

22 February 2017

SEVERN

TRENT

Severn Trent Plc

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This document is important and requires your immediate attention

Please note that the Dee Valley Non-Voting Ordinary Shares were delisted at 8:00am on 16 February 2017.

Please complete and return the Form of Acceptance as soon as possible and in any event so as to be received by the Registrars no later than 1:00pm on Tuesday 28 February 2017.

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

Dear Shareholder,

We are writing to remind you that **Severn Trent's Contractual Offer in respect of Dee Valley Non-Voting Ordinary Shares remains open for acceptances until 1.00pm on 28 February 2017.**

The Court has now sanctioned the Severn Trent Scheme in respect of Voting Ordinary Shares and the Scheme became effective on 15 February 2017. As a result of the Scheme becoming effective, the contractual offer in respect of Dee Valley Non-Voting Ordinary Shares is now unconditional in all respects. The Revised Ancala Bid was also withdrawn on 15 February 2017.

Both Dee Valley Voting Ordinary Shares and Dee Valley Non-Voting Ordinary Shares were delisted effective 8:00am on 16 February 2017. Shareholders should be aware that delisting significantly reduces the liquidity and marketability of any Non-Voting Ordinary Shares in respect of which acceptances of the Contractual Offer are not submitted.

If sufficient acceptances are received in respect of the Contractual Offer, Severn Trent intends to apply the provisions of section 979 of the Companies Act to acquire compulsorily any outstanding Non-Voting Ordinary Shares to which the Contractual Offer relates.

To accept the Contractual Offer, if you hold your Non-Voting Ordinary Shares in certificated form (that is, not in CREST), the white Form of Acceptance should be completed and returned (together with your valid share certificate) as soon as possible and in any event so as to be received by post or (during normal business hours only) by hand to the Receiving Agent, Capita Asset Services, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU no later than 1:00 pm on 28 February 2017.

If you hold your Non-Voting Ordinary Shares in uncertificated form (that is, in CREST), please refer to the instructions set out in paragraphs 14.6 and 14.7 of Part 2 of the Severn Trent acquisition document, and the subsequent clarification letter which you should have received from Capita, to accept the Contractual Offer.

Assistance

If you have any questions relating to the completion and return of the Form of Acceptance, please call Capita Asset Services' helpline on 0371 664 0321. Calls are charged at the standard geographic rate and will vary by provider. Calls outside the United Kingdom will be charged at the applicable international rate. The helpline is open between 9.00 am – 5.30 pm, Monday to Friday excluding public holidays in England and Wales. Please note that Capita Asset Services cannot provide any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

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

Registered in England & Wales
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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.