



4 January 2013

DISCLOSURE DEPARTMENT

Philippine Stock Exchange
Ayala Triangle, Ayala Avenue,
Makati City

Attention: Ms. Janet Encarnacion, Head

Subject: The Manila Bulletin Newspaper Online news article

GENTLEMEN:

This is in response to your letter with subject matter, *"The Manila Bulletin Newspaper Online news article"*. The said news article provides:

"Puregold Sets Expansion In Mindanao

Allocates P3B
By JAMES A. LOYOLA
January 3, 2013, 5:27pm

Puregold Price Club, Inc. expects its capital expenditures to amount to about P3 billion in 2013, same as its 2012 budget, as it focuses on expanding its presence in Mindanao.

In an interview, Puregold president Leonardo Dayao said they are initially targeting the opening of 25 new stores this year as the firm targets to have 200 stores by 2015.

However, he noted that they may have to revise the target since they are already beyond the 150 store mark as of the end of 2012. Growth came on the back of the opening of new Puregold stores as well as the acquisition of S&R Membership Shopping and Parco Supermarkets.

Puregold ended 2012 with 156 stores after rolling out 31 new stores last year, including 17 hypermarkets, 10 supermarkets and 4 extras. That store count also includes 19 Parco supermarkets, which will be converted into Puregold stores at the total cost of P200 million, as well as six S&R warehouses.

With last year's expansion, Puregold grew its total net selling area by 42 percent to 305,000 square meters.

Dayao said their expansion this year will include the first warehouse store in Davao City and a Puregold store in Cagayan de Oro City.

He said S&R Davao, which costs a total of P1 billion for the land acquisition and construction cost, will open around April or May 2013 while the first Puregold in Cagayan de Oro will open in the third quarter of the year.

“We can put up several Puregold stores in Davao City,” said Dayao adding that it will be the same in Cagayan de Oro. He said the firm continues to look for properties in both cities that are suitable for the construction of new stores.”

We confirm the contents as stated in the said news article.

Thank you.

Very truly yours,



ATTY. CANDY H. DACANAY-DATUON

Chief Information Officer