

# 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 duly authorised under the Financial Services and Markets Act 2000. 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 2010 Annual Report and Financial Statements can be accessed directly at:

[unitedutilities.com/annualreport2010](http://unitedutilities.com/annualreport2010)



Or via [unitedutilities.com](http://unitedutilities.com) and by clicking on the Investor Relations/Company Reports headings.

## Financial highlights

### Revenue

**£2,439.1m**

2009: £2,427.2m

### Operating profit

**£817.9m**

2009: £729.5m

### Total dividends per share

**34.30p**

2009: 32.67p



## Dear Shareholder

This has been a very significant year for United Utilities. After much careful consideration the company accepted Ofwat's price limits for the next five years. The challenge of meeting those price limits meant taking some difficult decisions as we strive to ensure the company is operating as efficiently as possible. As a consequence, the company has been able to affirm its dividend policy through to 2015, providing clarity for customers and investors. At the same time, the next five years will see substantial investment in our region that will benefit our customers, the economy and the environment.

### Financial performance and dividend

On behalf of the board I am pleased to report a sound underlying financial performance for the year ended 31 March 2010, despite a challenging economic climate. The board is proposing a final dividend for the year ended 31 March 2010 of 23.13 pence per ordinary share in line with our policy. Together with the interim dividend of 11.17 pence per ordinary share, the total ordinary dividend relating to the year is 34.30 pence. The final dividend is expected to be paid to shareholders on 2 August 2010.

### Operational performance

United Utilities has continued to make progress in the area of operational performance and our customers tell us that satisfaction levels have improved further, but there is still more to do to achieve the group's ambition of world class performance. Our employees are integral in delivering high levels of service and I would like to thank them for their dedication and continued support. Record levels of rainfall last November contributed to serious flooding in our region, especially in my home county of Cumbria. I would like to commend the large number of our people who worked extremely hard to serve customers in exceptionally difficult conditions.

### Corporate governance

We remain committed to adopting the highest standards of corporate governance and this underpins our approach to doing business. We endeavour to operate in an environmentally sustainable and socially responsible manner. We listen to the views of all our stakeholders and this helps shape the manner in which we do business. Our efforts to help resolve the issue of site area charging have borne fruit and we are pleased that the UK Government has legislated to allow companies to introduce concessionary schemes for voluntary and community groups to assist them in paying their surface water

drainage bills. We strive for an exemplary health and safety record and our processes in this area continue to be enhanced. It is important that we carry out our operations efficiently and place the welfare of employees very high on our agenda. Whilst we do not get everything right, I was delighted to accept, on behalf of all our employees, the award of Business in the Community's Company of the Year for 2009 in recognition of the group's overall impact on society.

### Board changes

We say farewell and thank you to Andrew Pinder, who steps down from the board in July after nine years, and Tim Weller, who is leaving to join Cable & Wireless Worldwide, after serving as chief financial officer over the past four years. We wish Andrew and Tim all the best in the future.

### Annual general meeting

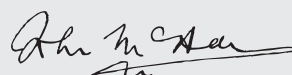
The notice of meeting is overleaf. We are asking shareholders to approve a number of amendments to the articles of association to reflect the implementation of the remaining provisions of the Companies Act 2006 and the Companies (Shareholders' Rights) Regulations 2009. An explanation of the main changes are detailed on page 5 of this document. 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.

### Annual tax vouchers

In line with many PLCs we are introducing annual tax vouchers which will be issued with the interim dividend normally paid in February for those shareholders who have their dividend paid electronically into their bank account. Should those shareholders electronically receiving their dividends wish to have a tax voucher for each payment, they should make arrangements with Equiniti, whose contact details can be found in the 'useful information' section on page 8 of this document.

### Looking forward

I believe that with the group's consistent focus on its utility skills, we are well positioned to meet the challenges of the new five-year regulatory period and beyond. I hope our shareholders, employees and customers will continue to share in United Utilities' success.



Dr John McAdam  
Chairman

# Notice of annual general meeting

The annual general meeting will be held at 11.00 am on Friday 23 July 2010 at the Midland Hotel, Peter Street, Manchester, M2 3NQ.

## Ordinary business

### Resolution 1: Annual Report and Financial Statements

That the financial statements and the reports of the directors and auditors for the year ended 31 March 2010 be received.

### Resolution 2: declaration of dividend

That the final dividend of 23.13 pence per ordinary share be declared.

### Resolution 3: remuneration report

That the directors' remuneration report for the year ended 31 March 2010 be approved.

### Resolution 4: reappointment of a director

That Charlie Cornish be reappointed as a director.

### Resolution 5: reappointment of a director

That Dr Catherine Bell be reappointed as a director.

### Resolution 6: reappointment of a director

That Nick Salmon be reappointed as a director.

### Resolution 7: reappointment of auditors

That Deloitte LLP be reappointed as auditors of the company.

### Resolution 8: remuneration of auditors

That the directors be authorised to set the auditors' remuneration.

## Special business

To consider, and if thought fit, pass the following resolutions.

Resolutions 9 and 14 will be proposed as ordinary resolutions and resolutions 10, 11, 12 and 13 as special resolutions.

### Resolution 9: authorising the directors to allot shares

That the board be 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 a nominal amount of £11,358,933 (such amount to be reduced by the 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 a nominal amount of £22,717,867 (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, if earlier, until the close of business on 22 October 2011) 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.

### Resolution 10: disapplying statutory pre-emption rights

That, if resolution 9 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 9, 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

- (B) in the case of the authority granted under paragraph (A) of resolution 9 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 a nominal amount of £1,703,840, such power to apply until the end of next year's annual general meeting (or, if earlier, until the close of business on 22 October 2011) 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 11: authorising the company to make market purchases of its own shares

That the company be 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 number of 68,153,603 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, if earlier, 22 October 2011) 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 12: 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 13: adoption of new articles of association

That:

- (A) the articles of association of the company be amended by deleting all the provisions of the company's memorandum of association which, by virtue of section 28 of the Companies Act 2006, are to be treated as provisions of the company's articles of association; and
- (B) the articles of association produced to the meeting and initialled by the chairman of the meeting for the purpose of identification be adopted as the articles of association of the company in substitution for, and to the exclusion of, the existing articles of association.

#### Resolution 14: 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 earlier of the conclusion of the next annual general meeting of the company and 22 October 2011. 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:

Tom Keevil  
Company secretary  
20 May 2010

#### 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 2010, the directors' report and the remuneration report and the audited parts thereof, and the auditors' report on the financial statements.

### Resolution 2: declaration of dividend

The board is recommending a final dividend of 23.13 pence per ordinary share. If approved, it will be paid on 2 August 2010 to shareholders on the register at the close of business on 18 June 2010.

### 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 6: reappointment of directors

Under the transitional arrangements which were made at the time of the establishment of United Utilities Group PLC as the new listed parent company of United Utilities PLC, a director's last election by shareholders at a general meeting of United Utilities PLC will be treated as if it had been an election made by the shareholders of United Utilities Group PLC. The relevant article of association requires that one-third of the directors shall retire by rotation and shall be determined as follows: any directors who wish to retire and not offer themselves for reappointment. Andrew Pinder wishes to retire and will not seek reappointment. Thereafter, directors should be drawn by lot from those who held office at the annual general meetings of United Utilities PLC in 2007 and 2008, or the company's annual general meeting held in 2009 and did not retire at those meetings. Charlie Cornish and Dr Catherine Bell were last reappointed at the 2007 annual general meeting and Nick Salmon at the 2008 annual general meeting. All three are retiring and are offering themselves for reappointment. Following formal performance evaluation by the board, and individual appraisal by the chairman, the other board members unanimously concluded that each of Charlie Cornish, Dr Catherine Bell and Nick Salmon continues to be effective and to demonstrate the required commitment to their roles. The board therefore unanimously recommends that each be reappointed.

Charlie Cornish (50)

#### Managing director, Utility Solutions

Qualifications: BA (Hons) Economics/Business Studies

Appointment to the board: January 2004

Committee membership: None

Current directorships/business interests: None

Career experience: Previously chief operating officer with Thames Water UK and Ireland and chief executive of West of Scotland Water Authority. Positions also held with British Aerospace, Plessey Telecommunications, Associated British Foods and the NHS.

Dr Catherine Bell CB (59)

**Independent non-executive director**

Qualifications: MA Geography, PhD Economic History

Appointment to the board: March 2007

Committee membership: Nomination, audit and community investment

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

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.

Nick Salmon (57)

**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 Alstom in the UK and France and the China Light and Power Company, Hong Kong.

Biographical details of other board members can be found on the company's website and in the 2010 Annual Report and Financial Statements.

**Special business:**

**Resolution 9: authorising the directors to allot shares**

Paragraph (A) of this resolution 9 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 £11,358,933 (representing 227,178,677 ordinary shares of five pence each). This amount represents approximately one-third of the issued ordinary share capital of the company as at 20 May 2010, 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 £22,717,867 (representing 454,357,542 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 20 May 2010, 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 22 October 2011 and the conclusion of the annual general meeting of the company held in 2011.

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 10: disapplying statutory pre-emption rights**

Resolution 10 will be proposed as a special resolution, which requires a 75 per cent majority of the votes to be cast in favour. It would 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 £1,703,840 (representing 34,076,801 ordinary shares). This aggregate nominal amount represents approximately five per cent of the issued ordinary share capital of the company as at 20 May 2010, 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 22 October 2011 and the conclusion of the annual general meeting of the company held in 2011.

**Resolution 11: authorising the company to make market purchases of its own shares**

Authority is sought for the company to purchase up to ten 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 22 October 2011 or the conclusion of the annual general meeting of the company held in 2011. Resolution 11 will be proposed as a special resolution.

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 2,421,903 ordinary shares, representing 0.36 per cent of the company's ordinary issued share capital as at 20 May 2010. If the authority to purchase ordinary shares was exercised in full and those shares were subsequently cancelled, these share options would represent 0.39 per cent of the company's ordinary issued share capital.

### Resolution 12: notice of general meeting

The EU Shareholder Rights Directive increased the notice period for general meetings of the company to 21 days unless shareholders resolved otherwise. Under the Companies Act 2006 and 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. 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 2011 annual general meeting, when it is intended that a similar resolution will be proposed. Resolution 12 will be proposed as a special resolution.

### Resolution 13: adoption of new articles of association

Resolution 13 is proposed as a special resolution. The adoption of new articles of association is proposed in order to reflect changes to company law and best practice, including the full implementation of the Companies Act 2006 ('the Act') and the Companies (Shareholders' Rights) Regulations 2009. There have also been changes to the classes of share in the company that remain in issue.

The directors therefore believe that it is appropriate and timely to adopt a new set of articles of association. These articles of association are similar in many respects to the current articles of association of the company, but make the following principal changes:

- (a) As permitted by the Act, the proposed new articles of association replace all provisions previously found in the company's memorandum of association. This has the advantage that the restrictions previously included in the company's memorandum of association will be removed altogether and will provide the company with additional flexibility in its operations in future. As it is proposed to remove all provisions of the memorandum of association, a statement that the company's liability is limited (which was previously found in the memorandum of association) has been included in the proposed new articles of association.
- (b) The current articles of association contain references to various classes of shares in the company which were created at the time of the return of capital to shareholders in 2008. Certain of these shares are no longer in issue and, as a result, it is proposed that the wording relating to these additional share classes is deleted.
- (c) Pursuant to the Act, a company is no longer required to have an authorised share capital and therefore the board is proposing that the company removes any reference to an authorised share capital from its articles of association. The allotment of shares by the company will continue to be restricted in the same way as previously, in that a resolution will be proposed to shareholders at the annual general meeting each year to authorise the allotment of shares by the directors up to a maximum aggregate value. See the explanatory note to resolution 9 for more details of this process.
- (d) The current articles of association give the company a right to sell shares held by a member if there has been no communication with that member for at least 12 years and the company has placed advertisements in a national newspaper and a newspaper local to the untraced member's last known address.

It is proposed that these requirements are replaced with an obligation to advertise in a national newspaper and place a notice on the company's website (rather than advertising in a local newspaper). This is simply to make the process of attempting to trace members much simpler and more cost-effective, especially in a situation where there may be more than one untraced member.

- (e) The current articles of association contain very detailed provisions regarding the notice requirements for shareholder meetings. However, changes to legislation mean that some of these requirements are now out of date and therefore it is proposed that changes are made. Rather than including a new list of requirements that may itself soon become out of date, the board proposes instead to make the articles of association much simpler in this area by simply requiring the company to comply with relevant legislation. As set out in the explanatory notes for resolution 12 only in exceptional circumstances would the company rely upon a 14 clear days' notice period.
- (f) Reading the current articles of association alongside the Act meant that there was some uncertainty regarding the number of votes that may be exercised by a proxy in a situation where a member appoints more than one proxy. The proposed new article 54(A), when read alongside the Companies (Shareholders' Rights) Regulations 2009, clarifies that, where multiple proxies are appointed, each proxy appointed in respect of different shares has one vote on a resolution on a show of hands (as opposed to one vote between them) and, where a proxy is appointed by more than one member, that proxy will have one vote if instructed to vote in the same way by all of the appointing members, but two votes (one 'for' and one 'against' the resolution) if instructed to vote in different ways. It is also proposed to include provisions to make it clear that, where a proxy fails to vote in accordance with his instructions, such failure does not invalidate his vote.
- (g) The Act permits a company to change its name by whatever means is provided in the company's articles of association. It is therefore proposed that a provision is included in the company's articles of association to allow the company's name to be changed by the passing of a resolution of the board. Any such change of name will then become effective upon the Registrar of Companies issuing a certificate of incorporation on change of name. The name of the company would only be changed by resolution of the board after consultation with the company's major shareholders. There is no present intention to utilise this power.

### Resolution 14: 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.

## 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, if 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. 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 the proposed articles of association and the existing memorandum and articles of association (marked to show the proposed changes) (together 'the display documents') 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. Copies of the display documents will be open to inspection at the offices of Addleshaw Goddard LLP, 60 Chiswell Street, London, EC1Y 4AG between the hours of 9.30 am and 5.00 pm, until the conclusion of the meeting.

### 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 21 July 2010 (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 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 one or more proxy 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 6GP by no later than 11.00 am on Wednesday 21 July 2010. 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 21 July 2010.

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 21 July 2010 (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 20 May 2010 (being the latest practicable date prior to the printing of this document) (i) the company's issued share capital consisted of 681,536,032 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 681,536,032.

#### 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 section 338A of the Act, shareholders may request the company to include in the business to be dealt with at annual general meetings any matter (other than a proposed resolution) which may properly include in the business, provided that it is not defamatory, frivolous or vexatious. The company will include such matter if sufficient requests have been received in accordance with section 338(A)(3) of the Act.

## Useful information for shareholders

### Key dates

United Utilities plans to:



### Registrar

The group's registrar, Equiniti, can be contacted on 0871 384 2041 or telephone 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 5.30pm, Monday to Friday.

Its address is:

Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA.  
Overseas shareholders may contact them on: +44 (0)121 415 7048.  
Equiniti offers a low cost 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.

### American Depositary Receipts (ADRs)

United Utilities' shares are traded in the USA in the form of American Depositary Receipts (ADRs), and trade under the symbol 'UUGRY' on the OTC market. Each ADR represents two shares. JPMorgan Chase & Co. is the depository 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: [moneymadeclear.fsa.gov.uk](http://moneymadeclear.fsa.gov.uk).

### 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).

### 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 2010](http://unitedutilities.com/annual report 2010).
- To obtain a paper copy of our Annual Report and Financial Statements 2010, write to the company secretariat at our registered office below.
- If you wish to change how you receive shareholder documents, please write to our registrar, Equiniti, at the address above 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.



### United Utilities Group PLC

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Registered number 6559020



FOR MORE INFORMATION ON UNITED UTILITIES VISIT [unitedutilities.com](http://unitedutilities.com)

