



## UNITED UTILITIES GROUP PLC

# Notice of annual general meeting

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

If you are in doubt as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 or an appropriately authorised independent financial adviser if you are in a territory outside the United Kingdom. If you have sold or otherwise transferred all your shares in United Utilities Group PLC, you should pass this document to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

### Annual Report and Financial Statements

Our 2011 Annual Report and Financial Statements can be accessed directly at:

[unitedutilities.com/annualreport2011](http://unitedutilities.com/annualreport2011)



Or via [unitedutilities.com](http://unitedutilities.com) and by clicking on the Investors heading.

### Financial highlights

Revenue

**£1,513.3m**

2010: £1,573.1m\*

Underlying operating profit

**£596.4m**

2010: £706.3m\*

Total dividends per share

**30.0p**

2010: 34.3p

\* The vast majority of the group's non-regulated activities are treated as discontinued and the group has adopted IFRIC 18 hence the 2009/10 results have been restated.

# From the chairman and chief executive officer



**Dr John McAdam**  
Chairman



**Steve Mogford**  
Chief executive officer

## Dear Shareholder

### Overview

In line with our strategy of focusing on core activities, United Utilities completed its non-regulated disposal programme in November 2010. The last four years have seen United Utilities reshape its portfolio from a group with a wide ranging set of activities and interests into a regulated UK water and wastewater business.

We believe this enhanced focus on the regulated business will enable us to deliver further operational performance, customer service and efficiency improvements. We remain confident of delivering outperformance over the 2010-15 period, with significant financing outperformance already secured.

We have made good progress in the first year of the new five-year regulatory period and are pleased to report a sound set of financial results. Following the regulatory price review, group revenue from continuing operations fell by £60 million to £1,513 million, reflecting a real price decrease in the regulated business. We have continued to make high levels of investment in our water and wastewater assets providing further benefits for our shareholders, customers and the environment. Regulatory capital expenditure, including infrastructure renewals expenditure, in our water and wastewater business amounted to over £600 million during the year.

### Dividend

In line with our policy, the board is proposing a final dividend for the year ended 31 March 2011 of 20 pence per ordinary share. Together with the interim dividend of 10 pence, the total dividend relating to the year is 30 pence per ordinary share. The final dividend is expected to be paid to shareholders on 1 August 2011.

Looking ahead, we plan to continue with our policy of targeting real dividend growth of RPI+2 per cent per annum through to 2015.

### Operational performance

We continue to work hard to improve our operational performance and have made further progress during the year. We are pleased that more customers than ever before are telling us that they are satisfied or very satisfied with our service and we have achieved an overall customer satisfaction rate of 83 per cent for 2010/11. In addition, this year we reduced by over three quarters the number of customer complaints assessed by the Consumer Council for Water. We know, however, that there is still more we can do in this area and it remains a key priority for us.

### Board changes

With the focus on core activities there were a number of senior management changes during the year. Following the sale of the majority of the company's non-regulated activities Charlie Cornish stepped down from the board on 30 September 2010 to become chief executive officer of Manchester Airport Group. Philip Green also stepped down from the

board as chief executive officer on 31 March 2011. On behalf of the board we say thank you and farewell to Charlie and Philip.

We welcome Russ Houlden as our new chief financial officer. Russ was appointed to the board on 1 October 2010 and joins us from Telecom New Zealand.

### Annual general meeting

The notice of meeting is on the facing page. The board considers that all the resolutions to be put to the meeting are in the best interests of and will promote the success of United Utilities Group PLC (the company) and benefit its shareholders as a whole. The board will be voting in favour of them and unanimously recommends that you do so.

### Corporate governance and corporate responsibility

We have consistently demonstrated a commitment to adopting the highest standards of corporate governance at board level and throughout the company. The board closely monitors new developments and requirements in this area.

In line with the UK Corporate Governance Code recommendation, all the directors will retire at the 2011 annual general meeting and will offer themselves for election or reappointment by shareholders.

In light of the group's strategic focus on its core water activities, we have simplified the board structure such that directors' membership of the United Utilities Group PLC and United Utilities Water PLC boards is now identical.

We continue to listen to the views of all our stakeholders and endeavour to develop, manage and operate in an environmentally sustainable and socially responsible manner. This includes a continued focus on water efficiency, the impact of climate change and responding to the needs of our customers.

### Outlook

We believe that, with the continued focus on the core regulated activities, we are well positioned to meet the challenges of the current regulatory period and beyond, with the aim of delivering benefits for all of our stakeholders. The board is encouraged by the progress we have made in the first year of the new regulatory period and is confident we can build on this as we progress through the remainder of the period. We hope our shareholders, employees and customers will continue to share in United Utilities' success.

**Dr John McAdam**  
Chairman

**Steve Mogford**  
Chief executive officer

# Notice of annual general meeting

Notice is given that the annual general meeting of United Utilities Group PLC (the company) will be held at 11.00 am on Friday 22 July 2011 at the Midland Hotel, Peter Street, Manchester, M2 3NQ to transact the business set out below. Resolutions 1 to 13 and resolution 18 will be proposed as ordinary resolutions and resolutions 14 to 17 will be proposed as special resolutions.

## Resolution 1: Annual Report and Financial Statements

That the financial statements and the reports of the directors and auditor for the year ended 31 March 2011 be received.

## Resolution 2: declaration of dividend

That the final dividend of 20.00 pence per ordinary share be declared.

## Resolution 3: remuneration report

That the directors' remuneration report for the year ended 31 March 2011 be approved.

## Resolution 4: reappointment of a director

That Dr John McAdam be reappointed as a director.

## Resolution 5: election of a director

That Steve Mogford be elected as a director.

## Resolution 6: election of a director

That Russ Houlden be elected as a director.

## Resolution 7: reappointment of a director

That Dr Catherine Bell be reappointed as a director.

## Resolution 8: reappointment of a director

That Paul Heiden be reappointed as a director.

## Resolution 9: reappointment of a director

That David Jones be reappointed as a director.

## Resolution 10: reappointment of a director

That Nick Salmon be reappointed as a director.

## Resolution 11: reappointment of auditor

That KPMG Audit Plc be reappointed as auditor of the company.

## Resolution 12: remuneration of auditor

That the directors be authorised to set the auditor's remuneration.

## Resolution 13: authorising the directors to allot shares

That the board be generally and unconditionally authorised to allot ordinary shares pursuant to section 551 of the Companies Act 2006 (the Act) in the company and to grant rights to subscribe for or convert any security into ordinary shares in the company:

(A) up to an aggregate nominal amount of £11,361,356 (such amount to be reduced by the aggregate nominal amount allotted or granted under paragraph (B) below in excess of such sum); and

(B) comprising equity securities (as defined in section 560(1) of the Act) up to an aggregate nominal amount of £22,722,712 (such amount to be reduced by any allotments or grants made under paragraph (A) above) in connection with an offer by way of a rights issue:

- (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (ii) to holders of other equity securities as required by the rights of those securities or as the board otherwise considers necessary;

and so that the board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter,

such authorities to apply until the end of next year's annual general meeting or until the close of business on 21 January 2013, whichever is earlier, but, in each case, during this period the company may make offers and enter into agreements which would, or might, require shares to be allotted or rights to subscribe for or convert securities into shares to be granted after the authority ends and the board may allot shares or grant rights to subscribe for or convert securities into shares under any such offer or agreement as if the authority had not ended. All authorities vested in the board on the date of the notice of this meeting to allot shares or grant rights that remain unexercised at the commencement of this meeting are revoked.

## Resolution 14: disapplying statutory pre-emption rights

That, if resolution 13 is passed, the board be given power to allot equity securities (as defined in the Companies Act 2006 (the Act)) for cash under the authority given by that resolution and/or to sell ordinary shares of five pence each held by the company as treasury shares for cash as if section 561 of the Act did not apply to any such allotment or sale, such power to be limited:

(A) to the allotment of equity securities and sale of treasury shares for cash in connection with an offer of, or invitation to apply for, equity securities (but in the case of the authority granted under paragraph (B) of resolution 13, by way of a rights issue only):

- (i) to ordinary shareholders in proportion (as nearly as may be practicable) to their existing holdings; and
- (ii) to holders of other equity securities, as required by the rights of those securities or, as the board otherwise considers necessary,

and so that the board may impose any limits or restrictions and make any arrangements which it considers necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter; and

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(B) in the case of the authority granted under paragraph (A) of resolution 13 and/or in the case of any sale of treasury shares for cash, to the allotment (otherwise than under paragraph (A) above) of equity securities or sale of treasury shares up to an aggregate nominal amount of £1,704,203, such power to apply until the end of next year's annual general meeting or until the close of business on 21 January 2013, whichever is earlier, but, in each case, during this period the company may make offers and enter into agreements which would, or might, require equity securities to be allotted (and treasury shares to be sold) after the power ends and the board may allot equity securities (and sell treasury shares) under any such offer or agreement as if the power had not ended.

## Resolution 15: authorising the company to make market purchases of its own shares

That the company be generally and unconditionally authorised for the purposes of section 701 of the Companies Act 2006 (the Act) to make one or more market purchases (as defined in section 693(4) of the Act) of its ordinary shares of five pence each, such power to be limited:

- (A) to a maximum aggregate number of 68,168,136 ordinary shares;
- (B) by the condition that the minimum price which may be paid for an ordinary share is the nominal amount of that share and the maximum price which may be paid for an ordinary share is the higher of:
  - (i) an amount equal to five per cent above the average market value of an ordinary share for the five business days immediately preceding the day on which that ordinary share is contracted to be purchased; and
  - (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out,

in each case, exclusive of expenses;

such power to apply until the end of next year's annual general meeting or until the close of business on 21 January 2013, whichever is earlier, but in each case so that the company may enter into a contract to purchase ordinary shares which will or may be completed or executed wholly or partly after the power ends and the company may purchase ordinary shares pursuant to any such contract as if the power had not ended.

## Resolution 16: notice of general meeting

That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

## Resolution 17: amendment to the articles of association

That the articles of association be amended by the inclusion of the following as a new article 81A

### 81A

- (1) If:
  - (a) at the annual general meeting in any year any resolution or resolutions for the election or reappointment of the persons eligible for election or reappointment as directors are put to the meeting and lost, and
  - (b) at the end of that meeting the number of directors is fewer than any minimum number of directors required under Article 62, all retiring directors who stood for election or reappointment at that meeting (the Retiring Directors) shall be deemed to have been elected or reappointed as directors and shall remain in office, but the Retiring Directors may only:
    - (i) act for the purpose of appointing an additional director or directors (such appointment(s) to be ratified by the company at the next general meeting);
    - (ii) convene a general meeting of the company for the purpose of the appointment of additional directors and/or the ratification by the company of any directors appointed by the Retiring Directors; and
    - (iii) perform such duties as are essential to maintain the company as a going concern,

but not for any other purpose.

- (2) The Retiring Directors shall convene the general meeting referred to in Article 81A(1)(ii) as soon as reasonably practicable following the meeting referred to Article 81A (1)(a) and (b) and they shall retire from office at that meeting if the number of directors appointed or ratified by the company at that meeting is equal to or more than the minimum number of directors required under Article 62.
- (3) If at the end of any meeting convened under Article 81A (2) the number of directors is fewer than any minimum number of directors required under Article 62, the provisions of Articles 81A (1) and 81A (2) shall also apply to that meeting.

## Resolution 18: authorising political donations and political expenditure

That, in accordance with Part 14 of the Companies Act 2006 (the Act), the company and each company which is or becomes a subsidiary of the company at any time during the period for which this resolution has effect be and are hereby authorised:

- (A) to make political donations to political parties and/or independent election candidates to which Part 14 of the Act applies, not exceeding £50,000 in total;
- (B) to make political donations to political organisations other than political parties, not exceeding £50,000 in total; and
- (C) to incur political expenditure, not exceeding £50,000 in total; in each case during the period beginning with the date of the passing of this resolution and ending on the conclusion of the next annual general meeting of the company or the close of business on 21 January 2013, whichever is earlier. In any event, the aggregate amount of political donations and political expenditure made or incurred by the company and its subsidiaries pursuant to this resolution shall not exceed £150,000.

### By order of the board:

Simon Gardiner  
Company Secretary  
25 May 2011

### Registered office:

Haweswater House  
Lingley Mere Business Park  
Lingley Green Avenue  
Great Sankey  
Warrington  
WA5 3LP

## Explanatory notes of resolutions

### Resolution 1: Annual Report and Financial Statements

The directors are required to lay before the meeting the financial statements of the company for the year ended 31 March 2011, the directors' report and the remuneration report and the audited parts thereof, and the auditor's report on the financial statements.

### Resolution 2: declaration of dividend

The board is recommending a final dividend of 20.00 pence per ordinary share. If approved, it will be paid on 1 August 2011 to shareholders on the register at the close of business on 24 June 2011.

### Resolution 3: remuneration report

UK listed companies must put an ordinary resolution to shareholders at the annual general meeting seeking approval of the remuneration report. The vote is advisory in nature, in that payments made or promised to directors will not have to be repaid, reduced or withheld in the event that the resolution is not passed.

### Resolutions 4 to 10: election/reappointment of directors

The board is mindful of the recommendation contained within the new UK Corporate Governance Code published by the Financial Reporting Council in June 2010 that all directors of FTSE 350 companies should be subject to annual appointment by shareholders. All directors therefore will retire at the 2011 annual general meeting.

In accordance with the company's articles of association, Steve Mogford and Russ Houlden, being directors appointed since the last annual general meeting, stand for election. All other directors offer themselves for reappointment.

The formal performance evaluation by the board undertaken during the year concluded that each of the directors continue to be effective and each demonstrated the required commitment to their roles and the board.

#### Dr John McAdam (63)

##### Non-executive chairman

**Qualifications:** BSc (Hons) Chemical Physics, Diploma Advanced Studies in Science, PhD

**Appointment to the board:** Appointed as a non-executive director in February 2008 and as chairman in July 2008

**Committee membership:** Nomination (chairman)

**Current directorships/business interests:** Chairman of Rentokil Initial plc, senior independent director of J Sainsbury plc, non-executive director of Rolls-Royce Group plc and Sara Lee Corporation

**Career experience:** Appointed to the board of ICI plc in 1999 and became chief executive in 2003, a position held until ICI's takeover by Akzo Nobel.

#### Steve Mogford (54)

##### Chief executive officer

**Qualifications:** BSc (Hons) Astrophysics/Maths/Physics

**Appointment to the board:** January 2011

**Committee membership:** Nomination

**Current directorships/business interests:** Non-executive director of Carillion PLC

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**Career experience:** Chief executive of SELEX Galileo, the defence electronics company owned by Italian aerospace and defence organisation Finmeccanica. Previously chief operating officer at BAE Systems PLC, a member of its PLC board and he spent his earlier career with British Aerospace PLC.

## Russ Houlden (52)

**Chief financial officer**

**Qualifications:** BSc (Hons) Management Sciences, Fellow of the Chartered Institute of Management Accountants and a Fellow of the Association of Corporate Treasurers.

**Appointment to the board:** October 2010

**Committee membership:** Treasury

**Current directorships/business interests:** None

**Career experience:** Chief financial officer at Telecom New Zealand. Previously he was finance director of Lovells between 2002 to 2008 and prior to that was finance director at BT Wholesale, BT Networks and Information Services, ICI Polyurethanes and ICI Japan.

## Dr Catherine Bell CB (60)

**Independent non-executive director**

**Qualifications:** MA Geography, PhD Economic History

**Appointment to the board:** March 2007

**Committee membership:** Nomination, audit, remuneration and corporate responsibility (chairman)

**Current directorships/business interests:** Non-executive director of the Civil Aviation Authority, Ensus Limited and the Department of Health

**Career experience:** A former civil servant and acting permanent secretary at the Department for Trade and Industry. Previously a non-executive director of Swiss Re GB Plc.

## Paul Heiden (54)

**Independent non-executive director**

**Qualifications:** BSc (Hons) Biology, Chartered Accountant ACA

**Appointment to the board:** October 2005

**Committee membership:** Audit (chairman), nomination and treasury (chairman)

**Current directorships/business interests:** Non-executive chairman of Talaris Topco Limited, non-executive director of Meggitt plc and London Stock Exchange Group plc

**Career experience:** Formerly chief executive of FKI plc and prior to that group finance director of Rolls-Royce plc. Previous senior finance roles at Hanson PLC and Mercury Communications and has been a non-executive director of Bunzl plc and Filtrona plc.

## David Jones CBE (69)

**Independent non-executive director**

**Qualifications:** MSc Control System Engineering, BSc Electrical Engineering

**Appointment to the board:** January 2005

**Committee membership:** Audit, nomination and remuneration (chairman)

**Current directorships/business interests:** None

**Career experience:** Formerly Chairman of UK Coal plc, group chief executive of The National Grid Company plc and chief executive of South Wales Electricity.

## Nick Salmon (58)

**Senior independent non-executive director**

**Qualifications:** BSc (Hons) Mechanical Engineering

**Appointment to the board:** April 2005

**Committee membership:** Nomination and remuneration

**Current directorships/business interests:** Chief executive of Cookson Group plc

**Career experience:** Formerly executive vice-president of Alstom S.A. and of ABB Alstom Power and chief executive of Babcock International Group plc. Previous senior management positions held at GEC and GEC Alsthom in the UK and France and the China Light and Power Company, Hong Kong.

## Resolutions 11 and 12: reappointment and remuneration of auditor

The board is recommending the reappointment of KPMG Audit Plc as external auditor to the company, in place of the previous auditor, Deloitte LLP. During the year, the audit committee took into account the tenure of the auditor and considered whether there should be a tender process for the 2011/12 audit. It concluded that such a tender was appropriate, and carried out the process in the last quarter of the financial year. Following a thorough process, and taking into account that Deloitte had been auditor to the group since 2002, the committee concluded that given the strategic refocus of the group, a change in auditor was appropriate. The audit committee therefore recommended to the board that KPMG Audit Plc be appointed auditor to the group following the conclusion of Deloitte's audit of the 2011 group financial statements. The board now proposes a resolution for the reappointment of KPMG Audit Plc as auditor, to hold that office until the next annual general meeting of the company. An authority for the directors to set the remuneration of the auditor will also be sought. In accordance with s519 of the Companies Act 2006, a statement of the circumstances surrounding the cessation of the appointment of Deloitte LLP as the company's auditor can be found on page 9.

## Resolution 13: authorising the directors to allot shares

Paragraph (A) of this resolution 13 would give the directors the authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares up to an aggregate nominal amount equal to £11,361,356 (representing 227,227,122 ordinary shares of five pence each). This amount represents approximately one-third of the issued ordinary share capital of the company as at 25 May 2011, the latest practicable date prior to publication of this notice.

In line with guidance issued by the Association of British Insurers, paragraph (B) of this resolution would give the directors authority to allot ordinary shares or grant rights to subscribe for or convert any securities into ordinary shares in connection with a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £22,722,712 (representing 454,454,244 ordinary shares), as reduced by the nominal amount of any shares issued under paragraph (A) of this resolution. This amount (before any reduction) represents approximately two-thirds of the issued ordinary share capital of the company as at 25 May 2011, the latest practicable date prior to publication of this notice.

The authorities sought under paragraphs (A) and (B) of this resolution will expire at the earlier of the conclusion of the annual general meeting of the company held in 2012 or 21 January 2013.

The directors have no present intention to exercise either of the authorities sought under this resolution. As at the date of this notice, no ordinary shares are held by the company in treasury.

#### **Resolution 14: disapplying statutory pre-emption rights will be proposed as a special resolution**

Resolution 14 seeks to give the directors the authority to allot ordinary shares (or sell any ordinary shares which the company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings.

This authority would be, as in previous years, limited to allotments or sales in connection with pre-emptive offers and offers to holders of other equity securities if required by the rights of those shares or as the board otherwise considers necessary, or otherwise up to an aggregate nominal amount of £1,704,203 (representing 34,084,068 ordinary shares). This aggregate nominal amount represents approximately five per cent of the issued ordinary share capital of the company as at 25 May 2011, the latest practicable date prior to publication of this notice. In respect of this aggregate nominal amount, the directors confirm their intention to follow the provisions of the Pre-Emption Group's Statement of Principles regarding cumulative usage of authorities within a rolling three-year period where the Principles provide that usage in excess of 7.5 per cent should not take place without prior consultation with shareholders. The authority will expire at the earlier of the conclusion of the annual general meeting of the company held in 2012 or 21 January 2013.

#### **Resolution 15: authorising the company to make market purchases of its own shares will be proposed as a special resolution**

Authority is sought for the company to purchase up to 10 per cent of its issued ordinary shares (excluding any treasury shares), renewing the authority granted by the shareholders at previous annual general meetings. The directors have no present intention of exercising the authority to make market purchases, however the authority provides the flexibility to allow them to do so in the future. The directors will exercise this authority only when to do so would be in the best interests of the company, and of its shareholders generally, and could be expected to result in an increase in the earnings per share of the company. The authority will expire at the earlier of the conclusion of the annual general meeting of the company held in 2012 or 21 January 2013.

Ordinary shares purchased by the company pursuant to this authority may be held in treasury or may be cancelled. The directors would consider holding any ordinary shares the company may purchase as treasury shares. The company currently has no ordinary shares in treasury. The minimum price, exclusive of expenses, which may be paid for an ordinary share is its nominal value. The maximum price, exclusive of expenses, which may be paid for an ordinary share is the higher of (i) an amount equal to 105 per cent of the average market value for an ordinary share for the five business days immediately preceding the date of the

purchase; and (ii) the higher of the price of the last independent trade and the highest current independent bid on the trading venues where the purchase is carried out.

There are share options outstanding over 1,176,898 ordinary shares, representing 0.17 per cent of the company's ordinary issued share capital as at 25 May 2011. If the authority to purchase ordinary shares was exercised in full and those shares were subsequently cancelled, these share options would represent 0.19 per cent of the company's ordinary issued share capital.

#### **Resolution 16: notice of general meeting will be proposed as a special resolution**

The Companies Act 2006 requires the notice period for general meetings of the company to be at least 21 days. Under its articles of association, the company is currently able to call general meetings (other than an annual general meeting) on 14 clear days' notice and would like to preserve this ability. In order to do so, shareholders must first approve the calling of meetings on 14 days' notice. Resolution 16 seeks such approval. The shorter notice period would not be used as a matter of routine, but only when the flexibility was merited by the business of the meeting and the circumstances requiring the business. The approval will be effective until the 2012 annual general meeting, when it is intended that a similar resolution will be proposed.

#### **Resolution 17: amending the articles of association will be proposed as a special resolution**

In the event that insufficient directors are reappointed at the annual general meeting, to meet the minimum number of directors required under Article 62, the inclusion of this new Article 81A will allow for additional directors to be appointed so that the company can continue to be run as a going concern. Resolution 17 contains the full terms of the proposed amendments to the articles of association.

#### **Resolution 18: authorising political donations and political expenditure**

Shareholder approval is required for donations to political parties, independent election candidates and other political organisations, and for other political expenditure. The company does not make, and does not intend to make, donations to political parties. However, the definition of political donations is very broad and includes expenses incurred as part of the process of having dialogue with members of parliament and opinion formers to ensure that the issues and concerns of United Utilities are considered and addressed. The resolution seeks to ensure that the company and its subsidiaries remain within the law in carrying out these activities.

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## General information

### Questions to the meeting

Shareholders have a statutory right in accordance with section 319A of the Companies Act 2006 to ask and to receive an answer to a question relating to the business of the meeting, although an answer need not be given if in doing so, amongst other things, it was considered undesirable to in the interests of the company or the good order of the meeting or if it involved the disclosure of confidential information.

### Website

A copy of this notice of meeting and details of the company's share capital in accordance with section 311A of the Companies Act 2006 are available on the company's website at [unitedutilities.com](http://unitedutilities.com).

### Attending and admission to the meeting

Please bring your admission card with you to the meeting. It contains your unique shareholder number and will speed up the registration process. It also serves as your poll card. This helps the votes to be counted more quickly and accurately after the meeting. If you do not bring your admission card, you will need proof of identity before you can be admitted. Security checks will be made and the company reserves the right to search bags before allowing entry. The doors will open at 10.00 am and the meeting starts at 11.00 am.

### Documents you can look at

Copies of executive directors' service contracts and non-executive directors' letters of appointment are available for inspection by shareholders prior to the annual general meeting until the close of the meeting. Similarly, copies of current articles of association will be available for inspection at the meeting, for at least 15 minutes prior to, and until the close of the meeting and at the company's registered office.

### Voting at the meeting

The record date for entry on the register of members in order to have the right to attend and vote at the meeting is 6.00 pm on Wednesday 20 July 2011 (or, if the meeting is adjourned, 6.00 pm on the day two days before the date fixed for the reconvened meeting). A poll vote will be held on each resolution and scrutinised by representatives of Equiniti present at the meeting, thereby ensuring the votes cast are correctly recorded, and enabling shareholders who have appointed a proxy to vote on their behalf to have their votes fully taken into account. One vote can be cast for each ordinary share held.

### Appointing one or more proxy

Every shareholder who is entitled to attend and vote has the right to appoint one or more persons as proxy to exercise all or any of their rights to attend, speak and vote at the annual general meeting. A proxy need not be a shareholder. A shareholder may appoint more than one proxy provided each proxy is appointed to exercise rights in respect of a different share or shares held by the shareholder. You may appoint your proxy or proxies electronically (see below) or by completing, detaching and returning the proxy form attached to your admission card and enclosed with this notice. To be valid, completed proxy forms must be

received by the company's registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex, United Kingdom BN99 6GQ by no later than 11.00 am on Wednesday 20 July 2011. Even if you have lodged a proxy form you may still attend and vote at the meeting, but the original proxy vote would be disregarded.

To appoint more than one proxy, you may photocopy the form of proxy or request additional forms from the company's registrar, Equiniti, by telephone on 0871 384 2041 (calls to this number cost 8 pence per minute from a BT landline, other providers' costs may vary, lines are open 8.30 am to 5.30 pm Monday to Friday) or for overseas shareholders +44 121 415 7048, or by writing to them at the above address. Multiple proxy appointments should be returned together in the same envelope.

### Persons nominated to enjoy information rights

If you are not a shareholder, but enjoy information rights under the Companies Act 2006, you are not entitled to appoint a proxy. However, there may be an agreement between you and your nominating shareholder which entitles you to be appointed, or to have someone else appointed, as their proxy. If you do not have this right, or do not wish to exercise it, you may still be entitled under such an agreement to give instructions to that shareholder as to how you would like them to vote.

### Electronic proxy voting

Shareholders can register the appointment of a proxy for this meeting at [www.sharevote.co.uk](http://www.sharevote.co.uk) which is run by Equiniti. To do this, you will need the three numbers (voting ID, task ID and shareholder reference number) that are quoted on your proxy form. Then follow the instructions on the website. The appointment of a proxy must be received by Equiniti no later than 11.00 am on Wednesday 20 July 2011.

Please read the terms and conditions relating to the use of this facility before appointing a proxy. These terms and conditions may be viewed on the website. You may not use any electronic address provided in this notice to communicate with the company for any other purpose other than those stated. Any electronic communication sent by a shareholder that is found to contain a virus will not be accepted.

### CREST electronic proxy appointment service

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to act on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a CREST Proxy Instruction) must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual (available via [www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of

whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Equiniti (ID RA19) by no later than 11.00 am on Wednesday 20 July 2011 (or not less than 48 hours before any adjourned meeting).

For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s) to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

The company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

### **Corporate representative**

Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

### **Issued share capital**

As at 25 May 2011 (being the latest practicable date prior to the publication of this document) (i) the company's issued share capital consisted of 681,681,368 ordinary shares of five pence each and 273,956,180 deferred shares of 170 pence each; and (ii) the total voting rights in the company were 681,681,368.

### **Shareholder requests**

Under section 527 of the Companies Act 2006 (the Act) members meeting the threshold requirements set out in that section have the right to require the company to publish on a website a statement setting out any matter relating to: (i) the audit of the company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the annual general meeting; or (ii) any circumstance connected with an auditor of the company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Act. The company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Act. Where the company is required to place a statement on a website under section 527 of the Act, it must forward the statement to the company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the annual general meeting includes any statement that the company has been required under section 527 of the Act to publish on a website.

Under sections 338 and 338A of the Act, shareholders may request the company to give notice of a resolution which is intended to be moved at an annual general meeting, or to include in the business of an annual general meeting other business which may properly be so included, provided that the resolution or other business would not be defamatory, frivolous or vexatious, and in the case of a proposed resolution, provided that the resolution would not be ineffective. The company will give notice of such a resolution or of such other business if sufficient requests have been received in accordance with sections 338(3) and 338A(3) of the Act.

8 June 2011

In connection with their ceasing to hold office, Deloitte made the following statement under s519 of the Companies Act 2006:

**Dear Sirs**

***Statement of circumstances relating to Deloitte LLP's cessation as auditor to United Utilities Group PLC***

In accordance with s519 of the Companies Act 2006, we are required to provide a statement of circumstances surrounding the cessation of our appointment as auditor to United Utilities Group PLC. Those circumstances were that the company put the audit out to tender and we were unsuccessful in retaining it.

Yours faithfully

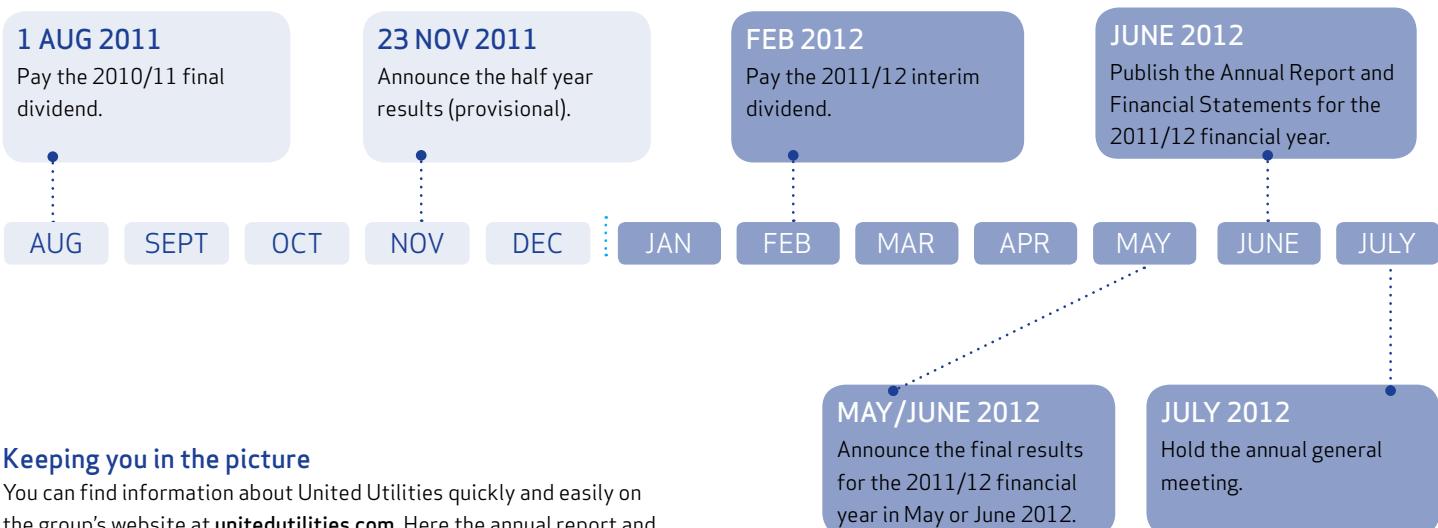
**Deloitte LLP**

Chartered Accountants and Statutory Auditor  
Manchester, United Kingdom

# Shareholder information

## Key dates

We plan to:



## Keeping you in the picture

You can find information about United Utilities quickly and easily on the group's website at [unitedutilities.com](http://unitedutilities.com). Here the annual report and financial statements, corporate responsibility report, other reports, company announcements, the half year and final announcements and associated presentations are published.



## Communications

- If you want to receive future shareholder notifications by email rather than post, you can arrange this at [shareview.co.uk](http://shareview.co.uk).
- View or download the full Annual Report and Financial Statements from: [unitedutilities.com/annual report 2011](http://unitedutilities.com/annual report 2011).
- To obtain a paper copy of our Annual Report and Financial Statements 2011, write to the company secretariat at our registered office given on page 11.
- If you wish to change how you receive shareholder documents, please write to our registrar, Equiniti, at the address given on page 11 stating your name, shareholding and shareholder reference number.
- Please do not use any electronic address provided in this notice or in any related document to communicate with the company for any purposes other than those expressly stated.



## Registrar

The group's registrar, Equiniti, can be contacted on **0871 384 2041** or textphone for those with hearing difficulties: **0871 384 2255**. Calls to these numbers cost 8 pence per minute from a BT landline, other providers' costs may vary. Lines are open 8.30 am to 5.30 pm, Monday to Friday excluding bank holidays.

The address is:

Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.

Overseas shareholders may contact them on: **+44 (0)121 415 7048**.

Equiniti offers a share dealing service by telephone: **0845 603 7037** and online: [shareview.co.uk/dealing](http://shareview.co.uk/dealing).

Equiniti also offers a stocks and shares ISA for United Utilities' shares. For more information, call **0845 300 0430** or to go to: [shareview.co.uk/dealing](http://shareview.co.uk/dealing).

## American Depository Receipts (ADRs)

United Utilities' shares are traded in the USA in the form of American Depository Receipts (ADRs), and trade under the symbol 'UUGRY' on the OTC market. Each ADR represents two shares.

JPMorgan Chase & Co. is the depositary and its address for enquiries is JPMorgan Chase & Co. P.O. Box 64504, St Paul, MN 55164-0504. [adr.com/ShareholderServices/ShareholderServices.aspx](http://adr.com/ShareholderServices/ShareholderServices.aspx).

Telephone: (800) 990-1135 or outside the US, +1 (651) 453 2128 or by email: [jpmorgan.adr@wellsfargo.com](mailto:jpmorgan.adr@wellsfargo.com).

## Donating shares to ShareGift

ShareGift is a charity that accepts donations of small numbers of shares which are uneconomical to sell on their own. Shares donated to ShareGift are aggregated and sold with the proceeds passed on to a wide range of UK charities. For further details go to [ShareGift.org](http://ShareGift.org) or write to ShareGift at 17 Carlton House Terrace, London, SW1Y 5AH. Telephone: **+44 (0)207 930 3737**.

## Warning to shareholders

Please be very wary of any unsolicited contact about your investments or offers of free company reports. It may be from an overseas 'broker' who could sell you worthless or high risk shares. If you deal with an unauthorised firm, you would not be eligible to receive payment under the Financial Services Compensation Scheme. Further information and a list of unauthorised firms that have targeted UK investors is available from the Financial Services Authority at [fsa.gov.uk/pages/consumerinformation](http://fsa.gov.uk/pages/consumerinformation).

## Avoiding unsolicited mail

United Utilities is legally obliged to make its register of members available for inspection in some circumstances. This may lead to you receiving unsolicited mail.

If you have a UK registered address and want to limit the amount of personally addressed unsolicited mail you receive, please write to the Mailing Preference Service, Freepost 29, LON20771, London, W1E 0ZT, or register by telephoning **+44 (0) 845 703 4599** or online at [mpsonline.org.uk](http://mpsonline.org.uk).

## United Utilities Group PLC

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United Utilities is proud to have retained platinum plus ranking in the Business in the Community Corporate Responsibility Index and to be leading the water sector for the second year running in the Dow Jones Sustainability Index.



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Taylor Bloxham operates an Environmental Management System conforming to BS EN ISO 14001:2004 and the company is also FSC certified.

All process waste is reused and recycled wherever possible, in full compliance with current legislation.

The wood fibres used in the production of ClaroBulk are FSC certified, made using ECF pulp and produced at an EMAS certified mill.

The text for this report is printed on UPM Fine, a white uncoated offset paper made from FSC certified pulp.

UPM Fine is produced from 100% ECF pulp and produced at an EMAS certified mill and also carries the EU Eco-label or EU Flower, which has been awarded to most of UPM's mills.



**unitedutilities.com**

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Registered number 6559020

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