



March 13, 2009

The Philippine Stock Exchange
Disclosure Department
4th Floor PSE Centre
Exchange Road, Ortigas Center
Pasig City

Attention: Atty. Pete M. Malabanan
Head, Disclosure Department

Ladies and Gentlemen:

In compliance with Section 17.1(b) of the Securities Regulation Code and SRC Rule 17.1, we submit herewith a copy of SEC Form 17-C regarding certain discloseable events/information.

This shall also serve as the disclosure letter for the purpose of complying with PSE Revised Disclosure Rules.

Respectfully yours,

A handwritten signature in black ink, appearing to read "L. Rausa-Chan".

MA. LOURDES C. RAUSA-CHAN
Corporate Secretary

MLCRC:amq
Enc.

March 13, 2009

SECURITIES & EXCHANGE COMMISSION
Corporation Finance Department
SEC Building, EDSA
Mandaluyong City

Attention: Director Justina F. Callangan
Corporation Finance Department

Gentlemen:

Re : Philippine Long Distance Telephone Company
SEC Registration No. PW-55

In accordance with Section 17.1(b) of the Securities Regulation Code and SRC Rule 17.1, we submit herewith SEC Form 17-C regarding certain discloseable events/information.

Respectfully yours,



MA. LOURDES C. RAUSA-CHAN
Corporate Secretary

MLCRC:amq
Encs.

SECURITIES AND EXCHANGE COMMISSION

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

1. March 13, 2009
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

On 13th March 2009, the Boards of Directors of Philippine Long Distance Telephone Company (“PLDT”) (NYSE : TEL) (PSE : PLDT), Smart Communications, Inc (“Smart”) and Pilipino Telephone Corporation (“Piltel”) (PSE: PLTL) approved the acquisition by Piltel of 223 million shares of the Manila Electric Company (“Meralco”) (PSE : MER) from the Lopez Group for a cash consideration of ₱20.07 billion or ₱90 per share, subject to Piltel shareholders’ approval. The purchase represents approximately 20% of Meralco’s outstanding common stock. As part of the transaction, Piltel will enter into an Exchangeable Note Agreement with the Lopez Group where Piltel will purchase an Exchangeable Note, issued by First Philippine Utilities Corporation, with face value of P2 billion, exchangeable at Piltel’s option into 22,222,222 Meralco shares, and which will constitute part of the 20% Meralco shares to be acquired by Piltel. Under the Investment and Cooperation Agreement executed between PLDT and the Lopez Group, both parties agreed as well on certain governance matters such as the nomination of board directors and senior management officers. The PLDT Group does not expect to invest further in Meralco beyond this 20% stake.

Piltel is a 92.81%-owned subsidiary of Smart which in turn is wholly owned by PLDT. Under Piltel’s Articles of Incorporation, Piltel is permitted to make investments in other businesses outside of telecommunications. In addition, Piltel has a sizeable cash position (net of committed dividend payments) which will allow it to fund this transaction substantially from its internal funds. Piltel will seek shareholders approval of this investment at its Annual Stockholders’ Meeting to be held on 30th June 2009.

Piltel will likewise seek shareholders and regulatory approvals for the following arrangements with Smart, as approved by Piltel’s and Smart’s Board of Directors:

1. Licensing of the use of Piltel’s “Talk ‘N Text” brand to Smart for which Smart will pay Piltel a lump sum royalty fee based on a percentage of projected net service revenues;
2. Transfer of Piltel’s existing Talk ‘N Text subscriber base to Smart in consideration of a one-time payment equivalent to the subscriber acquisition cost which Smart would have incurred for the acquisition of its own subscribers; and
3. Sale of Piltel’s GSM fixed assets to Smart at net book value.

At the same time, Smart expressed its intention to undertake a tender offer for shares of the common stock of Piltel held by minority shareholders. The terms, conditions and timing of said offer will be announced once they have been approved by the Board of Directors of Smart in consultation with independent financial advisors.

These arrangements, once completed and implemented, will serve to consolidate the PLDT Group’s cellular business under Smart, thereby maximizing revenues streams and eliminating any lingering regulatory issues relating to the traffic between the two companies. It is expected that the proposed tender offer of Smart will provide an exit opportunity for Piltel’s minority shareholders, given the change in Piltel’s business direction.

The above-described transactions are expected to be completed within the third quarter of 2009.

The acquisition of a stake in Meralco constitutes a strategic investment for the PLDT Group that could lead to significant opportunities for operational and business synergies and result in new revenue streams and cost savings for both organizations.

Meralco is the largest distributor of electricity in the Philippines with a service area spanning 9,337 square kilometers, where approximately a quarter of the total Philippine population resides. It has a customer base of about 4.5 million, comprising commercial, industrial, and residential customers. In addition to electrical distribution, Meralco undertakes several related businesses, including e-Meralco Ventures, Inc (“EMVI”) which operates a fiber optic network of over 1,000 kilometers and provides leased line connections, metro ethernet connections and disaster recovery transport services.

In 2008, Meralco generated revenues of ₱191 billion and a net profit of ₱3.1 billion. It has a total asset base of ₱178 billion and total debt of ₱21 billion.

The PLDT Group and Meralco have a number of compatible network and business infrastructure elements, such as fiber optic backbones, power pole network, and business offices, most of which can be optimized to generate cost savings for both entities. Backroom assets in IT and data management can potentially also be pooled, consolidated and maximized such that both companies benefit from cost savings and utilize the other’s strengths. Other areas for possible collaboration are in easements and rights of way, bill statement printing and enveloping, general procurement, and advertising spend.

From a new business standpoint, Meralco could tap into PLDT’s considerable experience in the prepaid and mobile commerce fronts to offer new services such as prepaid electricity as well wireless bill payments and meter readings. For its part, PLDT could explore, in partnership with Meralco, the possibility of offering broadband services over power lines.

SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereto duly authorized.

PHILIPPINE LONG DISTANCE
TELEPHONE COMPANY

By:



MA. LOURDES C. RAUSA-CHAN
Corporate Secretary

March 13, 2009