COVER SHEET

MANILA WATER COMPANY INC

489 KATIPUNAN ROAD BALARA 1105
QUEZON CITY METRO MANILA

Atty. JEWEL C. FERNANDEZ-
AUSTRIA
Contact Person

981-81-30
Company Telephone Number

1231
Month
Day
Fiscal Year

SEC Form 17-C
STOCK
FORM TYPE

04
Any
Month
Day
Annual Meeting

Secondary License Type, If Applicable

Dept. Requiring this Doc.

Total No. of Stockholders

Total Amount of Borrowings

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS

A1996-11593
Amended Articles Number/Section

Domestic

Foreign
SECURITIES AND EXCHANGE COMMISSION

SEC FORM 17-C

CURRENT REPORT UNDER SECTION 17
OF THE SECURITIES REGULATION CODE
AND SRC RULE 17.2(c) THEREUNDER

   Date of Report (Date of earliest event reported)

2. SEC Identification Number A 1996-11593

3. BIR Tax Identification No. 005-038-428

4. MANILA WATER COMPANY, INC.
   Exact name of issuer as specified in its charter

5. Province, country or other jurisdiction of incorporation or organization Quezon City, Phils.

6. Industry Classification Code: (SEC Use Only)

7. Address of issuer’s principal office                                    Postal Code
   2F MWSS Admin. Bldg., 489 Katipunan Road, Balara, Quezon City 1105

8. Issuer’s telephone number, including area code
   (02)926-7999 local 8131 / or (02)981-8130

9. Former name or former address, if changed since last report
   Not Applicable

10. Securities registered pursuant to Sections 8 and 12 of the Securities Regulation Code (SRC):
   Common Shares, par value P1.00 each – 2,015,248,968¹

   Registrant has no other registered securities either in the form of shares, debt or otherwise.

¹ 2,003,948,966 Outstanding Common Shares
   1,495,000 Listed Treasury Shares
   9,805,002 Listing was approved in principle for Stock Options
   2,015,248,968
11. Are any of Registrant’s securities listed on Stock Exchange?

Yes [X]  No [ ]

12. Indicate the item numbers reported herein: Item 9.


SIGNATURE

Pursuant to the requirements of the Securities Regulation Code, the issuer has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

MANILA WATER COMPANY, INC.  
Issuer

By: ____________________________

SHERISA P. NUESA  
Chief Finance Officer and Treasurer

July 4, 2007  
Date
Manila Water 1st Half Pre-Tax Income Up 30%

Manila Water reported today strong operating and financial results in the 1st half of 2007 as year-to-date operating revenues posted a significant 18% increase over the same period last year to P3.5 billion. The growth in sales was matched by continued effective management of operating expenses, boosting earnings before interest, taxes, depreciation and amortization (EBITDA) to P2.3 billion or a 27% growth from last year’s level. This healthy operating margin helped mitigate the impact of the expiration of the company’s income tax holiday in 2006. While pre-tax earnings grew by 30%, net income for the first semester declined 9% year-on-year to P1.1 billion after providing P485 million for income tax payments. The Company further noted that the bottom line for the second quarter at P609 million is P100 million better than the first quarter.

The increase in the Company’s revenues is largely attributed to the increase in its sales (billed volume) which reached 1,054 million liters per day as of end of June 2007. This reflects a 13% growth over last year’s level. This achievement was supported by its aggressive expansion programs which allowed it to add 61 thousand new household connections during the first six months, bringing total households served to 953 thousand as of June 2007. Water availability and coverage has likewise improved with eight cities within the East Zone now 100% covered by Manila Water.

Manila Water has likewise set a significant milestone in terms of system losses reduction. System losses, or non-revenue water (NRW), further dropped to 25% as of end of June 2007, a four percentage points cut from the previous year’s level. This was accomplished through the Company’s effective management of its water supply, coupled with massive pipe replacement projects.

“Our continuing growth is driven by our continuing capital investments. Over the past ten years we have invested more than P25 billion for projects focused on the expansion of our network and improvement of operating efficiencies. We are now realizing the results of these investments as shown by our operational milestones during the first semester, particularly our billed volume which has already breached the one billion liters per day mark as early as May this year,” said Manila Water President Antonino T. Aquino. “Moving forward, we expect to sustain this growth momentum as we embark on a more aggressive capital investment program of at least P30 billion in the next five years geared towards improving the reliability of the network as well as increased investments in wastewater and new water sources,” Aquino added. These investments are reflected in the company’s rate rebasing plan submitted to the regulators for approval within the year and for implementation by January 2008.

Manila Water is also looking at projects outside of its concession area. Earlier this year, the Company has announced that it has received notices of pre-qualification for its bids for Ho Chi Minh NRW Reduction Project and Hongkong Wastewater Design-Build-Operate (DBO) Contract.