



March 5, 2007

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

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 respect to a discloseable information.

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

Thank you.

Very truly yours,

A handwritten signature in black ink, appearing to read "DAN TAN".

DEBORAH ANNE N. TAN
Corporate Information/Investor Relations Officer

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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 5, 2007
Date of Report
2. SEC Identification Number 35815
3. BIR Tax Identification No. 000-489-462
4. PILIPINO TELEPHONE CORPORATION
Exact name of Issuer as specified in its charter
5. PHILIPPINES
Province, country or other jurisdiction
of Incorporation
6. _____ (SEC Use Only)
Industry Classification Code
7. 25th Floor Smart Tower
6799 Ayala Avenue
Makati City
Address of principal office
- 1200
Postal Code
8. (632) 511-6121/511-6241
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 4 and 8 of the Revised Securities Act/Sections 8 and 12 of the Securities Regulation Code

Title of Each Class	Number of Outstanding Shares of Common Stock Licensed and Amount of Outstanding Debt
Common Shares	11,771,748,431 shares ¹

¹ Represents the total outstanding common shares of which 1,036,986,031 shares are registered and 10,734,762,400 shares were issued in transactions exempt from the registration requirement under Section 6 of the Revised Securities Act/Section 10 of the Securities Regulation Code.

11. Item 9 – Other Events (Paragraph 29)

At the meeting of the Board of Directors of Pilipino Telephone Company held on March 5, 2007, the Board authorized and approved the proposed quasi-reorganization/capital restructuring to wipe out the Company's existing capital deficit. This will be done by applying additional paid-in capital in the amount of ₱22,241.0 million against the deficit of ₱22,241.0 million as of December 31, 2006. The quasi-reorganization/equity restructuring is subject to approval by the Securities and Exchange Commission.

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



DEBORAH ANNE N. TAN
Corporate Information/Investor Relations Officer

Date: March 5, 2007

Distribution Copies: 5 copies - Securities & Exchange Commission
1 copy - Philippine Stock Exchange
1 copy - Corporate Secretary