

Interests of the directors in the plan are:

LONG TERM INCENTIVE PLAN

	AT 1 APRIL 2003	DATE AWARDED	MARKET PRICE AT DATE OF AWARD (PENNY)	GRANTED DURING YEAR	VESTED 07.10.03 YEAR	AT 31 MARCH 2004	EARLIEST VESTED DATE
M G Towers	–	03.09.03	404.0	25,742	–	25,742	02.09.06
R K Schmidt	47,363	08.06.01	319.75	–	–	47,363	07.06.04
	21,993	12.06.02	436.0	–	–	21,993	11.06.05
K I Whiteman	15,169	22.09.00	356.0	–	15,169	–	21.09.03
	14,805	08.06.01	319.75	–	–	14,805	07.06.04
	16,514	12.06.02	436.0	–	–	16,514	11.06.05
	–	03.09.03	404.0	51,485	–	51,485	02.09.06

In addition to the Vested Shares, 2,662 Dividend Shares were transferred to Mr Whiteman in accordance with the rules of the Kelda Group Long Term Incentive Plan. The market price of the shares on 25 May 2004 was 485.5p. The aggregate value of shares vested during the year was £76,272 (2003: £160,201). The vesting of shares in accordance with the performance criteria set out on page 33 was subject to audit.

By order of the Board
Philip Hudson
Group Company Secretary
26 May 2004

Directors' responsibilities.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are required by the Companies Act 1985 to prepare accounts which give a true and fair view of the state of affairs of the company and of the group as at the end of the financial year and of the profit or loss of the group for the financial year.

In preparing the accounts of the company and of the group, the directors confirm that they have:

- i) selected and consistently applied appropriate accounting policies;
- ii) made reasonable and prudent estimates and judgements, where appropriate;
- iii) followed applicable accounting standards; and
- iv) prepared the accounts on a going concern basis.

The directors are responsible for ensuring that the company and its subsidiary undertakings keep accounting records which disclose, with reasonable accuracy, the financial position of the company and the group and which enable them to ensure that the accounts comply with the Companies Act 1985. They also have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of both the company and the group and to prevent and detect fraud and other irregularities.

The above statement, which should be read in conjunction with the report of the auditors, is made with a view to distinguishing for shareholders the respective responsibilities of the directors and of the auditors in relation to the accounts.