

Veolia Water Central Finance PLC

Unification of Veolia Water regulated businesses

Veolia Water Central Finance PLC announces that the Water Services Regulation Authority (“OFWAT”) has made an order, effective from 23:59 on 27 July 2012:

- (a) terminating (with their consent) the appointments of Veolia Water East Limited (“VWE”) and Veolia Water Southeast Limited (“VWSE”) as water undertakers;
- (b) varying the appointment of Veolia Water Central Limited (“VWC”) as a water undertaker to incorporate the water supply areas formerly served by VWE and VWSE; and
- (c) making a number of consequential changes to VWC’s conditions of appointment to:
 - (i) bring them into line with OFWAT’s current standards for ring-fencing water undertakers and for the provision of legally enforceable undertakings by a water undertaker’s ultimate controller; and
 - (ii) enable OFWAT to regulate the three separate operating regions under a single licence.

Full details of the changes to VWC’s conditions of appointment are published on OFWAT’s website: www.ofwat.gov.uk

Veolia Water Central Finance PLC believes that the unification of the three Veolia Water businesses under a single instrument of appointment will enhance VWC’s regulatory capital value and that the proposed changes to VWC’s conditions of appointment will strengthen the protection for debt investors.

Should you have any questions please contact:

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