

**NOTICE OF VOTING RESULTS IN REGARD TO STID PROPOSAL & STID
DIRECTIONS REQUEST
(THE "NOTICE")**

THIS NOTICE CONTAINS IMPORTANT INFORMATION OF INTEREST TO THE BENEFICIAL OWNERS OF THE BONDS (AS DEFINED BELOW).

If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (if you are in the United Kingdom), or from another appropriately authorised independent financial adviser and such other professional advice from your own professional advisors as you deem necessary.

FURTHER INFORMATION REGARDING THE MATTERS REFERRED TO IN THIS NOTICE IS AVAILABLE IN THE STID PROPOSAL (THE "STID PROPOSAL") AND THE STID DIRECTIONS REQUEST (THE "STID DIRECTIONS REQUEST") (TOGETHER, THE "STID DIRECT VOTING MATTER") ISSUED ON 23 OCTOBER 2014 AND YOU ARE ENCOURAGED TO READ THIS NOTICE IN CONJUNCTION WITH THE SAME.

**WALES & WEST UTILITIES FINANCE PLC
(THE "ISSUER")**

Holders of the

**£250,000,000 6.25 per cent. Guaranteed Bonds due 2021
(ISIN: XS0438200361) (the "Series I Bonds") (the "Series I Bondholders")**

Holders of the

**£200,000,000 5.125 per cent. Guaranteed Bonds due 2016
(ISIN: XS0471076876) (the Series II Bonds" (the "Series II Bondholders"))**

and

Holders of the

**£100,000,000 Sub-Class A1 2.496 per cent. Guaranteed Index-Linked Bonds due 2035
(ISIN: XS0497976216)**

**£300,000,000 Sub-Class A2 5.75 per cent. Guaranteed Fixed Rate Bonds due 2030
(ISIN: XS0497976562)**

**£250,000,000 Sub-Class A3 4.625 per cent. Secured Guaranteed Bonds due 2023
(ISIN: XS0702021311)**

**£150,000,000 Sub-Class A4 5.000 per cent. Secured Guaranteed Bonds due 2028
(ISIN: XS0702020933)**

issued pursuant to the £5,000,000,000

Guaranteed Bond Programme unconditionally and irrevocably guaranteed by Wales & West Utilities Holdings Limited and Wales & West Utilities Limited (the "Guarantors")

of the Issuer

**(together with the Series I Bonds and the Series II Bonds the "Bonds")
(together with the Series I Bondholders and the Series II Bondholders, the
"Bondholders")**

We refer to the Bonds constituted by (i) a bond trust deed dated 31 March 2010 (as the same may be amended or restated from time to time the "**Programme Bond Trust Deed**") between, among others, Wales & West Utilities Finance PLC as Issuer, (the "**Issuer**"), the Guarantors and Deutsche Trustee Company Limited as bond trustee (the "**Bond Trustee**") (ii) Bonds constituted by a bond trust deed dated 10 July 2009 (as the same may be amended or restated from time to time the "**Series I Bond Trust Deed**") between among others, the Issuer and the Bond Trustee and (iii) Bonds constituted by a supplemental bond trust deed dated 2 December 2009 supplemental to the Series I Bond Trust Deed (as the same may be amended or restated from time to time the "**Series II Bond Trust Deed**") between among others the Issuer and the Bond Trustee (the Programme Bond Trust Deed, the Series I Bond Trust Deed and the Series II Bond Trust Deed (the "**Relevant Bond Trust Deeds**" and each a "**Relevant Bond Trust Deed**"). All defined terms used in this notice and not otherwise defined have the meanings given to them in the Relevant Bond Trust Deeds and the STID (as defined below).

On 23 October 2014, pursuant to clause 9.1 (*Voting, Instructions and Notification of Outstanding Principal Amount of Qualifying Debt*) of a security trust and intercreditor deed dated 31 March 2010 (as amended or supplemented from time to time prior to the date of this notice) between, among others, the Issuer, the Proposer (as defined below), the Bond Trustee and Deutsche Trustee Company Limited as security trustee (the "**Security Trustee**") (the "**Security Trust and Intercreditor Deed**" or the "**STID**"), Wales & West Utilities Limited as proposer (the "**Proposer**") delivered to the Security Trustee a STID Proposal requesting certain amendments in relation to a proposed change to the Financial Year accounting date of each Obligor: (a) for the Financial Year ending on 31 December 2014 from 31 December 2014 to 30 December 2014; (b) for the Financial Year ending 30 December 2015, from 30 December 2015 to 31 March 2016; and (c) thereafter, for each Financial Year, to 31 March of each year, and various consequential amendments to the Common Terms Agreement dated 31 March 2010 (as amended or supplemented from time to time prior to the date of this notice) between, among others, the Proposer and the Security Trustee (the "**CTA**") and Master Definitions Agreement dated 31 March 2010 (as amended or supplemented from time to time prior to the date of this notice) between among others, the Proposer and the Security Trustee (the "**MDA**") as more particularly described in the STID Proposal circulated on 23 October 2014 (the "**Amendments**") (the "**STID Proposal**").

Pursuant to clause 9.2.3(a)(iv) of the STID, the Proposer certified in the STID Proposal that the consent of Majority Creditors only was required for the implementation of the STID Proposal (subject to relevant Quorum Requirement being met), following which the Security Trustee would concur with the giving of any consent. As a consequence of the requirement for the Majority Creditors to vote on the STID Proposal, the Security Trustee issued a STID Directions Request notifying, among others, the Bond Trustee as the Class A DIG Representative of the Bondholders of the STID Proposal and requested a vote in writing for or against the implementation of the STID Proposal from all Class A DIG Representatives

(the STID Directions Request together with the STID Proposal, a "**STID Direct Voting Matter**").

RESULTS OF VOTING

The Majority Creditors were required to vote in respect of the STID Direct Voting Matter by no later than 5pm on 14 November 2014 (the "**Voting Date**"), save that Qualifying Bondholders were required to vote not later than 24 hours before the Voting Date (by 5pm on 13 November 2014).

This Notice confirms that the Quorum Requirement in respect of a STID Direct Voting Matter set out in clause 9.15 (*Quorum Requirements*) of the STID was satisfied and the Majority Creditors voted in favour of the STID Proposal which accordingly has been approved.

Pursuant to clause 8.2.4 of the STID the Security Trustee shall, in accordance with and subject to the votes of the Majority Creditors in favour of such STID Proposal (*provided that* the relevant Quorum Requirement has been met), concur with Wales & West Utilities Limited ("**WWU**") in making the Amendments. In accordance with the provisions of clause 8.2.4 of the STID, the Amendments shall be binding on all Obligors and all Secured Creditors and each of the Obligors and the Secured Creditors shall be bound to give effect to them, and the Security Trustee is authorised pursuant to clause 8.2.4 of the STID by each Secured Creditor to execute and deliver on their behalf all documentation required to implement the Amendments and such execution and delivery by the Security Trustee shall bind each Secured Creditor as if such documentation had been duly executed by it. In order to implement the Amendments approved by the Majority Creditors, the Security Trustee and the Obligors have executed an amendment agreement on 17 November 2014.

GENERAL INFORMATION

In accordance with normal practice, the Bond Trustee was not involved in the formulation of the proposed Amendments outlined in the STID Proposal or the matters outlined in the STID Directions Request or this Notice and the Bond Trustee has expressed no opinion on the merits of the proposed Amendments or any matter set out in the STID Direct Voting Matter or this Notice. The Bond Trustee is not responsible for the accuracy, completeness, validity or correctness of the statements made in the STID Direct Voting Matter or this Notice or omissions therefrom and makes no representation that all relevant information has been disclosed to the Bondholders in or pursuant to the STID Direct Voting Matter or this Notice.

The distribution of this Notice may be restricted by law in certain jurisdictions. Persons into whose possession the Notice comes are required to inform themselves about, and to observe, any such restrictions.

This Notice is sent without prejudice to any other rights of any party under or in respect of the Relevant Bond Trust Deeds or any related document, and all such rights are expressly reserved. No failure or delay by any party in exercising any right, power or remedy under the Relevant Bond Trust Deeds or any other related document shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy prevent any further or other exercise of any other right, power or remedy.

CONTACT INFORMATION

Further information relating to the STID Direct Voting Matter can be obtained from Ian Weldon for the Proposer directly:

Telephone number: +44 (0) 292 027 8841

Email: ian.weldon@wwutilities.co.uk

The address of the Issuer, the Proposer, the Principal Paying Agent and the Bond Trustee are set out below:

Wales & West Utilities Finance PLC as Issuer

Wales and West House
Spooner Close
Celtic Springs
Coedkernew
Newport
NP10 8FZ

Fax number: +44 (0) 292 027 8870

Attention: Ian Weldon

Wales & West Utilities Limited as Proposer

Wales and West House
Spooner Close
Celtic Springs
Coedkernew
Newport
NP10 8FZ

Fax number: +44 (0)292 027 8870

Attention: Ian Weldon, Head of Treasury and Tax

Deutsche Bank AG, London Branch as Principal Paying Agent

Winchester House
1 Winchester Street
London EC2N 2DB

Fax number: +44 (0) 20 7547 5919

Attention: (ABS Group – EMEA)

Deutsche Trustee Company Limited as Bond Trustee

Winchester House,
1 Winchester Street,
London EC2N 2DB

Fax number: +44 (0)20 7547 5919

Attention: Managing Director (TAS)

Email: raman.subberwal@db.com and sue.rose@db.com

Deutsche Trustee Company Limited
as Bond Trustee and Class A DIG Representative
17 November 2014