

Dear Shareholder : Final Determination decision released by Ofwat

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I am writing to inform you of the details of the Final Determination decision released by Ofwat, the regulator of the water and sewerage companies in England and Wales. Ofwat sets price limits and efficiency benchmarks in five year intervals following consultation with the companies that it regulates. These five year determinations offer certainty to those companies and consumers. The decision determines the prices which one of EPIC's investment, Thames Water, can charge its consumers over the next five years.

As you will be aware, in its interim decision released in July, Ofwat recommended that prices remain broadly stable over the five years from April 2010. Under the Final Determination, Thames Water's future water and sewerage charges will be able to rise by 3% before inflation.

The Final Determination is still to be formally reviewed by Thames Water, and may yet be appealed. It is too early to assess what the decision means in relation to future dividends from Thames Water as the process is not yet complete. The Final Determination is being scrutinised by Thames Water, who is expected to comment further in January 2010. Thames Water may refer the Final Determination to the Competition Commission for further consideration. Until that process is complete, further comment which might impact on the process is inappropriate. EPIC's recent investment in Moto, a leading motorway service area operator in the UK, is both an important investment and diversified income stream for the company. EPIC's dividends to investors are less reliant on Thames Water's performance than was the case prior to the Moto investment.

I hope this helps to explain the situation. The Final Determination is an improvement – and we welcome that – but the process has some way to go yet. We will keep you fully informed.

Yours sincerely

Donald Walker

Chairman