



December 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 "Marubeni buys into Maynilad" posted in *BusinessMirror (Internet Edition)* on December 27, 2012. The article reported in part that:

*JAPANESE trading giant Marubeni Corp. has agreed to acquire a 20-percent stake in Maynilad Water Services Inc., the water and sewerage services provider for the western half of Metro Manila, a Maynilad official said on Thursday.*

*"[The] Marubeni Tokyo Board has approved the investment in Maynilad," Herbert Consunji, Maynilad chief operating officer, said in a text message on Thursday, confirming a separate statement from the Japanese company on the same day, "Closing [of the transaction] is still subject to certain conditions," the Maynilad executive added, although he declined to provide additional details of the transaction.*

*DMCI President Isidro Consunji said in July that DMCI was selling a 16-percent interest in Maynilad while Metro Pacific, which will continue to own a controlling stake in the water utility, would contribute the remaining 4 percent.*

*At that time, Consunji said Maynilad was valued at around \$2 billion, meaning the 20-percent equity interest would be valued at \$400 million.*

*The transaction will provide Maynilad with access to technology and cheap debt through Japanese official development assistance loans as it seeks to invest about P50 billion until 2017, including spending on sewerage services.*

Please be informed that the Company and Metro Pacific Investments Corporation are in advanced stages of negotiations in connection with Marubeni's Corporation's entry into Maynilad. However, no definitive agreement has been executed to date. We will make the necessary disclosures in accordance with the rules of the Exchange upon the execution of the definitive agreements.

Thank you.



**ALDRIC G. BORLAZA**  
Senior Finance Officer