November 12, 2009

Securities & Exchange Commission  
Mandaluyong City  
Attn.:  Director Justina F. Callangan  
Corporation & Finance Department  

Philippine Stock Exchange  
Ortigas Center, Pasig City  
Attn.:  Ms. Janet A. Encarnacion  
Head - Disclosure Department  

Philippine Dealing & Exchange Corporation  
6766 Ayala Avenue,  Makati City  
Attn.:  Mr. Cesar B. Crisol  
President and Chief Operating Officer  

Gentlemen:

Ayala Corporation, United Utilities (UU) and Philwater Holdings Company Inc., a company owned 60% by Ayala and 40% by UU, signed today agreements for Ayala’s acquisition of UU’s 81.9 million common shares and economic interest in 2 billion preferred shares in Manila Water Co. for a total consideration of P3.5 billion.

The acquisition increases Ayala’s economic interest in Manila Water to 43.3% from the current 31.7%. UU, who has been Ayala’s technical partner in Manila Water since it began operating the water concession in Metro Manila’s East Zone in 1997, will continue to provide technical services to Manila Water and retain voting rights in the water company through its 40% ownership in Philwater, which holds Manila Water’s outstanding preferred shares.

Manila Water recently obtained a formal approval for the renewal of its MWSS concession, which is now extended up to 2037, allowing it to implement its aggressive P450 billion investment plan for Metro Manila’s East Zone. The company continues to tap opportunities beyond the East Zone. It recently took over the water concession of Sta. Rosa, Biñan and Cabuyao in Laguna, and entered into a joint venture agreement with the Philippine Tourism Authority to develop the water distribution and sewerage facilities in the tourist island of Boracay.

Beyond the Philippines, Manila Water is exploring other water projects in the region where it plans to apply its expertise and track record in the provision of efficient water and wastewater services.

Thank you.

Very truly yours,

RUFINO LUIS T. MANOTOK  
Senior Managing Director & CFO  
Corporate Information Officer