



14 October 2013

Disclosure Department  
Philippine Stock Exchange  
Ayala Tower, Ayala Avenue,  
Makati City

Attention: **JANET A. ENCARNACION**  
Head

**MA. ILONAH JANE T. TORRES**  
Analyst

Subject: Reply to Business Mirror new article

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GENTLEMEN:

This is in reply to your letter dated October 14, 2013 entitled "Business Mirror (Internet Edition)" news article, which is herein quoted:

*"BUSINESS MIRROR  
Puregold targets 500-branch network*

*Written by VG Cabuag*

*SUPERMARKET chain operator Puregold Price Club Inc. said it is targeting to put up as much as 500 stores all over the country, Chairman Lucio Co said.*

*Co said Puregold—which has been expanding at breakneck speed over the last two years—has a lot of room to expand as its footprint is present only parts of Metro Manila and only a few in the provinces.*

*"We are not tired yet. We have a lot of funds and ambition for Puregold," Co said during the company's celebration of its 200th store opening over the weekend.*

*"We will celebrate every milestone that we will achieve but I may not make a speech every 50th store because everything is happening so fast. Today, I will make a fearless forecast and promise, that my next speech will be at 300 stores and 400 stores. And on our 500th store, if this happen, I will sing a song," Co said.*

*Company President Leonardo Dayao explained that Co's pronouncements are based on the 500 localities that Puregold has already identified for expansion in the coming years.*

*"We have counted around 500 cities and municipalities in the Philippines and we are only present in less than 100 so the opportunity is still big. There's still a big territory we have not covered," Dayao said.*

*As of the first half of the year ending in June, when its store count was just at 192, Puregold was present in 46 cities and 42 municipalities with a net selling area of 334,771 square meters.*

*Dayao said the company may end the year with more than 200 stores.*

*Most of these stores, which also included the upscale S&R Membership Shopping, are in Metro Manila and nearby provinces and only a handful in the Visayas and Mindanao.*

*He said expansion will largely target the northern Luzon areas as well as the Visayas and Mindanao.*

*Puregold recently set up a company called Entenso Equities Inc. to handle its food retail businesses, which will be used for joint ventures with third-party entities.*

*Varejo Corp., a unit of Ayala Land Inc., has signed a joint-venture agreement with Entenso for the development and operation of a new brand of mid-market grocery stores of Ayala's new mixed-used developments.*

*Puregold's net income reached P1.77 billion for the first half of the year, a growth of 71 percent from last year's P1.03 billion as net sales continue to grow. Its consolidated net sales reached P33.1 billion for the period, higher by 42 percent from last year's P23.27 billion or an increase of P9.7 billion."*

We confirm the statements of our Chairman and President, Mr. Lucio L. Co and Mr. Leonardo B. Dayao, that Puregold is targeting to put up as much 500 stores all over the country based on 500 localities that Puregold has already identified nationwide. However, no

timeline is set for the completion of the 500 stores as these are all yet in the planning stage of our continuing expansion.

Thank you.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'Candy H. Dacanay-Datuon', written over the printed name.

**Atty. Candy H. Dacanay-Datuon**  
Corporate Information Officer