



PAL Holdings, Inc.

October 7, 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 sent today, October 7, 2009, requesting confirmation on the news article published in the issue of the Manila Standard Today which states that:

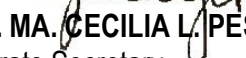
“THE Supreme Court has ordered the labor arbiter to compute the compensation due to some 1,400 cabin crew that Philippine Airlines retrenched in 1998 after the flag carrier was placed under corporate rehabilitation... Initial estimates showed that Philippine Airlines owed the employees P3 billion, Daniel Reyes, the airline union’s lawyer, said earlier....”

Upon verification with the President, Mr. Jaime J. Bautista, I was informed that as of date, Philippine Airlines, Inc. (PAL) has not received a copy of the decision being cited. Consequently, PAL or PAL Holdings, Inc. cannot confirm or deny the correctness, authenticity or truthfulness of the news article or the amount being cited in the same. Moreover, according to Mr. Bautista, upon receipt of the decision, PAL will definitely study its options and exhaust all legal remedies to protect its interests.

We trust that we have sufficiently answered your queries on the matter.

Very truly yours,
PAL HOLDINGS, INC.

By:


ATTY. MA. CECILIA L. PESAYCO
Corporate Secretary