



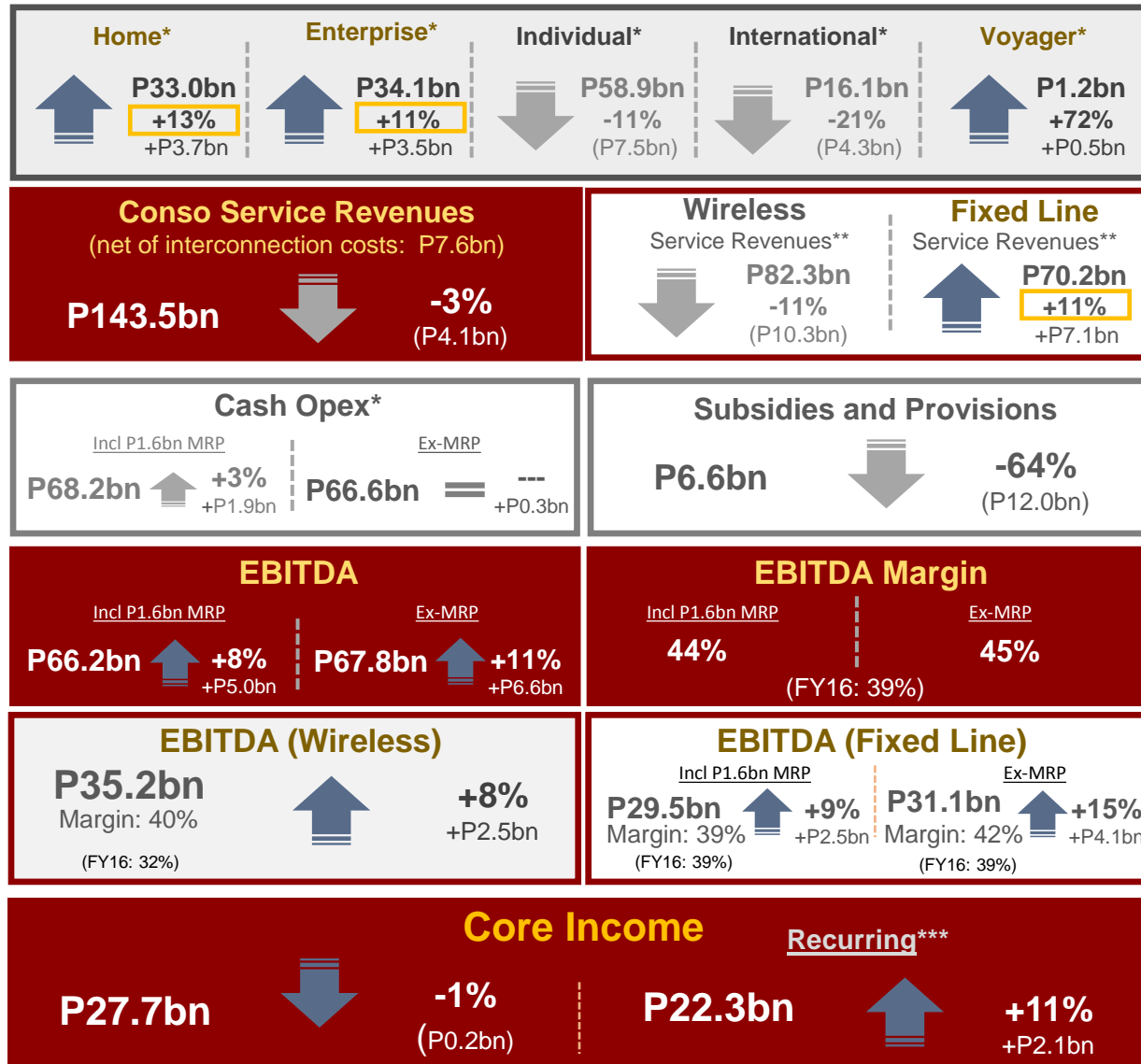
2017 Full Year Results

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Financial and Operating Results

8<sup>th</sup> March 2018

# PLDT Group: FY17 vs FY16 Financial Highlights



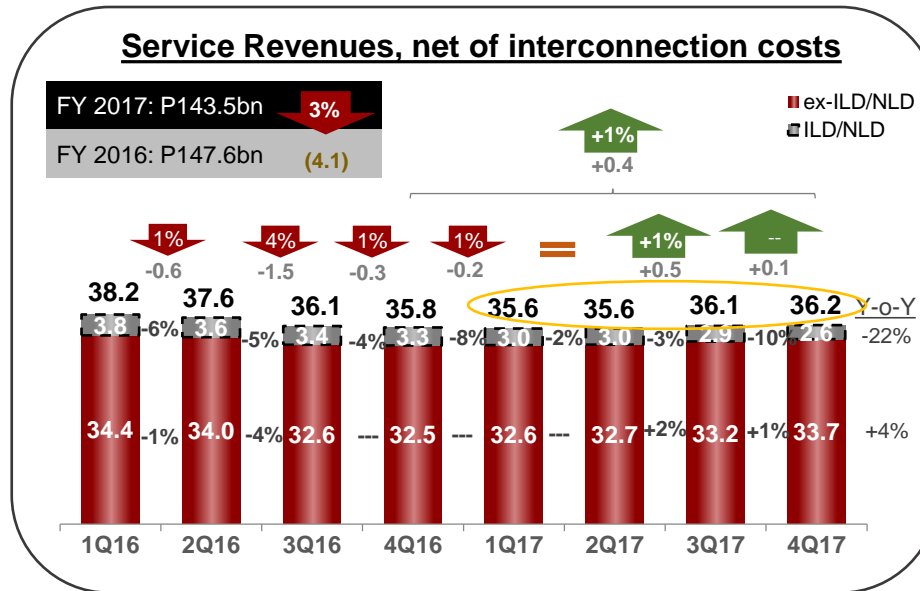
\* On consolidated basis, net of interconnection costs

\*\* Per segment basis, net of interconnection costs

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

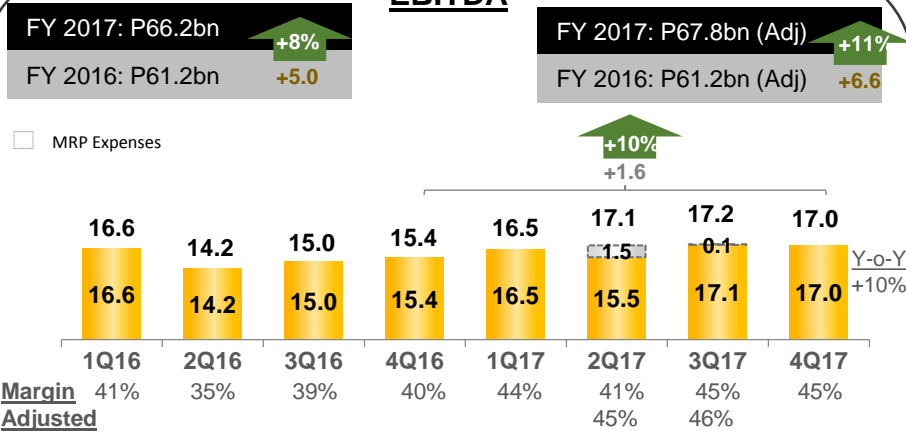
# PLDT Group: Consolidated Financial Highlights

(Php in billions)



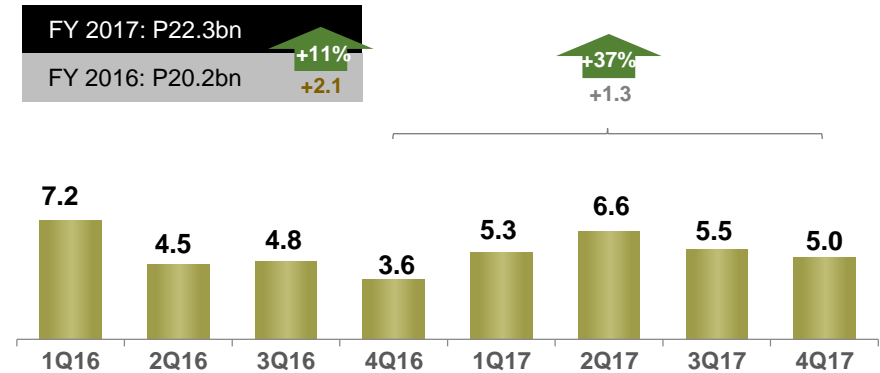
- Topline stabilized in 2017
- Negative momentum in 2016 quarterly revenues stemmed in 2017
  - Excluding ILD/NLD, four quarters of sequential increases
  - ✓ 4Q17 service revenues rose by 4% or P1.2bn from 4Q16 and by 1% or P0.4bn from 3Q17

### EBITDA



- Except for 1Q17 which declined by P0.1bn vs 1Q16, all quarters in 2017 registered year-on-year increases

### Core Income (recurring)\*



- Core Income (recurring) higher by 11% or P2.1bn year-on-year and by P0.3bn vis-à-vis guidance of P22.0bn

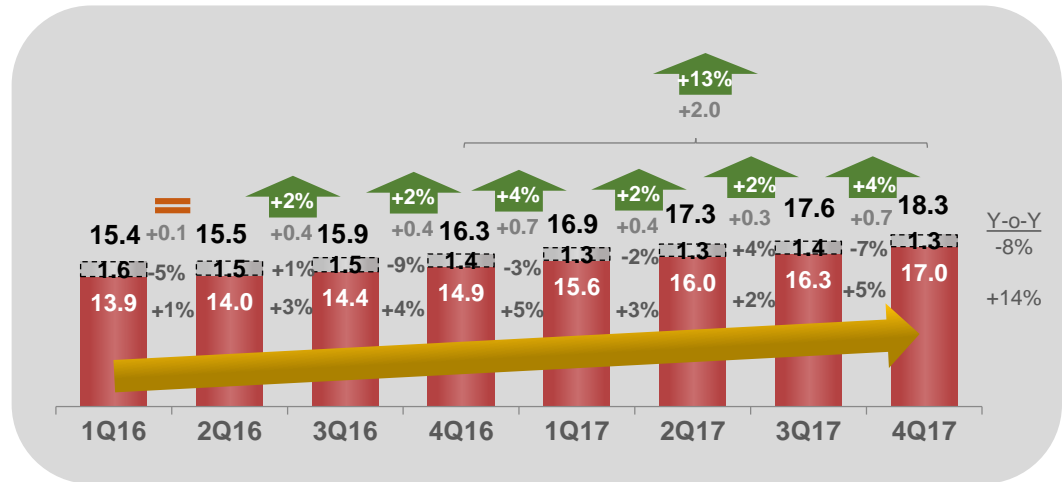
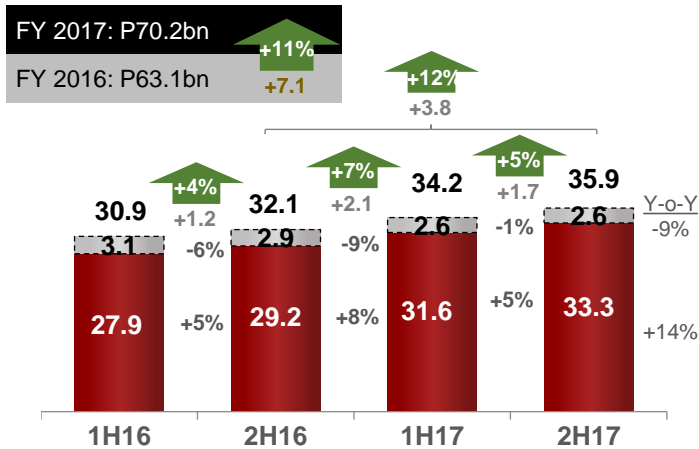
# PLDT Group: Fixed Line Financial Highlights

(Php in billions)

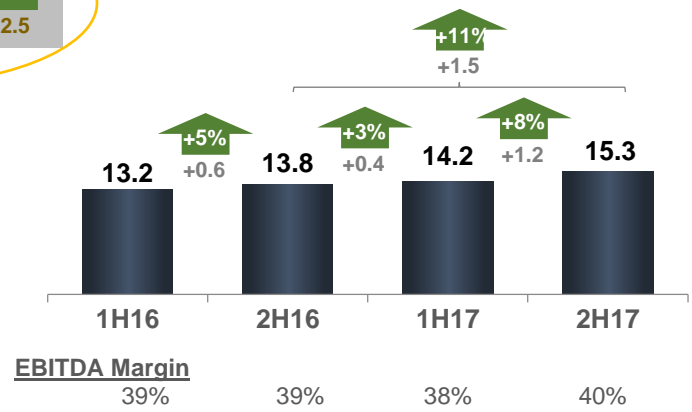
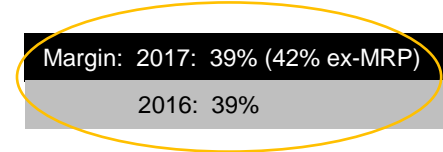
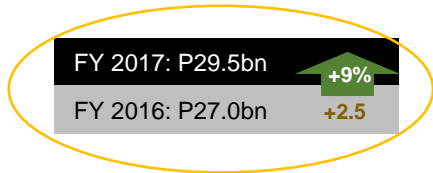
## Fixed

### Service Revenues (net of interconnection costs)

■ ILD/NLD ■ Ex-ILD/NLD



### EBITDA and EBITDA Margin



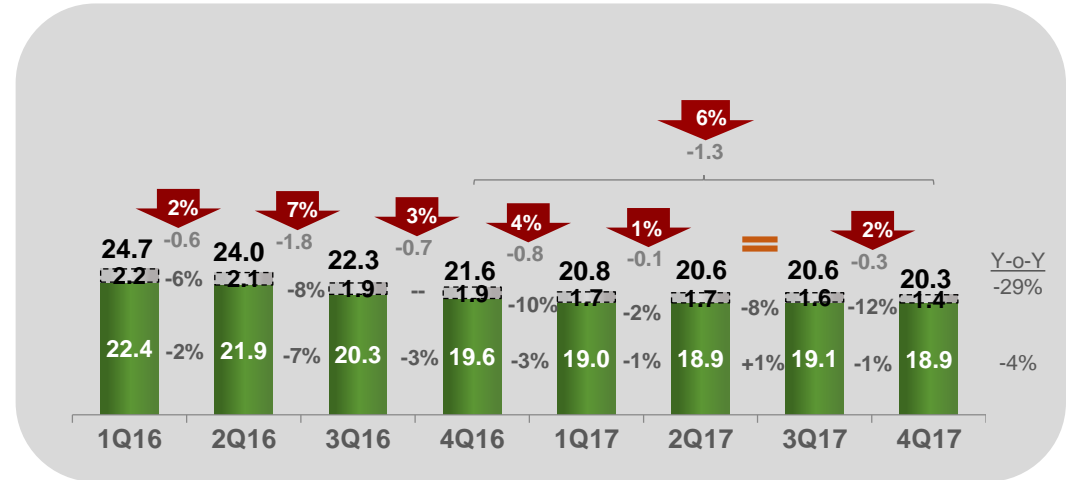
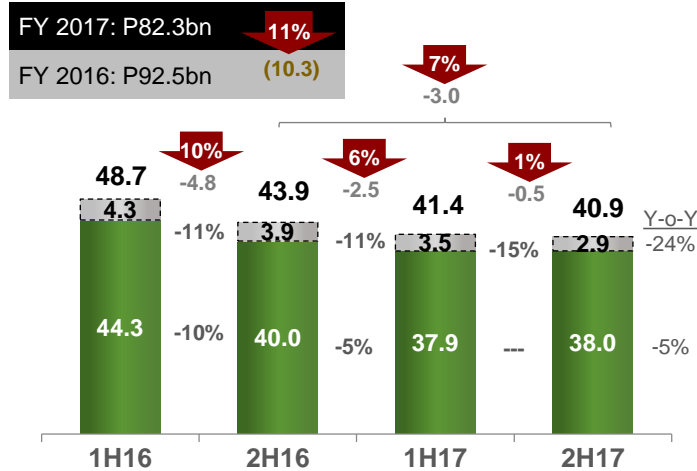
# PLDT Group: Wireless Financial Highlights

(Php in billions)

## Wireless

### Service Revenues (net of interconnection costs)

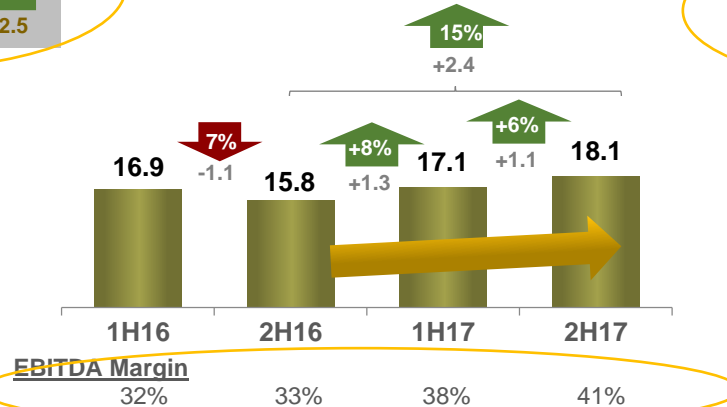
■ ILD    ■ Ex-ILD



### EBITDA and EBITDA Margin

FY 2017: P35.2bn **↑8%**  
 FY 2016: P32.7bn **+2.5**

Margin: 2017: 40%  
 2016: 32%

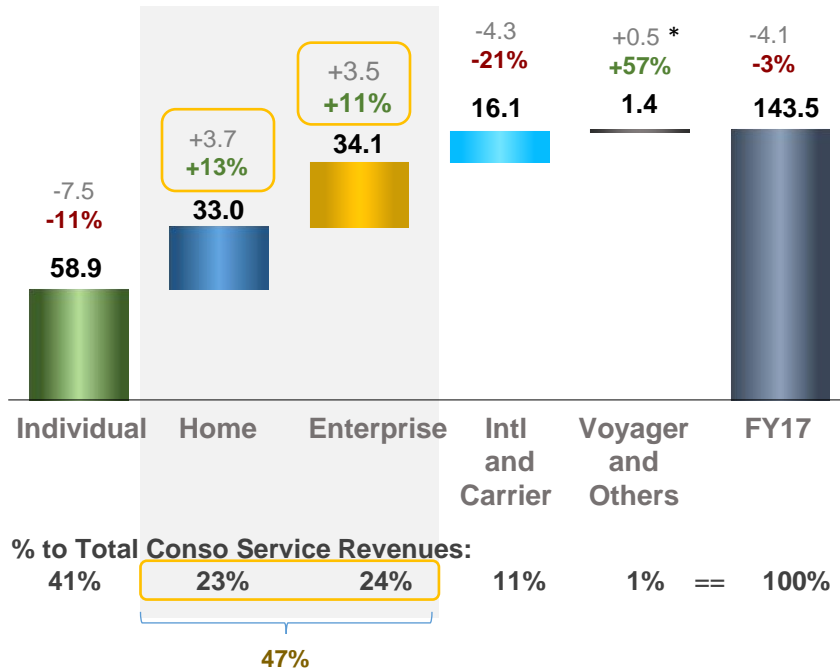


# PLDT Group: Consolidated Service Revenues

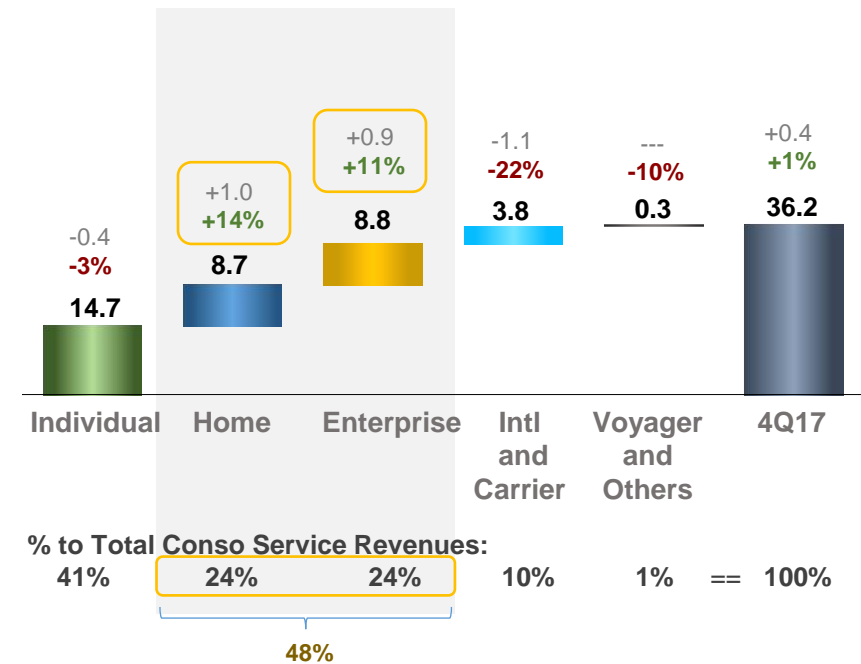
(by Business Unit)\*

(Php in billions)

FY17 vs FY16



4Q17 vs 4Q16



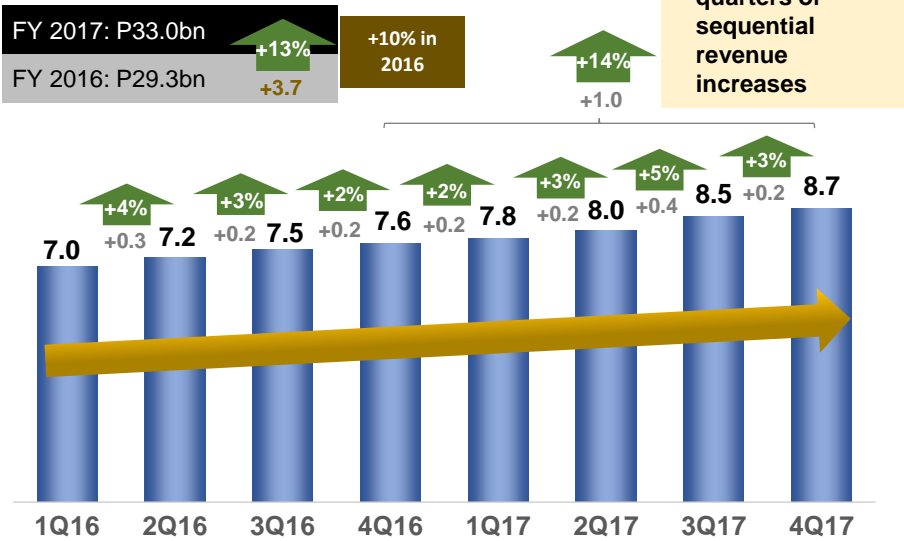
- **Combined Home and Enterprise revenues accounted for 47% of total service revenues in 2017, greater than the 41% contribution from the Individual segment**
  - In 4Q17, Home and Enterprise service revenues each grew by 3% quarter-on-quarter and together accounted for 48% of total service revenues
  - Individual service revenues in 4Q17 grew by 1% from 3Q17
- **Data and broadband remain the growth drivers of the Home, Enterprise and Individual segments representing 63%, 63% and 40% of total service revenues, respectively**

\* P0.1bn if including deconsolidated revenues of P0.5bn in 2016

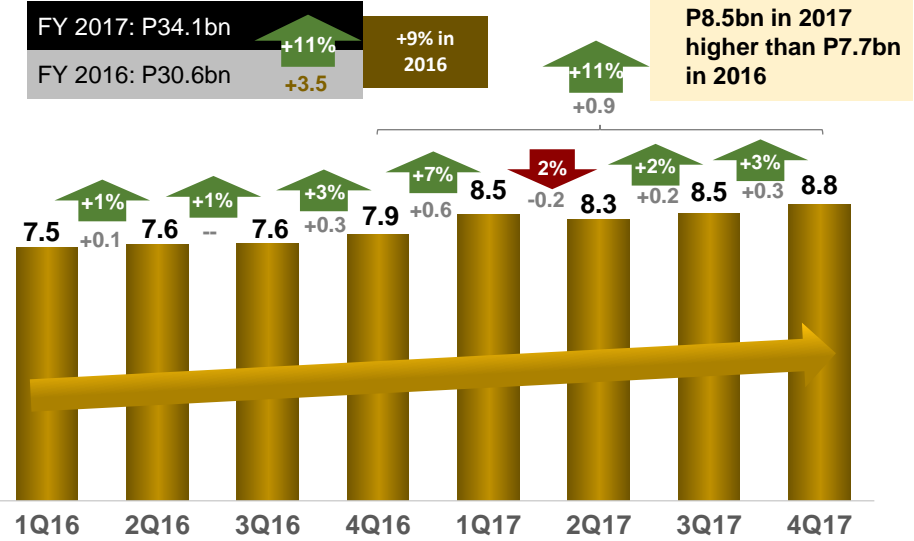
# PLDT Group: Service Revenues (by Business Unit)

(Php in billions)

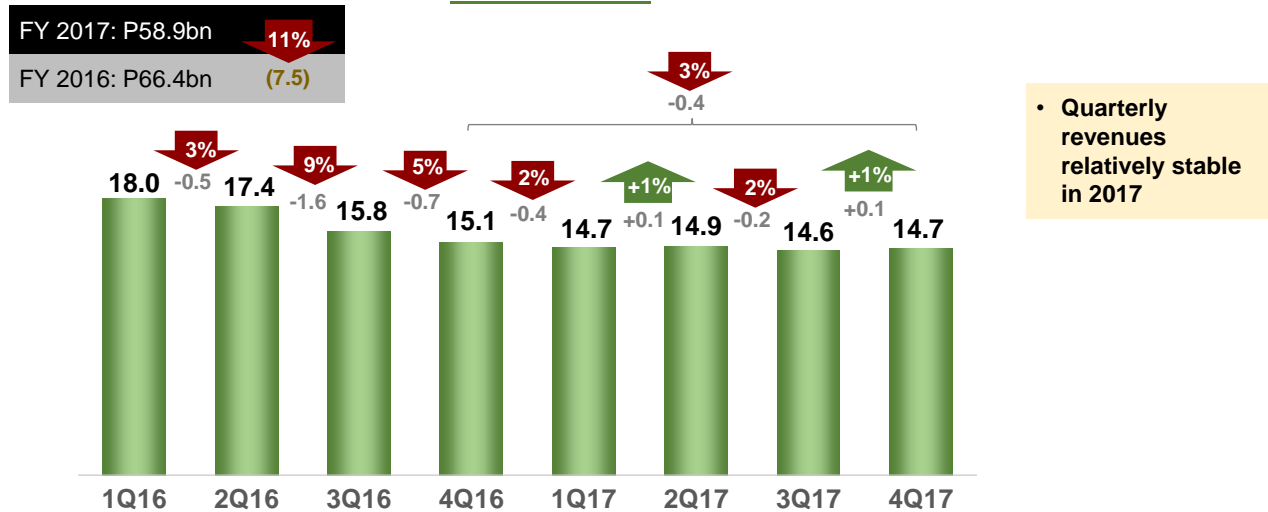
## Home



## Enterprise



## Individual



# PLDT Group: Consolidated Service Revenues

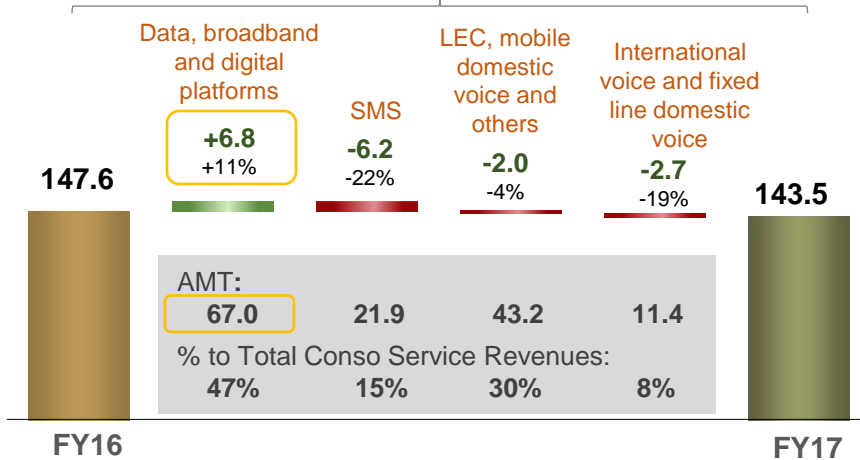
(by Product Type)\*

(Php in billions)

## FY17 vs FY16

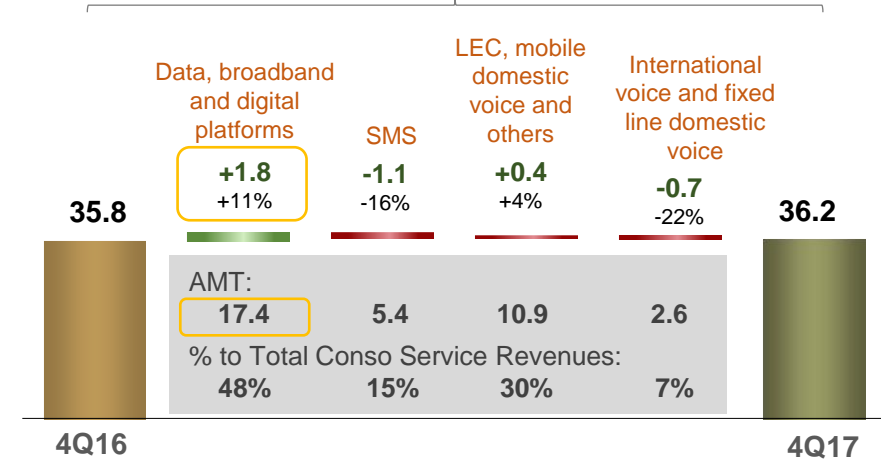
Lower by P4.1bn or 3%

-3% or  
-P5.0bn  
in 2016



## 4Q17 vs 4Q16

Higher by P0.4bn or 1%



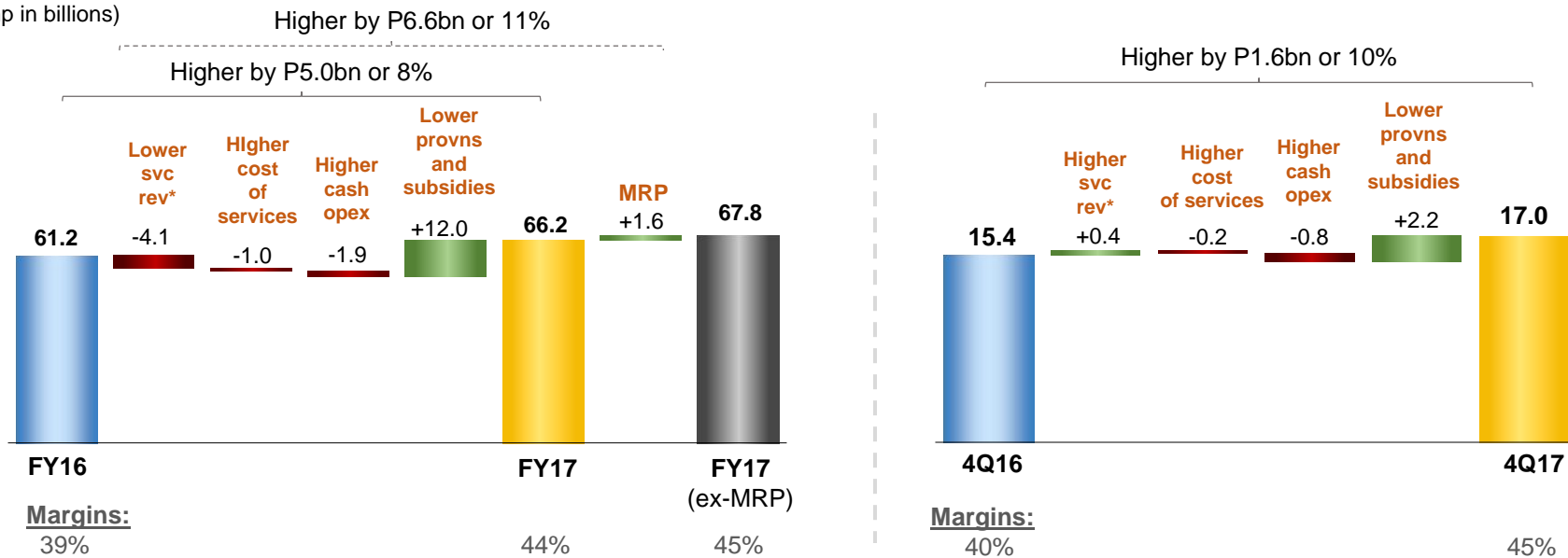
- **47% of 2017 consolidated service revenues were from data/broadband and digital platforms from 41% in 2016**
- **Revenues from data, broadband and digital platforms rose by P6.8bn or 11% year-on-year to P67.0bn**
  - Mobile internet revenues grew by 17% or P2.9bn to P20.0bn
  - Home broadband revenues were higher by 16% or P2.9bn to P20.4bn
  - Corporate data and data center revenues rose by 16% or P2.7bn to P19.6bn
- **In 2017, data/broadband and digital platform revenues represented 63% of Fixed Line\* and 36% of Wireless\* service revenues, from 60% and 31%, respectively, in 2016**

\* Net of interconnection costs



# PLDT Group: Consolidated EBITDA

(Php in billions)



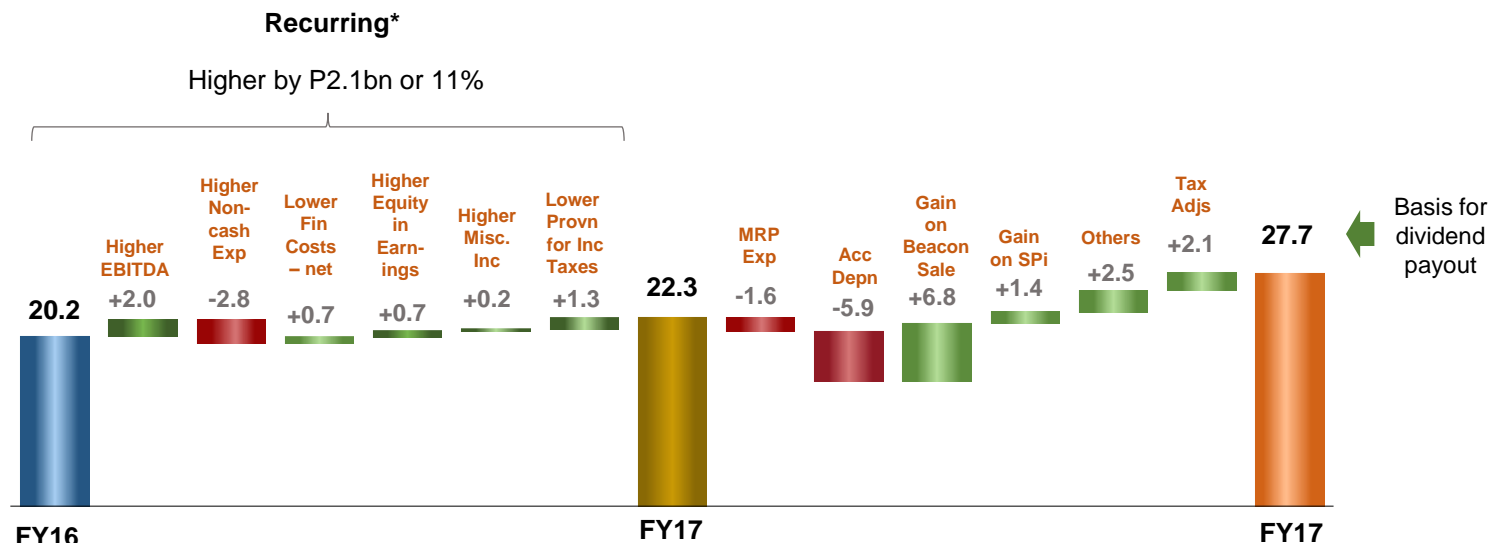
\* Net of interconnection costs

\* Net of interconnection costs

- Consolidated EBITDA of P66.2bn for 2017 was higher by P5.0bn or 8% year-on-year
- Excluding MRP expenses of P1.6bn, EBITDA for 2017 amounted to P67.8bn -- 11% or P6.6bn higher vs FY16
- Consolidated EBITDA margin for FY17 stood at 44% (45% ex-MRP), higher than 39% in FY16
  - Wireless: FY17: 40%; 2H17: 41%; 4Q17: 44% (vs FY16: 32%; 2H16: 33%; 4Q16: 35%)
  - Fixed Line: FY17: 39% 2H17: 40%; 4Q17: 37% (vs FY16: 39%; 2H16: 39%; 4Q16: 37%)

# PLDT Group: Core Income

(Php in billions)



\* Excludes gain from asset sales, EBITDA adjustments, accelerated depreciation and tax adjustments

- **Recurring core income of P22.3bn for 2017 higher by 11% or P2.1bn from 2016**
- **Including the impact of one-time expenses/adjustments and gain from asset sales, core income for 2017 stood at P27.7bn**
  - Lower by 1% or P0.2bn year-on-year
- **Reported net income for 2017 declined by P6.6bn or 33% to P13.4bn**
  - As a result of PLDT's aggressive network upgrade aimed to achieve dramatic improvements in customer experience:
    - ✓ Accelerated depreciation of P12.4bn (non-core) in connection with the swap out of network equipment in NCR
      - Additional P4.6bn in 2018 when swap out is completed
    - ✓ Non-current Asset Impairment of Smart and DMPI assets of P4.3bn
  - Impairment of Rocket internet investment of P540mn in 2017
    - ✓ At YE17, Rocket closed at €21.125 (vs €16.03 at the end of March 2017)
    - ✓ Increase in fair value of Rocket of P3.3bn in 2017 booked under Other Comprehensive Income

# PLDT Group: Capital Management

- **Subject to the finalization of the 2017 audited financial statements expected by 27 March 2018, and in line with PLDT's dividend policy, 60% of 2017 core earnings of P27.7bn to be declared as regular dividends**

- Core earnings for 2017 include:
  - ✓ Gains from sale of assets (remaining stake in Beacon and SPi)

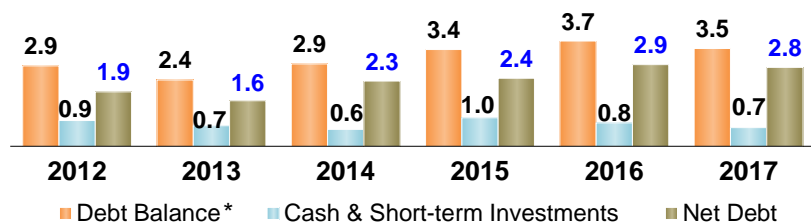
| Core EPS                               | P128                 |
|--|----------------------|
| Dividends per share for 2017           | P76                  |
| Interim regular dividend (August 2017) | P48                  |
| Final regular dividend (April 2018)    | P28                  |
| Dividend Payout                        | 60% of Core Earnings |

- **At PLDT's 2017 closing share price of P1,480, dividend yield is 5.1%**
- **Priority in the use of available cash:**
  - Business requirements (mainly capex)
  - Deleveraging
- **Over the last 13 years, i. e., from 2005 (when PLDT resumed payment of dividends) and including P16.4bn of dividends for 2017, dividends paid to common shareholders totaled P400.6bn or an average of P30.8bn per year**

# PLDT Group: Debt Profile

## Debt Balance

(US\$ in billions)



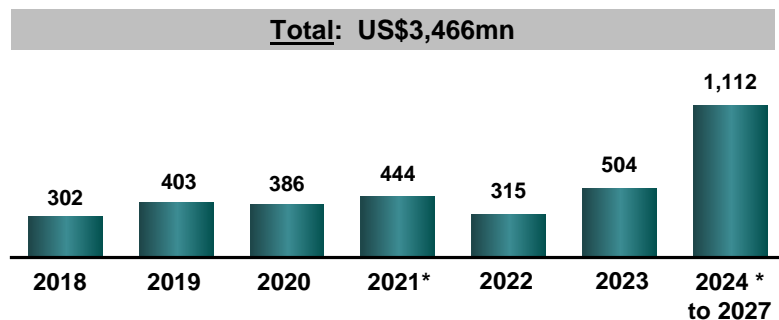
Net Debt/EBITDA:

1.05x    0.9x    1.35x    1.62x    2.36x    2.10x

\* Total debt based on nominal debt amount

## Debt Maturities

(US\$ in millions, end December 2017)



Debt maturities to total debt:

9%    12%    11%    13%    9%    14%    32%

\*Includes maturing portion of P15bn Retail bonds: P12.4bn in 2021 and P2.6bn in 2024

➤ **Net debt and net debt to EBITDA as of end December 2017 stood at US\$2.8bn and 2.10x**

- **At end December 2017, gross debt amounted to US\$3.5bn**
- US\$ denominated gross debt now at 20% from 32% at YE16 following the full payment of the 8.35% US\$ bond on 6 March 2017 (refinanced in pesos)
  - Taking into account our available US\$ cash and hedges allocated for debt, only US\$0.3bn or 8% of total debt is unhedged
  - 77% are fixed-rate loans, while 23% are floating-rate loans; post-interest rate swaps: 92% fixed, 8% floating
  - Average interest cost (pre-tax) of 4.2% (FY16: 4.4%)

➤ **Significant cash flow movements in FY17 include:**

- Dividend payments for common shares of P16.4bn:
  - ✓ 2017 interim dividend of P48 per share or P10.4bn paid in September 2017
  - ✓ 2016 final dividend of P28 per share or P6.0bn paid in April 2017
- Final 25% payment of P6.6bn to SMC for the VegaTel acquisition
- Additional payment of P1.3bn to SMC post-due diligence
- Receipt of P14bn of proceeds from the sale of Beacon shares consisting of:
  - ✓ P12.0bn from the sale in 2Q17 (with P9.8bn receivable)
  - ✓ P2.0bn from the sale in 2016 (with P7.2bn balance)
- Proceeds of US\$56.2mn from sale of SPI to the Partners Group received in October/November 2017

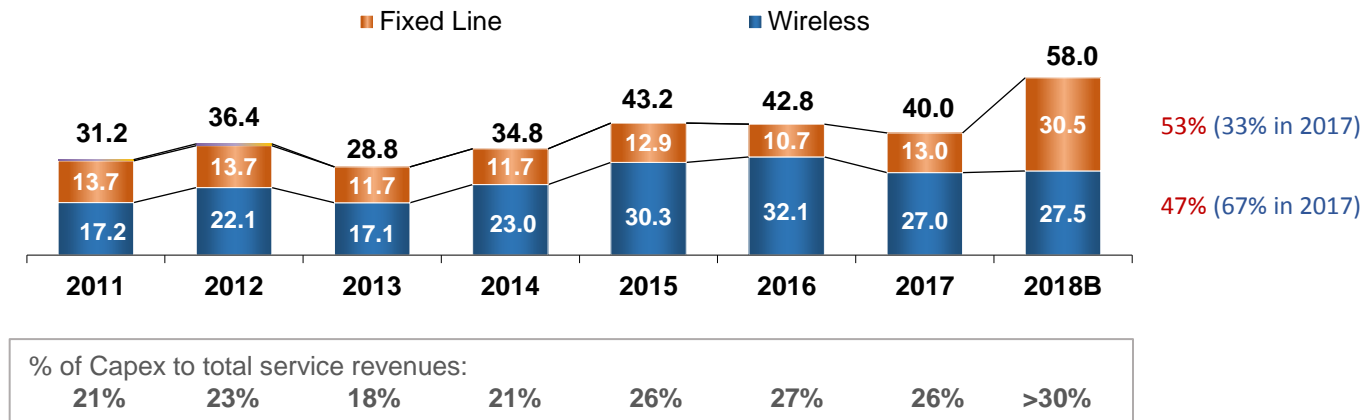
➤ **As of end December 2017, PLDT's credit ratings remained at investment grade**

| 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 12 December 2017, Fitch revised rating for PLDT's Long-Term Foreign-Currency Issuer Default Rating (FC IDR) to BBB+ from BBB.

# PLDT Group: Capex

(Php in billions)



- **PLDT to invest approximately P260bn (US\$5bn) from 2016 – 2020 in its mobile and fixed networks in order to improve network quality and provide the customer a superior data experience**
  - Excluding capex of P83bn for 2016-17, capex for 2018-20 estimated at P177bn or an average of nearly P60bn (US\$1-1.2bn) p. a.
    - ✓ Could represent 30-35% of service revenues annually
- **Capex for 2017 amounted to P40.0bn or 26% of consolidated service revenues**
  - 67% of capex booked as wireless, 33% as fixed line
  - Funded by operating cashflows supplemented by asset sales/discounting of receivables from sale of Beacon stake
- **For 2018, capex estimated at P58bn mainly to support the growth of the data/broadband business**
  - With focus on addressing demand and potential in the Home and Enterprise segments, as well as strengthening PLDT's lead in these segments, 53% of capex will be spent on the fixed line network and business requirements, including:
    - ✓ Backhaul/transmission which will be shared for delivery of mobile data
    - ✓ Customer-premises equipment (CPE) related to fiber take-up
  - Covers investments in upgrading the PLDT Group's various network- and customer-facing platforms (OSS, BSS)
    - ✓ Multi-year agreements signed in 1Q18 with Huawei (US\$28.5mn) and Amdocs (US\$300mn)
- **Remarkable improvements in network coverage and speeds continue to be recorded**
  - Based on Open Signal results captured in a sell-side report ca. February 2018 which measured LTE availability, 3G and LTE download speeds and LTE latency in NCR, So. Luzon, No C. Luzon, Visayas, Mindanao and overall Philippines:
    - ✓ Smart registered significantly faster LTE download speeds vs its competitor in all areas measured
    - ✓ Smart has superior LTE latency indicating a more responsive network
    - ✓ Of 43 Asian telco operators ranked by LTE speeds: Smart #28 (ahead of most Thai telcos, and Philippine competitor at #40)
    - ✓ Smart and Globe had comparable quality in 3G
- **Accelerated depreciation and loss from technological change of P12.4bn and P4.3bn, respectively, booked in 2017 following the PLDT's aggressive capex program which aims to fast-track dramatic network quality improvements**

# PLDT Group: Network Accomplishments in 2017

- **Further expanded the reach of PLDT's home broadband network**
  - PLDT reached over 4.0mn fiber homes passed at year-end 2017, of which 1.2mn were installed in 2017
    - ✓ Fixed broadband network capacity has doubled to more than a million ports
  - Use of hybrid technologies (VDSL and G.fast) to increase speeds delivered over copper lines
  
- **Using the radio frequencies/spectrum acquired from SMC, continued the rollout of 3G/LTE across the Philippines in line with the commitment to NTC to cover 90% of cities and municipalities**
  - More than doubled the number of LTE base stations to over 8,700 in 2017
    - ✓ Over 4,300 cell sites equipped with LTE
  - Increased 3G base stations to 9,850
    - ✓ About 7,500 cell sites equipped with 3G
  
- **Installed in-building solutions (IBS) in over 100 structures**
  
- **Deployed new technology: LTE, LTE-advanced (LTE-A)**
  - Roll-out of 4-component carrier (4CC) aggregation which increases transmission bandwidth to achieve higher data throughput rates
    - ✓ Successfully activated in Boracay
    - ✓ Commenced roll-out in Metro Manila
      - Activation in Marikina completed
        - ❖ Peak download speeds of 240Mbps attained
        - ❖ Data volumes increased by 50% in the three months ending January 2018
        - ❖ Improvement in all other voice and data KPIs
      - Deployment in Quezon City ongoing
  - Achieved promising speeds on initial tests of 4x4 MIMO (Multiple Input Multiple Output) and 256QAM (Quadrature Amplitude Modulation) technology
    - ✓ Successfully activated in Boracay
    - ✓ Started rollout of 256QAM for in-building solutions: 61 sites completed
    - ✓ On-going deployment in Marikina and Quezon City

# PLDT Group: Network Initiatives in 2018

**Overall objective: to improve network quality and provide the customer a superior data experience**

➤ **Further expand and upgrade PLDT's home broadband network**

- Double fiber and hybrid fiber broadband capacity to over 2.2mn ports (650K for fiber, 550K for hybrid fiber)
- Extend reach to 5.1mn homes passed by end 2018
  - ✓ Fixed broadband network capacity has doubled to more than a million ports in 2017
- Use of hybrid technologies (VDSL and G.fast) to increase speeds delivered over copper lines

➤ **Boost mobile network leadership**

- Double number of LTE base stations to about 17,700
- Expand the number of 3G base stations to over 12,400
- Increase the number of LTE-equipped cell sites to over 6,800 and 3G-equipped sites to over 8,000
- Continue deployment of LTE-A, carrier aggregation and massive MIMO

➤ **Strengthen PLDT's domestic and international fiber network**

- Add 35,000 kms of fiber cables to achieve 210,000 kms. by YE18
- Expand capacity of PLDT's overseas cable systems from 5.0 Tbps at YE17 in order to meet target of 8.9 Tbps by end-2019

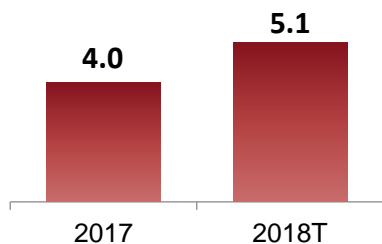
➤ **Install in-building solutions (IBS) in another 400 structures**

➤ **Step up the preparation of the PLDT Group network and platforms for 5G**

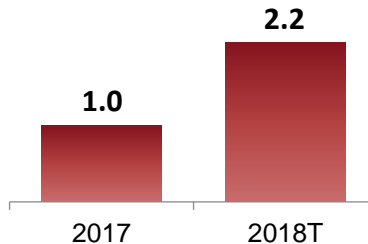
# Fixed and Wireless Network: Selected Highlights

## Accelerated Fixed Network Rollout

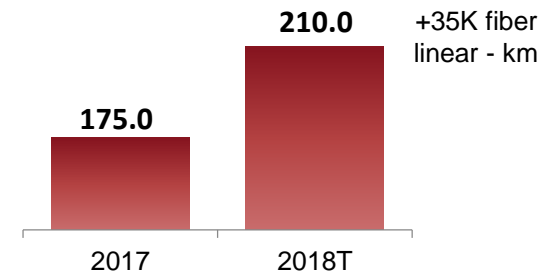
**TOTAL HOMES PASSED**  
(Million Homes)



**TOTAL CAPACITY**  
(Million Ports)



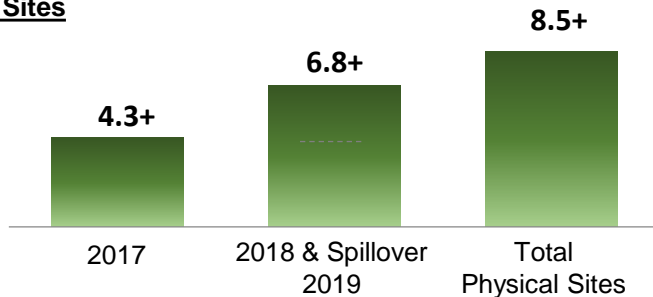
**TOTAL FIBER FOOTPRINT**  
(Thousand Cable Kilometers Laid)



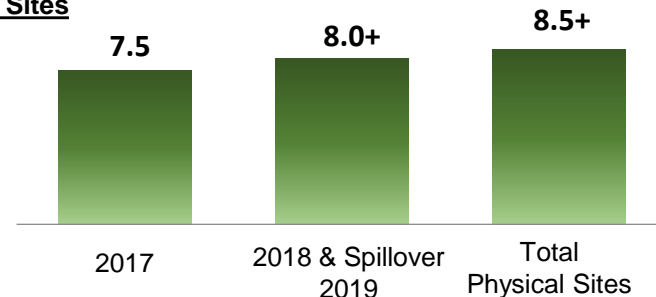
## and the Wireless Network Rollout

LTE and 3G Rollout in Existing Sites (in thousands)

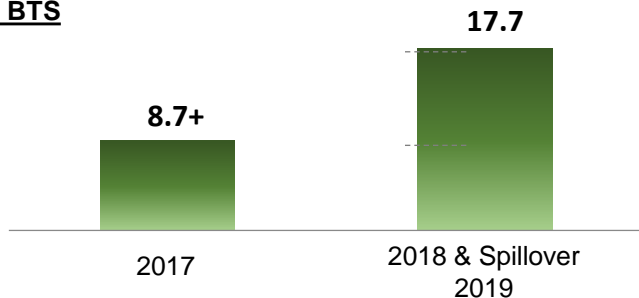
**4G Sites**



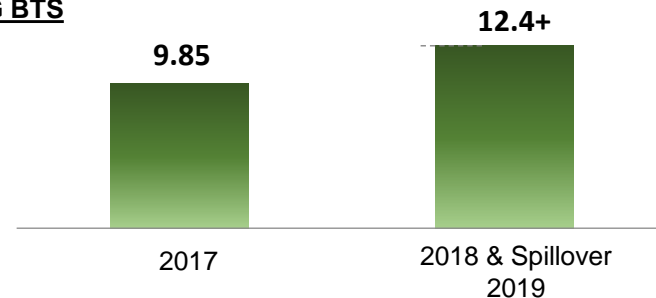
**3G Sites**



**4G BTS**



**3G BTS**





# PLDT Group: Preliminary Guidance for 2018

## Recurring Core Income\*: 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
  - Does not yet reflect effect of adoption of IFRS 15
  - 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 53% fixed line (including backhaul/transport capex) and 47% wireless
  - To be funded from operating cashflows supplemented by proceeds from asset sales and discounting of MPI receivables from sale of Beacon stake

## 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







Chief Revenue Office  
**2017 Full Year  
Business Results**

# Q4 2017 HIGHLIGHTS : TOTAL CRO

## SERVICE REVENUES

In Billions of Pesos

|   |             |
|---|-------------|
| HOME           | 8.7         |
| ENTERPRISE     | 8.8         |
| INDIVIDUAL     | 14.7        |
| INTERNATIONAL  | 3.8         |
| <b>TOTAL</b>  | <b>35.9</b> |

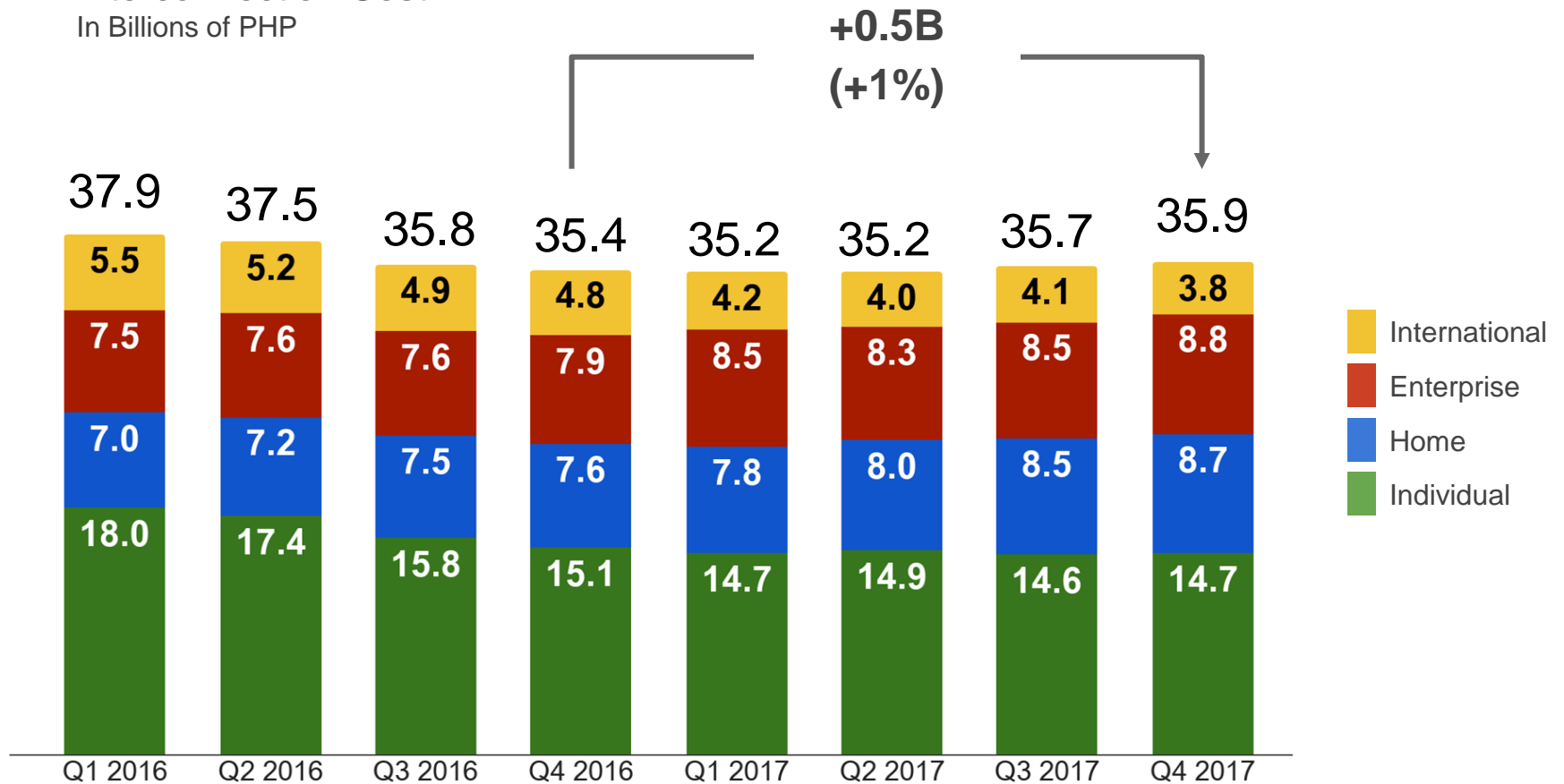
Net of Interconnection Cost  
Excludes Voyager and Others

- Contribution of Home and Enterprise, our fastest growing segments, comprise 54% of revenues, excluding International and Voyager.
- Combined revenues of Home and Enterprise (₱17.5 Billion) further surpassing Individual Wireless.



# Q4 2017 HIGHLIGHTS : TOTAL CRO

Service Revenue Net of  
Interconnection Cost  
In Billions of PHP



# ENTERPRISE

100,000  
processors

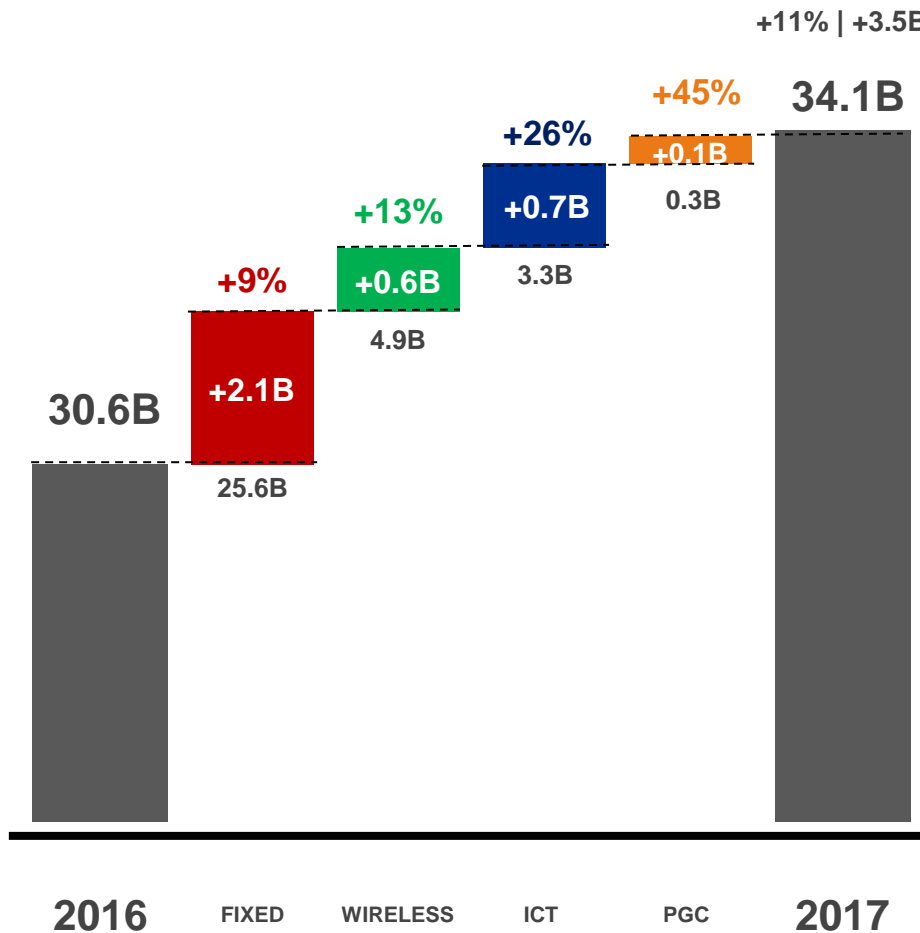
0 worries  
on your business

 **PLDT**  
at 90

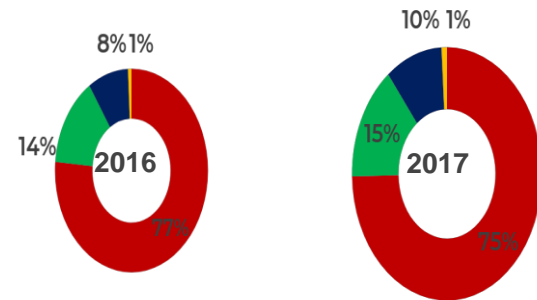
It's you that counts.

# 2017 FY PERFORMANCE

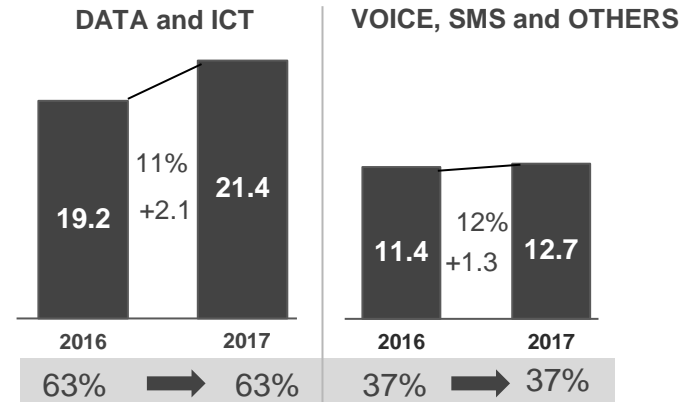
Enterprise delivers unprecedented growth across all business pillars.



## Revenue Split



## Growing where it Matters



**Enterprise  
delivers  
unprecedented  
growth across all  
business pillars,  
growing faster  
than industry**

Industry  
Growth

9%



**Banking and Finance : 13%**

In support of industry demand for secure and reliable ICT solutions

8%



**Conglomerates : 12%**

Providing diverse end-to-end Industry solutions

9%



**Outsourcing : 15%**

Empowering a 1.3M+ strong agent workforce

11%



**IT and Gaming : 17%**

Key player in PH transition to a global IT and Gaming hub

7%



**Public Sector : 10%**

Supporting increasing gov't spending on eGov initiatives

# 2017 HIGHLIGHTS

## Established clear market leadership

### Fixed All-Time High Growth

Generated by healthy Broadband, Domestic & International Data



↑ +14%

Broadband



↑ +11%

Domestic  
Data



↑ +17%

International  
Data

### Enterprise Wireless Leadership

Through value-laden Enterprise Postpaid and ICT Solutions



↑ +12%

Corporate  
GSM



↑ +9%

SMART Infinity



↑ +57%

Solutions & IoT

### Break-out ICT Growth at 3x of Market

Driven by New Strategic Streams in Cloud, Managed IT, & Cyber Security



↑ +10%

Data Center  
Services



↑ +49%

Cloud  
Services



↑ +59%

Managed IT  
Security



VITRO Clark and Davao Launch



VITRO Clark DR Seats



MS O365 Mandates



VALUE DRIVER

PRODUCTS / SOLUTIONS

PRACTICES



TECHNOLOGY



Platform-focused



Integrated



EXPERTISE



Brand-based



Brand-based + Skills-based



FRAMEWORKS



Best-practices to meet SLA's (OX & CX Ops)



Best-practices to monetize expertise (Profit Ctr. Ops)

BUSINESS LENS

MANAGED INFRA PROVIDER



Platform



MANAGED SERVICES PROVIDER



Platform

JUMP TO THE NEXT CURVE  
ICT Value Creation: Products to Practices

## ICT Practice: ePLDT SOC

advances end-to-end monitoring, detection, and response to cyber attacks threatening enterprise data



**JUMP TO  
THE NEXT  
CURVE**  
ICT Value  
Creation: Products  
to Practices

# CONSUMER HOME

174 000 km  
of fiber optic cables

1 tender moment

 **PLDT**  
at **90**

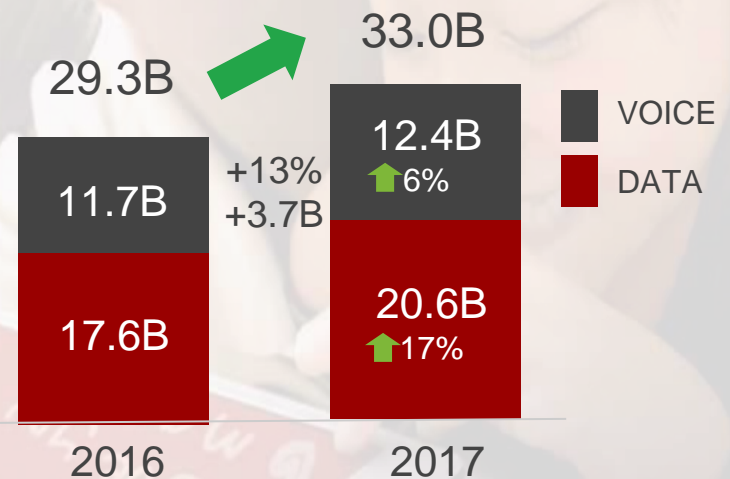
It's you that counts.

# PLDT Home at its strongest w/ 13% YOY Revenue Growth

174,000 km  
of fiber optic cables

## PLDT HOME NET SERVICE REVENUES

In Billions of PhP



1 tender moment

PLDT  
at 90

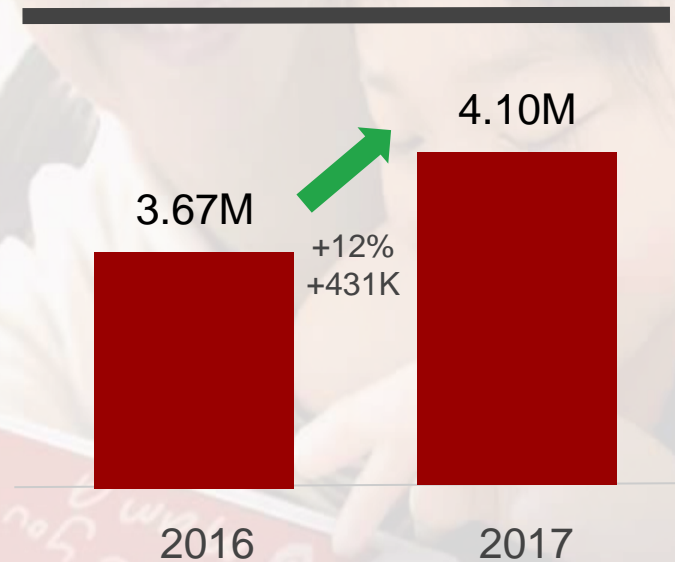
It's you that counts.

... **12% YOY**  
**Growth in**  
**Subscriptions**

174,000 km  
of fiber optic cables

## PLDT HOME SUBSCRIBERS

In Millions



1 tender moment

PLDT  
at 90

It's you that counts.

**and ending at  
4M Fibr Homes Passed!**

| <b>DISTRICT</b>    | <b>YOY GROWTH IN MUNICIPALITY COVERAGE</b> |
|--------------------|--|
| NO. LUZON          | +73%                                       |
| SO. LUZON          | +39%                                       |
| VISAYAS            | +48%                                       |
| MINDANAO           | +100%                                      |
| <b>Grand Total</b> | <b>+58%</b>                                |

## **PLDT FIBR NATION**

PLDT Home Rolled out 446K FIBR BROADBAND LINES in 2017.

HOMES PASSED finished at 4M, as planned, vs 2.5M at the start of the year.

**INTRODUCING  
SMART BRO PREPAID  
LTE HOME WIFI**



**FOR ONLY  
₱1995**

**2X FASTER  
THAN SMART BRO  
POCKET WIFI**

**BETTER INDOOR  
SIGNAL 700MHz** | **EASY TO USE  
PLUG  
& SURF** | **COMES WITH  
10GB  
FOR 7 DAYS** | **BEST LOADED WITH  
SURF  
MAX50**

**DAMING GIG  
IN LIFE?**

**GIGASURF 50**

**1GB+ UNLI  
TEXTS**

**TEXT GIGA50 TO 9999**

Promo until February 28, 2018.  
Per 014-PTES (Plan) No. 13001, Series of 2017.



**INTRODUCING  
SMART BRO PREPAID LTE HOME WIFI**

**HOME BOOST**

**1GB FOR ₱15**

**Add on to GIGA50  
Valid for 1 day**

Download the MySmart app on your mobile phone  
or go to [www.mysmart.com.ph](http://www.mysmart.com.ph) to avail.

Home Boost promo runs until January 5, 2018. Per 014-PTES (SVC) Plan No. 13004, Series of 2017. 1GB add-on promo runs until December 31, 2017. Per 014-PTES (SVC) Plan No. 13001, Series of 2017.

**CONVERGENCE in  
LTE to provide the  
best broadband  
experience, catering  
to the 15M unserved  
prepaid Home  
market.**

# PLDT Home stronger with newly-launched CONVERGED OFFERS in Q4

- #1 HOME Market Share  
Fibr Broadband Experience
- #1 LTE Mobile Internet Experience
- #1 PayTV Market Share  
HD TV Experience



PLDT Home | Fibr | Signal | Smart

Get 3 of our best for less.  
For a limited time only!

1 Unli HOME Fibr  
2 HD TV Plan  
3 LTE Mobile

**PLDT CHRISTMAS 3 BUNDLES**

Save over P5,300/year  
vs comparable mobile plan and pay TV subscription + same Fibr plan

**SAVE 10%** BUNDLE ANY 2 SERVICES

**SAVE 15%** BUNDLE ALL 3 SERVICES

The advertisement features a red background with a central image of a laptop, a TV, and a smartphone. The laptop shows a basketball game, the TV shows a basketball game, and the smartphone shows a young girl smiling. The text is in white and green, with a large '3' in the center. The bottom of the ad has two boxes with 'SAVE 10%' and 'SAVE 15%' offers.



# Unrivaled broadband experience with the new PLDT Whole Home Wifi service

Enjoy the Strength of Fibr Broadband with **Whole Home WiFi** allowing consumers to experience strong connections everywhere at Home.

Launched **FibrTV Plan** to drive penetration of Signal TV among PLDT Home Fibr subscribers.

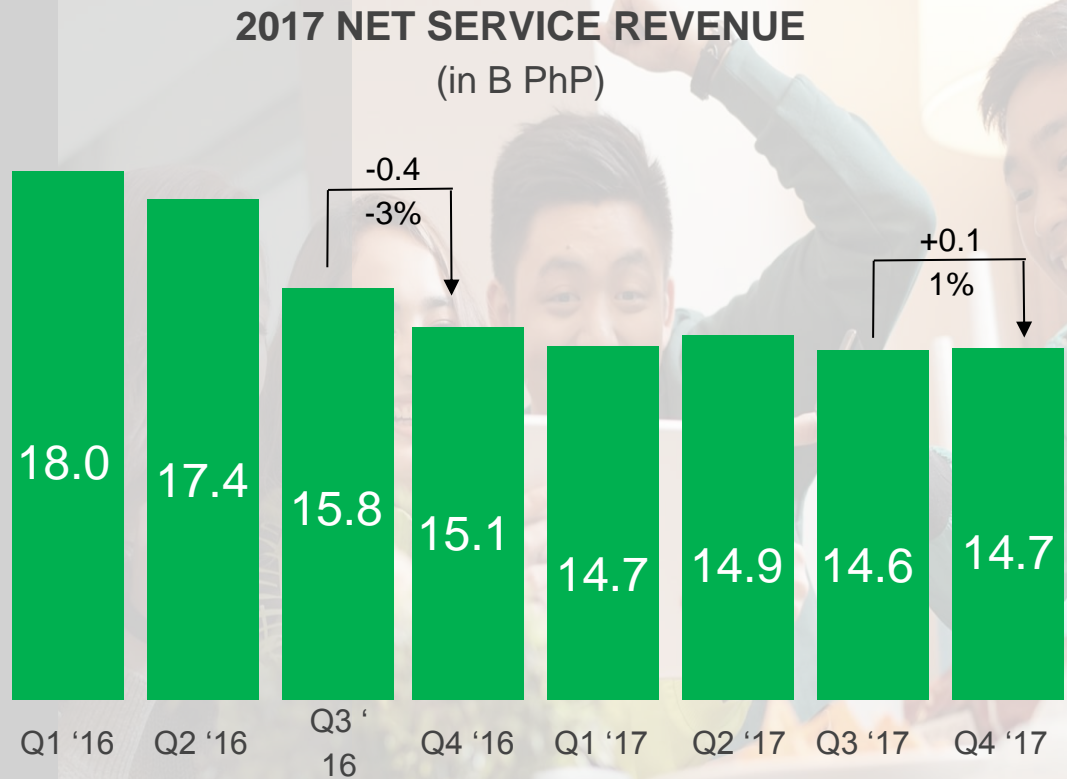
Enrich the security home solution with cloud storage -- **FamCam Plus**.



# CONSUMER INDIVIDUAL

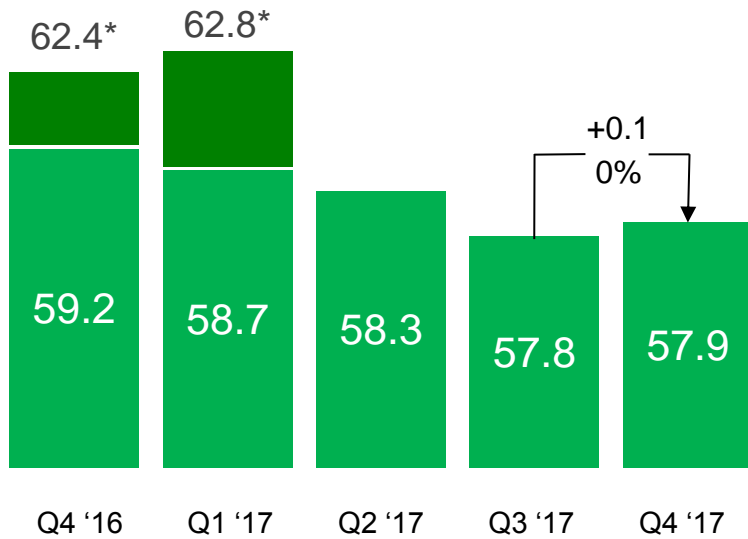


**Wireless Individual Business arrests years of decline and posts stable QoQ results in 2017.**



## 2017 WIRELESS INDIVIDUAL SUBSCRIBER COUNT

In Millions of Pesos



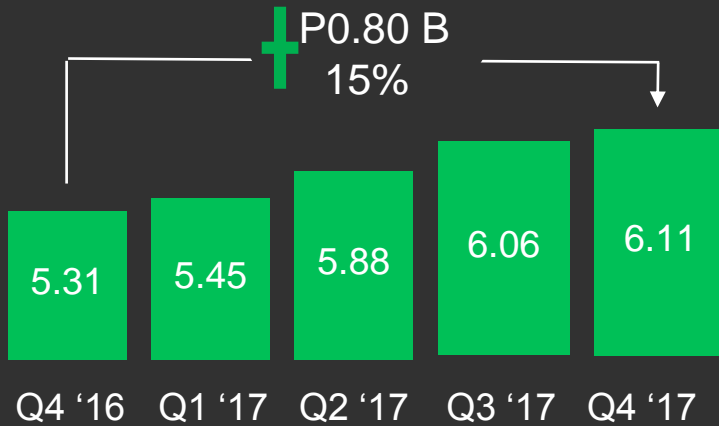
\* Q4'16 & Q1'17 figures use the 120-day churn rule

**Subscriber base  
posting marginal  
growth in the last  
quarter**

# Data Revenue Growth driving overall business stability

## WIRELESS INDIVIDUAL DATA REVENUE

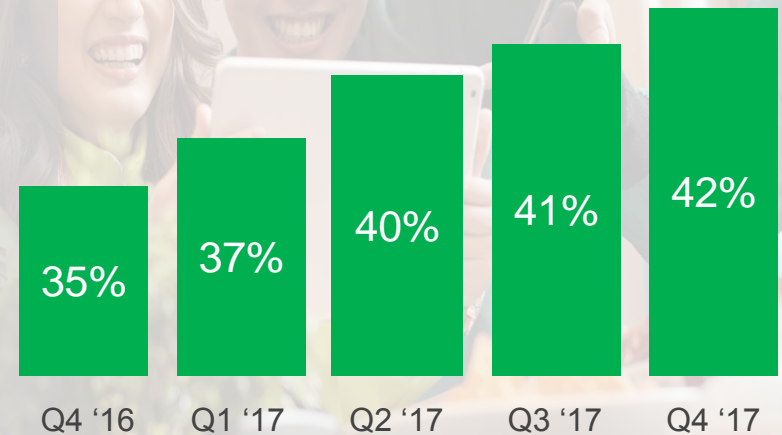
In Billions of PhP





**As the business pivots into data, the contribution of Data to total Revenue increases QoQ, ending at 42% in Q4.**

### DATA CONTRIBUTION TO REVENUE



# Smart successfully deploys a superior LTE Network initially at 60% availability

MAR  
2017



Download  
Speed: LTE

9.87Mbps

7.42  
Mbps

Latency:  
LTE

53.32 ms

55.64 ms

Availability:  
LTE

39.96%

55.25%

DEC  
2017



Download  
Speed: LTE

12.71  
Mbps

7.54  
Mbps

Latency:  
LTE

46.03 ms

61.20 ms

Availability:  
LTE

59.09%

66.83%

End '18 Plan:  
\*82%

# Encouraging business results in recent LTE implementation

CAINTA, RIZAL (JUNE'17 LTE Network Upgrade)



**21% Growth in Prepaid Subscriber Base**  
(Nat'l: 0%)



**72% Growth in Prepaid LTE Devices**  
(Nat'l: +47%)



**56% Growth in Prepaid LTE SIMs**  
(Nat'l: +32%)

**PREPAID PERFORMANCE IN THE PAST 6 MONTHS**



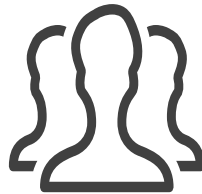




## Encouraging business results in recent LTE implementation

---

MARIKINA (OCT'17 LTE Network Upgrade)



**4% Growth in Prepaid Subscriber Base**  
(Nat'l: +0.2%)



**33% Growth in Prepaid Data Revenue**  
(Nat'l: +5.9%)



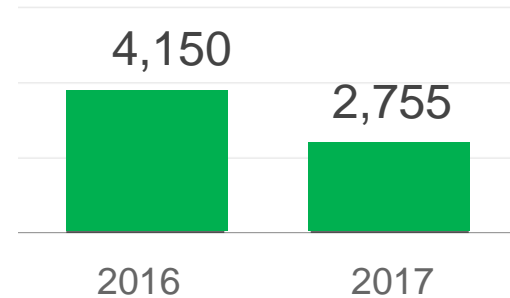
**20% Growth in Prepaid LTE SIMs**  
(Nat'l: +16.3%)

**PREPAID PERFORMANCE IN THE PAST 3 MONTHS**

As we pursue growth in data, we strengthened our Go-to-Market with more digital, analytics-driven and cost-effective campaigning

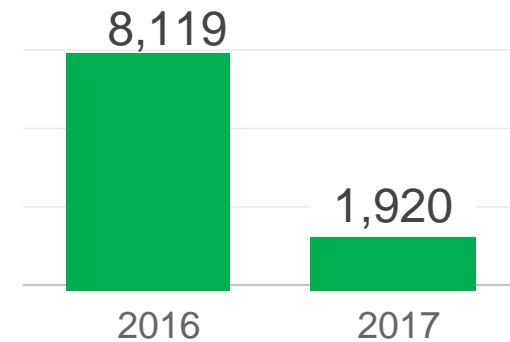
## ADVERTISING & PROMOTIONS

In Millions of Pesos



## PRODUCT SUBSIDY

In Millions of Pesos



*“Accelerating DX for enterprises.”*

*Enabling businesses to deliver what consumers want.*



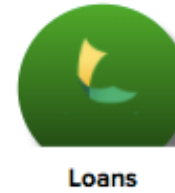
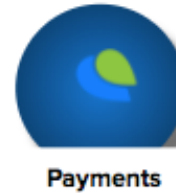
Government

Banks/FIs

Large  
Enterprises

SMEs

Micro/  
Agents



Geographic

Generation

Economic  
Class

Communities

Psychographic  
Profiles

*“A digital experience for every Filipino”*

*Providing consumers what they want, anytime, anywhere.*

## Supporting financial inclusion

30M Filipinos enabled by digital financial services by 2020

*Payments. Insurance. Savings. Investments. Loans.*

## Largest digital lending footprint in Ph

PhP27-B worth of loans disbursed via Lendr platforms

## Pioneering innovations in digital payments and FinTech ecosystems

- PayMaya in Messenger
- PayMaya QR
- Lend Mobile Crop Loan
- Lend TxtMed Loan
- KasamaKA Microsavings
- KasamaKA Microinsurance
- KasamaKA sa Kaunlaran Ka-Barangay Program
- KasamaKA Credit Scoring Aggregator and eKYC
- KasamaKA CoopHub Services

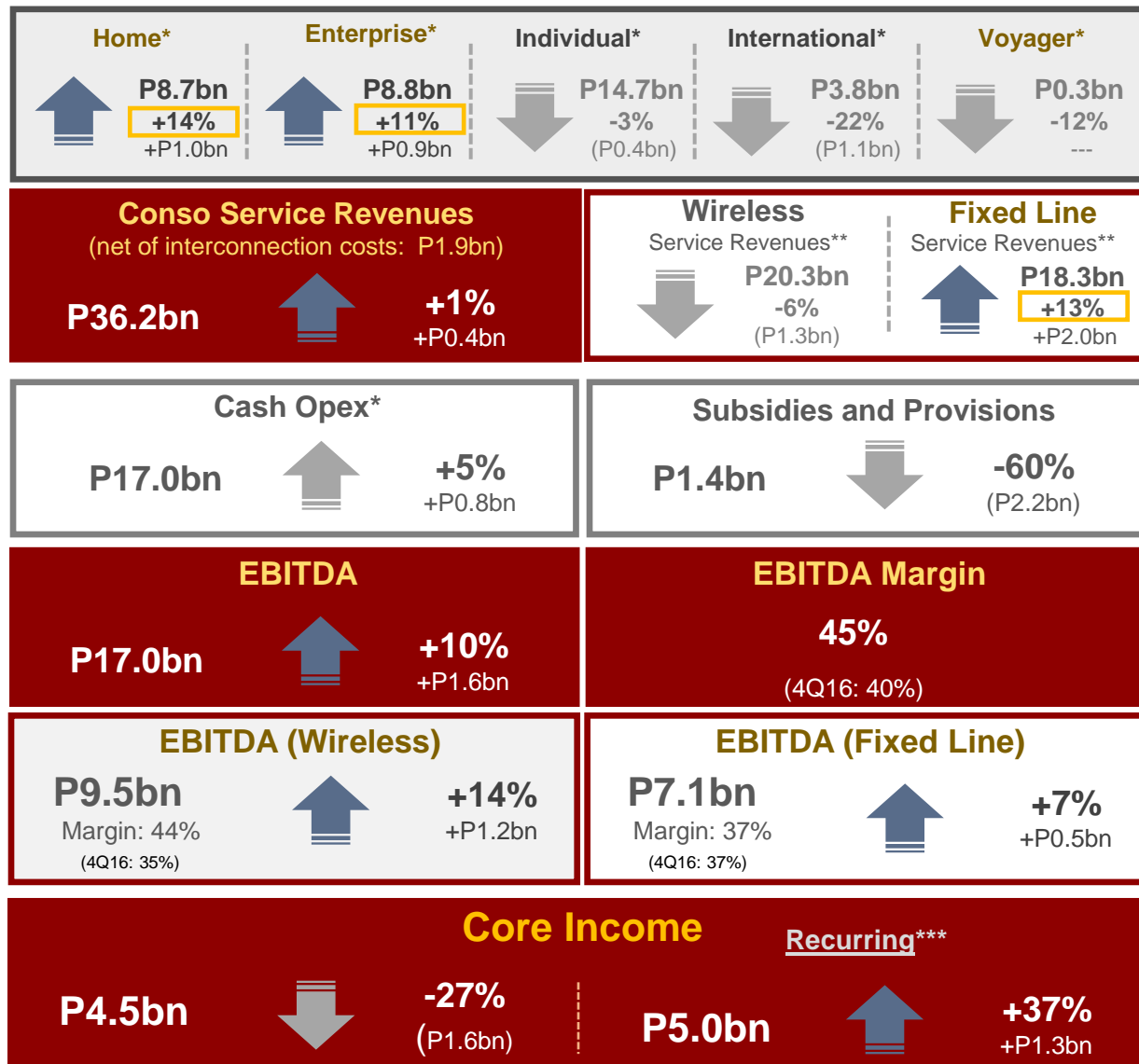
## Engaging digital communities through Freenet, Hatch platforms

Enabling over 300 enterprises and MSMEs, as well as over 15,000 micro retailers



# Other Details

# PLDT Group: 4Q17 vs 4Q16 Financial Highlights

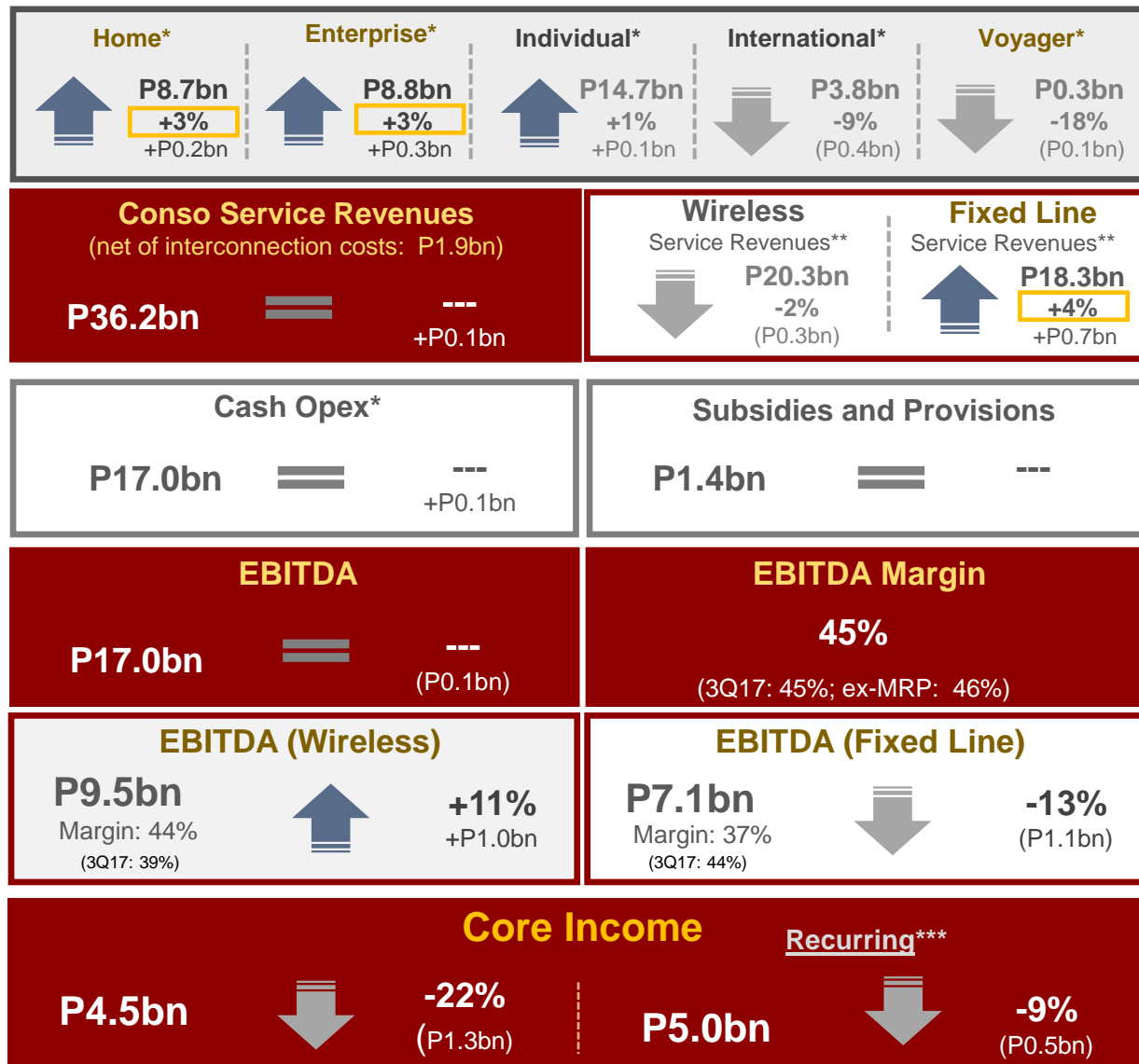


\* On consolidated basis, net of interconnection costs

\*\* Per segment basis, net of interconnection costs

\*\*\* Excluding gain from asset sales, accelerated depreciation and EBITDA adjustments

# PLDT Group: 4Q17 vs 3Q17 Financial Highlights



\* On consolidated basis, net of interconnection costs

\*\* Per segment basis, net of interconnection costs

\*\*\* Excluding gain from asset sales, accelerated depreciation and EBITDA adjustments

# PLDT Group: Service Revenues

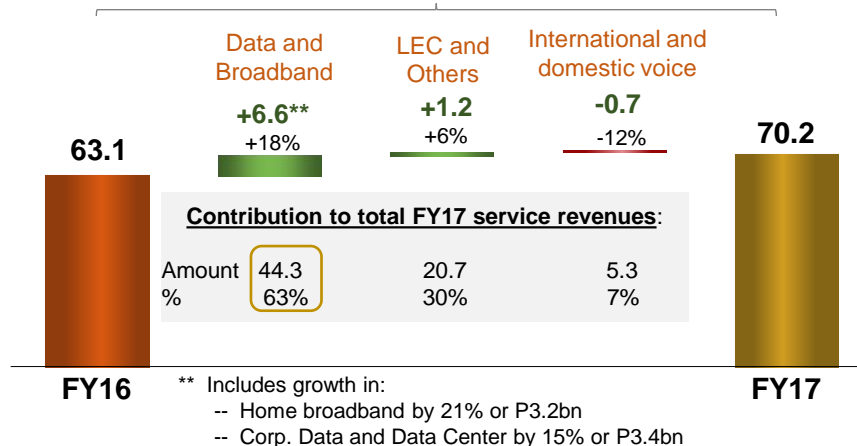
(by Product Type)\*

(Php in billions)

FY17 vs FY16

## Fixed Line\*

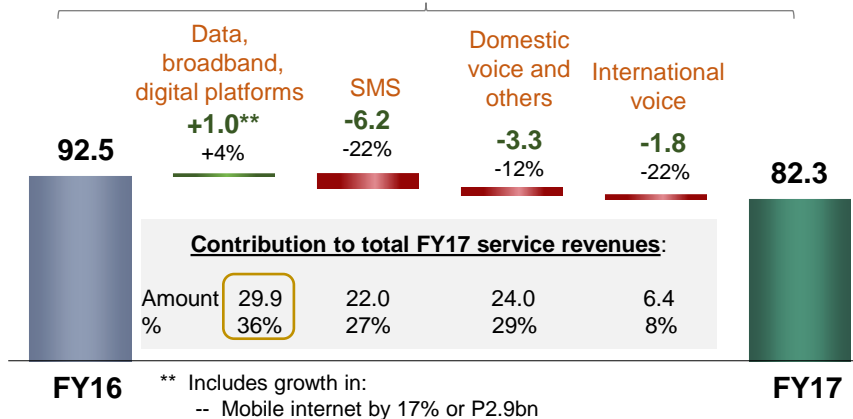
Higher by P7.1bn or 11%



FY17 vs FY16

## Wireless\*

Lower by P10.3bn or 11%

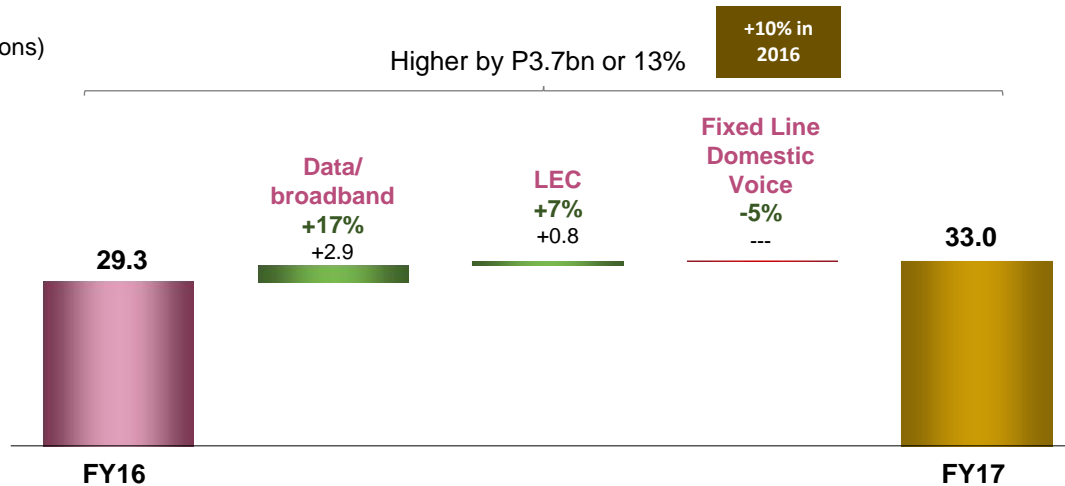




# PLDT Group: Home Service Revenues\*

## Home

(Php in billions)



| Service Revenues (Php in millions) | FY16          | FY17          |
|------------------------------------|---------------|---------------|
| Data/Broadband                     | 17,631        | 20,562        |
| LEC                                | 10,871        | 11,655        |
| Domestic Voice                     | 785           | 742           |
| Others                             | 19            | 19            |
| <b>Total</b>                       | <b>29,306</b> | <b>32,978</b> |

| Service Revenue Mix | FY16        | FY17        |
|---------------------|-------------|-------------|
| Data/broadband      | 60%         | 63%         |
| LEC                 | 37%         | 35%         |
| Domestic Voice      | 3%          | 2%          |
| Others              | -           | -           |
| <b>Total</b>        | <b>100%</b> | <b>100%</b> |

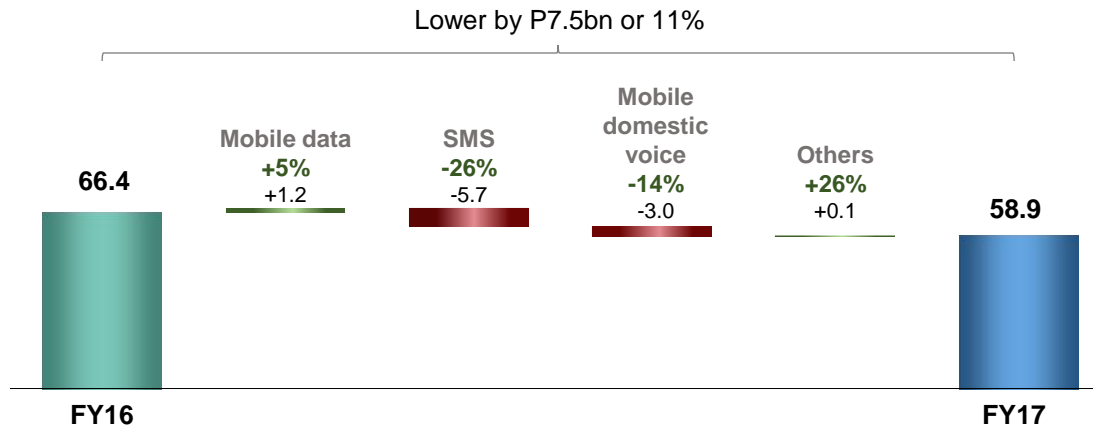
- **63% of HOME revenues were from data/broadband from 60% in 2016**
- **Data/broadband revenues were higher by 17% or P2.9bn at P20.6bn**
  - Fixed home broadband revenues grew by 21% or P3.1bn to P17.8bn
- **Combined fixed and wireless home broadband subscribers grew by 13% or over 230K year-on-year to about 2.0mn at end December 2017**
- **Fixed line voice subscribers expanded by 9% or about 225K to 2.7mn at end December 2017**

\* Consolidated and net of interconnection costs

# PLDT Group: Individual Service Revenues\*

## Individual

(Php in billions)



| Service Revenues (Php in millions) | FY16          | FY17          |
|------------------------------------|---------------|---------------|
| Mobile Data                        | 22,274        | 23,496        |
| Mobile Domestic Voice              | 21,752        | 18,717        |
| SMS                                | 22,003        | 16,270        |
| Others                             | 341           | 431           |
| <b>Total</b>                       | <b>66,370</b> | <b>58,914</b> |

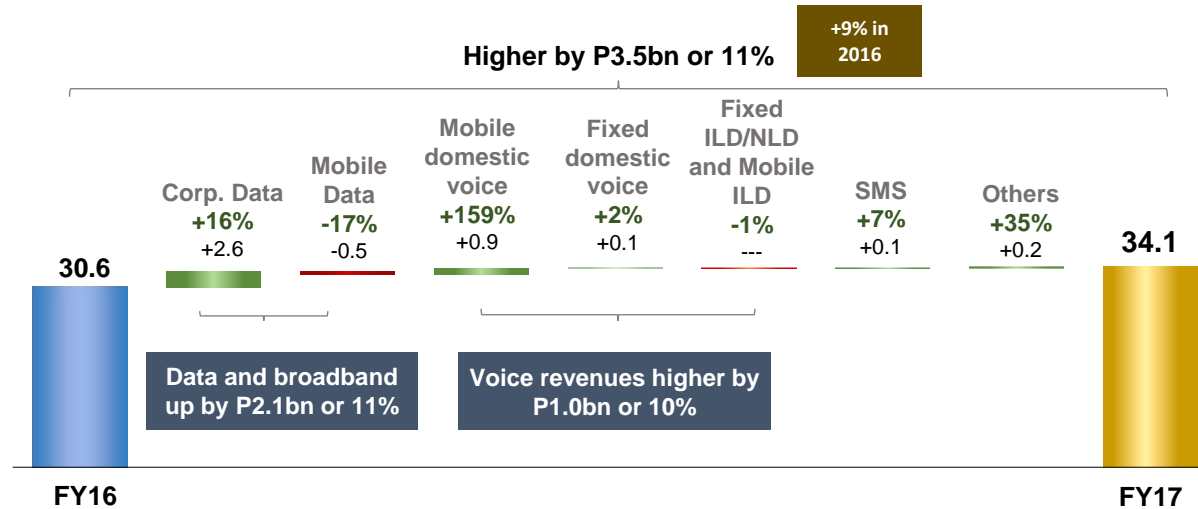
| Service Revenue Mix   | FY16 | FY17 |
|-----------------------|------|------|
| Mobile Data           | 34%  | 40%  |
| Mobile Domestic Voice | 33%  | 32%  |
| SMS                   | 33%  | 27%  |
| Others                | 0%   | 1%   |

- **40% of Individual revenues were from mobile data from 34% in 2016**
- **Mobile data revenues of P23.5bn were higher by 5% or P1.2bn year-on-year, accounting for 40% of total Individual service revenues**
  - Mobile internet revenues grew by 23% or P3.4bn to P17.9bn
    - ✓ Data traffic increased by 99% to 274,748 Terabytes from 2016
  - Revenues from dongles declined by 28% or P2.1bn to P5.6bn
    - ✓ Usage shifting from shared devices to smartphones and/or HOME broadband
- **Total mobile subscribers stood at 58.3mn at the end of December 2017, net adds of over 75K from end September 2017**
- **Approx 55% of subscriber base now own smartphones, with about half regularly paying for data**

\* Consolidated and net of interconnection costs

# PLDT Group: Enterprise Service Revenues\*

(Php in billions)



| Service Revenues (Php in millions) | FY16          | FY17          |
|------------------------------------|---------------|---------------|
| Data/broadband                     | 19,246        | 21,372        |
| Voice                              | 9,799         | 10,824        |
| SMS                                | 911           | 977           |
| Others                             | 660           | 894           |
| <b>Total</b>                       | <b>30,616</b> | <b>34,067</b> |

| Service Revenue Mix | FY16 | FY17 |
|---------------------|------|------|
| Data/Broadband      | 63%  | 63%  |
| Voice               | 32%  | 32%  |
| SMS                 | 3%   | 3%   |
| Others              | 2%   | 2%   |

- **63% of Enterprise revenues were from data/broadband**
- **Data/broadband revenues grew by 11% or P2.1bn year-on-year to P21.4bn**
  - Corporate data and other data services rose 15% or P2.2bn to P16.7bn
  - Data center revenues were higher by 19% or P0.4bn at P2.4bn

\* On consolidated basis and net of interconnection costs

# IFRS 15

## ➤ Core principle:

- ✓ Recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services

## ➤ Steps involved:

- ✓ Identify the contract(s) with the customer
- ✓ Identify the performance obligations in the contract
- ✓ Determine the transaction price
- ✓ Allocate the transaction price to the performance obligations
- ✓ Recognize revenue when (or as) each performance obligation is satisfied

## ➤ Significant impact of IFRS 15:

| Current Practice (IAS 18)  | IFRS 15 (New Standard)  | Impact on PLDT  |
|--|---|---|
| <b>Accounting for bundled contracts (multiple deliverables)</b>  |   |   |
| <p>Consideration is allocated to service and non-service component based on relative fair value (FV).</p> <p>If FV is not observable, consideration is allocated using residual method, wherein the amount of revenue allocated for the non-service revenue is no more than the amount contractually receivable for sale of handset.</p> | <p>Consideration is allocated to the identified performance obligations (service and non-service) based on relative stand-alone selling prices.</p> | <p>Timing of revenue recognition-increase in non-service revenue and decrease in service revenue.</p> |
| <b>Significant financing component on contract assets from sale of equipment (handsets)</b>  |   |   |
| <p>Not recognized since most of the handsets are subsidized and has insignificant allocated transaction price</p>  | <p>In determining the transaction price, the promised amount of consideration shall be adjusted for the effects of time value of money.</p>         | <p>Decrease in non-service revenue and accretion of contract asset (interest income).</p>             |

# Appendix

# Subscriber Base: Mobile

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

|  | Dec-17 <sup>(2)</sup> | Sept-17 <sup>(2)</sup> | Jun-17 <sup>(2)</sup> | Mar-17            | Dec-16            | Sept-16           | Jun-16            | Mar-16            |
|--|-----------------------|------------------------|-----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Mobile Subscriber Base <sup>(1)</sup></b> |                       |                        |                       |                   |                   |                   |                   |                   |
| <b>Prepaid <sup>(2)</sup></b>                | <b>55,776,646</b>     | <b>55,651,398</b>      | <b>56,083,707</b>     | <b>60,421,068</b> | <b>59,952,941</b> | <b>62,259,067</b> | <b>64,701,367</b> | <b>64,651,175</b> |
| Smart Prepaid                                | 20,433,351            | 20,537,068             | 20,587,687            | 21,933,462        | 21,643,963        | 23,560,542        | 24,185,165        | 24,836,433        |
| Sun Prepaid                                  | 6,535,331             | 6,749,894              | 7,014,726             | 8,086,432         | 8,463,469         | 8,846,953         | 9,652,756         | 10,495,342        |
| TNT  | 28,807,964            | 28,364,436             | 28,481,294            | 30,401,174        | 29,845,509        | 29,851,572        | 30,863,446        | 29,319,400        |
| <b>Postpaid</b>                              | <b>2,517,262</b>      | <b>2,566,636</b>       | <b>2,620,025</b>      | <b>2,721,410</b>  | <b>2,810,268</b>  | <b>3,117,035</b>  | <b>3,556,485</b>  | <b>3,539,055</b>  |
| Smart Postpaid                               | 1,388,090             | 1,372,661              | 1,353,468             | 1,365,709         | 1,383,830         | 1,482,672         | 1,573,147         | 1,610,670         |
| Sun Postpaid                                 | 1,129,172             | 1,193,975              | 1,266,557             | 1,355,701         | 1,426,438         | 1,634,363         | 1,983,338         | 1,928,385         |
| <b>Total Mobile Subscribers</b>              | <b>58,293,908</b>     | <b>58,218,034</b>      | <b>58,703,732</b>     | <b>63,142,478</b> | <b>62,763,209</b> | <b>65,376,102</b> | <b>68,257,852</b> | <b>68,190,230</b> |

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

|  | Dec-17 <sup>(2)</sup> | Sept-17 <sup>(2)</sup> | Jun-17 <sup>(2)</sup> | Mar-17            | Dec-16            | Sept-16           | Jun-16            | Mar-16            |
|--|-----------------------|------------------------|-----------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>Mobile Subscriber Base <sup>(1)</sup></b> |                       |                        |                       |                   |                   |                   |                   |                   |
| <b>Smart</b>                                 | <b>21,821,441</b>     | <b>21,909,729</b>      | <b>21,941,155</b>     | <b>23,299,171</b> | <b>23,027,793</b> | <b>25,043,214</b> | <b>25,758,312</b> | <b>26,447,103</b> |
| Smart Prepaid <sup>(2)</sup>                 | 20,433,351            | 20,537,068             | 20,587,687            | 21,933,462        | 21,643,963        | 23,560,542        | 24,185,165        | 24,836,433        |
| Smart Postpaid                               | 1,388,090             | 1,372,661              | 1,353,468             | 1,365,709         | 1,383,830         | 1,482,672         | 1,573,147         | 1,610,670         |
| <b>TNT <sup>(2)</sup></b>                    | <b>28,807,964</b>     | <b>28,364,436</b>      | <b>28,481,294</b>     | <b>30,401,174</b> | <b>29,845,509</b> | <b>29,851,572</b> | <b>30,863,446</b> | <b>29,319,400</b> |
| <b>Sun Cellular</b>                          | <b>7,664,503</b>      | <b>7,943,869</b>       | <b>8,281,283</b>      | <b>9,442,133</b>  | <b>9,889,907</b>  | <b>10,481,316</b> | <b>11,636,094</b> | <b>12,423,727</b> |
| Sun Prepaid <sup>(2)</sup>                   | 6,535,331             | 6,749,894              | 7,014,726             | 8,086,432         | 8,463,469         | 8,846,953         | 9,652,756         | 10,495,342        |
| Sun Postpaid                                 | 1,129,172             | 1,193,975              | 1,266,557             | 1,355,701         | 1,426,438         | 1,634,363         | 1,983,338         | 1,928,385         |
| <b>Total Mobile Subscribers</b>              | <b>58,293,908</b>     | <b>58,218,034</b>      | <b>58,703,732</b>     | <b>63,142,478</b> | <b>62,763,209</b> | <b>65,376,102</b> | <b>68,257,852</b> | <b>68,190,230</b> |

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

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

# Subscriber Base: Broadband and Fixed Line

## Broadband Subscribers

|                                     | Dec-17           | Sept-17          | Jun-17           | Mar-17           | Dec-16           | Sept-16          | Jun-16           | Mar-16           |
|-------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>BROADBAND</b>                    |                  |                  |                  |                  |                  |                  |                  |                  |
| Wireless Home Broadband             | 237,354          | 251,897          | 257,187          | 264,227          | 270,203          | 271,572          | 265,473          | 248,675          |
| Fixed Line Broadband <sup>(1)</sup> | 1,713,527        | 1,651,515        | 1,575,914        | 1,506,578        | 1,450,550        | 1,407,122        | 1,347,422        | 1,296,402        |
| <b>Total Broadband Subscribers</b>  | <b>1,950,881</b> | <b>1,903,412</b> | <b>1,833,101</b> | <b>1,770,805</b> | <b>1,720,753</b> | <b>1,678,694</b> | <b>1,612,895</b> | <b>1,545,077</b> |

<sup>(1)</sup> Includes Corporate Fixed Broadband Subscribers

## Fixed Line Subscribers

|                               | Dec-17           | Sept-17          | Jun-17           | Mar-17           | Dec-16           | Sept-16          | Jun-16           | Mar-16           |
|-------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Fixed Line Subscribers</b> | <b>2,663,210</b> | <b>2,614,248</b> | <b>2,546,992</b> | <b>2,487,601</b> | <b>2,438,473</b> | <b>2,404,893</b> | <b>2,380,390</b> | <b>2,339,001</b> |

# FY2017: Consolidated Financial Highlights

| (Php in millions)   | FY2017         |                |               |                | FY2016         | % Change     |
|---|----------------|----------------|---------------|----------------|----------------|--------------|
|   | Wireless       | Fixed Line     | Others        | Consolidated   | Consolidated   |              |
| <b>Total Revenues</b>   | <b>93,835</b>  | <b>78,341</b>  | <b>16</b>     | <b>159,926</b> | <b>165,262</b> | <b>(3%)</b>  |
| <b>Service Revenues <sup>(1)</sup></b>                          | <b>88,652</b>  | <b>74,757</b>  | <b>16</b>     | <b>151,165</b> | <b>157,210</b> | <b>(4%)</b>  |
| <b>Cash Operating Expenses <sup>(2)</sup></b>                   | <b>47,584</b>  | <b>41,977</b>  | <b>74</b>     | <b>75,774</b>  | <b>75,840</b>  | <b>-</b>     |
| <i>Cash Operating Expenses (excluding MRP) <sup>(3)</sup></i>   | <i>47,584</i>  | <i>40,388</i>  | <i>74</i>     | <i>74,185</i>  | <i>75,840</i>  | <i>(2%)</i>  |
| <b>Depreciation and Amortization</b>                            | <b>36,500</b>  | <b>15,001</b>  | <b>-</b>      | <b>51,501</b>  | <b>34,455</b>  | <b>49%</b>   |
| <b>Financing Costs, Net</b>                                     | <b>(2,260)</b> | <b>(5,106)</b> | <b>(201)</b>  | <b>(7,370)</b> | <b>(7,354)</b> | <b>-</b>     |
| <b>Income (Loss) before Income Tax</b>                          | <b>(6,294)</b> | <b>11,154</b>  | <b>10,327</b> | <b>14,569</b>  | <b>22,071</b>  | <b>(34%)</b> |
| <b>Provision (Benefit from) for Income Tax</b>                  | <b>(2,784)</b> | <b>3,680</b>   | <b>207</b>    | <b>1,103</b>   | <b>1,909</b>   | <b>(42%)</b> |
| <b>EBITDA</b>   | <b>35,151</b>  | <b>29,478</b>  | <b>(63)</b>   | <b>66,174</b>  | <b>61,161</b>  | <b>8%</b>    |
| <b>EBITDA Margin <sup>(4)</sup></b>                             | <b>40%</b>     | <b>39%</b>     | <b>-</b>      | <b>44%</b>     | <b>39%</b>     |              |
| <b>EBITDA (excluding MRP) <sup>(3)</sup></b>                    | <b>35,151</b>  | <b>31,067</b>  | <b>(63)</b>   | <b>67,763</b>  | <b>61,161</b>  | <b>11%</b>   |
| <b>EBITDA Margin <sup>(3) (4)</sup></b>                         | <b>40%</b>     | <b>42%</b>     | <b>-</b>      | <b>45%</b>     | <b>39%</b>     |              |
| <b>Net Income (Loss) Attributable to Equity Holders of PLDT</b> | <b>(3,516)</b> | <b>7,385</b>   | <b>10,120</b> | <b>13,371</b>  | <b>20,006</b>  | <b>(33%)</b> |
| <b>Core income</b>  | <b>8,514</b>   | <b>8,846</b>   | <b>10,926</b> | <b>27,668</b>  | <b>27,857</b>  | <b>(1%)</b>  |
| <b>Core income (recurring) <sup>(5)</sup></b>                   | <b>10,302</b>  | <b>10,694</b>  | <b>1,958</b>  | <b>22,336</b>  | <b>20,197</b>  | <b>11%</b>   |

(1) Service Revenues, gross of interconnection costs

|  |        |        |    |         |         |       |
|--|--------|--------|----|---------|---------|-------|
| Service revenues, gross of interconnection costs | 88,652 | 74,757 | 16 | 151,165 | 157,210 | (4%)  |
| Interconnection costs                            | 6,373  | 4,587  | -  | 7,619   | 9,573   | (20%) |
| Service revenues, net of interconnection costs   | 82,279 | 70,170 | 16 | 143,546 | 147,637 | (3%)  |

(2) Cash Operating Expenses includes interconnection costs

(3) Excluding Manpower Reduction Program (MRP) of P1.6bn offered in 2017

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

(5) Excluding gain from asset sales, MRP in 2017, accelerated depreciation, non recurring provisions and subsidies in 2016 and related tax adjustments



# Underlying Core Income

| <i>(Php in millions)</i>          | 2017         |               |              |              |               | 2016         |               |              |              |               |
|-----------------------------------|--------------|---------------|--------------|--------------|---------------|--------------|---------------|--------------|--------------|---------------|
|                                   | 1Q           | 2Q            | 3Q           | 4Q           | FY            | 1Q           | 2Q            | 3Q           | 4Q           | FY            |
| <b>Core Income</b>                | <b>5,329</b> | <b>12,098</b> | <b>5,762</b> | <b>4,479</b> | <b>27,668</b> | <b>7,211</b> | <b>10,489</b> | <b>4,036</b> | <b>6,121</b> | <b>27,857</b> |
| Core Income Adjustments           |              |               |              |              |               |              |               |              |              |               |
| One-Time Provisions and Subsidies | -            | -             | -            | -            | -             | 1,011        | 2,034         | 1,605        | -            | 4,650         |
| Manpower Reduction Program (MRP)  | -            | 1,509         | 80           | -            | 1,589         | -            | -             | -            | -            | -             |
| Asset Sales and Others            | -            | (6,601)       | (1,775)      | (2,336)      | (10,712)      | (970)        | (7,365)       | (396)        | (438)        | (9,169)       |
| Accelerated Depreciation          | -            | -             | 2,043        | 3,837        | 5,880         | -            | -             | -            | 4,084        | 4,084         |
| Deferred Tax Asset Recognition    | -            | -             | -            | -            | -             | -            | -             | -            | (5,027)      | (5,027)       |
| Net Tax Effect of Adjustments     | -            | (453)         | (637)        | (999)        | (2,089)       | (12)         | (611)         | (481)        | (1,094)      | (2,198)       |
| <b>Underlying Core Income</b>     | <b>5,329</b> | <b>6,553</b>  | <b>5,473</b> | <b>4,981</b> | <b>22,336</b> | <b>7,240</b> | <b>4,547</b>  | <b>4,764</b> | <b>3,646</b> | <b>20,197</b> |

# Reconciliation of Core and Reported net income

| <i>(Php in millions)</i>  | FY2017       |              |               |               | FY2016        | % Change    |
|---|--------------|--------------|---------------|---------------|---------------|-------------|
|   | Wireless     | Fixed Line   | Others        | Consolidated  | Consolidated  |             |
| <b>Net Income (Losses) Attributable to Equity Holders of PLDT</b> | (3,516)      | 7,385        | 10,120        | 13,371        | 20,006        | (33%)       |
| Add (Deduct):   |              |              |               |               |               |             |
| Foreign Exchange Losses, Net                                      | 46           | 98           | 267           | 411           | 2,785         | (85%)       |
| Gains on Derivative Financial Instruments, Net                    | (353)        | (371)        | -             | (724)         | (1,539)       | (53%)       |
| Asset Impairment  | 4,766        | 1,583        | 540           | 6,889         | 6,589         | 5%          |
| Accelerated Depreciation  | 12,402       | -            | -             | 12,402        | -             | -           |
| Others  | -            | 68           | (8)           | 60            | 95            | (37%)       |
| Tax Effect  | (4,831)      | 83           | 7             | (4,741)       | (79)          | 5,901%      |
| <b>Core Income</b>  | <b>8,514</b> | <b>8,846</b> | <b>10,926</b> | <b>27,668</b> | <b>27,857</b> | <b>(1%)</b> |

# Consolidated Service Revenues

| (Php in millions)   | 2017          |               |               |               |                | 2016          |               |               |               |                |
|---|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|----------------|
|   | 1Q            | 2Q            | 3Q            | 4Q            | FY             | 1Q            | 2Q            | 3Q            | 4Q            | FY             |
| <b>Fixed Line</b>   | <b>15,556</b> | <b>15,620</b> | <b>15,979</b> | <b>16,656</b> | <b>63,811</b>  | <b>14,287</b> | <b>14,320</b> | <b>14,446</b> | <b>15,033</b> | <b>58,086</b>  |
| LEC   | 4,553         | 4,623         | 4,695         | 4,727         | 18,598         | 4,333         | 4,384         | 4,479         | 4,499         | 17,695         |
| Fixed Line Voice - International                          | 970           | 859           | 800           | 924           | 3,553          | 1,240         | 1,092         | 1,015         | 1,111         | 4,458          |
| Fixed Line Voice - Domestic (NLD)                         | 789           | 777           | 780           | 799           | 3,145          | 844           | 845           | 863           | 797           | 3,349          |
| Home Broadband  | 4,074         | 4,300         | 4,603         | 4,832         | 17,809         | 3,413         | 3,615         | 3,781         | 3,920         | 14,729         |
| Corporate Data and Data Center                            | 4,951         | 4,760         | 4,863         | 5,062         | 19,636         | 4,237         | 4,189         | 4,098         | 4,474         | 16,998         |
| Corporate data and leased lines                           | 4,333         | 4,223         | 4,209         | 4,438         | 17,203         | 3,678         | 3,595         | 3,704         | 3,978         | 14,955         |
| Data Center and IT  | 618           | 537           | 654           | 624           | 2,433          | 559           | 594           | 394           | 496           | 2,043          |
| Miscellaneous   | 219           | 301           | 238           | 312           | 1,070          | 220           | 195           | 210           | 232           | 857            |
| <b>Wireless</b>   | <b>22,145</b> | <b>22,062</b> | <b>21,664</b> | <b>21,480</b> | <b>87,351</b>  | <b>26,311</b> | <b>25,686</b> | <b>23,882</b> | <b>23,236</b> | <b>99,115</b>  |
| Mobile Services   | 21,069        | 20,993        | 20,586        | 20,518        | 83,166         | 25,305        | 24,806        | 22,826        | 22,129        | 95,066         |
| Mobile Voice  | 7,594         | 7,579         | 7,367         | 7,244         | 29,784         | 10,240        | 9,458         | 8,272         | 8,011         | 35,981         |
| Mobile Voice - Domestic                                   | 5,796         | 5,810         | 5,804         | 5,819         | 23,229         | 7,948         | 7,276         | 6,326         | 6,035         | 27,585         |
| Mobile Voice - International                              | 1,798         | 1,769         | 1,563         | 1,425         | 6,555          | 2,292         | 2,182         | 1,946         | 1,976         | 8,396          |
| SMS   | 6,910         | 6,514         | 6,271         | 6,341         | 26,036         | 8,688         | 8,643         | 7,873         | 7,532         | 32,736         |
| Mobile Data   | 6,235         | 6,614         | 6,493         | 6,639         | 25,981         | 6,063         | 6,444         | 6,375         | 6,333         | 25,215         |
| Mobile Internet   | 4,612         | 5,100         | 5,050         | 5,324         | 20,086         | 3,811         | 4,257         | 4,471         | 4,628         | 17,167         |
| Mobile Broadband  | 1,623         | 1,513         | 1,443         | 1,315         | 5,894          | 2,252         | 2,187         | 1,903         | 1,704         | 8,046          |
| Other data  | -             | 1             | -             | -             | 1              | -             | -             | 1             | 1             | 2              |
| Inbound Roaming and Others                                | 330           | 286           | 455           | 294           | 1,365          | 314           | 261           | 306           | 253           | 1,134          |
| Home Broadband  | 652           | 609           | 662           | 624           | 2,547          | 679           | 670           | 697           | 712           | 2,758          |
| Digital Platforms and Mobile Financial Services           | 309           | 325           | 324           | 265           | 1,223          | 133           | 57            | 219           | 300           | 709            |
| MVNO and Others   | 115           | 135           | 92            | 73            | 415            | 194           | 153           | 140           | 95            | 582            |
| <b>Others</b>   | <b>-</b>      | <b>-</b>      | <b>3</b>      | <b>-</b>      | <b>3</b>       | <b>-</b>      | <b>-</b>      | <b>-</b>      | <b>9</b>      | <b>9</b>       |
| <b>Total Consolidated Service Revenues</b> <sup>(1)</sup> | <b>37,701</b> | <b>37,682</b> | <b>37,646</b> | <b>38,136</b> | <b>151,165</b> | <b>40,598</b> | <b>40,006</b> | <b>38,328</b> | <b>38,278</b> | <b>157,210</b> |

(1) Gross of Interconnection costs

## Consolidated service revenues, net of interconnection costs

| (Php in millions)  | 2017          |               |               |               |                | 2016          |               |               |               |                |
|--|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|----------------|
|  | 1Q            | 2Q            | 3Q            | 4Q            | FY             | 1Q            | 2Q            | 3Q            | 4Q            | FY             |
| Consolidated Service Revenues, gross of interconnection costs      | 37,701        | 37,682        | 37,646        | 38,136        | 151,165        | 40,598        | 40,006        | 38,328        | 38,278        | 157,210        |
| Interconnection Costs  | 2,091         | 2,062         | 1,559         | 1,907         | 7,619          | 2,436         | 2,398         | 2,268         | 2,471         | 9,573          |
| <b>Consolidated Service Revenues, net of interconnection costs</b> | <b>35,610</b> | <b>35,620</b> | <b>36,087</b> | <b>36,229</b> | <b>143,546</b> | <b>38,162</b> | <b>37,608</b> | <b>36,060</b> | <b>35,807</b> | <b>147,637</b> |

# Consolidated Service Revenues and EBITDA

| (Php in millions)   | 2017          |               |               |               |                | 2016          |               |               |               |                |
|---|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|----------------|
|   | 1Q            | 2Q            | 3Q            | 4Q            | FY             | 1Q            | 2Q            | 3Q            | 4Q            | FY             |
| <b>Data/Broadband/Digital Platforms</b>                         | <b>16,221</b> | <b>16,608</b> | <b>16,948</b> | <b>17,422</b> | <b>67,199</b>  | <b>14,525</b> | <b>14,975</b> | <b>15,170</b> | <b>15,748</b> | <b>60,418</b>  |
| Mobile Data   | 6,235         | 6,614         | 6,493         | 6,639         | 25,981         | 6,063         | 6,444         | 6,375         | 6,333         | 25,215         |
| Mobile Internet   | 4,612         | 5,100         | 5,050         | 5,324         | 20,086         | 3,811         | 4,257         | 4,471         | 4,628         | 17,167         |
| Mobile Broadband  | 1,623         | 1,513         | 1,443         | 1,315         | 5,894          | 2,252         | 2,187         | 1,903         | 1,704         | 8,046          |
| Other Data  | -             | 1             | -             | -             | 1              | -             | -             | 1             | 1             | 2              |
| Home Broadband  | 4,726         | 4,909         | 5,265         | 5,456         | 20,356         | 4,092         | 4,285         | 4,478         | 4,632         | 17,487         |
| Fixed   | 4,074         | 4,300         | 4,603         | 4,832         | 17,809         | 3,413         | 3,615         | 3,781         | 3,920         | 14,729         |
| Wireless  | 652           | 609           | 662           | 624           | 2,547          | 679           | 670           | 697           | 712           | 2,758          |
| Corp. Data and Data Center                                      | 4,951         | 4,760         | 4,863         | 5,062         | 19,636         | 4,237         | 4,189         | 4,098         | 4,474         | 16,998         |
| Corp. Data and Leased Lines                                     | 4,333         | 4,223         | 4,209         | 4,438         | 17,203         | 3,678         | 3,595         | 3,704         | 3,978         | 14,955         |
| Data Center and IT  | 618           | 537           | 654           | 624           | 2,433          | 559           | 594           | 394           | 496           | 2,043          |
| Digital Platforms and Others                                    | 309           | 325           | 327           | 265           | 1,226          | 133           | 57            | 219           | 309           | 718            |
| <b>SMS/Mobile Voice - Domestic/LEC/Others</b>                   | <b>17,923</b> | <b>17,669</b> | <b>17,555</b> | <b>17,566</b> | <b>70,713</b>  | <b>21,697</b> | <b>20,912</b> | <b>19,334</b> | <b>18,646</b> | <b>80,589</b>  |
| SMS   | 6,910         | 6,514         | 6,271         | 6,341         | 26,036         | 8,688         | 8,643         | 7,873         | 7,532         | 32,736         |
| Mobile Voice - Domestic   | 5,796         | 5,810         | 5,804         | 5,819         | 23,229         | 7,948         | 7,276         | 6,326         | 6,035         | 27,585         |
| LEC   | 4,553         | 4,623         | 4,695         | 4,727         | 18,598         | 4,333         | 4,384         | 4,479         | 4,499         | 17,695         |
| Others  | 664           | 722           | 785           | 679           | 2,850          | 728           | 609           | 656           | 580           | 2,573          |
| Inbound Roaming and Others                                      | 330           | 286           | 455           | 294           | 1,365          | 314           | 261           | 306           | 253           | 1,134          |
| MVNO and Others   | 115           | 135           | 92            | 73            | 415            | 194           | 153           | 140           | 95            | 582            |
| Miscellaneous - Fixed Line                                      | 219           | 301           | 238           | 312           | 1,070          | 220           | 195           | 210           | 232           | 857            |
| <b>ILD/Fixed Line - Domestic (NLD)</b>                          | <b>3,557</b>  | <b>3,405</b>  | <b>3,143</b>  | <b>3,148</b>  | <b>13,253</b>  | <b>4,376</b>  | <b>4,119</b>  | <b>3,824</b>  | <b>3,884</b>  | <b>16,203</b>  |
| Fixed Line Voice - Domestic (NLD)                               | 789           | 777           | 780           | 799           | 3,145          | 844           | 845           | 863           | 797           | 3,349          |
| Fixed Line Voice - International                                | 970           | 859           | 800           | 924           | 3,553          | 1,240         | 1,092         | 1,015         | 1,111         | 4,458          |
| Mobile Voice - International                                    | 1,798         | 1,769         | 1,563         | 1,425         | 6,555          | 2,292         | 2,182         | 1,946         | 1,976         | 8,396          |
| <b>Total Consolidated Gross Service Revenues <sup>(1)</sup></b> | <b>37,701</b> | <b>37,682</b> | <b>37,646</b> | <b>38,136</b> | <b>151,165</b> | <b>40,598</b> | <b>40,006</b> | <b>38,328</b> | <b>38,278</b> | <b>157,210</b> |
| Non-Service Revenues  | 1,487         | 2,145         | 2,405         | 2,724         | 8,761          | 2,181         | 2,499         | 1,774         | 1,598         | 8,052          |
| <b>Total Consolidated Gross Revenues</b>                        | <b>39,188</b> | <b>39,827</b> | <b>40,051</b> | <b>40,860</b> | <b>159,926</b> | <b>42,779</b> | <b>42,505</b> | <b>40,102</b> | <b>39,876</b> | <b>165,262</b> |
| <b>Deduct:</b>  |               |               |               |               |                |               |               |               |               |                |
| Cash Operating Expenses <sup>(2)</sup>                          | (18,438)      | (19,847)      | (18,536)      | (18,953)      | (75,774)       | (19,049)      | (19,118)      | (18,913)      | (18,760)      | (75,840)       |
| Cost of Sales   | (2,646)       | (2,508)       | (2,675)       | (3,232)       | (11,061)       | (5,126)       | (5,519)       | (3,337)       | (2,771)       | (16,753)       |
| Cost of Services  | (586)         | (732)         | (553)         | (701)         | (2,572)        | (353)         | (399)         | (322)         | (466)         | (1,540)        |
| Writedown of Inventory and Provision for Doubtful AR            | (1,051)       | (1,197)       | (1,168)       | (929)         | (4,345)        | (1,645)       | (3,317)       | (2,571)       | (2,435)       | (9,968)        |
| <b>EBITDA</b>   | <b>16,467</b> | <b>15,543</b> | <b>17,119</b> | <b>17,045</b> | <b>66,174</b>  | <b>16,606</b> | <b>14,152</b> | <b>14,959</b> | <b>15,444</b> | <b>61,161</b>  |
| <i>EBITDA Margin <sup>(3)</sup></i>                             | <i>44%</i>    | <i>41%</i>    | <i>45%</i>    | <i>45%</i>    | <i>44%</i>     | <i>41%</i>    | <i>35%</i>    | <i>39%</i>    | <i>40%</i>    | <i>39%</i>     |

<sup>(1)</sup> Gross of Interconnection costs

<sup>(2)</sup> Includes Interconnection costs

<sup>(3)</sup> EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnection costs)

## Consolidated service revenues, net of interconnection costs

| (Php in millions)  | 2017          |               |               |               |                | 2016          |               |               |               |                |
|--|---------------|---------------|---------------|---------------|----------------|---------------|---------------|---------------|---------------|----------------|
|  | 1Q            | 2Q            | 3Q            | 4Q            | FY             | 1Q            | 2Q            | 3Q            | 4Q            | FY             |
| Consolidated Service Revenues, gross of interconnection costs      | 37,701        | 37,682        | 37,646        | 38,136        | 151,165        | 40,598        | 40,006        | 38,328        | 38,278        | 157,210        |
| Interconnection Costs  | 2,091         | 2,062         | 1,559         | 1,907         | 7,619          | 2,436         | 2,398         | 2,268         | 2,471         | 9,573          |
| <b>Consolidated Service Revenues, net of interconnection costs</b> | <b>35,610</b> | <b>35,620</b> | <b>36,087</b> | <b>36,229</b> | <b>143,546</b> | <b>38,162</b> | <b>37,608</b> | <b>36,060</b> | <b>35,807</b> | <b>147,637</b> |

# Wireless Service Revenues and EBITDA

| (Php in millions)   | 2017          |               |               |               |               | 2016          |               |               |               |                |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|
|   | 1Q            | 2Q            | 3Q            | 4Q            | FY            | 1Q            | 2Q            | 3Q            | 4Q            | FY             |
| <b>Data/Broadband/Digital Platforms</b>                     | <b>7,281</b>  | <b>7,627</b>  | <b>7,555</b>  | <b>7,614</b>  | <b>30,077</b> | <b>6,944</b>  | <b>7,270</b>  | <b>7,375</b>  | <b>7,428</b>  | <b>29,017</b>  |
| Mobile Data   | 6,308         | 6,691         | 6,566         | 6,716         | 26,281        | 6,127         | 6,536         | 6,445         | 6,409         | 25,517         |
| Mobile Internet   | 4,612         | 5,100         | 5,050         | 5,324         | 20,086        | 3,811         | 4,257         | 4,471         | 4,628         | 17,167         |
| Mobile Broadband  | 1,655         | 1,547         | 1,476         | 1,352         | 6,030         | 2,276         | 2,209         | 1,926         | 1,736         | 8,147          |
| Other Data  | 41            | 44            | 40            | 40            | 165           | 40            | 70            | 48            | 45            | 203            |
| Home Broadband  | 655           | 612           | 663           | 626           | 2,556         | 683           | 674           | 700           | 716           | 2,773          |
| Digital Platforms and Mobile Financial Services             | 318           | 324           | 326           | 272           | 1,240         | 134           | 60            | 230           | 303           | 727            |
| <b>SMS/Mobile Voice - Domestic/Others</b>                   | <b>13,388</b> | <b>12,979</b> | <b>12,853</b> | <b>12,767</b> | <b>51,987</b> | <b>17,422</b> | <b>16,612</b> | <b>14,918</b> | <b>14,185</b> | <b>63,137</b>  |
| SMS   | 6,912         | 6,516         | 6,274         | 6,343         | 26,045        | 8,690         | 8,646         | 7,875         | 7,534         | 32,745         |
| Mobile Voice - Domestic                                     | 6,029         | 6,039         | 6,026         | 6,042         | 24,136        | 8,221         | 7,551         | 6,594         | 6,300         | 28,666         |
| Others  | 447           | 424           | 553           | 382           | 1,806         | 511           | 415           | 449           | 351           | 1,726          |
| Inbound Roaming and Others                                  | 332           | 287           | 461           | 309           | 1,389         | 315           | 262           | 308           | 256           | 1,141          |
| MVNO and Others   | 115           | 137           | 92            | 73            | 417           | 196           | 153           | 141           | 95            | 585            |
| <b>Mobile Voice - International</b>                         | <b>1,806</b>  | <b>1,777</b>  | <b>1,571</b>  | <b>1,434</b>  | <b>6,588</b>  | <b>2,304</b>  | <b>2,189</b>  | <b>1,952</b>  | <b>1,983</b>  | <b>8,428</b>   |
| <b>Total Wireless Gross Service Revenues <sup>(1)</sup></b> | <b>22,475</b> | <b>22,383</b> | <b>21,979</b> | <b>21,815</b> | <b>88,652</b> | <b>26,670</b> | <b>26,071</b> | <b>24,245</b> | <b>23,596</b> | <b>100,582</b> |
| Non-Service Revenues  | 687           | 1,120         | 1,627         | 1,749         | 5,183         | 1,261         | 1,472         | 838           | 761           | 4,332          |
| <b>Total Wireless Gross Revenues</b>                        | <b>23,162</b> | <b>23,503</b> | <b>23,606</b> | <b>23,564</b> | <b>93,835</b> | <b>27,931</b> | <b>27,543</b> | <b>25,083</b> | <b>24,357</b> | <b>104,914</b> |
| <b>Deduct:</b>  |               |               |               |               |               |               |               |               |               |                |
| Cash Operating Expenses <sup>(2)</sup>                      | (12,101)      | (12,135)      | (12,059)      | (11,289)      | (47,584)      | (12,515)      | (12,576)      | (12,642)      | (11,845)      | (49,578)       |
| Cost of Sales   | (1,905)       | (1,640)       | (2,223)       | (2,573)       | (8,341)       | (4,421)       | (4,748)       | (2,748)       | (2,223)       | (14,140)       |
| Cost of Services  | (119)         | (128)         | (133)         | (137)         | (517)         | (31)          | (15)          | (35)          | (208)         | (289)          |
| Writedown of Inventory and Provision for Doubtful AR        | (728)         | (847)         | (630)         | (37)          | (2,242)       | (1,335)       | (2,947)       | (2,237)       | (1,727)       | (8,246)        |
| <b>EBITDA</b>   | <b>8,309</b>  | <b>8,753</b>  | <b>8,561</b>  | <b>9,528</b>  | <b>35,151</b> | <b>9,629</b>  | <b>7,257</b>  | <b>7,421</b>  | <b>8,354</b>  | <b>32,661</b>  |
| <i>EBITDA Margin <sup>(3)</sup></i>                         | <i>37%</i>    | <i>39%</i>    | <i>39%</i>    | <i>44%</i>    | <i>40%</i>    | <i>36%</i>    | <i>28%</i>    | <i>31%</i>    | <i>35%</i>    | <i>32%</i>     |

<sup>(1)</sup> Gross of Interconnection costs

<sup>(2)</sup> Includes Interconnection costs

<sup>(3)</sup> EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnection costs)

## Wireless service revenues - net of interconnection costs\*

| (Php in millions)  | 2017          |               |               |               |               | 2016          |               |               |               |               |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|  | 1Q            | 2Q            | 3Q            | 4Q            | FY            | 1Q            | 2Q            | 3Q            | 4Q            | FY            |
| Wireless Service Revenues, gross of interconnection costs      | 22,475        | 22,383        | 21,979        | 21,815        | 88,652        | 26,670        | 26,071        | 24,245        | 23,596        | 100,582       |
| Interconnection Costs  | 1,709         | 1,764         | 1,362         | 1,538         | 6,373         | 2,019         | 2,033         | 1,970         | 2,013         | 8,035         |
| <b>Wireless Service Revenues, net of interconnection costs</b> | <b>20,766</b> | <b>20,619</b> | <b>20,617</b> | <b>20,277</b> | <b>82,279</b> | <b>24,651</b> | <b>24,038</b> | <b>22,275</b> | <b>21,583</b> | <b>92,547</b> |

\*Service revenues before intersegrment elims

# Fixed Line Service Revenues and EBITDA

| (Php in millions)                                       | 2017          |               |               |               |               | 2016          |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 1Q            | 2Q            | 3Q            | 4Q            | FY            | 1Q            | 2Q            | 3Q            | 4Q            | FY            |
| <b>Data/Broadband</b>                                   | <b>10,574</b> | <b>10,885</b> | <b>11,111</b> | <b>11,724</b> | <b>44,294</b> | <b>9,110</b>  | <b>9,216</b>  | <b>9,457</b>  | <b>9,928</b>  | <b>37,711</b> |
| Home Broadband  | 4,134         | 4,361         | 4,663         | 4,896         | 18,054        | 3,434         | 3,655         | 3,835         | 3,972         | 14,896        |
| Corp. Data and Other Network Services                   | 5,622         | 5,711         | 5,573         | 5,983         | 22,889        | 4,938         | 4,793         | 4,970         | 5,279         | 19,980        |
| Data Center and ICT                                     | 818           | 813           | 875           | 845           | 3,351         | 738           | 768           | 652           | 677           | 2,835         |
| <b>LEC/Others</b>                                       | <b>5,035</b>  | <b>5,153</b>  | <b>5,185</b>  | <b>5,286</b>  | <b>20,659</b> | <b>4,761</b>  | <b>4,806</b>  | <b>4,922</b>  | <b>4,968</b>  | <b>19,457</b> |
| LEC   | 4,580         | 4,646         | 4,719         | 4,751         | 18,696        | 4,357         | 4,408         | 4,503         | 4,524         | 17,792        |
| Miscellaneous   | 455           | 507           | 466           | 535           | 1,963         | 404           | 398           | 419           | 444           | 1,665         |
| <b>Fixed Line Voice - International/Domestic</b>        | <b>2,640</b>  | <b>2,542</b>  | <b>2,341</b>  | <b>2,281</b>  | <b>9,804</b>  | <b>3,144</b>  | <b>2,952</b>  | <b>2,819</b>  | <b>2,923</b>  | <b>11,838</b> |
| Fixed Line Voice - International                        | 1,744         | 1,643         | 1,425         | 1,341         | 6,153         | 2,203         | 1,998         | 1,842         | 2,013         | 8,056         |
| Fixed Line Voice - Domestic (NLD)                       | 896           | 899           | 916           | 940           | 3,651         | 941           | 954           | 977           | 910           | 3,782         |
| <b>Total Fixed Line Service Revenues <sup>(1)</sup></b> | <b>18,249</b> | <b>18,580</b> | <b>18,637</b> | <b>19,291</b> | <b>74,757</b> | <b>17,015</b> | <b>16,974</b> | <b>17,198</b> | <b>17,819</b> | <b>69,006</b> |
| Non-Service Revenues <sup>(2)</sup>                     | 800           | 1,029         | 780           | 975           | 3,584         | 920           | 1,028         | 936           | 838           | 3,722         |
| <b>Total Fixed Line Gross Revenues</b>                  | <b>19,049</b> | <b>19,609</b> | <b>19,417</b> | <b>20,266</b> | <b>78,341</b> | <b>17,935</b> | <b>18,002</b> | <b>18,134</b> | <b>18,657</b> | <b>72,728</b> |
| <b>Deduct:</b>  |               |               |               |               |               |               |               |               |               |               |
| Cash Operating Expenses <sup>(3)</sup>                  | (9,721)       | (11,418)      | (9,805)       | (11,033)      | (41,977)      | (9,967)       | (9,939)       | (9,780)       | (10,502)      | (40,188)      |
| Cost of Sales   | (741)         | (870)         | (453)         | (663)         | (2,727)       | (705)         | (772)         | (589)         | (551)         | (2,617)       |
| Cost of Services  | (467)         | (604)         | (426)         | (564)         | (2,061)       | (322)         | (384)         | (287)         | (258)         | (1,251)       |
| Writedown of Inventory and Provision for Doubtful AR    | (323)         | (350)         | (538)         | (887)         | (2,098)       | (310)         | (370)         | (334)         | (708)         | (1,722)       |
| <b>EBITDA</b>   | <b>7,797</b>  | <b>6,367</b>  | <b>8,195</b>  | <b>7,119</b>  | <b>29,478</b> | <b>6,631</b>  | <b>6,537</b>  | <b>7,144</b>  | <b>6,638</b>  | <b>26,950</b> |
| <i>EBITDA Margin <sup>(4)</sup></i>                     | <i>43%</i>    | <i>34%</i>    | <i>44%</i>    | <i>37%</i>    | <i>39%</i>    | <i>39%</i>    | <i>39%</i>    | <i>42%</i>    | <i>37%</i>    | <i>39%</i>    |

<sup>(1)</sup> Gross of Interconnection costs

<sup>(2)</sup> Non-service revenues include sale of PLP units, FabTAB, Tvolution, managed ICT equipment, Telpad, UNO equipment and managed PABX

<sup>(3)</sup> Includes Interconnection costs

<sup>(4)</sup> EBITDA margin calculated as EBITDA divided by service revenues (gross of interconnection costs)

## Fixed line service revenues - net of interconnection costs\*

| (Php in millions)                       | 2017          |               |               |               |               | 2016          |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 1Q            | 2Q            | 3Q            | 4Q            | FY            | 1Q            | 2Q            | 3Q            | 4Q            | FY            |
| <b>Fixed Line Service Revenues, Net</b> |               |               |               |               |               |               |               |               |               |               |
| LEC                                     | 4,579         | 4,645         | 4,719         | 4,750         | 18,693        | 4,357         | 4,406         | 4,502         | 4,523         | 17,788        |
| Fixed Line Voice - International        | 565           | 530           | 570           | 450           | 2,115         | 831           | 734           | 716           | 660           | 2,941         |
| Fixed Line Voice - Domestic (NLD)       | 765           | 775           | 790           | 811           | 3,141         | 747           | 759           | 790           | 717           | 3,013         |
| Home Broadband                          | 4,134         | 4,361         | 4,663         | 4,896         | 18,054        | 3,434         | 3,655         | 3,835         | 3,972         | 14,896        |
| Corp. Data and Other Network Services   | 5,611         | 5,688         | 5,541         | 6,013         | 22,853        | 4,924         | 4,780         | 4,957         | 5,267         | 19,928        |
| Data Center and ICT                     | 818           | 813           | 875           | 845           | 3,351         | 738           | 768           | 652           | 677           | 2,835         |
| Miscellaneous                           | 455           | 507           | 466           | 535           | 1,963         | 404           | 398           | 419           | 444           | 1,665         |
| <b>Total</b>                            | <b>16,927</b> | <b>17,319</b> | <b>17,624</b> | <b>18,300</b> | <b>70,170</b> | <b>15,435</b> | <b>15,500</b> | <b>15,871</b> | <b>16,260</b> | <b>63,066</b> |

\*Service revenues before intersegment elims

# Expenses

| (Php in millions)                                 | FY2017         |               |           |                | FY2016         | % Change     |
|---|----------------|---------------|-----------|----------------|----------------|--------------|
|   | Wireless       | Fixed Line    | Others    | Consolidated   | Consolidated   |              |
| <b>Operating Expenses</b>                         |                |               |           |                |                |              |
| Compensation and Employee Benefits <sup>(1)</sup> | 7,268          | 15,529        | -         | 22,782         | 19,928         | 14%          |
| Repairs and Maintenance                           | 7,846          | 5,561         | -         | 12,744         | 14,706         | (13%)        |
| Selling and Promotions                            | 4,159          | 1,766         | -         | 5,908          | 7,687          | (23%)        |
| Rent  | 10,962         | 3,094         | -         | 7,016          | 6,632          | 6%           |
| Insurance and Security Services                   | 886            | 738           | -         | 1,519          | 1,736          | (13%)        |
| Taxes and Licenses                                | 2,561          | 1,363         | 46        | 3,970          | 3,782          | 5%           |
| Professional and Other Contracted Services        | 6,345          | 8,295         | 27        | 12,168         | 9,386          | 30%          |
| Communication, Training and Travel                | 842            | 491           | -         | 1,166          | 1,249          | (7%)         |
| Interconnection Costs                             | 6,373          | 4,587         | -         | 7,619          | 9,573          | (20%)        |
| Other Expenses                                    | 342            | 553           | 1         | 882            | 1,161          | (24%)        |
| <b>Cash Operating Expenses <sup>(1)</sup></b>     | <b>47,584</b>  | <b>41,977</b> | <b>74</b> | <b>75,774</b>  | <b>75,840</b>  | <b>-</b>     |
| Depreciation and Amortization                     | 36,500         | 15,001        | -         | 51,501         | 34,455         | 49%          |
| Asset Impairment                                  | 6,569          | 2,098         | 5         | 8,672          | 11,042         | (21%)        |
| Amortization of Intangible Assets                 | 835            | -             | -         | 835            | 929            | (10%)        |
| <b>Non-Cash Operating Expenses</b>                | <b>43,904</b>  | <b>17,099</b> | <b>5</b>  | <b>61,008</b>  | <b>46,426</b>  | <b>31%</b>   |
| <b>Cost of Sales</b>                              | <b>8,341</b>   | <b>2,727</b>  | <b>-</b>  | <b>11,061</b>  | <b>16,753</b>  | <b>(34%)</b> |
| <b>Cost of Services</b>                           | <b>517</b>     | <b>2,061</b>  | <b>-</b>  | <b>2,572</b>   | <b>1,540</b>   | <b>67%</b>   |
| <b>Total Expenses</b>                             | <b>100,346</b> | <b>63,864</b> | <b>79</b> | <b>150,415</b> | <b>140,559</b> | <b>7%</b>    |

<sup>(1)</sup> FY2017 Compensation and Employee Benefits – consolidated and Fixed Line expenses - include P1.6bn MRP expenses

## Total Expenses, excluding Interconnection Costs:

| (Php in millions)  | FY2017        |               |           |                | FY2016         | % Change  |
|--|---------------|---------------|-----------|----------------|----------------|-----------|
|  | Wireless      | Fixed Line    | Others    | Consolidated   | Consolidated   |           |
| Total Cash Operating Expenses                                  | 47,584        | 41,977        | 74        | 75,774         | 75,840         | -         |
| Less: Interconnection Costs                                    | 6,373         | 4,587         | -         | 7,619          | 9,573          | (20%)     |
| Total Cash Operating Expenses, excluding Interconnection Costs | 41,211        | 37,390        | 74        | 68,155         | 66,267         | 3%        |
| Non-Cash Operating Expenses                                    | 43,904        | 17,099        | 5         | 61,008         | 46,426         | 31%       |
| Cost of Sales  | 8,341         | 2,727         | -         | 11,061         | 16,753         | (34%)     |
| Cost of Services   | 517           | 2,061         | -         | 2,572          | 1,540          | 67%       |
| <b>Total Expenses, excluding Interconnection Costs</b>         | <b>93,973</b> | <b>59,277</b> | <b>79</b> | <b>142,796</b> | <b>130,986</b> | <b>9%</b> |

# Other Income (expenses)

| <i>(Php in millions)</i>   | FY2017         |                |               |                | FY2016         | % Change     |
|--|----------------|----------------|---------------|----------------|----------------|--------------|
|  | Wireless       | Fixed Line     | Others        | Consolidated   | Consolidated   |              |
| Equity Share in Net Earnings (Losses) of Associates and Joint Ventures |                |                |               |                |                |              |
| Beacon   | -              | -              | 886           | 886            | 2,089          | (58%)        |
| Vega   | -              | -              | 55            | 55             | (1,027)        | (105%)       |
| Others   | (129)          | 44             | 2,050         | 1,965          | 119            | 1,551%       |
| <b>Total Equity Share in Net Earnings (Losses)</b>                     | <b>(129)</b>   | <b>44</b>      | <b>2,991</b>  | <b>2,906</b>   | <b>1,181</b>   | <b>146%</b>  |
| Financing Costs, Net   |                |                |               |                |                |              |
| Loans and Other Related Items  | (2,703)        | (5,169)        | (201)         | (7,830)        | (7,522)        | 4%           |
| Accretion on Financial Liabilities                                     | (146)          | (73)           | -             | (219)          | (230)          | (5%)         |
| Financing Charges  | (53)           | (38)           | -             | (137)          | (168)          | (18%)        |
| Capitalized Interest   | 642            | 174            | -             | 816            | 566            | 44%          |
| <b>Total Financing Costs</b>   | <b>(2,260)</b> | <b>(5,106)</b> | <b>(201)</b>  | <b>(7,370)</b> | <b>(7,354)</b> | <b>-</b>     |
| Other Income (Expenses), Net   |                |                |               |                |                |              |
| Gain on Sale of Assets   | -              | -              | 6,923         | 6,923          | 7,365          | (6%)         |
| Investment Impairment (includes Rocket Internet Impairment)            | (439)          | (1,584)        | (540)         | (2,563)        | (5,515)        | (54%)        |
| Others   | 2,502          | 2,475          | 831           | 3,628          | 2,434          | 49%          |
| <b>Other Income, Net</b>   | <b>2,063</b>   | <b>891</b>     | <b>7,214</b>  | <b>7,988</b>   | <b>4,284</b>   | <b>86%</b>   |
| <b>Interest Income</b>   | <b>307</b>     | <b>695</b>     | <b>653</b>    | <b>1,412</b>   | <b>1,046</b>   | <b>35%</b>   |
| <b>Gains on Derivative Financial Instruments, Net</b>                  | <b>282</b>     | <b>251</b>     | <b>-</b>      | <b>533</b>     | <b>996</b>     | <b>(46%)</b> |
| <b>Foreign Exchange Losses, Net</b>                                    | <b>(46)</b>    | <b>(98)</b>    | <b>(267)</b>  | <b>(411)</b>   | <b>(2,785)</b> | <b>(85%)</b> |
| <b>Total Other Income (Expenses)</b>                                   | <b>217</b>     | <b>(3,323)</b> | <b>10,390</b> | <b>5,058</b>   | <b>(2,632)</b> | <b>292%</b>  |



# ARPU

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

|                              | 2017 |     |     |     | 2016 |     |     |     |
|------------------------------|------|-----|-----|-----|------|-----|-----|-----|
|                              | 1Q   | 2Q  | 3Q  | 4Q  | 1Q   | 2Q  | 3Q  | 4Q  |
| Smart Postpaid               | 965  | 985 | 975 | 961 | 938  | 951 | 946 | 970 |
| Smart Prepaid <sup>(2)</sup> | 104  | 109 | 108 | 110 | 112  | 110 | 102 | 104 |
| TNT <sup>(2)</sup>           | 71   | 77  | 74  | 75  | 80   | 77  | 71  | 75  |
| Sun Postpaid                 | 413  | 412 | 421 | 428 | 475  | 453 | 402 | 418 |
| Sun Prepaid <sup>(2)</sup>   | 78   | 82  | 82  | 85  | 80   | 81  | 84  | 85  |

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

<sup>(2)</sup> 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 :

|                                     | 2017  |       |       |       | 2016  |       |       |       |
|-------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|
|                                     | 1Q    | 2Q    | 3Q    | 4Q    | 1Q    | 2Q    | 3Q    | 4Q    |
| Wireless Home Broadband             | 813   | 778   | 865   | 844   | 891   | 875   | 866   | 870   |
| Fixed Line Broadband <sup>(1)</sup> | 1,168 | 1,170 | 1,182 | 1,185 | 1,162 | 1,169 | 1,171 | 1,165 |

<sup>(1)</sup> Includes Corporate Fixed Broadband

# Earnings Per Share (EPS)

| <i>(Php in millions except EPS (in Php) and Shares (in mn))</i>                | FY2017         |                | FY2016         |                |
|--|----------------|----------------|----------------|----------------|
|  | Basic          | Diluted        | Basic          | Diluted        |
| Net Income Attributable to Equity Holders of PLDT                              | 13,371         | 13,371         | 20,006         | 20,006         |
| Dividends on Preferred Shares  | (59)           | (59)           | (59)           | (59)           |
| <b>Net Income for the Period Attributable to Common Equity Holders of PLDT</b> | <b>13,312</b>  | <b>13,312</b>  | <b>19,947</b>  | <b>19,947</b>  |
| <b>Weighted Average Number of Common Shares, End</b>                           | <b>216,056</b> | <b>216,056</b> | <b>216,056</b> | <b>216,056</b> |
| <b>EPS (Based on Reported Net Income)</b>                                      | <b>61.61</b>   | <b>61.61</b>   | <b>92.33</b>   | <b>92.33</b>   |
| Core Income  | 27,668         | 27,668         | 27,857         | 27,857         |
| Dividends on Preferred Shares  | (59)           | (59)           | (59)           | (59)           |
| <b>Core Income Applicable to Common Shares</b>                                 | <b>27,609</b>  | <b>27,609</b>  | <b>27,798</b>  | <b>27,798</b>  |
| <b>Weighted Average Number of Common Shares, End</b>                           | <b>216,056</b> | <b>216,056</b> | <b>216,056</b> | <b>216,056</b> |
| <b>EPS (Based on Core Income)</b>  | <b>127.79</b>  | <b>127.79</b>  | <b>128.66</b>  | <b>128.66</b>  |

# Balance Sheet

| <i>(Php in millions)</i>                     | Consolidated        |                     |
|--|---------------------|---------------------|
|  | December 31, 2017   | December 31, 2016   |
| <b>Total Assets</b>                          | <b>459,262</b>      | <b>475,119</b>      |
| <b>Nominal Value of Total Long-Term Debt</b> | <b>173,136</b>      | <b>185,663</b>      |
| <i>in US\$</i>                               | <b>\$3,466</b>      | <b>\$3,730</b>      |
| <b>Less: Unamortized Debt Discount</b>       | <b>525</b>          | <b>631</b>          |
| <b>Total Long-Term Debt</b>                  | <b>172,611</b>      | <b>185,032</b>      |
| <b>Cash and Short-Term Investments</b>       | <b>33,979</b>       | <b>41,460</b>       |
| <b>Net Debt <sup>(1)</sup></b>               | <b>139,157</b>      | <b>144,203</b>      |
| <b>Equity</b>                                | <b>111,001</b>      | <b>108,537</b>      |
| <b>Total Debt<sup>(2)</sup>/Equity</b>       | <b><u>1.56x</u></b> | <b><u>1.71x</u></b> |
| <b>Net Debt<sup>(1)</sup>/Equity</b>         | <b><u>1.25x</u></b> | <b><u>1.33x</u></b> |
| <b>Total Debt<sup>(2)</sup>/EBITDA</b>       | <b><u>2.62x</u></b> | <b><u>3.04x</u></b> |
| <b>Net Debt <sup>(1)</sup>/EBITDA</b>        | <b><u>2.10x</u></b> | <b><u>2.36x</u></b> |

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

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

# Debt Profile

| <i>(US\$ in millions)</i>       | 2012         | 2013         | 2014         | 2015         | 2016         | 2017         |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Debt Balance                    | 2,851        | 2,353        | 2,920        | 3,429        | 3,730        | 3,466        |
| Cash and Short-Term Investments | 919          | 735          | 610          | 1,016        | 833          | 668          |
| <b>Net Debt</b>                 | <b>1,932</b> | <b>1,618</b> | <b>2,310</b> | <b>2,413</b> | <b>2,897</b> | <b>2,798</b> |

## Interest-Bearing liabilities

| <i>(US\$ in millions)</i> | December 31, 2017 |   |                | December 31, 2016 | Change         |
|---------------------------|-------------------|---|----------------|-------------------|----------------|
|                           | Carrying Value    | Unamortized Debt Discount/Debt Issuance | Face Value     | Face Value        |                |
| <b>Debt</b>               |                   |   |                |                   |                |
| PLDT                      | \$2,206           | \$6                                     | \$2,212        | \$2,212           | -              |
| Smart                     | 1,249             | 5                                       | 1,254          | 1,512             | (258)          |
| DIGITEL                   | -                 | -                                       | -              | 6                 | (6)            |
| <b>Total Debt</b>         | <b>\$3,455</b>    | <b>\$11</b>                             | <b>\$3,466</b> | <b>\$3,730</b>    | <b>(\$264)</b> |

# Foreign Exchange Risk

## Forex Impact on Core Income

| Forex sensitivity for every P1 change<br>(in US\$ millions) | Conso - net of Elim |
|---|---------------------|
| <b>US\$ Revenues*</b>                                       | <b>477.7</b>        |
| <b>US\$ Expenses</b>  | <b>(238.9)</b>      |
| Cash Opex*  | (181.6)             |
| Cost of Sales and Services                                  | (26.2)              |
| Financing Costs   | (31.1)              |
| US\$ Income before tax                                      | <b>238.8</b>        |
| Tax effect  | 71.6                |
| <b>Core Earnings</b>  | <b>167.2</b>        |
| <b>EBITDA</b>   | <b>269.9</b>        |
|   | 54.1                |
|   | 10,583.4            |

\* Gross of interconnection costs amounting to:  
Local exchange revenues (in million Php)

## Forex Impact of B/S Revaluation

| Forex sensitivity for every P1 change on B/S<br>Revaluation (in US\$ millions) | Conso         |
|--|---------------|
| Debt (net of LT hedges & ST Forwards/options)                                  | 530.0         |
| Accounts Payable (net of ST Forwards/options)                                  | 211.6         |
| Accrued Liabilities  | 167.2         |
| Derivative Liabilities   | 3.0           |
| Other Current & Non Current Liabilities  | 0.2           |
| <b>Total US\$ denominated Liabilities</b>                                      | <b>912.0</b>  |
| Cash and Cash Equivalents  | 440.1         |
| Short-term Investments   | 1.5           |
| Trade and other receivables  | 218.1         |
| Derivative Assets  | 7.7           |
| Investment in Debt Securities, Advances & Others                               | 2.2           |
| <b>Total US\$ denominated Assets</b>   | <b>669.6</b>  |
| <b>Forex Revaluation for every P1 change</b>                                   | <b>±242.4</b> |

**Forex rate, FY 2017**  
**Forex rate, FY 2016**  
*% of Peso depreciation vs US\$*

**Ave.**  
**50.41**  
**47.48**  
**6.2%**

**Period End**  
**49.96**  
**49.77**  
**0.4%**

*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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