



PEPSI-COLA PRODUCTS PHILIPPINES, INC.

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3 June 2013

THE PHILIPPINE STOCK EXCHANGE, INC.

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

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

Gentlemen:

We reply to your Memo sent this morning seeking clarification of the news article entitled “Pepsi PHL sets expansion program” posted in *Business Mirror (Internet Edition)* on 2 June 2013. The article reported in part that:

“DRINKS maker Pepsi-Cola Products Philippines Inc. plans to expand its distribution centers in the Philippines and product offerings as the company tries to keep up with competition.

Pepsi Philippines, which sells its namesake soft-drink brand and other products such as Gatorade, energy drink Sting and Tropicana fruit juices, said it hopes to expand the current distribution network of 500,000 locations by about 12 percent this year.

Company President Partha Chakrabarti said it will also add three new lines in its existing manufacturing plants in Muntinlupa, Cebu and Davao this year and open a new facility in Santo Tomas, Batangas, by next year.

x x x

Chakrabarti said about half of the P4-billion capital expenditure allocation for the year will be spent on expanding the distribution network in the country, while the remaining half will be used for the new plant lines. He did not give additional details on the upcoming plant.

x x x.”



We confirm the information stated in the above article on the plans of Pepsi-Cola Products Philippines, Inc. ("Company") to expand its distribution network and to increase manufacturing capacity by the addition of new lines in existing plants as abovestated, as well as the opening of a new plant in Batangas.

The Company likewise confirms that the above capital expenditures will be partly funded out of the Php 1 Billion term loan from Metropolitan Bank & Trust Company ("Bank") taken by the Company, as stated in our previous disclosure on 14 March 2013.

We trust that the explanation given above is sufficient.

Very truly yours,

A handwritten signature in black ink, appearing to read 'P. Chakrabarti', written in a cursive style.

Partha Chakrabarti
President