20 July 2012

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

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

Re: Manila Water subsidiary acquires shares in Kenh Dong Water Supply Joint Stock Company in Vietnam

Gentlemen:

In relation to our disclosure dated 17 May 2012, please be informed that Manila Water Company, Inc. ("Manila Water") has signed an Addendum to the Sale and Purchase Agreement with Ho Chi Minh City Infrastructure Investment Joint Stock Company ("CII") and has completed the acquisition of 47.35% shares in Kenh Dong Water Supply Joint Stock Company ("Kenh Dong") through its Singapore subsidiary, Kenh Dong Water Holdings Pte. Ltd. ("KDH"), the designated purchaser of the shares pursuant to the Sale and Purchase Agreement.

Kenh Dong is a Vietnamese company established in 2003 to build, own, and operate major water infrastructure facilities in Ho Chi Minh City. Its water treatment plant located in the Cu Chi District is expected to start commercial operations by the second semester of 2012 with a capacity of 200 million liters of water per day (mld). Kenh Dong has a bulk water supply contract with Saigon Water Corporation ("SAWACO") for a guaranteed volume of 150 mld. SAWACO is a state-owned company that manages the water supply system in Ho Chi Minh City.

The cost to purchase CII’s interests in Kenh Dong is not more than 10% of the total book value of Manila Water and there are no material relationships between the directors or officers of KDH, Kenh Dong and CII at the time of the acquisition of the shares.

Very truly yours,

LIZELLE ZAMORA-DIMACUHA
Legal and Corporate Governance Manager