

Globe Telecom, Inc.

SingTel Investor Day 2014
Singapore | Four Seasons Hotel

3 June 2014



Globe



40.1 million
Mobile subscribers

2.1 million
Broadband subscribers

611 thousand
Fixed line subscribers

Modernized data
network

2G 100%
coverage

3G 98%
coverage

4G 8400+
base stations

Constant Dividend
Policy

6.2%
Dividend
yield for 2013

Solid Shareholder Base



Globe

#1 in Customer
Experience

- Hailed as the **Customer Service Leader of the Year** at the Asia-Pacific Stevie Awards
- Received a Gold Quill Merit Award for **innovative customer care solution**
- Hailed **Best in Customer Experience** by the World Communication Awards in 2013

Leader in Postpaid
Over **2** million
subscribers

A Member of
Bridge Alliance

Asia Pacific's leading
mobile alliance of

14 mobile
carriers
with a combined
customer base of
over **630**
million



Leader in innovation



Strong challenger
in a 2-player
market

Globe Product Portfolio

Mobile



- **Leading postpaid mobile service** in the country
- **mySUPERPLAN** – Fully customizable postpaid plan that allows you to choose gadgets, bundled call, text, and data services, and contract periods
- ***Globe Prepaid* is targeted towards the mainstream market while *TM* caters to the value-conscious segment of the market**
- *Globe Prepaid* and *TM* subscribers can customize their voice, SMS, and data subscriptions via Globe *143#



Broadband



- A plug-and-play USB modem that allows users to access the **internet on-the-go**, available in postpaid and prepaid packages
- **Home-based broadband service** suited for all kinds of users – light, moderate, heavy or ultra-heavy



Fixed Line

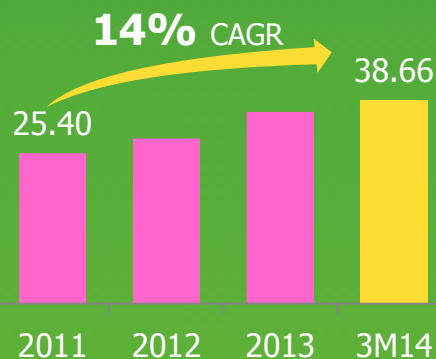


- Providing products and **solutions for large corporates and small and medium enterprises**
- Products include cloud, mobility, M2M, collaboration, and connectivity solutions, data centers, and business voice services

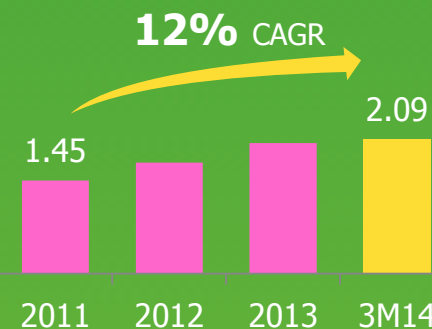


Despite mobile subscriber penetration over 110% and multi-SIMming, Globe sustained subscriber momentum, seeding future revenue growth

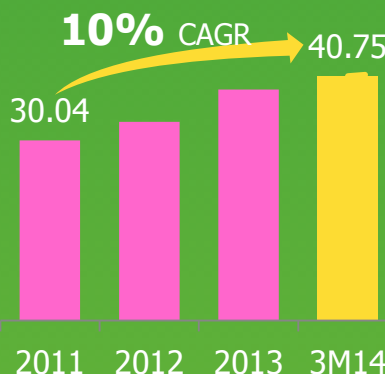
Prepaid Subscribers
In Millions



Postpaid Subscribers
In Millions



Mobile Subscribers
In Millions



Organic growth still anticipated, given that **approximately 1/3 of population today is below 14 years old**, providing an addressable market in the future

Growth driven by continued investments in our subscribers

Relevant customer offers



GoUNLI 20

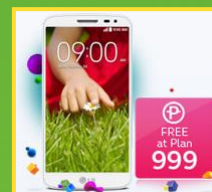


GoCall 100



GoSURF + Spotify

Gadget offerings



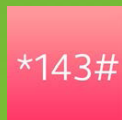
Increased customer touch points



186 Globe Stores



@Talk2Globe



Dial *143#



Globe Hotline

Rewards Programs



TM Astig Rewards



Postpaid Rewards



Prepaid Rewards

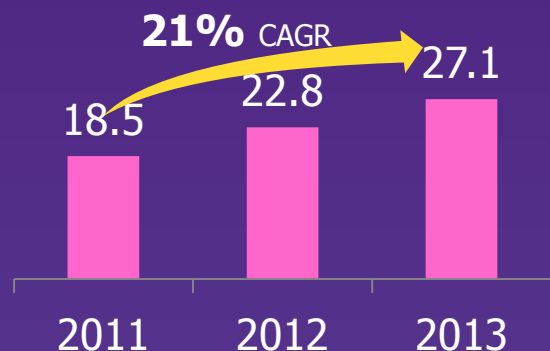


VIP Rewards

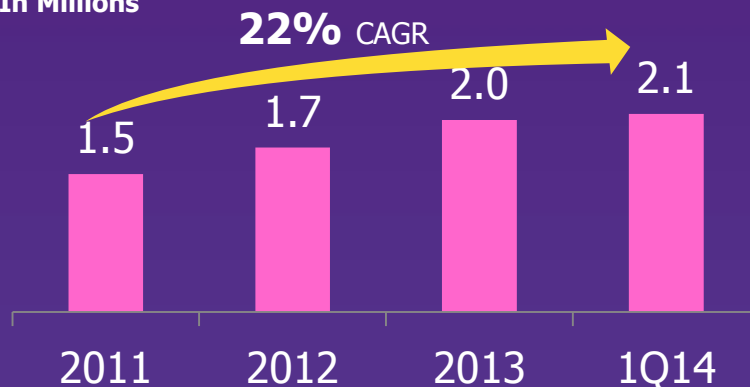
We remain steadfast in our strategy to continuously grow our postpaid subscriber base, through high-quality acquisitions and retention

Even if it is only **5% of subscribers**, postpaid contributes close to **40% of mobile revenues**

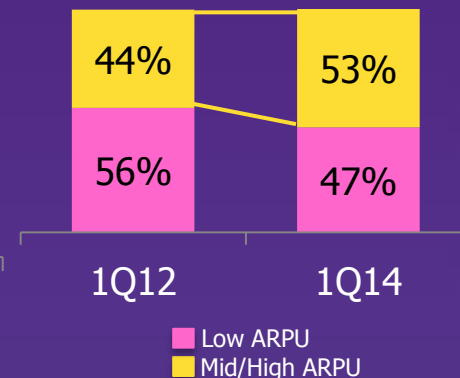
Postpaid Revenues
In Php Billions



Postpaid Subscribers
In Millions



Gross Adds Mix
Richer Mix of Mid/High ARPU subs

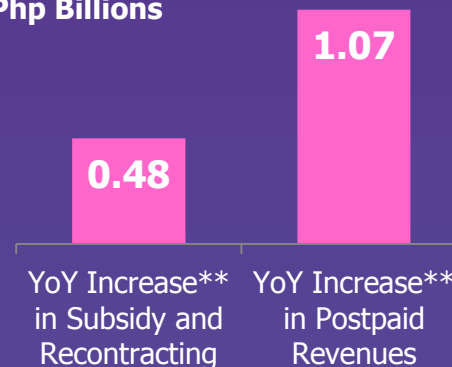


Benefits of growing postpaid far outweigh the investments in subscribers through subsidies and re-contracting charges

Benefits include:

- ✓ Uplift in ARPU
- ✓ Lower churn
- ✓ More stable revenues
- ✓ Higher incidences of becoming the primary SIM for a multi-SIM subscriber

Growth in Subsidy vs. Growth in Postpaid Revenues
In Php Billions

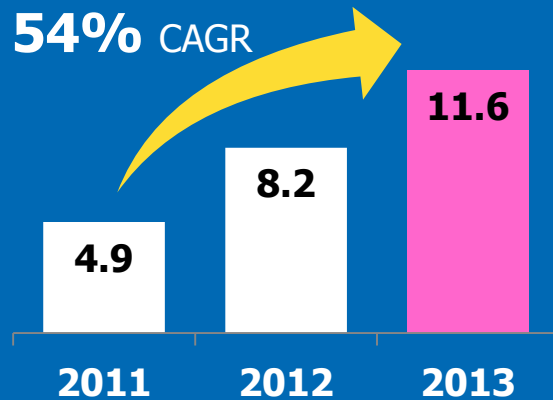


** Increase from 1Q13 to 1Q14

Given demand for mobile internet access, we continue to seed revenue growth through product innovation and first-in-the market promotions

Mobile Data Services Revenues

In Php Billions



Going forward, Filipinos will access more of their social networking content using smartphones



8th
in the
world



Nearly 7 out of 10
Filipinos who are
online still access the
internet via internet
cafes



10th
in the
world

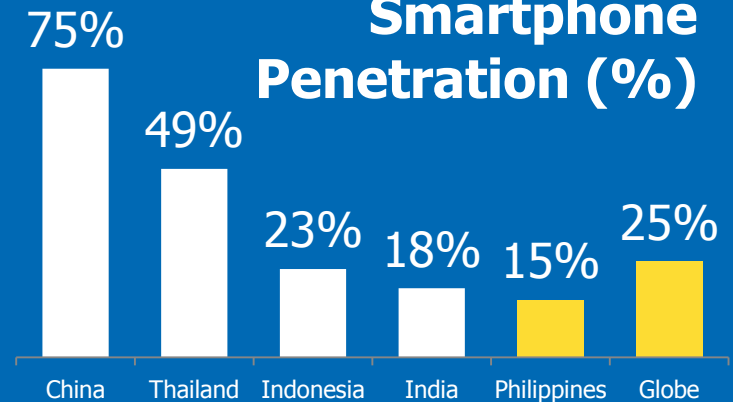
GoSURF + Spotify

Free Facebook

UnliChat



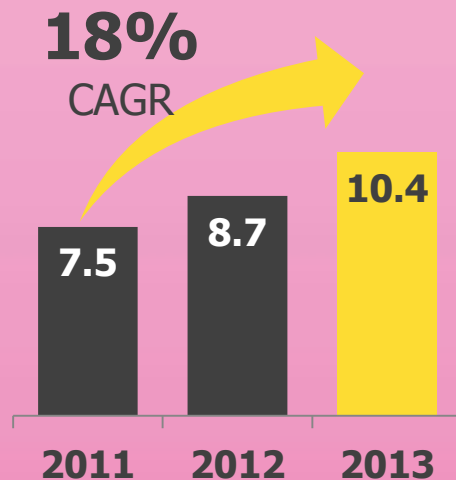
Smartphone Penetration (%)



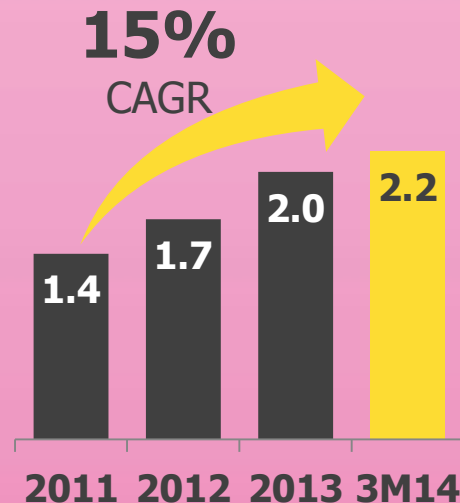
Source: Nielsen Smartphone Insights 2013

In step with mobile services, we intend to capitalize on opportunities in broadband and fixed line data segments

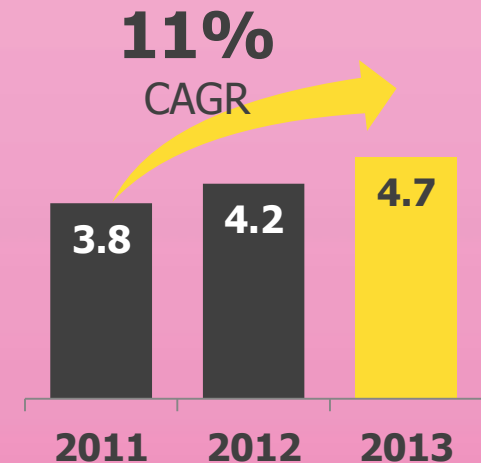
Broadband Revenues
In Php Billions



Broadband Subscribers
In Millions



Fixed Line Data Revenues
In Php Billions

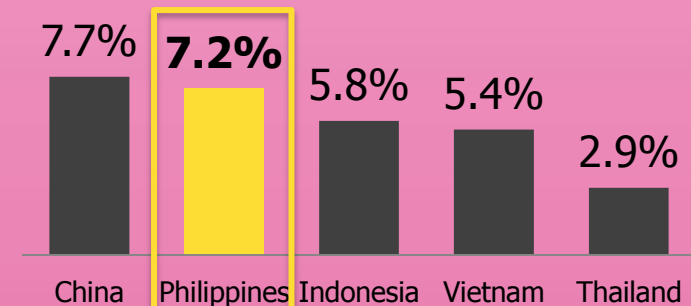


Low penetration rates present opportunities for significant growth in broadband

36%
Internet
penetration*

18%
Household
penetration**

Strong Philippine economy fueling growth in corporate data



One of the best performing countries in Asia

Evolving from traditional telco services, we are establishing the building blocks in adjacent spaces to ensure continued growth in the world of data

GCash



- An internationally acclaimed **micro payment service** that transforms a mobile phone into a **virtual wallet**, enabling secure, fast, and convenient money transfers at the speed and cost of a text message



- The country's first mobile phone-based, **microfinance-focused savings bank**, with a vision to promote financial inclusion for the country's "unbanked"



- A **pioneering business incubator** designed to provide aspiring technopreneurs with funds and facilities, mentorship, and market access needed to build new businesses
- Currently, Kickstart has 17 startups in its portfolio, **seeding the technology ecosystem**



Globe
M-Ads

- Globe's **mobile advertising platform** with partner Out There Media (OTM)

Consolidated Financial Highlights

In Php Mn	3M14	3M13	Y/Y Change	1Q14	4Q13	Q/Q Change
Service Revenues	23,230	21,368	9%	23,230	23,243	-
OPEX & Subsidy*	(14,434)	(12,592)	15%	(14,434)	(15,022)	-4%
EBITDA	8,796	8,776	-	8,796	8,221	7%
EBITDA Margin	38%	41%		38%	35%	
Depreciation	(4,068)	(7,407)	-45%	(4,068)	(5,607)	-27%
Affected by Network Mod'n	(512)	(3,062)	-83%	(512)	(733)	-30%
Others	(3,556)	(4,345)	-18%	(3,556)	(4,874)	-27%
EBIT	4,728	1,369	245%	4,728	2,614	81%
Non-Operating Charges	(422)	(503)	-16%	(422)	(616)	-31%
NIAT	2,949	656	350%	2,949	1,431	106%
Core NIAT**	3,357	3,086	9%	3,357	2,091	61%

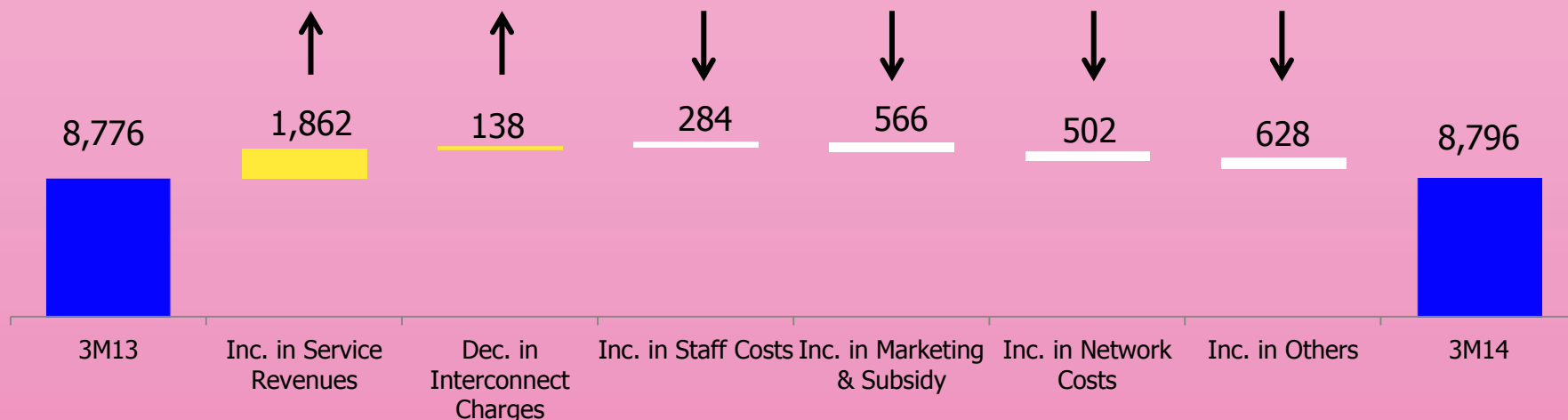
*OPEX & Subsidy includes interconnect expenses

**Core NIAT excludes forex, mark-to-market gains and losses, and non-recurring items

EBITDA flat year-on-year, as Globe continued to re-invest in subscribers and the expansion of the network

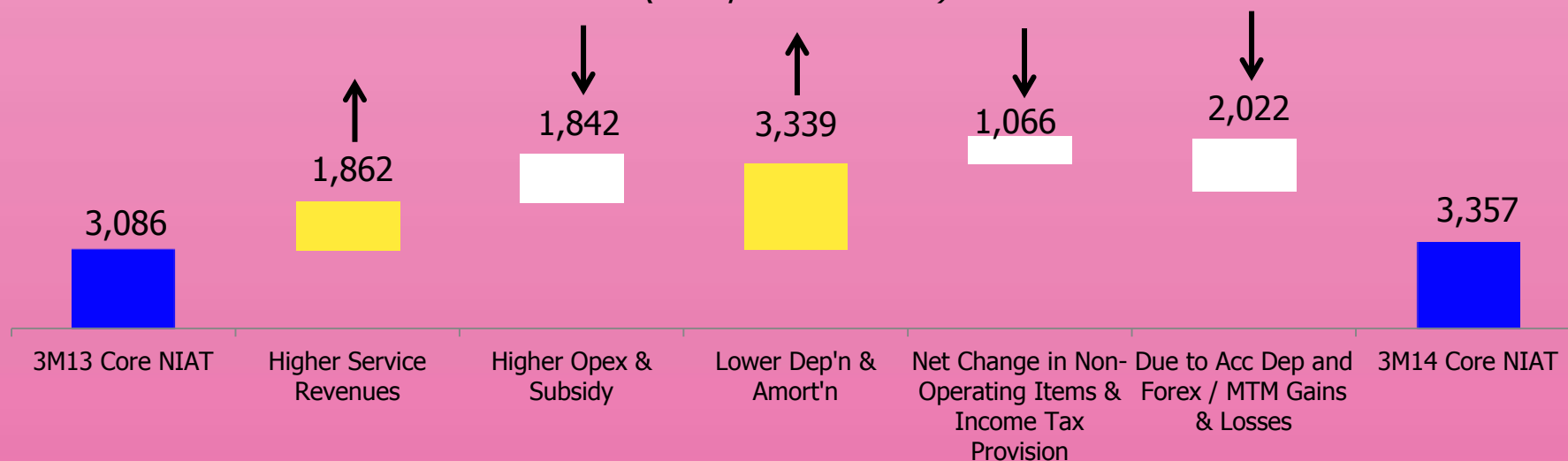
YoY Change in EBITDA

(in Php Mn)



YoY Change in Core NIAT

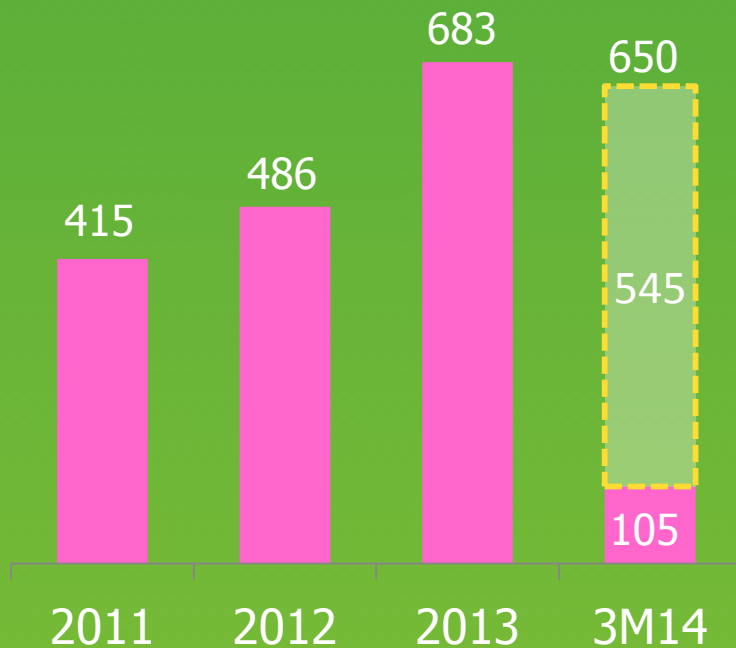
(in Php Mn After-tax)



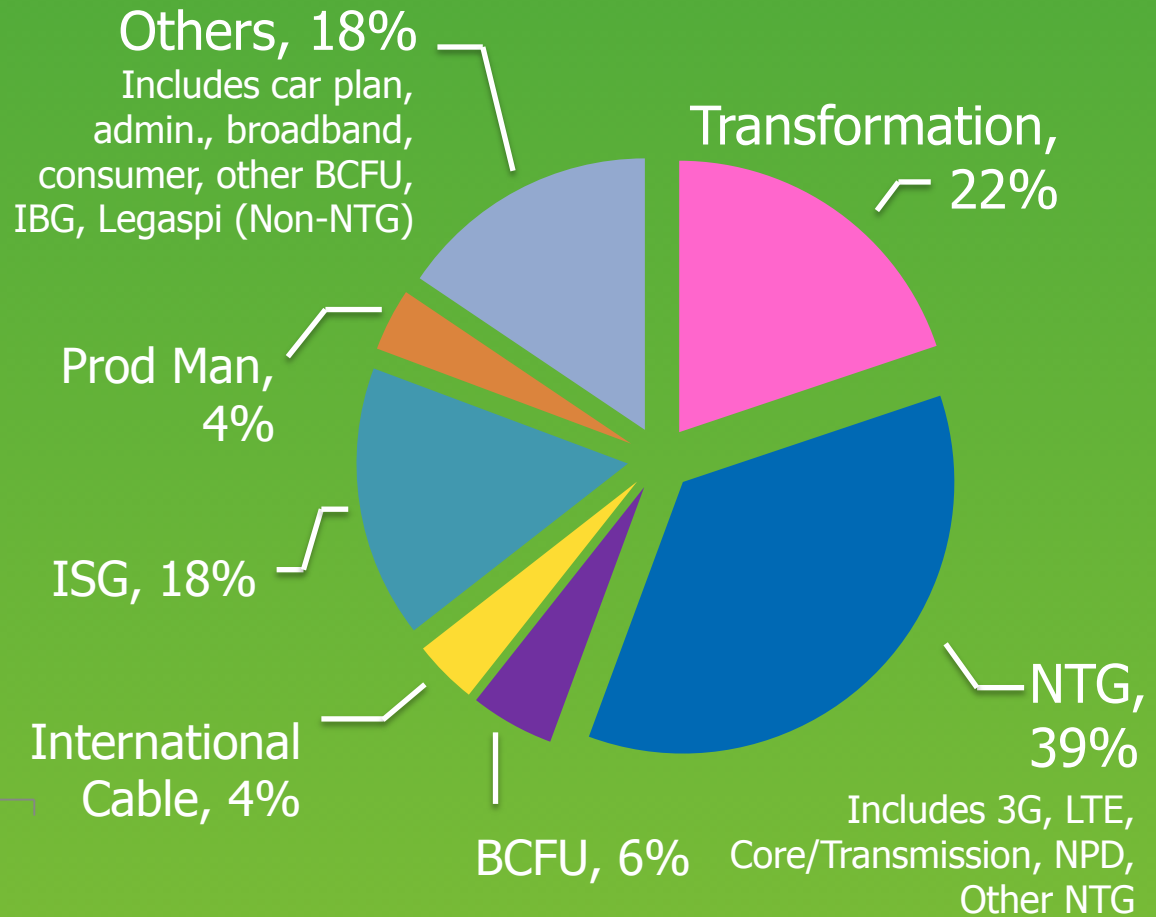
**Capital expenditures at approximately \$105 million,
in line with \$650 million CAPEX guidance for 2014**

CAPEX

In US\$ Millions

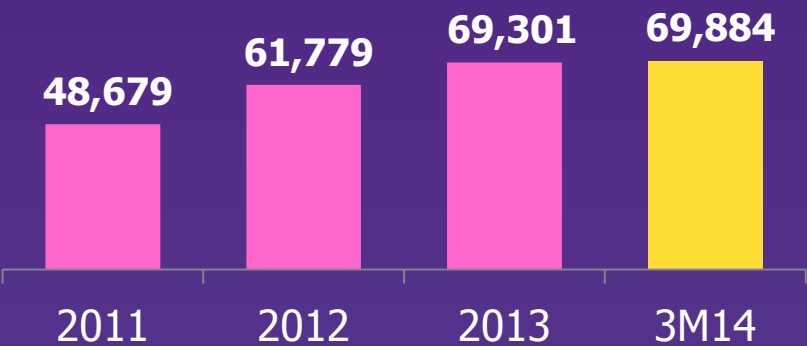


Breakdown of 2014 CAPEX Guidance

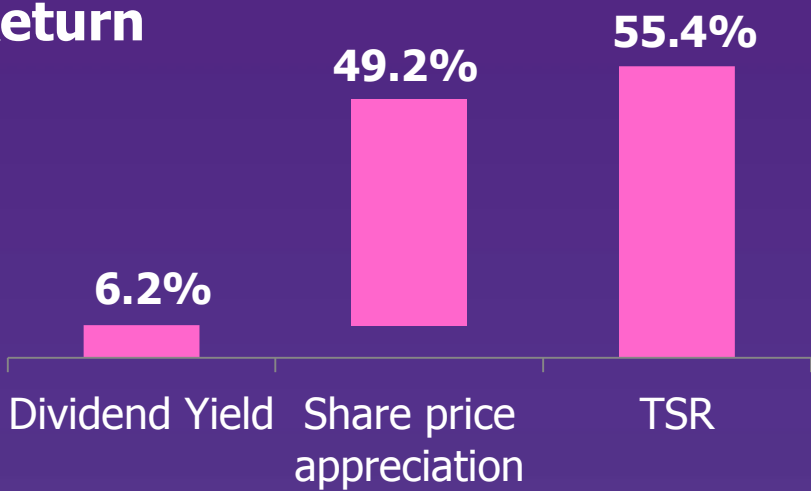


With a healthy balance sheet, consistent dividend policy and significant share price appreciation, total shareholder return for 2013 stood at 55%

Gross Debt
in Php Millions



2013 Total Shareholder Return



Gross D/E Ratio



Covenant = 2:1

Gross Debt/EBITDA Ratio



Covenant = 3:1

Disclaimer

This presentation contains certain forward-looking statements. These forward-looking statements generally can be identified by the use of statements that include words or phrases such as Globe or its management “believes,” “expects,” “anticipates,” “intends,” “plans,” “foresees,” or other words or phrases of similar import. Similarly, statements that describe Globe’s objectives, plans or goals are also forward-looking statements. All such forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements.



Globe