

THE TAKEOVER PANEL

DISCLOSURE OF DEALINGS DURING OFFERS

EAST WORCESTERSHIRE WATER COMPANY

The Panel on Take-overs and Mergers draws attention to the announcement (copy attached) made earlier today that Lyonnaise des Eaux has disposed of its holding in East Worcestershire Water Company following a breach of Rule 8.3 of the City Code on Take-overs and Mergers.

The Panel emphasises the importance of the disclosure requirements of Rule 8 in ensuring a fair market in shares of companies involved in take-overs. This is one of the fundamental principles of the Code. Practitioners need to take particular care in the case of Rule 8.3 since that Rule applies to dealings by any person, even if that person is not associated with any of the parties to the offer, who either before or as a result of the dealings owns or controls (directly or indirectly) 1% or more of any class of relevant securities.

22 April 1988

Dashwood House, 69 Old Broad Street, London, EC2P2EE Telephone 01-726 4141 Telex 883341

Bankers Trust

Press Information

FOR IMMEDIATE RELEASE

22nd April, 1988

EAST WORCESTERSHIRE WATERWORKS COMPANY ('EAST WORCESTERSHIRE')

Lyonnaise des Eaux S.A. ("Lyonnaise") announces that it has today sold a total of £135,000 nominal 3.5 per cent, (formerly 5 per cent.) Maximum Ordinary Stock in East Worcestershire ("Stock") at a price of 425p per £1 nominal Stock. The Panel on Take-overs and Mergers required that Lyonnaise disposes of all nominal Stock purchased after 12.00 noon on 15 April, 1988, the time before which the purchase by Lyonnaise of £21,500 nominal Stock made on 14 April, 1988 through James Capel & Co and Bankers Trust International Limited should have been disclosed. As a result of this sale, Lyonnaise no longer has any beneficial interest in East Worcestershire.

Press enquiries:

Bankers Trust International Limited
Tel: 01-726 4141

Colin JG Keer
Alasdair G Dundas