



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

08 May 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:

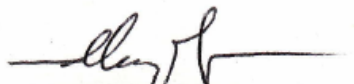
This is in reference to your email dated May 8, 2007 with regard to the news article entitled “Maynilad seeks early rehab exit” published in the May 8, 2007 issue of the Business World. The article reported in part that:

“The consortium that took over the west zone water concessionaire Maynilad Water Services Inc. plans to move the troubled utility firm out of financial rehabilitation in the next two months, far ahead of the 2013 schedule. DMCI Holdings, Inc. Vice President and chief financial officer Herbert M. Consunji told reporters yesterday that the company and its partner, Metro Pacific Investments Corp., want Maynilad to get out of debt and capital restructuring by July 2 to allow the water company to save on interest payments.....Mr Consunji said the consortium, DMCI-MPIC Water Co. plans to implement a one-year transitional agreement that will allow them to draw from its letter of credit (LC) with MWSS....The consortium will then use the money to issue preferred shares to DMCI and MPIC worth \$240 million. Mr. Consunji said the proceeds of the shares issuance will be used to pay the water utility’s current creditors and wipe off its \$240-million debt....”

This is to clarify that Maynilad Water Services Inc. (Maynilad) will be the entity to issue preferred shares to DMCI-MPIC Water Company (DMWC), the joint venture company of partners DMCI Holdings, Inc. (DMCI) and Metro Pacific Investments Corp. (MPIC). This is in line with the commitment of DMCI and MPIC, as new owners of Maynilad, to infuse new capital into the water utility as required by MWSS in the recently concluded bid.

We hope the above clarifies the matter.

Very truly yours,



Aldric G. Borlaza
Finance Officer