May 05, 2008

PHILIPPINE STOCK EXCHANGE, INC.
Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

Attention:       Atty. Pete M. Malabanan
                 Head, Disclosure Department

Dear Sir:

Please refer to the enclosed press release on Manila Water’s first quarter results for 2008.

Sincerely,

Jewel C. Fernandez-Austria
Legal and Investment Officer
Manila Water Capex Drives 1st Quarter Results

Manila Water announced a first quarter net income of P625 million, 22% higher than the same period last year. This was largely due to the Company’s capital investments of P24 billion over the past ten years. Looking forward, the Company plans to spend another P37 billion in the next five years alone with the implementation of its recently approved service improvement plan to sustain growth in the medium term.

Total revenues for the three-month period went up 16% from the year-ago level, due to a 5% increase in billed volume and improvements in operating efficiency. System losses, or non-revenue water, further declined to 22.9% from 26.2% a year ago.

"The new plan, which was approved by the regulators in December last year, will involve an aggressive capital investment amounting to roughly P7 billion per year. Our strong performance for the first quarter will ensure the successful execution of our investment initiatives, to support our expansion plans in the East Zone," declared Manila Water President Antonino T. Aquino.

To further boost sewerage coverage and help in the protection and revitalization of the Marikina and Pasig river systems, the Company has also laid out the groundwork for a number of new sewerage treatment plants (STP). The new plants will be located in the cities of Taguig, Makati, Pasig and Marikina, and will benefit some 120,000 people. All the plants will be using the combined sewer-drainage system, an innovative measure to accelerate wastewater coverage.