
COMPLIANCE CERTIFICATE

To: Deutsche Trustee Company Limited as Note Trustee

From: Kelda Finance (No.1) Limited

Dated: 27 November 2015

Dear Sirs

**Trust Deed entered into between Kelda Finance (No.3) plc,
Kelda Finance (No.1) Limited, Kelda Finance (No.2) Limited and Deutsche Trustee Company
Limited
dated 22 January 2013 (the "Trust Deed")**

We refer to the Trust Deed. This is a Compliance Certificate. Terms defined in the Trust Deed have the same meaning when used in this Compliance Certificate unless given a different meaning herein.

1. We confirm that:

(a) Group RAR is, as at a Calculation Date, the ratio of Total Net Debt to RCV. As at the Calculation Date, on 30 September 2015:

(i) Total Net Debt was £4,808.9m; and

(ii) RCV was £5,720.9m.

Therefore Group RAR was 84.1% as at such Calculation Date and the covenant contained in paragraph (a) of Clause 8.1 (Financial Covenants) has been complied with;

(b) Group PMICR is, in respect of a Calculation Period, the ratio of Cash Flow for that Calculation Period less Capital Maintenance Expenditure to the Total Interest Service for the same Calculation Period.

In respect of the Calculation Period ending 30 September 2015:

(i) Cash Flow was £290.5m;

(ii) Capital Maintenance Expenditure was (£0.0m); and

(iii) Total Interest Service was (£158.1m).

In respect of the six month Calculation Period ending 31 March 2016:

(i) Cash Flow is projected to be £275.7m;

(ii) Capital Maintenance Expenditure is projected to be (£0.0m) and

(iii) Total Interest Service is projected to be (£79.9m).

Therefore Group PMICR is projected to be 2.38 times for such Calculation Period and the covenant contained in paragraph (b) of Clause 8.1 (Financial Covenants) has been complied with; and

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- (c) Conformed Group PMICR is, in respect of a Calculation Period, the ratio of Cash Flow for that Calculation Period less Depreciation, IRE not already deducted in the calculation of Cash Flow or Depreciation; and the Fast-Slow Adjustment to the Total Interest Service for the same Calculation Period.

In respect of the Calculation Period ending 30 September 2015:

- (i) Cash Flow was £290.5m;
- (ii) Depreciation was (£105.3m);
- (iii) IRE not already deducted in the calculation of Cash Flow or Depreciation was (£57.6m);
- (iv) the Fast-Slow Adjustment was £21.0m; and
- (v) Total Interest Service was £158.1m.

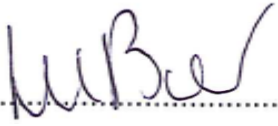
In respect of the six month Calculation Period ending 31 March 2016:

- (i) Cash Flow is projected to be £275.5m;
- (ii) Depreciation is projected to be (£105.3m);
- (iii) IRE not already deducted in the calculation of Cash Flow or Depreciation is projected to be (£57.6m);
- (iv) the Fast-Slow Adjustment is projected to be £21m; and
- (v) Total Interest Service is projected to be (£79.9m).

Therefore Conformed Group PMICR is projected to be 1.19 times for such Calculation Period and the covenant contained in paragraph (c) of Clause 8.1 (Financial Covenants) has been complied with.

2. We confirm that the Permitted Distributions made by the Obligors in the 6 calendar months prior to the date of this certificate amount to £35.2m in aggregate.
3. With reference to Clause 7.1.15 (Compliance Certificate) of the Trust Deed, we hereby certify that, to the best of our knowledge, information and belief (having made all reasonable enquiries) as at 30 September 2015, no Event of Default or Potential Event of Default and no Event of Default or Potential Event of Default, had existed at any time since 31 March 2015.

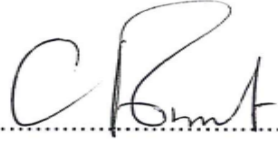
Signed:



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Liz Barber
Director

Signed:



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Chantal Forrest
Director