



September 22, 2011

The Philippine Stock Exchange
3rd Floor Philippine Stock Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

Attention: Ms. Janet A. Encarnacion
Head, Disclosure Department

Mr. Norberto T. Moreno, Jr.
Assistant Head, Disclosure Department

Dear Sirs and Mesdames:

We refer to your letter dated September 22, 2011 requesting for comments on the news article entitled "PLDT to buy flag-carrier", published in the September 22, 2011 issue of The Manila Times. The article reported in part that:

"Last week, PLDT obtained regulatory approval from the Securities and Exchange Commission (SEC) to form an airline company, fueling speculations that it is a prelude to its intention to acquire PAL."

We confirm that PLDT is one of the incorporators of Pacific One Global Aviation Company, Inc. ("Pacific One"). The creation of this company is part of the rationalization of PLDT Group's internal aviation requirements. PLDT will spin-off its aircraft into the newly formed company. The other incorporators of Pacific One, which also have aviation requirements, will now be able to share in the cost of maintaining and operating the said aircraft.

PLDT denies any intention to acquire PAL.

Thank you.

Respectfully yours,

FLORENTINO D. MABASA, JR.
Assistant Corporate Secretary

FDM:amq