



Agos

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MANILA WATER
PHILIPPINE VENTURES

MESSAGE FROM THE PRESIDENT

Dear valued partners and customers,

Over the last 20 years, Manila Water has significantly uplifted the quality of life of millions of Filipinos by improving water and used water services within and outside Metro Manila. More than a business to run, it was a mission fulfilled through various programs centered on social, environmental and economic sustainability.

Our success in the East Zone, which has been heralded as a model of a successful public-private partnership in the water industry, has given us the impetus to share our experience and best practices beyond our current service area in keeping with our vision to become a leader in the provision of world-class water, used water and environmental services. A key component of this vision is to make these basic services available to every Filipino family.

We started replicating our business philosophy in other areas in the country through Manila Water Philippine Ventures (MWPV), the company's arm in expanding its reach to other top metros and provinces in the Philippines where there is a significant need for topnotch services.

As we move forward, we remain steadfast in ensuring that more communities will also get to experience a secure and sustainable future. Leveraging our technical, financial and human capabilities, we will continue to extend our brand of excellent service to more localities in the country and realize our commitment to national development.

Let's continue to work together and forge stronger partnerships in the years ahead!

Perry

VIRGILIO "PERRY" C. RIVERA, JR.

President and CEO
Manila Water Philippine Ventures



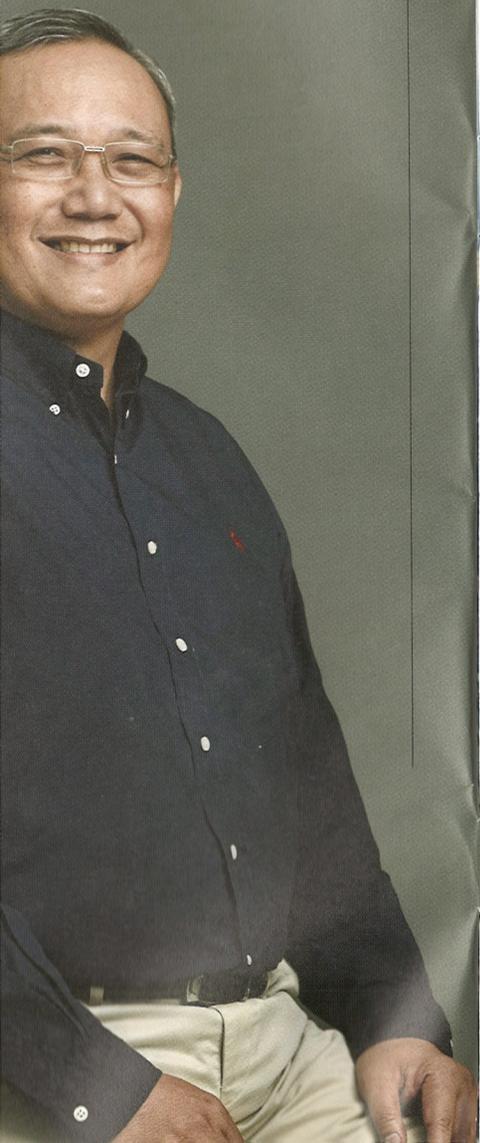
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TRACING OUR ROOTS

Taking After the Pioneer of Public-Private Partnership in the Philippine Water Industry

Since the mid-1990s, the private sector has exhibited active participation in the water sector, with the objective of pursuing further water efficiency and improving service delivery to customers. The private sector's participation in the water and sewerage infrastructure in Metro Manila, which began in 1997, is an outstanding example of a Public-Private Partnership (PPP).

Manila Water Philippine Ventures, Inc. (MWPV) traces its roots to Manila Water Company, Inc., the East Zone concessionaire of the Metropolitan Waterworks and Sewerage System. Hailed as one of the most successful PPPs in the local and international front, Manila Water is responsible for bringing potable water, sewerage, and sanitation services to over six million customers in the eastern portion of Metro Manila and Rizal province. It is a publicly-listed company and a subsidiary of Ayala Corporation, one of the oldest and largest conglomerates in the Philippines.

In 2009, Manila Water formed MWPV to be its local vehicle in geographically expanding the PPP model to other areas in the Philippines where water and used water services are subpar and of poor quality. Like its parent company, MWPV places a high premium on customer service and sustainable development. Its mission is anchored on helping build the communities it serves, especially low-income communities, and protecting the environment that supports its operations.

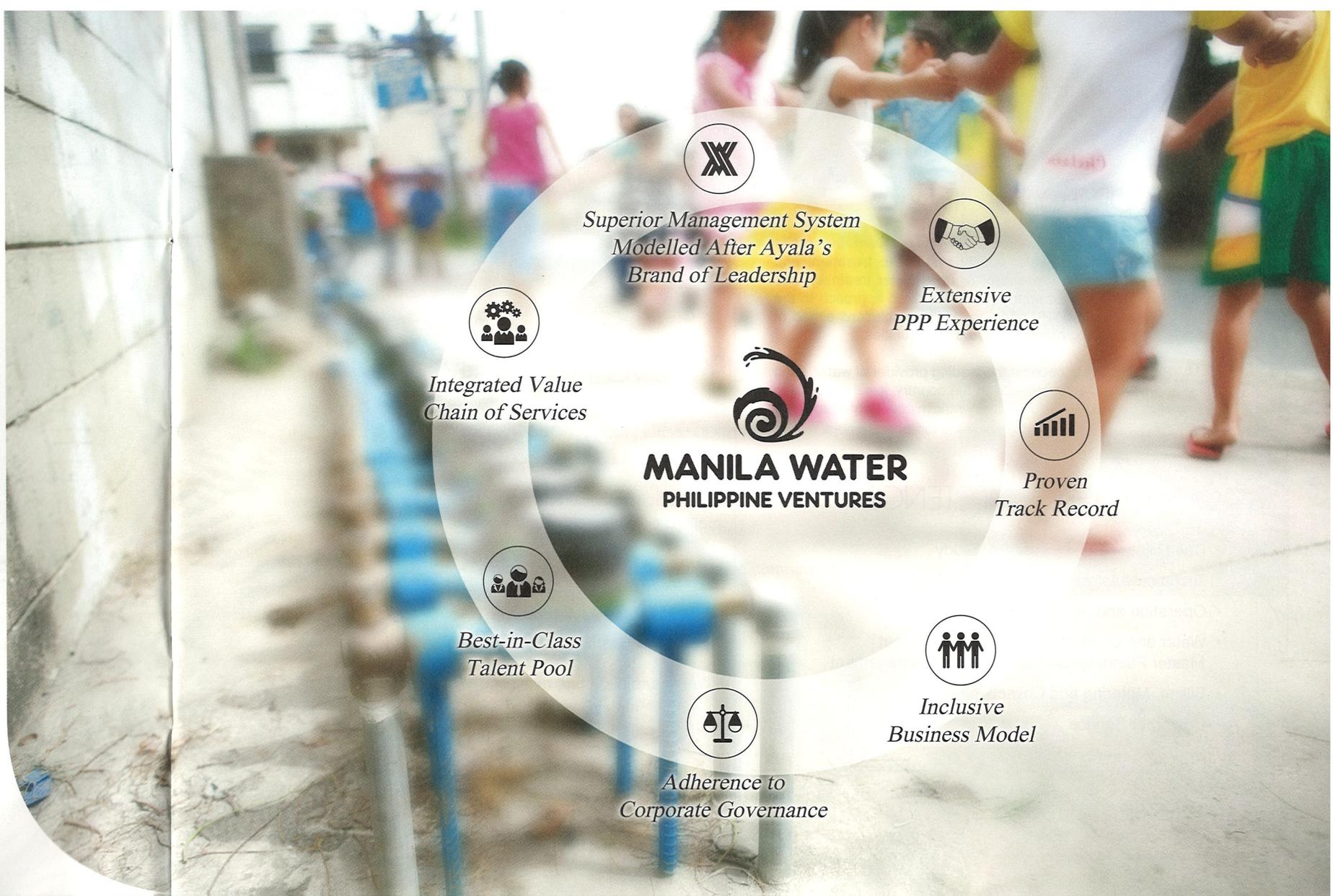
Through the years, MWPV has successfully ventured into major cities and provinces outside Metro Manila. MWPV has brought its expertise and experience to the rest of the country through local subsidiaries in Laguna Province, Boracay Island, Clark Special Economic Zone in Pampanga, Cebu Province, Zamboanga City, and Tagum City in Davao del Norte.



*Integrated
Chain of S*



*Best-in
Talen*



*Superior Management System
Modelled After Ayala's
Brand of Leadership*



*Extensive
PPP Experience*



*Integrated Value
Chain of Services*



MANILA WATER
PHILIPPINE VENTURES



*Proven
Track Record*



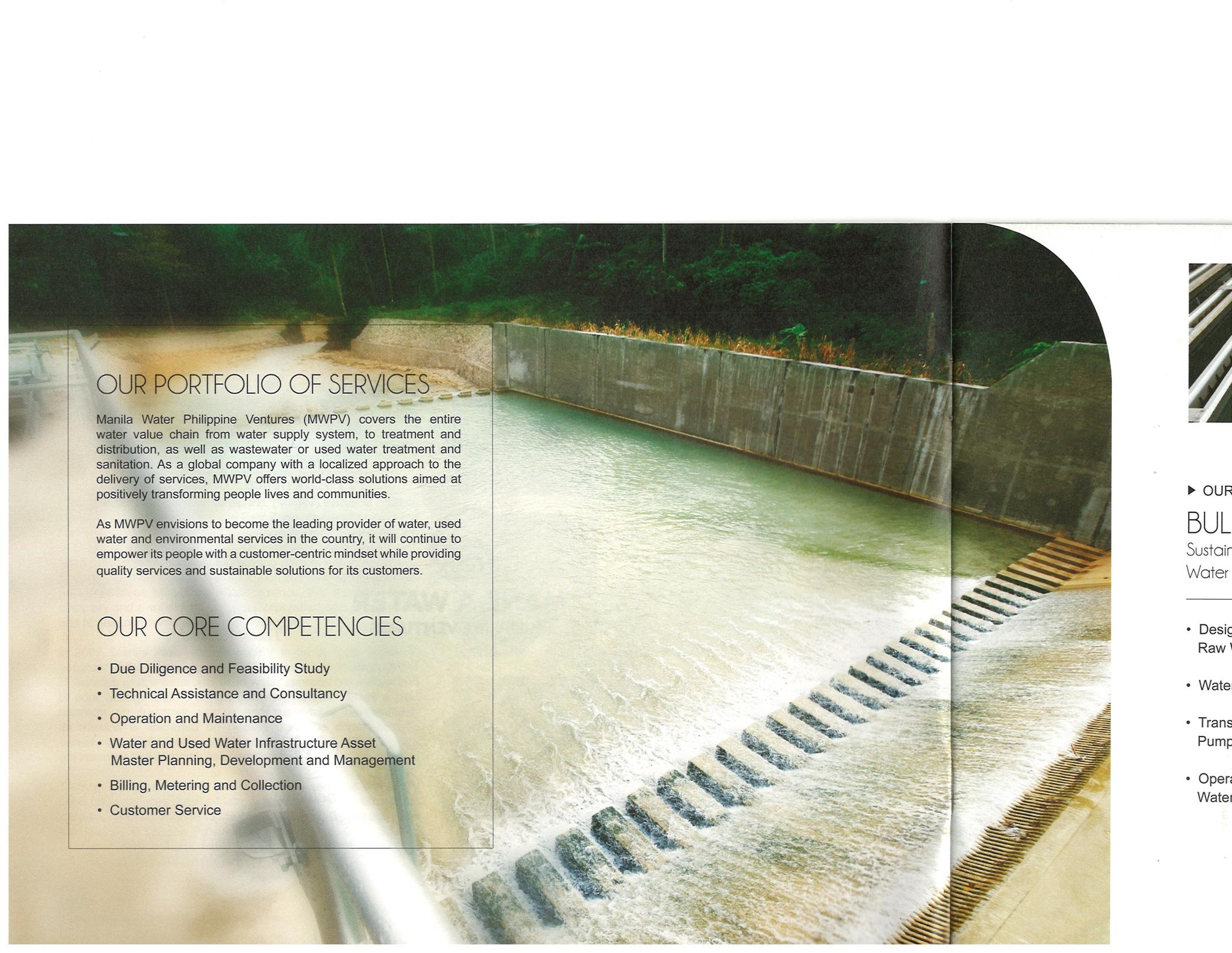
*Best-in-Class
Talent Pool*



*Inclusive
Business Model*



*Adherence to
Corporate Governance*



OUR PORTFOLIO OF SERVICES

Manila Water Philippine Ventures (MWPV) covers the entire water value chain from water supply system, to treatment and distribution, as well as wastewater or used water treatment and sanitation. As a global company with a localized approach to the delivery of services, MWPV offers world-class solutions aimed at positively transforming people lives and communities.

As MWPV envisions to become the leading provider of water, used water and environmental services in the country, it will continue to empower its people with a customer-centric mindset while providing quality services and sustainable solutions for its customers.

OUR CORE COMPETENCIES

- Due Diligence and Feasibility Study
- Technical Assistance and Consultancy
- Operation and Maintenance
- Water and Used Water Infrastructure Asset Master Planning, Development and Management
- Billing, Metering and Collection
- Customer Service



► OUR

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Sustain
Water

- Design
Raw W
- Water
- Trans
Pump
- Oper
Water



► OUR SERVICES

BULK WATER SUPPLY

Sustainable Solutions for
Water Supply System Development

- Design and Construction of Intakes and Raw Water Conveyance System
- Water Treatment Plants and related components
- Transmission Lines, Reservoirs and Pumping Stations
- Operation and Maintenance of Water Supply System





Our NRW Experience

Reducing leakages or non-revenue water (NRW) has been an increasing challenge especially in developing countries. Overcoming illegal connections, finding the right technology, empowering your staff, getting the community's and government's support—the web of complexities are endless.

But MWPV has found concrete solutions to this and has taken NRW reduction to the next level. Our expertise comes from years of operating in a mega-city of a third-world country with large, marginalized sectors under extremely challenging situations. This experience has inspired us to innovate by combining technical approaches with the socio-political considerations of each area we serve. The results are real and astounding solutions that have made a significant difference in the quality of people's lives and in the way the local and international water industry approaches NRW.

In Metro Manila, our parent company Manila Water has achieved the biggest system loss reduction in Philippine history—bringing down NRW from 63% in 1997 to 11% to date—even better than global standard. This has allowed us to recover water losses, ensure water quality and bring clean and reliable water to more people. Similarly, this experience has enabled us to become a trusted partner of water districts and operators in reducing NRW, such as in Zamboanga City and, internationally, in Ho Chi Minh City, Vietnam.

Level of System Loss (Non-Revenue Water) Reduction in Local Concession Projects

Service Areas	Pre-Concession		As of 2016
East Zone, Metro Manila	63%	↔	11%
Clark Water	55%	↔	4%
Laguna Water	48%	↔	11%

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Non-revenue water (NRW) has been an increasing problem in developing countries. Overcoming illegal connections, improving metering, empowering your staff, getting the community's buy-in, and addressing a web of complexities are endless.

Our solutions to this and has taken NRW expertise comes from years of operating in countries with large, marginalized sectors under concession. This experience has inspired us to innovate solutions with the socio-political considerations of the region. These are real and astounding solutions that have improved the quality of people's lives and in the way the industry approaches NRW.

Manila Water has achieved the biggest reduction in its history—bringing down NRW from 63% to 11% better than global standard. This has allowed us to improve water quality and bring clean and reliable water to the people. This experience has enabled us to become a leader and operators in reducing NRW, such as in Hanoi, in Ho Chi Minh City, Vietnam.

Non-Revenue Water) Reduction Concession Projects

	Pre-Concession		As of 2016
	63%	⇒	11%
	55%	⇒	4%
	48%	⇒	11%

► OUR SERVICES

WATER NETWORK AND DISTRIBUTION

Customized Leakage Reduction and Management Approach

- Water System Design and Construction
- Operation and Maintenance of Distribution System and Network
- Network Restructuring
- Pressure Management
- District Metering Area / Demand Monitoring Zone Establishment
- Active Leakage or Non-Revenue Water Reduction
- Geographic Information System (GIS) and Network Modelling
- Meter Testing and Management



Our Used Water Experience

A steadfast commitment to the environment and public health is evident in the magnitude and scale of the MWPV's efforts to ensure that domestic used water from households does not contribute to the pollution of rivers and seas. In the coming years, used water management will play an even more crucial role as the company extends its services to cover more areas and benefit more people in the country.

Parent company Manila Water prides itself as the largest sewerage operator in the Philippines, having constructed the most number of sewage treatment plants that consistently comply with the effluent standards and regulatory requirements of the Department of Environment and Natural Resources. All in all, Manila Water operates 39 plants in the East Zone that have a combined treatment capacity of over 300 million liters of used water per day, preventing 8,329 tons of organic pollutants (Biochemical Oxygen Demand) from being discharged into rivers as of 2015. Outside Metro Manila, MWPV has followed suit with the construction and operation of sewage treatment plants in Clark Special Economic Zone and in Boracay Island.

Manila Water is also considered the most extensive sanitation service provider in the country with a fleet of 50 desludging trucks and two septage treatment plants in operation in the East Zone alone, capable of treating 1,400 cubic meters of septage daily. One of these plants, the South Septage Treatment Plant located in Taguig City, is considered the largest septage treatment facility in Asia. Replicating Manila Water's approach, MWPV has also responded to the majority of households in the country that continue to utilize septic tanks by offering desludging services in the concession areas covered by its subsidiaries.

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- Design



the MWPV's efforts to ensure that
years, used water management will
people in the country.

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Department of Environment and Natural
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Clark Special Economic Zone and in

10 desludging trucks and two septage
daily. One of these plants, the South
Replicating Manila Water's approach,
by offering desludging services in the



► OUR SERVICES

SEWERAGE AND SANITATION

Protecting and Conserving the Environment

- Design and Construction of Sewer Network and Sewage Treatment Plants
- Sewer Network Maintenance and Management
- Sanitation or Septage Management
- Design and Development of Re-use Water System



OUR PEOPLE

Fundamental to Manila Water Philippine Ventures' (MWPV) success story is its human capital—a homegrown pool of experts honed by years of experience in the East Zone. Ayala-led MWPV has set the industry standard not only in the delivery of world-class water and used water services, but also in labor quality, productivity and community relations.

In fact, parent company Manila Water is the first Philippine company to win the prestigious Asian Human Capital Award presented by the government of Singapore, which recognizes companies for their innovative and impactful human resource practices. Manila Water was also conferred the Employer

of the Year award by the People Management Association of the Philippines, among many other notable recognitions and accolades for its excellence in management, corporate governance and sustainability.

Likewise, MWPV employees in all operating units and subsidiaries are guided to embody the same core values anchored on integrity and excellence.

MWPV has adopted the time-tested people development programs of Manila Water and makes sure that its dealings are aligned with the mother company's business imperatives.



"I've been with Manila Water for 11 years and I've faced many challenges like language/dialect differences. To overcome these and to craft my business in everyday meetings and walk-the-line. Every day is so familiar with the Island. I learned to change my mindset in Boracay Island. It made me a better version of myself. I never imagined. As I say to people I come from Boracay physically, emotionally, and mentally."



Management Association of the Philippines, recognitions and accolades for its excellence in service and sustainability.

Operating units and subsidiaries are guided and anchored on integrity and excellence.

People development programs of Manila Water Philippines are aligned with the mother company's



MELVIN JOHN TAN

Head of South Luzon Regional Business Cluster and General Manager and COO of Laguna Water

"After seven years in the East Zone, I was one of the first few employees who took a leap of faith and joined Manila Water Philippine Ventures. What I like most about working at MWPV is that every day, you are given the opportunity to make a significant difference in the lives of so many. I have also been blessed to be mentored by the best and most experienced in the industry like Mr. Perry Rivera, our president. With the help of my team, we were able to work through challenges. Coupled with clear direction and strategy, our bias for action and drive for excellence have ensured that we meet, if not exceed, our goals. While I still have a long way to go, I definitely have accelerated in various leadership aspects, industry know-how, and even at the personal level."

BLANCA EUNICIA SC. ALDABA

Business Operations Head, Boracay Water



"I've been with Manila Water for 11 years now and majority of it has been spent in MWPV. In Boracay, I experienced many challenges like language/dialect barrier, different culture, new work mates and a newfound independence. To overcome these and to craft my business strategy, I went to the communities literally knocking doors, having everyday meetings and walk-the-line. Every afternoon, I would drive a motorcycle and pass through streets to become familiar with the Island. I learned to change my perspective to cope up. I'm grateful for the opportunity opened up for me in Boracay Island. It made me a better version of myself, able to explore new things and realize new capabilities which I never imagined. As I say to people I come across with, I consider Boracay Island as my promise land. I was blessed physically, emotionally, financially and spiritually, which I'll carry on all the days of my life."



JOEL DE JESUS

Head, Regulatory and External Affairs, Office of the President & CEO, MWPV

"I'm a pioneer from MWSS and started in Manila Water as the first External Affairs Manager under Perry Rivera. Once, Perry asked me to get in touch with then Philippine Tourism Authority (PTA) as we were interested to help Boracay. I got hold of the old directory, dialed and asked who was in charge, and talked with a PTA official named Agnes Bocar who was happy that we were interested. The rest is history..."

MWPV has the proven track record, financial muscle and management savvy to help me in my mantra to be a "Water Man For Others." In my pre-work morning prayer, I ask God to guide me in my dealings so I can help Him give water to the waterless, give 24 x 7 x 365 service to the underserved and to help me make people smile with our brand of service. Many nameless and faceless people will not even know me, but I'm happy in the thought I helped them through my relationship skills. MWPV gives you a chance to be a life changer. I have come to know so many governors, vice-governors, board members, mayors, councilors, government officials, tindersos and kababayans from LUZVIMINDA. No other job gives you that rare opportunity."

BEYOND BORDERS

From the streets of Manila to other top metropolitan areas in the country, Manila Water replicates its unique brand of service and brings its expertise in water supply and used water beyond borders through its subsidiary, Manila Water Philippine Ventures (MWPV).

To date, MWPV has successfully developed four businesses locally. It has acquired concession projects in Laguna, Boracay, and Clark, plus a bulk water supply deal in Cebu. These four projects are located in the country's prime growth areas in the regions of Luzon and Visayas.

MWPV has also commenced a system loss reduction project with the Zamboanga City Water District. This pioneering venture will be its first in Mindanao and the company's first-ever non-revenue water management project to be undertaken in partnership with a local water district. The second project entered into in Mindanao is a bulk water supply project in Tagum City, the capital of Davao del Norte.

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NORTH LUZON



| Coverage: Clark Special Economic Zone,
Province of Pampanga

Clark Water is a partner of the Clark Development Corporation in fulfilling the water and used water needs of the Clark Special Economic Zone as it endeavors to transform into a premier logistics and industrial hub. The original concession was for a period of 25 years until 2025 but this has since been extended for another 15 years until 2040.

Since taking over operations in 2015, Clark Water has seen the following significant achievements:

- Increased water supply by more than 300% from a distribution of 12 million liters of water in 2000 to more than 48 MLD to date
- Delivered safe and potable water to all industrial connections largely composed of industrial locators
- Successfully reduced system losses to a record-low 4% in 2015, making Clark Water efficient water operators
- Improved used water collection and reuse from zero during pre-concession period to 27 MLD

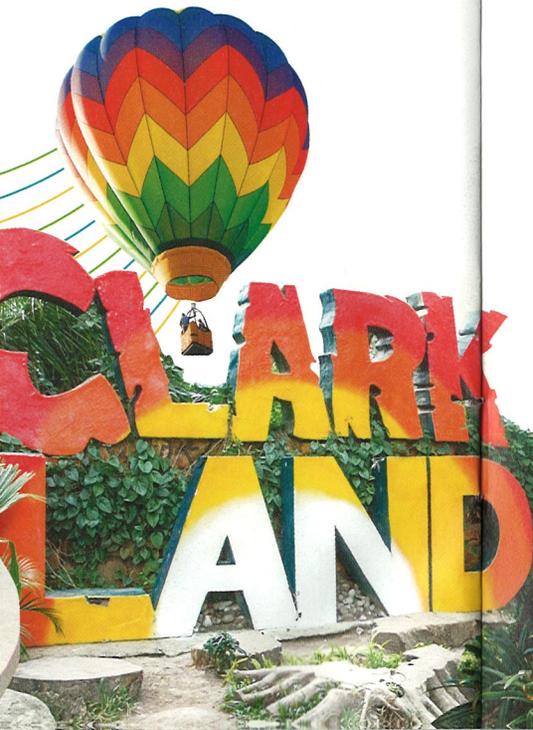
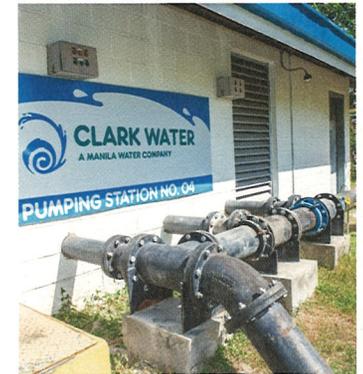
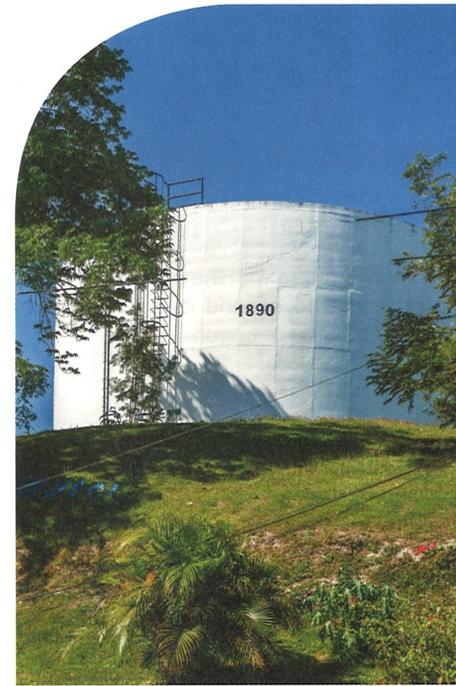


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Since taking over operations in 2011, Clark Water has seen the following significant improvements.

- *Increased water supply by more than 400% from a total distribution of 12 million liters of water per day (MLD) in 2000 to more than 48 MLD to date*
- *Delivered safe and potable water to almost 2,000 service connections largely composed of commercial and industrial locators*
- *Successfully reduced system losses from 55% in 2000 to a record-low 4% in 2015, making it one of the most efficient water operators*
- *Improved used water collection and treatment capacity from zero during pre-concession period to approximately 27 MLD*



SOUTH LUZON



| Coverage: Province of Laguna

Laguna Water is a joint venture with the Provincial Government of Laguna. In 2015, its 25-year concession agreement was amended to expand its service from Cabuyao, Biñan and Sta. Rosa to all cities and municipalities in the Province of Laguna.

Since 2009, Laguna Water has implemented the following operational improvements:

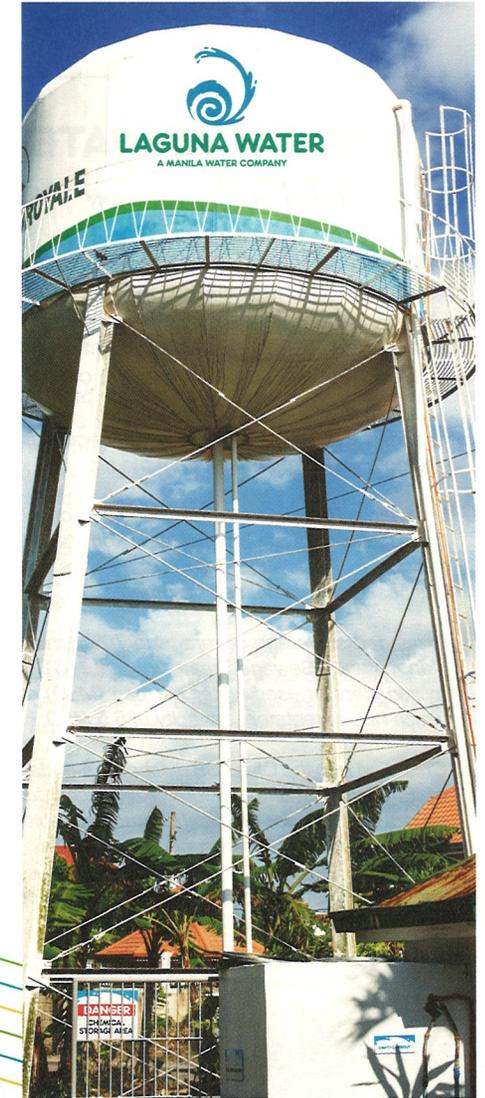
- Sourced its supply from the rich and sustainable water resources of Laguna and the Matang Tubig Spring
- Constructed the Laguna Well Field, the largest in the Philippines with a capacity of 100 million liters per day
- Implemented extra measures to ensure compliance with the Philippine National Standards for drinking water, pioneering the use of DMI-65, a modern filtration device that treats iron and manganese
- Lowered the level of system losses from 15% to the global standard of 11%
- Started providing used water services with the completion of operations of the sewerage system of the Laguna Technopark industrial estate, the Laguna Technopark Sewerage Treatment Plant
- Made sure septage management is being implemented and is underway for completion by 2017



15, its 25-year concession
ta. Rosa to all cities and

Since 2009, Laguna Water has implemented the following operational improvements and innovations.

- Sourced its supply from the rich and sustainable deepwells of Laguna and the Matang Tubig Spring
- Constructed the Laguna Well Field, the largest in the Philippines with a capacity of 100 million liters of water/day
- Implemented extra measures to ensure compliance with the Philippine National Standards for Drinking Water by pioneering the use of DMI-65, a modern water filtration device that treats iron and manganese content in water
- Lowered the level of system losses from a high of 48% to a global standard of 11%
- Started providing used water services when it took over the operations of the sewerage system of the country's premier industrial estate, the Laguna Technopark, Inc.
- Made sure septage management projects are well underway for completion by 2017



VISAYAS



Coverage: *Barangays Manocmanoc, Balabag and Yapak Boracay Island, Malay, Aklan Province*

Boracay Island Water Company is a joint venture with the national government's Tourism Infrastructure and Enterprise Zone Authority (TIEZA), holding a 25-year concession until 2034 to provide potable water and operate the sewerage system in the island.

Starting 2009, Boracay Water has infused major capital investments to rehabilitate and expand water and used water infrastructure in the country's premier tourist destination.

- *Provided 100% water service coverage supplying safe, reliable and potable water straight from the tap*
- *Laid and rehabilitated transmission and distribution lines, including the installation of a submarine pipe from its water source in mainland Caticlan to the island's 6,000 connections including residents and business/commercial establishments*
- *Expanded sewerage coverage to 70% through two facilities—the Manocmanoc Sewage Treatment Plant (STP) which can treat five million liters of used water per day (MLD) and the Balabag STP which has a treatment capacity of 6.5 MLD*
- *Complied with the Class SB discharge standards of the Department of Environment and Natural Resources to ensure that beach waters are safe for physical contact, suitable for recreational and tourist activities and can support marine life*
- *Offered regular septic tank desludging services using vacuum trucks for non-sewered areas*



Established through a partnership with contract is the very first large-scale wa Cebu—in a province that relies heavily deterioration due to over-abstraction an



VISAYAS



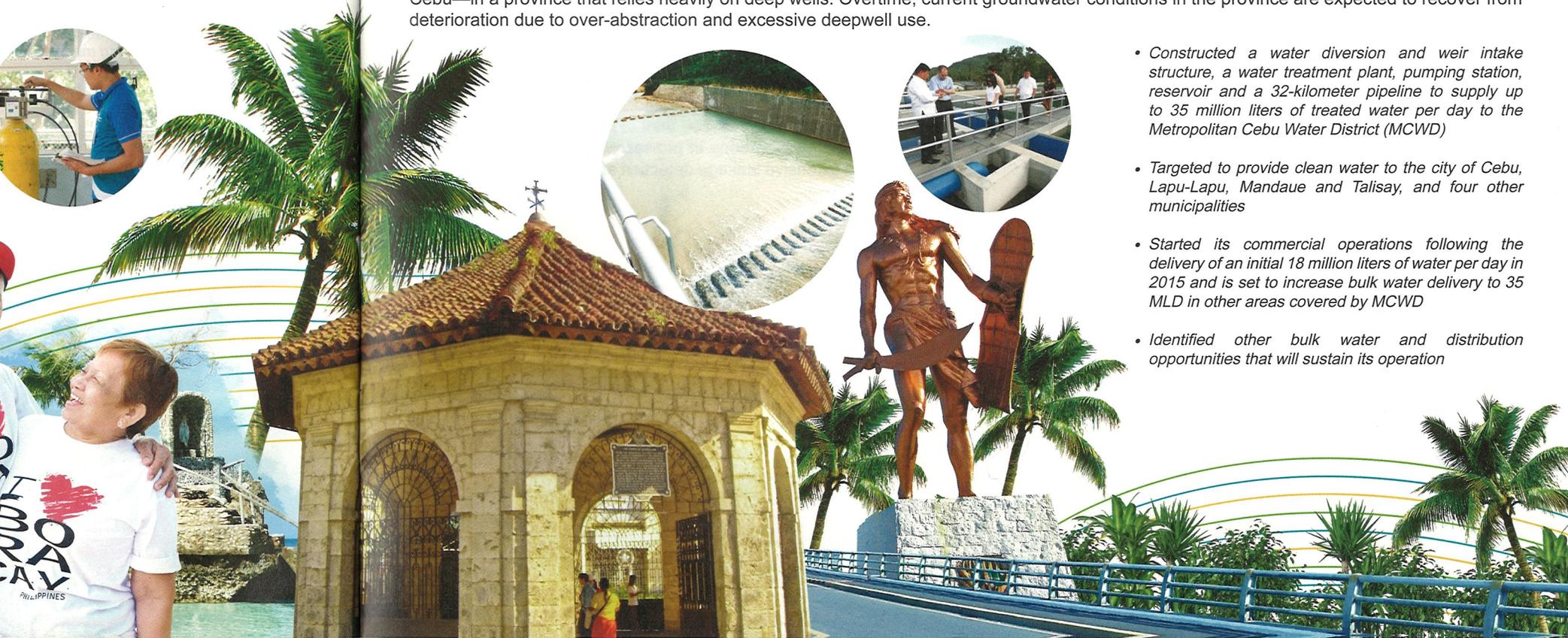
Coverage: Key Areas in the Province of Cebu

Established through a partnership with the Provincial Government of Cebu, the 30-year Cebu Manila Water Development bulk water supply contract is the very first large-scale water supply project in the province to draw from surface water source—the Luyang River in Carmen, Cebu—in a province that relies heavily on deep wells. Overtime, current groundwater conditions in the province are expected to recover from deterioration due to over-abstraction and excessive deepwell use.

- *Constructed a water diversion and weir intake structure, a water treatment plant, pumping station, reservoir and a 32-kilometer pipeline to supply up to 35 million liters of treated water per day to the Metropolitan Cebu Water District (MCWD)*
- *Targeted to provide clean water to the city of Cebu, Lapu-Lapu, Mandaue and Talisay, and four other municipalities*
- *Started its commercial operations following the delivery of an initial 18 million liters of water per day in 2015 and is set to increase bulk water delivery to 35 MLD in other areas covered by MCWD*
- *Identified other bulk water and distribution opportunities that will sustain its operation*

and Yapak
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and Enterprise Zone Authority (TIEZA),
n the island.



MINDANAO



Coverage: Zamboanga City, Western Mindanao

The first investment in Mindanao is a 10-year non-revenue water (NRW) reduction project in Zamboanga City in partnership with the water district (ZCWD). It is the first venture of Manila Water with a water district and is also the first performance-based NRW reduction project to be implemented in the Philippines.

The project aims to replicate the success of Manila Water's NRW programs and to enhance the water distribution efficiency of the local water utility and help recover enough water to serve the 40% waterless barangays in the city.

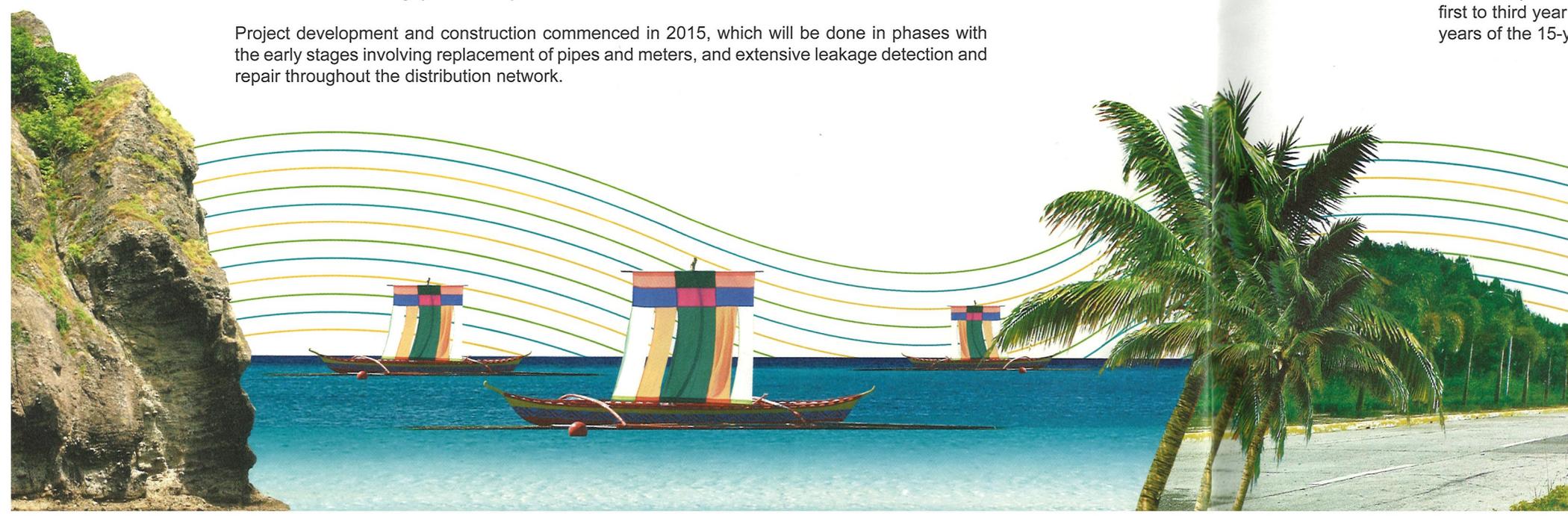
Project development and construction commenced in 2015, which will be done in phases with the early stages involving replacement of pipes and meters, and extensive leakage detection and repair throughout the distribution network.



Manila Water signed a partnership agreement with the capital of Davao City.

In partnership with the local water utility, the project will be structured through a 10-year term with a 5-year performance period (MLD), and a 5-year term for the 15-year project.

Once completed, the project will be the first to third year of the 15-year project.



MINDANANA



Coverage: Tagum City, Davao del Norte Province

Manila Water signed its second project in Mindanao for a bulk water supply project in Tagum City, the capital of Davao del Norte that targets to deliver 38 million liters of water per day.

In partnership with the local water district, the project involves the construction of an intake structure through river bank filtration, a water treatment plant with a capacity of 38 million liters per day (MLD), a transmission pipeline and a 5,000-cubic meter reservoir.

Once completed in 2018, it will supply the Tagum City Water District with 26 MLD of water on the first to third year of operation, 32 MLD on the fourth to sixth year, and 38 MLD for the remaining years of the 15-year delivery period from 2018 to 2032.





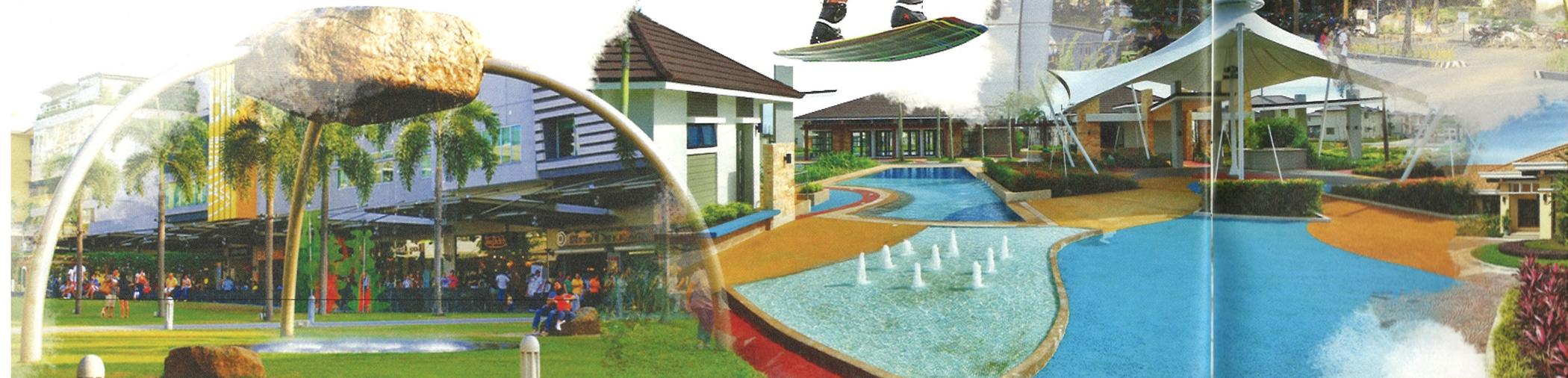
ESTATE WATER

**A MANILA WATER-AYALA LAND
STRATEGIC PARTNERSHIP**

Manila Water Philippine Ventures (MWPV) also envisions to become the partner-of-choice of top tier real estate developers by providing best-in-class level of service and efficiency gained from operating large concessions.

In 2015, MWPV through its Estate Water division signed an agreement with Ayala Land Inc. (ALI) to provide water and used water services to all ALI developments including those of its subsidiaries and affiliates nationwide, making it the preferred full-service private operator in more than 45 developments to date. The deal intends to leverage on the respective expertise of the companies while focusing on individual core businesses in order to provide optimum services and facilities for customers and clients.

With a robust pipeline of projects, Estate Water is well-positioned to become one of the fastest growing units given its potential to operate across the Philippines and form strategic partnerships with other leading property developers across the country.



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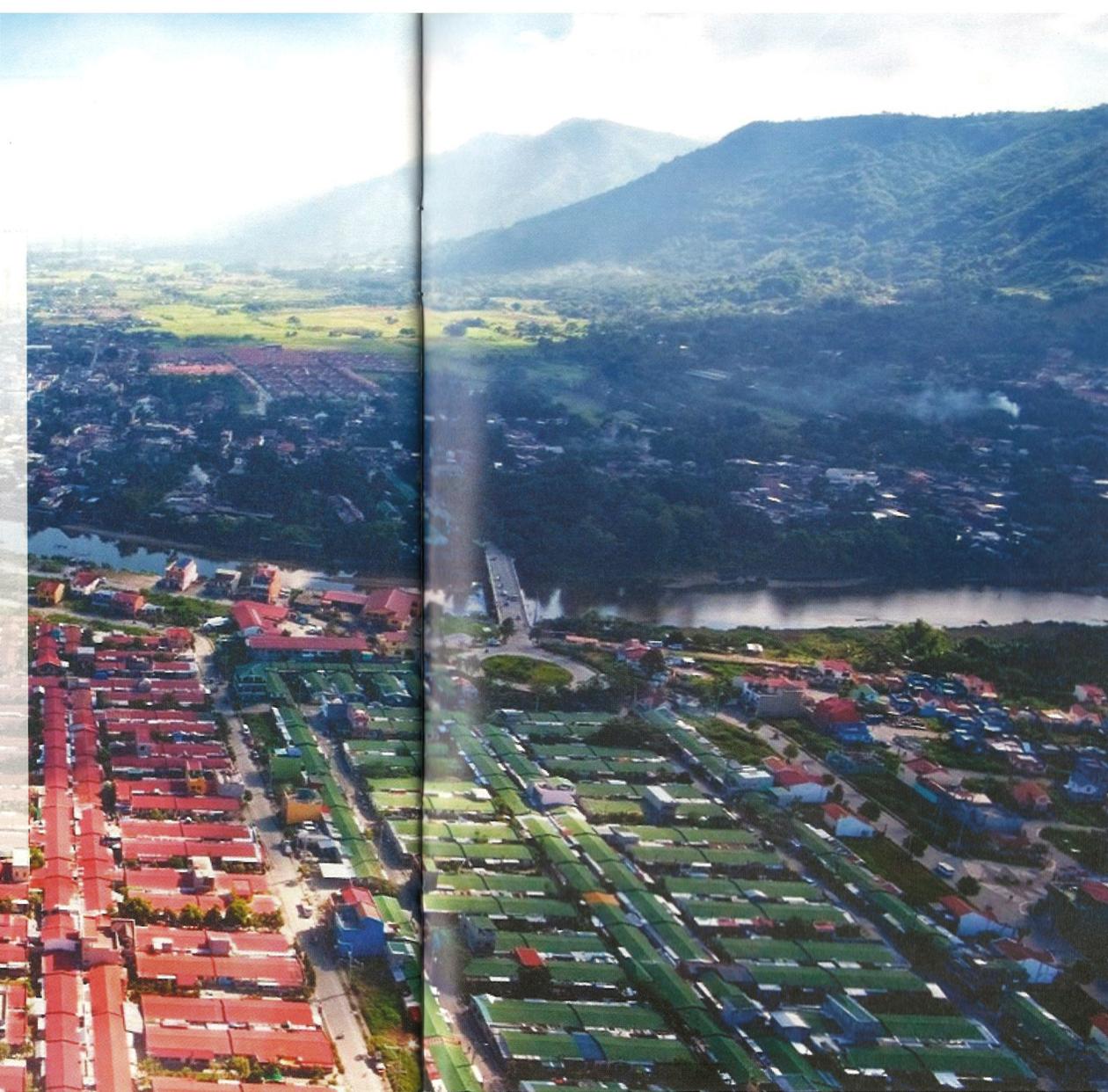
ESTATE WATER

TOWARDS NEW HORIZONS

Manila Water Philippine Ventures (MWPV) will continue to explore opportunities around the country with the same focus and intensity that it has exhibited in its base business in Metro Manila.

Building on its success in the East Zone franchise, MWPV leverages the competencies it has gained over the past 20 years by pursuing strategic partnerships in the form of full-scale concession contracts, joint ventures and consultancy projects.

Recognizing the increasing demand for sustainable water and used water solutions for the domestic market, MWPV will intensify efforts to extend its expertise in water supply, used water management and environmental services to other communities in the Philippines.



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