

**METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM
STATEMENT OF CHANGES IN EQUITY**

For the Year Ended December 31, 2009

(With comparative figures for the year ended December 31, 2008)

(In Thousand Pesos)

| | Notes | 2009 | 2008 |
|---|-------|--------------------|-------------|
| CAPITAL STOCK | | | |
| Authorized - 80 million shares, P100 par | | | |
| Issued and outstanding 60,954,867.84 shares | | | |
| Balance, beginning | | 6,095,487 | 6,095,487 |
| Additions (deductions) | | - | - |
| Balance, end | | 6,095,487 | 6,095,487 |
| DONATED CAPITAL | | | |
| Balance, beginning | 20 | 1,046,971 | 1,046,971 |
| Additions (deductions) | | - | - |
| Balance, end | | 1,046,971 | 1,046,971 |
| APPRAISAL CAPITAL | | | |
| Balance, beginning | | 28,656,079 | 28,656,079 |
| Additions (deductions) | | - | - |
| Balance, end | | 28,656,079 | 28,656,079 |
| RETAINED EARNINGS | | | |
| Balance, beginning | | (1,839,948) | 3,876,290 |
| Prior- period adjustments | 21 | (122,728) | (2,162,747) |
| Net profit (loss) | | 399,381 | (3,553,491) |
| Balance, end | | (1,563,295) | (1,839,948) |
| TOTAL EQUITY | | 34,235,242 | 33,958,589 |

See accompanying Notes to Financial Statements.