

PHILIPPINE LONG DISTANCE TELEPHONE CO

Form 6-K

October 18, 2006

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16  
of the Securities Exchange Act of 1934

**For the month of October 2006**

**Commission File Number 1-03006**

Philippine Long Distance Telephone Company

(Exact Name of Registrant as Specified in Its Charter)

**Ramon Cojuangco Building**

**Makati Avenue**

**Makati City**

**Philippines**

(Address of principal executive offices)

(Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.)

Form 20-F  Form 40-F

(Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.)

Yes  No

(If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82-  
\_\_\_\_\_ )

#### NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some information in this report may contain forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as believe, plan, anticipate, continue, estimate, expect, may, will or other similar words.

A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. We have chosen these assumptions or bases in good faith. These forward-looking statements are subject to risks, uncertainties and assumptions, some of which are beyond our control. In addition, these forward-looking statements reflect our current views with respect to future events and are not a guarantee of future performance. Actual results may differ materially from information contained in the forward-looking statements as a result of a number of factors, including, without limitation, the risk factors set forth in Item 3. Key Information Risk Factors in our annual report on Form 20-F for the fiscal year ended December 31, 2005. You should also keep in mind that any forward-looking statement made by us in this report or elsewhere speaks only as at the date on which we made it. New risks and uncertainties come up from time to time, and it is impossible for us to predict these events or how they may affect us. We have no duty to, and do not intend to, update or revise the statements in this report after the date hereof. In light of these risks and uncertainties, you should keep in mind that actual results may differ materially from any forward-looking statement made in this report or elsewhere.

**EXHIBITS**

<u>Exhibit Number</u>	-	<u>Page</u>
1	A copy of the disclosure letter we sent today to the Philippine Stock Exchange and the Securities and Exchange Commission regarding the news article entitled "PLDT says to up dividend payout to 70% in 2007" published in the	4

October 18, 2006 issue of the BusinessWorld.

October 18, 2006

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 compliance with Section 17.1(b) of the Securities Regulation Code and SRC Rule 17.1, we submit herewith five (5) copies of our letter dated October 18, 2006 to the Philippine Stock Exchange, Inc. regarding the news article entitled "PLDT says to up dividend payout to 70% in 2007" which appeared in today's issue of the BusinessWorld.

Respectfully yours,

/s/ Ma. Lourdes C. Rausa-Chan

MA. LOURDES C. RAUSA-CHAN

Corporate Secretary

MLCRC:amq

Page 1 of 4

Encs.

Exhibit 1

SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

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

1. October 18, 2006

(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 6. \_\_\_\_\_ (SEC Use Only)

Province, country or other jurisdiction Industry Classification Code  
of Incorporation

7. Ramon Cojuangco Building, Makati Avenue, Makati City 1200

Address of principal office Postal Code

8. (632) 816-8553; 816-8556

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 or Sections 4 and 8 of the Revised Securities Act

Title of Each Class Number of Shares of Common Stock

Licensed and Amount of Debt Outstanding



11. Item 9 Other Events

Attached hereto is a copy of our letter to the Philippine Stock Exchange, Inc. ( PSE ) dated October 18, 2006 in connection with the news article entitled PLDT says to up dividend payout to 70% in 2007 which appeared in today s issue of the BusinessWorld

SIGNATURE

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

PHILIPPINE LONG DISTANCE  
TELEPHONE COMPANY

/s/ Ma. Lourdes C. Rausa-Chan

MA. LOURDES C. RAUSA-CHAN

Corporate Secretary

Date: October 18, 2006

Distribution Copies: 5 copies    Securities & Exchange Commission

1 copy - Philippine Stock Exchange

1 copy - Company Secretary

Page 3 of 4

October 18, 2006

The Philippine Stock Exchange

Disclosure Department

4<sup>th</sup> Floor PSE Centre

Exchange Road, Ortigas Center

Pasig City

Attention: Ms. Jurisita M. Quintos

Senior vice President

Gentlemen:

We refer to the letter of Atty. Pete M. Malabanan, Head-Disclosure Department, dated October 18, 2006, requesting confirmation of the information contained in the news article entitled "PLDT says to up dividend payout to 70% in 2007," published in the October 18, 2006 issue of the Business World, as quoted below:

SINGAPORE Philippine Long Distance Telephone Co. (PLDT), the country's most valuable firm, plans to raise its dividend payout to 70% of core earnings in 2007, it said on Tuesday. Funding is not a constraint right now, PLDT President Napoleon Nazareno told Reuters on the sidelines of a conference here. We have a good level of yearly free cash flow, about \$800 million for the entire PLDT group. Most likely we are enhancing our dividend payout to 70% of core earnings in 2007, he added. x x x

We advise that PLDT is targeting to increase its dividend payout in 2007 to 70% of its core earnings. For 2006, PLDT is committed to pay common dividends representing 60% of its core earnings per share, of which an interim dividend per share of P50.00 was already paid in September 2006.

The PLDT Group continues to generate strong free cash flows which are sufficient to support the Group's internal requirements as well as dividend payment commitments to shareholders. While our free cash flow may vary from time to time due to a number of factors including capex and working capital requirements, we estimate that the annual free cash flow being generated by PLDT Group to be approximately US\$700 – US\$800 million per year.

Respectfully yours,

/s/ Ma. Lourdes C. Rausa-Chan

MA. LOURDES C. RAUSA-CHAN

Corporate Secretary

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

PHILIPPINE LONG DISTANCE  
TELEPHONE COMPANY

By : /s/ Ma. Lourdes C. Rausa-Chan Name : Ma. Lourdes C. Rausa-Chan

Title : Senior Vice President, Corporate

Affairs and Legal Services Head

and Corporate Secretary

Date: October 18, 2006

