



DMCI HOLDINGS

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

July 26, 2012

3rd floor
DACON Building
2281 Don Chino Roces Ave.
(formerly Pasong Tamo Ext.)
Makati City 1231, Philippines

(632) 888 • 3000
Facsimile
(632) 816 • 7362
E-Mail
dmchi@dmcinet.com

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
"Marubeni finalizes entry in Maynilad" posted in the Inquirer.net on July 26,
2012. The article reported that:

MANILA, Philippines—Japanese trading giant Marubeni is expected to finalize by September a deal to buy a 20 percent stake in water concessionaire Maynilad Water Services Inc. for about \$400 million.

DMCI Holdings president Isidro Consunji told reporters on the sidelines of DMCI's annual stockholders' meeting on Monday that the deal with the Japanese company was about to be closed, with DMCI selling 16 percent and partner Metro Pacific Investments Corp. giving up 4 percent of economic interest.

"It's now just a question of which (corporate) vehicle to be used," Consunji said.

The financial closing of this transaction is expected by September, after which DMCI's economic interest in Maynilad will be reduced to 25 percent while Metro Pacific would keep 52 percent, Consunji said.

Maynilad is poised to sell "mostly" secondary shares to Marubeni, he said.

....

DMCI chief finance officer Hebert Consunji confirmed a \$2-billion estimated valuation of 100 percent of Maynilad. He added that DMCI would thus get around P14.2 billion in proceeds from the sale of its 16 percent in Maynilad.

This valuation for 100 percent of Maynilad also implied that Marubeni will pay around \$400 million to acquire about a fifth of the water concessionaire.

The DMCI finance officer said Maynilad was expected to earn P6.6 billion in net profits this year. This suggested that Marubeni would buy into Maynilad at around 13 times the company's expected profits for this year. . . .

Subsidiaries
DM Consunji, Inc.
DMCI Project
Developers, Inc.
Atlantic, Gulf &
Pacific Company
of Manila, Inc.
Semirara Mining
Corporation

.....

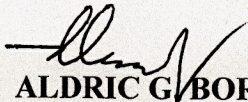
Marubeni is expected to get one board representation after the transaction while DMCI and Metro Pacific will occupy two and four seats, respectively.

Asked about DMCI's use of proceeds from the transaction, the company president said this would be invested in infrastructure projects.

.....

The Company would like to clarify that no definite agreements has been signed yet for Marubeni's buy into Maynilad and it will be pre-emptive to officially confirm any details or subsequent use of proceeds until the transaction is finalized. As previously disclosed the Company can confirm that it is currently in negotiations with Marubeni and its partner Metro Pacific Investments Corp. for the former's entry into Maynilad. We hope this clarifies the matter.

Thank you.


ALDRIC G. BORLAZA
Finance Officer