



PAL Holdings, Inc.

February 6, 2008

Philippine Stock Exchange

Philippine Stock Exchange Center,
Exchange Road, Ortigas Center
Pasig City

Attention : ATTY. PETE M. MALABANAN
Head, Disclosure Department

Gentlemen:

We refer to your letter today asking for confirmation on the reported article which states that:

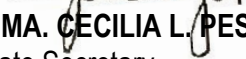
“Philippine Airlines has embarked on a comprehensive, P3.5-billion renovation of its long-range wide-body fleet, highlighted by the reconfiguration of the passenger cabin from a tri-class to a bi-class layout, along with a major upgrade of the interiors and amenities...”

Please be informed that upon verification with Philippine Airlines, Inc. (PAL), the Company is indeed undertaking the cabin upgrade and refurbishment described in the news article. It is part of the long range plan of PAL to give its passengers the most comfortable and pleasant experience by flying with PAL.

We hope that we were able to enlighten you on the above-mentioned news article. Should you have other questions, please do not hesitate to call us for clarifications.

Very truly yours,
PAL HOLDINGS, INC.

By:


ATTY. MA. CECILIA L. PESAYCO
Corporate Secretary