



PAL Holdings, Inc.

October 1, 2009

DISCLOSURE DEPARTMENT
THE PHILIPPINE STOCK EXCHANGE, INC.
4/F PSE Centre, Exchange Road
Ortigas Center, Pasig City

Attention : MS. JANET A. ENCARNACION
Head, Disclosure Department

Gentlemen:

We refer to your letter received earlier today, requesting confirmation on the news article appearing in the October 1, 2009 issue of the Business Mirror (Internet Edition) which state that:


“FLAG carrier Philippine Airlines (PAL) will report a net loss for July to September mainly due to low passenger demand and a slowdown in traffic. Its fiscal year ends in March. “From our original target, our passenger load is 10 percent below. So, there is a reduction in capacity from July to September. Second quarter is always a losing quarter. We were affected by a slowdown in tourism, particularly from Japan and Korea, our traditional source of tourism,” said PAL president Jaime Bautista...”

Please be advised that the statement was made in the course of a press interview held after the Stockholders’ meeting of PAL Holdings, Inc. held yesterday, September 30, 2009. After verification with Mr. Jaime Bautista, President of both Philippine Airlines, Inc. and PAL Holdings, Inc., we confirm that the above-quoted article is essentially correct.

We trust that you will find the foregoing in order.

Very truly yours,
PAL HOLDINGS, INC.

By:


ATTY. MA. CECILIA L. PESAYCO
Corporate Secretary