August 21, 2008

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

Attention:  Atty. Pete M. Malabanan
Head, Disclosure Department

Peso Bond Issuance

Dear Sir:

Manila Water Company filed today a Registration Statement with the Securities and Exchange Commission in relation to its offering of peso bond. The indicative terms for the peso bonds are as follows: the bonds will be in the aggregate principal amount of up to P3 Billion, have a term of five (5) years and one (1) day from the issue date, with a fixed interest rate to be set, and will be redeemed at par (or 100% of face value) on the maturity date in 2013 or as otherwise provided in the prospectus.

The bonds will constitute the direct, unconditional, unsubordinated, and unsecured obligations of Manila Water and will at all times rank pari passu with all other present and future unsubordinated and unsecured obligations of Manila Water, other than obligations preferred by law.

Best regards.

Sincerely,

Jewel C. Fernandez-Austria
OIC, Legal and Corporate Governance

Manila Water Company, Inc.
Administration Building  •  489 Kalipunan Road, Balaar  •  Quezon City Philippines
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