27 March 2007

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

PHILIPPINE STOCK EXCHANGE, INC.
Attention: Atty. Pete M. Malabanan
Head, Disclosure Department

Meetings of the Stockholders and Board of Directors

Dear Sir/Madam:

Please be informed that at the annual meeting of the stockholders of Manila Water Company, Inc. (“Company”) held today, the stockholders considered and approved the following:

1. Election of the following as members of the Board of Directors for the ensuing year:

   Fernando Zobel de Ayala       Martin Bradbury
   Jaime Augusto Zobel de Ayala II  Leslie A. Bell
   Delfin L. Lazaro        Hiromu Nishimura
   Antonino T. Aquino   Cielito F. Habito
   Alberto L. Jugo  Oscar S. Reyes
   Aurelio R. Montinola III

   Messrs. Habito and Reyes were elected as independent directors.

2. Appointment of SyCip, Gorres, Velayo & Co. as external auditors for the ensuing year

   In its organizational meeting held after the stockholders’ meeting, the Board of Directors elected or appointed the following:

1. Officers

   Chairman of the Board: Fernando Zobel de Ayala
   Vice Chairman of the Board: Jaime Augusto Zobel de Ayala II
   President: Antonino T. Aquino
   Treasurer and Chief Finance Officer: Sherisa P. Nuesa
   Corporate Secretary: Atty. Solomon M. Hermosura
2. Committees and Memberships

**Executive Committee**
Fernando Zobel de Ayala – Chairman
Jaime Augusto Zobel de Ayala II – Vice Chairman
Antonino T. Aquino – Member
Delfin L. Lazaro – Member
Leslie A. Bell – Member

**Audit Committee**
Cielito F. Habito – Chairman
Aurelio R. Montinola III – Member
Hiromu Nishimura – Member
Oscar S. Reyes – Member

**Nomination Committee**
Oscar S. Reyes – Chairman
Jaime Augusto Zobel de Ayala II – Member
Leslie A. Bell – Member

**Proxy Validation Committee**
Armi R. Santos – Chairperson
Rene T. Tale – Member
Jessie D. Cabaluna – Member

Compliance Officer: Glorina N. Padua-de Castro

We attach a press release in relation to the stockholders’ meeting.

Best regards.

Sincerely,

(Sgd.)
Jewel C. Fernandez-Austria
Legal and Investment Officer
Manila Water Earmarks P30B for Capital Investments

Manila Water announced in its stockholders’ meeting today that it intends to invest at least P30 billion in capital expenditures for the East Zone over the next five years. This amount will support the company’s continuous expansion of water and wastewater networks, as well as programs to ensure the reliability of water supply. A significant portion is earmarked for the development of new water sources and sewer and sanitation facilities in the area.

“We are privileged as a company to be engaged in various initiatives that are geared towards protecting and preserving the environment. Our increased investments will address the need for improved sewer and sanitation services as well as the protection of our water resources. This reaffirms our company’s commitment to environmental preservation,” according to Manila Water Chairman Fernando Zobel de Ayala.

Manila Water made the announcement following its report of strong operational and financial performance in 2006. Last year, Manila Water invested a total of P4.8 billion for the rehabilitation and extension of the water network to improve service coverage and reduce system losses.

“Our achievements in 2006 were largely the results of the P23 billion capital expenditures we have poured in the East Zone over the past ten years. Today, we continue to realize the value of these investments as demonstrated by our strong performance in the first two months of the year. Our billed volume grew by 10% from the same period last year to 962 million liters per day,” Manila Water President Antonino T. Aquino said. “To sustain this trajectory, we will undertake a fresh round of major investments in projects that will enable us to provide water to the high growth areas of Rizal, as well as increase access to wastewater services within the East Zone,” Aquino added.

The Company further emphasized that the operating efficiencies derived from their investments eventually redound to customer benefits. Since taking over the East Zone, Manila Water has served an additional two million customers, half of which belong to the poorer sector. In addition, water availability vastly improved with 98% of the total population served within the central distribution area, receiving water 24 hours a day, from only 26% in 1997.

Earlier, Manila Water reported that its net income for 2006 reached P2.4 billion, reflecting a 19% growth over its 2005 level while revenues increased by 18% to P6.8 billion.