



March 13, 2009

THE PHILIPPINE STOCK EXCHANGE
Listing and Disclosure Group
4th Floor Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

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

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 respect to certain discloseable events/information.

This shall serve as our disclosure for the purpose of complying with the Revised Disclosure Rules of the Philippine Stock Exchange.

Thank you.

Very truly yours,


MA. LOURDES C. RAUSA-CHAN
Corporate Secretary

COVER SHEET

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S.E.C. Registration No.

P I L I P I N O T E L E P H O N E

C O R P O R A T I O N

(Company's Full Name)

25th F L R . S M A R T T O W E R

6 7 9 9 A Y A L A A V E N U E

M A K A T I C I T Y 1 2 2 6

(Business Address: No. Street City/Town/Province)

MA. LOURDES C. RAUSA-CHAN

Contact Person

888-0188 & 816-8853

Company Telephone Number

1	2	3	1	SEC FORM 17-C	0	5	1	9
Month		Day		FORM TYPE	Month		Day	
Fiscal Year					Annual Meeting			

Corporation Finance Department	N.A.
Dept. Requiring this Doc.	Amended Articles Number/Section

23,675 common stockholders as of February 28, 2009 Total No. of Stockholders	Total Amount of Borrowings	
	N.A. Domestic	N.A. Foreign

To be accomplished by SEC Personnel concerned

File Number

Document I.D.

LCU

Cashier

STAMPS

11. Item 2 – Acquisition or Disposition of Assets and Item 9 – Other Events

We disclose the following:

I. Approval of Material Corporate Actions

At the Special Meeting of the Board of Directors of Pilipino Telephone Corporation (respectively, the "Board" and the "Company" or "Piltel") held on March 13, 2009, the Board approved the following corporate actions, subject to stockholders', regulatory and other requisite approvals or consents and the execution of the relevant definitive agreements:

- A. Investment of corporate funds in 223 million shares of common stock of Manila Electric Company ("Meralco") (PSE : MER) representing approximately 20% of the outstanding common stock of Meralco (the "Meralco Shares"). The Meralco Shares will be acquired from the Lopez Group for a cash consideration of PHP20.07 billion or PHP 90.00 per share. 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 PHP2 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. Piltel has a sizable cash position (net of committed dividend payments) which will allow it to fund this acquisition substantially from its internal funds. Under its Articles of Incorporation, Piltel is permitted to make investments in other businesses outside of telecommunications. Piltel will seek stockholders' approval of this investment at its Annual Meeting of Stockholders on June 30, 2009.
- B. Transaction/Arrangements with Smart Communications, Inc. ("Smart")
- i. Licensing of the use of Piltel's "Talk 'N Text" brand to Smart for which Smart will pay a lump sum royalty fee based on a percentage of projected net service revenues.
 - ii. 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.
 - iii. Sale to Smart of Piltel's GSM fixed assets at net book value.

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

These transactions/arrangements with Smart, once completed and implemented, will serve to consolidate the PLDT Group's cellular business under Smart, thereby maximizing revenue 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 around 4.5 million, comprising commercial customers, industrial customers 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 PHP191 billion and a net profit of PHP3.1 billion. It has a total asset base of PHP178 billion and total debt of PHP21 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 developing, 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 as 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.

II. Postponement of Annual Meeting of Stockholders

The Board also approved the postponement of the Annual Meeting of Stockholders scheduled on May 19, 2009 to June 30, 2009 and fixed May 4, 2009 as the Record Date for the purpose of determining the stockholders entitled to notice of, and to vote at, the said meeting.

In lieu of holding a Special Meeting of Stockholders for purposes of presenting the corporate actions described above for stockholders' consideration and approval, the same will be included in the Agenda for the Annual Meeting of Stockholders, in

addition to the election of directors/independent directors and approval of the audited financial statements as of and for the year ended December 31, 2008. This will avoid duplication of the process of review and clearance of the meeting materials by the Commission as well as the printing and distribution of such meeting materials to the Company's more than 23,000 stockholders which will entail significant time, effort and expenses.

The deadline for the submission to and receipt by the Company of unsolicited proxies with respect to the Annual Meeting of Stockholders is on June 25, 2009.

Printed notice of the Annual Meeting of Stockholders (stating the date, time, venue and agenda of said meeting), the Information Statement and Annual Report/Management Report to Security Holders will be furnished to the Commission, the Philippine Stock Exchange and the stockholders within the period prescribed under applicable rules.

SIGNATURE

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

PILIPINO TELEPHONE CORPORATION


MA. LOURDES C. RAUSA-CHAN
Corporate Secretary

March 13, 2009

Distribution Copies: 3 copies - Securities & Exchange Commission
1 copy - Philippine Stock Exchange
1 copy - Corporate Secretary