April 20, 2009

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

Attention: Janet A. Encarnacion
Head, Disclosure Department

Re: Extension of Manila Water’s Concession for the East Zone

Dear Sir:

Please be informed that Manila Water Company, Inc. has been granted an extension of its concession by the Metropolitan Waterworks and Sewerage System after its recent board meeting. The extension will result in an additional 15 years in the company’s East Zone concession and an increase in the company’s investment plan from approximately P187 billion until 2022 to P450 billion until 2037. In addition, tariffs will only increase by P1 per cubic meter per year from 2010 to 2012 due to the longer recovery period. The approval is subject to the concurrence of the Department of Finance.

We would like to state our strong support for this measure to extend our concession for the East Zone. The company views the proposal as a win-win solution that will help support the government’s economic stimulus plan through the implementation of additional investments while allowing for a more affordable tariff regime for the company’s customers.

Thank you.

Sincerely,

Luis Juan B. Oreta
CFO and Treasurer