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26 September 2011

Recommended cash offer for Northumbrian Water Group plc by UK Water (2011) Limited (a company indirectly wholly owned by a consortium comprising Cheung Kong Infrastructure Holdings Limited, Cheung Kong (Holdings) Limited and Li Ka Shing Foundation Limited)

Acquisition of one Northumbrian Share by UK Water

In the Announcement relating to the Acquisition, it was stated that UK Water (2011) Limited (“**UK Water**”) intended to acquire at least one Northumbrian Share prior to the Scheme Court Hearing to ensure that UK Water would be a member of Northumbrian Water Group plc (“**Northumbrian**”) on the Effective Date and accordingly that there would be no requirement under section 593 of the Companies Act 2006 for an independent valuation of the new Northumbrian Shares to be allotted to UK Water under the Scheme.

UK Water announces that, on 23 September 2011, it acquired one Northumbrian Share at a price of 465 pence. Accordingly, there will be no requirement under section 593 of the Companies Act 2006 for an independent valuation of the new Northumbrian Shares to be allotted to UK Water under the Scheme.

Terms and expressions used in this announcement shall, unless the context otherwise requires, have the same meanings as given to them in the Scheme Document published by Northumbrian on 26 August 2011.

A copy of this announcement will be published on www.cki.com.hk.

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Further Information

RBC and HSBC, which are authorised and regulated in the United Kingdom by the Financial Services Authority, are acting for UK Water and no one else in connection with the Acquisition and this announcement and will not be responsible to anyone other than UK Water for providing the protections afforded to their respective clients or for providing advice in connection with the Acquisition or any matter referred to herein.

This announcement is not intended to, and does not, constitute, or form part of, an offer or invitation to sell or the solicitation of an offer to subscribe for or buy or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of the securities in any jurisdiction in contravention of applicable law. Any response in relation to the Acquisition should be made only on the basis of the information in the Scheme Document or any document by which the Acquisition is made.

Overseas Jurisdictions

The release, publication or distribution of this announcement in jurisdictions other than in the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, any applicable requirements. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This announcement has been prepared for the purposes of complying with English law, the Listing Rules, the rules of the London Stock Exchange and the City Code and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of any jurisdiction outside the United Kingdom.

Dealing Disclosure Requirements

Under Rule 8.3(a) of the City Code, any person who is interested in 1 per cent. or more of any class of relevant securities of an offeree company or of any paper offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any paper offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm (London time) on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th Business Day following the announcement in which any paper offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a paper offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the City Code, any person who is, or becomes, interested in 1 per cent. or more of any class of relevant securities of the offeree company or of any paper offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any paper offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any paper offeror, save to the

extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a paper offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. If you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure, you should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129.

**PUBLIC DEALING DISCLOSURE BY A PARTY TO AN OFFER OR PERSON ACTING IN
CONCERT (INCLUDING DEALINGS FOR THE ACCOUNT OF DISCRETIONARY
INVESTMENT CLIENTS)**

Rules 8.1, 8.2 and 8.4 of the Takeover Code (the "Code")

1. KEY INFORMATION

(a) Identity of the party to the offer or person acting in concert making the disclosure:	UK Water (2011) Limited (a company indirectly wholly owned by a consortium comprising Cheung Kong Infrastructure Holdings Limited, Cheung Kong (Holdings) Limited and Li Ka Shing Foundation Limited)
(b) Owner or controller of interests and short positions disclosed, if different from 1(a): <i>The naming of nominee or vehicle companies is insufficient</i>	n/a
(c) Name of offeror/offeree in relation to whose relevant securities this form relates: <i>Use a separate form for each offeror/offeree</i>	Northumbrian Water Group plc
(d) Status of person making the disclosure: <i>e.g. offeror, offeree, person acting in concert with the offeror/offeree (specify name of offeror/offeree)</i>	Offeror
(e) Date dealing undertaken:	21 September 2011
(f) Has the party previously disclosed, or is it today disclosing, under the Code in respect of any other party to this offer?	NO

2. POSITIONS OF THE PERSON MAKING THE DISCLOSURE

- (a) Interests and short positions in the relevant securities of the offeror or offeree to which the disclosure relates following the dealing**

Class of relevant security:	Interests		Short positions	
	Number	%	Number	%
(1) Relevant securities owned and/or controlled:	1	0.00%	0	0.00%
(2) Derivatives (other than options):	0	0.00%	0	0.00%
(3) Options and agreements to purchase/sell:	0	0.00%	0	0.00%
TOTAL:	1	0.00%	0	0.00%

All interests and all short positions should be disclosed.

Details of any open derivative or option positions, or agreements to purchase or sell relevant securities, should be given on a Supplemental Form 8 (Open Positions).

Details of any securities borrowing and lending positions or financial collateral arrangements should be disclosed on a Supplemental Form 8 (SBL).

(b) Rights to subscribe for new securities (including directors' and other executive options)

Class of relevant security in relation to which subscription right exists:	
Details, including nature of the rights concerned and relevant percentages:	

If there are positions or rights to subscribe to disclose in more than one class of relevant securities of the offeror or offeree named in 1(c), copy table 2(a) or (b) (as appropriate) for each additional class of relevant security.

3. DEALINGS BY THE PERSON MAKING THE DISCLOSURE

(a) Purchases and sales

Class of relevant security	Purchase/sale	Number of securities	Price per unit
Relevant securities owned and/or controlled	Purchase	1	£4.65

(b) Derivatives transactions (other than options)

Class of relevant security	Product description <i>e.g. CFD</i>	Nature of dealing <i>e.g. opening/closing a long/short position, increasing/reducing a long/short position</i>	Number of reference securities	Price per unit

(c) Options transactions in respect of existing securities

(i) Writing, selling, purchasing or varying

Class of relevant security	Product description <i>e.g. call option</i>	Writing, purchasing, selling, varying etc.	Number of securities to which option relates	Exercise price per unit	Type <i>e.g. American, European etc.</i>	Expiry date	Option money paid/received per unit

(ii) Exercising

Class of relevant security	Product description <i>e.g. call option</i>	Number of securities	Exercise price per unit

(d) Other dealings (including subscribing for new securities)

Class of relevant security	Nature of dealing <i>e.g. subscription, conversion</i>	Details	Price per unit (if applicable)

The currency of all prices and other monetary amounts should be stated.

Where there have been dealings in more than one class of relevant securities of the offeror or offeree named in 1(c), copy table 3(a), (b), (c) or (d) (as appropriate) for each additional class of relevant security dealt in.

4. OTHER INFORMATION

(a) Indemnity and other dealing arrangements

<p>Details of any indemnity or option arrangement, or any agreement or understanding, formal or informal, relating to relevant securities which may be an inducement to deal or refrain from dealing entered into by the party to the offer or person acting in concert making the disclosure and any other person: <i>If there are no such agreements, arrangements or understandings, state "none"</i></p>
None

(b) Agreements, arrangements or understandings relating to options or derivatives

<p>Details of any agreement, arrangement or understanding, formal or informal, between the party to the offer or person acting in concert making the disclosure and any other person relating to: (i) the voting rights of any relevant securities under any option; or (ii) the voting rights or future acquisition or disposal of any relevant securities to which any derivative is referenced: <i>If there are no such agreements, arrangements or understandings, state "none"</i></p>
None

(c) Attachments

Are any Supplemental Forms attached?

Supplemental Form 8 (Open Positions)	NO
Supplemental Form 8 (SBL)	NO

Date of disclosure:	26 September 2011
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Public disclosures under Rule 8 of the Code must be made to a Regulatory Information Service and must also be emailed to the Takeover Panel at monitoring@disclosure.org.uk. The Panel's Market Surveillance Unit is available for consultation in relation to the Code's dealing disclosure requirements on +44 (0)20 7638 0129.

The Code can be viewed on the Panel's website at www.thetakeoverpanel.org.uk.