



TANDUAY Holdings, Inc.

December 5, 2012

Disclosure Department
The Philippine Stock Exchange
Tower One and Exchange Plaza,
Ayala Triangle, Ayala Avenue,
Makati City

Attention : MS. JANET A. ENCARNACION
Head, Disclosure Department

Gentlemen:

This refers to your letter dated December 5, 2012, requesting for clarification/confirmation of the following news articles:

1. "Asia Brewery teams up with Spanish firm" posted in the *philSTAR.com* on December 5, 2012 which in part stated that:

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MANILA, Philippines – Asia Brewery Inc. has formed a new company with Spanish dairy producer Grupo Leche Pascual for the sale of yogurt in the country as it seeks to double the local market for such product.

Asia Brewery chief operating officer Michael Tan said in a press conference, the new company, ABI Pascual Foods, was formed to introduce quality yogurt brand, Creamy Delight, with the aim of doubling the market of such product in the country.

"Initially, our plan is to double the market in the first year, to grow segment," he said.



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He said the newly formed firm is targeting to sell about one million cases of yogurt in its first year of operations, about the same size as the existing market for yogurt here.

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Creamy Delight will initially be imported from Spain but as the market for yogurt grows in the country, Tan said they are looking to invest P800 million to open a manufacturing plant for local production.

The plant being planned should have a capacity of 10,000 to 20,000 tons per year, and will likely be located in Cabuyao, Laguna.

Tan also said that should the plan to set-up the manufacturing plant materialize, the products produced locally would not only be sold here but also in other countries in the Southeast Asia region.

"The plan is to make the Philippines the production base for ASEAN (Association of Southeast Asian Nations)," he said.

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2. "Spanish group, ABI form dairy company" posted in *Manila Standard Today (Internet Edition)* on December 5, 2012 which in part stated that:

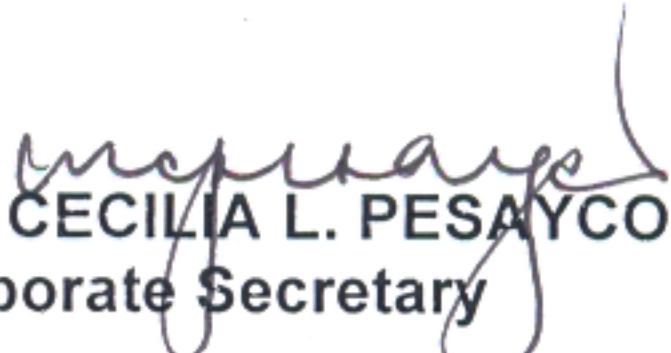
"

Pascual said the newly-formed company, created on a 50-50 equity sharing, would distribute pasteurized yogurt through sari-sari stores nationwide.

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We confirm that Asia Brewery Inc. has formed a partnership with the Spanish Dairy producer Grupo Leche Pascual for the sale of yogurt in the Country under the new company named ABI Pascual Foods. We hope to help grow the market of yogurt through said company.

Very truly yours,
LT GROUP, INC.
By:


MA. CECILIA L. PESAYCO
Corporate Secretary