

NONCONSOLIDATED BALANCE SHEETS

Philippine Airlines Co., Ltd.
March 31, 1997 and 1996

ASSETS	Yen (Millions)		U.S. dollars (Thousands) (Note 4)
	1997	1996	1997
Current assets:			
Cash	¥ 44,106	¥ 45,588	\$ 355,409
Marketable securities	38,164	66,291	307,531
Accounts receivable, less allowance for doubtful accounts (¥468 million in 1997 and ¥404 million in 1996)	48,442	48,460	390,349
Accounts receivable from and advances to subsidiaries and affiliates	13,906	12,401	112,058
Aircraft spare parts and supplies	34,825	34,888	280,628
Prepaid expenses and other current assets	56,807	65,210	457,753
Total current assets	236,252	272,840	1,903,729
Investments and long-term receivables:			
Investments in securities	34,534	34,480	278,280
Investments in and advances to subsidiaries and affiliates (Note 5)	137,393	140,880	1,107,115
Lease and guaranty deposits	7,957	7,743	64,121
Housing loans to employees	643	46,895	5,183
Other long-term receivables	35,418	31,890	285,402
Total investments and long-term receivables	215,946	261,890	1,740,103
Property and equipment (Note 6):			
Flight equipment	852,629	917,212	6,870,505
Ground property and equipment	420,897	421,353	3,391,595
	1,273,526	1,338,566	10,262,101
Less accumulated depreciation	(726,843)	(761,695)	(5,856,915)
	546,683	576,870	4,405,185
Advance payments on aircraft purchase contracts	67,138	51,617	541,002
Construction in progress	3,963	3,018	31,935
Net property and equipment	617,785	631,506	4,978,124
Other assets	2,465	1,012	19,865
Total assets	¥1,072,450	¥1,167,249	\$ 8,641,822

See accompanying notes to nonconsolidated financial statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	Yen (Millions)		U.S. dollars (Thousands) (Note 4)
	1997	1996	1997
Current liabilities:			
Short-term loans (Note 6)	¥ 71,846	¥ 124,363	\$ 578,943
Accounts and notes payable - trade	66,289	68,489	534,162
Accounts payable to subsidiaries and affiliates	18,998	17,215	153,090
Advance ticket sales	35,972	31,766	289,866
Accrued expenses	22,610	23,821	182,195
Accrued income taxes	4,668	6,562	37,620
Other current liabilities	5,126	7,496	41,305
Total current liabilities	225,512	279,714	1,817,184
Long-term liabilities:			
Long-term debt, less current portion (Note 6)	585,954	628,825	4,721,627
Accrued employees' retirement benefits	57,137	53,607	460,411
Other long-term liabilities	13,073	13,921	105,343
Total long-term liabilities	656,164	696,354	5,287,383
Shareholders' equity (Notes 9 and 13):			
Common stock, par value ¥50 per share:			
Authorized - 2,203,200,000 shares			
Issued, 1997 - 1,442,724,240 shares	72,142	-	581,322
1996 - 1,442,719,399 shares	-	72,139	-
Capital surplus	90,135	90,132	726,309
Legal reserve	9,868	9,435	79,517
Retained earnings	18,627	19,473	150,105
Total shareholders' equity	190,773	191,180	1,537,255
Commitments and contingent liabilities (Note 10)			
Total liabilities and shareholders' equity	¥1,072,450	¥1,167,249	\$8,641,822