



PAL Holdings, Inc.

October 26, 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:

Please be advised that during the Board of Directors' Meeting of Philippine Airlines, Inc. (PAL), a subsidiary of PAL Holdings, Inc., held today, October 26, 2009, the Board approved the lease of five (5) Q400 and three (3) Q300 aircraft to Air Philippines Corp. (APC) for a term of five (5) years with rental fee of approximately US\$145,000.00 per aircraft per month. Further, the PAL Board granted APC the authority to takeover and operate all routes of "PAL Express" flights effective October 27, 2009.

Very truly yours,
PAL HOLDINGS, INC.

By:


ATTY. MA. CECILIA L. PESAYCO
Corporate Secretary