



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

24 August 2009

**PHILIPPINE STOCK EXCHANGE**

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

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

Gentlemen:

We reply to your request for clarification of the news articles published in the August 24, 2009 issue of The Manila Standard Today which reported in part that:

*“Only three years under the new owners, Maynilad has spent nearly P20 billion to replace old pipes, upgrade water facilities and expand its distribution network in the West Zone. The capital expenditure by DMCI and Metro Pacific has more than doubled the P8-billion investments made by the previous owners from 1997-2006. According to Maynilad president Rogelio Singson, the private concessionaire is prepared to allocate more funds to upgrade water and sewerage services, should the company be granted a 15-year Concession Agreement term extension by the Metropolitan Waterworks and Sewerage System. “Maynilad spending can reach P564 billion, which is 274 percent higher than the P206-billion capital investment submitted in our 2008 Business Plan to the MWSS.” Singson said in a statement....”*

Maynilad Water Services, Inc. (Maynilad), under its new owners, has spent significantly more in capital expenditures since 2007 than it did from 1997 to 2006. From 1997 to 2006, Maynilad had spent a total of only P8.24 billion in capital expenditures to improve the West Service Concession area. In contrast, for the three year period from 2007 to 2009, Maynilad plans to implement a total of P19.44 billion, of which P12.32 billion has been spent as of June 2009.

The 2008 Rate Rebasing business plan submitted by Maynilad to MWSS totaled P206.02 billion of capital expenditures, concession fees, and operating expenses including business and income taxes. This amount is broken down into capital expenditures of P87.24 billion, concession fees of P17.52 billion, and operating expenses of P 101.25 billion. Under the 15-year Concession Agreement term extension business plan submitted by Maynilad and now under review by MWSS, Maynilad intends to more than double its total expenditures to P564.46 billion, broken down into capital expenditures of P183.18 billion, concession fees of P127.75 billion, and operating expenses of P253.53 billion.

We hope this clarifies the matter.

Thank you.



**Aldric G. Borlaza**  
Finance Officer