May 9, 2019

Securities and Exchange Commission
Secretariat Building, PICC Complex, Roxas Boulevard, Pasay City, Philippines

Attention : Mr. Vicente Graciano. P. Felizmenio, Jr.
Director, Markets and Securities Regulation Department

Philippine Stock Exchange, Inc.
PSE Tower, 5th Avenue corner 28th Street, Bonifacio Global City, Taguig City, Philippines

Attention : Ms. Janet A. Encarnacion
Head, Disclosure Department

Subject : Unaudited First Quarter 2019 Performance Results

Gentlemen :

Manila Water Company, Inc. announces today its unaudited first quarter 2018 performance results. Please refer to the enclosed financial and operating highlights.

Also attached is the press release for more information.

Very truly yours,

Gerardo M. Lobo II
Assistant Corporate Secretary
### MANILA WATER FINANCIAL AND OPERATING HIGHLIGHTS (CONSOLIDATED)

#### 1Q 2019 | FY 2018 | % Change
--- | --- | ---
**Revenues** | 5,079 | 4,712 | 8%
COS and Operating Expenses | (2,461) | (1,776) | 39%
Other Income - net | 224 | 153 | 47%
  - Equity Share in Net Income of Associates | 207 | 109 | 89%
  - Other Income (loss) - net | 17 | 43 | (60%)
**EBITDA** | 2,842 | 3,089 | (8%)
  - EBITDA margin | 56% | 66% | (15%)
Depreciation and Amortization | (657) | (601) | 9%
Net Interest Expense | (371) | (299) | 24%
 Provision for Income Tax | (540) | (461) | 17%
Non-controlling Interests | (40) | (39) | 2%
**Net Income** | 1,233 | 1,689 | (27%)

#### March 31, 2019 | December 31, 2018 | % Change
--- | --- | ---
**Assets**
  - Current Assets | 11,612 | 13,449 | (14%)
  - Noncurrent Assets | 111,217 | 109,084 | 2%
**Total Assets** | 122,829 | 122,533 | 0.2%

**Liabilities and Stockholders’ Equity**
  - Current Liabilities | 15,703 | 22,708 | (31%)
  - Non-current Liabilities | 53,385 | 46,204 | 16%
**Total Liabilities** | 69,088 | 68,912 | 0.3%
Stockholders’ Equity | 53,741 | 53,621 | 0.2%
**Total Liabilities and Stockholders’ Equity** | 122,829 | 122,533 | 0.2%

#### (in mcm)

| 1Q 2019 | FY 2018 | % Change |
--- | --- | ---
**Total Billed Volume** | | |
  - Manila Concession | 306.0 | 281.5 | 9%
  - Manila Water Philippine Ventures | 121.6 | 120.4 | 1%
    - Clark Water | 21.9 | 21.4 | 2%
    - Laguna Water | 10.4 | 10.8 | (4%)
    - Boracay Water | 1.1 | 1.4 | (21%)
    - Cebu Water | 3.2 | 3.0 | 7%
    - Estate Water | 2.5 | 1.9 | 32%
    - Aqua Centro | 0.3 | - | 100%
    - Calasiao Water | 0.1 | 0.01* | 700%
    - Obando Water | 0.4 | 0.3 | 18%
    - BMDC | 0.4 | 0.4 | 10%
  - Manila Water Asia Pacific | 162.5 | 139.7 | 16%
    - Thu Duc Water | 26.5 | 26.7 | (1%)
    - Kenh Dong Water | 14.1 | 14.5 | (3%)
    - Saigon Water | 26.6 | 19.3 | 38%
    - East Water | 94.0 | 78.0 | 21%
    - PT STU | 1.3 | 1.2 | 4%
*actual value

| 1Q 2019 | FY 2018 | % Change |
--- | --- | ---
**Total Billed Connections** | | |
  - Manila Concession | 1,139,326 | 1,103,493 | 3%
  - Manila Water Philippine Ventures | 992,036 | 968,409 | 2%
    - Clark Water | 147,290 | 135,084 | 9%
    - Laguna Water | 102,449 | 99,233 | 3%
    - Boracay Water | 5,826 | 6,215 | (6%)
    - Cebu Water | 1 | 1 | 0%
    - Estate Water | 11,619 | 10,646 | 9%
    - Aqua Centro | 6,357 | - | 100%
    - Calasiao Water | 2,126 | 730 | 191%
    - Obando Water | 9,075 | 8,790 | 3%
    - BMDC | 7,760 | 7,409 | 5%
PRESS RELEASE
09 May 2019

Manila Water posts Net Income decline in 1Q2019

Manila Water posted earnings of ₱1.23 billion for the first quarter of 2019, 27% lower than the previous year. The slowdown was mainly due to the impact of the water supply shortage in its Manila Concession business.

On a group level, Manila Water revenues grew 8% to ₱5.1 billion, driven by higher tariff in the Manila Concession and improved topline growth of its non-Manila Concession businesses. However, this growth was partially offset by the voluntary, one-time Bill Waiver Program to help alleviate the inconvenience of all customers and to those severely affected by the water shortage in the Manila Concession.

Manila Water’s operating expenses reached ₱2.5 billion, up 39% from a year ago, driven by higher costs and expenses. A major driver of this increase was the provision of financial penalty imposed by the Metropolitan Waterworks and Sewerage System (MWSS) amounting to ₱534 million which the company has decided to pay.

In all, Manila Water net income margin for the period stood at 24%. Excluding the effects of the water supply shortage in the Manila Concession, core net income grew 22% to ₱2.1 billion.

Manila Water continues to make progress on its service recovery efforts. As of May 8, the company has achieved 98% water availability of at least 8 hours at 7 psi, or at ground floor level. It has also reached 72% 24-hour water availability at 7 psi. The company continues to work on various distribution solutions to address pocket areas of less than 8 hours of supply. Cardona Water Treatment Plant has been producing 50 million liters per day (MLD) and Deep Wells have augmented the Angat Water Supply with production of 30 MLD. Cross-border flows are at 16 MLD.

Outside the Manila Concession, Manila Water Philippine Ventures (MWPV) climbed 7% to ₱174 million in the first quarter of 2019. Growth in this segment was led by MWPV’s business-to-business arm, Estate Water, which realized notable gains in its customer base through the takeover of new estates and key accounts. Estate Water net income for the period stood at ₱93 million, 166% more than the previous year. However, other domestic subsidiaries such as Clark Water, Laguna Water and Boracay Water registered lower earnings for the period due to a slowdown in demand and higher operating costs.

Manila Water Asia Pacific (MWAP), which houses Manila Water’s international investments in the region, more than doubled its earnings to ₱135 million with the full recognition of the acquisition of East Water in Thailand, coupled with additional income from MWAP’s industrial park water supply operations at PT Sarana Tirta Ungaran in Indonesia. The operating subsidiaries in Vietnam, namely Thu Duc Water and Kenh Dong Water, registered lower income contribution due to lower demand.