



January 6, 2014



Philippine Stock Exchange
3/F Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Gentlemen:

We submit herewith a copy of SEC Form 17-C with the rating release issued by Credit Rating and Investors Services Philippines, Inc. (CRISP) entitled "Rating Action: CRISP assigns 'AAA' on PLDT Co. with Stable Outlook".

Very truly yours,


MA. LOURDES C. RAUSA-CHAN
Corporate Secretary 



January 6, 2014

SECURITIES & EXCHANGE COMMISSION
SEC Building, EDSA
Mandaluyong City

Attention: Atty. Justina Callangan
Acting Director – Corporate Governance & Finance Department

Gentlemen:

We submit herewith two (2) copies of SEC Form 17-C with the rating release issued by Credit Rating and Investors Services Philippines, Inc. (CRISP) entitled "Rating Action: CRISP assigns 'AAA' on PLDT Co. with Stable Outlook".

Very truly yours,

A handwritten signature in black ink, appearing to read "Ma. Lourdes C. Rausa-Chan".

MA. LOURDES C. RAUSA-CHAN
Corporate Secretary

COVER SHEET

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| SEC Registration No. | | | | |

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(Company's Full Name)

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(Business Address: No. Street/City/Town/Province)

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| ATTY. MA. LOURDES C. RAUSA-CHAN | | | | | | | | | | | | | | |
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Contact person

| | | | | | | | | | |
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| 816-8553 | | | | | | | | | |
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Contact Telephone No.

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Month

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Day

Fiscal Year

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FORM TYPE

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Month

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Annual Meeting

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Amended Articles
Number/Section

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| 12,012 | | | | | | | | | |
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As of November 30, 2013

Total No. of Stockholders

Total Amount of Borrowings

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| NA | | | | | | | | | |
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Domestic

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| NA | | | | | | | | | |
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Foreign

To be accomplished by SEC Personnel concerned

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Document I.D.

Cashier

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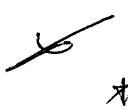
SECURITIES AND EXCHANGE COMMISSION

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.1

1. January 6, 2014
Date of Report (Date of earliest event reported)
2. SEC Identification Number PW-55
3. BIR Tax Identification No. 000-488-793
4. PHILIPPINE LONG DISTANCE TELEPHONE COMPANY
Exact name of issuer as specified in its charter
5. PHILIPPINES
Province, country or other jurisdiction
of Incorporation
6. _____ (SEC Use Only)
Industry Classification Code
7. Ramon Cojuangco Building, Makati Avenue, Makati City
Address of principal office
- 1200
Postal Code
8. (632) 816-8553
Issuer's telephone number, including area code
9. Not Applicable
Former name or former address, if changed since last report
10. Securities registered pursuant to Sections 8 and 12 of the Securities Regulation Code and
Sections 4 and 8 of the Revised Securities Act

Title of Each Class

Number of Shares of Common Stock
Outstanding and Amount of Debt Outstanding



11. Item 9 (Other Events)

Attached hereto is a rating release issued by Credit Rating and Investors Services Philippines, Inc. (CRISP) entitled "Rating Action: CRISP assigns 'AAA' on PLDT Co. with Stable Outlook".

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, PLDT has duly caused this Report to be signed on its behalf by the undersigned hereunto duly authorized.

PHILIPPINE LONG DISTANCE TELEPHONE COMPANY

By:



MA. LOURDES C. RAUSA-CHAN
Corporate Secretary 

January 6, 2014



Credit Rating and Investors Services Philippines, Inc.

AIM Conference Center Manila
Benavidez corner Trasierra Streets
Makati City Philippines 1260

Telephone: 632-465-9368 Fax: 632-465-9201 Email: ratings@crisp.com.ph

RATING ACTION: CRISP assigns 'AAA' on PLDT Co. with Stable Outlook

Makati City, January 6, 2014 - - The Credit Rating and Investors Services Philippines, Inc (CRISP) assigns a 'AAA' issuer rating with a stable outlook on the Philippine Long Distance Telephone Company (PLDT), the country's largest telecommunications operator. CRISP's rating assignment is based on the following rating factors:

CRISP's rating assignment is based on the following rating factors:

1. **Dominant market leadership.** PLDT holds a commanding market share in terms of subscribers with over 60% in the wireless, fixed line and broadband segments of a highly competitive Philippine telecommunications industry. Based on available information, PLDT enjoys :
 - *67% share in the Wireless Market Segment.* PLDT has 72 million of the country's approximately 109 million wireless subscribers, or 67% which represents the combined market share by Smart Communications and Sun Cellular in the wireless telecommunications market.
 - *69% share of subscribers in the Fixed Line Market Segment.* Out of approximately 3 million fixed line subscribers in the country, approximately 2 million are PLDT subscribers, which represents the lion's share of the fixed line market segment;
 - *64% share of subscribers in the Broadband Market Segment.* The combined market share of PLDT, Smart Communications and Sun Cellular amounting to about 3.3 million subscribers represents about 64% of the 5.2 million total broadband subscribers in the Philippines today.

CRISP cites PLDT's well-timed implementation of its capital investment program as a major factor in its dominant share in the telecommunications market. In 2011 and 2012, PLDT undertook a P67 billion network transformation program that upgraded its access network and made it more efficient and capable of more advanced generations of the Long Term Evolution (LTE) technology. The investment also expanded the company's digital fiber optic transmission network, now spanning 75,000-kilometers, the country's most extensive and resilient.

2. **Strong historical financial performance.** Despite competitive pressures and a changing revenue mix, PLDT's consolidated financial performance remained healthy over the last five years, with EBITDA and income margins averaging 55% and 24% respectively, while ROEs during the same period averaged about 32%.

During the first 9 months of the current year, PLDT's unaudited operating results indicated both its EBITDA from continuing operations and overall core income growing by 4% year-on-year. Profit margin for the same period in 2013 and 2012 is holding steady at 23% while EBITDA margin grew slightly to 49% from 48% the year before. For the next 5 years, EBITDA is expected to continue to grow at low- to mid- single digits and would remain strong, with EBITDA margins averaging at about 48% for the next 5 years.

Strong cashflow. Historically, PLDT has generated strong cashflow from operations. During the last three years, PLDT's net cash flow from operations netted P80.4 billion in 2012, P79.2 billion in 2011 and P77.3 billion in 2010. After taking into account its financing and investing activities, PLDT's cash balance ended with healthy levels at P37.1 B, P46 B, and P36.7 B during the last three years beginning in 2010.

3. **Excellent Management and Governance.** PLDT management's well thought-out strategy and timely execution of its investment and network transformation program ensure its current leadership position in the country's telecommunications industry, at least for the next 5 years. The combined effect of new technologies and the improving economic status of customers has caused a shift in the predominantly wireless/fixed line market to a more sustainable and growth-driven broadband market. The current thrust of PLDT management is expected to lead the pace of innovation and development of value added services in the industry.

CRISP views the PLDT Board's creation of its Group Enterprise Risk Management Department as a reflection of its proactive approach in addressing existing and emerging risks to its business and organization which is crucial in maintaining an organization's competitive position.

Outlook: Stable

CRISP assigns a stable credit outlook for PLDT's issuer rating as CRISP believes that PLDT's market leadership and strong financial returns will be sustained.

Disclaimer: CRISP rating is not a recommendation to buy, sell, or hold the rated instrument. CRISP's rating opinion on the likelihood of timely payment of debt obligations does not constitute an audit of the rated institution and are based on information provided by the issuer or obtained by CRISP from sources it considers reliable. Ratings are revised by CRISP as it deems events or circumstances so warrant.