

Manila Water Company, Inc.



“ *Manila Water Company in the Philippines provides safe, affordable drinking water to people living at the base of the pyramid.* ”

COMPANY INFORMATION

★ Headquarters

Philippines

Countries of operation

Philippines

Year founded

1997

Annual revenue

~11.0 billion PHP

Employees

~1,600

Sector

Water

COMPANY HISTORY

The Manila Water Company demonstrates that a private company can be inclusive and environmentally sustainable at the same time as enjoying commercial success. The company first turned a profit in 2001 and has grown steadily ever since. In 2009, government regulators extended the company's original 25-year mandate by another 15 years, until 2037. Most recently, the company forged an agreement to operate, manage, and expand water and wastewater facilities in Boracay, Aklan, the country's premier tourist destination, as well as in Laguna and Clark, Pampanga.

WHO THEY ARE

Manila Water Company provides clean water and sewage facilities to more than 6 million people in 23 cities and municipalities in greater Manila.

In the early 1990s, the water distribution network in the Manila area was in crisis. Access to water was spotty, leaks in the city's aging mainlines were ubiquitous, and few areas had 24-hour water. Most people did not have access to clean water or sewage facilities. What water they had was purchased from water tankers or fetched from public faucets or shallow wells, many of which were contaminated with waterborne diseases.

The government-owned water utility, the Metropolitan Waterworks and Sewerage System, lacked the capacity to address the crisis. So in 1995, the government of the Philippines enacted the National Water Crisis Act, which gave the president one-year emergency powers. The president decided to turn over the operation of the water network to the private sector. In 1997, the Manila Water Company was granted exclusive rights to distribute water and operate the sewage system in greater Manila's East Zone—a district with more than 6 million people that includes the cities of Makati, Pasig, Mandaluyong, Marikina, San Juan and Taguig, most parts of Quezon City, some parts of Manila, and the municipality of Pateros, as well as cities and municipalities in Rizal Province further east.

HOW THEY REACH THE BOP

With its new mandate, the Manila Water Company laid more than 3,200 kilometers of new pipelines, eliminated unregistered connections, and extended its sanitation services, constructing 33 sewage treatment plants that now process up to 100 million liters of wastewater per day. Since then, water loss had plunged from 63 percent down to 14 percent in 2010 and 11 percent in 2011, 24-hour availability of water went from 26 percent to 99 percent, and compliance with water quality standards rose to 100 percent—all while producing the highest net income in the company's history.

MANILA WATER'S IMPACT

Part of the company's mission is to improve the health and sanitation conditions of communities at the base of the pyramid. In addition to charging inexpensive rates and accepting flexible payment methods, Manila Water Company also runs "livelihood programs," which are specifically designed to improve the lives of people living at the base of the pyramid. Tubig Para sa Barangay—literally, "water for the poor"—provides a 24-hour supply of safe, affordable drinking water to low-income customers in greater Manila. Another program, which targets public institutions in marginalized communities that previously had no access to clean and affordable water, has improved the water facilities for more than 1.5 million people by installing washing facilities and drinking fountains in schools, hospitals, jails, markets, and orphanages.

LINKS AND RESOURCES

Official website	http://www.manilawater.com/
Consumer info	http://www.manilawater.com/section.php?section_id=5
Investor info	http://www.manilawater.com/investors/index.php
News and updates	http://www.manilawater.com/investors/news-updates.php

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GEOGRAPHY/EXPANSION

Manila Water Company is expanding to India, where it's working to reduce water wastage and supply bulk water; and to Vietnam, where it's working to reduce water leakage in Ho Chi Minh City.

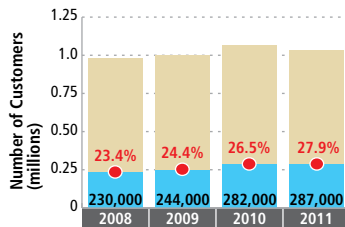


“ *Tubig Para sa Barangay brought relief to our lives—we no longer have to buy costly mineral water or line up just to get water.* ”

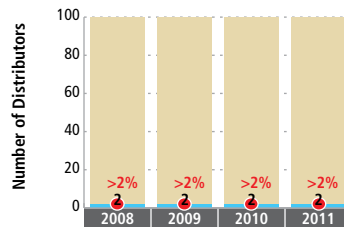


KEY DEVELOPMENT RESULTS

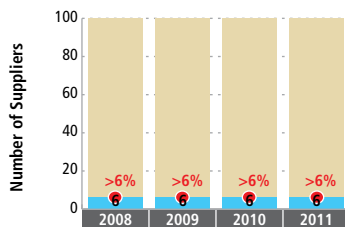
One hundred percent of customers are BOP in BOP-targeted programs including Tubig Para sa Barangay. When considering the Manila Water Company as a whole, 27.9 percent of customers live at the base of the pyramid.



■ Total Number of Customers
■ Number of BOP Customers
● BOP as % of Total Customers



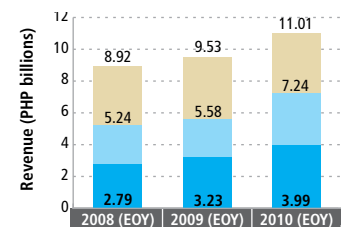
■ Total Number of Distributors
■ Number of BOP Distributors
● BOP as % of Total Distributors



■ Total Number of Suppliers
■ Number of BOP Suppliers
● BOP as % of Total Suppliers

“ *The Manila Water Company demonstrates that a private company can be inclusive and environmentally sustainable and still turn a profit.* ”

KEY FINANCIAL SUSTAINABILITY INDICATORS



■ Total Commercial Revenue
■ Gross Profit
■ Net Profit