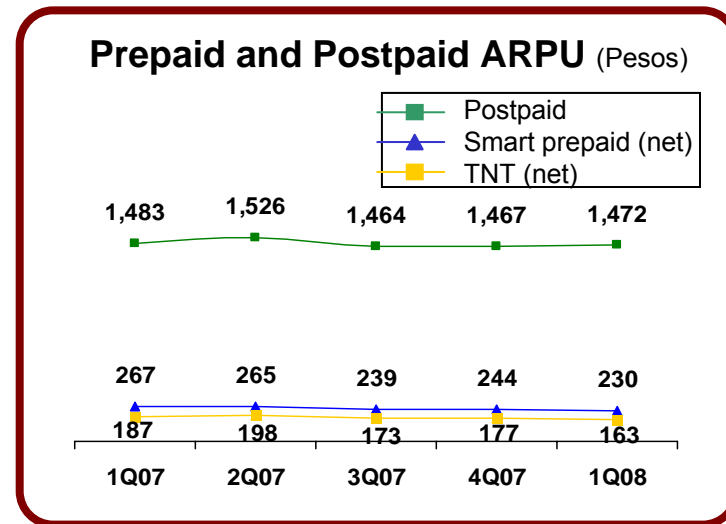
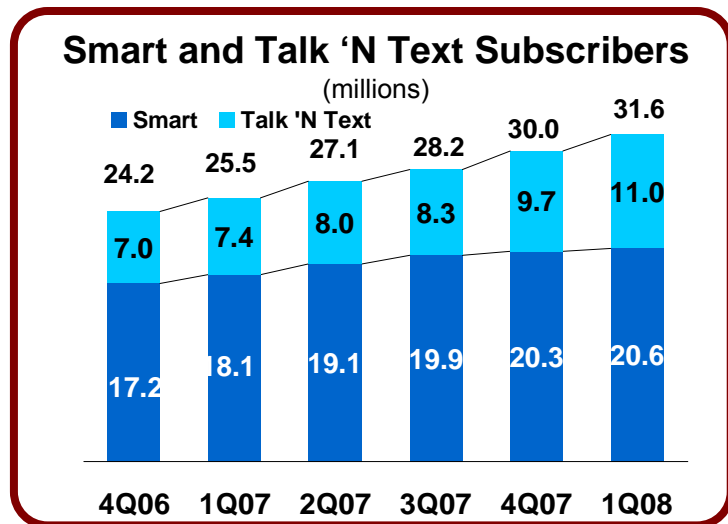


Net Debt/EBITDA	2006	2007	1Q08*
	0.8x	0.4x	0.5x*

SMART: Continuing to Grow



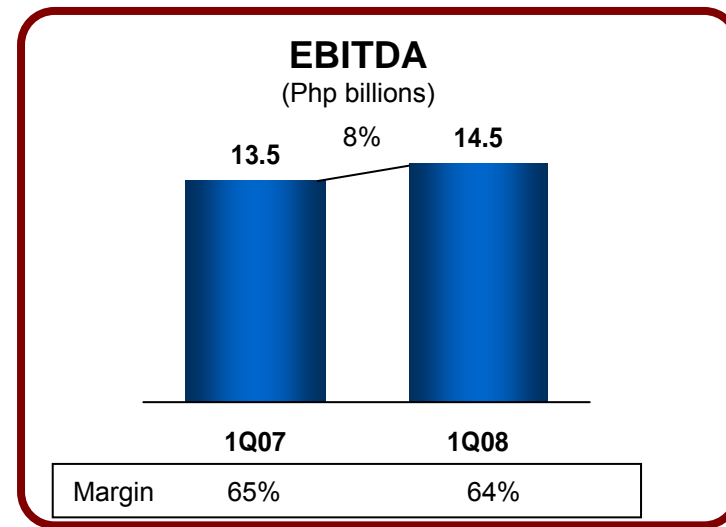
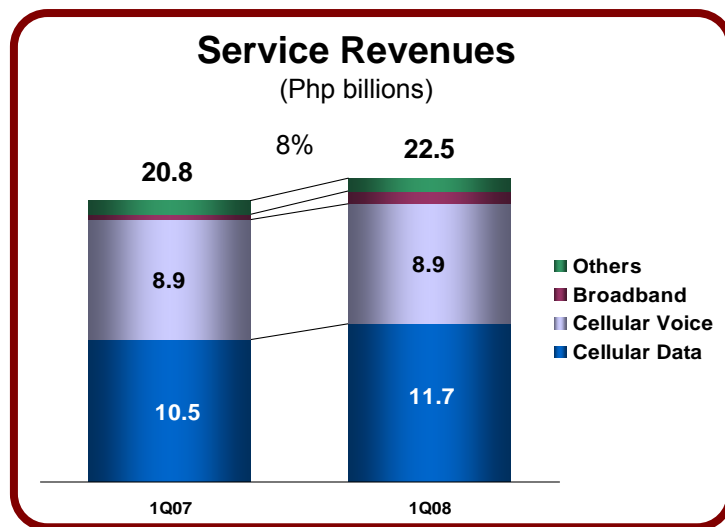
- Smart and TNT subscriber base grew to 31.6mn as at end-March 2008 reflecting a 24% growth year-on-year, and net adds of 1.5mn cellular subscribers in 1Q08
 - Net adds for the quarter are 17% higher than the 1.3mn for the 1Q07
 - Of the 1.5mn net adds, 1.25mn are TNT subs, nearly three times the TNT net adds at 1Q07
- Net Blended ARPU declined by 15% year-on-year to P 221 but margins maintained at above 60%
- Prepaid subscriber acquisition costs for 1Q08 continue to decline and now represent only approximately 20% of net blended prepaid ARPU of P 207



SMART: Sustaining Momentum



- **Wireless service revenues are up 8% to P22.5bn and contributed 60% to total service revenues in 1Q08 driven by:**
 - + 11% increase in data revenues
 - + 122% rise in wireless broadband revenues
- **Data services made up 55% of cellular service revenues up from 53%**
- **EBITDA improved by 8% to P14.5bn in 1Q08**
- **EBITDA margin would have remained at 65% if not for a one-time charge in the satellite business that resulted in slight margin decline to 64%**



SMART: Leading the Way



Product Launches



• Above-the-line campaigns generating growth

- TNT Thematic campaign further strengthened the brand equity as 1Q08 sub base grew by 48%
- Prepaid Bro Plug-It: close to 12,000 subs to date
- iMode: more than 300 registrations

Acquisition Efforts



• Acquisition efforts driving growth in revenues:

- 1.5M net acts in 1Q08.
- April activations continue to be strong; sub base now past 32 million
- SmartBro gross activations at more than 1000 daily

Financial Services



• Financial Services beginning to come together

- Over 1,000 QuickPay accounts with NCB now being processed
- Bank Alliance Cash Card launched (BDO, LBP, China Bank, RCBC)
- Landbank OFW Card in soft launch mode

Hapinoy



• Social Business Enterprise/MFI Program making inroads

- Over 2,500 Hapinoy sari-sari stores nationwide
- Stores to act as retailers/loading centers (70% are new)
- All MFI transactions conducted on Smart Money

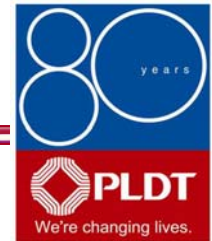
3G



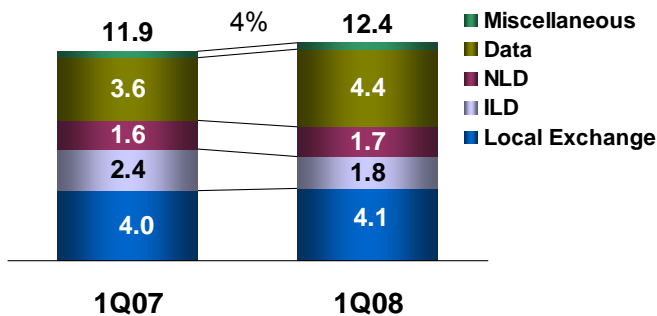
• 3G usage gaining ground

- Over 1.2MM 3G-enabled handsets in network with 500,000 regular users
- Acquisition of CURE in line with plan to provide expanded and enhanced 3G services nationwide, including higher speed wireless broadband services.
- CURE to provide Smart with a platform to offer and provide differentiated 3G services for targeted markets.

Fixed Line: Registering Modest Growth



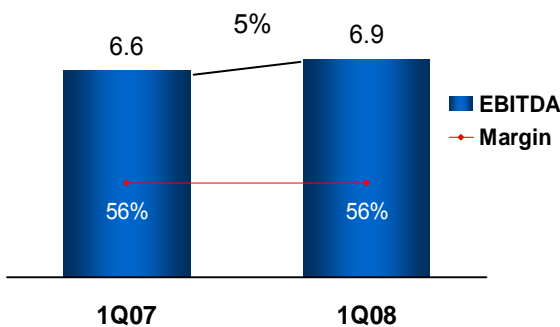
Service Revenues
(Php billions)



➤ Fixed line service revenues increased 4% to P12.4bn in 1Q08 due to the combined impact of:

- + Increase in corporate data and DSL service revenues
- + Higher LEC and NLD revenues
- Decrease in ILD revenues due to the negative impact arising from a stronger peso

EBITDA
(Php billions)

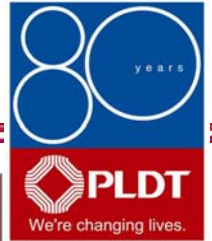


➤ Data service revenues contributed 35% to total fixed line service revenues compared to only 30% in the same period last year

➤ Fixed line service revenues would have increased by P 0.5bn or another 4% year-on-year if the peso remained stable

➤ EBITDA improved 5% to P6.9bn in 1Q08 due to higher revenues and lower cash operating expenses; EBITDA margin remained steady at 56%

Fixed Line: Offering New Products



- A fixed-wireless telephone line that serves as an alternative basic voice communication for business customer in areas with limited or no available PLDT fixed facilities
 - Runs on PLDT's fixed and wireless networks
 - Capable of inbound/outbound calls, DDD, SMS
 - Wider coverage area

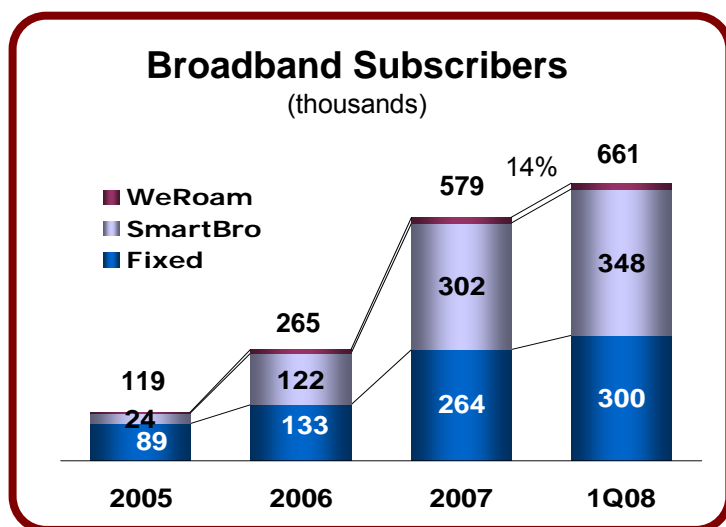
- Postpaid service launched in March 2007 followed by the launch of prepaid service in March 2008
- 75,000 subs at the end of March 2008, of which close to 60,000 are postpaid and 15,000 prepaid
- Demand for the service is strong given superior coverage and quality of service of PLDT



- Internet-based service that enables family and friends abroad to call the Philippines at the lowest rates that will beat any leading landline, cellular and VoIP provider in the world
- PLDT and Smart subscribers can call and text PLDT TalkPad subscribers at domestic long distance rates.

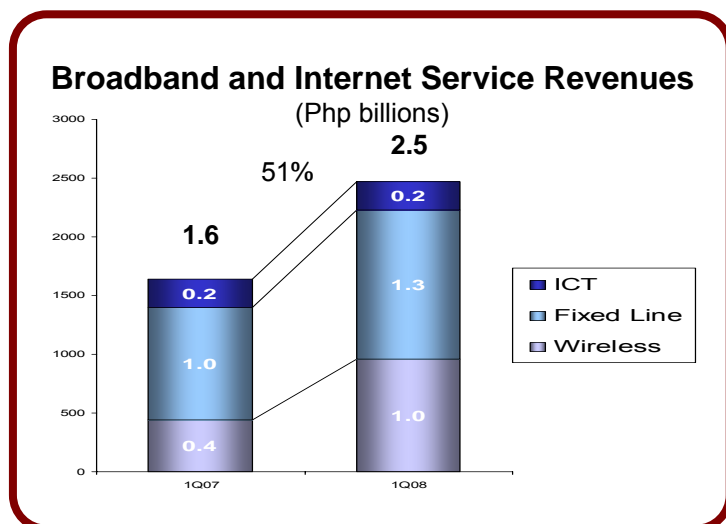
- Has been soft launched
- Allows calls to the Philippines at US\$ 0.14 per minute

Broadband: Expanding our Reach to All



➤ **PLDT DSL, *SmartBro* and *WeRoam* added about 82,000 subscribers during the first three months of 2008**

- *SmartBro*, the most widely available broadband service provider in the country today, added more than 46,000 subscribers in 1Q08 to reach 348,000 subscribers
- DSL subscribers grew by over 35,000 in 1Q08 to reach 300,000 subscribers



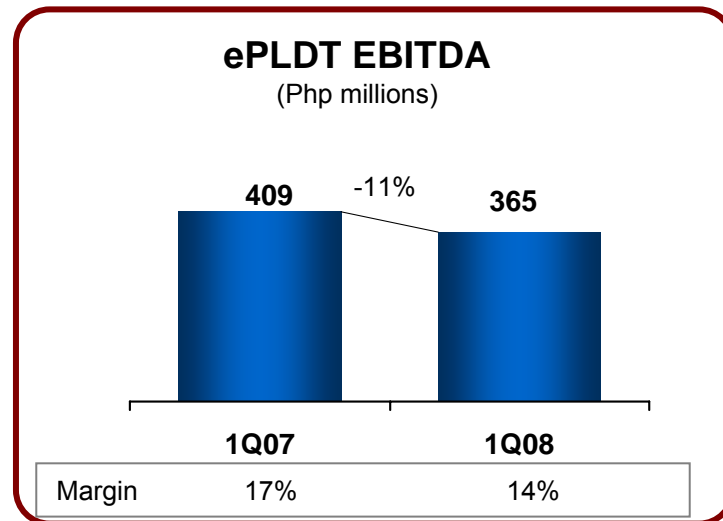
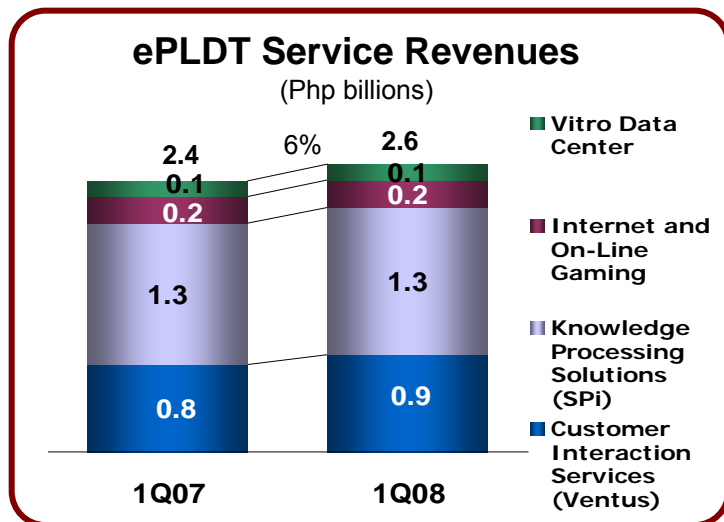
➤ **PLDT Group's total DSL, wireless broadband and internet service revenues increased 51% to P2.5bn representing 7% of total service revenues in 1Q08**

➤ **Of total broadband connects including households, SMEs and corporates, over 70% is via the PLDT group**

ePLDT: Holding Steady



- **ePLDT's service revenues increased by 6% to P2.6bn due to:**
 - + 11% increase in Customer Interaction Service (CIS)/Ventus revenues
 - + 4% increase in Knowledge Processing Solutions (KPS)/SPi revenues
- **ePLDT contributed 7% of PLDT Group service revenues in 1Q08**
- **About 85% of ePLDT's revenues come from Ventus and SPi; of the total Ventus and SPi revenues, 40% is accounted for by CIS, 19% by publishing, 15% by legal, 16% by medical billing, and 10% by medical transcriptions**
- **ePLDT's consolidated EBITDA margin declined to 14% in 1Q08 due to:**
 - Negative impact of the 16% peso appreciation on 80% of ePLDT's total service revenues which are dollar-denominated; most felt in CIS/voice business where dollar revenues grew 21% but peso equivalent grew only by 7%
 - Higher compensation and benefits costs due to consolidation of Springfield in April 2007 as well as expansion of our CIS business
 - Higher selling and promotions expenses consistent with initiatives to step up marketing efforts in the US
- **Although EBITDA margin at 14% for the quarter is lower than 17% for the same period last year, it is higher than the 11% reported for FY07**



ePLDT: Managing the Many Challenges



- **Combined number of employees for Ventus and SPi at nearly 14,000**
- **Number of sites stands at 22: 15 for KPS and 7 for CIS**
- **CIS/voice business has promising pipeline of new contracts and expansion of existing contracts**
- **Outlook for the various KPS/non-voice business verticals vary:**
 - Publishing and medical billing: continue to be strong and profitable
 - Medical transcriptions: working on improving productivity and margins by maximizing offshoring
 - Legal: breaking-even and stepping up sales efforts
- **ePLDT's other businesses registering contributions:**
 - Vitro Data Center service revenues up 4% at P 143mn and EBITDA margin at 49%
 - On-line Gaming service revenues up 27% at P 77mn and EBITDA margin at 8%

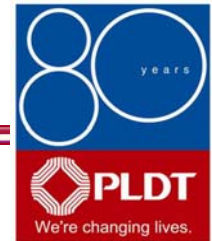


PLDT Group: Monitoring Key Metrics



- **The Philippine inflation rate for March 2008 stood at 6.4% bringing the 2008 average to 5.6% -- similar to 2006 inflation levels; April inflation hit 8.3%**
 - Impact on our wireless business may be somewhat mitigated because:
 - The cost of a SIM card is now as low as P 30
 - The one day top-up denomination has been reduced to P 10
 - Bigger ticket items (e. g., property amortization) more likely to feel initial impact of any reduced consumer spend
 - ICT may feel pressure on wage costs
- **The peso/dollar exchange rate will continue to impact our financials but initiatives to manage the dollar exposure are in place**
 - Recent view: peso/dollar rate to settle at P 42/US\$ 1 by end-2008
 - Many ICT contracts have provision to adjust pricing depending on exchange rate movement
 - Dollar exposures on the balance sheet and P&L continue to be managed using hedges and forwards
- **OFW remittances will continue to grow with the continued increase in the number of workers seeking employment abroad**
 - Multiplier effect of remittances to reach more households; a part of this will to continue to find its way to communications spend

PLDT Group: Affirming Guidance for 2008



Service Revenues	P 145 – 146 billion	<ul style="list-style-type: none"> • 7-8% growth over 2007 • P 10-11 billion increase
EBITDA	P 87 billion	<ul style="list-style-type: none"> • 5% growth over 2007 • P 4 billion increase
Core Net Income	P 37 billion	<ul style="list-style-type: none"> • 5% growth over 2007 • P 1.8 billion increase
Capital Management	<p>Dividend Payout Ratio: 70% of Core EPS + “look back” approach</p> <p>Buyback of up to 2 million common shares</p>	
Capex	P 25.4 billion	

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, and Section 21E of the U.S. Securities Exchange Act of 1934. The words “believe”, “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.

Appendix

1Q 2008: Consolidated Financial Highlights



Consolidated Statement of Income <i>(in million pesos)</i>	1Q 2008				1Q 2007	% Change
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	
Service Revenues	22,465	12,367	2,575	34,933	33,071	6%
Cash operating expenses	7,488	5,203	2,218	12,391	11,743	6%
EBITDA ⁽¹⁾	14,481	6,945	365	21,834	20,488	7%
<i>EBITDA Margin</i>	<i>64%</i>	<i>56%</i>	<i>14%</i>	<i>63%</i>	<i>62%</i>	
Depreciation	3,154	2,993	216	6,363	5,448	17%
Financing costs	497	842	50	1,389	2,053	-32%
Income before income tax	11,048	5,119	18	16,167	13,370	21%
Provision for (benefit from) income tax	3,976	1,598	(14)	5,560	4,600	21%
Core net income ⁽²⁾	6,999	2,290	59	9,343	8,435	11%
Reported net income	6,906	3,520	38	10,446	8,614	21%

(1) EBITDA calculation provided in the appendix

(2) Consolidated net income before certain adjusting items and excluding gains/losses on foreign exchange/derivatives (after tax)

Foreign Exchange Rates:

	31-Mar-08	31-Dec-07	31-Dec-06	31-Dec-05
Php per US\$	Php41.756	Php41.411	Php48.217	Php49.045

Revenues



(in million pesos)	1Q 2008				1Q 2007	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Service Revenues						
Wireless						
Cellular	21,147			21,147	19,923	6%
Broadband	919			919	414	122%
VSAT and other services	399			399	474	-16%
Fixed line						
Local exchange		4,085		4,085	3,964	3%
International long distance		1,835		1,835	2,400	-24%
National long distance		1,695		1,695	1,593	6%
Data and other network		4,392		4,392	3,563	23%
Miscellaneous		360		360	367	-2%
ICT						
Knowledge processing solutions			1,323	1,323	1,269	4%
Customer interaction services			867	867	782	11%
Internet and online gaming			242	242	237	2%
Vipro data center			143	143	137	4%
Inter-segment transaction				(2,474)	(2,052)	21%
Total Service Revenues	22,465	12,367	2,575	34,933	33,071	6%
Non-Service Revenues	344	99	40	483	624	-23%
Inter-segment transaction	-	-	-	(1)	(11)	-91%
	344	99	40	482	613	-21%
Interest income	310	135	5	450	333	35%
Foreign exchange gain	-	-	-	-	588	-100%
Gain (loss) on derivatives	(124)	1,951	(31)	1,796	-	100%
Inter-segment transaction	-	-	-	(19)	-	-100%
	(124)	1,951	(31)	1,777	-	100%
Other Income	100	181	18	299	235	27%
Inter-segment transaction	-	-	-	(42)	(24)	75%
	100	181	18	257	211	22%
Total Revenues and Other Income	23,095	14,733	2,607	37,899	34,816	9%

Expenses



<i>(in million pesos)</i>	1Q 2008				1Q 2007	% Change
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	
Operating expenses						
Compensation	1,242	1,916	1,383	4,539	4,781	-5%
Repairs and maintenance	1,056	997	133	2,049	1,846	11%
Selling and promotions	1,108	409	89	1,605	1,296	24%
Professional and other contracted services	594	444	217	1,088	1,279	-15%
Rent	2,295	546	162	879	690	27%
Taxes and licenses	502	306	33	840	608	38%
Communication, training and travel	239	175	128	484	425	14%
Insurance and security services	172	172	14	341	328	4%
Other operating expenses	280	238	59	566	490	16%
Cash operating expenses	7,488	5,203	2,218	12,391	11,743	6%
Depreciation	3,154	2,993	216	6,363	5,448	17%
Provisions	-	-	-	-	9	-100%
Asset impairment	61	244	(3)	302	226	34%
Amortization of intangible assets	33	-	61	94	76	24%
Non-cash operating expenses	3,248	3,237	274	6,759	5,759	17%
Total operating expenses	10,736	8,440	2,492	19,150	17,502	9%
Cost of sales	779	74	29	882	1,220	-28%
Equity share in net losses of associates	16	-	7	23	6	283%
Financing costs	497	842	50	1,389	2,053	-32%
Loss on derivative transactions	-	-	-	-	665	-100%
Foreign exchange loss	19	258	11	288	-	100%
Total Expenses	<u>12,047</u>	<u>9,614</u>	<u>2,589</u>	<u>21,732</u>	<u>21,446</u>	<u>1%</u>

EBITDA



<i>(in million pesos)</i>	1Q 2008				1Q 2007	% Change
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	
Income before tax	11,048	5,119	18	16,167	13,370	21%
Add (deduct):						
Depreciation	3,154	2,993	216	6,363	5,448	17%
Financing costs	497	842	50	1,389	2,053	-32%
Asset impairment	-	-	(6)	(6)	1	-
Amortization of intangible assets	33	-	61	94	76	24%
Equity share in net loss of subsidiaries	16	-	7	23	6	290%
Losses (gains) on derivatives, net	124	(1,951)	31	(1,777)	665	-367%
Foreign exchange losses (gains), net	19	258	11	288	(588)	-149%
Interest income	(310)	(135)	(5)	(450)	(333)	35%
Other income	(100)	(181)	(18)	(257)	(211)	22%
EBITDA	14,481	6,945	365	21,834	20,488	7%
EBITDA Margin	64%	56%	14%	63%	62%	

Financing Costs



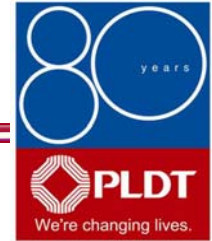
<i>(in million pesos)</i>	1Q 2008				1Q 2007	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Interest on loans and related items	347	923	9	1,279	1,858	-31%
Accretion on financial liabilities	210	14	41	265	269	-1%
Dividends on CPS	2	-	-	2	5	-60%
Financing charges	1	26	-	27	35	-23%
Capitalized interest	(63)	(121)	-	(184)	(114)	61%
Total	497	842	50	1,389	2,053	-32%

Core Net Income



<i>(in million pesos)</i>	1Q 2008				1Q 2007	% Change
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	
Reported net income	6,906	3,520	38	10,446	8,614	21%
Add (deduct):						
Foreign exchange and derivative losses (gains)	143	(1,892)	42	(1,688)	(277)	509%
Asset impairment	-	-	(6)	(6)	2	-400%
Tax effect	(50)	662	(15)	591	96	516%
	<u>6,999</u>	<u>2,290</u>	<u>59</u>	<u>9,343</u>	<u>8,435</u>	<u>11%</u>

P&L Impact of Derivative Transactions



- **PLDT's US\$ 2009, 2012 and 2017 bonds had been hedged using derivative instruments, namely: principal only (PO) currency swaps and long-term foreign currency options**
 - Changes in the mark-to-market (MTM) valuation of these derivatives resulting from movements in peso/\$ exchange rate, peso interest rates and US\$ interest rates were previously booked in the balance sheet under hedge accounting
 - Starting January 2008, changes in the MTM valuations of these derivatives as well as the forex revaluation of the underlying bonds have been reflected in the P&L as a result of the discontinuation of the hedge accounting treatment of these transactions
- **For 1Q08, we recognized gain on derivative transactions amounting to P 1.8bn, composed of:**
 - A one-time gain of P 0.7bn resulting from the de-designation of the PO swaps and option contracts as hedges
 - A P 1.1bn net gain in MTM valuation of all our derivative instruments
- **Forex revaluation loss on our financial assets and liabilities amounted to P 0.3bn for 1Q08**

P&L Impact of Derivative Transactions



- **Significant gains from derivatives for 1Q08 largely driven by the widening of US\$ and Php interest differentials during the period:**
 - US interest rates decreased due to a series of rate cuts by the US Fed as a result of recession worries and the fall in global equity markets
 - Peso interest rates increased due to inflationary concerns

Market Movements and Relative Impact on P&L

Peso appreciation: MTM Loss on derivatives/
Forex Gain on Underlying Debt

Peso depreciation: MTM Gain on derivatives/
Forex Loss on Underlying Debt

▼ US\$ Interest Rate: MTM Gain
 ▲ US\$ Interest Rate: MTM Loss

▼ Peso Interest Rate: MTM Loss
 ▲ Peso Interest Rate: MTM Gain

1Q08 Actuals

- ☑ - Php/US\$ rate depreciated by Php0.345 from Php41.411 to Php41.756
- ☑ - US\$ interest rates decreased by approx. 140 bps
- ☑ - Peso interest rates increased by approx. 90 bps

- **Moving forward, there may be increased volatility in the P&L as a result of changes in the MTM of our derivatives:**
 - Due to the long-term duration of our transactions, changes in the value of our derivatives may not be completely offset by the changes in the valuation of the underlying exposure. This risk is reduced as we approach the debt's maturity date
 - The quarterly MTM will be affected by the peso/dollar exchange rate and movements in the US and Philippine interest rates which may move in different directions and degrees relative to each other

Cash Flows



(in million pesos)	1Q 2008				1Q 2007	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Net cash from operations	15,253	6,610	306	22,169	25,189	-12%
Add(Deduct):						
Capital expenditures	(1,766)	(1,146)	(139)	(3,051)	(5,937)	-49%
Other investing activities	(18)	31	1	14	21	-33%
Interest, net	(205)	(504)	(2)	(711)	(1,214)	-41%
Dividends from Smart	-	-	-	-	-	
Preferred share dividends	-	(50)	-	(50)	(60)	-17%
Others	439	(1,595)	65	(1,091)	(473)	-131%
Free cash flow	13,703	3,345	231	17,280	17,526	-1%
Common share dividends	-	-	-	-	(2)	-100%
Investments	(355)	-	-	(355)	-	-100%
Redemption of investments	-	1,187	-	1,187	-	100%
Common share buyback	-	(331)	-	(331)	-	-100%
Redemption of preferred shares	-	-	-	-	(14)	100%
Debt availment, net	902	1,278	69	2,249	(4,233)	153%
Change in cash	14,250	5,480	300	20,030	13,277	51%
Cash balance, beginning ⁽¹⁾	19,028	10,833	1,000	30,861	25,197	22%
Cash balance, end ⁽¹⁾	33,279	16,313	1,300	50,891	38,474	32%

(1) Includes short-term investments

Balance Sheet



<i>(in million pesos)</i>	Consolidated	
	March 31, 2008	December 31, 2007
Total Assets	253,496	240,158
Nominal Value of Total Debt	67,855	65,112
<i>in US\$</i>	\$1,625	\$1,572
Less: Unamortized Debt Discount	4,356	4,472
Total Debt	63,499	60,640
Cash and short-term investments	50,891	30,862
Net Debt ⁽²⁾	16,964	34,251
Equity	99,339	112,511
Total Debt⁽¹⁾/Equity	0.68x	0.58x
Net Debt⁽²⁾/Equity	0.17x	0.30x
Total Debt⁽¹⁾/EBITDA	0.81x	0.79x
Net Debt ⁽²⁾/EBITDA	0.20x	0.41x

(1) Nominal value of total debt

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

Earnings Per Share



	1Q 2008		1Q 2007	
	Basic	Diluted	Basic	Diluted
Net Income	10,446	10,446	8,614	8,614
Dividends on preferred shares	(114)	(114)	(114)	(114)
Adjustments for preferred shares deemed dilutive				
Dividends on preferred stock subject to mandatory redemption charged to expense for the period	-	-	-	5
Accretion of preferred stock subject to mandatory redemption	-	-	-	37
Foreign exchange gain on preferred stock subject to mandatory redemption	-	-	-	(20)
Net Income applicable to common shares	10,332	10,332	8,500	8,522
Outstanding common shares, beginning	188,740	188,740	188,435	188,435
Effect of issuance of common shares during the period	150	150	127	127
Weighted average number of shares under ESOP during the period	-	16	-	60
Effect of issuance of purchase of treasury stocks during the period	(41)	(41)		
Common shares equivalent of preferred shares deemed dilutive:				
Preferred stock series VI	-	-	-	783
Weighted average number of shares, end	188,849	188,865	188,562	189,405
EPS (based on reported net income)	54.71	54.71	45.08	44.99
Core Net Income	9,343	9,343	8,435	8,435
Adjustments for preferred shares deemed dilutive	(114)	(114)	(114)	(92)
Net Income applicable to common shares	9,229	9,229	8,321	8,343
Weighted average number of shares, end	188,849	188,865	188,562	189,405
EPS (based on core net income)	48.87	48.87	44.13	44.05

Interest-bearing Liabilities



(in millions)	March 31, 2008			December 31, 2007	Change
	Carrying Value	Unamortized Debt Discount	Face Value	Face Value	
Debt					
PLDT	\$851	\$9	\$860	\$830	\$31
Smart	627	95	723	702	21
2014 Debt	190	93	283	283	-
Others	437	2	440	419	21
Others*	42	-	42	40	2
Total Debt	\$1,521	\$104	\$1,625	\$1,572	\$53
Obligations under capital lease	\$5	\$11	\$16	\$23	(7)
Preferred Stocks Subject to Mandatory Redemption					
Series V & VI	\$16	-	\$16	\$26	(\$10)

*Includes notes payable of US\$13.6mn or PhP569.1mn