



SHAKEY'S PIZZA ASIA VENTURES INC.

15Km East Service Road corner Marian Road 2, Brgy. San Martin de Porres, Parañaque City 1700 TEL NO. 633-8555

16 December 2016

PHILIPPINE STOCK EXCHANGE, INC.

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

Attention: **Mr. Jose Valeriano B. Zuño**
OIC - Head, Disclosure Department

RE: **Clarification of News Report**

Gentlemen:

We refer to your letter dated December 16, 2016 seeking clarification and/or confirmation of the news article titled "Shakey's eyes 250-300 stores in 5 years" published in The Manila Times on December 16, 2016. The article reported in part that:

"NEWLY LISTED pizza chain operator Shakey's Pizza Asia Ventures Inc. (SPAVI) expects its store count to reach 250 to 300 in the next five years as the company launches an aggressive expansion plan following a successful market debut on Thursday.

Vicente Gregorio, SPAVI president and chief executive officer, said the company is eyeing 20 store openings in 2017 and 12 to 15 outlet launches by 2018 and beyond.

'Hard to say that Shakey's might be a 1,000-store brand, but 250 to 300 is within the horizon, maybe in three to five years,' Gregorio said.

....

Gregorio said a Shakey's outlet costs P20 million to build. Given their targeted store count, that would amount to an expenditure program of P1.84 billion in five years.

....

The company is allotting P400 million in capital expenditures for next year. . . ."

We would like to confirm the statements of Mr. Vicente Gregorio relating to the Company's plans to (i) open 20 new stores in 2017, and (ii) 12 to 15 new stores each year beginning 2018.

We would also like to confirm that the Company expects to reach a store count of 250 to 300 in the next five years, considering the store growth targets above.



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However, we wish to clarify that (i) the above-mentioned cost to build a store is an estimate and can differ based on location, format, and size, and (ii) the extent to which the Company earmarks capital expenditures is subject to regular review.

We trust that you find the foregoing clarification sufficient and in order.

Very Truly Yours,

GIOVANNA M. VERA

Head – Investor Relations