

17 May 2005

## **Glas Cymru - update on financing and bond redemption**

Dwr Cymru Welsh Water, which is owned by Glas Cymru, announces that its financing arm, Dwr Cymru (Financing) Limited, has entered into new bank facilities totalling £380 million with a number of leading international banks. It is anticipated that the facilities will be used for general corporate purposes, including the funding of the planned capital expenditure programme set out in OFWAT's Final Determination for the period 2005/2010 and refinancing debt. Existing bank facilities of £150 million have been cancelled.

In addition, Dwr Cymru (Financing) Limited, has published notices to the holders of the three issues set out below that it intends to redeem each of the issues at their principal amount on 30<sup>th</sup> June, 2005 in accordance with their respective terms and conditions. The redemptions will be funded from a combination of existing cash resources and the bank facilities referred to above.

The following issues are being redeemed on 30<sup>th</sup> June, 2005:-

US\$286 million floating rate notes due 31<sup>st</sup> March, 2013 (class A3)

£100 million floating rate notes due 31<sup>st</sup> January, 2016 (class B2)

£125 million floating rate notes due 31<sup>st</sup> March, 2036 (class C2)

Chris Jones, the Finance Director of Dwr Cymru Welsh Water, commented:

"We are delighted by the support demonstrated by our banking group and look forward to working with them during the next five years. With their competitive pricing and revolving nature the bank financing facilities generate substantial cost savings, to the ultimate benefit of our customers."

Ends

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