



DMCI HOLDINGS
I N C O R P O R A T E D

04 June 2007

PHILIPPINE STOCK EXCHANGE

Disclosure Department
4/F PSE Center
Exchange Road
Ortigas Center, Pasig City

Attention: **ATTY. PETE M. MALABANAN**
Head, Disclosure Department

Gentlemen:

In reference to your email dated June 4, 2007, requesting for clarifications on the news article entitled "Appeals court stops Maynilad rehab" published in the June 4, 2007 issue of the Business World. The article report in part that:

"The Court of Appeals has imposed a 60-day restraining order against the judge hearing the rehabilitation case of Maynilad Water Services, Inc., hampering efforts by the new concessionaire to exit early from the rehabilitation process. Acting on a petition by the Maynilad Water Supervisors Association, the Court of Appeals ordered Quezon City Regional Trial Court Judge Rey Daway last May 30 to suspend hearings. The union went to the Court of Appeals in April, fearing that the judge would act in favor of the management over several money claims. It earlier claimed Judge Daway had failed to address union complaints and might not decide fairly and with utmost objectivity. The union alleged that he did not subpoena records that will supposedly back claims that there was "dissipation of corporate assets." Also, the judge did not act when the union reported that some of the Maynilad officials received "hefty bonuses" to the detriment of the rehabilitation plan, the group claimed... In a separate interview, DMCI Chief Finance Officer Herbert Consunji told Business World this new development would greatly affect plans to move Maynilad out of its financial constraints. DMCI and partner Metro Pacific Investments Corporation who took over Maynilad last year, are awaiting the judge's decision on an early exit from the restructuring process, scheduled by the first week of July he said...."

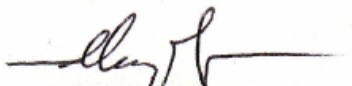
This is to inform the Exchange that the Court of Appeals has imposed a 60-day temporary restraining order (TRO) to Judge Reynaldo B. Daway to suspend hearings on the rehabilitation case of Maynilad Water Services, Inc. ("Maynilad") last May 30, 2007 while the petition for certiorari is pending before the Court of Appeals. The TRO was received by Maynilad on May 31, 2007.

Maynilad and Judge Daway have ten (10) days from receipt of the Resolution to file the appropriate comment and to show cause why the prayer for preliminary injunction should not be granted. Maynilad will file its comment with a motion to lift the TRO within the week.

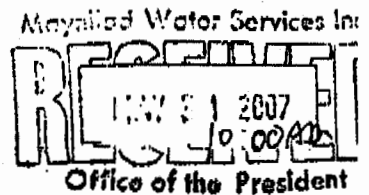
We hereby attached a copy of the TRO for your reference.

Thank you.

Very truly yours,


Aldric G. Borlaza
Finance Officer

REPUBLIC OF THE PHILIPPINES
COURT OF APPEALS
MANILA



MAYNLAD WATER SUPERVISORS
ASSOCIATION, (MWSA),
Petitioner,

-versus-

CA-G.R. SP. NO. 98456

HON. REYNALDO B. DAWAY, ETC., ET AL.,
Respondents,

NOTICE OF RESOLUTION
(With Temporary Restraining Order)

SIRS :

Please take notice that on **May 30, 2007** a Resolution copy attached, was rendered by the **SIXTH DIVISION** of the Court of Appeals in the above-mentioned case, the original of which is now on file in this office.

You are hereby required to inform this Court within five (05) days from receipt hereof of the date when you received this Notice together with attached copy of the Resolution.

Very truly yours,


ATTY. FRANCO PAULO R. ARAGO
Acting Division Clerk of Court

Copy Furnished :

Pizarras and Associates Law Offices-personal
counsel for petitioner
20th Flr., Security Bank Center
6776 Ayala Avenue, Makati City

Hon. Reynaldo B. Daway-personal
RTC-br. 90, Quezon City

The President/General manager-personal
Maynilad Water Services, Inc.
MWSS Compound, Katipunan Road
Balara, Quezon City

kublai

Republic of the Philippines
Court of Appeals
Manila

SIXTH DIVISION

MAYNILAD WATER
SUPERVISORS ASSOCIATION
(MWSA),

Petitioners,

versus

HON. REYNALDO B. DAWAY,
Presiding Judge, Branch 90, RTC
of Quezon City and MANILA
WATER SERVICES, INC.,

Respondents.

CA-G.R. SP No. 98456 ✓

Members:

VILLARAMA, JR., M.S.,
Chairman,
ABDULWAHID, H.S., and
TAYAG, A.G., JJ.

Promulgated:

MAY 30 2007

File 9:30 am

R E S O L U T I O N

ABDULWAHID, J.:

Without necessarily giving due course to the present petition, this Court hereby **DIRECTS** respondents to file comment (not a motion to dismiss) thereon, within ten (10) days from receipt of notice hereof. Petitioners are given five (5) days within which to file reply thereto from receipt of copy of the required comment.

A perusal of the allegations in the petition, issues raised and arguments advanced in support thereof shows that further proceeding with the case, entitled "*In the Matter of: Petition for Rehabilitation with a Prayer for Suspension of Actions and Proceedings Against Petitioner*" docketed as Special Proceeding No. Q-03-071 and presently pending before the sala of respondent judge, while the present petition which assails the order denying the petitioner's *Motion for*

**CA G.R. No. 0785
RESOLUTION**

Inhibition is pending before this Court, will cause grave and irreparable injury to herein petitioner (which includes the dissipation of the assets of the company to the prejudice of petitioner), and that the eventual ruling of this Court in this petition may be rendered moot and academic, if the act is not restrained.

Accordingly, a **TEMPORARY RESTRAINING ORDER** is hereby **ISSUED**, enjoining respondent judge from further proceeding with the case (Special Proceeding No. Q-03-071), while the present petition is pending before this Court, effective for a period of sixty (60) days, unless otherwise recalled or set aside.

Further, the Court **DIRECTS** respondents to **SHOW CAUSE** why the application for a writ of preliminary injunction prayed for by petitioners should not be granted, within ten (10) days from notice hereof. Petitioners may file their reply within five (5) days from receipt of copy hereof.

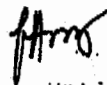
SO ORDERED.

**ORIGINAL SIGNED
HAKIM S. ABDULWAHID
Associate Justice**

WE CONCUR:

**ORIGINAL SIGNED
MARTIN S. VILLARAMA, JR.
Associate Justice**

**ORIGINAL SIGNED
ARTURO G. TAYAG
Associate Justice**

for:  M.A. REP.
DIV. 1