April 6, 2011

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

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

PHILIPPINE DEALING & EXCHANGE CORPORATION
Attention: Mr. Cesar B. Crisol
President and Chief Operating Officer

Re: Issuance of PhP10 Billion Fixed Rate Corporate Notes

Gentlemen:

Please be informed that Manila Water Company, Inc. signed an agreement to issue PhP10 billion in fixed rate corporate notes.

We attach the press release for more information.

Best regards.

Sincerely,

Lizelle Zamora-Dimacuha
Legal and Corporate Governance Manager
Manila Water to Raise P10 billion in Notes Issuance

Manila Water, the country’s leading water and wastewater operator, recently signed an agreement to issue Php10 billion in fixed rate corporate notes. The offering was fully subscribed by a consortium of local lenders composed of Metropolitan Bank and Trust Company (Metrobank), Philippine Savings Bank (PS Bank) and First Metro Investment Corporation (FMIC). The amount, which is the largest that the company has borrowed to date, is a strong affirmation of Manila Water’s financial and operational capability from the financial community.

Solely arranged by First Metro Investment Corporation, the notes will be issued in two tranches. The first tranche is a 10-year note with a call option on the 7th year while the second tranche is a straight 5-year note. The issue date of the corporate notes will be on April 8, 2011.

The proceeds of the issue will be used to partly fund Manila Water’s investment plan for 2011, which includes water and wastewater coverage expansion, new water source development, and various systems enhancements. These investments will directly support the attainment of the company’s regulatory targets and assure consistent delivery of 24/7 water services.

According to Manila Water President Gerardo C. Ablaza, Jr., “Our joint commitment to creating a significant difference in the lives of the people we serve has allowed both Manila Water and the Metrobank Group to be among the best in our respective fields. From a macro-perspective, this has played a crucial role in contributing to national growth and development.”

The Metrobank Group has been a strong supporter of Manila Water over the years. The note issue is the latest among several milestones in which the group had an active involvement. Metrobank was one of the company’s first lenders while FMIC acted as the one of the domestic co-lead underwriters during Manila Water’s initial public offering in 2005. Lastly, PS Bank was also a participant in the company’s initial bond offering in 2008.

These activities, in turn, provided Manila Water with the necessary financial resources to implement its investment plan over the past decade. These investments have resulted in a significant improvement in water service which reached world-class level in the East Zone.

Today, 99% of Manila Water’s customers connected to the water network benefit from 24-hour water availability at sufficient pressure. With the level of water losses in the East Zone reaching an all-time low of 11%, the company successfully maintained service levels in spite of the onset in 2010 of one of the worst El Niño episodes on record.