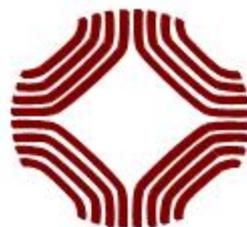


Philippine Long Distance Telephone Company



Nine Months 2006 Financial and Operating Results

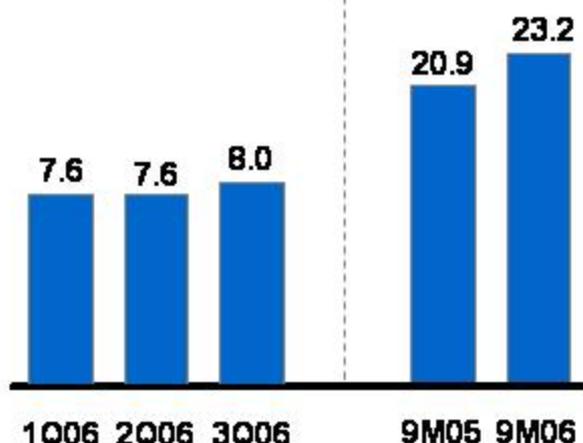
7 November 2006

PLDT Group: 9M06 Financial Highlights

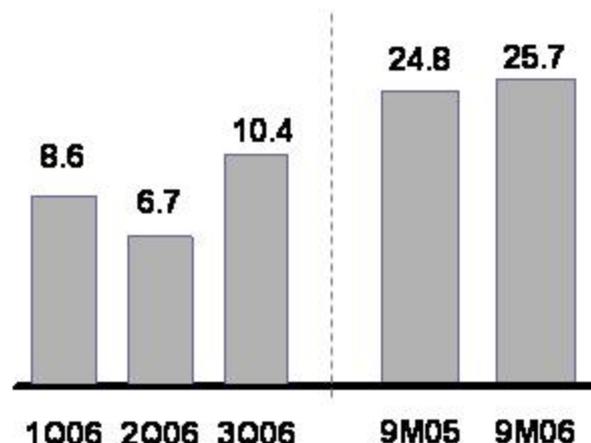
	3Q06	9M06	9M05		% Y-o-Y
Service Revenues	P31.4bn	P92.0bn	P89.7bn		3%
EBITDA	P20.3bn	P60.7bn	P57.7bn		5%
EBITDA Margin	65%	66%	64%		
Core Net Income	P8.0bn	P23.2bn	P20.9bn		11%
Core EPS	P42.52	P125.00	P115.85		8%
Reported Net Income	P10.4bn	P25.7bn	P24.8bn		4%

PLDT Group: Increasing Core Profitability

Core net income (billion pesos)



Reported net income (billion pesos)



Net income (in billions)	9M05	9M06	Δ%
Reported Net Income	24.8	25.7	4%
Adjustments:			
Additional depreciation	-	6.1	100%
FX/derivative loss (gain)	(2.2)	(1.4)	-35%
Deferred tax assets and tax impact	(1.6)	(7.2)	350%
Core net income	20.9	23.2	11%
Less:			
Preferred dividends	(1.1)	(0.3)	-70%
Core income available to common shareholders*	19.8	22.9	15%
Core earnings per share	115.85	125.00	8%

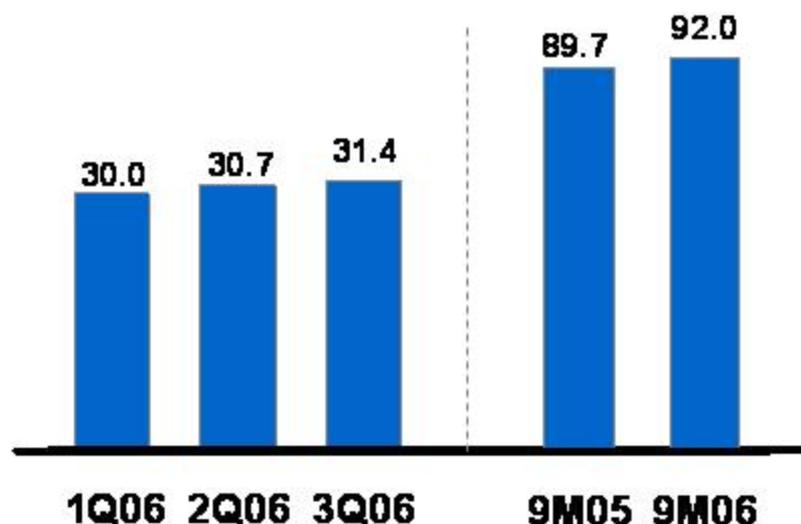
*Average common shares o/s as of September 30, 2006 and 2005 are 183 million and 171 million, respectively. As of end-Sept. 2006, total common shares o/s stood at 188 million.

- Core net income increased by 11% y-o-y to P23.2 billion due to sustained operating results and lower interest and other financing costs
- Reported net income improved by 4% y-o-y to P25.7 billion as additional depreciation charges of P6.1 billion were more than offset by FX revaluation gains and the recognition of deferred tax assets
- Core net income grew by 5% q-o-q to P8 billion while reported net income increased by 55% q-o-q to P10.4 billion
- 3Q06 core net income of P8 billion is up 11% versus 3Q05 core earnings of P7.3 billion

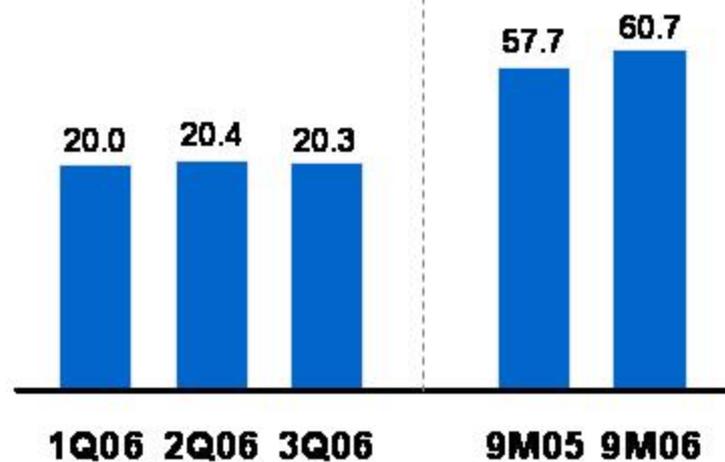
PLDT Group: Reinforcing Market Leadership

- Service revenues up 3% y-o-y to P92 billion in 9M06 driven by the combined impact of higher wireless and ICT revenues, offset in part by a decline in fixed line revenues
- EBITDA increased by 5% to P60.7 billion in 9M06 as a result of higher revenues and lower provisions
- EBITDA margin in 9M06 improved to 66% from 64% in 9M05
- Service revenues grew by 2% q-o-q to P31.4 billion while EBITDA was stable at P20.3 billion due to an increase in certain cash expenses
 - Compensation and benefits expense increased mainly due to higher incentive plan accruals driven by the improvement in share price to P2,270 as of Sept. 30, 2006

Service Revenues (billion pesos)



PLDT Group EBITDA (billion pesos)

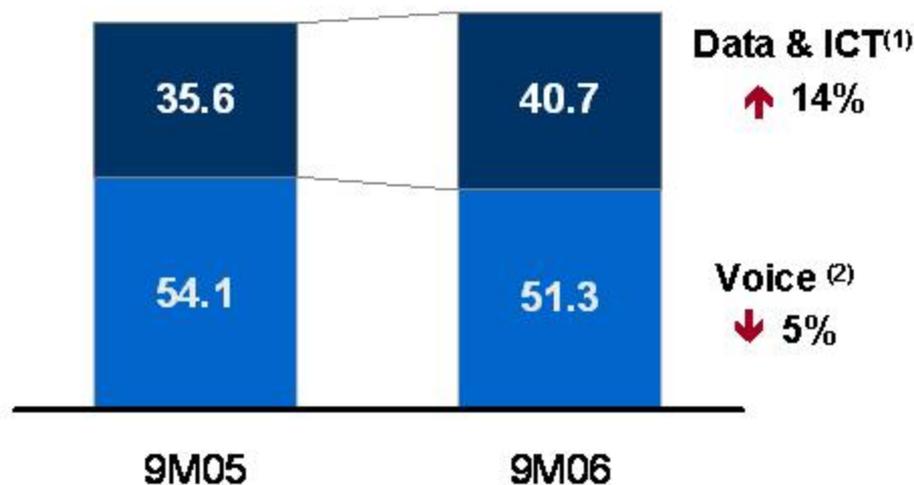


Margin	1Q06	2Q06	3Q06	9M05	9M06
Margin	67%	66%	65%	64%	66%

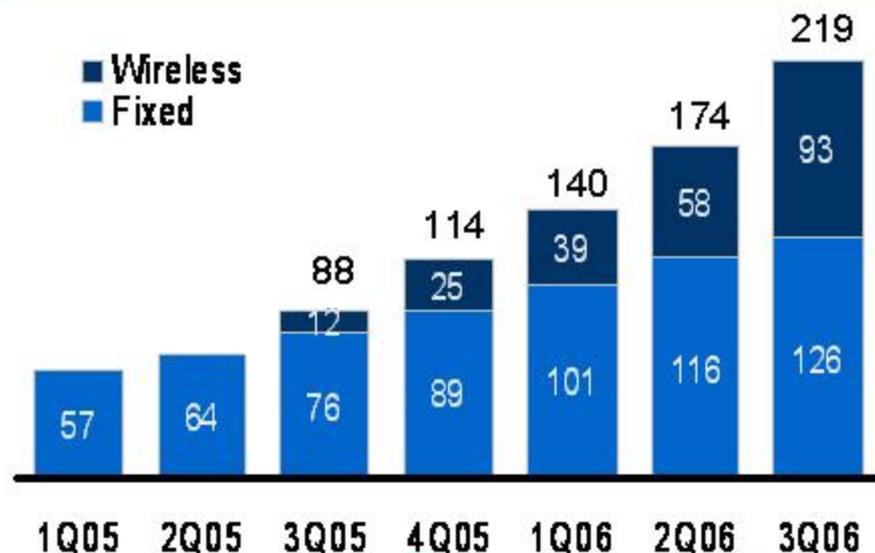
PLDT Group: Developing a New Growth Platform

- Consolidated data revenues grew by 14% to P40.7 billion in 9M06, offsetting a 5% decline in traditional voice revenues
- PLDT Group's broadband subscribers totaled 219,000 as of end-September 2006 while PLDT's narrowband subscribers stood at 422,000 as of end-September 2006
- Combined PLDT DSL, SmartBro and PLDT Vibe revenues surged to P3 billion in 9M06 (9M05: P2 billion) representing a 50% growth y-o-y
- ePLDT Ventus and SPi, which was consolidated beginning July 2006, boosted the overall contribution of ICT revenues in 9M06 to P3.8 billion (9M05: P1.7 billion)

Consolidated Voice and Data Revenues (billion pesos)



Number of Broadband Subscribers ('000)



(1) Includes cellular, other wireless, fixed line data and ICT service revenues

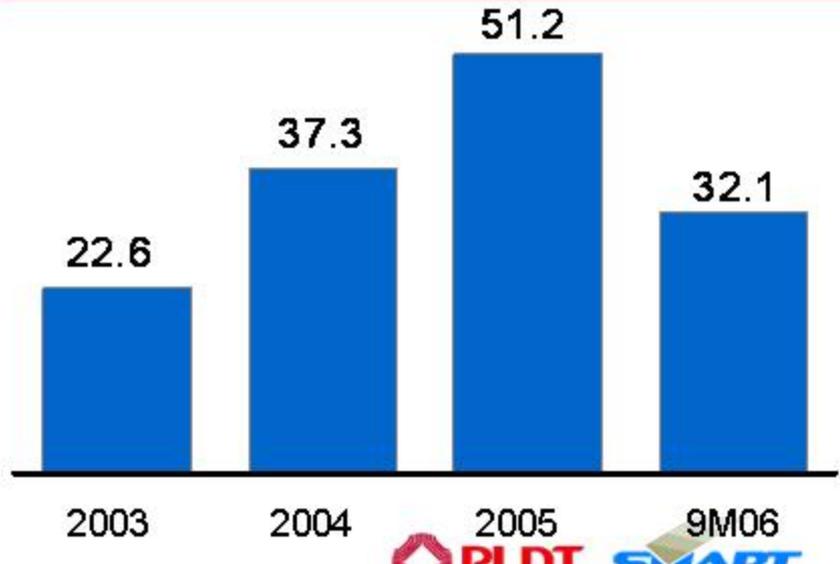
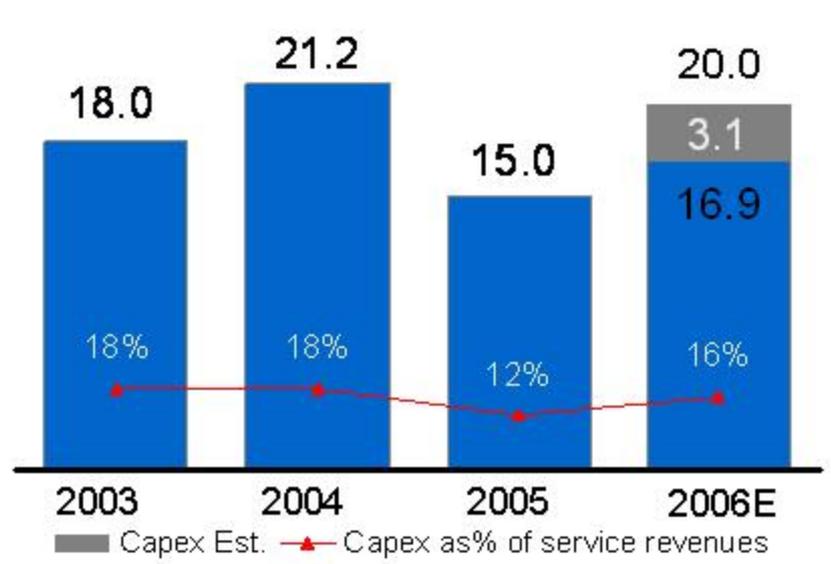
(2) Includes cellular voice, LEC, ILD and NLD service revenues

PLDT Group: Investing in the Future

- Consolidated capex in 9M06 increased to P16.9 billion mainly due to:
 - Installed 125,000 NGN lines in selected cities such as Cavite, Batangas, Bulacan and Cebu
 - Increase in wireless broadband capable cell sites to approximately 2,270 as of end-Sept 2006
 - Roll-out of 970 3G sites to expand capacity of the network
 - Expansion of the call center business
- Full year 2006 capex estimate expected to reach P20 billion as the fixed line and wireless networks are upgraded and expanded
- Capex as a percentage of service revenues remains reasonable at approximately 16%
- Free cash flow remained strong at P32.1 billion in 9M06 despite the increase in capex
- Free cash flow utilized to make investments in ICT businesses amounting to P9.5 billion, reduce debts and pay common dividends of P14.5 billion

Consolidated Capital Expenditures
(billion pesos)

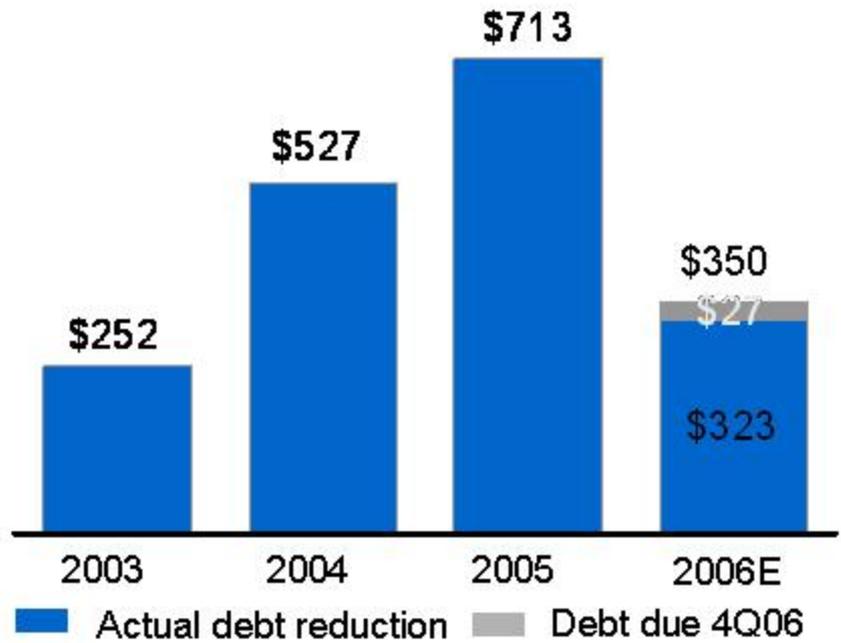
Free Cash Flow
(billion pesos)



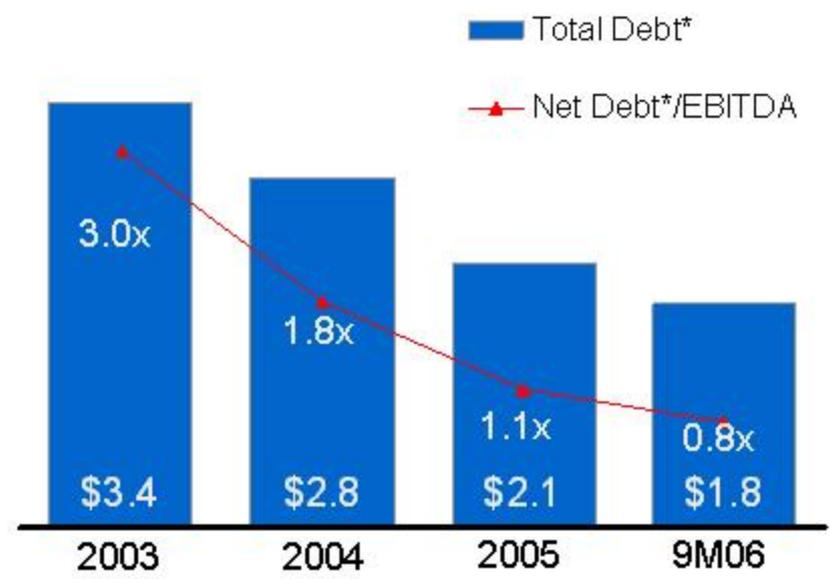
PLDT Group: Strengthening Balance Sheet

- PLDT Group reduced debts by almost US\$323 million in 9M06 as total debt balance declined to US\$1.8 billion as of end-September 2006 and Net Debt to EBITDA improved to 0.85 times
- Piltel will prepay on December 2006 the remaining balance of its restructured debts amounting to US\$233 million, of which US\$161 million is owed to Smart and US\$72 million to third party creditors
- FX risk exposure is managed through transactional hedges and US dollar cash balances representing 62% of consolidated debt
- Only 1.3 million Series V and VI preferred shares remain outstanding out of over 11 million issued in 2001. Series VII convertible preferred shares have been fully converted to common shares. Total common shares outstanding is 188.4 million.

Consolidated Debt Reduction (million US\$)



Consolidated Debt Balance and Leverage Ratios (billion US\$)



* Nominal value of total debt

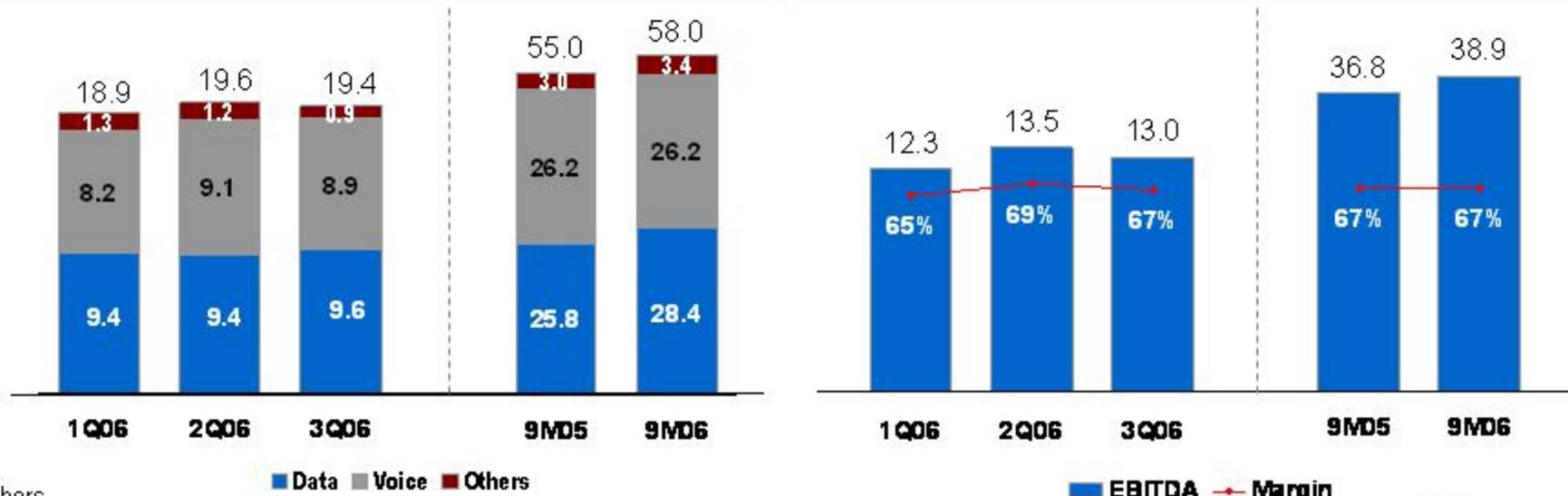


SMART: Upholding Market Leadership

- Smart and TNT added approximately 145,000 and 320,000 cellular subscribers in 3Q06 resulting in a total combined subscriber base of about 22.9 million as of end-Sept 06
- Service revenues grew 6% y-o-y to P58 billion in 9M06 driven by higher data revenues and a steady contribution from voice services
- EBITDA increased by 6% to P38.9 billion in 9M06 with margins remaining at 67%
- Service revenues decreased by 1% q-o-q to P19.4 billion mainly due seasonality factors and the negative impact of Typhoon Milenyo which hit Metro Manila in the last week of September
- Service revenues in 3Q06 of P19.4 billion is up 5% compared with 3Q05

Wireless Service Revenues (billion pesos)

EBITDA* (billion pesos) and EBITDA Margin



Subscribers (in millions)

20.9 22.5 22.9 20.8 22.9

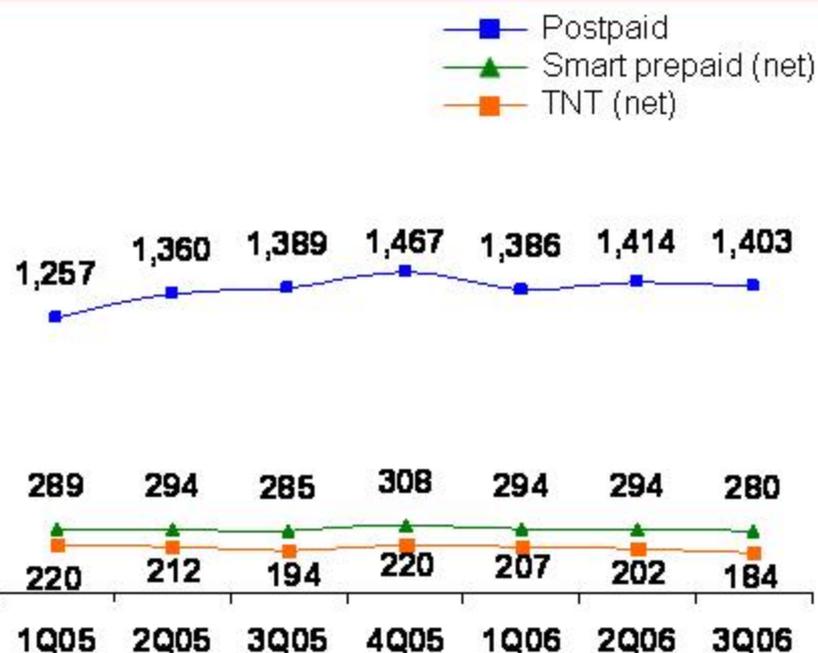
■ EBITDA — Margin



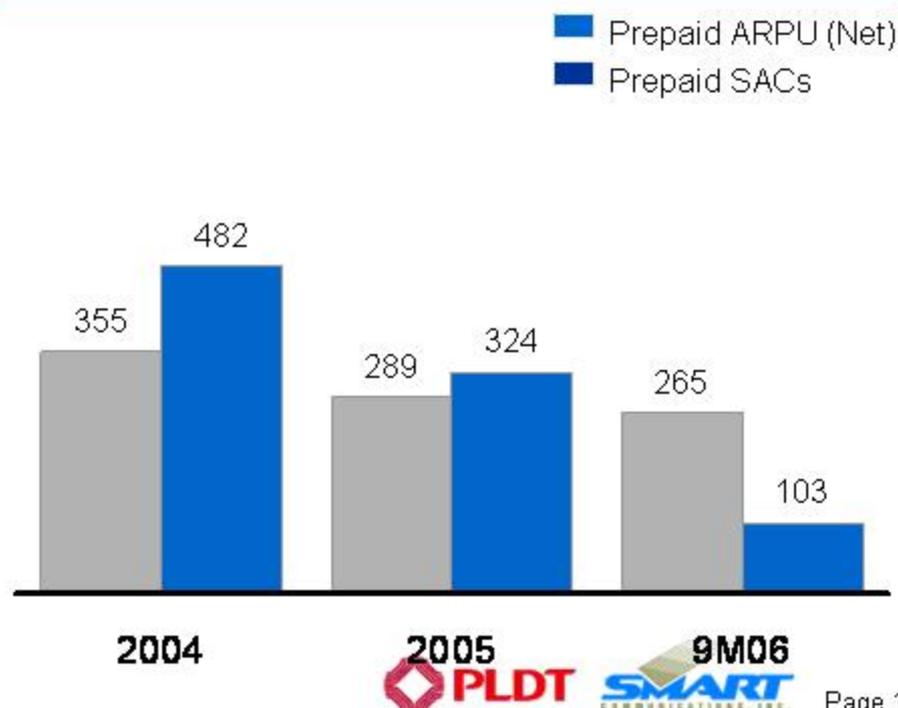
SMART: Balancing ARPUs and SACs

- Smart's prepaid net ARPUs declined to P280 in 3Q06 due to lower outbound voice usage per subscriber offset in part by an increase in the average SMS revenue per subscriber
- Prepaid SAC remains under control and has been reduced to about P103 in 9M06, or a third of net prepaid ARPU
- Promotions are regularly evaluated and designed to enhance yield while providing better value to subscribers. These promotions were supported by thematic campaigns designed to enhance product benefits and brand equity.

Prepaid and Postpaid ARPU (Pesos)



Blended ARPU (Net) and SACs (Pesos)

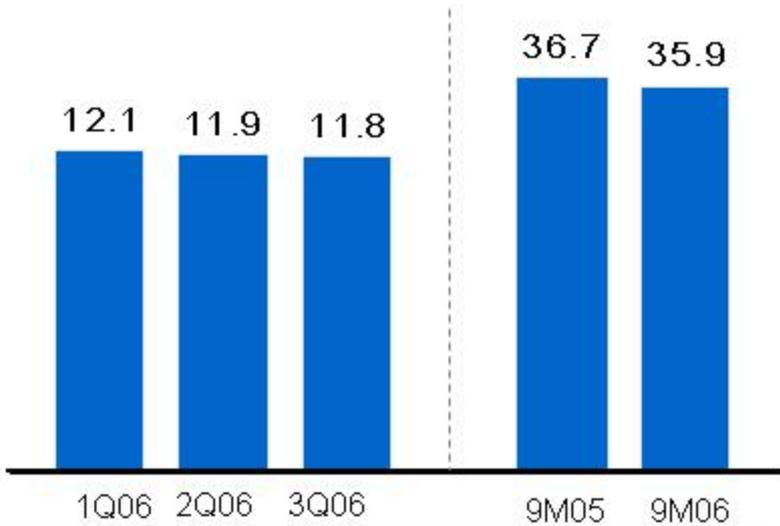


PLDT Fixed Line: Transitioning for Growth

- Fixed Line revenues decreased 2% y-o-y to P35.9 billion due to the combined impact of:
 - increase in corporate data service and DSL service revenues
 - decrease in LEC revenues as a result of the reduction in basic monthly fees due to the 6% appreciation of the average peso rate from P55.15 in 9M05 to P52.03 in 9M06
 - decline in ILD revenues due to lower inbound volumes and stronger peso
- Fixed Line revenues would have improved y-o-y by 2% if FX rates remained stable
- EBITDA grew by 4% to P21.2 billion in 9M06 and margins improved to 59% mainly due to lower provisions for doubtful accounts

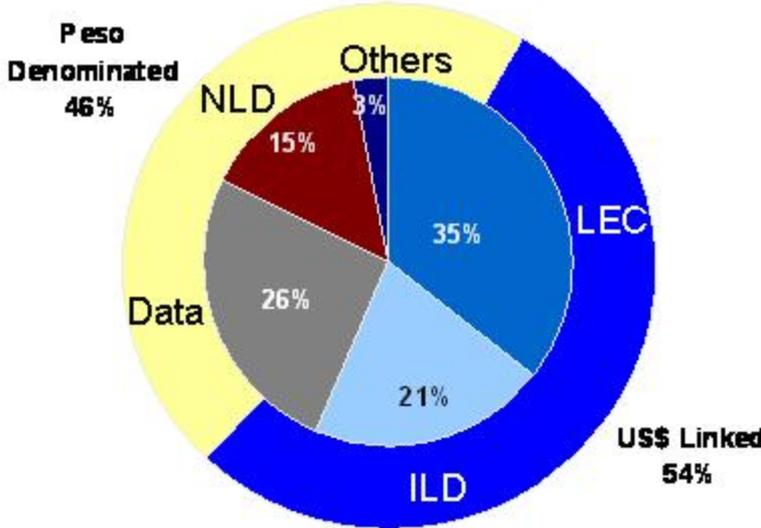
Fixed Line Service Revenues

(billion pesos)



EBITDA Margin	1Q06	2Q06	3Q06	9M05	9M06
EBITDA Margin	62%	56%	59%	56%	59%

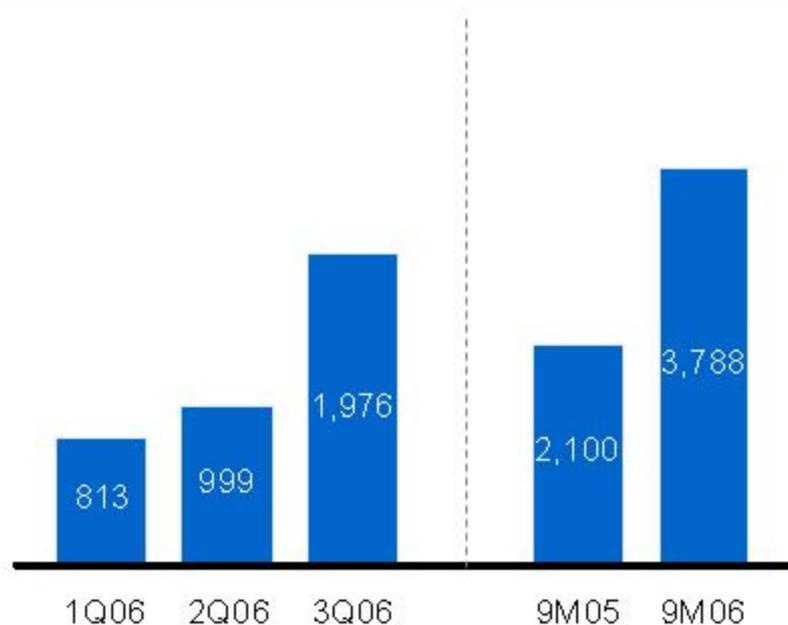
Fixed Line Revenue Mix (9M06)



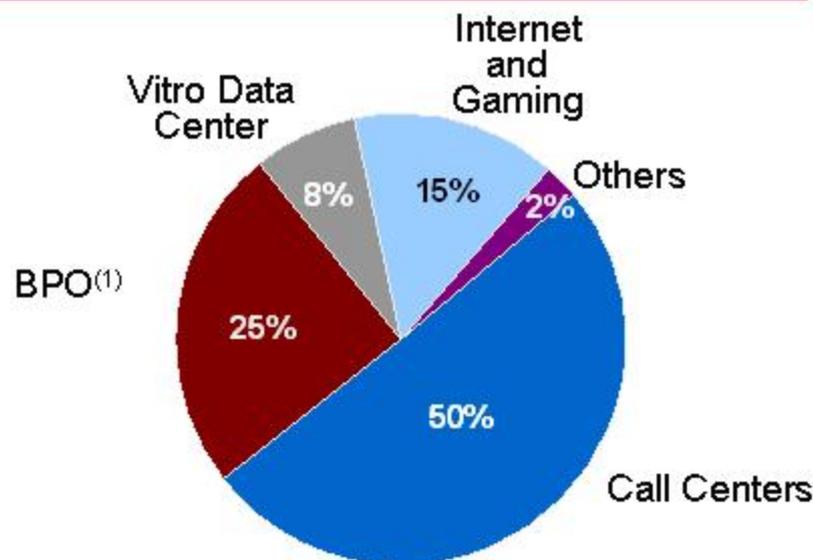
ePLDT: Gaining Traction

- Service revenues grew by 80% to P3.8 billion mainly driven by the continued growth in call center revenues and the consolidation of SPI beginning July 2006
- The combined pro-forma revenues of SPI (9M06: P3.1 billion) and ePLDT for 9M06 would account for 6% of PLDT Group's consolidated service revenues

ePLDT Service Revenues (million pesos)



ePLDT Revenues Mix (9M06)

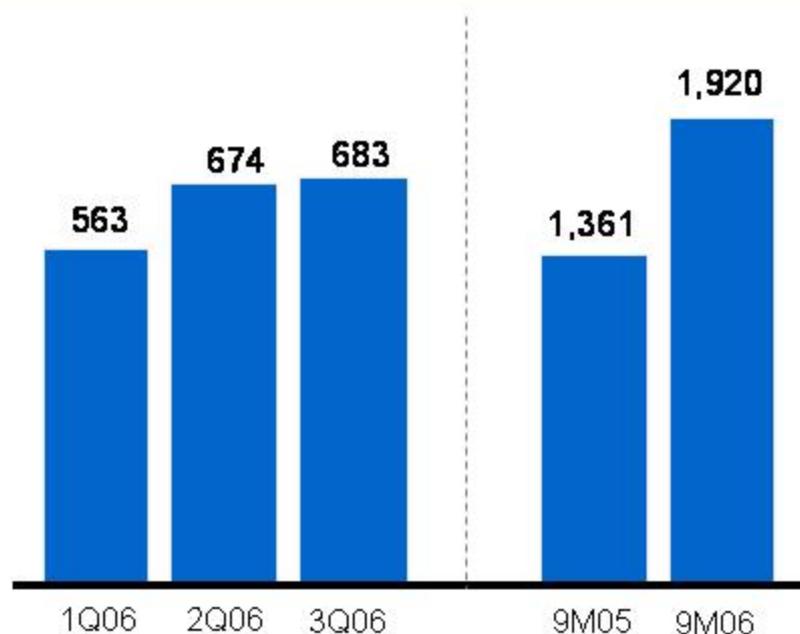


(1) Represents SPI's revenues from July to September 2006 of P930 million

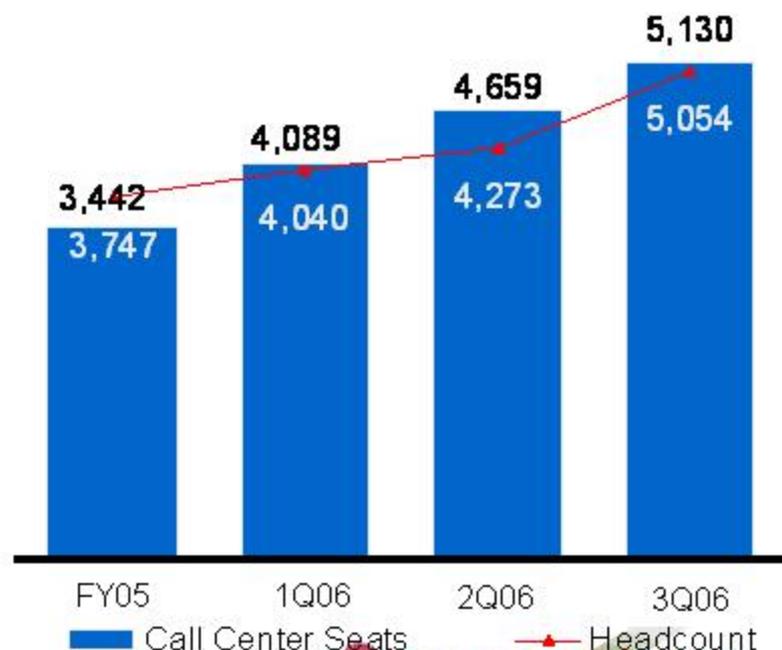
ePLDT Ventus: Expanding in New Directions

- Call center revenues surged by 41% to P1.9 billion mainly due to the strong growth of its business; offset in part by the appreciation of the peso
- EBITDA grew by 30% to P453 million with EBITDA margin of 24%
- ePLDT Ventus opened 2 new sites in 3Q06 and now operates 7 sites with more than 5,000 seats
- ePLDT Ventus' tie up with Infosys reinforces Ventus' commitment to delivering high quality of service as it continues to expand its client base

ePLDT Ventus Revenues (million pesos)



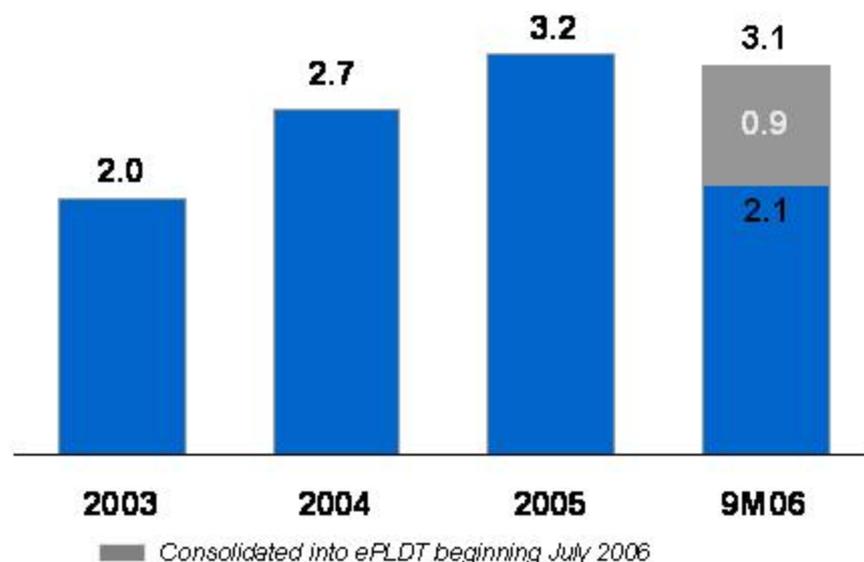
ePLDT Ventus: Call Center Seats and Headcount



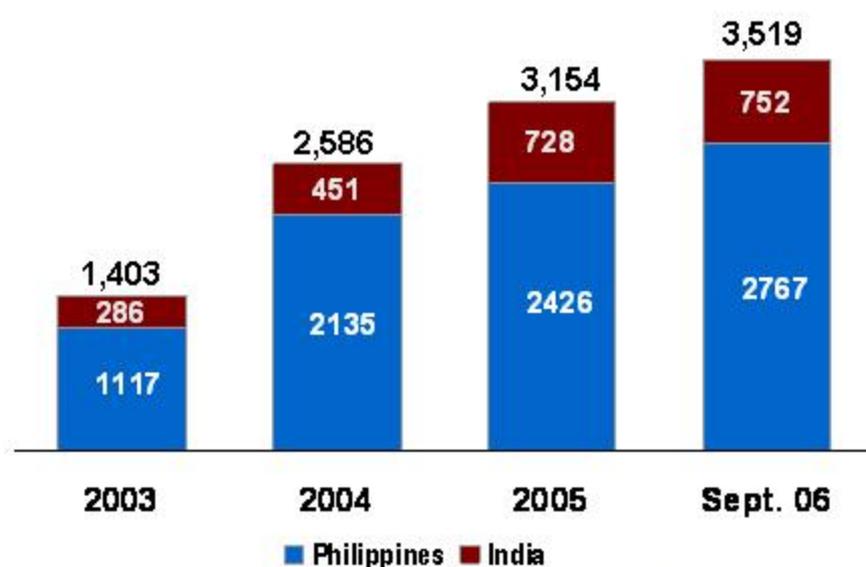
ePLDT: Breaking Ground into BPO

- SPI generated revenues of P3.1 billion in 9M06, of which P930 million was consolidated into ePLDT from July 2006
- SPI is ramping up its health care division driven by the recent acquisition by SPI of Cymed
- SPI's structure and revenue mix is being reviewed to improve the productivity and efficiency of its various operations

SPI: Consolidated Revenues
(billion pesos)



SPI: Number of Seats



PLDT Group: 2006 Outlook

- **Growth in core earnings is being achieved through:**
 - Increased take up of both wireless and fixed line data services
 - Continued focus on containing cash costs
 - Significant decline in interest costs
- **Robust cash flows can adequately support key initiatives:**
 - Further strengthen the balance sheet and improve risk exposures by reducing debts by US\$350 million
 - Enhance shareholder returns through dividend payments representing 60% of 2006 core earnings with a target to further increase to 70% of core earnings in 2007
 - Diversify revenue streams by investing in new growth areas
- **2006 is a year to lay the foundation for earnings growth in 2007 onwards:**
 - Expand coverage and enhance broadband and data capabilities through NGN upgrade and rollout of multi-purpose cellular network elements
 - Acquisition of SPI and Cymed broadens PLDT Group's participation in the growing BPO sector to supplement ePLDT's fast-growing call center business

9M06: Consolidated Financial Highlights

Profit and Loss <i>(in million pesos)</i>	9M 2006				9M 2005	% Change
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	
Service Revenues	58,016	35,901	3,788	92,003	89,686	3%
Cash operating expenses	17,629	14,812	3,579	30,157	27,321	10%
Provisions	397	478	(3)	872	2,757	-68%
EBITDA ⁽¹⁾	38,862	21,226	570	60,658	57,679	5%
EBITDA Margin	67%	59%	15%	66%	64%	3%
Depreciation	7,948	15,248	463	23,659	16,656	42%
Financing costs	1,845	5,331	54	7,230	8,098	-11%
Provision for income tax	3,076	60	(5)	3,131	7,875	-60%
Core net income ⁽²⁾	18,669	4,453	110	23,232	20,943	11%
Reported net income	25,098	586	61	25,744	24,755	4%

(1) EBITDA calculation provided in the appendix

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

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.

Appendix

Revenues

<i>(in million pesos)</i>	9M 2006				9M 2005	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Service Revenues						
Wireless						
Cellular	56,086			56,086	53,416	5%
Others	1,930			1,930	1,568	23%
Fixed line						
Local exchange		12,862		12,862	13,907	-8%
International long distance		7,434		7,434	9,369	-21%
National long distance		5,117		5,117	5,329	-4%
Data and other network		9,420		9,420	7,162	32%
Miscellaneous		1,068		1,068	929	15%
ICT			3,788	3,788	2,100	80%
Inter-segment transaction				(5,702)	(4,094)	39%
Total Service Revenues	58,016	35,901	3,788	92,003	89,686	3%
Non-Service Revenues	1,842	71	339	2,252	2,247	0%
Inter-segment transaction				(92)	(94)	-2%
	1,842	71	339	2,160	2,153	0%
Other Income	630	657	19	1,306	891	47%
Inter-segment transaction				(69)	(168)	-59%
	630	657	19	1,237	723	71%
Total Revenues and Other Income	60,488	36,628	4,146	95,400	92,562	3%

Operating Expenses

<i>(in million pesos)</i>	9M 2006				9M 2005	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Operating expenses						
Compensation	3,928	7,519	1,738	13,184	10,060	31%
Maintenance	2,688	2,442	258	4,890	4,972	-2%
Selling and promotions	2,032	1,345	498	3,851	3,885	-1%
Rent	5,157	1,202	356	1,769	1,505	18%
Taxes and licenses	754	491	43	1,288	1,648	-22%
Professional and other contracted services	1,332	682	416	2,227	1,572	42%
Insurance and security services	620	388	21	973	1,203	-19%
Communication, training and travel	632	369	170	1,038	1,116	-7%
Other operating expenses	486	374	79	937	1,360	-31%
Cash operating expenses	17,629	14,812	3,579	30,157	27,321	10%
Depreciation	7,948	15,248	463	23,659	16,656	42%
Provisions	397	478	(3)	872	2,757	-68%
Asset impairment	-	-	16	16	-	
Amortization of intangible assets	236	-	19	255	267	-5%
Non-cash operating expenses	8,581	15,726	495	24,802	19,680	26%
Total operating expenses	26,210	30,538	4,073	54,959	47,001	17%
Cost of sales	3,600	113	-	3,713	4,805	-23%
Financing costs	1,845	5,331	54	7,230	8,098	-11%
Total Expenses	<u>31,655</u>	<u>35,982</u>	<u>4,128</u>	<u>65,902</u>	<u>59,904</u>	<u>10%</u>

EBITDA

<i>(in million pesos)</i>	9M 2006				9M 2005	%
	Wireless	Fixed Line	ICT	Consolidated	Consolidated	Change
Income before tax	28,833	647	18	29,498	32,658	-10%
Add back:						
Financing costs	1,845	5,331	54	7,230	8,098	-11%
Depreciation	7,948	15,248	463	23,659	16,656	42%
Amortization of intangible assets	236	-	19	255	267	-4%
Asset impairment	-	-	16	16	-	100%
EBITDA	38,862	21,226	570	60,658	57,679	5%
EBITDA Margin	67%	59%	15%	66%	64%	

Financing Costs

<i>(in million pesos)</i>	9M 2006			9M 2005	% Change
	Wireless	Fixed Line	Consolidated	Consolidated	
Interest on loans and related items	1,274	4,826	6,113	8,396	-27%
Accretion on financial liabilities	2,887	156	3,045	2,209	38%
Hedge cost	-	1,090	1,090	889	23%
Loss (gain) on derivative transactions, net	(24)	175	151	(437)	-135%
Dividends on CPS	113	-	113	196	-42%
Financing charges	33	11	44	81	-46%
Capitalized interest	(205)	(223)	(428)	(348)	23%
Interest income	(911)	(373)	(1,297)	(1,109)	17%
Foreign exchange losses (gains)	(1,322)	(331)	(1,601)	(1,779)	-10%
Total	1,845	5,331	7,230	8,098	-11%

Cash Flows

<i>(in million pesos)</i>	9M 2006			9M 2005	%
	Wireless	Fixed Line	Consolidated	Consolidated	Change
Net cash from operations	29,206	25,520	56,018	55,111	2%
Add(Deduct):					
Capital expenditures	(9,152)	(6,983)	(16,872)	(9,555)	77%
Other investing activities	395	431	1,154	4,164	-72%
Interest, net	(50)	(3,923)	(3,970)	(6,830)	-42%
Dividends from Smart	-	20,600	-	-	-
Preferred share dividends	-	(401)	(401)	(1,027)	-61%
Redemption of preferred shares	-	5,441	-	-	-
Others	(184)	(3,627)	(3,866)	(30)	-
Free cash flow	20,215	37,057	32,063	41,834	-23%
Common share dividends	(20,640)	(14,406)	(14,446)	(5,962)	142%
Investments	(1,231)	(9,923)	(10,727)	(238)	4407%
Redemption of preferred shares	(5,441)	-	-	-	-
Principal repayments, net	(2,466)	(14,739)	(18,290)	(30,063)	-39%
Change in cash	(9,563)	(2,010)	(11,400)	5,571	-305%
Cash balance, beginning	19,589	9,848	30,064	27,321	10%
Cash balance, end	10,026	7,838	18,664	32,892	-43%

Balance Sheet

<i>(in million pesos)</i>	Consolidated	
	September 30 2006	December 31 2005
Total Assets	245,663	249,713
Nominal Value of Total Debt	90,174	112,373
<i>in US\$</i>	\$1,795	\$2,117
Less: Unamortized Debt Discount	6,267	8,829
Total Debt	83,907	103,544
Cash and short-term investments	21,381	32,810
Net Debt	62,526	70,734
Equity	95,900	74,369
Total Debt⁽¹⁾/Equity	0.94x	1.51x
Net Debt⁽²⁾/Equity	0.72x	1.07x
Total Debt⁽¹⁾/EBITDA	1.11x	1.42x
Net Debt⁽²⁾/EBITDA	0.84x	1.01x

(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

	9M06		9M05	
	Basic	Diluted	Basic	Diluted
Net Income	25,744	25,744	24,755	24,755
Dividends on preferred shares	(342)	(37)	(1,136)	(37)
Adjustments for preferred shares deemed dilutive				
Dividends on preferred stock subject to mandatory redemption charged to expense for the period	-	-	-	81
Accretion of preferred stock subject to mandatory redemption	-	-	-	354
Foreign exchange gain on preferred stock subject to mandatory redemption	-	-	-	(635)
Net Income applicable to common shares	25,402	25,707	23,619	24,518
Outstanding common shares, beginning	180,789	180,789	170,214	170,214
Effect of issuance of common shares during the period	2,342	2,342	750	750
Weighted average number of shares under ESOP during the period	-	92	-	73
Common shares equivalent of preferred shares deemed dilutive:				
Preferred stock series A to FF	-	2,284	-	2,817
Global depositary Stock Series III	-	-	-	7,907
Preferred stock series VII	-	-	-	3,842
Weighted average number of shares, end	183,131	185,507	170,964	185,603
EPS (based on reported net income)	138.71	138.58	138.15	132.10
Core Net Income	23,232	23,232	20,943	20,308
Adjustments for preferred shares deemed dilutive	(342)	(342)	(1,136)	398
Net Income applicable to common shares	22,890	22,890	19,807	20,706
Weighted average number of shares, end	183,131	183,131	170,964	185,603
EPS (based on core net income)	125.00	125.00	115.85	111.56

Interest-bearing Liabilities

<i>(in millions)</i>	September 30, 2006			December 31, 2005	Change
	Carrying Value	Unamortized Debt Discount	Face Value	Face Value	
Debt					
PLDT	\$1,106	\$12	\$1,117	\$1,396	(\$279)
Smart	\$442	\$113	\$555	\$532	\$23
2014 Debt	\$167	\$113	\$280	280	-
Others	\$275	-	\$275	252	\$23
Piltel	\$72	-	\$72	\$128	(56)
Others	\$50	-	\$50	\$61	(\$11)
Total Debt	\$1,670	\$125	\$1,795	\$2,117	(\$323)
Preferred Stocks Subject to Mandatory Redemption					
Series V, VI & VII	\$40	\$8	\$48	\$299	(\$251)

Quarterly Consolidated Financial Highlights

(in million pesos)	2006			2005 3Q	% Change 3Q06 vs. 3Q05
	1Q	2Q	3Q		
Service Revenues	29,977	30,662	31,364	30,144	2%
Non-service Revenues	709	674	696	731	-8%
Less: Cost of sales	1,234	1,225	1,254	1,534	-20%
Operating Expenses					
Cash operating expenses	9,339	9,403	11,333	9,302	1%
Non-cash operating expenses	7,974	8,427	8,403	6,693	26%
	17,312	17,830	19,736	15,995	11%
Operating Income	12,140	12,281	11,070	13,346	-8%
EBITDA	20,007	20,382	20,269	19,818	3%
<i>EBITDA Margin</i>	67%	66%	65%	66%	
Other Income	133	206	898	549	-63%
Other Expenses:					
Interest on loans and related items	2,080	2,275	1,758	2,739	-17%
FX and derivatives (gain)/loss	(1,556)	1,774	(1,668)	(57)	-3235%
Others	476	1,085	1,005	591	84%
	1,000	5,134	1,096	3,273	57%
Income before income tax	11,272	7,353	10,872	10,622	-31%
Provision for income tax	2,510	477	145	2,392	-80%
Net income, as reported	8,581	6,725	10,439	8,235	-18%
Core net income ⁽¹⁾	7,566	7,641	8,025	7,252	5%