



# PAL Holdings, Inc.

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April 15, 2008

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

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

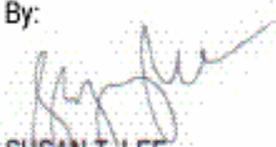
Gentlemen:

Please find herewith the Official Media Release of Philippine Airlines, Inc. for April 15, 2008.

We trust that you will find everything in order.

Very truly yours,  
PAL HOLDINGS, INC.

By:



SUSAN T. LEE  
Chief Finance Officer



**PAL Holdings, Inc.**

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# MEDIA RELEASE



**Philippine Airlines**

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April 15, 2008

**Flag carrier's low-fares unit**

## ***PAL Express unveiled***

MANILA – Philippine Airlines is launching a new, low-fares unit that will operate a fleet of turbo-propeller aircraft to mostly domestic island points under the brand name “PAL Express,” PAL president Jaime J. Bautista announced today.

“PAL Express will meet the growing demand of the traveling public for a high-quality carrier offering low fares,” said Bautista.

“At the same time, it supports the Philippine government’s efforts to promote trade and tourism, particularly to our many small islands, thus providing a much-needed lift to the local economy of these communities.”

PAL will acquire nine turbo-props – three Bombardier Q300s and six Q400s – to comprise PAL Express’ initial fleet, which will be based mainly in Cebu. Some flights will also operate out of Manila.

PAL Express will primarily fly intra-regional routes in Visayas and Mindanao from its Cebu hub, as well as secondary routes to smaller airports in island provinces that are not able to accommodate PAL’s regular jet aircraft.

The launch of PAL Express is a ground-breaking step for the flag carrier, which is creating a sub-brand for the first time in its 67-year history.

“We will leverage on the strength of the PAL brand to make PAL Express the leader in the markets it serves. In turn, PAL benefits from the expansion of its network to areas it does not presently fly to, from where PAL Express aims to draw traffic to feed the main trunk routes,” said Bautista.

He added: “But the biggest beneficiary will be the traveler, who is now able to tap into PAL’s extensive route network and enjoy seamless connections between erstwhile inaccessible provincial points and 43 destinations – and counting – across the Philippines, Asia, Australia and North America.”



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The structure for PAL Express is similar to the set-up found in several international airlines, where the “legacy” carrier establishes an operating division intended to serve a market niche distinct from the mainline operation.

The division, however, is still supervised by the parent airline, which also provides logistical and administrative support. Examples of this structure are American Airlines’ American Eagle, United Airlines’ United Express, Air Canada’s Jazz, and Lufthansa’s Lufthansa Cityline.

PAL Express is scheduled to take off on May 5, 2008 with eight flights daily between Manila and Boracay. Services ramp up dramatically on May 19, when PAL Express’ Cebu-hub operations commence with flights between Cebu and five points in Visayas and Mindanao.

To introduce these new services, PAL Express is offering a promotional fare of P88 (excluding taxes and surcharges) for one-way flights between Cebu and Bacolod, Caticlan, Tacloban, Butuan and General Santos.

The special fare can be availed of until May 18, 2008 and is for travel from May 19 to August 15, 2008 only.

(end)