November 9, 2009

SECURITIES AND EXCHANGE COMMISSION
Attention: Director Justina P. Callangan
Corporation Finance Department

PHILIPPINE STOCK EXCHANGE, INC.
Attention: Janet A. Encarnacion
Head, Disclosure Department

PHILIPPINE DEALING & EXCHANGE CORPORATION
Attention: Mr. Cesar B. Crisol
President and Chief Operating Officer

Gentlemen:

Manila Water announces today its third quarter results for 2009. Please refer to the enclosed press release.

Sincerely,

[Signature]

Jhoel P. Raquedan
Legal and Corporate Governance Head
Manila Water Q3 performance on track

Manila Water’s net income increased by 14% year-on-year to P2.3 billion, driven by a 6% increase in core revenues and better tax and operating efficiency.

For the first three quarters of the year, the Company managed to sustain its level of water sales on a cumulative basis, which stood at 294.5 million cubic meters ("mcm"), 1% higher than the same period last year.

"The reason behind the stability of the business can be attributed to our ability to adjust to the changing business environment. The completion of some of our expansion projects helped us meet the growing demand, as we increased our customer base. Likewise, the strong focus on cost management further improved our operating margins," according to Manila Water president René D. Almendras.

As compared to a year ago, the Company has connected approximately 54,000 new households to the network. As of end of September 2009, Manila Water’s customer base reached 1.07 million households.

The Company’s continued operational efficiency also contributed favorably to its financial performance for the period. Manila Water’s network remains as one of the most efficient in the region, as the non-revenue water ("NRW") level continued to decline. As of September 2009, NRW has dropped to a record low at 15.4%, 4.8 percentage points lower than last year’s level.

Operating costs as of September 2009 grew by only 3% versus the same period last year. Manila Water’s EBITDA increased 7% year-on-year to P5.1 billion. The Company’s EBITDA margin remains strong at 72%.

The Metropolitan Waterworks and Sewerage System had earlier granted an extension of Manila Water’s Concession Agreement by another 15 years to 2037. The extension will allow the Company to implement an investment plan costing P450 billion, while tempering the increases in water tariffs over the next several years.

Manila Water has also made initial progress in its efforts to expand outside of the East Zone. The Company has formally assumed operation of its recently acquired concession in Laguna covering the city of Sta. Rosa and the municipalities of Biñan and Cabuyao. Additional resources have also been deployed in Boracay as part of the ongoing turnover process.

Aside from the Laguna and Boracay projects, the Company has also submitted a proposal to provide 35 million liters per day ("MILD") in treated bulk water supply for Cebu province. The said proposal is currently being evaluated by the provincial government of Cebu.
### Financial Highlights

<table>
<thead>
<tr>
<th>(In million Pesos)</th>
<th>YTD Sept 2009</th>
<th>YTD Sept 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total revenues</td>
<td>7,035</td>
<td>6,634</td>
</tr>
<tr>
<td>Total costs and expenses</td>
<td>1,964</td>
<td>1,902</td>
</tr>
<tr>
<td>EBITDA</td>
<td>5,071</td>
<td>4,733</td>
</tr>
<tr>
<td>Net income after tax</td>
<td>2,273</td>
<td>1,990</td>
</tr>
</tbody>
</table>

### Operating Highlights

<table>
<thead>
<tr>
<th></th>
<th>End-Sept 2009</th>
<th>End- Sept 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water sales (mcm)</td>
<td>294.5</td>
<td>291.4</td>
</tr>
<tr>
<td>Non-revenue water</td>
<td>15.4%</td>
<td>20.2%</td>
</tr>
<tr>
<td>Households served</td>
<td>1,073,225</td>
<td>1,019,175</td>
</tr>
</tbody>
</table>