



October 26, 2010

DISCLOSURE DEPARTMENT

The Philippine Stock Exchange
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 on the news article entitled "Maynilad to earn P4.5B" published in the October 25, 2010 issue of the Business World. The article reported in part that:

"WEST ZONE concessionaire Maynilad Water Services, Inc. may end the year with a profit of P4.5 billion. Metro Pacific Investments Corp. Chairman Manuel V. Pangilinan told reporters over the weekend Maynilad was aiming to end the year with P4.5 billion in profits, up from P3.33 billion last year. The increase will come from lower nonrevenue water levels and an increase in customers, he said"

This is to confirm that Maynilad Water Services, Inc. (Maynilad) is aiming to end the year with a core net income of around P4.5 billion arising from double-digit growth in revenues due to higher billed volumes and relatively flat operating expenses. Note, however, that such target is dependent on several factors being sustained until the end of the year, including the continued improvement in the water elevation levels of Angat Dam, which at the moment is still below their normal levels.

We hope this clarifies the matter.

Very truly yours,



Aldric G. Borlaza
Finance Officer