

Severn Trent Plc and Industrie De Nora SpA Reach Agreement for the Share Sale of Severn Trent's Water Purification Business to De Nora

Milan and London, May 14, 2015 – Severn Trent Plc and Industrie De Nora SpA have reached a definitive agreement for the share sale to De Nora of its Water Purification business – part of Severn Trent's Business Services organisation.

Through its operations in the USA, Europe and Asia, the Water Purification business is a global player in the water treatment products industry focused on electrochlorination, disinfection and filtration. It has a strong technology platform and a portfolio of brands and products recognised around the world for their quality and reliability. In addition to being known for its high quality products, De Nora, a well-established privately held company headquartered in Milan with offices and manufacturing facilities worldwide, brings very strong engineering and product development capabilities that will enhance the combined offering with innovative and robust solutions for customers around the world.

Since 2002, Severn Trent and De Nora have been partners in a successful Joint Venture, Severn Trent De Nora, which specialises in electrochemical processes for water and waste water treatment for the municipal, onshore and offshore energy and marine sectors. This entity, Severn Trent De Nora, is part of the transaction.

Severn Trent Plc took the decision to enter in the transaction after it recently reorganised and brought together its remaining non-regulated businesses into a new 'Business Services' division. The sale of the Water Purification business will allow the management team to focus on creating value from its core businesses in water and waste water services, which include Operating Services US, Operating Services UK, including non-household retail, and renewable energy.

Liv Garfield, Chief Executive Officer at Severn Trent Plc, commented: *"Over the last 18 months we've made a number of improvements to the Water Purification business, including improving our sales process and contract management. The business is now on a more stable footing and growing both the top and bottom line. However, it's clear that in order for the business to fulfil its growth potential it needs manufacturing and product expertise and focus so it's the right time for it to have a new owner. This sale will allow us to focus on our core water and waste water service businesses in the UK and abroad."*

"We remain committed to our Business Services portfolio, which is focused on delivering growth in water and waste water services in the UK and internationally."

electrochemistry at your service SM

INDUSTRIE DE NORA S.P.A.

Via Bistolfi, 35 - 20134 Milan Italy - ph +39 02 21291 - fax +39 02 21292425

Cap.Soc. €16.420.000 i.v. - Reg.imp.Milano - C.F./P.I. 03998870962

mail industriedenora@denora.com web www.denora.com

De Nora is recognised as the leading supplier of electrodes and systems and provides services and advanced electrochemical solutions for several industries. As part of its strategy to expand the scope of its business and technology portfolio, De Nora decided to further broaden its footprint in the water treatment sector. To that end, De Nora recently acquired one of the world's leading companies specialising in ozone technologies and processes.

Paolo Dellachà, Chief Executive Officer of Industrie De Nora declared: *"Water treatment has always been in the DNA of our company, and a substantial portion of our turnover is generated by sales of products addressing water issues. This acquisition certainly enhances the value creation for all customers in need of sustainable solutions for their water treatment requirements and for all our other stakeholders. Over the last few years, our management has been able to work in close collaboration with Severn Trent's Water Purification business, and we share mutual trust and respect that shall speed up the consolidation and enlargement of our product offering with their well recognised brands and products."*

"De Nora and the Water Purification business are already undertaking several joint projects across several key market needs like ballast water treatment, re-use of water used in fracking processes, and denitrification of wells for drinking water," added Luca Buonerba, Chief Marketing and Business Development Officer of De Nora. *"In addition, the planned full exploitation of De Nora's geographical presence in untapped market like India and Brasil, as well as our unique manufacturing and assembly capability, shall serve as a springboard to solidify De Nora's position as a major player in the global water arena."*

In this respect Lawrence Quinn, Chief Executive Officer of Severn Trent Water Purification, stated, *"We look forward to moving our considerable resources into a highly reputable and dynamic group that has, over the years, consistently demonstrated the ability to pursue meaningful business opportunities and achieve its goals thanks to its committed management and its lean and effective governance. The newly combined De Nora water business represents a unique opportunity for all customers looking for a "one stop shop" for their water purification needs; in this respect, the recent acquisition of ozone technology is a perfect complement to our disinfection offering."*

The transaction is expected to be completed before summer (by June 30).

EY Corporate Finance acted as sole financial adviser to Severn Trent, in respect of this divestment.

About De Nora

De Nora, a private multinational company with headquarter in Italy, provides its customers with safe, innovative and sustainable energy saving electrochemical technologies and environmental friendly solutions on worldwide basis. De Nora's products, systems and technologies, boosted by continuous investments in R&D, are adopted in a great variety of industries and applications from chlorine, chlorate and sodium hypochlorite production to water and waste water treatments, from surface finishing and cathodic protection to metal winning and metal recovery, from system for sanitisation of surfaces to equipment for agri-food processes. More information at www.denora.com

About Severn Trent Plc

Severn Trent Plc, a FTSE 100 company, provides and treats water and waste water in the UK, and internationally, through our two main businesses – Severn Trent Water and Severn Trent Services. More information can be found at www.severntrent.com.

About Severn Trent Business Services - Water Purification

Severn Trent Services - Water Purification (www.severntrentservices.com), with global headquarters in Colmar, PA, USA is a leading supplier of water and wastewater solutions worldwide providing innovative disinfection and filtration technologies for the municipal, energy and marine markets. Our water treatment technologies are backed by a global support network of experienced customer service representatives, application engineers and field service technicians. Severn Trent De Nora, LLC (www.severntrentdenora.com), a joint venture with De Nora, provides onshore and offshore energy and marine disinfection technologies for the following applications: power generation, desalination facilities, coastal industry, offshore oil and gas facilities, general marine, cruise vessel industry and navies worldwide.