



February 28, 2012

**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 "Maynilad sees 2012 income of P6.6 billion" published in the February 27, 2012 issue of the Business Mirror (online edition). The article reported in part that:

*MAYNILAD Water Services Inc., the water concessionaire for Metro Manila's west zone, said profits this year could rise by a tenth as revenues increase, its top official said on Monday.*

*President Victorico Vargas told reporters the company is forecasting 2012 net income to reach P6.6 billion while revenues are seen to increase to 20 percent to P15 billion.*


*The water company is budgeting between P8.5 billion to P9 billion in capital spending for 2012, Vargas said. The upper end of its budget would place spending at par with the P9 billion Maynilad projected to spend in 2011 to accelerate projects to improve service delivery and coverage.*

Our water business affiliate, Maynilad Water Services, Inc. (Maynilad), would like to confirm that it has budgeted a revenue increase of 20%, net income of P6.6 billion and projected capital expenditures between P8.5 to P9 billion for 2012.

This is to further clarify that currently the Company's effective ownership in Maynilad is around 41%.

We hope this clarifies the matter.

Very truly yours,

  
**ALDRIC G. BORLAZA**  
Finance Officer