



May 11, 2010

Mitsubishi Corporation
Innovation Network Corporation of Japan
JGC Corporation

PRIVATE PUBLIC CONSORTIUM ACQUIRES AUSTRALIAN WATER COMPANY

Mitsubishi Corporation (MC), Innovation Network Corporation of Japan (INCJ), JGC Corporation (JGC) and Manila Water Company, Inc. (MWC) have agreed to acquire from United Utilities PLC (United Utilities) its 100% owned subsidiary United Utilities Australia Pty Limited and its Australian related entities (UUA). The transaction value is approximately AUD225 million, comprising AUD176 million in cash and AUD49 million in net debt.

The participation of INCJ means this is the first water project involving a Japanese public private consortium outside of Japan.

Since its inception in 1991, UUA has established itself as a strong participant in the Australian water industry, providing a range of water and wastewater services to over three million people through a number of projects across Australia. UUA's capabilities cover the full life cycle of water and wastewater treatment projects including project finance, design and construction upgrades and refurbishments, operation and maintenance, asset management, utility services, laboratory testing, billing and customer services. UUA also has access to desalination, industrial wastewater treatment and reclamation technologies.

Going forward, MC, INCJ, JGC and MWC will work together to undertake UUA's existing 14 projects and continue to manage and grow the UUA business in Australia.

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Contact:

Innovation Network Corporation of Japan
Tel: +81 3 5218 7200



Mitsubishi Corporation

MC has been a shareholder in MWC, which is considered one of the world's most successful examples of privatization in the water business, since MWC's original establishment in 1997. MC is one of the pioneers of water privatization in Japan through its business activities such as the establishment of joint venture Japan Water Corporation. In April of 2009, MC established its Corporate Development Section to concentrate on new business fields such as new energy, environment, and water. Since business operations in these areas have been developing, in April of 2010, MC established the Global Environment Business Development Group for the purpose of further commitment in these areas. Also, in order to create Japan's leading water business company, MC, in cooperation with JGC, acquired 33% of shares of Ebara Engineering Service Co., Ltd., which is an affiliate water business company of EBARA CORPORATION (EBARA). Since April of 2010, MC, JGC and EBARA have been in cooperative management of Ebara Engineering Service Co., Ltd.

Innovation Network Corporation of Japan

INCJ was established in July 2009 as a public-private partnership that provides financial, technological and management support for next-generation businesses. INCJ specifically supports those projects that combine technologies and varied know-how across industries and materialize open innovation. INCJ has the capacity to invest up to US\$10 billion. INCJ recently concluded a cooperation agreement with the Bureau of Waterworks of the Tokyo Metropolitan Government. With this agreement, first-class operational know-how for water supply service is available for overseas projects through INCJ. INCJ is actively reviewing various investment opportunities in areas of environment and energy, electronics and IT, bio-tech, and infrastructure such as water supply, railway service, and nuclear power supply. This is the first infrastructure project in which INCJ has invested.

JGC Corporation

JGC has been engaged in enterprise investments reinforcing its water business as one of its core operations. In the Middle East, JGC has been a shareholder of three Independent and Water Power Producer projects in Abu Dhabi and Saudi Arabia. Also in China, JGC has been participating in the operation of seawater desalination in Tianjin cooperatively with Hyflux Ltd. Adding to these operations, JGC, in cooperation with MC, acquired 33% of shares of Ebara Engineering Service Co., Ltd., which is an affiliate water business company of EBARA. Since April of 2010, JGC, MC and EBARA have been in cooperative management of Ebara Engineering Service Co., Ltd. Also, JGC has achieved satisfactory results in lake water purification projects in China. JGC has developed both proficiency in project management through numerous, large-scale projects, and its technology for a wide spectrum of areas including water related operations. The company intends to parlay this along with its global EPC (Engineering, Procurement, Construction) implementation network, project management capabilities, and total engineering expertise into a broader and more comprehensive portfolio in the water business, especially in areas with high water demand such as the Middle East.

The project overall of acquisition of United Utilities Australia Pty. Limited and Australian related companies

- ① Entity: United Utilities Australia Holdings B.V.
- ② Business: O&M,D&C and asset ownership of WTP,WWTP, Industrial WWTP, and desalination plant in 4 states(14 projects)
- ③ Employees: approximately 150 people
- ④ The map of Australia indicating the places of the plants and the description

