

17 February 2009
PENNON GROUP PLC
INTERIM MANAGEMENT STATEMENT

Financial performance at Pennon Group Plc since 1 October 2008 has been in line with management expectations.

South West Water is now in the fourth year of the K4 period (2005 - 2010) and remains on target to meet the current regulatory contract. As part of the K5 planning process, the company is preparing its Final Business Plan which it will submit to Ofwat at the beginning of April.

Viridor remains confident of delivering continued full year growth in operating profit before intangibles despite current economic conditions.

During the period, the Board was pleased to announce the appointment of Martin Angle as a Non-Executive Director with effect from 1 December 2008.

Further information on Pennon, South West Water and Viridor can be found on the Group's website, <http://www.pennon-group.co.uk>

Pennon intends to announce its Preliminary Results on Tuesday, 2 June 2009.

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