MODERNWATER

13 March 2013

Modern Water plc ("Modern Water" or "the Company")

FINAL RESULTS

Modern Water (AIM:MWG), the owner of world-leading technologies for the production of fresh water and monitoring of water quality, announces Full-Year Results for the 12 months ended 31 December 2012

Highlights

Operational

- World's first commercial forward osmosis plant completed in Oman followed by 12-month Operation and Maintenance contract
- Framework agreement signed with key operator in Chinese water industry to identify and develop opportunities in China, including desalination plants
- Agreement signed with Kuwaiti conglomerate to promote forward osmosis technology for make-up water in evaporative cooling systems
- High-profile applications of Modern Water technology, including London Olympics and BP Deepwater Horizon oil spill clean up
- Two new state-of-the-art facilities opened in the UK and US

Financial

- Total revenue increased to £3.8m in 2012 from £1.2m in 2011, including £3.4m from the Monitoring division
- Gross profit margin of 38% (2011: 37%)
- Strong financial position with no debt and cash of £5.7m
- Cash position further strengthened after the year-end with successful placing of new shares raising £10m (before expenses)

Commenting on the results, Neil McDougall, Executive Chairman of Modern Water, said:

"2012 was a year of exciting progress at Modern Water. We saw the opening of the world's first commercial forward osmosis plant, key trade partnership agreements in China and Kuwait, and a significant rise in Group revenue.

"In the Membrane Processes division, the Al Najdah forward osmosis plant produced first water in the summer and we have since entered a 12-month Operation and Maintenance phase. We look forward to continuing the commercial roll-out of this technology through further projects. Supporting our strategy is the framework agreement signed with Hangzhou Water in China together with the agreement with Kazema in Kuwait. Both agreements are expected to boost our business development in these two key regions and we hope to be able to announce our first project over the summer of this year.

“In the Monitoring division we extended our product portfolio through key licensing agreements and we have improved efficiency by reorganising our distribution network. We also opened two new sites, in Delaware, US and Cambridge, UK where state-of-the-art facilities now reside.

“We continue to invest in research; in 2012 we extended our patent portfolio and now have 99 granted patents. Demand continues to rise as there is a growing need for our technologies with water shortage becoming an increasing issue in both developing and developed countries.

“We are committed to growing the Company, and began 2013 strongly with the successful placing of 20 million new shares, raising £10m before expenses. We are focusing on increasing the reach and extent of our marketing activities, and continuing to concentrate on all our key markets, providing leading technologies to customers and maximising shareholder value.”

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Notes to editors

Modern Water owns, installs and operates world-leading membrane technology and develops and supplies advanced systems for water monitoring. Its shares trade on the Alternative Investment Market of the London Stock Exchange.

Modern Water's patented forward osmosis (FO) technology’s benefits include lower energy consumption and reduced environmental impact in a variety of industries. With a sales presence in almost 60 countries, the Group's Monitoring Division includes a leading real-time continuous toxicity monitor and trace metal analysers for monitoring the quality of drinking water.

www.modernwater.com

CHAIRMAN'S STATEMENT

Neil McDougall

I am delighted to report that 2012 was another successful year for Modern Water, both for our Membrane Processes and Monitoring divisions. Key highlights of the year include the successful completion of the world's first commercial FO plant at Al Najdah in Oman, signing agreements with companies in China and Kuwait and increasing sales of our monitoring products. We enjoyed strong growth with total revenue increasing to £3.8 million in 2012 from £1.2 million in 2011.

After the year-end, the Group's cash position was strengthened following a share placing which raised £10 million before expenses, in March 2013. The strong support demonstrated by both existing and new shareholders shows confidence in our business strategy. The funds raised will enable the Group to invest in its growth strategy in key markets, particularly China and the Middle East. It also allows Modern Water to invest in the next level of improvements in membrane efficiency and grow the Monitoring division through acquisitions.

Membrane Processes Division

In September 2012 the Group announced the installation and commissioning of the world's first commercial FO plant at Al Najdah in Oman; a significant milestone in the commercial roll-out of our FO technology. The revenue from the construction phase of this project was recognised during 2012 and the initial 12-month Operation and Maintenance phase is progressing well having commenced in September 2012.

During the second half of the year the Group entered into a framework agreement with Hangzhou Development Center of Water Treatment Technology, Company Limited (Hangzhou Water) in the People's Republic of China. This partnership allows both companies to jointly identify and develop seawater desalination plants and other water related opportunities in China. The Group also signed an agreement with Kazema Global Holding KSCH in Kuwait which will see us working together to promote our FO technology for make-up water in evaporative cooling systems, strengthening Modern Water's position as a provider of water solutions in the Middle East. I am pleased to report that in addition to the signing of these two agreements we are now in discussions about several potential projects in the Middle East and China and it is anticipated that the first project will be announced in the summer of 2013.

Monitoring Division

We enjoyed further growth in our Monitoring division in 2012. Product sales continued to increase with revenue for the full year reaching £3.4 million (2011: £1.2m).

The Monitoring division has also extended its product portfolio through key licensing agreements signed during 2012, and has reorganised its distribution network for greater efficiency.

Overview

Modern Water has made considerable progress in 2012. Both our Membrane Processes and Monitoring divisions have developed substantially and we enter 2013 well placed to continue to grow. The Group remains financially strong and debt free, with cash of £5.7 million as of 31 December 2012. A further £9.5 million net proceeds were raised from the share placing in March 2013. On behalf of the Board I would like to thank all of my colleagues at Modern Water for their on-going support and commitment as we look ahead to further success.

CEO's BUSINESS REVIEW

Simon Humphrey

Our growth strategy

Our vision is simple; to continue to scale-up the level and reach of market activities in both our Membrane Processes and Monitoring divisions.

Our Membrane Processes division provides high value technology services and support to partner organisations in the desalination industry. To achieve our growth strategy we will work with existing partners in our key markets to secure further municipal and industrial desalination projects. Additionally, we will continue to broaden the application of our technology by seeking further partnerships in other industries.

We will accelerate growth in the Monitoring division through strategic partnerships and targeted acquisitions and grow by licensing and acquiring innovative, proven products to leverage through our global distribution network.

Membrane Processes

Commercial roll-out

The commercial roll-out of our technology began in 2011 with the award of the world's first commercial FO desalination plant at Al Najdah in Oman. During 2012 we signed agreements with companies in China and Kuwait which will bring opportunities for new commercial contracts and see Modern Water provide technical support to the main contractor.

> ***Case study - The world sees the first commercial FO desalination plant installed at Al Najdah in Oman***
> Modern Water completed the commissioning of its 200 cubic metres per day FO desalination plant at Al Najdah in September 2012. The contract to design, build, install and commission the plant was awarded in June 2011 by Oman's Public Authority for Electricity and Water (PAEW). Upon completion Modern Water entered into a 12-month operation and maintenance (O&M) phase.
> The plant started operating at full capacity in July 2012 and supplies the local community with a much needed source of potable water. Modern Water has also recruited a number of people from the local area who have been trained and are now working as part of the operations team.

Our markets

Our world-leading FO technology can potentially play an important part in helping to ease water scarcity globally. It has demonstrated that high quality potable water can be produced in the most demanding conditions and continues to show a number of benefits over other forms of desalination which has attracted a high level of interest around the world. In September our Al Khaluf FO desalination plant was featured on BBC World as an example of how such technology can really make a difference in water stressed locations. The programme featured local villagers who had received water for the first time and who talked about how the plant had changed their lives. The programme can be seen by going to the BBC website - http://www.bbc.co.uk/news/business-19769041

We have identified the Middle East and China as key markets for our technology.

The Middle East contains some of the world's most water-stressed countries including Bahrain, Qatar, Kuwait and Saudi Arabia. The Gulf countries have few alternatives to desalination when it comes to developing their water resources and they house around 70% of the world's desalination plants. Over the next ten years it is anticipated that the Middle Eastern economy will see significant growth combined with rising temperatures and an expanding population. This will lead to additional demand for water.

China is another important market for Modern Water as there is a clear water scarcity challenge in the country. In 2011 China had 20% of the world's population but only 7% of its water resources and currently 400 out of 668 Chinese cities are facing water shortages. It is predicted that in the next five years China is set to become the second largest desalination market in the world after Saudi Arabia.

Modern Water's commercial roll-out and expansion within China coincides with the Chinese Government announcing in 2012 that its latest five year plan includes investing US$536bn in environmental protection.

Resources
Following increased business activity we have recruited a number of senior management staff during 2012. These appointments strengthen our existing Membrane Processes division and continue to add industry knowledge to our highly experienced team.

Monitoring Division

The Monitoring division has made significant progress in 2012. The SDIX Water Quality division acquisition was successfully integrated into Modern Water and has resulted in the development of three key areas for our Monitoring division's product portfolio; Toxicity, Trace Metals and Environment.

Our toxicity products use bioluminescent bacteria that detect the presence of toxic substances in water, soil, food and industrial processes. These products have a number of uses including portable and online as well as laboratory, and include the market leading brand, Microtox®. The trace metal range of products also includes both online and portable instruments to monitor and control metals discharged from industrial processes or in naturally occurring aquifers. The environmental monitoring systems selectively identify and quantify contaminants including various explosives, pesticides and hydrocarbons.

During 2012 the division opened two new premises in Delaware, US and in Cambridge, UK. Both facilities contain state-of-the-art laboratories as well as customer support services, product demonstration areas and office space. The UK premises now house our centralised laboratory for sample testing across Europe and Asia while our US office provides these facilities for the Americas.

Case study - Modern Water's monitoring products used at London Olympic Games
Our Microtox® M500 was used during the 2012 Olympic and Paralympic Games in London to monitor water quality. Microtox® is a market leading analyser which detects toxins in water and has been used at every summer Olympics and Paralympics since 1984.
Thames Water, the provider of all the drinking water for this year's Games used the Microtox® M500 to ensure the provision of safe, clean drinking water at the Olympic Park. Thames Water took a daily sample from each of the major Olympic venues and used the Microtox® M500 extensively at

its main laboratory in Reading to analyse the water quality.
The product tests for toxicity and detects any toxic substance.

Expanding product portfolio
In line with our strategy we have expanded our product portfolio with the addition of new licensed products for our Environmental range from Multisensor Systems Limited and Chelsea Technologies Group Ltd. An updated portable trace metal monitor was also launched at the 2012 Water and Wastewater Environmental Monitoring (WWEM) exhibition in Telford, UK.

Distribution network
In response to the continued growth of the division during 2012, we restructured our sales focus into three geographical regions, the Americas, EMEA and Asia. This allows us to provide stronger support to our growing distribution network. By the end of the year we had recorded sales in almost 60 countries across the world.

In June, the division held its first sales conference for its Asia Pacific distributors in Indonesia. The conference attracted more than 40 distributors from the region. It was a huge success and demonstrated Modern Water's new and existing product ranges.

Operational Review
With increased sales of trace metal products and a full year of sales from toxicity and environmental products, the Monitoring division increased sales almost threefold in 2012, achieving sales of £3.4m (2011: £1.2m). Recurring revenues of service contracts and reagent sales account for £1.1m per year.

We enter 2013 with a strong pipeline of orders and the capacity to further accelerate growth through strategic partnerships and targeted acquisitions.

Group Performance

Intellectual Property
Protecting our proprietary technology around the world is a fundamental part of our strategy. During 2012 we increased our patent portfolio with an additional 19 patents granted in 17 jurisdictions. The Group now holds 99 granted patents and has 69 pending applications. The Membrane Processes division holds 71 granted patents across the six main patent groups of solvent removal, osmotic energy, cooling apparatus, enhanced oil recovery, solar pond and thermal desalination. The Monitoring division currently holds 24 granted patents and the remaining four patents have been granted for other technologies.

Resources
The Group currently employs 57 permanent staff and also deploys contract staff as required. Both the Membrane Processes and Monitoring divisions have increased in size during the reporting period.

Where possible, the Group utilises local expertise by employing people from the communities in which we operate. During 2012 this included six local Omani operators at our Al Najdah and Al Khaluf plants in Oman.

Risks and Uncertainties
The risks inherent in the operation of the Group are well understood by the Board of Directors and the management team. Principal risks and uncertainties are described in detail in the Directors' Report. Control measures have been established to ensure that these and other risks are adequately controlled both in terms of frequency and

consequences. The internal control environment is described in the Corporate Governance Statement.

Financial Review

Summary

The financial position of the Group is strong with £5.7m cash in the bank and no debt at 31 December 2012 (2011: £11.3m cash). A further £9.5m net proceeds were raised from the placing of 20 million new shares in March 2013. The Group generated revenue of £3.8m in 2012 (2011: £1.2m). The Group's loss for the year was £5.4m (2011: £4.5m), as operating expenses exceeded gross profit. The loss increased on prior year primarily due to the amortisation of intangible assets acquired from SDIX's Water Quality Division and the financial impact of the construction phase of the Al Najdah contract.

Accounting policies

The Group financial statements have been prepared in accordance with EU Endorsed IFRS, IFRS Interpretations Committee (IFRIC) interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The key accounting policies to note are those concerned with intangible assets and share based payments.

Capital structure

The Group is entirely equity funded which is appropriate during the current stage of development. As the Group develops, the capital structure will be reassessed on a project by project basis.

Treasury management

The Group has adopted a low risk approach to treasury management. Cash balances are invested in fixed interest term deposit accounts, with maturity dates to suit projected liquidity requirements. Credit risk is addressed by the Group's treasury policy. Deposits are selected based on achieving the optimum balance of yield, security and liquidity. Foreign exchange risk is primarily mitigated through natural hedging of receipts and payments.

Cash flows

The Group cash outflow for the year was £5.5m (2011: £8.0m). Cash inflow from interest on term deposits was £0.2m (2011: £0.4m). Cash outflows comprised £0.6m property, plant and equipment (2011: £0.1m), £0.2m patents (2011: £0.1m), £nil net cash invested in subsidiaries and joint ventures (2011: £3.1m) and £4.9m operating costs and financing activities (2011: £5.0m).

GROUP STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 December 2012

	Note	2012 £000	2011 £000
Revenue	2	**3,754**	1,242
Cost of sales	2	**(2,341)**	(782)
Gross profit	2	**1,413**	460
Administrative expenses	3	**(6,107)**	(4,604)
Other gains/(losses) - net		**22**	(242)
Loss before interest, tax, depreciation and amortisation		**(4,672)**	(4,386)
Depreciation and amortisation	3	**(880)**	(547)
Operating loss		**(5,552)**	(4,933)
Finance income		**142**	356
Finance costs		**(77)**	—
Share of loss of joint venture		**—**	(28)
Loss on ordinary activities before taxation		**(5,487)**	(4,605)
Taxation		**74**	62
Loss for the year		**(5,413)**	(4,543)
Other comprehensive income			
Foreign currency translation differences on foreign operations		**4**	—
Total comprehensive loss for the year		**(5,409)**	(4,543)
Loss attributable to:			
Owners of the parent		**(5,413)**	(4,543)
Non-controlling interests		**—**	—
		(5,413)	(4,543)
Total comprehensive loss attributable to:			
Owners of the parent		**(5,409)**	(4,543)
Non-controlling interests		**—**	—
		(5,409)	(4,543)
Loss per share for the year (attributable to owners of the parent)			
Basic loss per share		**9.10p**	7.64p
Diluted loss per share		**9.10p**	7.64p

GROUP STATEMENT OF FINANCIAL POSITION
As at 31 December 2012

		Group	
		2012	2011
	Note	**£000**	£000
Assets			
Non-current assets			
Property, plant and equipment		**923**	787
Intangible assets	4	**17,289**	17,593
Investments		**—**	—
		18,212	18,380
Current assets			
Inventories		**1,077**	1,149
Trade and other receivables		**1,659**	976
Cash and cash equivalents		**5,751**	11,280
		8,487	13,405
Total assets		**26,699**	31,785
Equity and liabilities			
Equity			
Ordinary shares		**149**	149
Share premium account		**30,532**	30,532
Merger reserve		**13,180**	13,180
Accumulated losses		**(18,660)**	(13,422)
		25,201	30,439
Non-controlling interests		**126**	126
Total equity		**25,327**	30,565
Liabilities			
Non-current liabilities			
Deferred tax liabilities		**300**	374
Current liabilities			
Trade and other payables		**1,072**	846
		1,072	846
Total liabilities		**1,372**	1,220
Total equity and liabilities		**26,699**	31,785

GROUP STATEMENT OF CHANGES IN EQUITY
Year ended 31 December 2012

Group	Ordinary shares £000	Share premium account £000	Merger reserve £000	(Accumulated losses)/ Retained earnings £000	Total £000	Non-controlling interest £000	Total Equity £000
Balance as at 1 January 2011	**147**	**30,532**	**12,782**	**(9,133)**	**34,328**	**—**	**34,328**
Comprehensive loss							
Loss and total comprehensive loss for year	—	—	—	(4,543)	(4,543)	—	(4,543)
Total comprehensive loss	—	—	—	(4,543)	(4,543)	—	(4,543)
Transactions with owners							
Issue of shares related to business combination	2	—	398	—	400	—	400
Non-controlling interest arising on business combination	—	—	—	—	—	126	126
Share-based payments	—	—	—	254	254	—	254
Total transactions with owners	2	—	398	254	654	126	780
Balance as at 1 January 2012	**149**	**30,532**	**13,180**	**(13,422)**	**30,439**	**126**	**30,565**
Comprehensive loss							
Loss for the year	—	—	—	(5,413)	(5,413)	—	(5,413)
Foreign currency translation differences	—	—	—	4	4	—	4
Total comprehensive loss	—	—	—	(5,409)	(5,409)	—	(5,409)
Transactions with owners							
Share-based payments	—	—	—	171	171	—	171
Total transactions with owners	—	—	—	171	171	—	171
Balance as at 31 December 2012	**149**	**30,532**	**13,180**	**(18,660)**	**25,201**	**126**	**25,327**

GROUP STATEMENT OF CASH FLOWS
Year ended 31 December 2012

	Group	
	2012	2011
	£000	£000
Cash flows from operating activities		
Cash used in operations	**(4,903)**	(4,991)
Net cash flows used in operating activities	**(4,903)**	(4,991)
Cash flows from investing activities		
Purchase of property, plant and equipment	**(585)**	(143)
Proceeds from sale of property, plant and equipment	**14**	23
Purchase of patents and development costs	**(152)**	(137)
Acquisition of subsidiaries, net of cash acquired	—	(3,128)
Interest received	**176**	384
Net cash flows used in investing activities	**(547)**	(3,001)
Cash flows from financing activities		
Treasury shares	—	—
Cash-settled share-based payments	—	—
Net cash flows used in financing activities	—	—
Net decrease in cash and cash equivalents	**(5,450)**	(7,992)
Cash and cash equivalents at the beginning of the year	**11,280**	19,252
Exchange (losses)/gains on bank balances	**(79)**	20
Cash and cash equivalents at the end of the year	**5,751**	11,280

1. Authorisation and basis of preparation

The board of directors approved these results on 13 March 2013. The financial information set out above is abridged and does not constitute the Group's statutory financial statements for the year to 31 December 2012. Statutory financial statements for the year ended 31 December 2012 have been reported on by the Group's auditors. The report for the year ended 31 December 2012 was unqualified.

The principal accounting policies have been applied consistently throughout the year, unless otherwise stated, in the preparation of these financial statements. The financial statements of Modern Water plc ("the Company") have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, IFRS Interpretations Committee (IFRIC) interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention

2. Segmental analysis

The chief operating decision-maker is deemed to be the Board, for whom monthly financial information is provided by division to gross profit and below this in consolidated group format. For management reporting purposes the group is organised into two operating segments (i) membranes; and (ii) monitoring, which matches this divisional split.
At the Group's current stage of development the majority of the costs (business development, technical, legal, marketing, finance, facilities and directors' expenditure) are managed and reported centrally. As the commercial activities of the Group develop, this financial information is expected to evolve.

Statement of Comprehensive Income	**2012**				2011			
	Membrane £000	Monitoring £000	Central £000	Total £000	Membrane £000	Monitoring £000	Central £000	Total £000
Revenue	**378**	**3,376**	**—**	**3,754**	48	1,194	—	1,242
Cost of sales	**(562)**	**(1,779)**	**—**	**(2,341)**	(45)	(737)	—	(782)
Gross (loss) / profit	**(184)**	**1,597**	**—**	**1,413**	3	457	—	460
Administrative expenses (including depreciation and amortisation)	**—**	**—**	**(6,987)**	**(6,987)**	—	—	(5,151)	(5,151)
Other gains / (losses) - net	**—**	**—**	**22**	**22**	—	—	(242)	(242)
Operating loss	**(184)**	**1,597**	**(6,965)**	**(5,552)**	3	457	(5,393)	(4,933)
Finance income	**—**	**—**	**142**	**142**	—	—	356	356
Finance costs	**—**	**—**	**(77)**	**(77)**	—	—	—	—
Share of joint venture loss	**—**	**—**	**—**	**—**	—	—	(28)	(28)
(Loss) / profit before taxation	**(184)**	**1,597**	**(6,900)**	**(5,487)**	3	457	(5,065)	(4,605)
Taxation	**—**	**—**	**74**	**74**	—	—	62	62
(Loss) / profit for the year	**(184)**	**1,597**	**(6,826)**	**(5,413)**	3	457	(5,003)	(4,543)

The Monitoring division recognised £135,000 (2011: £37,000) revenue from royalties and £3,241,000 (2011: £1,157,000) from sale of goods and services. The Membrane division recognised £334,000 (2011: £46,000) from the sale of desalination equipment and £44,000 (2011: £2,000) from sale of water.

Geographical information

The Group operates in four main geographical regions, based on customer location.

Revenue	2012 Monitoring £000	2012 Membranes £000	2012 Total £000	2011 Monitoring £000	2011 Membranes £000	2011 Total £000
Americas	**1,390**	**—**	**1,390**	239	—	239
Europe	**632**	**—**	**632**	236	—	236
Middle East and Africa	**60**	**378**	**438**	30	48	78
Asia Pacific	**1,294**	**—**	**1,294**	689	—	689
Total	**3,376**	**378**	**3,754**	1,194	48	1,242

The Group has non-current assets in four countries, based on location of the assets.

	2012 Property, plant and equipment £000	2012 Intangible assets including goodwill £000	2012 Total £000	2011 Property, plant and equipment £000	2011 Intangible assets including goodwill £000	2011 Total £000
UK	**259**	**17,289**	**17,548**	224	17,593	17,817
US	**413**	**—**	**413**	54	—	54
Oman	**139**	**—**	**139**	313	—	313
Gibraltar	**112**	**—**	**112**	196	—	196
Total	**923**	**17,289**	**18,212**	787	17,593	18,380

Major customers

Within the Monitoring division revenue sales to one customer totalled £664,000 (2011: £338,000), representing 20% (2011: 28%) of the division’s revenue. No other customer represented more than 10% of the division’s revenue. All revenue in the Membrane division came from a single customer (2011: 100%).

3. Administrative expenses by nature

	2012 £000	2011 £000
Employee benefits expense	**2,666**	1,859
Share-based payments	**171**	254
Operating lease payments	**348**	257
Research and development	**407**	473
Auditors’ remuneration	**120**	91
Other administrative expenses	**2,395**	1,670
Total administrative expenses before depreciation and amortisation charges	**6,107**	4,604
Depreciation and amortisation charges	**880**	547
Total administrative expenses including depreciation and amortisation charges	**6,987**	5,151

4. Intangible assets

Group	Goodwill £000	Patent and Trademark costs £000	Development costs £000	Research and Development, and patented technology acquired as part of a business combination £000	Customer contracts acquired as part of a business combination £000	**Total £000**
At 1 January 2011						
Cost	12,671	499	131	1,690	—	14,991
Accumulated amortisation	—	(103)	(128)	(394)	—	(625)
Net book amount	12,671	396	3	1,296	—	14,366
Year ended 31 December 2011						
Opening net book amount	12,671	396	3	1,296	—	14,366
Acquisition of subsidiaries	763	6	—	2,317	180	3,266
Additions	—	137	—	—	—	137
Amortisation charge	—	(43)	(3)	(114)	(16)	(176)
Closing net book amount	13,434	496	—	3,499	164	17,593
At 31 December 2011						
Cost	13,434	642	131	4,007	180	18,394
Accumulated amortisation	—	(146)	(131)	(508)	(16)	(801)
Net book amount	13,434	496	—	3,499	164	17,593
Year ended 31 December 2012						
Opening net book amount	13,434	496	—	3,499	164	17,593
Additions	—	152	—	—	—	152
Amortisation charge	—	(46)	—	(331)	(79)	(456)
Closing net book amount	**13,434**	**602**	—	**3,168**	**85**	**17,289**
At 31 December 2012						
Cost	13,434	794	131	4,007	180	18,546
Accumulated amortisation	—	(192)	(131)	(839)	(95)	(1,257)
Net book amount	**13,434**	**602**	—	**3,168**	**85**	**17,289**

5. Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of Modern Water plc will be held at 10.00am on 24 April 2013 at the offices of Modern Water plc, Bramley House, The Guildway, Old Portsmouth Road, Guildford, GU3 1LR.

6. Availability of Annual Report

Copies of the full statutory accounts will be posted to shareholders at least 21 days before the Company's Annual General Meeting and may be obtained from the date of posting from the registered office of the Company office at Bramley House, The Guildway, Old Portsmouth Road, Guildford, GU3 1LR, as well as from the Company's website at www.modernwater.co.uk.