



CIRCULAR FOR BROKERS NO. 1106-2004

The Philippine Stock Exchange, Inc.

<input checked="" type="checkbox"/>	Disclosures	<input type="checkbox"/>	Stockholders' Meeting	Others: _____
<input type="checkbox"/>	Dividend Notice	<input type="checkbox"/>	SEC / Gov't Issuance	_____
<input type="checkbox"/>	Stock Rights Notice	<input type="checkbox"/>	Transfer Agent's Notice	_____

Date : **March 16, 2004**
 Company : **BENPRES HOLDINGS CORPORATION**

This is in reference to the news article entitled "Maynilad offers debt-equity swap deal: sources" published in the March 15, 2004 issue of the Philippine Daily Inquirer (Internet Edition). The article reported that: "MAYNILAD Water Services Inc. has proposed a debt-for-equity swap deal with its creditors to settle some 18 billion pesos in maturing obligations. Government sources privy to the negotiations between the Lopez-owned Maynilad, the government-led Metropolitan Waterworks and Sewerage System and the creditor-banks said the west zone concessionaire was also offering board seats to its creditors as it tries to regain financial viability. The MWSS is on top of Maynilad's list of creditors with an exposure of eight billion pesos representing unpaid concession fees. The company's other creditors accounting for the remaining 10 billion pesos in obligations are Credit Agricole, Indosuez Merchant Bank Asia Ltd., Citibank NA, Barclays Bank PLC and BNP Paribas, Equitable PCI-Bank, Rizal Commercial Banking Corp. and the state-owned Development Bank of the Philippines. Under Maynilad's proposal, MWSS is to be given control of about 60 percent of the west concession area. x x x"

Benpres Holdings Corporation ("BPC") provided the Exchange the attached disclosure dated March 15, 2004, in relation to the above-mentioned news article.

For your information.

(Original Signed)
JOSE G. CERVANTES
Senior Vice President

Finance / Admin / Membership	Compliance & Surveillance Grp.	Listing & Disclosures Grp.	COO / Automated Trading Grp.	Business Dev't & Info. Group	CEO / Legal
Tel. No.688-7560/7440/7460	Tel. No. 688-7559	Tel. No. 688-7501/7510	Tel. No. 688-7405/819-4400	Tel. No. 688-7590	Tel. No. 688-7400/819-4408



BENPRES HOLDINGS CORPORATION

March 15, 2004

The Philippine Stock Exchange
4th Floor, Philippine Stock Exchange Center
Exchange Road, Pasig City

Attention: Ms. Janet A. Encarnacion
Specialist, Disclosure Department

Ms. Raquel R. Angeles
Analyst, Disclosure Department

Gentlemen:

We refer to your letter dated March 15, 2004 requesting our confirmation of the veracity of the information contained in the news item entitled "Maynilad offers debt-for-equity swap deal with its creditors to settle some 18 billion pesos in maturing obligations."

Please be advised that while the petition for corporate rehabilitation of Maynilad Water Services, Inc. is pending before the court, discussions are ongoing among different parties—the shareholders of Maynilad, the MWSS and foreign and local creditors of Maynilad—for an extra-judicial solution.

The ongoing discussions are in line with the decision of the Arbitration Panel, which concluded that "there is neither a Concessionaire nor an MWSS Event of Termination." The panel stated that "the parties undoubtedly have problems in their internal relations but they have to find extra-judicial solutions to them.

To-date, nothing has been finalized due to the complex nature of the discussions.

Very truly yours,

Enrique I. Quiason
Corporate Secretary