COVER SHEET

MANILA WATER COMPANY INC

489 KATIPUNAN ROAD BALARA 1105 QUEZON CITY METRO MANILA

Atty. JEWEL C. FERNANDEZ-AUSTRIA

981-81-30

SEC Form 17-C

STOCK

04 Any

A1996-11593

Amended Articles Number/Section

Total Amount of Borrowings

Total No. of Stockholders Domestic Foreign

To be accomplished by SEC Personnel concerned

File Number

LCU

Document I.D.

Cashier

STAMPS
1. November 06, 2006
   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. Quezon City, Philippines
   Province, country or other jurisdiction of incorporation

6. (SEC Use Only)

7. MWSS Administration Bldg, 489 Katipunan Road,
   Balara, Quezon City, Metro Manila
   Address of principal office
   Postal Code

8. (02) 981-8122
   Issuer's telephone number, including area code

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

10. Securities registered pursuant to Sections 8 and 12 of the SRC or Sections 4 and 8 of the RSA

   Title of Each Class
   Number of Shares of Common Stock
   Outstanding and Amount of Debt Outstanding

   Title of Each Class
   Number of Shares of Common Stock
   Outstanding or Amount of Debt Outstanding

   a. Authorized Capital Stock

      Common Shares                            3,100,000,000
      Participating Preferred (voting)          4,000,000,000
      Redeemable Preferred (non-voting)         500,000,000

      Total                                      7,600,000,000

1 The principal office of Manila Water Company, Inc. per its Articles of Incorporation is in Metro Manila.
b. Number of Shares Outstanding as of September 30, 2006:

Common Shares 2,003,918,966
Participating Preferred (voting) 4,000,000,000
Re redeemable Preferred (non-voting) 300,000,000

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Total 6,303,918,966

c. Amount of Debt Outstanding as of September 30, 2006:

Current and Long-Term Debt – P6,906,867,084.17

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

Manila Water will announce later this afternoon its financial and operating highlights for the third quarter of 2006. These are as contained in the enclosed table and press release.

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.  November 06, 2006
Issuer  Date

By:

(Sgd.)

JEWEL C. FERNANDEZ-AUSTRIA
Legal and Investment Officer
### Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>Sept. 30, 2006 Unaudited</th>
<th>Sept. 30, 2005 Unaudited</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4,835</td>
<td>4,273</td>
</tr>
<tr>
<td>Operating Costs and Expenses</td>
<td>3,022</td>
<td>2,784</td>
</tr>
<tr>
<td>Net Income</td>
<td>1,813</td>
<td>1,489</td>
</tr>
</tbody>
</table>

### Operating Highlights

<table>
<thead>
<tr>
<th></th>
<th>Sept. 30, 2006</th>
<th>Sept. 30, 2005</th>
</tr>
</thead>
<tbody>
<tr>
<td>Billed Volume (in Million Liters Per Day)</td>
<td>934</td>
<td>859</td>
</tr>
<tr>
<td>Non-Revenue Water (%)</td>
<td>30.4</td>
<td>35.6</td>
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</table>
Manila Water sustains momentum on the 3rd Quarter 2006

Manila Water announced today continued strong financial and operating performance in the third quarter of this year. Year-to-date revenues increased 13% year-on-year at P4,835 million while net income registered at P1,813 million, an improvement of 22% versus same period last year. The company attributes this robust growth in its bottomline to gains resulting from its efficient management of operating and borrowing costs.

Manila Water continued to bring down the level of non-revenue water (NRW) to 30%, recording more than 5 percentage points improvement as compared with the level one year ago. Through the effective implementation of its NRW reduction programs, Manila Water has recovered enough water to mitigate the negative effects of the impending El Nino phenomenon to its customers.

The company has also sustained the water sales (or “billed volume”) even during the rainy season which has traditionally been a slack period. As of end of September 2006, billed volume was at 934 million liters per day, more than 8% higher than its September 2005 level.

According to Manila Water President Antonino T. Aquino, “We are now seeing the initial results of our P4.5 billion annual capital investment for service improvement projects and expansion initiatives towards our growth areas in Taguig and the Rizal towns. Eventually, as we complete our more than P2 Billion Antipolo project, we expect to accelerate the delivery of water service to these areas within our concession.”

The proven track record in operations and consistent growth in profits of the company have been the major considerations for assigning highest credit rating of ‘PRS Aaa’ by Philratings, a recognized Bangko Sentral ng Pilipinas (BSP) credit rating agency.

As part of its corporate strategy, the company is also looking at expansion projects outside its concession. At the forefront of this growth strategy is the bidding for Maynilad Water Services, Inc. which serves around 7 million people under the West Zone concession of MWSS. Manila Water will lead a consortium of both local and foreign investors in bidding out for the 84% stake on Maynilad which will take place on November 21, 2006. The Company said that it will participate in this exercise with the intention of improving the service level in the Maynilad area and at the same time enhancing shareholder value. Manila Water further indicated that it fully supports the government’s efforts to reprivatize Maynilad, which it said is the most important objective of the bidding process. The results of the bidding should give a better indication of the value of both concessions.

See Attachment (Summary of Financial and Operating Highlights)