April 3, 2006

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

PHILIPPINE STOCK EXCHANGE, INC.
Attention:  Ms. Jurisita M. Quintos
            Senior Vice President

Meetings of the Stockholders and Board of Directors

Dear Mesdames:

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

1. Election of the following directors for the ensuing year:
   - Jaime Augusto Zobel de Ayala II
   - Fernando Zobel de Ayala
   - Delfin L. Lazaro
   - Antonino T. Aquino
   - Alberto L. Jugo
   - Aurelio R. Montinola III
   - Gordon A.I. Waters
   - Leslie A. Bell
   - Hiromu Nishimura
   - Cielito F. Habito
   - Oscar S. Reyes

   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 new Board of Directors approved the following:

   1. Corporate Officers
      
      Officers
      - Chairman of the Board: Fernando Zobel de Ayala
      - Vice Chairman of the Board: Gordon A.I. Waters
      - President: Antonino T. Aquino
      - Treasurer and Chief Finance Officer: Sherisa P. Nuesa
      - Corporate Secretary: Atty. Solomon M. Hermosura

   Group Directors

Manila Water Company, Inc.
Administration Building  •  489 Katipunan Road, Balara  •  Quezon City Philippines
Telephone: (632) 926-7999  •  Facsimile: (632) 920-5288
Virgilio C. Rivera, Jr.  
Group Director, Regulatory and Corporate Development

Miguel Jose T. Navarrete  
Group Director, Business

Frank Beaumont  
Group Director, Operations & Capital Works

Ruel T. Maranan  
Group Director, Human Resources & Corporate Services

Geodino V. Carpio  
Group Director, Project Delivery

2. Board Committees and Memberships

Executive Committee
Fernando Zobel de Ayala  – Chairman
Gordon A.I. Waters  – 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 announced in its annual stockholders’ meeting today that it is allocating P4.6 billion for its capital investment program in 2006. This year’s projects are geared towards the expansion of the Company’s territory reach and customer base as well as the continuous reduction of system losses and improvement of services to its existing customers.

Pipe-laying activities to improve water service in Metro Manila and extend the water distribution network to the high growth areas of Taguig, Antipolo and Rizal have been started in anticipation of the completion of Manila Water’s major projects that were launched last year. The Antipolo Line which will bring water to upper Antipolo and its neighboring areas is almost complete and is expected to benefit at least 150 thousand residents. Another key undertaking is the Taguig Water Supply Project which involves the construction of well fields and the use of advanced technology to treat the abstracted water, for distribution to around 27,000 residents in Taguig.

Manila Water’s capital investment plan for 2006 was further enhanced by the extension of the Company’s income tax holiday granted by the Board of Investments last December. The Company allocated P500 million from tax savings to expedite service improvement projects in Antipolo, San Mateo, Rodriguez, Angono, Taytay, Baras and Jala-jala and should result to the acceleration of water service coverage and water supply availability in these areas.

Manila Water will also embark on more wastewater initiatives focused on the treatment of septage to allow Manila Water to further expand its sanitation services. This is the largest wastewater project to date and will be partially funded through the $64 million loan from the World Bank channeled through Landbank.

In the same stockholders’ meeting, Manila Water formally announced its 2005 audited financial results. Net income grew by 51% to P2.01 billion from P1.33 billion in the prior year. This was a result of strong operational gains coupled with well-managed operating costs.
“Our growth in the past is attributable to the investments in expansion projects that we made a few years back. The P4.6 billion we allocated for new investments this year is intended to sustain the growth momentum of Manila Water”, Manila Water President Antonino T. Aquino said.