

**METROPOLITAN WATERWORKS AND SEWERAGE SYSTEM
STATEMENT OF CASH FLOWS**

For the Year Ended December 31, 2011

(With Comparative Figures for the Year Ended December 31, 2010)

(In Thousand Pesos)

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection of concession fees	3,540,325	3,050,115
Collection of rentals on leased properties	79,347	80,161
Collection of water accounts	44,188	70,000
Other collections	113,884	153,778
Payment of borrowing costs	(30,291)	(688,217)
Payment of operating expenses	(297,852)	(487,113)
Other expenditures	(317,751)	(261,573)
Net cash generated from operating activities	3,131,850	1,917,151
CASH FLOWS FROM INVESTING ACTIVITIES		
Matured investments	319,402	-
Investments in special reserve fund	(13,367)	(14,396)
Capital expenditures	(2,280,487)	(854,152)
Net cash provided by (used in) investing activities	(1,974,452)	(868,548)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds	4,479,443	529,899
Debt servicing	(8,582,142)	(1,544,606)
Payment of prior year's dividends to National Government	-	(368,139)
Net cash used in financing activities	(4,102,699)	(1,382,846)
Effects of exchange rate changes on cash and cash equivalents	(26,568)	(229,591)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,971,869)	(563,834)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	4,384,776	4,948,610
CASH AND CASH EQUIVALENTS AT END OF YEAR	1,412,907	4,384,776

See accompanying Notes to Financial Statements.