



Globe Telecom, Inc.

SingTel Regional Mobile Investor Day
December 1, 2010



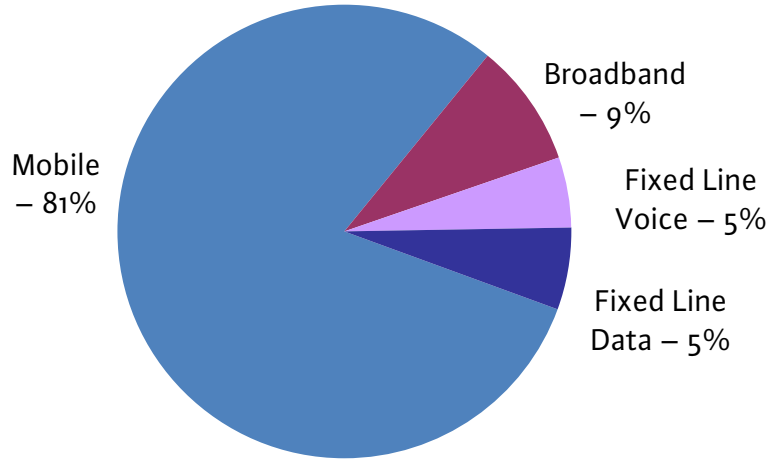
GlobeTM

Discussion Outline

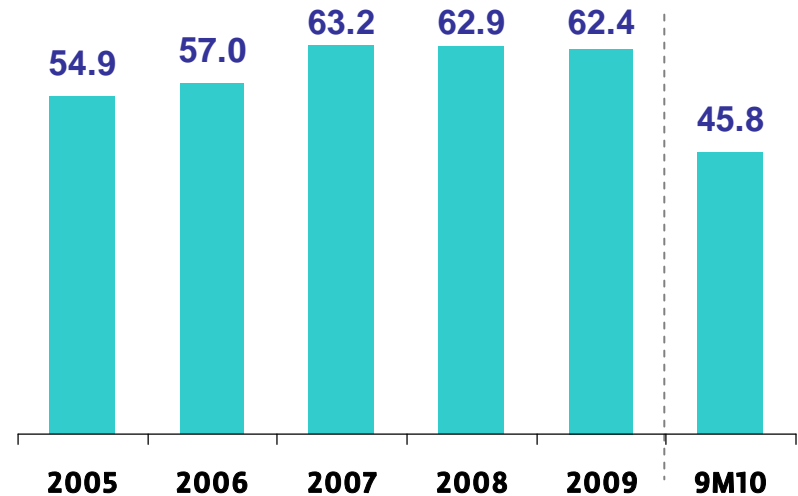
- ❑ About Globe Telecom
- ❑ Macro-economic Backdrop and Philippine Telecom Industry
- ❑ The past twelve months, and the next 12, in a nutshell . . .
- ❑ 3Q 2010 Operating and Financial Results

Globe Telecom, Inc. (GLO)

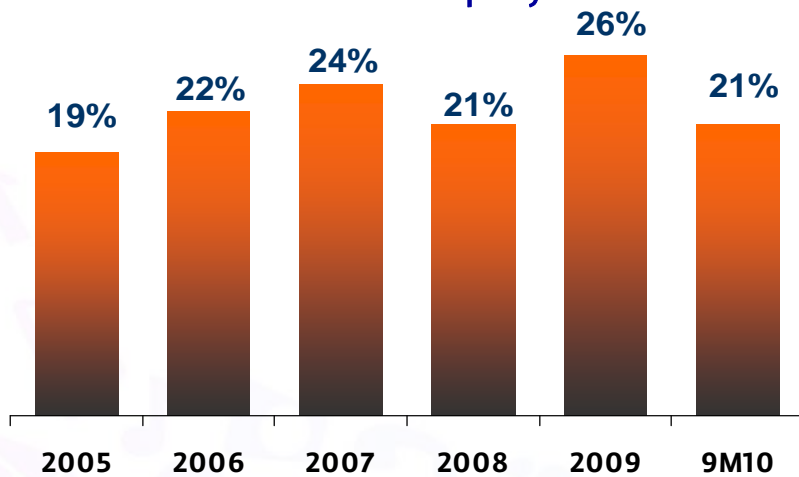
Service Revenue Profile – 9M10



Consolidated Service Revenues (in Php Bn)

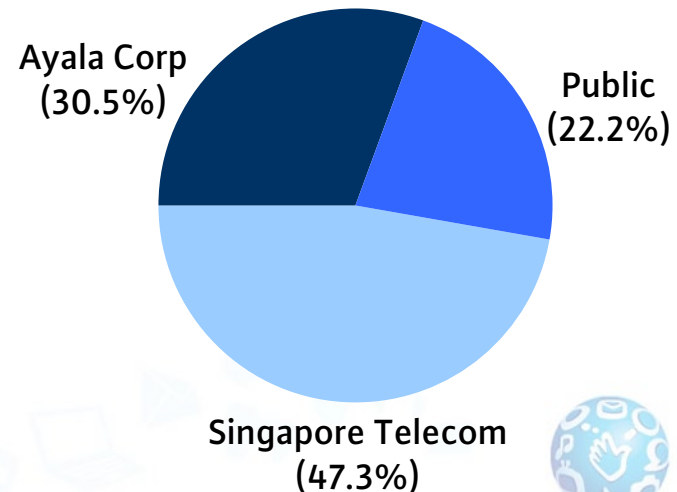


Return on Equity



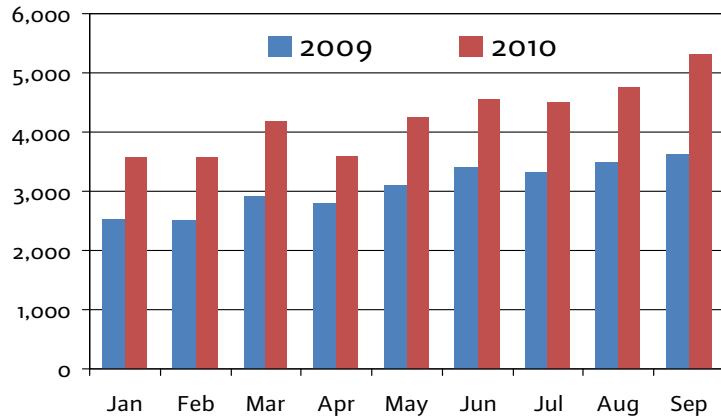
Note: 9M10 based on annualized net income

% Ownership – Common Shares

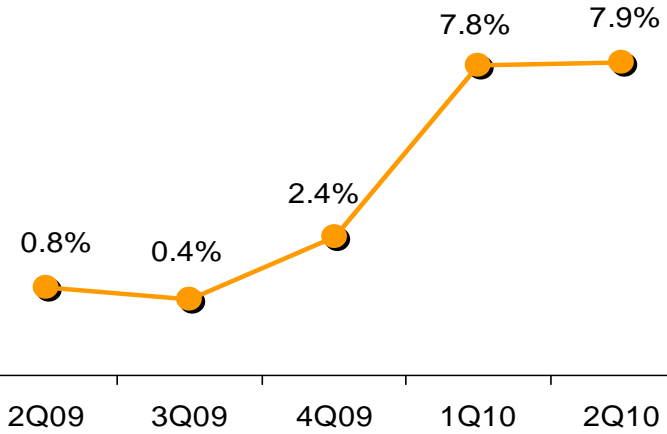


Macro-Economic Backdrop: Consumers and businesses are more upbeat, providing support to strong domestic demand and export recovery

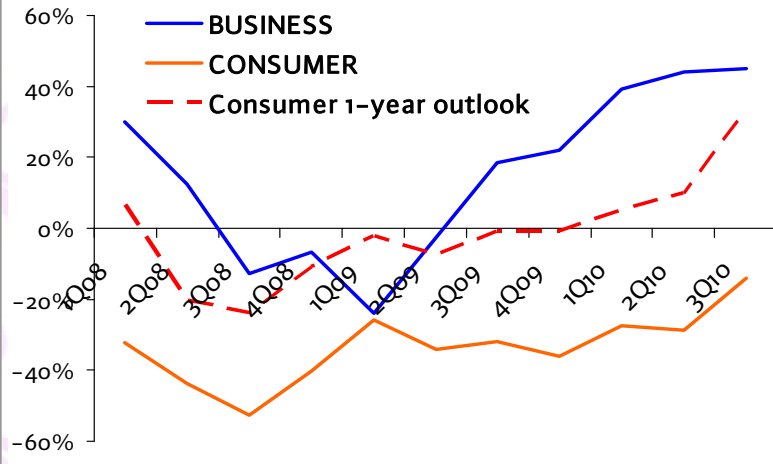
Exports in USD Mn



GDP Growth



Confidence Indices



- Consumer sentiment improved to a record high in 3Q10 with sound macroeconomic fundamentals, brighter economic prospects and expectations of good governance
- With about 70% of GDP fueled by consumer spending, the record high confidence index boosted expectations of a more robust economy moving forward
- S&P recently raised the country's foreign currency sovereign credit rating from BB- to BB and maintained its stable outlook, citing the country's strong external liquidity profile, growth prospects and improving debt ratios

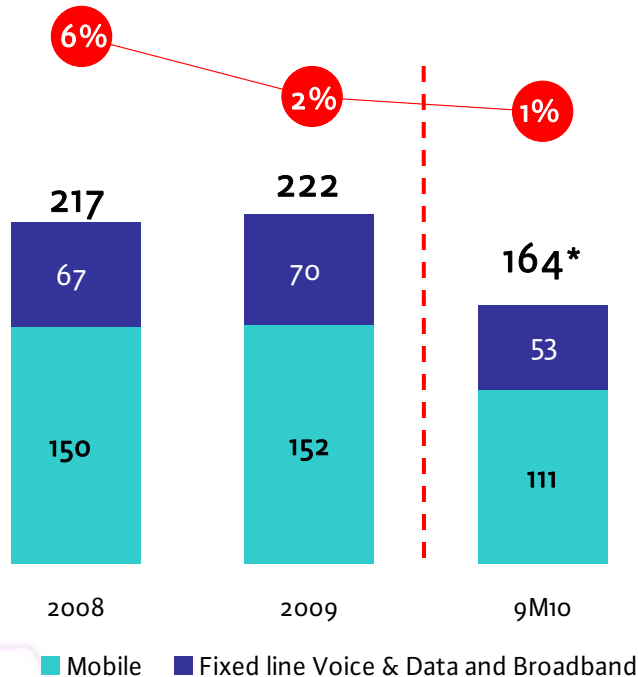
Source: BSP, NSO



Philippine Telco Industry: An Overview

Telco Industry Revenues & YoY Growth Rate

In Php Bn



Note: Based on estimated Bayantel revenues

Key Players & Subscriber Share as of 9M 2010*

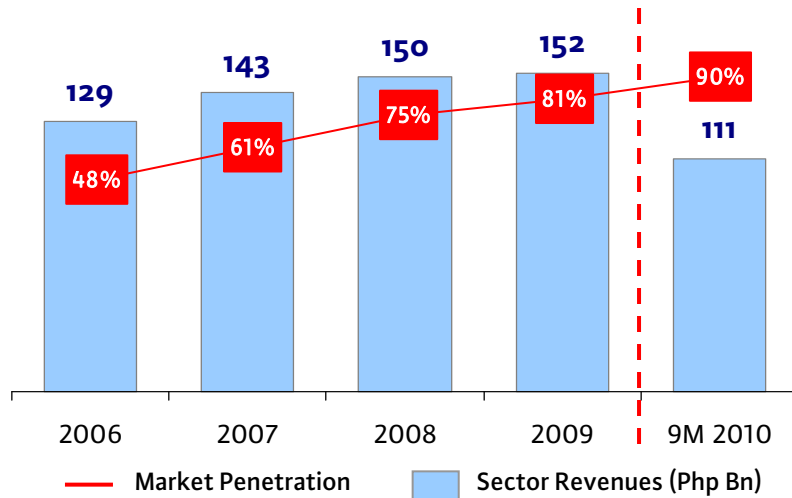
| | Key Shareholders | Mobile | Fixed line | Broadband |
|----------------------|---------------------------|--------|------------|-----------|
| Smart/PLDT | First Pacific, NTT Docomo | 52% | 59% | 57% |
| Globe | SingTel, Ayala Corp | 30% | 15% | 29% |
| Sun Cellular/Digitel | Gokongwei Group | 18% | 13% | 10% |
| Bayantel | Lopez Group | n/a | 13% | 4% |

* Based on estimates for Sun, Digitel and Bayantel



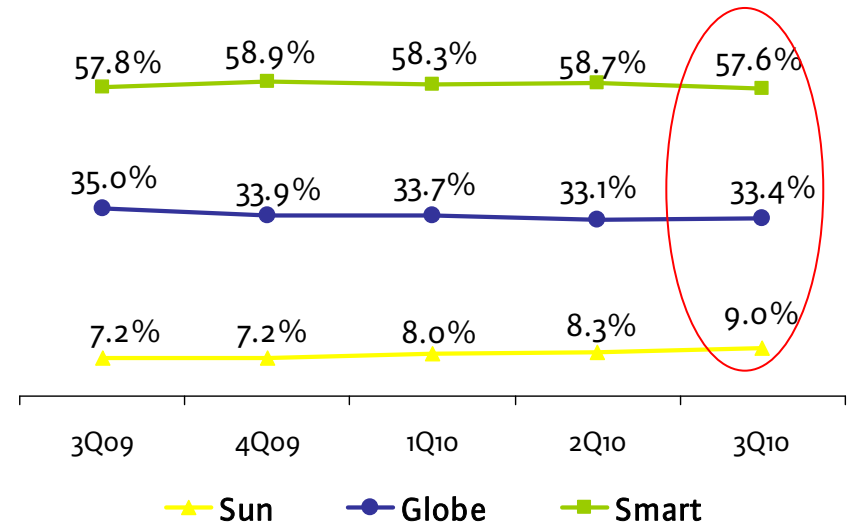
Mobile Sector: Revenues remain below last year despite rising traffic. For Globe, revenue gap vs. LY is improving with rise in market share in 3Q10

Sector Revenues and Market Penetration



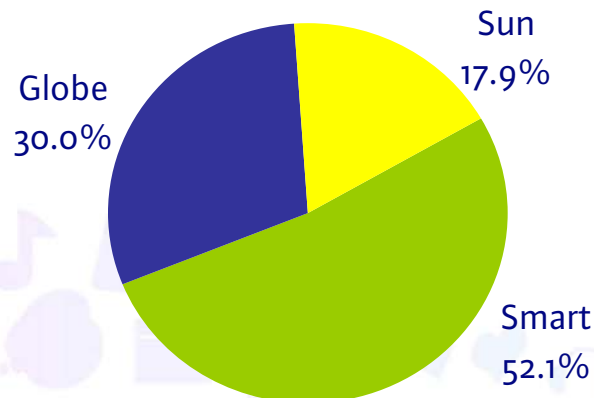
* Net of bill rebates

Revenue Market Share in %



Note: Sun revenues includes wireless broadband revenues. Globe revenues are net of rebates and include DUO/SuperDuo revenues.

Subscriber Share as of 9M 2010

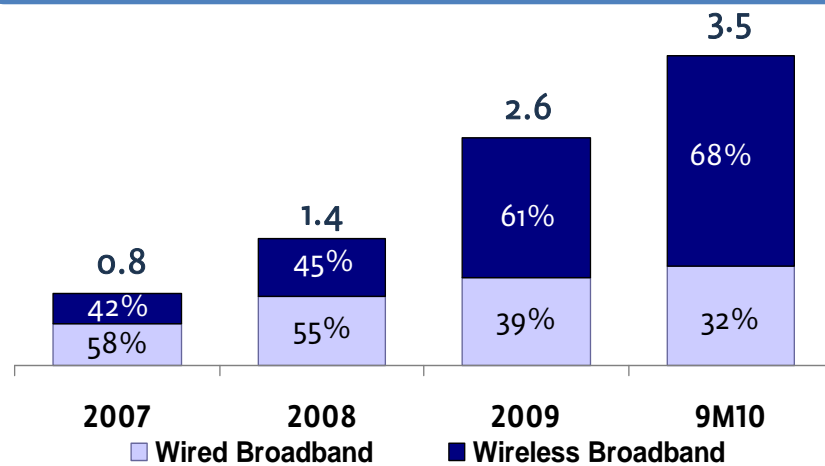


- 9M 2010 industry revenues down 2% YoY even while domestic SMS and voice traffic up 24% and 119%
- Revenues weighed down by intense competition, subscribers' shift towards lower-yield unlimited and bucket offers, and strong peso



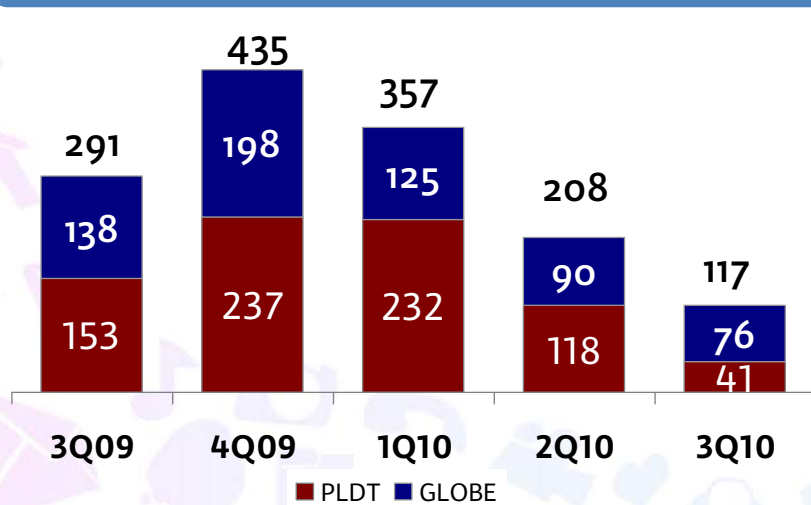
Broadband Sector: Growth momentum sustained despite slower net adds, following industry-wide price-ups in wireless prepaid kits in 2Q

Broadband Subscribers* (Mn)

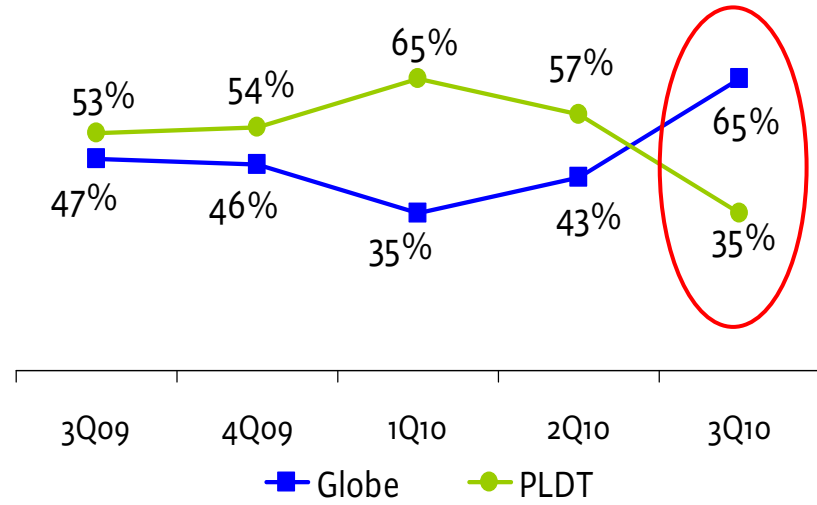


* Based on estimates for Sun, Digitel and Bayantel

Broadband Net Adds (in '000)



Broadband Net Adds Market Share in %



- Globe's broadband subscribers breached the 1 million level in 3Q10
- Globe share of net adds (2-player market) rose to 65% in 3Q10. Subscriber share now at 29% from 25% in 3Q09



The past twelve months, and the next 12, in a nutshell ...

| Total Industry | | |
|------------------------------------|--|---|
| Industry Performance | <ul style="list-style-type: none"> Domestic mobile traffic up but revenues down with proliferation of unlimited offers International revenues affected by lower inbound traffic and a strong peso Broadband still growing – Unique subscriptions estimated at 16% of addressable households Fourth entrant gearing up with initial foray into broadband segment | |
| The past 12 months | | The next 12 months |
| Our competitive performance | <ul style="list-style-type: none"> Revenue market share up in 3Q and key metrics improving (churn, net adds, top-ups) Broadband – Still gaining ground versus incumbent, ARPUs stabilizing Sustained growth for Globe Business with SME growing MoM, Corporate gaining greater share of client spend, and Enterprise continues to be strong across mobile and wireline data products | <ul style="list-style-type: none"> Protect and recover mobile revenue market share Use postpaid to attack high-end prepaid Sustain broadband growth and bring business to eventual profitability Continue growth momentum of corporate data business |
| The past 12 months | | The next 12 months |
| Our game plan | <ul style="list-style-type: none"> Strengthened position in postpaid segment with new, customized plans Addressed multi-SIMming with all-network bucket SMS and unlimited intra-network voice and SMS daily offers Introduced loyalty plans for subscribers and retailers Across all businesses, established a more aggressive, sales-driven organization, driven by solutions, and fueled by customer insight Improved time-to-market; strengthened CRM to enable targeted offers Maximized network assets with fair-use policy, voice GOS (grade of service) differentiation | <ul style="list-style-type: none"> Revitalize Globe Prepaid through aggressive “all-network” call & text offers, and IDD services Improve customer experience, rationalize costs to deliver broadband service Across all businesses, keep introducing new services to foster innovation perception while continuing to sell core products and services Keep growing the enterprise pipeline and taking wallet share of corporate segments Transform cost structures – more outsourcing, continuous review of new business models Continue to build an organization focused on customer experience |

9M10 Performance Highlights

Subscribers

- Mobile SIM base of 25.4Mn, with 781k net adds this quarter. 3Q 2010 postpaid net adds at seven-year high
- Broadband subscribers surpass the one million mark, up 95% and 8% YoY and QoQ, respectively

Revenues

- Consolidated 9M10 service revenues of Php45.8 Bn, down 2% YoY
- Continuing growth in broadband and wireline data revenues partially offset decline in mobile revenues

Earnings

- 9M10 net income of Php 7.4Bn down 24% YoY, vs 6M10 gap of 30%
- Consolidated EBITDA margin at 54% from 59% last year due to the increasing share of lower-margin businesses to overall revenues

Financial Position

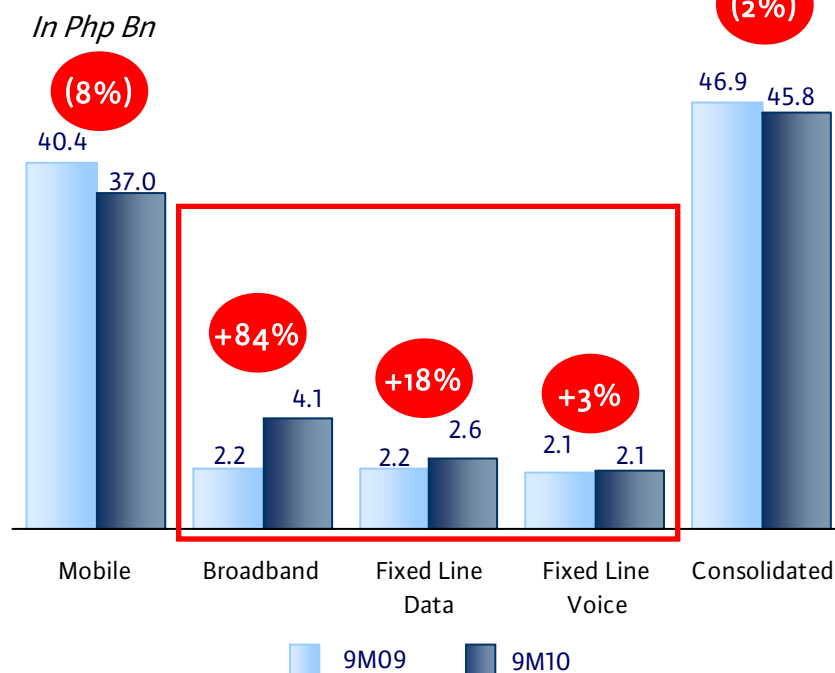
- Globe's balance sheet remain strong with good liquidity; gearing ratio still within optimum level of 1.1



9M10 results indicate improving trends vs. 1H10 performance

| <i>In Php Bn</i> | 9M10 | YoY Change | 6M10 vs 6Mo9 |
|------------------|------|------------|--------------|
| Service Revenues | 45.8 | (2%) | (3%) |
| EBITDA | 24.8 | (10%) | (11%) |
| Net Income | 7.4 | (24%) | (30%) |
| Core Net Income | 7.1 | (24%) | (25%) |

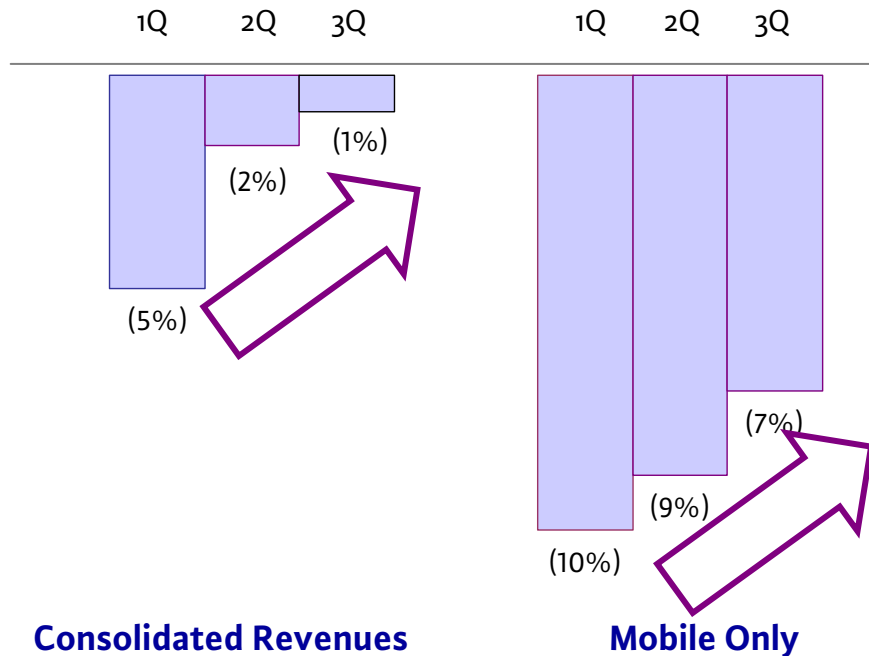
Revenues per Segment



- 3Q10 revenues down 3% compared to 2Q10, while net income up 13% with higher foreign exchange gains from revaluation of USD debt
- Strong peso also negatively affecting USD-linked revenues which comprise 28% of total – Estimated negative impact of Php580Mn on revenues and Php490Mn on EBITDA. On a constant forex basis, consolidated revenues down 1% YoY instead of 2%, while EBITDA would have been down 8% instead of 10%

Mobile revenue gap vs. LY is improving, with sustained growth in postpaid revenues and improving prepaid trends

**Service Revenues by Quarter :
% Gap vs Same Period LY**



Mobile Revenues by Brand

In Php Mn

| Mobile | 9M10 | YoY Change | 6M10 vs 6Mo9 |
|--------------|--------|------------|--------------|
| Postpaid | 10,126 | 7% | 7% |
| Prepaid | 26,845 | (13%) | (14%) |
| Total Mobile | 36,971 | (8%) | (9%) |

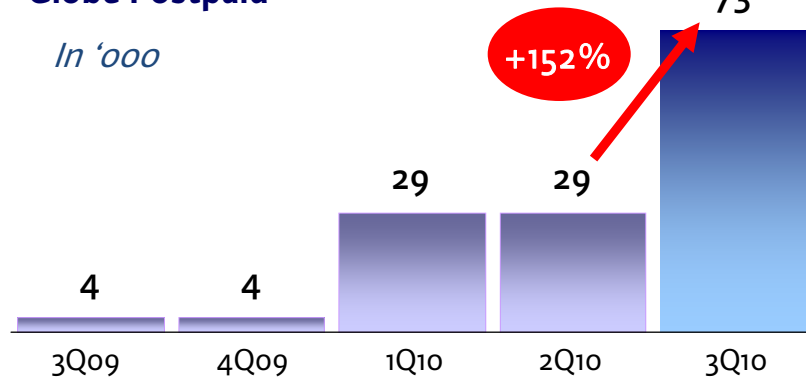
- 9M10 domestic SMS and voice traffic up, but yields lower with shift towards bucket, unlimited offers

Positive subscriber momentum with four consecutive quarters of growth; 3Q10 postpaid net adds at 7-year high

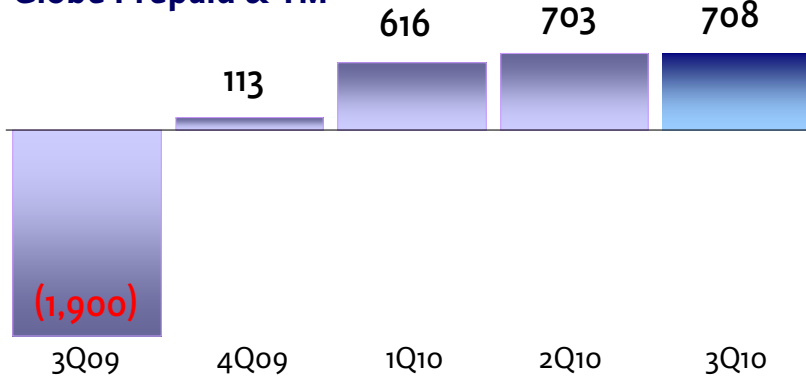
Net Additions by Brand

Globe Postpaid

In '000

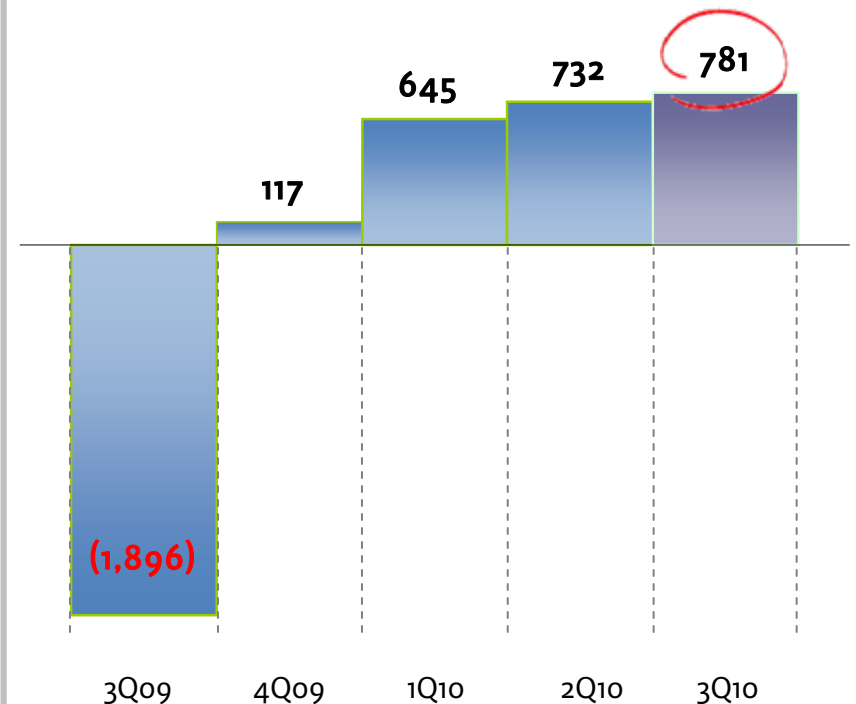


Globe Prepaid & TM

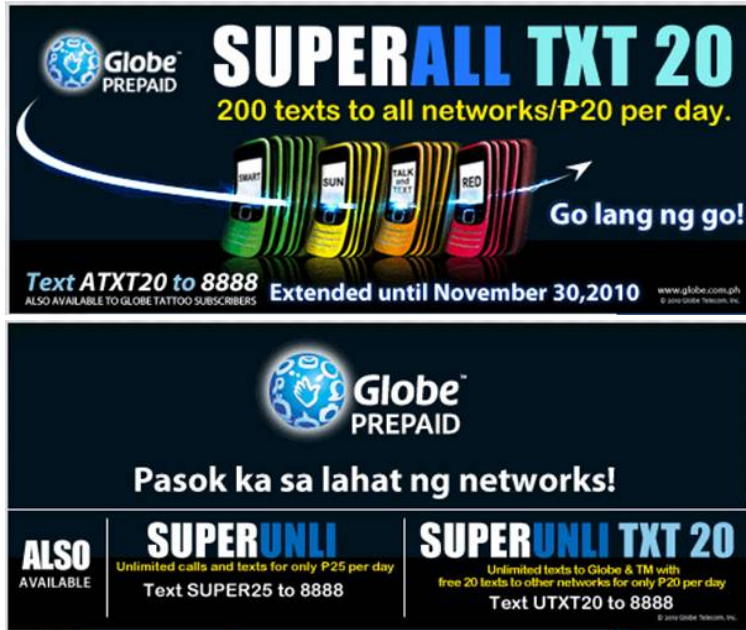


Total Net SIM Additions

In '000



... driven by attractive all-network offers, personalized postpaid plans, and exclusive iPhone deals



Globe PREPAID

SUPERALL TXT 20

200 texts to all networks/P20 per day.

Go lang ng go!

Text ATXT20 to 8888 Extended until November 30, 2010

ALSO AVAILABLE TO GLOBE TATTOO SUBSCRIBERS

Globe PREPAID

Pasok ka sa lahat ng networks!

ALSO AVAILABLE

SUPERUNLI
Unlimited calls and texts for only P25 per day
Text SUPER25 to 8888

SUPERUNLI TXT 20
Unlimited texts to Globe & TM with free 20 texts to other networks for only P20 per day
Text UTX20 to 8888

- Introduced *SuperAll/Txt 20* last August which enables subscribers to send 200 SMS messages to all networks for Php 20 a day
- TM's *UnliCombo* service allows unlimited intra-network text and unlimited on-net calls from 10pm to 5pm the following day

- Strong take-up for new postpaid offerings *My Super Plan* and *My Fully Loaded Plan*
- First-in-market postpaid plans which allows subscribers to customize their plans and choose the services that are relevant to them



Globe my SUPERPLAN

PICK AND MIX THE PLANS THAT SUIT YOU BEST.
✓ Choose and pay only for the services you need!

| 1 | 2 | 3 | 4 | 5 |
|---|--|--|--|---|
| SuperUNLI Call Mobile & Text ALLYOU CAN P599 a month | DUO Call landline ALLYOU CAN P450 a month | SuperDUO Call Mobile landline ALLYOU CAN P599 a month | SuperTXT Text ALLYOU CAN P349 a month | SuperSURF Surf ALLYOU CAN P1,200 a month |

CREATE YOUR OWN mySUPER Plan now!

COMBO SuperUNLI DUO COMBO SuperTXT SuperDUO COMBO SuperTXT SuperSURF

Choose ALL-YOU-CAN services that are right for you.

✓ Change your plan as often as monthly!
✓ Enjoy Globe ALL-YOU-CAN services for as low as P349/month

3 easy ways to change your mySUPER Plan

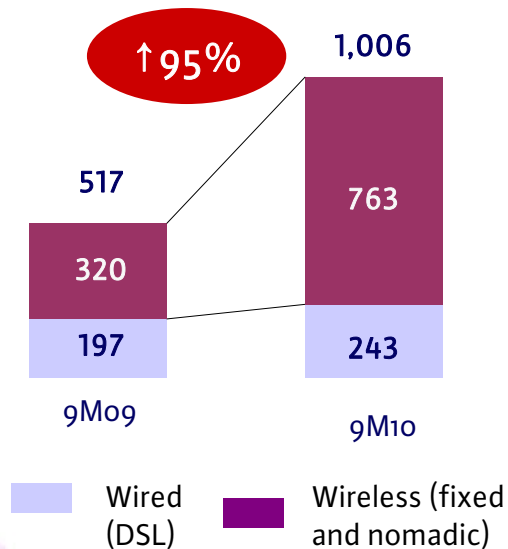
- Visit the nearest Globe Store
- Call Hotline (02) 730-1000
- Register via SMS

- Apple iPhone 4 introduced to the Phils last September – Globe's biggest iPhone launch ever
- Company held online reservations four weeks prior to the launch, with demand outstripping initial supply of units

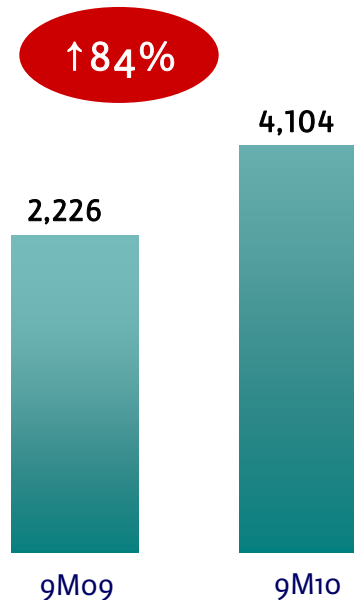


Sustained double-digit growth for broadband, with subscriber base surpassing the 1 million mark

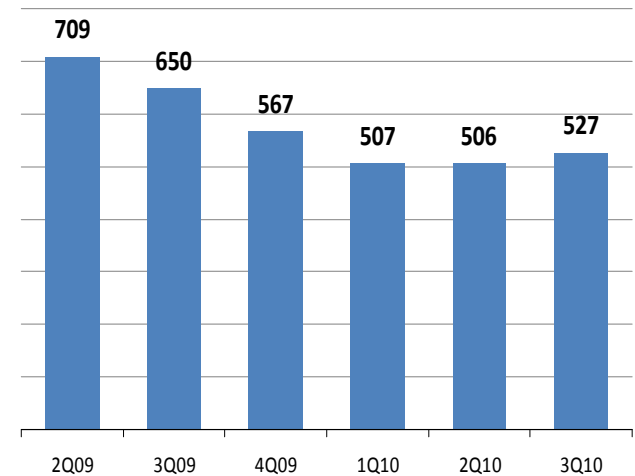
Cumulative Subscribers ('000)



Revenues (Php Mn)



Blended ARPUs



- ARPUs across all technologies and services (fixed, at-home and nomadic) stabilizing

Globe's strategic imperatives for 2011 in the face of current/emerging market and technology trends

Grab market share

- Revitalize Prepaid Business
- Attack with Postpaid
- Be the Preferred Enabler of Business

Exploit emerging opportunities

- Lead in Mobile Data
- Take hold of emerging opportunities
 - o Grow new business (e.g., content plays, M2M)

Get into fighting form

- Be a Customer-Focused, High-Performing Organization
- Transform cost structure
- Scale up Broadband to Profitability

Mobile market saturation: SIM penetration above 90%, with unique ownership incidence flat in the last 3 years

Unlimited offers proliferate in the market resulting in declining yields

Mobile data consumption is increasing with the spread of fast, cheaper, anywhere connectivity, spurring consumer demand and competition among telcos

3G handsets gaining critical mass with more affordable options available to lower segments

Machine-to-machine applications continue to be recognized as potential source of growth

Increasing number of cheaper/free alternatives to communicate (internet and VoIP)



Financial Performance



Consolidated Financial Highlights

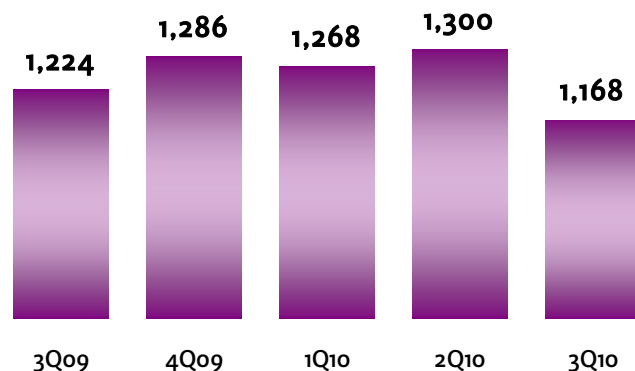
| In Php Mn | 9M10 | 9Mo9 | YoY Change | | 3Q10 | 2Q10 | QoQ Change |
|-----------------------|--------|--------|------------|--|--------|--------|------------|
| Service Revenues | 45,815 | 46,895 | (2%) | | 15,084 | 15,500 | (3%) |
| OPEX & Subsidy | 21,026 | 19,330 | 9% | | 7,272 | 7,174 | 1% |
| EBITDA | 24,789 | 27,565 | (10%) | | 7,812 | 8,326 | (6%) |
| EBITDA Margin | 54% | 59% | | | 52% | 54% | |
| EBIT | 11,539 | 14,914 | (23%) | | 3,228 | 3,898 | (17%) |
| Non-Operating Charges | (837) | (827) | 1% | | 213 | (830) | (126%) |
| NIAT | 7,448 | 9,854 | (24%) | | 2,392 | 2,109 | 13% |
| Core NIAT* | 7,131 | 9,408 | (24%) | | 1,946 | 2,391 | (19%) |

- 2009 reported NIAT includes one-off gain from equipment exchange transaction
- Core NIAT excludes forex, mark-to-market gains and losses, and non-recurring items

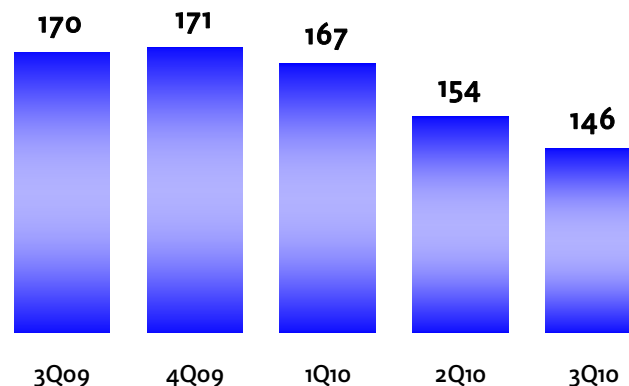


ARPUs lower following seasonal trends and market shift towards value offers. Total postpaid revenues higher despite lower ARPUs. Blended acquisition costs remain recoverable within a month.

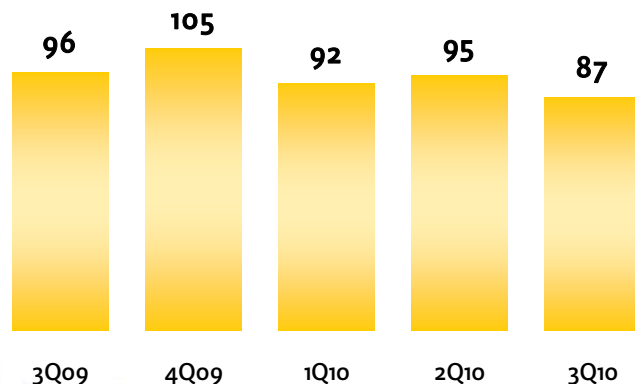
GLOBE POSTPAID



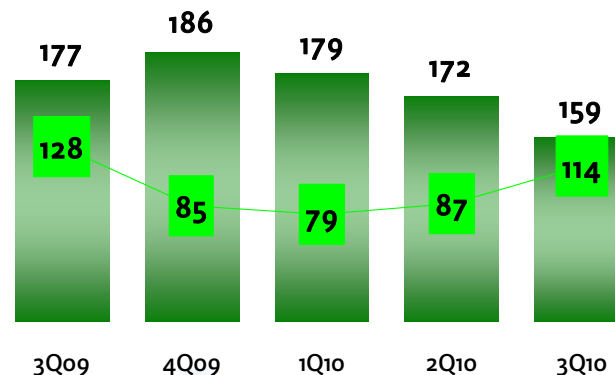
GLOBE PREPAID



TM



BLENDED



Net ARPU SAC



Globe

Operating Expenses & Subsidy

| In Php Mn | 9M10 | 9M09 | YoY Change | | 3Q10 | 2Q10 | QoQ Change |
|-----------------------------------|---------------|---------------|------------|--|---------------|---------------|------------|
| Subsidy & Marketing | 3,848 | 3,822 | 1% | | 1,499 | 1,375 | 9% |
| Staff Costs | 3,808 | 3,868 | (2%) | | 1,075 | 1,396 | (23%) |
| Utilities, Supplies & Other Admin | 2,415 | 1,931 | 25% | | 891 | 799 | 12% |
| Rent | 2,047 | 2,554 | (20%) | | 737 | 595 | 24% |
| Repairs & Maintenance | 2,360 | 1,880 | 26% | | 829 | 789 | 5% |
| Provision & Others | 1,116 | 515 | 117% | | 415 | 337 | 23% |
| Services & Others | 5,432 | 4,760 | 14% | | 1,826 | 1,883 | (3%) |
| OPEX & Subsidy | 21,026 | 19,330 | 9% | | 7,272 | 7,174 | 1% |
| Depreciation & Amortization | 13,250 | 12,651 | 5% | | 4,584 | 4,428 | 4% |
| Total | 34,276 | 31,981 | 7% | | 11,856 | 11,602 | 2% |

Marketing & Subsidy
as % of sales

8%

8%

10%

9%

Subsidy & Marketing – QoQ increase in subsidy due to higher handset issuances

Staff Costs – lower QoQ due to lower performance-based pay

Utilities – Higher electricity consumption from new sites, coupled with rate increase in early 2010

Rent – Lower YoY due to termination of temporary leases following FOBn2 completion

Repairs & Maintenance – Higher YoY due to increased maintenance of expanded broadband and mobile networks

Provisions – Higher YoY due to more stringent provisioning policy. 2009 charges also include reversal of previously provisioned accounts

Services & Others – Up YoY due to higher costs for outsourced call centers, line installations on higher broadband acquisitions, professional & advisory services

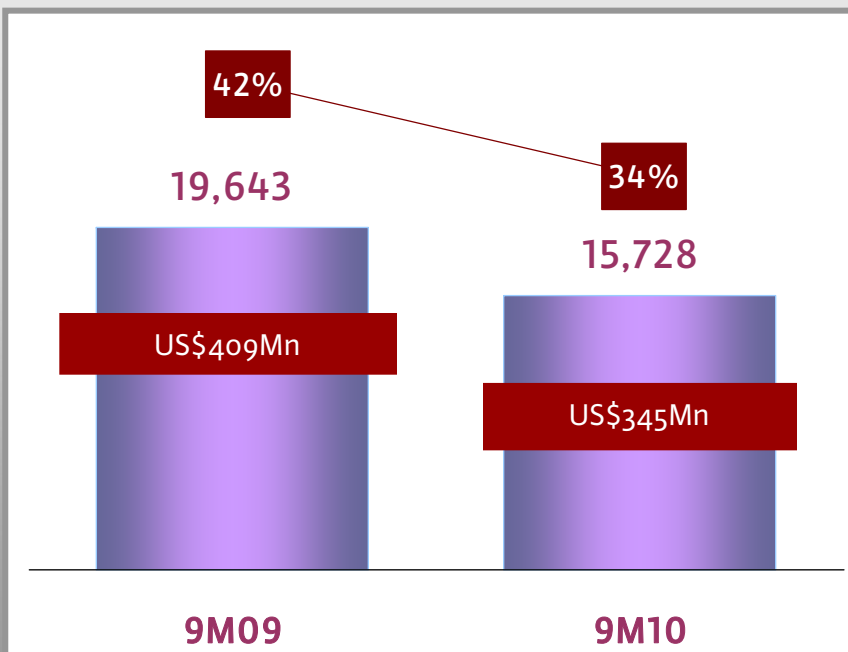


Balance sheet remains strong with gearing levels within targets

**Key Balance Sheet and
Cash Flow Metrics (Php Mn)**

| | 9M10 | 9M09 | % |
|-------------------------|--------|--------|-------|
| Cash & Cash Equivalents | 5,293 | 7,094 | (25%) |
| Gross Debt | 51,728 | 44,246 | 17% |
| Debt to EBITDA | 1.57 | 1.20 | |
| Gross Debt to Equity | 1.16 | 0.86 | |
| Net Debt to Equity | 1.04 | 0.72 | |

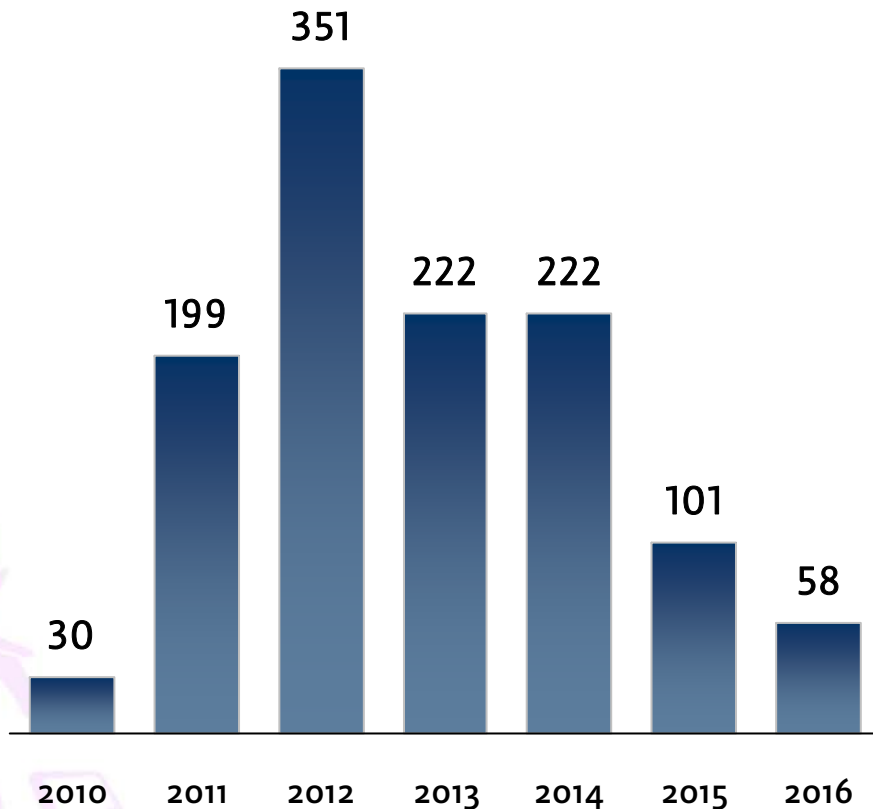
**Capex (Php Mn) and
Capex to Revenue Ratio**



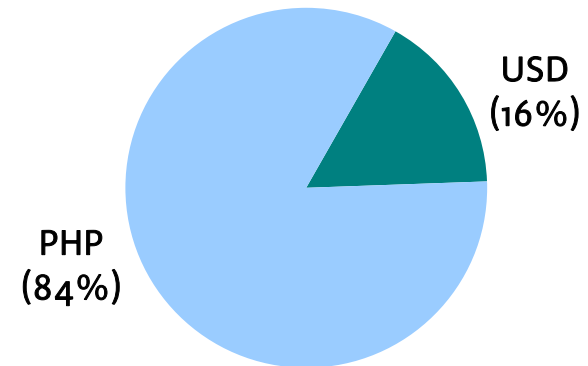
- YTD capex at Php15.7Bn with Php7.6Bn (48% of total) for broadband capacities and Php6.5Bn (41% of total) for mobile telephony business

Debt profile remains conservative, with well spread out maturities and less sensitivity to forex movements

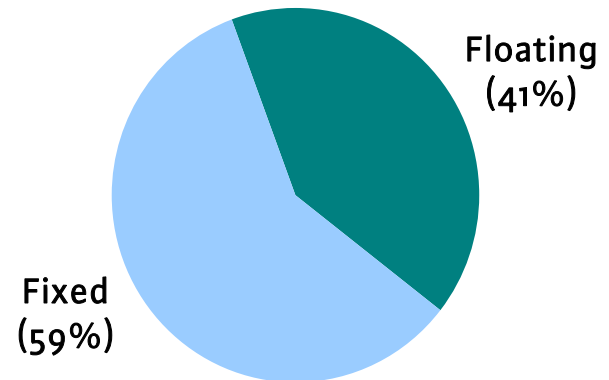
Debt Maturity Profile -In US\$ Mn



Currency Mix – Php vs USD Debt



Interest Rate Mix – Floating vs Fixed Rate



THANK YOU

