

PHILIPPINE LONG DISTANCE TELEPHONE CO

Form 6-K

March 19, 2008

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 March 2008**

**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, 2006. 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 press release issued by Moody's Investors Service (Moody's) entitled "Moody's changes outlook on PLDT to positive ."	6



March 19, 2008

The Philippine Stock Exchange

Disclosure Department

4<sup>th</sup> 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) and Section 17.3 of the Securities Regulation Code, we submit herewith a copy of SEC Form 17-C with a press release issued by Moody's Investors Service (Moody's) attached thereto entitled "Moody's changes outlook on PLDT to positive".

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

Respectfully yours,

/s/ Ma. Lourdes C. Rausa-Chan

MA. LOURDES C. RAUSA-CHAN

Corporate Secretary

MLCRC:amq

Encs.

March 19, 2008

SECURITIES & EXCHANGE COMMISSION

Money Market Operations Department

SEC Building, EDSA

Mandaluyong City

Attention : Director Justina F. Callangan

Corporations 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, we submit herewith five (5) copies of SEC Form 17-C with a press release issued by Moody's Investors Service (Moody's) attached thereto entitled "Moody's changes outlook on PLDT to positive".

Very truly yours,



/s/ Ma. Lourdes C. Rausa-Chan

MA. LOURDES C. RAUSA-CHAN

Corporate Secretary

MLCRC:amq

Encs.

**SECURITIES AND EXCHANGE COMMISSION**

**SEC FORM 17-C**

**CURRENT REPORT UNDER SECTION 17**

OF THE SECURITIES REGULATION CODE

AND SRC RULE 17.1

1. March 19, 2008

(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 registrant as specified in its charter

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

Province, country or other jurisdiction Industry Classification Code  
of Incorporation

7. 9<sup>th</sup> Floor MGO Building

Legaspi corner dela Rosa Streets, Makati City 1200

Address of principal office Postal Code

8. (632) 816-8553

Registrant'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 SRC

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 press release issued by Moody's Investors Service (Moody's) entitled "Moody's changes outlook on PLDT to positive".

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

/s/ Ma. Lourdes C. Rausa-Chan

MA. LOURDES C. RAUSA-CHAN

Corporate Secretary

Date: March 19, 2008

Distribution Copies: 5 copies    Securities & Exchange Commission

1 copy - Philippine Stock Exchange

1 copy - Company Secretary

Page 4 of 6

**Global Credit Research**

**Moody's Investors Service**

**Rating Action**

19 MAR 2008

**Rating Action: Philippine Long Distance Telephone Company**

**Moody's changes outlook on PLDT to positive**

**Approximately US\$725 million of debt securities affected**

Hong Kong, March 19, 2008 --Moody's Investors Service has today affirmed Philippine Long Distance Telephone Company's ("PLDT") Baa2 senior unsecured local currency issuer rating and changed its outlook to positive from stable. At the same time, Moody's has affirmed PLDT's Ba2/positive foreign currency bond rating.

"This rating action reflects PLDT's ability to achieve ongoing revenue and EBITDA growth despite rapidly deepening cellular penetration," say Laura Acres, a Moody's Vice President.

"Furthermore, the positive outlook recognizes PLDT's ability to fund record levels of capex internally and also increase returns to shareholders without increasing its leverage," adds Acres, also Moody's Lead Analyst for PLDT.

PLDT's local currency issuer rating of Baa2 reflects the company's position as the largest telecommunications operator in the Philippines; strong consolidated financial metrics; and dominant market position, founded on its integrated business platform.

However, these factors are counterbalanced by country-specific issues, such as uncertainty surrounding the Philippines' political and economic environment. Any deterioration in the political system or changes in the regulatory regime could impact its operating profile and prospects for growth.

PLDT also faces exposure to the challenges of servicing its foreign currency debt obligations with its largely Peso denominated revenue stream. At the same time, this risk has fallen as debt has been repaid and as the Peso has appreciated against the US dollar over the past year.

PLDT's financial metrics exhibit strong investment grade characteristics. Hence, any upward pressure on the local currency rating would be more reflective of PLDT's ability to maintain its existing sound financial and operating profile on a sustainable basis. Moody's would specifically like to ensure that shareholder return policies do not lead to a material deterioration of the company's financial profile.

Downward rating pressure is not expected given the positive outlook. However the outlook could revert to stable as a consequence of event risk associated with the parlous state of the Philippines socio-economic and political environment, or more aggressive debt-funded capital management initiatives/investments such that EBITDA margins falling below 50% or free cash flow/adjusted debt falling into negative territory.

Furthermore, the foreign currency bond rating is sensitive to any movement in the Philippines country ceiling and is likely to experience an upgrade with an upgrade in the country ceiling.

Headquartered in Manila, PLDT is an integrated provider of fixed-line, broadband, cellular and ICT services. As at February 2008 it had 31 million cellular, 1.7 million fixed-line and 0.6 million broadband subscribers and is the country's leading telecommunications service provider equating to market shares of 55%, 60% and 70% respectively.

Major shareholders are First Pacific and NTT/NTT DoCoMo, with effective common shareholdings of 26.3% and 20.9% as of 6th February 2008.

Hong Kong

Laura Acres

Vice President -Senior Analyst

Corporate Finance Group

Moody's Asia Pacific Ltd.

JOURNALISTS: (852) 2916-1150

SUBSCRIBERS: (852) 3551-3077

Hong Kong

Gary Lau

Senior Vice President

Corporate Finance Group

Moody's Asia Pacific Ltd.

JOURNALISTS: (852) 2916-1150

SUBSCRIBERS: (852) 3551-3077

© Copyright 2008, Moody's Investors Service, Inc. and/or its licensors including Moody's Assurance Company, Inc. (together, "MOODY'S"). All rights reserved.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY COPYRIGHT LAW AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER



TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT. All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, such information is provided "as is" without warranty of any kind and MOODY'S, in particular, makes no representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability or fitness for any particular purpose of any such information. Under no circumstances shall MOODY'S have any liability to any person or entity for (a) any loss or damage in whole or in part caused by, resulting from, or relating to, any error (negligent or otherwise) or other circumstance or contingency within or outside the control of MOODY'S or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication or delivery of any such information, or (b) any direct, indirect, special, consequential, compensatory or incidental damages whatsoever (including without limitation, lost profits), even if MOODY'S is advised in advance of the possibility of such damages, resulting from the use of or inability to use, any such information. The credit ratings and financial reporting analysis observations, if any, constituting part of the information contained herein are, and must be construed solely as, statements of opinion and not statements of fact or recommendations to purchase, sell or hold any securities. NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY SUCH RATING OR OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER. Each rating or other opinion must be weighed solely as one factor in any investment decision made by or on behalf of any user of the information contained herein, and each such user must accordingly make its own study and evaluation of each security and of each issuer and guarantor of, and each provider of credit support for, each security that it may consider purchasing, holding or selling.

Page 6 of 6

MOODY'S hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MOODY'S have, prior to assignment of any rating, agreed to pay to MOODY'S for appraisal and rating services rendered by it fees ranging from \$1,500 to approximately \$2,400,000. Moody's Corporation (MCO) and its wholly-owned credit rating agency subsidiary, Moody's Investors Service (MIS), also maintain policies and procedures to address the independence of MIS's ratings and rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold ratings from MIS and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually on Moody's website at [www.moody's.com](http://www.moody's.com) under the heading "Shareholder Relations -Corporate Governance -Director and Shareholder Affiliation Policy."

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: March 19, 2008