

4 January 2017

**SEVERN**

**TRENT**

Severn Trent Plc

Severn Trent Centre  
PO Box 5309  
Coventry  
CV3 9FH

Tel: 024 7771 5000

[www.severntrent.com](http://www.severntrent.com)

**This document is important and requires your immediate attention**

**The Dee Valley Board unanimously recommends VOTING IN FAVOUR of the resolutions to be proposed at the court meeting and the general meeting to be held on Thursday 12 January 2017. Please complete and sign the Forms of Proxy as soon as possible and in any event to be received by the Registrars no later than 9:30am on Tuesday 10 January 2017.**

The Dee Valley Board unanimously recommends that shareholders do not accept the Ancala Revised Proposal, and take no further action in relation to the Ancala Revised Proposal

## **Acquisition of Dee Valley Group plc by Severn Trent Water Limited ("Severn Trent")**

Dear Shareholder,

We are writing to remind you that **the Court Meeting and the General Meeting to approve Severn Trent's offer of 1,825p per Voting Ordinary Share will be held next week, on Thursday 12 January 2017.**

The Board of Dee Valley considers the offer to be fair and reasonable and unanimously recommends that all Voting Ordinary Shareholders vote in favour of the resolutions to be proposed at the Court Meeting and the General Meeting.

Each vote in favour of the resolutions will help the Severn Trent offer to complete for the benefit of all shareholders. Whether or not you plan to attend the Meetings, if you have not already done so, **please complete and sign the Forms of Proxy and return them in accordance with the instructions printed thereon and in the addressed envelopes (copies identical to those provided with Severn Trent's acquisition document can be found enclosed) as soon as possible, but in any event so as to be received by the Registrars, Capita Asset Services, at PXS, 34 Beckenham Road, Beckenham, Kent, BR3 4TU, by 9:30 am on Tuesday 10 January 2017.**

**If you hold your Voting Ordinary Shares in uncertificated form, you may vote using the CREST Proxy Voting Service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes for the Notice of General Meeting set out at the end of Severn Trent's acquisition document). Proxies submitted via CREST (under CREST participant ID RA10) must be received by the Registrars not later than 9:30 am on Tuesday 10 January 2017.**

### **Assistance**

If you have any questions relating to the completion and return of the Forms of Proxy, please call Capita Asset Services' helpline on 0371 664 0321.

Remember:

- Under the terms of Severn Trent's offer, you will receive 1,825p per Voting Ordinary Share
- Severn Trent's offer is significantly higher than Ancala's proposal of 1,706p per Voting Ordinary Share which cannot be increased
- As an alternative to cash, shareholders can elect to receive Loan Notes to be issued by Severn Trent by completing the Form of Election enclosed with the Severn Trent acquisition document.

Shareholders can vote in favour of Severn Trent's offer as detailed above whether or not they have already accepted Ancala's proposal.

Registered in England & Wales  
Registration No. 2366619  
Registered Office:  
Severn Trent Centre 2 St John's Street  
Coventry CV1 2LZ

For more information on the terms of the Severn Trent offer, please refer to the acquisition document available at: <https://www.severntrent.com>

Yours faithfully,

Liv Garfield  
Chief Executive  
for and on behalf of Severn Trent Plc

### **Important Notice**

This letter is not a summary of the acquisition document dated 2 December 2016 to which it relates and should not be regarded as a substitute for reading that acquisition document in full.

There have been no changes in information disclosed in the acquisition document dated 2 December 2016 which are material in the context of that document and no material changes to the matters listed in Rule 27.2(b) of the Takeover Code which have occurred since the publication of that document.

### **Responsibility**

The Severn Trent Directors, whose names are set out in paragraph 2.3 of Part 11 of the acquisition document dated 2 December 2016, accept responsibility for all the information contained in this letter. To the best of the knowledge and belief of the Severn Trent Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this letter for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

### **KEY INFORMATION AND DATES**

**Company:** Dee Valley Group plc  
**Ticker:** DVW  
**ISIN:** GB0031798449  
**SEDOL:** 3179844

**Court Meeting:** 9.30 a.m. on 12 January 2017.  
**Proxy Voting Deadline (Court):** 9.30 a.m. on 10 January 2017

**General Meeting:** 9.45 a.m. on 12 January 2017.  
**Proxy Voting Deadline (GM):** 9.45 a.m. on 10 January 2017