11 August 2006

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

Attention: Ms. Jurisita M. Quintos
Senior Vice President

Public Ownership Level

Dear Madame:

In compliance with your requirement, we enclose a computation of Manila Water Company, Inc.’s public ownership level as of June 30, 2006.

Best regards.

Sincerely,

(Sgd.)
Jewel C. Fernandez-Austria
Legal and Investment Officer
Notes:
1. The Public Ownership Report should follow the format below.
2. Please include direct and indirect ownership of directors, officers, principal stockholders, and affiliates, if
   any, for record purposes. If in case, as in the example below, Stockholder 1 has indirect ownership thru
   Stockholder 2, said indirect shareholdings should be deducted under Stockholder 1, as the same should be
   appropriately recorded under Stockholder 2.
3. For companies with classified shares, please make a distinction between A & B shares, and indicate the same
   under the columns provided below. Otherwise, just indicate the no. of shares under the “Total” column.

MANILA WATER CO., INC.
Computation of Public Ownership as of June 30, 2006

Number of Issued Shares 2,005,443,965
Less: Number of Treasury Shares (if any) 23,599,999
Number of Issued and Outstanding Shares 1,981,843,966

<table>
<thead>
<tr>
<th>% to total</th>
<th>Number of Shares</th>
</tr>
</thead>
<tbody>
<tr>
<td>I/O Shares</td>
<td>A</td>
</tr>
</tbody>
</table>

**Directors***
- Fernando Zobel de Ayala
  - Direct: 0.0000005 % 1
  - Indirect (thru _______): -
- Gordon A.I. Waters
  - Direct: 0.0000005 % 1
  - Indirect (thru _______): -
- Antonino T. Aquino
  - Direct: 0.01099166 % 200,001
  - Indirect (thru _______): -
- Jaime Augusto Zobel de Ayala
  - Direct: 0.02119238 % 420,000
  - Indirect (thru Elijah Holdings Inc.): -
- Delфин L. Lazaro
  - Direct: 0.0000005 % 1
  - Indirect (thru _______): -
- Aurelio R. Montinola III
  - Direct: 0.0000005 % 1
  - Indirect (thru _______): -
- Alberto L. Jugo
  - Direct: 0.0000005 % 1
  - Indirect (thru _______): -
- Hiromu Nishimura
  - Direct: 0.0000005 % 1
  - Indirect (thru _______): -
- Leslie A. Bell
  - Direct: 0.0000005 % 1
  - Indirect (thru _______): -
- Cielito F. Habito
  - Direct: 0.0000005 % 1
  - Indirect (thru _______): -
- Oscar S. Reyes
  - Direct: 0.0000005 % 1
  - Indirect (thru _______): -

**Sub-total**: 0.03128455 % 620,011

**Officers***
- Solomon M. Hermosura
  - Direct: 0.0000005 % 1
  - Indirect (thru _______): -
- Sherisa P. Nuesa
  - Direct: 0.00504581 % 100,000
  - Indirect (thru _______): -
- Virgilio C. Rivera, Jr.
  - Direct: 0.0000005 % 1
  - Indirect (thru _______): -
- Miguel Jose T. Navarrete
  - Direct: 0.01099161 % 200,000
  - Indirect (thru _______): -
- Frank Beaumont
  - Direct: 0.0000005 % 1
  - Indirect (thru _______): -
- Ruel T. Mananan
  - Direct: 0.00252290 % 50,000
  - Indirect (thru _______): -
- Geodino V. Carpio
  - Direct: 0.01387597 % 275,000
  - Indirect (thru _______): -

**Sub-total**: 0.03153629 % 625,000

**Principal Stockholders***
- Ayala Corporation
  - Direct: 26.4892447 % 524,975,497
  - Indirect (thru Fernando Zobel de Ayala): 0.0000005 % 1
  - Indirect (thru Jaime Augusto Zobel de Ayala): 0.0000005 % 1
  - Indirect (thru Antonino T. Aquino): 0.0000005 % 1
  - Indirect (thru Alberto L. Jugo): 0.0000005 % 1
  - Indirect (thru Delфин L. Lazaro): 0.0000005 % 1

**Sub-total**: 26.4892449 % 524,975,502

**Affiliate***
- -

**Sub-total**: -

**Others**
- Government:
  - -
- Banks:
  - -
- Employees:
  - -

**Lock-Up Shares***
- -

**Total Number of Shares Owned by the Public**: 1,455,623,453
# Public Ownership Percentage

Total Number of Shares Owned by the Public

<table>
<thead>
<tr>
<th>Shares Owned by the Public</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1,455,623,453</td>
<td>73.45%</td>
</tr>
<tr>
<td>1,981,843,966</td>
<td></td>
</tr>
</tbody>
</table>

Required Public Ownership %** = 10%

(Please Check (/) the appropriate box)

### Public Ownership

- **Number of Issued and Outstanding Shares**: 1,981,843,966
- **Number of Outstanding Shares**: 1,981,843,966
- **Number of Treasury Shares**: 23,599,999
- **Number of Listed Shares**: 2,005,443,965
- **Number of Foreign-Owned Shares**: 1,037,559,052
- **Foreign Ownership Level (%)**: 28.50%
- **Foreign Ownership Limit (%)**: 40.00%

- **Number of Stockholders**: 1,365
- **Number of Shareholders owning at least one Board Lot each**: 1,343

*Note: Please observe the same cut-off date.*

* See Annex A for Guidelines and Definitions
** See Annex B, Step 2 for the Boardlot Table
ANNEX B

Minimum Percentage of Public Ownership

To check if Company, Inc. is in compliance with the Minimum Percentage of Public Ownership, the following steps must be observed:

**Step 1**  **Compute for Company's Market Capitalization**

( Please observe the same cut-off date as that of the Computation of Public Ownership Percentage)

Market Capitalization = Total Issued and Outstanding shares x Closing Market Price on cut-off date

\[
\text{Market Capitalization} = 1,981,843,966 \times \text{PHP 7.50 Closing Market Price on June 30, 2006}
\]

\[
= 14,863,829,745.00
\]

**Step 2**  **Refer to the Table below.**

(Based on the Market Capitalization computed, identify the corresponding minimum public ownership requirement.)

<table>
<thead>
<tr>
<th>MARKET CAPITALIZATION</th>
<th>PUBLIC OWNERSHIP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not exceeding P 400 M</td>
<td>33%</td>
</tr>
<tr>
<td>&gt;P400M to P1B</td>
<td>25%</td>
</tr>
<tr>
<td>&gt;P1B to P5B</td>
<td>20%</td>
</tr>
<tr>
<td>&gt;5B to P10B</td>
<td>15%</td>
</tr>
<tr>
<td>&gt;P10B</td>
<td>10%</td>
</tr>
</tbody>
</table>

**Step 3**  **Compare computed Actual Public Ownership with the Minimum Requirement**

Actual Public Ownership (per computation) 73.45%

Minimum Required Public Ownership (per table) 10%