August 16, 2007

PHILIPPINE STOCK EXCHANGE, INC.
Philippine Stock Exchange Centre
Exchange Road, Ortigas Center
Pasig City

Attention:    Atty. Pete M. Malabanan
             Head, Disclosure Department

Meeting of the Board of Directors

Dear Sir:

Please be informed that, at the regular meeting of the board of directors (Board) of Manila Water Company, Inc. (the Company) today, the Board considered and approved the following:

1. **Election of Two Directors and Co Vice Chairman of the Board**

The Board elected Messrs. Kevin Starling and Paul Capell as members of the Board for the remainder of the terms of Messrs. Leslie Bell and Martin Bradbury, who resigned effective today. The Board also elected Mr. Capell as Co Vice Chairman of the Board.

2. **Declaration of Cash Dividends**

The Board declared the following second semester 2007 cash dividends: (i) ₱0.15 per share on the outstanding common shares, and (ii) ₱0.015 per share on the outstanding participating preferred shares. The dividends are payable to stockholders of record as of September 3, 2007, to be paid on September 27, 2007.

3. **Redemption of RPS**

The Board approved the early redemption of the remaining balance of 200 million redeemable preferred shares (RPS) on or before September 30, 2007. The Board also declared cash dividends of ₱0.06 per share on the outstanding RPS.

Under the Company’s Articles of Incorporation, the RPS are redeemable for five years in five equal annual installments, and are non-voting, non-convertible, non-participating and earn cumulative cash dividends at 8% per annum. As of December 2006, P300 Million RPS have been redeemed, leaving a balance of P200 Million.
4. Amendment of By-Laws

The Board approved the amendment of an administrative provision under Article II, Section 8 of the Company's By-Laws to read as follows:

Article II, Section 8. Closing of Transfer Books or Fixing of Record Date
- For the purpose of determining the stockholders entitled to notice of, or to vote at, any meeting of stockholders or any adjournment thereof or to receive payment of any dividend, or of making a determination of stockholders for any other proper purpose, the Board of Directors may provide that the stock and transfer books be closed for a stated period, but not to exceed, in any case, sixty (60) days. If the stock and transfer books be closed for the purpose of determining stockholders entitled to notice of, or to vote at, a meeting of stockholders, such books shall be closed for at least fifteen (15) working days immediately preceding such meeting. In lieu of closing the stock and transfer books, the Board of Directors may fix in advance a date as the record date which shall in no case be more than sixty (60) days, prior to the date on which the particular action requiring such determination of stockholders is to be taken, except in instances where applicable rules and regulations provide otherwise.

Best regards.

Sincerely,

Jewel C. Fernandez-Austria
Legal and Investment Officer