



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

August 17, 2011

DISCLOSURE DEPARTMENT

The Philippine Stock Exchange
3/F Tower One and Exchange Plaza
Ayala Triangle, Ayala Avenue
Makati City

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

Gentlemen:

We reply to your request for clarification on the news article entitled "MVP sees 'historic' revenues, profit for Maynilad" posted in the August 17, 2011 issue of the PhilSTAR.com. The article reported in part that:

"MANILA, Philippines - Maynilad Water Services, Inc. (Maynilad) Chairman Manuel V. Pangilinan is projecting "historic" revenues and profit for the West Zone water utility concessionaire this year.

In a previous interview, Maynilad president and chief executive officer Ricky Vargas told The STAR that the water firm is projecting a net income this year of P6 billion compared to the P4.5-billion net income it posted in 2010.

Vargas had said that Maynilad is aiming to bring down further the level of its nonrevenue water (NRW) to 48 percent to 46 percent."

Our water business affiliate, Maynilad Water Services, Inc. (Maynilad) confirms that based on Maynilad's performance-to-date, it is on track to hit historical performance measures in 2011, including all-time highs in billed volume and an all-time low in non-revenue water (NRW) levels. Consequently, revenue and profit levels will grow accordingly. For the year, Maynilad is targeting to hit an average NRW of between 46% to 48% and a core net income of around P6.0 billion.

We hope this clarifies the matter.

Very truly yours,

Aldric G. Borlaza
Finance Officer