



January 25, 2011

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 surpass P4B income target" published in the January 25, 2011 issue of *The Malaya*. The article reported in part that:

"MAYNILAD Water Inc., west zone water concessionaire, said its income for 2010 would likely exceed its P4 billion net income target due to the increase in water sales, said Manuel V. Pangilinan, Maynilad chairman. "Definitely, we will exceed the target," he said"

The Corporation's water business affiliate, Maynilad Water Services, Inc. (Maynilad), would like to confirm the positive trends in its performance in 2010 as highlighted by its Chairman Manuel V. Pangilinan in the said article. However, Maynilad is constrained from confirming the final net income number until the completion of its financial audit.

We hope this clarifies the matter.

Very truly yours,



Aldric G. Borlaza
Finance Officer