



PEPSI-COLA PRODUCTS PHILIPPINES, INC.

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22 October 2009

THE PHILIPPINE STOCK EXCHANGE, INC.
Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

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

Gentlemen:

We reply to your memo seeking confirmation of certain statements attributed to Pepsi-Cola Products Philippines, Inc. ("PCPPI") in the article entitled "Pepsi-Cola unit to spend P2Bn on expansion, new products" published in the Business World today.

There have been a number of articles written in various papers today about the Company's Mindanao expansion. Among them, two of the newspapers namely Business World (BW), and the Philippine Daily Inquirer have quoted a whole lot of numbers most of which are not accurate and inconsistent. As a matter of fact, the headline of Business World which talks about P2Bn expansion plan conflicts with their own statement in the article where they refer to a P500 million investment in Mindanao.

As regards to our expansion plan, I would like to clarify that the Company is committed to continuously increasing its capacity both for CSD as well as NCB, just like what it did in Luzon and Visayas in the past two years (ever since the IPO). The Mindanao expansion, therefore, is no exception and still forms part of the Company's strategy to reach a larger consumer base.

We trust that the explanation given is sufficient.

Very truly yours,

Partho Chakrabarti
Corporate Information Officer

