

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST manual. All messages relating to the appointment of a proxy or an instruction to a previously appointed proxy must be transmitted so as to be received by Equiniti (ID RA19) no later than 11.00 am on Wednesday 22 July 2009.

Normal system timings and limitations will apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST manual concerning practical limitations of the CREST system and timings.

The company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Issued share capital

As at 27 May 2009 (being the latest practicable date prior to the printing of this document) (i) the company's issued share capital consisted of 681,485,632 ordinary shares of five pence each and 273,956,180 deferred shares of 170 pence each, and (ii) the total voting rights in the company were 681,485,632.

USEFUL INFORMATION FOR SHAREHOLDERS

Return of value

Following the sale of United Utilities Electricity Limited and a review of capital structure, the company returned value to shareholders through B shares redeemable in August 2008 and April 2009.

The following information is provided without responsibility or warranty for its accuracy or completeness for information only for the purposes of calculating UK capital gains tax (CGT) on United Utilities Group PLC ordinary shares and B shares: The closing United Utilities Group PLC ordinary share price for CGT purposes on 28 July 2008 was 699.25 pence. Additional CGT information can be found at unitedutilities.com/Capitalgainstax

Any shareholders or prospective shareholders who are in any doubt as to their tax position regarding the acquisition, ownership and/or disposal of United Utilities Group PLC ordinary shares and B shares should consult their tax advisers.

Key dates

During the next year we plan to:

- pay the 2009 final dividend on 3 August 2009;
- announce the half year results on 25 November 2009 (provisional);
- pay the 2009 interim dividend in February 2010;
- announce the final results for the 2008/09 financial year in May or June 2010;
- publish the Annual Report and Financial Statements, and the Corporate Responsibility Report in June 2010; and
- hold the AGM in July 2010.

Registrar

Our registrar, Equiniti, can be contacted on **0871 384 2041** or textphone for those with hearing difficulties: **0871 384 2255**. Their address is:

Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA.

Overseas shareholders may contact them on: **+44 (0)121 415 7048**.

Equiniti offers a low cost share dealing service by telephone: **0845 603 7037** and online at: shareview.co.uk/dealing Equiniti also offers a single company ISA (a Maxi or Mini shares-only individual savings account), for United Utilities' shares. For more information, call the number above.

American Depositary Receipts (ADRs)

United Utilities' shares are traded in the USA in the form of American Depositary Receipts (ADRs), and trade under the symbol UUGRY on the OTC market. Each ADR represents two shares. JPMorgan Chase & Co. is the depository and its address for enquiries is JPMorgan Chase & Co. P.O. Box 64504, St. Paul, MN 55164-0504.

adr.com/ShareholderServices/ShareholderServices.aspx

Telephone: **(800) 990-1135** or outside the US, **+1 (651) 453 2128** or email: jpmorgan.adr@wellsfargo.com

Donating shares to ShareGift

ShareGift is a charity that accepts donations of small numbers of shares which are uneconomic to sell on their own. Shares donated to ShareGift are aggregated and sold with the proceeds passed on to a wide range of UK charities. For further details go to ShareGift.org or write to ShareGift at 17 Carlton House Terrace, London SW1Y 5AH. Telephone: **+44 (0)207 930 3737**.

Warning to shareholders

Please be very wary of any unsolicited contact about your investments or offers of free company reports. It may be from an overseas 'broker' who could sell you worthless or high risk shares. If you deal with an unauthorised firm, you would not be eligible to receive payment under the Financial Services Compensation Scheme. Further information and a list of unauthorised firms that have targeted UK investors is available from the Financial Services Authority at moneymadeclear.fsa.gov.uk

Avoiding unsolicited mail

United Utilities is legally obliged to make its register of members available for inspection in some circumstances. This may lead to you receiving unsolicited mail. If you have a UK registered address and want to limit the amount of personally addressed unsolicited mail you receive, please write to the Mailing Preference Service, Freepost 29, LON20771, London W1E 0ZT, or register by telephoning **+44 (0)845 703 4599** or online at mpsonline.org.uk

Keeping you in the picture



FOR MORE INFORMATION VISIT:
UNITEDUTILITIES.COM

You can find information about United Utilities quickly and easily on the website, including:

- Annual Report and Financial Statements
- Corporate Responsibility report
- Other reports, company announcements and results

To obtain a paper copy of our Annual Report and Financial Statements 2009, write to the company secretariat at our registered office.

If you wish to change how you receive shareholder documents, please write to our registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, stating your name, shareholding and shareholder reference number.

Or, if you want to receive future notifications by email rather than post, you can arrange this at shareview.co.uk

United Utilities Group PLC

Registered Office:
Haweswater House
Lingley Mere Business Park
Lingley Green Avenue
Great Sankey
Warrington WA5 3LP

Telephone +44 (0)1925 237 000

Registered in England and Wales
Registered number 6559020



DEAR SHAREHOLDER



On behalf of the board, I am pleased to report a strong set of results, in this, my first year as chairman. These have been delivered in a difficult economic climate.

I was delighted to have been given the opportunity to join the board and I am looking forward to being involved in helping deliver the group's strategy, which is to focus on its core capabilities of managing utility infrastructure. The progress United Utilities is making in the areas of operational performance and customer service is encouraging, but there is more to do. The group's ambition is to achieve world class performance. Amongst other matters, this will mean that our safety record will be exemplary, our reputation as a good corporate citizen will be enhanced and we will continue to develop goodwill with our customers and other key stakeholders.

This year is, of course, a very important year for the water industry, with Ofwat making its price review decisions for the 2010-15 period. We are pleased with the quality of our final business plan, which we submitted to the regulator in April 2009 and which we believe balances the needs of all our stakeholders.

The board is proposing a final dividend for the year of 22.03 pence per ordinary share - in line with our policy following the sale of United Utilities Electricity and the £1.5 billion return to shareholders, as we outlined in last year's report.

Together with the interim dividend of 10.64 pence per ordinary share, the total ordinary dividend relating to the year is 32.67 pence. The final dividend is expected to be paid to shareholders on 3 August 2009.

With a consistent strategy in place, I believe we are well positioned to meet the challenges ahead. I would like to thank our shareholders, employees and customers who have given us strong support and I hope they will continue to share in United Utilities' success.

Accompanying this letter is the formal notice of our AGM. The board considers all the resolutions to be proposed to the meeting are in the best interests of the company and its shareholders. Your board will be voting in favour of them and unanimously recommends that you do as well.

Dr John McAdam, Chairman

Revenue from continuing operations increased by

3% to **£2,434.7m**

Operating profit from continuing operations increased by

11% to **£735.2m**

Total dividend per ordinary share at

32.67p

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other independent adviser duly authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in United Utilities Group PLC you should pass this document to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

AVAILABILITY OF 2009 ANNUAL REPORT AND FINANCIAL STATEMENTS

This is the first year that we have taken advantage of new legal provisions about shareholder communications. The letter sent to you with your February 2009 dividend invited you to choose to continue to receive printed copies of shareholder documentation or to receive notice by either post or email that documents such as our Annual Report and Financial Statements are available on our website. If you did not respond, you were deemed to have agreed to access the documents on our website. By choosing to view these documents online, you are helping us reduce our costs and our impact on the environment.

Our 2009 Annual Report and Financial Statements can be accessed directly at unitedutilities.com/annualreport2009, or alternatively, via the unitedutilities.com website and the Investor Relations/Corporate Reports headings.

Notice of Annual General Meeting

The annual general meeting will be held at 11.00 am on Friday 24 July 2009 at the Midland Hotel, Peter Street, Manchester M2 3NQ.

Ordinary business

- 1 To receive the financial statements and the reports of the directors and auditors for the year ended 31 March 2009.
- 2 To declare a final dividend of 22.03 pence per ordinary share.
- 3 To approve the directors' remuneration report for the year ended 31 March 2009.
- 4 To reappoint Philip Green as a director.
- 5 To reappoint Paul Heiden as a director.
- 6 To reappoint Andrew Pinder as a director.
- 7 To reappoint Deloitte LLP as auditors of the company.
- 8 To authorise the directors to set the auditors' remuneration.

Special business

To consider, and if thought fit, pass the following resolutions. Resolutions 9 and 13 will be proposed as ordinary resolutions and resolutions 10, 11, and 12 as special resolutions:

- 9 That the directors be and they are hereby generally and unconditionally authorised in accordance with section 80 of the Companies Act 1985 ('the Act') to exercise all the powers of the company to allot relevant securities (as defined in section 80(2) of the Act) of the company up to an aggregate nominal amount of £11,358,093 provided that this authority shall expire on the earlier of the conclusion of the next annual general meeting of the company and 30 September 2010, save that the company may, before such expiry, make any offer or agreement which would or might require relevant securities to be allotted after such expiry and the directors may allot relevant securities in pursuance of such an offer or agreement as if the authority conferred hereby had not expired. This authority is in substitution for all authorities subsisting at the time this resolution is passed.
- 10 That the directors be and they are hereby empowered pursuant to section 95(1) of the Act to make an allotment or allotments of equity securities (as defined in sections 94(2) and 94(3A) of the Act) of the company, pursuant to any general authority conferred on the directors, as if section 89(1) of the Act did not apply to any such allotment, provided that this power shall be limited to:
 - (a) the allotment of equity securities in connection with a rights issue or other issue in favour of the holders of ordinary shares and in favour of holders of any other class of equity security in accordance with the rights attached to such class, where the equity securities respectively attributable to the interests of such persons are proportionate (as nearly as may be) to the respective numbers of equity securities held by them, subject only to such exclusions or other arrangements as the directors may judge to be necessary or expedient to deal with fractional entitlements or any legal or practical problems arising under the laws of any territory, or due to any shares being represented by depository receipts, or to deal with the requirements of any recognised regulatory body or any stock exchange in any territory; and
 - (b) the allotment (otherwise than pursuant to sub-paragraph (a) of this resolution) of equity securities which are, or are to be, wholly paid up in cash and have an aggregate nominal amount not exceeding £1,703,714;

and provided further that the authorities conferred by sub-paragraphs (a) and (b) of this resolution shall expire on the earlier of the conclusion of the next annual general meeting of the company and 30 September 2010, save that in any such case, the directors may, before such expiry, make any offer or agreement which would or might require equity securities to be allotted after such expiry and the directors may allot equity securities in pursuance of any such offer or agreement as if the authority conferred had not expired. These authorities are in substitution for all authorities subsisting at the time this resolution is passed.

- 11 That in accordance with Chapter VII of Part V of the Act, or otherwise as permitted by law and by the company's articles of association, the company be and is hereby generally and unconditionally authorised to make market purchases (as defined in section 163(3) of the Act) of its own ordinary shares of five pence each on such terms and in such manner as the directors of the company may from time to time determine, provided that the authority conferred by this resolution shall:

- (a) expire at the conclusion of the next annual general meeting of the company, or if earlier on 30 September 2010;
- (b) be limited to the purchase of a maximum of 68,148,563 ordinary shares;
- (c) require that the company does not pay less than five pence for each share;
- (d) not permit the payment per ordinary share of an amount (excluding expenses (if any) payable by the company) which is more than the higher of (1) five per cent above the average of the middle market quotations for an ordinary share derived from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which any such share is contracted to be purchased by the company; and (2) the amount stipulated by Commission Regulation (EC) 2273/2003;
- (e) before its expiry entitle the company to enter into any contract for the purchase of ordinary shares which might be executed and completed wholly or partly after its expiry; and
- (f) only be capable of variation, revocation or renewal by special resolution of the company in general meeting.

- 12 That a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

- 13 That, in accordance with Part 14 of the Companies Act 2006, the company and each company which is or becomes a subsidiary of the company at any time during the period for which this resolution has effect be and are hereby authorised:

- (a) to make political donations to political parties and/or independent election candidates to which Part 14 of the Companies Act 2006 applies, not exceeding £50,000 in total;
- (b) to make political donations to political organisations other than political parties, not exceeding £50,000 in total; and
- (c) to incur political expenditure, not exceeding £50,000 in total;

in each case during the period beginning with the date of the passing of this resolution and ending on the earlier of the conclusion of the next annual general meeting of the company and 30 September

2010. In any event, the aggregate amount of political donations and political expenditure made or incurred by the company and its subsidiaries pursuant to this resolution shall not exceed £150,000.

For the board Tom Keevil Company secretary	Registered office: Haweswater House Lingley Mere Business Park Lingley Green Avenue Great Sankey Warrington WA5 3LP
27 May 2009	

EXPLANATORY NOTES

The following notes explain some of the items of ordinary business.

Resolution 1: Annual Report and Financial Statements

The directors of the company are required to lay before the meeting the financial statements of the company for the financial year ending 31 March 2009, the directors' report, the remuneration report and the auditors' report on the financial statements and the audited parts of the remuneration report.

Resolution 2: declaration of dividend

The board is recommending a final dividend of 22.03 pence per ordinary share. If approved, it will be paid on 3 August 2009 to shareholders on the register at the close of business on 19 June 2009.

Resolution 3: remuneration report

UK listed companies must put an ordinary resolution to shareholders at the AGM seeking approval of the remuneration report. The vote is advisory in nature, in that payments made or promised to directors will not have to be repaid, reduced or withheld in the event that the resolution is not passed.

Resolutions 4 to 6: reappointment of directors

The articles of association of the company require directors to retire at the third annual general meeting following their last election by shareholders at a general meeting. Under the transitional arrangements which were made at the time of the establishment of United Utilities Group PLC as the new listed parent company of United Utilities PLC, a director's last election by shareholders at a general meeting of United Utilities PLC will be treated as if it had been an election made by the shareholders of United Utilities Group PLC. Philip Green and Paul Heiden were last appointed by the shareholders of United Utilities PLC in 2006 and so retire and offer themselves for reappointment. The articles of association require a total of one third of the directors to retire by rotation at each annual general meeting. Andrew Pinder has been determined by lot as being the director to retire under the articles in order to satisfy this requirement. He was last re-elected in 2007 and retires and offers himself for reappointment.

Following formal performance evaluation by the board, and individual appraisal by the chairman, the other board members unanimously concluded that each of Philip Green, Paul Heiden and Andrew Pinder continue to be effective and to demonstrate the required commitment to their respective roles of chief executive officer and non-executive directors of the company. The board therefore unanimously recommends that each be reappointed.

Philip Green, aged 56, was appointed to the board in February 2006 as chief executive officer and also serves on the nomination committee. He was previously chief executive of Royal P&O Nedlloyd until its acquisition by AP Moller-Maersk A/S, and before that a director and chief operating officer at Reuters Group PLC, and

chief operating officer at DHL for Europe and Africa. He is a non-executive director of Lloyds Banking Group plc, a director of Business in the Community and a trustee of the Philharmonia Orchestra Trust.

Paul Heiden, aged 52, was appointed to the board in October 2005 as an independent non-executive director and is chairman of the audit and treasury committees, as well as serving on the nomination committee. He is also executive chairman of Talaris Topco Limited and was formerly chief executive of FKI plc and prior to that group finance director of Rolls-Royce plc. He previously held senior finance roles at Hanson PLC, Mercury Communications and non-executive directorships of Bunzl plc and Filtrona plc.

Andrew Pinder, aged 62, was appointed to the board in September 2001 as an independent non-executive director and currently serves on the nomination and remuneration committees. He is also senior independent non-executive director of Spring Group plc, a director of Entrust (Europe) Limited, and a member of the Intel Global Advisory Board. He was previously e-Envoy to the UK government, chairman of British Educational Communications and Technology Agency, a partner in a venture capital firm and held senior operations and technology roles at Citibank and Prudential and Director of IT at the Office of the Inland Revenue (now HMRC).

Special business: Resolution 9 and 10: authorising the directors to issue shares

Resolution 9 will give the board the authority to allot up to 227,161,877 ordinary shares of five pence each. That represents one third of the issued ordinary share capital of the company at 27 May 2009. At that date the company did not hold any of its shares in treasury.

If the directors wish to allot shares, or sell the company's own shares out of treasury for cash, the Companies Act 1985 requires that, subject to certain exceptions, these shares must first be offered to existing shareholders in proportion to their existing holdings. The directors are seeking authority in resolution 10 to allot a limited number of shares for cash and to dispose of treasury shares without having to first make such an offer. The number of new ordinary shares which might be so allotted or sold out of treasury for cash would be limited to an aggregate maximum of 34,074,281 ordinary shares. That represents five per cent of the issued ordinary share capital of the company at 27 May 2009.

The directors do not intend at present to use the authorities proposed by the two resolutions, both of which will expire at the end of the AGM to be held in 2010 or, if earlier, on 30 September 2010.

Resolution 11: authorising the company to make market purchases of its own shares

The Companies Act 1985 permits a company to purchase its own shares if so authorised by the shareholders in general meeting. The directors do not intend at present to use this power but consider it prudent to retain the flexibility to do so. They would consider exercising this authority only if they felt it was in the best interests of the company and after considering the effects on earnings per share and the benefits for longer-term shareholders.

This resolution, if passed, would permit the purchase of up to 68,148,563 ordinary shares, being ten per cent of the issued ordinary share capital of the company at 27 May 2009. It does not mean that the company will buy its own shares at any particular price or indeed at all. The resolution also specifies the

maximum and minimum prices at which the company can buy the shares and the authority would expire at the end of the 2010 AGM, or, if earlier on 30 September 2010.

Any shares so repurchased would either be cancelled, or be held by the company as treasury shares, in which case they would carry no voting rights and no entitlement to receive any dividend for as long as they are held as treasury shares. As at 27 May 2009, options over 3,850,468 ordinary shares were outstanding and not exercised. That number represents 0.57 per cent of the company's issued ordinary share capital at 27 May 2009. It would represent 0.63 per cent of the issued ordinary share capital if the proposed authority to buy the company's own shares had been used in full at that date and the shares so purchased had been cancelled.

Resolution 12: notice of general meeting

This resolution is a response to the proposed implementation in August 2009 of the EU Shareholder Rights Directive. The regulation implementing this directive will increase the notice period for general meetings of the company to 21 days. Under the Companies Act 2006, and under its articles of association, the company is currently able to call general meetings (other than an AGM) on 14 clear days' notice and would like to preserve this ability. In order to be able to do so after 3 August 2009, shareholders must have approved the calling of meetings on 14 days' notice. The approval will be effective until the 2010 AGM, when it is intended that a similar resolution will be proposed. Resolution 12 will be proposed as a special resolution.

Resolution 13: authorising political donations and political expenditure

Shareholder approval is required for donations to political parties, independent election candidates and other political organisations, and for other political expenditure. The company does not make, and does not intend to make, donations to political parties. However, the definition of political donations is very broad and includes expenses incurred as part of the process of having dialogue with members of parliament and opinion formers to ensure that the issues and concerns of United Utilities are considered and addressed. The resolution seeks to ensure that the company and its subsidiaries remain within the law in carrying out these activities.

AGM - GENERAL INFORMATION Admission

Please bring your admission card. It contains your unique shareholder number and will speed up the registration process. It also serves as your poll card. This helps us count your votes quickly and accurately after the meeting. If you do not bring your admission card, you will need proof of identity before we can admit you. Security checks will be made and we reserve the right to search bags before allowing entry. The doors will open at 10.00 am and the meeting starts at 11.00 am.

Only shareholders on the company's register of members at 6.00 pm on Wednesday 22 July 2009 will be eligible to attend or vote at the AGM. If the meeting is adjourned, then only shareholders on the company's register of members as at 6.00 pm on the day two days prior to the day fixed for the adjourned meeting will be eligible to attend.

Documents you can look at

Minutes of previous general meetings, executive directors' service contracts and non-executive directors' letters of appointment are available for inspection by shareholders during business hours (from 9.00 am to 5.00 pm on weekdays) at our registered office. They will also be available for inspection from at least 15 minutes prior to the AGM until the close of the meeting.

Appointing one or more proxy

Every shareholder has the right to appoint one or more persons as proxy to exercise all or any of their rights to attend, speak and vote at the AGM. A proxy need not be a shareholder. A shareholder may appoint more than one proxy provided each proxy is appointed to exercise rights in respect of a different share or shares held by the shareholder. You may appoint one or more proxy electronically (see below) or by completing, detaching and returning the proxy form attached to your admission card and enclosed with this notice. To be valid, completed proxy forms must be received by the company's registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6GP by no later than 11.00 am on Wednesday 22 July 2009.

To appoint more than one proxy, you may photocopy the form of proxy or request additional forms from the company's registrar, Equiniti, by telephone on **0871 384 2041** or by writing to them at the above address. Multiple proxy appointments should be returned together in the same envelope.

Persons nominated to enjoy information rights

If you are not a shareholder, but enjoy information rights under the Companies Act 2006, you are not entitled to appoint a proxy. However, there may be an agreement between you and your nominating shareholder which entitles you to be appointed, or to have someone else appointed, as their proxy. If you do not have this right, or do not wish to exercise it, you may still be entitled under such an agreement to give instructions to that shareholder as to how you would like them to vote.

Electronic proxy voting

Shareholders can register the appointment of a proxy for this meeting at sharevote.co.uk which is run by Equiniti. To do this, you will need the three numbers (voting ID, task ID and shareholder reference number) that are quoted on your proxy form. Then follow the instructions on the website.

Please read the terms and conditions relating to the use of this facility before appointing a proxy. These terms and conditions may be viewed on the website. Any electronic communication sent by a shareholder that is found to contain a virus will not be accepted.

CREST electronic proxy appointment service

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to act on their behalf.