

PENNON

GROUP PLC

Title: Forename: Surname:

Address:

Address 2:

Address 3:

Address 4:

Address 5:

Address 6:

Serial

Investor Code:

2 December 2010

Dear Shareholder

Half Yearly Report for the six month period ending 30 September 2010

In common with a growing number of UK Listed companies, we do not now produce printed copies of the Company's Half Yearly Report. It is however available for viewing on the Company's website at www.pennon-group.co.uk and a version for printing is available to download via the 'Investors information/Financial reports' section of the website. We do not intend to issue a reminder letter next year.

Electronic communications with Pennon Group

We previously wrote to shareholders in January 2008 asking how they wished to receive their shareholder information from the Company. To enable us to update our records of shareholder preferences we are giving shareholders the opportunity to review their choice of communication.

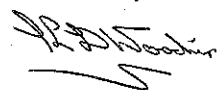
The Company's policy, endorsed by shareholders at the Company's 2007 AGM, is to provide all shareholder documents electronically whenever possible as it is not only secure, but also quicker, more cost effective, and in line with the Company's sustainability objectives.

Over 75% of the Company's shareholders now receive their Annual Reports and other shareholder communications electronically. These documents are published on the Company's website at www.pennon-group.co.uk

Action to be taken in response to this letter:

- To receive your shareholder communications electronically by means of our website, you need take no action. Please note you are able to change your mind at any time if you wish to revert to receiving printed copies by post. You will also continue to be notified by post each time the Company places a communication required by statute on the Pennon website.
- To receive notification by email, you can either register your email address via www.capitashareportal.com or by ticking option (a) and providing your email address on the reply slip on the reverse of this letter, signing it and returning it in the pre-paid, addressed envelope enclosed with this letter.
- To receive your shareholder communications in printed form and by post, you need to complete and return the reply slip as stated above except you tick option (b). If you do not return your form within 28 days, you will be deemed to have consented to receive your shareholder communications electronically.

Yours sincerely



Ken Woodier
Group General Counsel & Company Secretary

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Please detach and return to Capita Registrars at 34 Beckenham Road,
Beckenham, Kent BR3 9ZA in the pre-paid, addressed envelope enclosed.

**(a) I wish to receive email notification of shareholder communications
from Pennon Group Plc.**

☐

My email address is:

**(b) I wish to receive printed copies of shareholder communications
from Pennon Group Plc.**

☐

Signed

Investor Code*

*Your Investor Code is given at the top of your letter