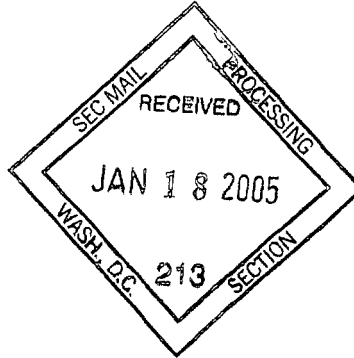


Securities and Exchange Commission  
450 Fifth Street N.W.  
Washington  
D.C.20549  
U.S.A.

SUPPL



Our Ref: LB/CS/24/3

Your Ref: 82-2782

12 January 2005

Dear Sirs

**RE: Stock Exchange Announcement**

Please find attached a copy of the stock exchange announcement issued on behalf of Kelda Group plc with effect from 12 January 2005.

This announcement is being made pursuant to Rule 12g3 - 2 (b), please note the file number for your reference 82-2782.

Yours faithfully

Lesley Bryenton  
Shareholder Relations Officer

PROCESSED  
JAN 24 2005  
THURSDAY  
FINANCIAL

Kelda Group plc announces that following its selection as preferred bidder reported in its interim results announcement on 8 December, it has now entered into the asset operation agreement with Dwr Cymru/Welsh Water for the operation and maintenance of Dwr Cymru's waste water collection and treatment facilities in South Wales. The agreement is for 15 years, subject to 5 yearly reviews, and is expected to be worth approaching £700 million in total revenues.

For further information contact:

Rob Salmon

Director of Corporate Affairs

01274 692639

END

For related news, double click on one of the following codes:

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[KEL.L\c]

For related price quotes, double click on one of the following codes:

<KEL.L>

Wednesday, 12 January 2005 14:27:47

PRN [nPRA1CACF]