

11 February 2008

PENNON GROUP PLC

INTERIM MANAGEMENT STATEMENT

Pennon Group Plc today reports in respect of trading up to Friday, 8 February 2008. Group turnover, operating profit and profit before tax for the period were all in line with management expectations.

South West Water is now in the third year of the K4 period (2005 – 2010) and remains on target to meet the current regulatory contract. As part of the K5 planning process, a major customer consultation exercise was launched in November last year. The company published its 25 year Strategic Direction Statement in December.

Viridor remains confident of delivering continued full year growth in operating profit before intangibles. On 5 December 2007, Grosvenor Waste Management, a leading UK materials recycling company, was acquired for a cash consideration of £79.5m (plus debt of £1.5m).

Further details can be found on the Company's website, www.pennon-group.co.uk

Pennon intends to announce its Preliminary Results on Thursday, 5 June 2008.

For further information, please contact:

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