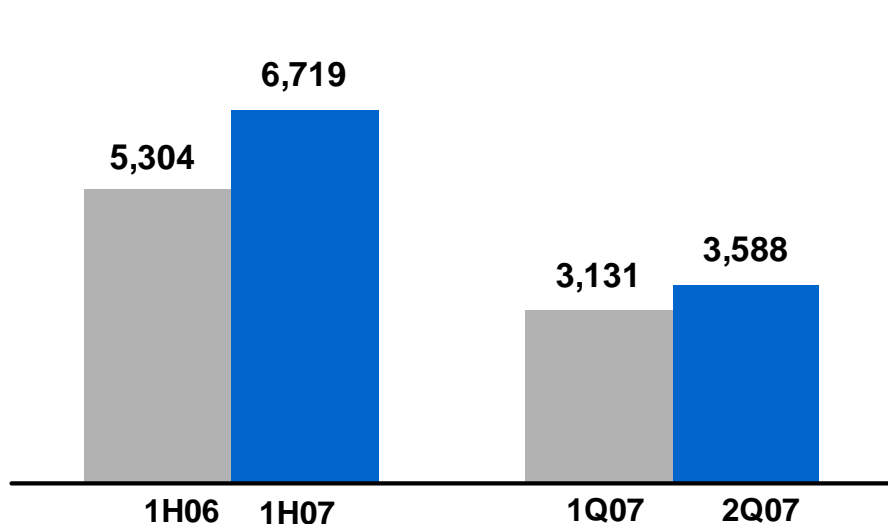


PILTEL

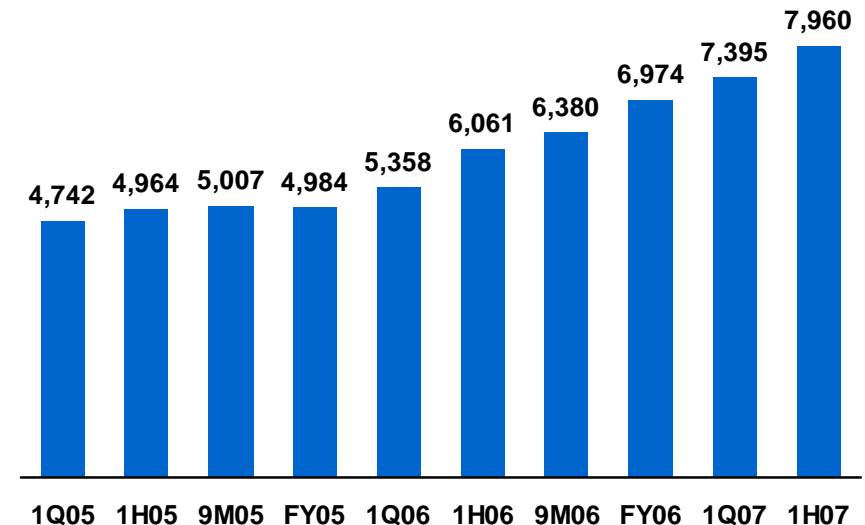
Sustained Subscriber Growth

- Piltel's subscriber base has grown to over 8 million.
- Net additions of 985,000 for first half of 2007
- Cellular net service revenues improved 27% to P6.7 billion in first half of 2007 compared with P5.3 billion in same period in 2006
- 2Q07 net service revenues up 15% quarter-on quarter

Cellular Net Service Revenues (PMM)



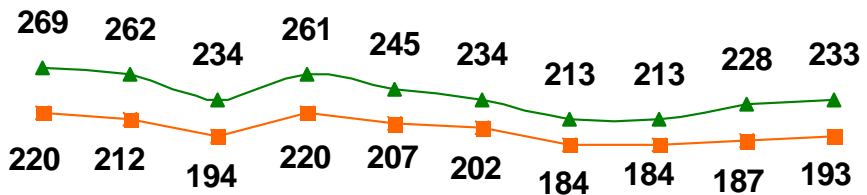
Subscriber Base ('000)



Balancing SAC and ARPU

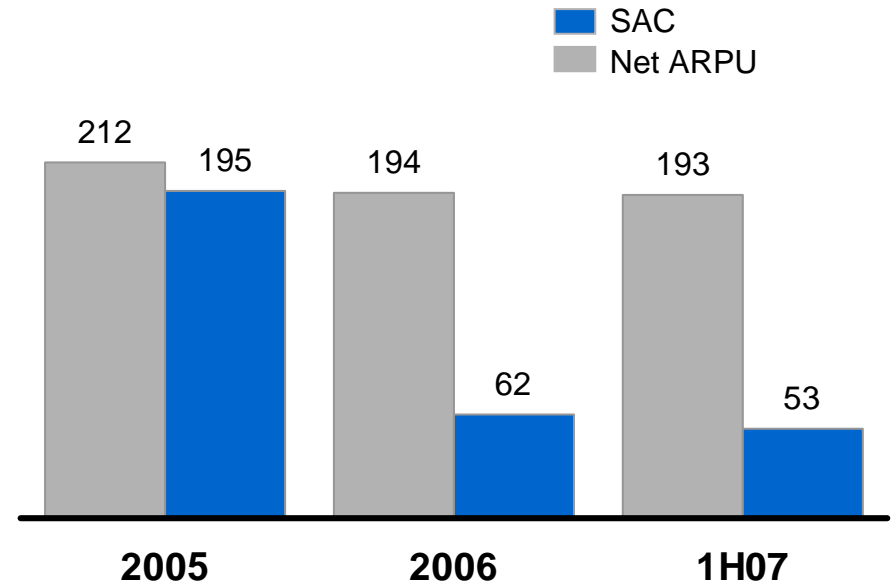
- Piltel's prepaid net ARPU was at P193 in 1H07, 6% lower y-o-y due to lower outbound voice usage per subscriber
- Prepaid net ARPU was up significantly in 2Q07 due to election activity
- Prepaid SAC was down to P53 in 1H07, or approximately half of net prepaid ARPU

Prepaid ARPU (Pesos)



1Q05 2Q05 3Q05 4Q05 1Q06 2Q06 3Q06 4Q06 1Q07 2Q07

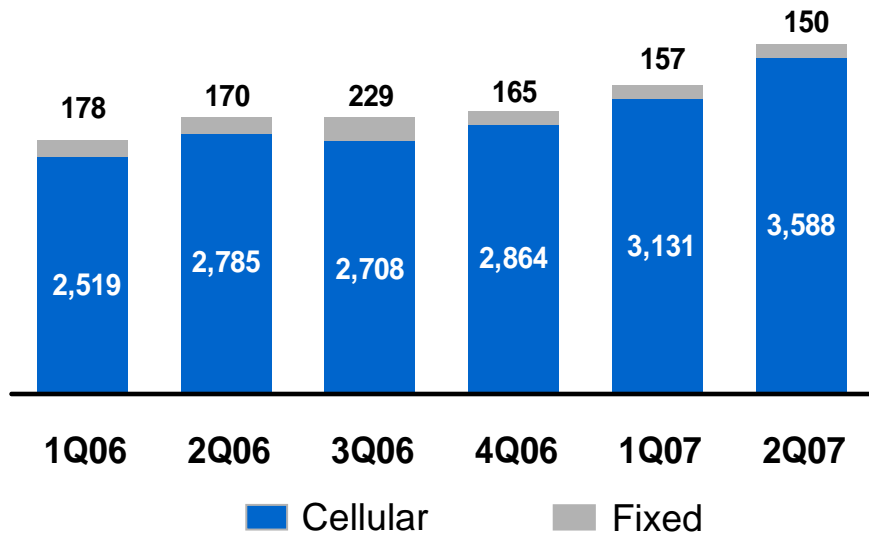
ARPU (Net) and SACs (Pesos)



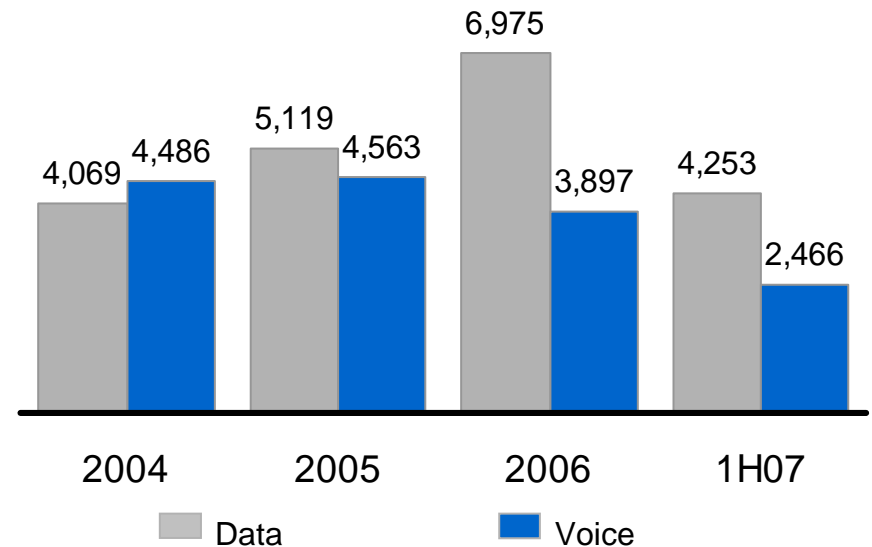
Revenue Breakdown

- Piltel's 1H07 cellular revenues were up 27% year-on-year
- Fixed line revenues were down 12%
- Data revenues contributed 63% to cellular service revenues in 1H07 compared to 53% in 2005

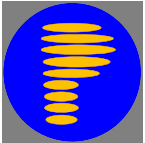
Cellular vs Fixed (Million Pesos)



Data vs Voice (Million Pesos)



Financials



Profit And Loss

Profit & Loss (In million Php)	Six Months ended June 30,			
	2007	2006	Variance	% Change
REVENUES				
Service	7,025	5,651	1,374	24%
Non-Service	398	230	168	73%
Other Income	233	215	17	8%
	<u>7,656</u>	<u>6,096</u>	<u>1,559</u>	<u>26%</u>
EXPENSES				
Cash Operating Expenses	598	428	(170)	-40%
Cost of Sales	447	262	(185)	-71%
Non-Cash Operating Expenses	1,450	279	(1,171)	-420%
Financing Gain	(192)	2,182	2,374	109%
	<u>2,303</u>	<u>3,150</u>	<u>847</u>	<u>27%</u>
INCOME BEFORE INCOME TAX	<u>5,353</u>	<u>2,946</u>	<u>2,407</u>	<u>82%</u>
PROVISION FOR INCOME TAX				
Current	-	133	133	100%
Deferred	1,797	(1,694)	(3,491)	-206%
TOTAL PROVISION FOR INCOME TAX	<u>1,797</u>	<u>(1,562)</u>	<u>(3,358)</u>	<u>-215%</u>
NET INCOME FOR THE PERIOD	<u>3,556</u>	<u>4,508</u>	<u>(952)</u>	<u>-21%</u>
CORE EARNINGS *	<u>4,211</u>	<u>3,185</u>	<u>1,026</u>	<u>32%</u>
NET OPERATING INCOME	4,928	4,913	15	0%
EBITDA (Operating Income + Depreciation)	6,362	5,162	1,200	23%
EBITDA MARGIN	91%	91%		
EARNINGS PER SHARE	0.28	0.36	(0.08)	-22%

Core vs Reported Earnings

Profit & Loss (In million Php)	Six Months ended June 30,			
	2007	2006	Variance	% Change
* <u>CORE EARNINGS is computed as follows:</u>				
Net Income	3,556	4,508	(952)	-21%
Add (Deduct):				
Foreign Exchange Losses (Gains)	(10)	251	(261)	-104%
Discount Amortization on Debts Prepaid	-	1,691	(1,691)	-100%
Additional Depreciation	1,099	-	1,099	100%
Tax effect	(433)	(680)	247	36%
Movement in Deferred Tax Assets	(1)	(2,585)	2,583	100%
CORE EARNINGS	4,212	3,185	(1,558)	-49%
CORE EARNINGS EPS	0.34	0.25	0.09	35%

Balance Sheet

<i>(In million Php)</i>	As of		Variance	% Change
	30-Jun-07	31-Dec-06		
Current Assets	13,618	7,608	6,010	79%
Non-current Assets	6,265	9,398	(3,133)	-33%
Total Assets	19,883	17,006	2,877	17%
Current Liabilities	1,556	2,034	(478)	-24%
Non-current Liabilities	201	402	(201)	-50%
Total Liabilities	1,757	2,436	(679)	-28%
Equity				
Preferred stock	24	24	-	
Common stock	11,772	11,772	-	
Additional paid-in capital	2,801	25,051	(22,250)	-89%
Retained earnings	3,565	(22,241)	25,806	116%
Cost of treasury stock held	(36)	(36)	-	
Total Equity	18,126	14,570	3,556	24%
Total Liabilities and Stockholders' Equity	19,883	17,006	2,877	17%

Cash Flow

Cashflows (In million Php)	Six Months ended June 30,		
	2007	2006	Inc/(Dec)
Cash Flows from Operations			
Net Income Before Tax	5,353	2,946	2,407
Adjustments to net income:			
Non-Cash Charges	1,455	272	1,183
Financing Cost (Gain)	(193)	2,181	(2,374)
Changes in Working Capital	736	5,401	(4,665)
Total	7,351	10,801	(3,450)
Cash Flows from Investing Activities			
Property and Equipment, net of disposal	(104)	(69)	(34)
Interest received	56	48	7
Additions to short-term investment	(7,473)	-	(7,473)
Total	(7,521)	(21)	(7,500)
Cash Flow from Financing Activities			
Payments of debt and interest	(49)	(10,043)	9,994
Effect of exchange rate changes on cash	4	(1)	5
Cash Surplus/(Deficit)	(215)	736	(951)
Cash, beginning	557	344	212
Cash, end	342	1,080	(739)

Dividends to Preferreds

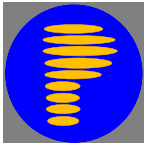
On 6th August 2007, Piltel's Board of Directors approved the declaration of dividends to holders of Piltel's Class I preferred shares, as follows:

	Preferred Shares Series (par value ₱2)				Total
	A*	C	D	J	
Dividends in Arrears	₱1,246,000	₱10,457,680	₱150,000	₱2,589,338,700	₱2,601,192,380
Current Dividends	-	-	-	145,064,520	145,064,520
Total Dividends	₱1,246,000	₱10,457,680	₱150,000	₱2,734,403,220	₱2,746,256,900
No. of shares	1,914,430	5,228,840	75,000	4,927,093	12,145,363
Dividend rate	₱124,600 per annum	10% per annum on par value	10% per annum on par value	₱90 per annum per share	
Holder	City of Baguio	around 5,780 under the Subscriber Investment Plan	City of Olongapo	PLDT	
Dividends in arrears	1997 to 2006	1997 to 2006	1997 to 2006	issue date until anniv date in 2006 for all shares; and anniv date in 2006 until anniv date in 2007 for shares with anniv date before August 20	
Record date	August 20, 2007	August 20, 2007	August 20, 2007	August 20, 2007	
Payment date	will be offset against telephone bills of the City Government	September 17, 2007	September 17, 2007	September 3, 2007	
Current dividends	None	None	None	anniv date in 2006 until anniv date in 2007 for shares with anniv date after August 20	
Record date				August 20, 2007	
Payment date				September 3, 2007	

**Piltel and the City of Baguio have agreed to offset cumulative dividends on the Series A preferred shares against the City Government's telephone bills.*

Summary

- At the meeting held on 6th August 2007, Pitel's Board of Directors declared dividends on its Series A, C, D and J preferred shares
 - Dividends will cover both current and those in arrears.
 - The record date has been set on 20th August 2007.
 - Payment will be made on 3rd September for Series J and 17th September for Series C and D.
 - Payments will total P2.60 billion relating to the dividends in arrears and another P145 million relating to current dividends.
- Series J constitutes the largest series of Class I preferred shares. These shares were issued to PLDT in relation to the Letter of Support executed by PLDT under the terms of Pitel's original debt restructuring. These shares carry an effective dividend rate of 9% per annum.
- All of these Class I preferred shares are redeemable at Pitel's option.
- Ultimately, Pitel will seek to restore dividends to its common shareholders.





Thank You

