



October 28, 2011

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

Attention: Ms. Janet A. Encarnacion
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 copy of a press release issued by Fitch Ratings (Fitch) attached thereto entitled "Fitch Upgrades PLDT's Long-Term Local-Currency IDR; Stable Outlook".

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

Respectfully yours,

A handwritten signature in black ink, appearing to read "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. October 28, 2011
(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
Province, country or other jurisdiction
of Incorporation
6. _____ (SEC Use Only)
Industry Classification Code
7. 9th Floor MGO Building
Legaspi corner dela Rosa Streets, Makati City
Address of principal office
- 1200
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 Fitch Ratings (Fitch) entitled "Fitch Upgrades PLDT's Long-Term Local-Currency IDR; Stable Outlook".

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


MA. LOURDES C. RAUSA-CHAN
Corporate Secretary

October 28, 2011

FITCH UPGRADES PLDT'S LONG-TERM LOCAL-CURRENCY IDR; STABLE OUTLOOK

Fitch Ratings-Delhi/Jakarta/Sydney/Singapore-28 October 2011: Fitch Ratings has upgraded Philippine Long Distance Telephone Company's (PLDT) Long-Term Local-Currency (LTLC) Issuer Default Rating (IDR) to 'A-' from 'BBB+', and simultaneously removed it from Rating Watch Positive. The Outlook is Stable. A full rating breakdown is provided at the end of this commentary.

On 26 October 2011, PLDT announced that the National Telecommunications Commission (NTC) had approved the acquisition of a 51.55% ownership interest in the third-largest telco - Digital Telecommunications Philippines, Inc. (Digitel) - in an all-equity deal. PLDT had earlier received shareholders' approval on 14 June 2011 for the issuance of common shares for the acquisition.

According to the most recent announcement, PLDT will issue 27.7 million new PLDT shares to acquire, among others, 3.3 billion Digitel common shares (representing a 51.55% stake) and zero-coupon bonds owned by JG Summit Holdings, Inc (JGS). Also, the transaction has triggered a mandatory tender offer to the remaining minority shareholders (48.45%) who can opt to tender each Digitel share at PHP1.6033, or swap it in at a ratio of 1.567 Digitel shares for every PLDT share. Fitch does not expect the amount of minority shareholders' payment, if debt-funded, to materially affect PLDT's credit profile.

The rating upgrade reflects Fitch's expectation that the PLDT-Digitel combined entity will have a significantly improved market position despite having broadly the same credit profile. PLDT-Digitel will become a dominant operator, having about 70% and 66% of subscriber and revenue market shares, respectively, (versus PLDT's 53% and 56% in Q211). Also, PLDT will have a much larger spectrum (25MHz in 2100MHz band) compared to the second-largest operator, Globe Telecom (Globe, 'BB+'/'Stable'), which has only 10Mhz.

As part of regulatory approval, PLDT has committed to divest 10MHz of spectrum in the 2100MHz band and to keep the popular 'Unlimited Tariff' packages alive in the market. PLDT will divest its subsidiary, Connectivity Unlimited Resource Enterprises, Inc. (CURE) which owns 10MHz of spectrum. CURE will be sold through competitive bidding by PLDT under NTC supervision, which should fetch PLDT a minimum bid price that would allow it to recover its investment in acquiring, developing and operating CURE, including, among others, the USD10m acquisition price for CURE and PHP65m annual spectrum users' fee.

PLDT's LTLC IDR (which exceeds the Sovereign's 'BBB-' LTLC IDR by three notches) does not take into account foreign currency transfer and convertibility risk, and is more reflective of the company's standalone credit profile. Any future movement in the Philippines' LTLC IDR will lead to a corresponding change in PLDT's LTLC IDR.

PLDT's LTFC IDR continues to be constrained by the Philippines' Country Ceiling of 'BBB-', reflecting the country's foreign currency transfer and convertibility risk. Any future movement in the Country Ceiling will lead to a corresponding change in PLDT's LTFC IDR.

The ratings actions are as follows:

- LTLC IDR upgraded to 'A-' from 'BBB+'; Stable Outlook;
- Long-Term Foreign-Currency IDR affirmed at 'BBB-'; Outlook Stable;
- National Long-term Rating affirmed at 'AAA(phl)'; Outlook Stable; and
- Senior unsecured rating affirmed at 'BBB-'.

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Additional information is available at www.fitchratings.com. The ratings above were solicited by, or on behalf of, the issuer, and therefore, Fitch has been compensated for the provision of the ratings.

Applicable Criteria "Corporate Rating Methodology", dated 12 August 2011; "Global Telecom Portfolio; Sector Credit Factor Compendium", dated 23 May 2011; and "Rating Global Telecoms Companies - Sector Credit Factors", dated 16 September 2010 are available at www.fitchratings.com.

Applicable Criteria and Related Research:

Corporate Rating Methodology

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=647229

Global Telecom Portfolio; Sector Credit Factor Compendium

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=627209

Rating Global Telecoms Companies - Sector Credit Factors

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=550205

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