



Thomas G. Plaskett  
Chairman of the Board

February 20, 1989

Mr. and Mrs. John Boland  
4 Century Road  
Nashua, NH 03060

Dear Mr. and Mrs. Boland:

Although it has been several weeks since the tragedy which occurred on December 21, 1988, I felt it necessary to refrain from communicating with you too soon and without sufficient information that might be informative to you. There is no question that the shocking and senseless destruction of Pan Am Flight 103 should be considered an act of criminal sabotage that leaves little room for gracious acceptance of the reality that 270 innocent people were killed.

We at Pan Am share in your sorrow and understandable anger. Sixteen of our valued employees and coworkers were among the victims of this senseless act of terrorism. Every member of the Pan Am family joins me in extending our sincere condolences and heartfelt sympathy to you as a result of the loss of your son, Stephen.

Recognizing that this was a trying and difficult time for you and other family members and friends, I did not want to intrude upon your privacy at a time when you were faced with handling so many personal details. For that reason, I asked one of our Pan Am family members personally to look after and help coordinate your immediate needs. I hope that Frank Kwapniewski was helpful in providing meaningful support and assistance.

I also waited for some time to pass before writing this letter to you because I expected that there would be more definitive information forthcoming about the progress of the criminal investigation as well as the source of the explosive device that destroyed Flight 103. While there has been a great deal of speculation in the media, law enforcement officials in Great Britain, Germany, and the United States

are still actively and aggressively investigating various aspects of the case and have not, to our knowledge, arrived at any firm conclusions. Also, because this is a criminal investigation, the availability and timeliness of some information are under the control of law enforcement officials and may not be released to us or the media as quickly as we would like and perhaps not until the investigation is complete. Please be assured that I will pass along to you any relevant new information as it becomes available to us. In that spirit, let me tell you what we do know at this time.

We know that the explosive device (possibly concealed in a radio cassette player) was placed in a baggage container that was loaded in the left forward portion of the airplane designated as cargo position "14-L", adjacent to the outer wall of the aircraft. But, at the present time, we do not know how it was concealed nor how or at which airport it was placed on board; neither do we know who is responsible for this despicable criminal act.

The baggage container in position 14-L is presently being reconstructed in Scotland from debris to identify the precise location and direction of the explosive force through the aircraft. This container held connecting baggage from other airlines (which was placed in the container in London) as well as baggage which had been transferred from the smaller Pan Am aircraft that originated in Frankfurt. The explosive device could have been placed in the Frankfurt originating baggage, or possibly in a bag that entered Pan Am's system in London as a local originating bag or as a connecting bag delivered to us by another airline. It is our understanding that all conceivable possibilities continue to be actively pursued by law enforcement officials in the United States, Germany, and the United Kingdom.

There also has been a great deal of conjecture and erroneous information concerning the security advisory message which Pan Am and other airlines received from the Federal Aviation Administration on December 5, 1988. It is important that you know we never received a specific threat against Flight 103. The December security advisory did not identify any particular flight or date and, on December 6, law enforcement officials in Finland determined it to be a hoax. Nonetheless, the advisory was properly communicated through internal channels at Pan Am to appropriate security and operating personnel.

Mr. and Mrs. John Boland

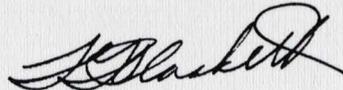
Page 3  
February 20, 1989

We immediately took additional security measures that we believe were an appropriate response to the advisory, as we do with all such advisories. However, we were then, and are now, specifically precluded from further disseminating the contents of security advisories by Federal regulations and the instructions which were included in the advisory itself. While the questions that have been raised concerning this security advisory are certainly understandable, it appears to have been, unfortunately, a tragic coincidence.

I also wish to inform you that the appropriate legal heirs of each passenger are entitled to certain compensation as provided by existing international treaties and agreements which govern international air transportation. A representative from Pan Am's insurers, United States Aviation Underwriters, will soon contact you in writing concerning the procedures to be followed. We ask that you or your legal advisor respond directly to United States Aviation Underwriters at your earliest opportunity.

There are no words that will adequately convey the depth of my personal sorrow or that will lessen the terrible sense of loss you feel. But, it is my sincere hope that you will find strength and comfort in this difficult time by knowing that so many other people - - all of us at Pan Am, the citizens of Lockerbie, Scotland, and millions of decent people throughout the world - - are sharing your burden through our thoughts and prayers.

Sincerely,



Thomas G. Plaskett  
Chairman