

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

For the Year Ended December 31, 2008

(With comparative figures for the year ended December 31, 2007)

(In Thousand Pesos)

	2008	2007
CASH FLOWS FROM OPERATING ACTIVITIES		
Collection from DMCI due to DCRA exit	3,335,874	-
Collection of concession fee	1,925,816	1,590,581
Collection of penalty interest from MWSI	83,319	347,694
Collection of water accounts (prior years and raw water)	67,929	46,751
Collection from rentals of leased properties	63,778	47,537
Collection from MWCI-BNP-AQ6	55,824	29,986
Collection of financial bids by DMCI-MPIC	-	2,894,984
Other collections	272,760	251,007
Payment of borrowing cost	(666,308)	(764,594)
Payment of operating expenses	(416,294)	(498,603)
Other expenditures	(384,570)	(821,385)
Net cash provided from operating activities	4,338,128	3,123,958
CASH FLOWS FROM INVESTING ACTIVITIES		
Matured investments	259,508	-
Investments in bonds	(225,977)	(565,422)
Investments in special reserve fund	(19,916)	(18,099)
Capital expenditures	(12,089)	(80,030)
Net cash provided from (used in) investing activities	1,526	(663,551)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan proceeds	6,050	227,224
Debt servicing	(1,607,094)	(3,345,915)
Payment of prior year's dividends to National Government	(51,695)	(84,482)
Net cash used in financing activities	(1,652,739)	(3,203,173)
Effects of exchange rate changes on cash and cash equivalents	529,573	(360,564)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,216,488	(1,103,330)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	2,375,084	3,478,414
CASH AND CASH EQUIVALENTS AT END OF YEAR	5,591,572	2,375,084

See accompanying Notes to Financial Statements