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7 April 2006

Securities & Exchange Commission
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SUPPL

Dear Sir/Madam

In reference to **File Number 082-02819**, I enclose a copy of a Stock Exchange Announcement released today.

Yours faithfully

Gemma Knowles
Company Secretarial Assistant

Encl.

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The Board of Severn Trent Plc announces today that it is giving Ofwat an interim report into misreporting of customer relations data.

As a result of an ongoing comprehensive review of Severn Trent Water by its managing director, Tony Wray, and his new management team, the Board of Severn Trent Plc believes there is prima facia evidence of customer relations data being misstated by Severn Trent Water in submissions to Ofwat. The data concerns the handling of customer billing queries and telephone contacts over several years. Any financial implications of the gap in reporting are not yet known.

Ofwat has been kept fully informed since the investigation began at the end of February and the report is expected to be completed by June. Ofwat will carry out an independent review using forensic accountants who will report to both Severn Trent Water and Ofwat.

Colin Matthews, the Group Chief Executive of Severn Trent Plc, said: "This investigation is the result of an ongoing review of all our business operations started by the new management team as part of our programme of continuous improvement. We are determined to resolve any issues uncovered as soon as possible. We shall continue to work in full and open co-operation with Ofwat and obviously if customers have been disadvantaged then we shall reimburse them."

FOR FURTHER INFORMATION CONTACT:

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