

S&P raises PLDT ratings following sovereign upgrade

MANILA, Philippines, May 3, 2013 – International credit watcher Standard & Poor’s Ratings Services (S&P) has upgraded the credit ratings of telecoms leader PLDT after raising the sovereign credit rating of the country to investment grade.

S&P has upgraded PLDT’s foreign currency corporate credit rating and unsecured credit rating from 'BBB-' to 'BBB' which is one notch above the sovereign rating. The outlook is 'stable'. PLDT’s ASEAN regional scale rating was also improved from 'aXA-' to 'aXA', also one notch above the sovereign rating.

"The rating reflects the company’s strong position in the domestic market, diversified services, integrated network, and solid cash flow measures," S&P said in a statement.

It added that "the country and macroeconomic risk of the Philippines and intense competition in the mature domestic cellular market temper these strengths."

S&P has raised its sovereign credit ratings on the Philippines to investment grade at 'BBB-/A-3' from 'BB+/B' on the country’s strengthening external profile, moderating inflation, and declining reliance on foreign currency debt.

"We are pleased to benefit from the improving economic conditions in the country that resulted in another investment grade rating for the Philippines," PLDT Chairman Manuel V. Pangilinan said.

He added that the ratings upgrade should better reflect the potential of the company which is capped by the sovereign ratings.

PLDT has earlier earned the distinction of being the first Philippine corporate to be given investment grade credit ratings by all three major international credit watchers – S&P, Moody’s Investors Services, and Fitch Ratings.

PLDT President Napoleon Nazareno said that the S&P upgrade reaffirms the soundness of PLDT’s business strategy to transform into a fully integrated telco operator offering a complete suite of advanced communications services.

He added that the completion of PLDT’s P67.4 billion network transformation program last year resulted in a super-charged network that is unrivalled in terms of coverage, capacity, and resiliency. PLDT

remains the leading player in the local telecoms sector with over 60% market share in the cellular, broadband and fixed line businesses.

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About PLDT

PLDT is the leading telecommunications service provider in the Philippines. Through its three principal business groups –fixed line, wireless, and Business Process Outsourcing or BPO– PLDT offers a wide range of telecommunications services across the Philippines’ most extensive fiber optic backbone and fixed line and cellular networks.

PLDT is listed on the Philippine Stock Exchange (PSE:TEL) and its American Depositary Shares are listed on the New York Stock Exchange (NYSE:PHI). PLDT has one of the largest market capitalizations among Philippine-listed companies.

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