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SECURITIES AND EXCHANGE COMMISSION

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SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

**CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATIONS CODE (SRC)
AND SRC RULE 17(a)-1(b)(3) THEREUNDER**

1. **2 August 2016**
Date of Report (Date of earliest event reported)

2. **1177** SEC Identification Number

3. **000-768-480-000**
BIR Tax Identification Number

4. **GLOBE TELECOM, INC.**
Exact Name of registrant as specified in its charter

5. **PHILIPPINES**
Province, country or other jurisdiction of incorporation

6. **[REDACTED]** (SEC Use Only)
Industry Classification Code

7. **27/F, The Globe Tower, 32nd Street corner 7th Avenue,
Bonifacio Global City, Taguig** **1634**
Address of principal office Postal code

8. **(02) 797-2000**
Registrant's telephone number, including area code

9. _____
Former name or former address, if changed since last report

10. Securities registered pursuant to Sections 4 and 8 of the SRC

Title of Each Class	Number of Shares of Common Stock Outstanding and Amount of Debt Outstanding (as of June 30, 2016)
COMMON SHARES	132,758,388
TOTAL DEBT (in Millions of Pesos)	88,136

Indicate the item numbers reported herein : **Please refer to attached**

Re: Press Release

Pursuant to the requirements of the Securities Regulations Code, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

GLOBE TELECOM, INC.

Registrant

Date : **2 August 2016**



ROSEMARIE MANIEGO-EALA

Acting Chief Finance Officer

GLOBE ANNOUNCES 1ST HALF 2016 RESULTS

GROWTH MOMENTUM CONTINUES

**CONSOLIDATED SERVICE REVENUES AT ₱59.6 BILLION, UP 11% YoY;
DATA-RELATED SERVICE REVENUES NOW COMPRISE 50% OF TOTAL REVENUES;
EBITDA AT ₱25.6 BILLION, UP 13% YoY;
NIAT AT ₱9.0 BILLION, UP 3% YoY;
CORE NET INCOME AT ₱8.8 BILLION, UP 2% YoY;
MOBILE SUBSCRIBERS AT 61.3 MILLION, UP 20% YoY**

GLOBE BOARD APPROVES 3RD QUARTERLY DISTRIBUTION OF CASH DIVIDENDS OF ₱22 PER SHARE

Globe closed the first six months of 2016 with consolidated service revenues of ₱59.6 billion, 11% higher than the ₱53.8 billion recorded in the same period last year. Despite the heightened competitive intensity, the robust revenue growth was underpinned by the rise in data-related service revenues across mobile, home broadband and corporate data, driven by the Company's efforts in providing market-relevant data offers and the sustained investments in Globe's data network. In addition, Bayan's revenue contribution amounting to ₱3.0 billion as of end-June this year likewise supported this period's sustained revenue growth. Even excluding Bayan's revenues, Globe's consolidated service revenues rose to ₱56.9 billion, up by a solid 6% from the same period last year.

Globe's mobile revenues grew by 3% year-on-year, reaching ₱45.7 billion for the first half of 2016 from the ₱44.5 billion reported a year ago, driven by strong revenue performances of Globe's prepaid brands. *TM*, the Company's mass-market brand, increased revenues by 5% year-on-year while *Globe Prepaid* revenues posted a solid year-on-year growth of 3%. Complementing the growth of the prepaid segment, *Globe Postpaid* revenues posted a 2% growth from the same period of 2015. At the end of June 2016, Globe's mobile subscriber base¹ now reached 61.3 million, up a robust 20% from the 51.0 million subscribers reported in the same period last year, driven by the strong prepaid gross acquisitions during the period.

From a product perspective, the growth in mobile revenues was spurred by the sustained rise in mobile data service revenues, which grew to ₱17.8 billion in the first half of 2016, 46% higher than the ₱12.2 billion reported a year ago. The robust revenue growth was driven by the rise in smartphone penetration, on the back of increasing affordability and range of devices, and the popularity of Globe's data-driven products and applications as more customers shift towards digital lifestyles. The growth in mobile data services² offset the declines in mobile voice (-11%) and mobile SMS revenues (-16%), which are consistent with the trends in other telecom companies in the region and worldwide. Mobile data services comprised 39% of total mobile revenues, up from 27% in the first six months of 2015.

¹ Mobile subscriber base include nomadic/fully mobile broadband customers which was reported under broadband previously.

² Mobile data includes mobile and nomadic browsing

Globe's home broadband business likewise sustained its growth trajectory, significantly increasing both in revenues (+49% year-on-year) and subscriber base (+38% year-on-year). Total home broadband service revenues reached ₱7.0 billion for the six months just ended, with total subscriber base now reaching 1.14 million customers. The growth in revenues was driven by subscriber expansion in both fixed wireless and wired broadband solutions, due to the continued rise in demand for internet and data connectivity and the popularity of entertainment and other content-driven applications, such as HOOQ and NBA League Pass, among others. The consolidation of Bayan, which started in the second half of 2015, also contributed to the growth in revenues; even excluding Bayan's contribution for the period, Globe's home broadband service revenues would have still increased by 23% year-on-year, from the ₱4.7 billion recorded a year ago.

Globe's corporate data business surged by 55% to ₱4.9 billion for the first six months of 2016, from the ₱3.1 billion in the same period a year ago. This was primarily driven by the sustained demand for digital services across Philippine enterprises given the strong take-up of various data connectivity solutions, managed services, mobility solutions and cloud-based services. The growth was likewise aided by Bayan's revenue contribution as of the first half this year, which reached ₱1.3 billion. Traditional fixed line voice revenues likewise posted a 29% increase year-on-year to ₱1.9 billion as of the end of June 2016 from ₱1.5 billion a year ago following the growth of bundled home broadband plans. Excluding Bayan's revenues, corporate data and fixed line voice still increased impressively year-on-year by 20% and 2%, respectively.

Globe's consolidated EBITDA stood at ₱25.6 billion for the first six months of the year, a robust 13% increase from the ₱22.7 billion reported a year ago. Total operating expenses and subsidy grew by 9% year-on-year to ₱34.0 billion from ₱31.1 billion last year, to support the growing customer base and the expansion of the data network. EBITDA margin stood at 43%, slightly higher than last year's margin of 42% and in line with the full-year guidance of 40%. Excluding Bayan's results for the first six months of the year, consolidated EBITDA would have reached ₱24.2 billion, which is still up a solid 7% from the same period last year.

For the first half of 2016, Globe recorded net income of close to ₱9.0 billion, up by 3% against the ₱8.7 billion reported in the same period of 2015, as the gains in EBITDA were offset by increases in depreciation and non-operating charges. Globe's core net income, which excludes the impact of non-recurring charges, foreign exchange gains and mark-to-market charges, stood at ₱8.8 billion, higher by 2% year-on-year.

"We are proud that Globe's overall results in the first half remained robust amidst the heightened competitive intensity and the unique challenges and opportunities posed by increasing levels of smartphone penetration and mobile postpaid ownership in the market." said Ernest L. Cu, President and CEO of Globe. "We believe that with the aid of the additional frequencies that we have recently acquired, Globe's leadership as the preferred brand for Filipinos' digital lifestyle choices will be strengthened moving forward. Our commitment in making continuous investments and the aggressive expansion of our network capacities are all geared towards addressing the public's clamor for better internet service and creating wonderful experiences for our valued customers and shareholders." Mr. Cu added

Globe spent around ₱17.0 billion in capital expenditures as of end-June this year to support the growing subscriber base and its increasing appetite for data. To date, Globe has a total of 28,992 base stations, with close to 19,000 base stations for 4G³, to support the service requirements of its customers.

Recent Developments:

On June 29, 2016, the Court of Appeals (“CA”) rendered a decision to nullify an order requiring telecommunications companies to cut their SMS rates and return the excess amount paid by subscribers. The CA said that the NTC order was baseless, as there is no evidence showing that the present ₱1.00 per text/SMS rate is unreasonable and unjust, as this was not mandated under the memorandum.

On July 12, 2016, in connection with Globe’s acquisition of the San Miguel Corporation’s (“SMC”) telecommunications assets, Globe filed a case before the Court of Appeals to preserve the multi-billion peso deal, which will allow the telecommunications company to immediately use the underutilized frequencies previously owned by SMC for the public’s benefit. In its petition for certiorari, prohibition and mandamus with prayer for a temporary restraining order, Globe emphasized that when the acquisition was made in late May of this year, the parties have strictly followed the provisions of Sections 4 and 5 of the PCC Memorandum Circular No. 16-002 (“MC”). Under the MC, the deal is deemed approved if they are “consummated after the effectivity of the memorandum circular but before the effectivity of the implementing rules and regulations.” On July 25, 2016, the CA issued a resolution denying Globe’s application for temporary restraining order against the PCC’s review of the transaction. In the same resolution, the PCC was required to file a comment on Globe’s petition within 10 days from its receipt of the resolution.

On August 2, 2016, Globe announced that the Company will undertake a consent solicitation exercise relating to (a) its Five (5) Year and Three (3) Months 5.75% Fixed Rate Bonds due in 2017, (b) its Seven (7) Year 6.00% Fixed Rate Bonds due in 2019, (c) its Seven (7) Year 4.8875% Fixed Rate Bonds due in 2020 and (d) its Ten (10) Year 5.2792% Fixed Rate Bonds due in 2023 (collectively referred to as the “Bonds”). The consent solicitation exercise aims to amend the Trust Indenture of said Bonds to allow Globe to maintain a higher consolidated debt-to-equity ratio of 2.5:1 from the current 2:1. The proposed amendment aims to align Globe’s debt-to-equity covenant ratio with the covenants of regional telecom peers. The consent solicitation exercise shall commence on August 8, 2016 and will expire on September 5, 2016. Globe shall pay each consenting bondholder an amount equal to ₱1.25 per ₱1,000 of the principal amount of the Bonds in respect of which the consent is being given (the “Consent Fee”).

Lastly, the Board of Directors approved in its meeting today the third quarterly distribution of cash dividends of ₱22 per share, payable on September 1, 2016 to stockholders on record as of August 16, 2016. The 3rd quarter cash dividend payment total is about ₱2.9 billion. On an annualized basis, this represents about 77% of 2015 core net income.

³ Includes HSPA+, WiMax and LTE

2016 FINANCIAL SUMMARY

	Globe Group					YoY Bayan ¹ 1H 2016
	Year on Year				YoY Change (%) vs. Globe vs. Globe	
	Globe Conso 1H 2016	Globe ex-Bayan 1H 2016	Last Year 1H 2015	YoY Change (%) vs. Globe vs. Globe		
<i>In Million Pesos</i>				Conso	ex-Bayan	
Service Revenues²	59,569	56,856	53,830	11%	6%	3,024
Mobile	45,743	45,752	44,460	3%	3%	-
Home Broadband	7,030	5,804	4,720	49%	23%	1,226
Corporate Data	4,863	3,772	3,146	55%	20%	1,320
Fixed line Voice	1,933	1,528	1,504	29%	2%	478
Operating Expenses and Subsidy³	33,971	32,607	31,115	9%	5%	1,770
EBITDA	25,598	24,249	22,715	13%	7%	1,254
EBITDA Margin	43%	43%	42%			41%
Depreciation	11,458	10,624	9,096	26%	17%	702
Net Income After Tax (NIAT)	8,974	8,594	8,710	3%	-1%	369
Core Net Income	8,837	8,494	8,629	2%	-2%	340

¹Standalone Bayan financial results, gross of intercompany transactions between Globe and Bayan

²2015 service revenues have been restated to reflect the change in the presentation of fully mobile broadband to be part of mobile business (reported under broadband previously).

³2015 operating expenses and non-operating expenses have been restated to reflect the change in presentation of equity share in net earnings(losses) of associates and joint ventures as part of non-operating charges (previously reported as part of services & others). The change in the presentation of equity share in net earnings(losses) of associates and joint ventures was done to align with telecommunications peers.

- On a consolidated view, Globe closed the first six months of 2016 with gross service revenues of ₱59.6 billion, 11% higher than the ₱53.8 billion in the same period last year. The robust revenue performance remained broad-based with notable gains across all key business segments. Mobile revenues posted a 3% increase year-on-year with improvements coming mostly from its prepaid segments (*Globe Prepaid* +3%; *TM* +5%). This was likewise supported by the record-level prepaid acquisitions, helping increase the total mobile subscriber¹ base to 61.3 million as of the end of June this year. The home broadband and corporate data segments continued to post year-on-year double digit growths of 49% and 55%, respectively, as demand for data connectivity continue to rise for both consumers and corporates. The strong revenue performance was also aided by the consolidation of Bayan in the second half of 2015; even excluding Bayan's results, Globe would have posted gross service revenues of ₱56.9 billion, a solid 6% growth from a year ago.
- Globe's operating expenses and subsidy for the first six months of 2016 grew by 9% year-on-year from ₱31.1 billion in the same period last year to ₱34.0 billion this year. The increase in network-related expenses (which include lease, repairs and maintenance, supplies and utilities) as well growth in services costs, re-contracting expenses and staff costs supported Globe's data network expansion and overall service enhancements.
- Depreciation expenses in the first six months of the year increased by 26% from ₱9.1 billion in the same period last year to ₱11.5 billion this period. The increase in depreciation expenses were mainly due to the one-time depreciation impact arising from the end of useful life of certain

corporate assets, the depreciation expenses of incremental asset builds related to Globe's capital expenditure programs completed in 2015 and the first half of 2016, as well as Bayan's depreciation charges during the first half of the year.

- Overall, Globe's total cost and expenses for the first six months of the year, including depreciation charges, increased to ₱45.4 billion or 13% higher than the ₱40.2 billion reported a year ago. Excluding Bayan's total cost and expenses, Globe's total cost and expenses as of end-June of 2016 grew by 8%.
- Consolidated EBITDA for the first half of 2016 remained strong at ₱25.6 billion, up 13% from the ₱22.7 billion reported a year ago. EBITDA margin for the first half of the year stood at 43% from 42% in the same period of 2015.
- Globe closed the first six months of the year with net income reaching ₱9.0 billion, higher than the ₱8.7 billion net income reported in the same period last year, despite the higher depreciation expense and non-operating charges during the period. Excluding the non-recurring expenses and net foreign exchange gains, core net income reached ₱8.8 billion for the first six months of 2016, up 2% from the ₱8.6 billion recorded in the same period last year.

Mobile Business

	Globe Group				
	Year on Year				
	Globe Conso	Globe ex-Bayan	Last Year	YoY Change (%)	
	1H	1H	1H	vs. Globe	vs. Globe
<i>In Million Pesos</i>	2016	2016	2015	Conso	ex-Bayan
Service Revenues *					
Mobile Voice	16,652	16,661	18,747	-11%	-11%
Mobile SMS	11,340	11,340	13,564	-16%	-16%
Mobile Data	17,751	17,751	12,149	46%	46%
Mobile Service Revenues	45,743	45,752	44,460	3%	3%

**2015 service revenues have been restated to reflect the change in the presentation of fully mobile broadband to be part of mobile business (reported under broadband previously)*

Mobile service revenues, which accounted for 77% of Globe's consolidated service revenues during the first half of the year, improved to ₱45.7 billion, up 3% from last year's level of ₱44.5 billion. The growth in mobile service revenues was driven by the robust increase in mobile data service revenues (+46%), as Globe continued to emerge as the preferred brand for digital lifestyle in the market.

Mobile voice revenues, which accounted for 36% of total mobile service revenues, declined by 11% to only ₱16.7 billion from ₱18.7 billion in the same period last year. The year-on-year decline in voice revenues was due to the impact of the migration of voice traffic through alternative channels that make use of internet-based applications (such as Viber, Facebook, Skype, and Whatsapp, among others).

Mobile SMS, which accounted for 25% of total mobile service revenues, closed the first six months of the year at ₱11.3 billion, 16% lower than the ₱13.6 billion recorded in the same period last year. The continued decline in SMS revenues was due to the impact of increasing popularity of over-the-top chat applications such as Facebook Messenger, Whatsapp, Viber and other chat applications, offering avenues for messaging to our subscribers outside of SMS services.

Offsetting the declines in traditional mobile revenues (voice and SMS), Globe's mobile data revenues reached ₱17.8 billion for the first six months of 2016, up by a robust 46% from the ₱12.2 billion a year ago. Mobile data service revenues now account for 39% of total mobile revenues, up from 27% a year ago. The steady growth in mobile data revenues was driven by the rising smartphone penetration (now reaching over 50%), the increasing demand for market-relevant data offers, and enhanced customer experience from our expanded data networks.

Key Drivers for the Mobile Business

	Year on Year		
	1H 2016	1H 2015	YoY Change (%)
Cumulative Subscribers (or SIMs) – Net End of Period¹	61,311,448	50,999,747	20%
Globe Postpaid	2,521,218	2,517,215	-
Prepaid	58,790,230	48,482,532	21%
Globe Prepaid	27,381,884	23,287,012	18%
TM	31,408,346	25,195,520	25%
<u>Ave. Revenue Per Subscriber (ARPU)²</u>			
Globe Postpaid	1,143	1,117	2%
Prepaid			
Globe Prepaid	119	129	-8%
TM	63	75	-16%
<u>Subscriber Acquisition Cost (SAC)</u>			
Globe Postpaid	7,257	7,125	2%
Prepaid			
Globe Prepaid	13	16	-19%
TM	11	11	-
<u>Ave. Monthly Churn Rate (%)</u>			
Globe Postpaid	3.7%	3.2%	
Prepaid			
Globe Prepaid	6.5%	6.0%	
TM	6.0%	6.6%	

¹ Mobile subscriber base now includes fully mobile broadband (previously reported under broadband); 2015 subscriber count, ARPU and SAC have been re-stated accordingly to reflect this change.

² ARPU is computed by dividing recurring gross service revenues (gross of interconnect expenses) segment by the average number of the segment's subscribers and then dividing the quotient by the number of months in the period.

- Globe closed the first half of the year with a total mobile subscriber base of 61.3 million, up 20% from 51.0 million subscribers reported a year ago. This was mainly driven by the sustained efforts in acquiring high-value subscribers for the Company's prepaid brands (*Globe Prepaid* and mass market brand *TM*). Combined, *Globe Prepaid* and *TM* gross acquisitions comprised 98% of acquired SIMs during the period. With the slight improvement in overall churn rates for the first six months of 2016 of 6.1% from 6.2% in the same period of 2015, net incremental subscribers improved by 4% from 4.9 million in 2015 to 5.1 million net additions this period.

- As of the end of June 2016, *Globe Postpaid* had 2.5 million subscribers, slightly higher by 4,003 subscribers from the same period last year. *Globe Postpaid*'s gross acquisitions for the first half of the year stood at 489,365 or 9% lower than the new acquisitions in the first six months of 2015. The slowdown in gross acquisition, vis-à-vis the previous years', indicates the saturation of the traditional markets for postpaid and the changing dynamics in the postpaid market. As *Globe* digs deeper into the postpaid market, the Company has taken prudent steps in ensuring the quality of acquisitions, including the enforcement of stricter credit policies, and the development of specific programs and offerings for the lower-end of the postpaid market. Total net reduction in postpaid subscribers during the first six months of the year resulted from the declining acquisitions and increased churn rates from 3.2% during the first half of last year to 3.7% this period.
- *Globe Prepaid* gross acquisitions grew by 17% year-on-year reaching a record-high 11.9 million acquisitions from the 10.2 million gross additions in the same period in 2015. The year-on-year improvement in gross additions was driven by the brand's continued aggressive acquisition efforts, value-for-money promotions and the popularity of *GoSurf* data bundles. However, total net incremental subscribers posted a decline of 32% to reach only 1.5 million subscribers from 2.1 million subs in the same period of 2015 due mainly to the increase in churn rate (from 6.0% a year ago to 6.5% as of the first six months of the year). The increase in churn volume for the period was partly driven by the delayed churn of non-revenue subscribers last year arising from the migration of subscribers into the new business support system. These non-revenue subscribers were churned in the first quarter of 2016. Total net cumulative *Globe Prepaid* subscribers reached 27.4 million as of the end June 2016, an 18% increase year-on-year.
- *TM* achieved a new record-high in quarterly gross additions, acquiring 7.6 million new SIMs or 13% better than previous quarter's all-time high level of 6.8 million due to *TM*'s sustained aggressive acquisition efforts boosted by the value for money offers launched during the period. Coming from the very strong acquisition and improved churn rates as of end-June of 2016 (from 6.6% in the first half of 2015 to 6.0%), net incremental subscribers improved by 39% from 2.7 million in 2015 to 3.7 million this period. *TM* cumulative subscriber base stood at 31.4 million subscribers at the end of June 2016, up 25% from the 25.2 million subscribers a year ago.
- Blended ARPU for the first six months of 2016 declined by 12% year-on-year to only ₱135 from ₱153 in same period of 2015, due to the combined effects of higher multi-SIM incidence, continued pressures on yields caused by the shift to value-based bucket, unlimited voice/SMS offers and the shift to promo data offers. *Globe Postpaid* ARPU registered at ₱1,143, up 2% from last year's level of ₱1,117. *TM* and *Globe Prepaid* ARPUs were down year-on-year by 16% while and 8%, respectively.
- *Globe Postpaid* subscriber acquisition cost (SAC) was 2% higher year-on-year to ₱7,257 from ₱7,125 from a year ago. *Globe Postpaid* SAC remain recoverable within the 24-month contract of the postpaid plans. *Globe Prepaid* SAC likewise were up year-on-year by 19% to ₱13 in the first half of 2016 from ₱16 a year ago. *TM* SAC, was flat year-on-year. *Globe Prepaid* and *TM* SAC remained recoverable within a month's ARPU.

Fixed Line and Home Broadband Business

	Year on Year					YoY
	Globe Conso	Globe ex-Bayan	Last Year	YoY Change (%)		Bayan ¹
	1H	1H	1H	vs. Globe	vs. Globe	1H
	2016	2016	2015	Conso	ex-Bayan	2016
<i>In Million Pesos</i>						
Service Revenues						
Home Broadband	7,030	5,804	4,720	49%	23%	1,226
Corporate Data	4,863	3,772	3,146	55%	20%	1,320
Fixed line Voice	1,933	1,528	1,504	29%	2%	478
Fixed Line & Broadband Service Revenues	13,826	11,104	9,370	48%	19%	3,024

*2015 service revenues have been restated to reflect the change in the presentation of fully mobile broadband to be part of mobile business (reported under broadband previously)

¹Standalone Bayan financial results, gross of intercompany transactions between Globe and Bayan

For the first six months of the year, Globe's fixed line and home broadband revenues posted a 48% increase from the ₱9.4 billion posted last year to ₱13.8 billion this period. The growth was driven by robust contributions of both home broadband and corporate data segments, each improving by double digits year-on-year, as well as the consolidation of Bayan revenues starting the second half of 2015. Even excluding Bayan's contribution during the first half of 2016, total Globe's fixed and home broadband revenues reached ₱11.1 billion as of end June of 2016, still higher by a robust 19% year-on-year.

Globe home broadband posted a 49% growth to reach ₱7.0 billion in the first six months of the year from ₱4.7 billion reported in the same period of 2015, as a result of the 38% expansion of its customer base for both wired and fixed wireless services. The significant revenue growth and sustained customer improvement were attributed to the new roster of home broadband products bundled with exclusive access to entertainment contents. Home broadband's sustained revenue growth was also due to the higher subscriber base, rising to 1.1 million subscribers from 0.8 million in the same period last year.

	Year on Year					YoY
	Globe Conso	Globe ex-Bayan	Last Year	YoY Change (%)		Bayan
	1H	1H	1H	vs. Globe	vs. Globe	1H
	2016	2016	2015	Conso	ex-Bayan	2016
Cumulative Broadband Subscribers						
Fixed Wireless	491,606	491,606	357,352	38%	38%	-
Wired	645,002	507,038	468,649	38%	8%	137,964
Total (end of period)	1,136,608	998,644	826,001	38%	21%	137,964

The corporate data segment likewise sustained its growth momentum with ₱4.9 billion revenues registered in the first six months of the year, up 55% against the same period last year, fueled by strong demand for corporate connectivity, domestic and international leased line services, managed service solutions and cloud-based services (such as data storage and solutions-based cloud computing). Even

excluding Bayan's first half results, Globe's corporate data reached ₱3.8 billion, up 20% from the same period last year.

Globe's total fixed line voice revenues likewise improved year-on-year by 29% due mainly to expansion in subscriber base, both organically given the popularity of bundled home broadband plans and the contribution of Bayan in the first half of the year. Even without the aid of Bayan's revenues, Globe's fixed line voice still grew by 2% from a year ago.

ANNEX

Products & Services:

Globe continues to solidify its leadership in the digital space as the data provider of choice for Filipinos' digital lifestyles with the various suite of products and services launched during the quarter.

Mobile Business

Globe Postpaid remained true to its commitment in giving its customers with only the best smartphones to be able to fully enjoy an enriched digital lifestyle by launching the *new iPhone SE* in its device line-up. The *iPhone SE* 16GB is available for ₱1499 a month on *Globe myLifestyle Plan 1299* with a ₱200 monthly cashout for 24 months. It already comes with 3GB of mobile data together with three (3) months free access to either top music streaming app, *Spotify* or online video entertainment service, *Hooq*. It also comes with built-in unlimited calls and texts to Globe/TM as well as unlimited all-net texts.

In addition, Disney Southeast Asia together with Globe, launched a new mobile video streaming service via three new entertainment apps - *Disney Channel App*, *Disney XD App*, and *Disney Junior App* last May 27, 2016. All *Globe Prepaid* and *Postpaid* subscribers who sign up for their Globe Interactive Account will enjoy an initial 30-day free trial. After the free trial period, users can continue to enjoy full access to premium content with Globe stand-alone offers “*Disney129*” or “*Disney299*” subscription plans, or when they sign up for or re-contract on *GoSurf 999* and up subscription plans. Users without a valid Globe Interactive Account can still download the apps to access limited VOD content. Moreover, the *Disney Mobile* smartphones were also made available in all Globe stores starting May 27, 2016, and comes with price plans that bundle six-months' worth of access to the Disney Channels Apps. Globe is also the first telco in Southeast Asia to exclusively offer *Disney Mobile* smartphones through its most affordable *myStarter* postpaid plans for as low as ₱750 per month. Created for the trendsetting Disney fan and themed around popular Disney franchises, these smartphones carry the signature aesthetic of the Disney brand from its lively colors to matching themed accessories. The first *Disney Mobile* range for the Philippines comes in three (3) design themes – Mickey Mouse, Frozen and Disney Princess.

Moreover, *Globe Prepaid's* top selling *GoSurf50* promo was upgraded and supersized with 1 GB of mobile data (a significant increase from its original 350 MB allocation) for surfing alongside unlimited all-net texts and free Facebook for just ₱50.00. *GoSurf50* is valid for three days. The new *GoSurf50's* 1 GB of data gives customers 700 MB to surf all sites while the remaining 300 MB can be used to access free content from the roster of lifestyle packs available such as Social (access to Snapchat); Chat (Viber); Music (Spotify); Video (YouTube + Daily Motion); and Games (Clash Royale, Clash of Clans). Meanwhile, *TM* introduced the new and improved *ComboAll10 (CA10)* and *Combo20* promos giving all *TM* customers more calls and text allocations. *ComboAll10 (CA10)* now gives unlimited calls (from 50 minutes intra calls previously) and unlimited texts to *TM/Globe* plus 50 texts to all networks for only ₱10 per day. *Combo20* on the other hand, now provides for 60 minutes of calls to *TM/Globe* (from 20 minutes intra calls previously), plus unlimited all-net texts (from unlimited intra texts and 50 all-net texts previously) valid for 4 days (from 3 days previously) for the same cost of ₱20.

Home Broadband

In the second quarter of 2016, Globe Broadband continued to leverage on its partnership with Disney, as it launched free tickets to the special screening of the film “Finding Dory” with every sign up/upgrade to

Globe Home Broadband Plans from June 6 through June 16 via the online, hotline channels and selected stores.

Also during the period, an exclusive fiber offer of Plan 2188 for select areas in Binondo was launched, offering speeds of up to 50Mbps and data allowances of up to 500GB.

International

Launched during the quarter, Globe subscribers can now enjoy the lowest IDD rate at ₱5/minute for calls to the Middle East and Europe, plus calls to North America and Asia Pacific for only ₱2.50/minute with *GocallIDD30* valid for seven (7) days.

GCash

G-Xchange, Inc. (GXI), a wholly-owned subsidiary of Globe that operates the telco's flagship mobile commerce product *GCash*, further expanded its reach nationwide through a partnership with Rural Net, Inc. (RNet) to help create a platform designed to grow the businesses of rural banks, cooperatives and other agencies across the Philippines. With the GXI-RNet collaboration, GXI developed a mobile money platform to create a secured ecosystem among RNet partners and clientele comprising of rural banks and cooperatives, including their branches, acquired merchants and billers as well as their clients and members.

Moreover, SM Cinema, the country's largest chain of movie houses, has joined the roster of theater partners for Globe through *GMovies*, giving users of the mobile movie booking app a faster and easier way to buy tickets from any of over 300 SM theaters nationwide anytime at their convenience. The partnership utilizes *Gcash* as the exclusive payment gateway for *Gmovies* users and can be used in tandem with *ePLUS*, SM's integrated e-wallet and loyalty system..

In addition, the Bonifacio Global City (BGC) bus now accepts cashless payments through the partnership with Beep. The GCash Beep MasterCard BGC launch offered an upgraded version of the Beep card by acting as a holistic payments method.

Globe Business

Globe Business partnered with Property Company of Friends, Inc. (Pro-Friends) in providing the connectivity requirements of the latter's 25-hectare commercial, business and lifestyle township community called Downton Lancaster, in General Trias, Cavite. Globe Business is expected to provide secure, fast, and cutting-edge connectivity for thousands of BPO employees as well as the different commercial and retail establishments in Downtown Lancaster.

Also the Company, unveiled the country's first mobile app designed for large and SMEs to drive better customer experience via self-service account management. Available for free on the app store for iOS users and on google play for android users, the *Globe Business mobile app* is a self-service, business automation app that gives enterprise and SME customers easier, faster, and more convenient access to their accounts while on the go, providing better and more personalized user control and eliminating the need to transact with traditional customer service channels. With the *Globe Business mobile app*, users can view their account details (account name, account type, billing address, plan details, plan inclusion, DUO number, among others), view their bill details and billing statement, file service modification requests such as changing of SIMs and plans as well as activation of roaming services, get access to service modification request dashboard to allow viewing of requests filed and status, and send remarks and converse with an authorized Globe agent.

During the second quarter of the year, 2Go Travel, one of the most renowned sea and land transportation companies in the Philippines, partnered with Globe Business, to acquire *Globe Charge*⁴, an innovative solution that transforms mobile phones into point-of-sale (POS) card terminals that accept debit and credit card payments. With *Globe Charge*, 2Go Travel can now accept credit card payments from its customers, further growing its customer base, increasing its revenues, and sustaining its position in the market as an innovative company which constantly seeks to provide efficient and hassle-free service.

As the demand for connectivity in the SME segment grows, *Globe myBusiness*, now offers business owners an all-in-one internet package complete with business solutions geared to address specific business needs on the sidelines of the 4th installment of its *Globe myBusiness Day*⁵ digital solutions caravan in Binondo, Manila. SMEs can get access to an all-in-one internet packages specific to their business needs. All internet plan bundles come with free landline services and unlimited calls to Globe/TM for the entire 24-month period. For SMEs looking to provide internet services to their staff and customers, they can avail of the *Connectivity package*. The package offers internet access of up to 10Mbps and Wi-Fi hub to allow businesses to earn more by offering managed access to a Wi-Fi connection. Also available is the *Operations package*, which enables SMEs to save on paper costs through digitizing paper forms and storing them in cloud. Business owners get access to internet speeds of up to 10Mbps, Canvas, and an Acer Iconia One 7 tablet. Those looking to keep an eye on their business 24/7 can avail of the *Security package* with internet speeds of up to 10Mbps, a CCTV device, and a mobile postpaid plan with a Lenovo A6000 smartphone. SMEs who want to get more work done with a complete office suite can get the *Efficiency package* where they can create reports easily, monitor reports, and share files faster with internet speeds of up to 10Mbps, access to Microsoft Office 365, and Acer Aspire One 10 laptop. Finally, SMEs in the logistics, distribution, and restaurant industries can avail of the *Logistics package* where they can track and monitor the deliveries in real-time with internet speeds of up to 10Mbps, the myBusiness Tracker, and an Acer Aspire One 10 laptop.

Lastly, the Company recently signed a three-year agreement with Astrata, a global organization that designs and develops advanced location-based IT services and solutions. Initially, Globe Business and Astrata will work hand-in-hand in further improving the existing Globe Fleet Management Solution which allows companies to keep track of their moving assets via Global Positioning System (GPS) devices. Through the solution, clients are able to monitor the location, distance traveled, and even delivery times of their vehicles as protection from theft and pilferage and to monitor the driving behavior of the drivers, among other things.

Partnerships

Globe expanded its line-up of content partners with its new international content partners – Netflix, Disney, Sports Illustrated, Astro, Turner and Smule.

- Globe is the first mobile and broadband Philippine partner of the video streaming service *Netflix*, which boasts of over 81 million members in over 190 countries who are enjoying more than 125

⁴ *Globe Charge harnesses the integration of a smartphone and an innovative mobile card reader into a mobile point-of-sale (POS) unit, empowering enterprise and SME customers with a convenient payment device and eliminating the need for traditional and more expensive card terminals.*

⁵ *Globe myBusiness Day caravan is a one-stop exhibit for entrepreneurs, allowing SMEs to explore new business opportunities, find new ways to increase their revenues, discover new solutions to stay competitive in the digital age, meet and be inspired by successful entrepreneurs and get great deals from suppliers to save on costs through showcase of the latest digital solutions, insightful speaker discussions, and interactive display of booths from participating SMEs.*

million hours of TV shows and movies per day, including original series, documentaries and feature films.

- To complement its HOOQ, Disney and Netflix partnerships, Globe likewise expanded its content offerings to include *Turner*-owned applications, such as *Cartoon Network*, which is the fifth most watched channel in the Philippines.
- Furthermore, Globe also expanded its sports content offering through a partnership with *Sports Illustrated*, carrying its application in Globe's content portfolio and providing Globe subscribers access to in-depth exclusive sports news coverage of American sports programming including basketball, the NFL, NHL, and ESports, among others.
- Globe partnered with Malaysian media powerhouse *Astro*, to give Filipino gaming fans access to eGG Network or Every Good Game, Southeast Asia's first dedicated 24/7 ESports network. ESports fans will be able to watch tournaments like League of Legends, Dota 2, and Counter Strike: Global Offensive, among others, via Globe.
- Lastly, the popular singing application Sing! by *Smule* allows Globe subscribers to record video duets with their favorite artists and share it with a global audience.

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About Globe

Globe Telecom, Inc. is a leading full service telecommunications company in the Philippines. The Company operates one of the largest and most technologically-advanced mobile, fixed, and broadband networks in the country, providing reliable, superior communications, data connections, internet and managed services to individual customers, small and medium-sized businesses, corporate and enterprise clients.

It is listed on the Philippine Stock Exchange under the ticker symbol GLO and had a market capitalization of US\$6.7 billion as of the end of June 2016.

Further information can be obtained by visiting the web at <http://www.globe.com.ph>