



March 31, 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:

We submit herewith a copy of SEC Form 17-C with a press release issued by Moody's Investors Service (Moody's) entitled "Moody's sees no rating impact for PLDT on acquisition announcement".

Respectfully yours,

MA. LOURDES C. RAUSA-CHAN
MA. LOURDES C. RAUSA-CHAN
Corporate Secretary

MLCRC:amq
Enc.

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 31, 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 Moody's Investors Service (Moody's) entitled "Moody's sees no rating impact for PLDT on acquisition announcement".

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

Date: March 31, 2011

Moody's INVESTORS SERVICE

Announcement: Moody's sees no rating impact for PLDT on acquisition announcement

Global Credit Research - 30 Mar 2011

Approximately US\$550 Million of Debt Securities Affected

Hong Kong, March 30, 2011 – Moody's Investors Service sees no impact for the Baa2 issuer rating and Ba1 foreign currency bond rating of Philippine Long Distance Telephone Company's ("PLDT") and the stable outlook.

This follows PLDT recent announcement that it plans on acquiring an interest in Digital Telecommunications Philippines Inc ("Digital") from JG Summit Holdings, Inc ("JGS"). Digital is the 100% owner of Digital Mobile Philippines, Inc., which owns the brand Sun Cellular – the Philippines' third largest telecommunications operator after PLDT and Globe Telecom.

The agreed consideration for the acquisition is P69.2 billion, although this could increase to P74.1 billion assuming full acceptance by the minority shareholders in Digital. Payment will be settled by the issuance of one new PLDT share for every P2,500 consideration payable. Minority shareholders have the option to receive payment in cash rather than shares which equates to approximately US\$110 million.

"The transaction, which is expected to complete on 30th June 2011, will result in a temporary spike in leverage – as measured by consolidated debt/EBITDA - to approximately 1.6x for 2011 given the assumption of some US\$600 million in debt and potential cash payment to Digital's minority shareholders, given that Digital will only make a 6-month contribution to results; PLDT has also previously communicated plans to accelerate capex for 2011 and 2012," says Laura Acres, a Moody's Vice President and Senior Credit Officer.

"Given the acquisition and PLDT's accelerated capex plan, it is Moody's expectation that adjusted consolidated debt/EBITDA will remain at approximately 1.5-1.6x for next 18-24 months before falling back to 1.2-1.4x in 2013; as such the acquisition can be accommodated within the current rating level," adds Acres, also Moody's Lead Analyst for PLDT.

The acquisition will strengthen further PLDT's presence in the Philippine telecommunications space – giving it an estimated 60% wireless revenue market share - as well as provide potential costs savings through synergies relating to infrastructure sharing, centralized procurement and capex rationalization. The transaction, while binding on the part of JGS, is subject to both regulatory approvals and PLDT shareholder approval.

The principal methodology used in this rating was Global Telecommunications Industry published in December 2010.

The last rating action was taken on 24th July 2009 when PLDT's senior unsecured bond rating was upgraded to Ba1/stable following a commensurate action on the sovereign bond ceiling.

PLDT, headquartered in Manila and listed on the Philippine Stock Exchange and American Depositary Receipts traded on the New York Stock Exchange, is an integrated provider of fixed-line, broadband, cellular and ICT (Information and Communications Technology) services. It currently has a 52% subscriber market share for cellular telephony, 60% for fixed-line services and about 58% for broadband.

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Moody's
INVESTORS SERVICE

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