17 December 2009

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

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

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

Re: Concession Agreement for the Design, Financing, Construction and Operation of the Boracay Water Supply and Sewerage Systems

Gentlemen:

In relation to our previous disclosures dated April 21 and April 22, 2009, please be informed that Manila Water Company, Inc. ("Manila Water") subsidiary – Boracay Island Water Company, Inc. ("BIWC") has concluded a 25-year Concession Agreement with the Philippine Tourism Authority ("PTA") for the operation, management, rehabilitation, expansion and financing of water and sewerage services in Boracay Island. The agreement includes the operation and management of the drainage system upon PTA’s completion of the construction of the same. Under the Concession Agreement, the parties are to fulfill certain conditions for its effectivity.

BIWC is a joint venture company of Manila Water and PTA, with Manila Water owning 80% of the equity and PTA owning 20%.

The agreement between Manila Water and PTA is the first successful joint venture under the 2008 National Economic and Development Joint Venture Guidelines for Government-Owned and Controlled Corporations. Manila Water believes that this agreement will encourage other private companies to enter into similar arrangements with the government to support the financing of infrastructure projects necessary to fuel the economic growth in the country.

Thank you.

Sincerely,

[Signature]

Joel P. Raquedan
Legal and Corporate Governance Head