June 22, 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:          Philippine Rating Services Corporation gives Manila Water a Corporate Credit
Rating of PRS Aaa (corp.)

Gentlemen:

Please be informed that today Manila Water Company, Inc. (the “Company”) was given a
Corporate Credit Rating of PRS Aaa (corp.) by the Philippine Rating Services Corporation
(“Philratings”). Attached is a copy of the Philratings Press Release which was furnished to the
Company on even date for more information.

Very truly yours,

[Signature]

Lizzelle Zamora-Dimacuha
Legal and Corporate Governance Manager
Manila Water Gets Top Corporate Credit Rating

Manila Water Company, Inc. (Manila Water) was assigned a Corporate Credit Rating of PRS Aaa (corp.), the highest rating given by Philippine Rating Services Corporation (PhilRatings). Companies rated PRS Aaa (corp.) have a very strong capacity to meet their financial obligations relative to other Philippine corporations.

The rating reflects the following considerations: Manila Water’s proactive management and competent technical staff with a proven track record; the company’s efforts to expand its service areas to ensure continued growth; sustained profit performance; more than adequate liquidity position, financial flexibility and capitalization which can support additional debt.

PhilRatings’ ratings are based on available information and projections at the time that the rating review was performed. PhilRatings shall continuously monitor developments relating to Manila Water and may change the rating at any time, should circumstances warrant a change.

Manila Water is a company that provides water and wastewater services. It is the exclusive concessionaire for the East Zone of Metro Manila, consisting of 23 cities and municipalities. It continues to expand its market locally and currently has subsidiaries with projects in Laguna, Pampanga, Boracay and Cebu. It also has international ventures in Vietnam.

Throughout its operating history, the company has been able to meet and even surpass its regulatory and financial targets, making efficient use of its capital, accumulated industry experience and partnerships. The company’s management has also been very proactive in dealing with issues relating to the water industry, such as the development of new water sources.

The company continues to increase its profitability. Net income for the period 2010 to 2011 increased by 7%, from P3.98 billion to P4.27 billion. The trend continued in the first quarter of 2012 as net income improved by 64% to P1.34 billion, from P816 million for the same period last year.

The company keeps comfortable levels of cash and short-term investments on hand. Such reached P5.89 billion as of end 2011 and further increased to P6.45 billion as of the end of the first quarter 2012. The company likewise maintains healthy coverage ratios as EBITDA Interest
Cover and Debt Service Coverage Ratio (DSCR) as of end 2011 were at 5.16x and 2.65x, respectively, reflecting Manila Water’s strong capacity to meet its current obligations.

The company remains adequately capitalized. As of end 2011, debt to equity ratio (total liabilities net of service concession obligations) moved from 1.04x in 2010 to 1.32x but improved slightly to 1.23x as of the end of the first quarter 2012. These figures are still considered adequate given the capital intensive nature of the company’s business. Also, the projected growth in retained earnings is expected to support additional debt.

The company is currently undergoing its third Rate Rebasing period as the Concessionaire of the East Zone. Rate Rebasing occurs every five years after 1997, when the company was awarded the concession. Manila Water has already submitted the requirements for the process to the regulators and is expecting feedback within the year. Given its prior experience with previous Rate Rebasing periods and a historically strong performance vis-à-vis regulatory standards and targets, the process is likely to go smoothly and result in the company’s continued viability and growth in the next five years.