



March 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 "Japanese firm seen getting 20% of Maynilad" posted in the Inquirer.net on March 28, 2012. The article reported in part that:

The Metro Pacific-Consunji consortium has reached an advance stage of negotiations to sell a 20-percent stake in Maynilad Water Services Inc. to Japanese trading giant Marubeni.

DMCI Holdings president Isidro Consunji said during the forum that one incentive for Maynilad to get Marubeni was an offer from the Japan International Cooperation Agency (JICA) to provide Maynilad with cheap long-term money-for instance, a facility with tenor of 40 years with a 10-year grace period-at an interest rate of less than 1 percent per year But under the loan terms. a Japanese firm must own 20 percent of the enterprise, he said .


After the workshop hosted by Banco de Oro Unibank, Consunji told reporters that the financing would be used by Maynilad for its waste-water management initiatives. Consunji said DMCI was willing to sell 12 percent while MPIC would be giving up about 8 percent in favor of Marubeni. He said an "agreement in principle" could be drawn up as early as next week.

We would like to reiterate our disclosure last Monday, March 26, 2012 that there have been discussions with respect to possible investment by foreign investors in Maynilad. However no definitive agreement has been made yet.

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