

Affinity Water Finance (2004) PLC
(formerly Three Valleys Water Finance PLC and Veolia Water Central Finance PLC)

5.7/8% Guaranteed Notes Due 13/07/2026 (the “Notes”)

**Extraordinary Resolution to replace Note Trustee, in view of anticipated
new debt platform**

20 December 2012

Affinity Water Finance (2004) PLC (the “Issuer”) has today issued a notice of a Noteholder meeting to be held on 11 January 2013. The purpose of this meeting is to consider an Extraordinary Resolution to replace Citicorp Trustee Company Limited as Trustee with Deutsche Trustee Company Limited, to be placed before a noteholders’ meeting.

As previously notified, Affinity Water Limited (“Affinity Water”, the licensed water company and Guarantor of the existing Notes) is intending to establish a secured debt platform in line with other precedent structures in the sector from which it or entities guaranteed by it will be able to issue new senior secured bonds. Following a competitive process, Affinity Water has selected Deutsche Trustee Company Limited to act as Bond Trustee and Security Trustee for this new debt platform. In order to simplify operational management of the financing platform in the future for both Affinity Water, the Issuer and for Noteholders, Affinity Water proposes that Deutsche Trustee Company Limited should assume responsibility for the existing Notes as well as new bonds to be issued under the new secured programme. This change requires an Extraordinary Resolution of Noteholders.

The change of Trustee, if approved, will be contingent inter alia upon implementation of the new debt platform, at which point the Notes would migrate into the secured debt platform pursuant to Condition 13 of the Notes, and will rank pari passu with the Class A debt, this being the higher of the two classes of debt anticipated to be issued thereunder.

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