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28 February 2013

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

RESULTS OF GENERAL MEETING

COMPLETION OF PLACING TO RAISE £10 MILLION

Modern Water plc (LSE: MWG) is pleased to announce that in connection with the Placing announced by the Company on 12 February 2013, the resolutions put to shareholders at today's General Meeting were duly passed.

Following the passing of the resolutions at the General Meeting, 20,000,000 new Ordinary Shares have been allotted to existing and new investors, conditional upon the admission of such Ordinary Shares to trading on AIM. It is expected that settlement will occur, admission to trading on AIM will become effective and dealings will commence in respect of 1,580,050 new Ordinary Shares at 8am on 1 March 2013. It is then expected that settlement will occur, admission to trading on AIM will become effective and dealings will commence in respect of 18,419,950 new Ordinary Shares at 8am on 4 March 2013.

Following admission of the 20,000,000 new Ordinary Shares to trading on AIM, the total number of Ordinary Shares with voting rights in issue will be 79,505,256 and this figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest in, or a change to their interest in, the Company under the Financial Services Authority's Disclosure and Transparency Rules.

Upon admission, the new Ordinary Shares will be issued, credited as fully paid and will rank *pari passu* in all respects with the existing Ordinary Shares of the Company.

Neil McDougall, Executive Chairman of Modern Water, commented:

"The Placing marks exciting progress for Modern Water and we are delighted by the support shown by existing and new shareholders, demonstrated by the oversubscription of the Placing. This is an encouraging vote of confidence in Modern Water. We intend to use the funds to invest further to accelerate the growth in our Membrane Processes division and also to expand the Monitoring division. In particular, we will focus on our core target markets of China and the Middle East."

---End---

For further information:

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Important Notice

This announcement has been prepared solely to provide information about the Placing and it does not constitute, or form part of, any offer or invitation to purchase, underwrite or otherwise acquire Ordinary Shares, or the solicitation of any such offer. Without limiting the foregoing statement, this announcement does not constitute an offer of Ordinary Shares for sale in the United States. The Ordinary Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the Securities Act), or the laws of any state, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state laws. Modern Water plc does not intend to register the Ordinary Shares under the Securities Act. No public offering of Ordinary Shares will be made in the United States.