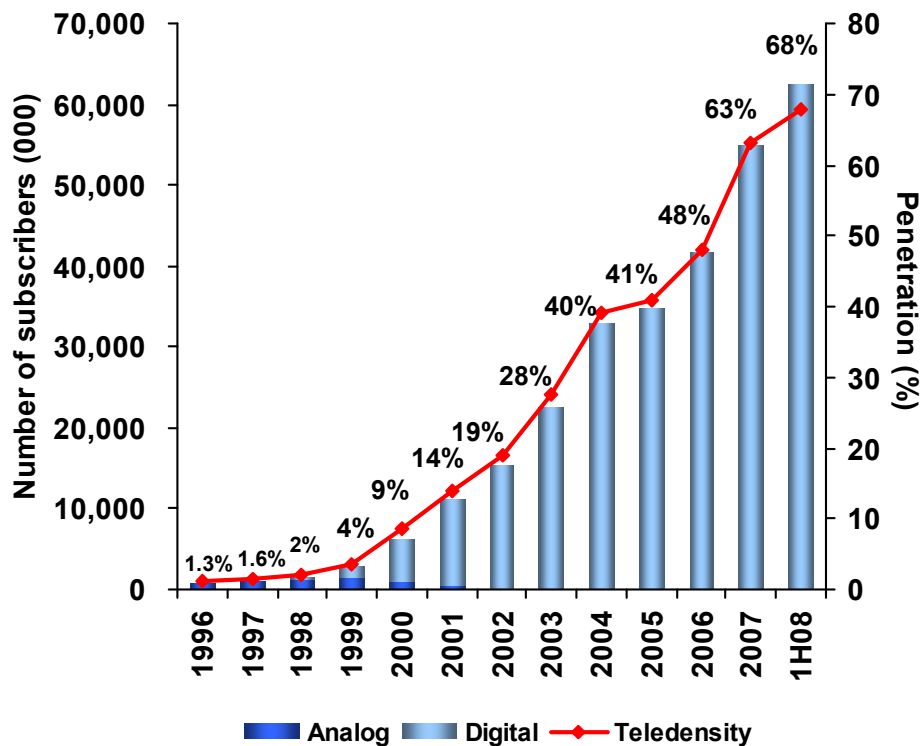


PILTEL

Philippine Mobile Telecommunications Industry

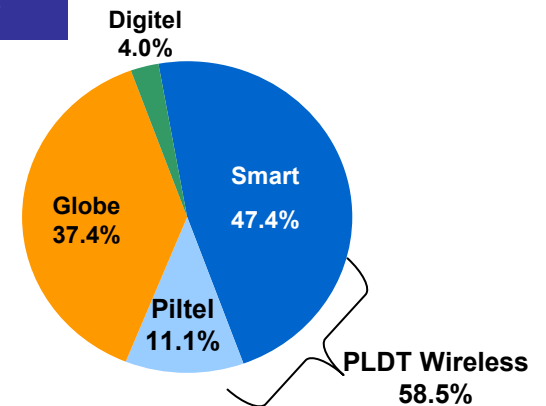
Cellular penetration



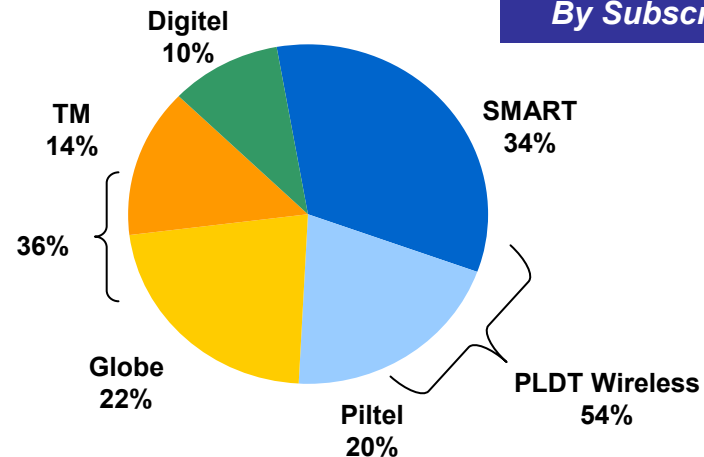
**62.5 million subscribers
as of 1H08**

Market Share

By Revenues



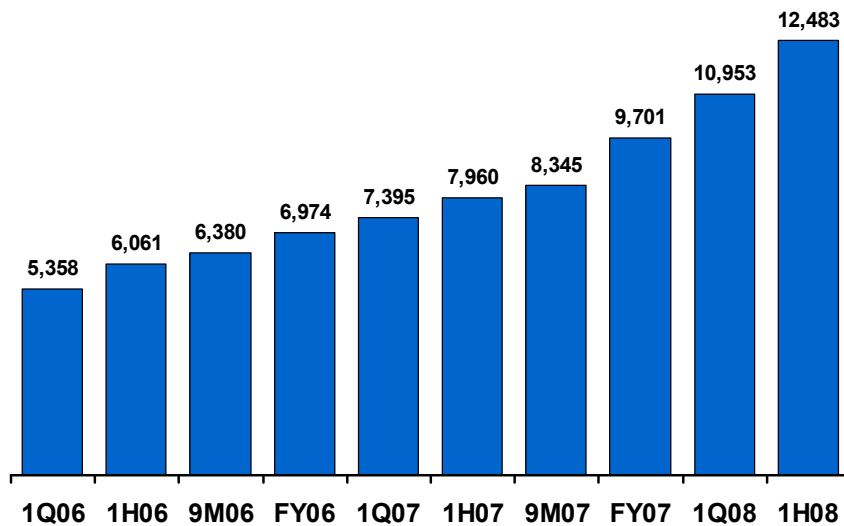
By Subscribers



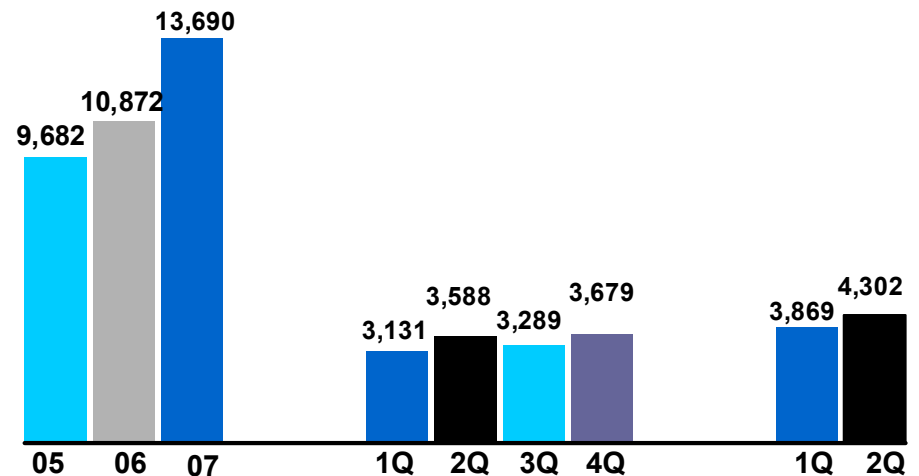
Sustaining Growth

- Piltel's subscriber base has grown to about 12.5 million.
- Industry-leading net additions of 2.8 million subscribers for first half of 2008
- Cellular net service revenues improved 22% to P8.2 billion in 1H08 compared with P6.7 billion in 2007
- 2Q08 net service revenues up 11% quarter-on-quarter and 20% vs election-boosted 2Q07

Subscriber Base ('000)

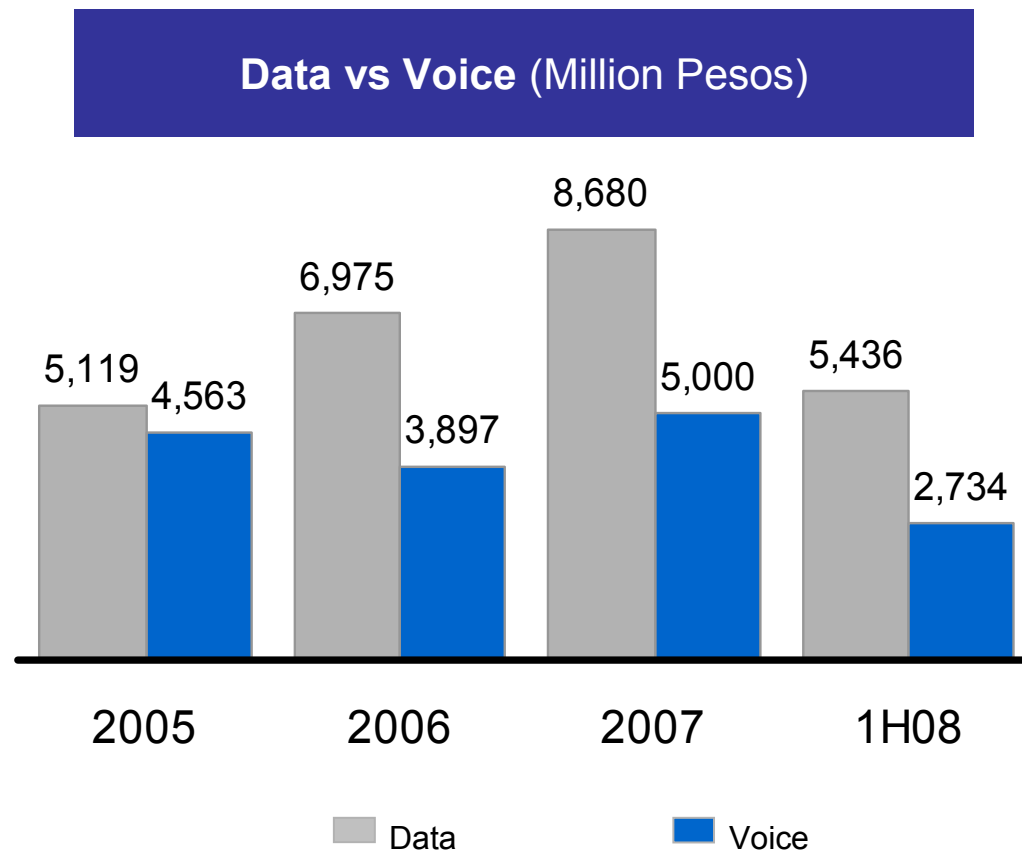


Net Service Revenues (Million Pesos)



Revenue Breakdown

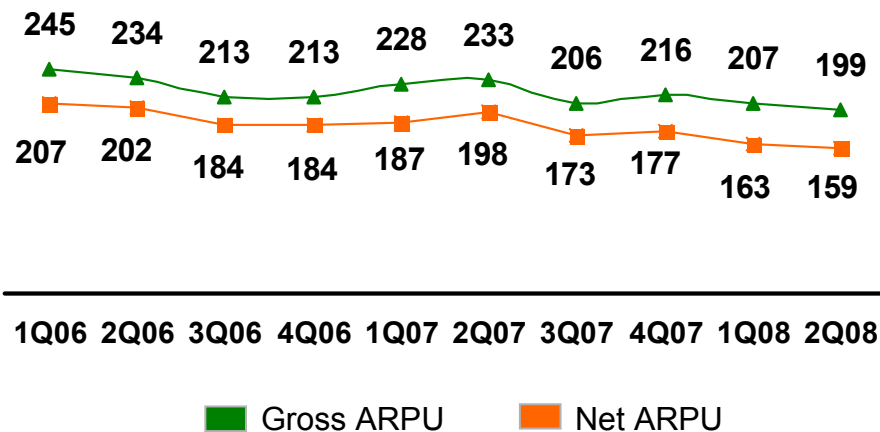
- Piltel's 1H08 cellular services revenues were up 22% year-on-year
 - Data revenues +28%
 - Voice revenues +11%
- Data revenues contributed 67% to cellular service revenues in 2007



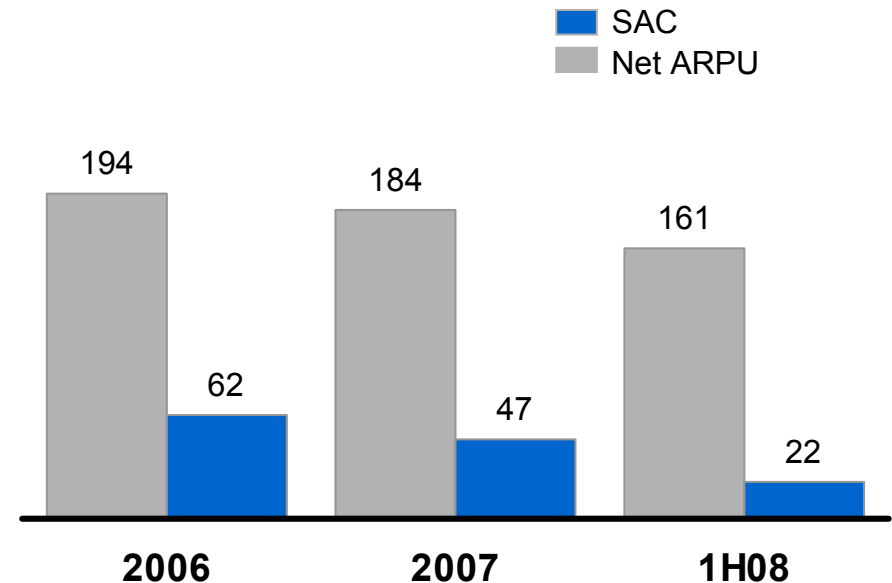
Managing the Balance

- Piltel's prepaid net ARPU was at P161 in 1H08, 17% lower year-on-year due to lower outbound voice and VAS usage per subscriber
- Prepaid SAC was down to P22 for 1H08, which is recovered in four days

Prepaid ARPU (Pesos)



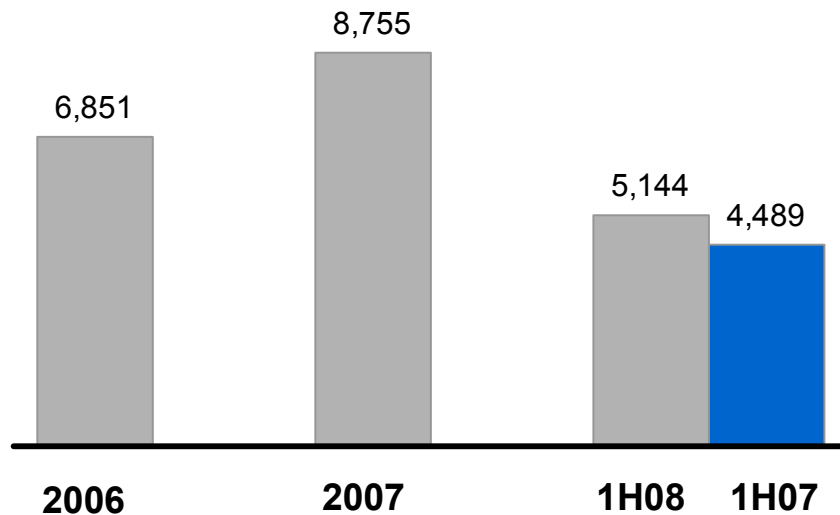
ARPU (Net) and SACs (Pesos)



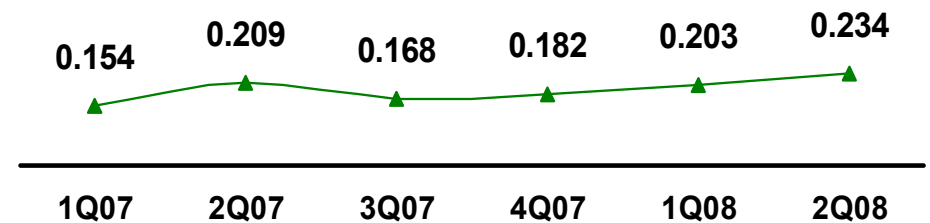
Core Earnings

- Core earnings grew 28% from 2006 to 2007 and are on track to continue this double digit growth
- Core EPS also grew 12% year-on-year

Core Earnings (Million Pesos)

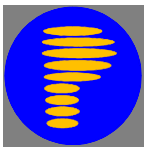


Core EPS (Pesos)





Financials



Profit And Loss

Profit & Loss (In PhP millions)	2008		Year-To-Date June 30			
	1Q	2Q	2008	2007	Variance	%
REVENUES						
Service	3,869	4,302	8,171	6,719	1,452	22%
Interest Income	154	189	343	186	157	84%
Non-Service	71	91	162	398	(236)	-59%
Other Income	102	100	202	242	(40)	-16%
	<u>4,196</u>	<u>4,682</u>	<u>8,878</u>	<u>7,545</u>	<u>1,333</u>	<u>18%</u>
EXPENSES						
Cash Operating Expenses	320	267	587	502	(85)	-17%
Cost of Sales	109	125	234	447	213	48%
Non-Cash Operating Expenses	100	126	226	303	77	25%
	<u>529</u>	<u>518</u>	<u>1,047</u>	<u>1,252</u>	<u>205</u>	<u>16%</u>
INCOME BEFORE INCOME TAX	<u>3,667</u>	<u>4,164</u>	<u>7,831</u>	<u>6,294</u>	<u>1,538</u>	<u>24%</u>
PROVISION FOR INCOME TAX	<u>1,276</u>	<u>1,413</u>	<u>2,689</u>	<u>1,797</u>	<u>(892)</u>	<u>-50%</u>
NET INCOME FROM CONTINUING OPERATIONS	<u>2,391</u>	<u>2,752</u>	<u>5,143</u>	<u>4,497</u>	<u>646</u>	<u>14%</u>
NET INCOME FROM DISCONTINUED OPERATIONS	<u>67</u>	<u>(5)</u>	<u>62</u>	<u>(941)</u>	<u>1,003</u>	<u>107%</u>
	<u>2,458</u>	<u>2,747</u>	<u>5,205</u>	<u>3,556</u>	<u>1,648</u>	<u>46%</u>
Net Income for the period	2,458	2,747	5,205	3,556	1,648	46%
Add (Deduct):						
Foreign Exchange Losses (Gains), net of tax	1	1	1	(7)	8	121%
Net Income (Loss) from Discontinued Operations, net of tax	(44)	3	(40)	611	(652)	107%
Movement in Deferred Tax Assets	-	-	-	(1)	1	100%
CORE EARNINGS	<u>2,415</u>	<u>2,751</u>	<u>5,166</u>	<u>4,159</u>	<u>1,006</u>	<u>24%</u>
EARNINGS PER SHARE						
CORE EPS	0.2087	0.2333	0.4421	0.2832	0.1589	56%
	0.2051	0.2337	0.4388	0.3344	0.1043	31%
NET OPERATING INCOME	<u>3,413</u>	<u>3,877</u>	<u>7,290</u>	<u>5,859</u>	<u>1,431</u>	<u>24%</u>
EBITDA (Operating Income + Depreciation)	<u>3,513</u>	<u>3,989</u>	<u>7,502</u>	<u>6,161</u>	<u>1,341</u>	<u>22%</u>
EBITDA MARGIN (EBITDA ÷ Service Revenues)	91%	93%	92%	92%		

Balance Sheet

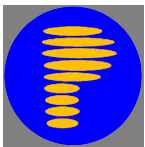
<i>(In million Php)</i>	As of		Variance	% Change
	30-Jun-08	31-Dec-07		
Current Assets	20,302	12,557	7,745	62%
Noncurrent Assets	2,888	3,470	(582)	-17%
Fixed line assets held for sale		803	(803)	-100%
Total Assets	23,190	16,830	7,163	43%
Current Liabilities	2,986	2,034	952	47%
Noncurrent Liabilities	1	1	0	0%
Total Liabilities	2,987	2,035	952	47%
Equity				
Preferred stock	14	14	-	0%
Common stock	11,772	11,772	-	0%
Additional paid-in capital	2,801	2,801	-	0%
Retained earnings	5,652	447	5,205	109%
Cost of treasury stock held	(36)	(36)	-	0%
Total Equity	20,202	14,998	5,205	35%
Total Liabilities and Stockholders' Equity	23,190	16,830	6,360	38%

Cash Flow

Cash Flows (In PhP millions)	Year-To-Date June 30			
	2008	2007	Variance	%
CASH FLOWS FROM OPERATIONS				
Net income before tax	7,893	5,353	2,540	47%
Adjustments to net income:				
Interest income	(343)	(186)	(157)	-84%
Non-cash charges	248	1,450	(1,201)	-83%
Others	(6)	(2)	(4)	-224%
Changes in assets and liabilities	(745)	773	(1,518)	-196%
Income taxes paid	(234)	(36)	(198)	-546%
Total	6,814	7,351	(537)	-7%
CASH FLOWS FROM INVESTING ACTIVITIES				
Net additions to (disposal of) property and equipment	3	(104)	106	103%
Interest received	137	56	81	146%
Purchase of investment in debt securities	(538)	-	(538)	-100%
Additions to short-term investments	(1,030)	(7,473)	6,443	86%
Total	(1,429)	(7,521)	6,092	81%
CASH FLOWS FROM FINANCING ACTIVITIES				
Payments of:				
Long-term debt	-	(45)	45	100%
Interest	-	(5)	5	100%
Dividends	(1)	-	(1)	-100%
Total	(1)	(49)	48	98%
Effect of exchange rate changes on cash	-	4	(4)	-100%
CASH SURPLUS (DEFICIT)	5,384	(215)	5,599	2607%
CASH, BEGINNING	606	557	49	9%
CASH, END	5,990	342	5,648	1651%
<i>Short-Term Investments</i>	<i>6,585</i>	<i>5,555</i>		
<i>Investment in Debt Securities</i>	<i>538</i>	<i>-</i>		



Other Matters



Interim Dividend Declaration

Cash Dividends to be Declared

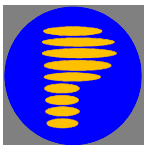
Dividends Per Share	PhP0.43
Total amount of dividends	PhP5,060,988,798
Declaration Date	August 5, 2008
Record Date	August 15, 2008
Payment Date	September 12, 2008

	<u>Smart</u>	<u>Minority</u>	<u>Total</u>
Total issued and outstanding common shares	10,839,931,820	929,809,570	11,769,741,390
Dividend payout	PhP4,661,170,683	PhP399,818,115	PhP5,060,988,798

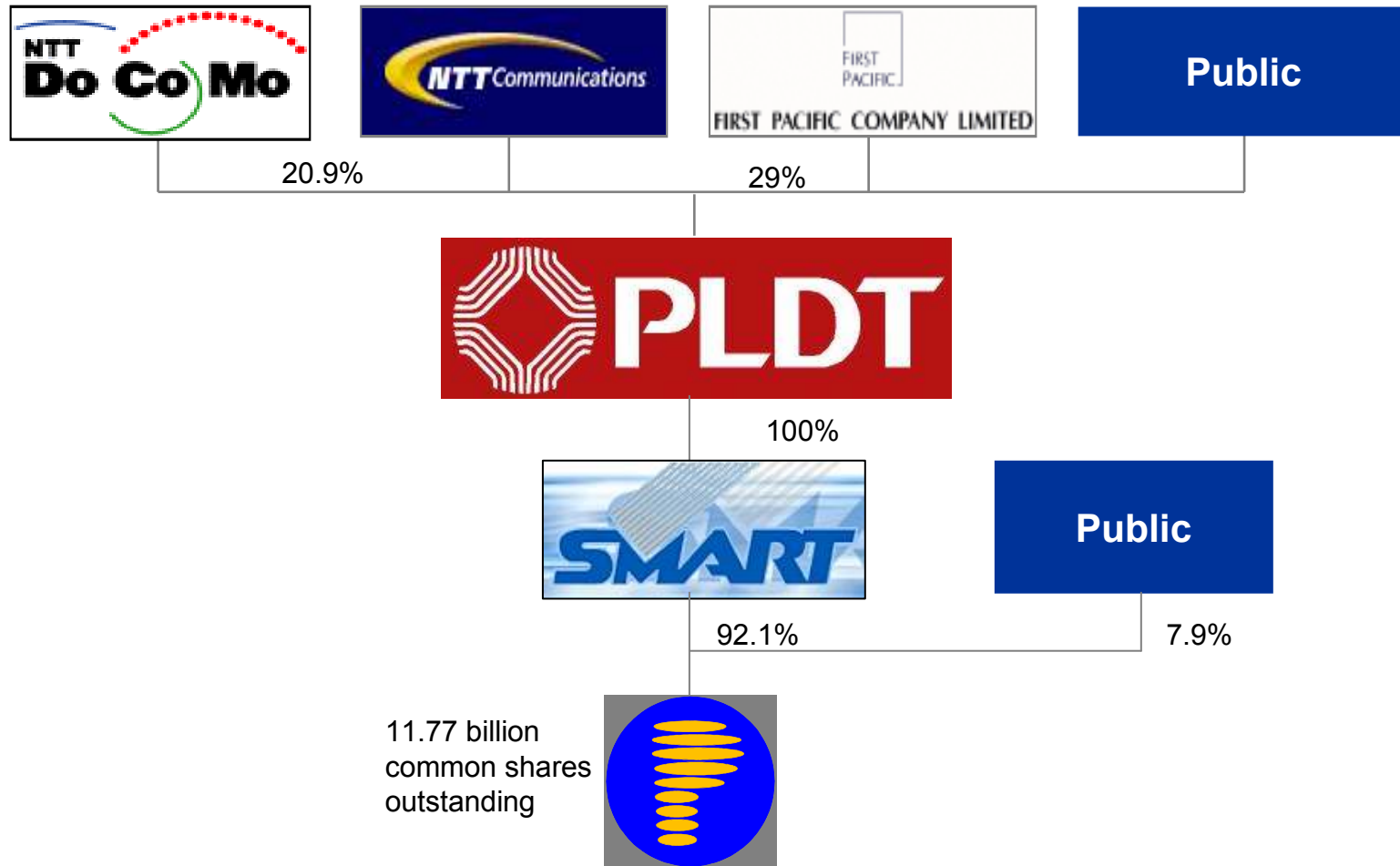
- Based on 1H08 earnings and a 100% payout ratio.
- Total dividend payout will be P5.06 billion, of which P4.66 billion will be paid to Smart and P400 million to minority shareholders.



Appendix



Ownership Structure





Thank You

