November 29, 2006

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

Attention: Ms. Jurisita M. Quintos
Senior Vice President

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. (Manila Water) today, the Board considered and approved the following:

1. Declaration of Cash Dividends

The Board authorized the payment of a cash dividend per share of 10% (₱0.01) per annum, for the one year period from January 1, 2006 to December 31, 2006, on the outstanding 4 billion Participating Preferred Shares (PPS) of the capital stock of Manila Water, payable to PPS Stockholders of record as of November 28, 2006, and distributable on December 29, 2006.

The Board further authorized the payment of a cash dividend per share of 8% (₱0.08) per annum, for the one year period from January 1, 2006 to December 31, 2006, on the outstanding 400 million Redeemable Preferred Shares (RPS) of the capital stock of Manila Water, payable to RPS Stockholders of record as of November 28, 2006, and distributable on December 29, 2006. The Board also authorized the redemption by Manila Water of 100 million of said RPS on December 29, 2006.

2. Setting of 2006 Annual Stockholders’ Meeting

The Board set March 27, 2007 as the date of the 2006 Manila Water Annual Stockholders’ Meeting.
Best regards.

Sincerely,

(Sgd.)

Jewel C. Fernandez-Austria
Legal and Investment Officer