



March 26, 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 "MPIC, DMCI to bring Marubeni into Maynilad" posted in the Inquirer.net on March 26, 2012. The article reported in part that:

Marubeni is being wooed as a strategic partner in Maynila Water Services by the consortium of Metro Pacific Investment Corp. and DMCI Holdings, according to industry sources.

The consortium of Metro Pacific Investment Corp. and DMCI Holdings Inc. wants to bring into the fold Japanese trading giant Marubeni as a strategic partner in Maynilad Water Services Inc.

Industry sources confirmed that Maynilad's two shareholder groups-MPIC and DMCI-were currently in talks with Marubeni for what could turn out to be a multibillion peso buy-in deal to boost the water concessionaire's expansion efforts.


The sources said that the two companies were willing to have their respective stakes diluted, but MPIC, led by businessman Manuel V. Pangilinan, would still like to keep majority control of the water concessionaire, whose turnaround story had attracted some serious investors.

We would like to inform the Exchange that there have been ongoing discussions with respect to a possible entry of a foreign investors interested in Maynilad. However, there has no definite agreements made yet and any disclosure would be premature.

We will make necessary disclosure to the Exchange as soon as any definitive agreement has been reached.

We hope this clarifies the matter.

Very truly yours,


ALDRIC G. BORLAZA
Finance Officer