



10 December 2009

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

MODERN WATER ACQUIRES REMAINING SHARES IN CYMTOX

Modern Water plc (LSE: MWG), the owner of leading water technologies, announces today that it has acquired the remaining shares in Cymtox Ltd ("Cymtox") from Cardiff University, taking Modern Water's ownership to 100%.

Full ownership of Cymtox demonstrates the commitment of Modern Water to the Cymtox Continuous Toxicity Monitor (Cymtox CTM™) product and allows Modern Water to fully benefit from sales of the technology, following the announcement in November of first revenue from sales of the Cymtox CTM™ in China. Following the acquisition, Modern Water plans to focus on developing new markets for the Cymtox CTM™ in order to achieve further sales and build on this initial success.

Having enjoyed a mutually beneficial partnership throughout the development of Cymtox, Modern Water and Cardiff University have agreed a deal that allows the University to reinvest its commercial gain from the sale into ongoing research and development. Modern Water and Cardiff University continue to work together developing technologies for the commercial marketplace.

Modern Water paid a total of £284,363 for the additional 24% stake in Cymtox, equivalent to £3.07 per share.

Neil McDougall, Executive Chairman of Modern Water plc, said:

"This acquisition enables us to bring Cymtox further into Modern Water's portfolio of technologies and to focus on increasing sales of Cymtox units into new markets. We have been delighted with the speed with which the Cymtox technology has been brought to market and delivered first revenues, representing a good investment on behalf of our shareholders. We'd like to thank

both the Cymtox team, and Cardiff University with whom we continue to work closely.”

Professor Ken Woodhouse, Pro Vice-Chancellor, Engagement at Cardiff University, said:

“Cardiff University is proud of the achievements of Cymtox since the company was founded. Cymtox is an excellent example of how business and academia can work successfully together to bring ground-breaking new technology to commercial fruition. We plan to use the proceeds of this sale to fund the development of other technologies within the University’s burgeoning pipeline and to replicate the success we have had through Cymtox.”

--Ends--

For further information:

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About Modern Water

Modern Water plc is an advanced water technology company, headquartered in the UK and listed on the AIM market of the London Stock Exchange. Modern Water owns and is developing a portfolio of water technologies that help to address the global problems of fresh water availability and the treatment and disposal of wastewater.

About Cymtox Ltd

Cymtox Limited owns the Continuous Toxicity Monitoring (CTM™) technology, which achieves real-time results by constantly monitoring for the presence of water-borne toxins and immediately warns of suspicious changes. Applications for this technology include drinking water intake and distribution, water supplies to high security installations, and monitoring of industrial discharges. For a fact sheet on the technology, please contact Modern Water.