

Rating Action: American Water Capital Corporation

MOODY'S AFFIRMS RWE'S A1 RATINGS, DOWNGRADES THAMES WATER UTILITIES FINANCE PLC TO A2 AND RWE THAMES WATER PLC TO A3 BOTH WITH NEGATIVE OUTLOOK FOLLOWING RWE'S STRATEGIC REASSESSMENT

London, 04 November 2005 -- Moody's Investors Service has today affirmed the A1 senior unsecured ratings of RWE AG with a stable outlook following the announcement that RWE intends to divest its water activities in North America and the UK to focus on core European electricity and gas businesses.

At the same time, Moody's has downgraded to A2 from A1 the long-term ratings of all debt issued by Thames Water Utilities Finance Plc ("TWUF") and guaranteed by Thames Water Utilities Limited (Thames Water), the UK regulated water and wastewater utility. Moody's has also downgraded to A3 from A2 the issuer rating of RWE Thames Water Plc ("RWETW"). All ratings for TWUF and RWETW have a negative outlook.

Whilst timing and proceeds are as yet unclear, the proposed divestments could improve RWE's financial profile, although Moody's believes that RWE will consider (a) returning cash to shareholders and (b) seeking out appropriate reinvestment opportunities in power and energy markets in Europe over time. Such a strategy may result in a shift to a less stable business profile as the low risk cash flow streams from its water businesses are reduced and potentially replaced with those from higher-risk power and energy investments. Nonetheless, the rating agency would also expect the company, which continues to target a high single-A rating, to maintain a disciplined approach to any such new investments and to target an appropriate financial structure for its changing business risk mix. Moody's will continue to monitor developments for rating implications as further clarity emerges as regards the impact of this shift in strategic direction.

As regards Thames Water, the rating downgrades reflect (a) the fact that Thames Water will no longer be core to RWE's business and (b) the uncertainty concerning the UK utility's future capital structure, which cannot be predicted whilst RWE explores potential exit routes. The downgrade is also based on Moody's view that, ultimately, Thames Water's leverage is likely to be at a level inconsistent with its current ratings. This view is based on the regulatory assumptions for an efficient capital structure -- industry regulator Ofwat has assumed leverage of around 55% of regulated asset value for the 2004 price review -- and the level of gearing observed across the UK water sector. Taking into account the high debt component of transactions involving a change of ownership of water companies in recent years (although none of them have been of Thames Water's size), Moody's has assigned a negative outlook to Thames Water's ratings to reflect the possibility that the utility's cash flows may have to support a substantial debt burden. The rating agency cautions that leverage materially in excess of the regulatory assumptions would be likely to result in lower ratings.

The following ratings are affirmed as a result of this announcement:

RWE AG

- Senior Unsecured: unchanged at A1, stable outlook.
- Senior Unsecured MTN: unchanged at A1, stable outlook.
- Commercial Paper and other Short-Term Debt: unchanged at Prime-1.

RWE Finance BV

- Guaranteed Senior Unsecured: unchanged at A1, stable outlook.
- Guaranteed Senior Unsecured MTN: unchanged at A1, stable outlook.
- Guaranteed Other Short-Term Debt: unchanged at Prime-1.

RWE npower plc

- Long-Term Issuer Rating: unchanged at Baa1, stable outlook.

Rating Action: American Water Capital Corporation

MOODY'S ASSIGNS Baa1 ISSUER RATING TO AMERICAN WATER CAPITAL CORP.

Moody's Investors Service has assigned a Baa1 senior unsecured issuer rating to American Water Capital Corp. American Water Capital Corp., a Delaware corporation, is a wholly-owned finance subsidiary of American Water Works Company, Inc. (American Water Works). The purpose of this finance subsidiary is to streamline the financing function, create cash management efficiency, and lower the cost of capital for American Water Works' 25 water utility subsidiaries. American Water Capital will be the primary funding vehicle for American Water Works and its utility subsidiaries going forward. American Water Works is providing credit enhancement through a support agreement between American Water Works and American Water Capital. American Water Works will continue to own, during the term of the support agreement, all of the voting stock of American Water Capital. American Water Works will ensure that a positive tangible net worth at American Water Capital will be maintained at all times. American Water Works will provide immediate and timely funds to American Water Capital if American Water Capital is unable to make timely payment of interest, principal, or premium on any debt issued and outstanding.

American Water Works is the largest and most geographically diverse water utility in the United States, serving over 10 million people in 23 states. Specifically, American Water Works is focused on the regulated provision of water and wastewater service, which are characterized as low business risk and relatively stable and predictable cash flow and earnings.

The consolidated financial condition is influenced mainly by the two largest regulated operating subsidiaries, which include Pennsylvania-American Water Company (A3 senior secured debt, stable outlook) and New Jersey-American Water Company (A3 senior secured debt, stable outlook). The two subsidiaries combined account for approximately 45% of American Water Works' net plant assets and nearly 43% of total revenues.

American Water Works Company, Inc. is headquartered in Voorhees, New Jersey. American Water Capital Corp. is a Delaware Corporation. Pennsylvania-American Water Company is headquartered in Hershey, Pennsylvania. New Jersey-American Water Company is headquartered in Haddon Heights, New Jersey.

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Rating Action: American Water Capital Corporation

MOODY'S REVIEWS THE RATINGS OF AMERICAN WATER CAPITAL CORPORATION (Baa1 SR. UNSEC.) FOR POSSIBLE DOWNGRADE

Approximately \$95 Million of Debt Affected

New York, November 26, 2003 -- Moody's Investors Service placed the ratings of American Water Capital Corporation (Baa1 senior unsecured) under review for possible downgrade. Moody's confirmed the company's short term rating of VMIG 2 for remarketable industrial revenue bonds.

The rating review reflects declining margins and cash flow coverages, which result from regulatory lag in recouping operating and capital expenditures at the regulated utility subsidiary, and an increase in adjusted funded debt.

American Water Capital Corporation (AWCC), a Delaware corporation, is a wholly-owned finance subsidiary of American Water Works Company (American Water Works). The purpose of this finance subsidiary is to streamline the financing function, create cash management efficiency, and lower the cost of capital for American Water Works' regulated water utility subsidiaries. AWCC is the primary funding vehicle for American Water Works and its utility subsidiaries. American Water Works has provided credit enhancement through a support agreement between American Water Works and AWCC, and will continue to own, during the term of the support agreement, all of the voting stock of AWCC. American Water Works has committed to ensure that a positive tangible net worth at AWCC will be maintained at all times. In addition, if AWCC is unable to make timely payment of interest, principal, or premium on any debt issued and outstanding, American Water Works will provide immediate and timely funds to AWCC.

Moody's review will focus on the prospects to reverse the recent decline in AWW financial performance, and to achieve financial metrics that are more consistent with the rating level. Moody's notes that various utility subsidiaries of American Water Works have outstanding regulatory filings for rate relief. Moody's believes that several of the rate cases for larger subsidiaries could be decided within the next few months. The degree of rate relief and its impact on prospective credit metrics will be a significant consideration in the conclusion of Moody's review.

American Water Works Company, the parent company of numerous water utilities in the United States, is a subsidiary of RWE AG, a multi-utility/multi-energy company based in Essen, Germany.

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Liquidity Risk Assessment: American Water Capital Corporation

American Water Capital Corporation

New Jersey, United States

Broad Industry: Public Utility
Specific Industry: Finance - Active
Short Term Rating: P-2 (Backed)

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Opinion

American Water Capital Corp.'s (AWCC) Prime-2 short-term rating reflects supportive regulatory treatment and relatively stable financial profiles of the company's utility subsidiaries. AWCC, a Delaware corporation, is a wholly-owned finance subsidiary of American Water Works Company, Inc ("American Water Works"). The purpose of this finance subsidiary is to streamline the financing function, create cash management efficiency, and lower the cost of capital for American Water Works' regulated water utility subsidiaries. AWCC is the primary funding vehicle for American Water Works and its utility subsidiaries. American Water Works has provided credit enhancement through a support agreement between American Water Works and AWCC. American Water Works will continue to own, during the term of the support agreement, all of the voting stock of AWCC. American Water Works will ensure that a positive tangible net worth at AWCC will be maintained at all times. American Water Works will provide immediate and timely funds to AWCC if AWCC is unable to make timely payment of interest, principal, or premium on any debt issued and outstanding.

AWCC's commercial paper program is sized at \$500 million. At June 30, 2003, AWCC had approximately \$265 million of commercial paper outstanding under the program. AWCC has a \$500 million 364-day credit facility in place, which expires in October 2004. AWCC currently has a \$150 million unsecured borrowing from its parent, RWE AG, maturing in October 2004 and no loans outstanding under the credit facility. Under the credit agreement, there is a material adverse change clause that applies to each takedown, and a financial covenant is included which limits consolidated debt at American Water Works to 72.5% of consolidated total capitalization. At June 30, 2003, total consolidated debt to total consolidated capitalization was 46.8%. At June 30, 2003, American Water Works' consolidated cash and cash equivalent balance totaled \$30 million. We expect American Water Works to internally fund a significant portion of its projected capital spending of approximately \$360 million (at the regulated water operations) for 2003. Debt maturities in 2003 are approximately \$185 million (\$57 million at the regulated water subsidiaries and \$128 million at American Water Works). During the second half of 2003, the amount of debt maturities is \$66.9 million (\$19.9 million at the regulated water subsidiaries and \$47 million at American Water Works).

On January 10, 2003, the merger between RWE AG and American Water Works Company was consummated, upon receipt of all regulatory approvals in the United States. The merger was initially announced on September 17, 2001, in which American Water Works Company, Inc. would merge with a wholly-owned subsidiary of RWE AG (A1; Prime-1, negative outlook) in a cash for stock transaction valued at \$46.00 per share.

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Rating Action: American Water Capital Corporation

MOODY'S CONFIRMS Baa1 SR. UNSEC. DEBT RATING OF AMERICAN WATER CAPITAL CORP., A3 SR. SEC. DEBT RATINGS OF BOTH NEW JERSEY-AMERICAN WATER CO., AND PENNSYLVANIA-AMERICAN WATER CO.; ALL RATING OUTLOOKS ARE STABLE

Moody's Investors Service confirmed the following debt ratings: Baa1 senior unsecured debt rating of American Water Capital Corporation, A3 senior secured debt rating of New Jersey-American Water Company, and A3 senior secured debt rating of Pennsylvania-American Water Company. This rating action concludes a review initiated since September 17, 2001. In September 2001, RWE AG, a multi-utility/multi-energy company in Essen, Germany, had signed an agreement to acquire American Water Works Company, Inc. and its subsidiaries in the United States for \$7.6 billion, including the assumption of \$3 billion of debt. All rating outlooks are stable.

Ratings confirmed include the following:

American Water Capital Corporation's Baa1 senior unsecured debt rating; the company's shelf registration of senior unsecured and subordinated debt rated (P)Baa1/(P)Baa2; the company's industrial revenue bonds rated Baa1/VMIG 2; and the company's Prime-2 short-term rating for commercial paper.

New Jersey-American Water Company's A3 senior secured debt.

Pennsylvania-American Water Company's A3 senior secured debt, and its senior secured industrial revenue bonds and pollution control revenue bonds rated A3.

American Water Works Company, Inc., the parent holding company of American Water Capital, a finance subsidiary, New Jersey-American Water, a regulated water utility, and Pennsylvania-American Water, also a regulated water utility, have recently received all regulatory approvals for the merger with RWE. Moody's expects the merger between RWE and American Water Works to be consummated shortly, given RWE's recent commitment to demonstrate its support of the acquisition. In November 2001 American Water Works and American Water Capital executed a Note Purchase Agreement with RWE AG for up to \$1.2 billion in senior unsecured notes at an interest rate of 4.92%, maturing on November 6, 2006. Of this amount, \$148.5 million was used to repay American Water Capital's commercial paper borrowings on November 6, 2001 and \$1,050 million was used to fund the Citizens and Azurix acquisitions. In June 2002 American Water Works and American Water Capital executed a Note Purchase Agreement with RWE AG for \$170 million in senior unsecured notes at an interest rate of 5.65%, maturing June 12, 2007. The \$170 million was used to repay American Water Capital's commercial paper borrowings. In addition on December 18, 2002, American Water Capital executed a \$150 million variable rate note, maturing on July 30, 2003, the proceeds from which were used to repay commercial paper borrowings.

In March 2002, RWE AG's debt rating was downgraded to A1 with a negative rating outlook. However, Moody's expects the financial performance of New Jersey-American Water and Pennsylvania-American Water to remain relatively stable, given the supportive state regulatory environment they operate in. The respective New Jersey and Pennsylvania regulators have approved periodic rate increases for the two water utilities. Such rate increases are primarily for recovery of water infrastructure improvements and capital expenditures for meeting environmental compliance requirements.

Considering the rather constructive regulatory policies in New Jersey and Pennsylvania, the credit quality of both New Jersey-American Water and Pennsylvania-American Water continue to remain relatively stable, despite a modest setback in financial performance due to severe drought conditions restricting water usage during this year's spring and summer months in the Northeast region. However, the debt protection measurements of the two companies are comparable to the industry averages in the regulated water utility sector. As subsidiaries of RWE, we expect that the operating water utilities of American Water Works will continue to operate their water systems on a standalone basis with the existing management in place, and remain regulated by their respective state regulatory commissions.

American Water Works Company, Inc. is headquartered in Voorhees, New Jersey.

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Rating Action: American Water Capital Corporation

MOODY'S PUTS Aa3 RATING OF RWE UNDER REVIEW FOR POSSIBLE DOWNGRADE AND RATINGS OF AMERICAN WATER WORKS AFFILIATES UNDER REVIEW FOR POSSIBLE UPGRADE

Moody's Investors Service has placed the Aa3 senior unsecured debt rating of RWE and that of its guaranteed affiliate RWE Finance B.V. under review for possible downgrade following today's announcement that RWE has signed an agreement to acquire American Water Works Company, Inc. ("AWW") and its subsidiaries for USD7.6 billion, including the assumption of USD3.0 billion of debt. Whilst Moody's believes that this transaction will be a significant boost to the company's multi-utility strategy and still falls within the parameters of the current rating, the rating is now more weakly positioned and a possible downgrade would reflect the fact that the company is expected to remain acquisitive in order to fulfil its strategic ambitions. Any downgrade is not expected to be more than one notch, given RWE's otherwise solid and sound financial profile.

At the same time, the rating agency has placed the debt ratings of American Water Capital Corporation (Baa1 senior unsecured), New Jersey-American Water Company (A3 senior secured) and Pennsylvania-American Water Company (A3 senior secured) under review for possible upgrade. The transaction will be subject to regulatory approvals, which are expected to take up to two years.

Following the significant changes in RWE's operating environment through deregulation and fierce competition in particular in the German electricity market, RWE has undergone a radical and successful restructuring of both its strategic focus and its operations. In addition to the merger with neighbouring utility VEW, RWE has used a series of mid to large scale acquisitions, including that of Thames Water in the UK, on its way to expand its position in its core market segments while at the same time divesting some of its non core activities. Even though a significant amount of debt funded transactions had been factored into the initial Aa3 rating, acquisitions to date have actually taken place in a shorter period of time than previously expected.

Moody's review of RWE's rating will concentrate on the likely scope and timing of further acquisitions. In addition to possible further bolt-on acquisitions in the consolidating US water sector, the rating agency would expect further transactions resulting from RWE's interest in the deregulated US energy markets and in boosting its market positions within the European utilities markets. The likelihood of any such accelerated acquisition program will be assessed in the context of RWE's significant cash positions and scope for further divestments of non-core activities, together with a clarification of the company's pension and nuclear liabilities management.

American Water Capital, a Delaware corporation, is a wholly-owned finance subsidiary of American Water Works. The purpose of this finance subsidiary is to streamline the financing function, create cash management efficiency, and lower the cost of capital for American Water Works' 25 water utility subsidiaries. American Water Capital is the primary funding vehicle for American Water Works and its utility subsidiaries. American Water Works has provided credit enhancement through a support agreement between American Water Works and American Water Capital. Separately, New Jersey-American Water and Pennsylvania-American Water are both regulated water utility subsidiaries of American Water Works.

AFFECTED RATINGS

The following ratings are affected as a result of this announcement:

RWE AG

Senior unsecured MTN: from Aa3 to review for possible downgrade

Commercial Paper: unchanged at Prime-1

RWE Finance BV

Guaranteed senior unsecured: from Aa3 to review for possible downgrade

Guaranteed short term: unchanged at Prime-1

American Water Capital Corporation

Issuer rating: from Baa1 to review for possible upgrade

Shelf registration of senior unsecured debt rated: from (P)Baa1 to review for possible upgrade

Shelf registration of preferred securities/subordinated debt: from (P)Baa2 to review for possible upgrade

Short-term rating for commercial paper: unchanged at Prime 2

New Jersey-American Water Company

Senior secured debt: from A3 to review for possible upgrade

Pennsylvania-American Water Company

Senior secured debt: from A3 to review for possible upgrade

Senior secured pollution control revenue bonds: from A3 to review for possible upgrade.

BACKGROUND

RWE AG, with headquarters in Essen, Germany, is a multi utility/multi energy company with core activities in electricity, gas, water and waste water, and waste and recycling activities. It also still holds significant financial investments in other activities including construction, civil engineering, and printing. As at FYE 1999/00 it had turnover of EUR 47 billion and shareholders' funds of EUR 9.5 billion.

American Water Works Company, Inc. is headquartered in Voorhees, New Jersey. It is the largest and most geographically diverse water service provider in the US with a presence in 23 states serving a population of 10 million people.

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Rating Action: American Water Capital Corporation

MOODY'S ASSIGNS (P)Baa1 SR. UNSEC. RATING AND (P)Baa2 SUBORDINATED RATING FOR THE PROPOSED DEBT FINANCING OF AMERICAN WATER CAPITAL CORP.

Approximately US\$ 1.6 Billion of Debt Securities Affected.

New York, February 12, 2001 -- Moody's Investors Service assigns a (P)Baa1 senior unsecured rating and a (P)Baa2 subordinated rating for the proposed \$1.6 billion of debt financing to be issued by American Water Capital Corp. American Water Capital Corp., a Delaware corporation, is a wholly-owned finance subsidiary of American Water Works Company, Inc. (American Water Works). The purpose of this finance subsidiary is to streamline the financing function, create cash management efficiency, and lower the cost of capital for American Water Works' 25 water utility subsidiaries. American Water Capital will be the primary funding vehicle for American Water Works and its utility subsidiaries going forward. American Water Works is providing credit enhancement through a support agreement between American Water Works and American Water Capital. American Water Works will continue to own, during the term of the support agreement, all of the voting stock of American Water Capital. American Water Works will ensure that a positive tangible net worth at American Water Capital will be maintained at all times. American Water Works will provide immediate and timely funds to American Water Capital if American Water Capital is unable to make timely payment of interest, principal, or premium on any debt issued and outstanding.

American Water Works is the largest and most geographically diverse water utility in the United States, serving over 10 million people in 23 states. Specifically, American Water Works is focused on the regulated provision of water and wastewater service, which are characterized as low business risk and relatively stable and predictable cash flow and earnings.

The consolidated financial condition is influenced mainly by the two largest regulated operating subsidiaries, which include Pennsylvania-American Water Company (A3 senior secured debt, stable outlook) and New Jersey-American Water Company (A3 senior secured debt, stable outlook). The two subsidiaries combined account for approximately 45% of American Water Works' net plant assets and nearly 43% of total revenues.

American Water Works Company, Inc. is headquartered in Voorhees, New Jersey. American Water Capital Corp. is a Delaware Corporation. Pennsylvania-American Water Company is headquartered in Hershey, Pennsylvania. New Jersey-American Water Company is headquartered in Haddon Heights, New Jersey.

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Rating Action: American Water Capital Corporation

MOODY'S ASSIGNS PRIME-2 SHORT-TERM RATING FOR THE COMMERCIAL PAPER PROGRAM OF AMERICAN WATER CAPITAL CORP.

Approximately US\$ 600 Million of Debt Securities Affected.

New York, September 20, 2000 -- Moody's Investors Service has assigned a Prime-2 short-term rating for the commercial paper program of American Water Capital Corp. (Baa1 senior unsecured issuer rating). American Water Capital, a Delaware corporation, is a wholly-owned finance subsidiary of American Water Works Company, Inc. (American Water Works). The purpose of this finance subsidiary is to streamline the financing function, create cash management efficiency, and lower the cost of capital for American Water Works' 25 water utility subsidiaries. American Water Capital will be the primary funding vehicle for American Water Works and its utility subsidiaries on a prospective basis. American Water Works has provided credit enhancement through a support agreement between American Water Works and American Water Capital. American Water Works will continue to own, during the term of the support agreement, all of the voting stock of American Water Capital. American Water Works will ensure that a positive tangible net worth at American Water Capital will be maintained at all times. American Water Works will provide immediate and timely funds to American Water Capital if American Water Capital is unable to make timely payment of interest, principal, or premium on any debt issued and outstanding.

American Water Works Company, Inc. is headquartered in Voorhees, New Jersey. American Water Capital Corp. is a Delaware Corporation. Pennsylvania-American Water Company is headquartered in Hershey, Pennsylvania. New Jersey-American Water Company is headquartered in Haddon Heights, New Jersey.

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Rating Action: American Water Capital Corporation

**MOODY'S CONFIRMS THE Baa1 SENIOR UNSECURED RATING OF AMERICAN WATER CAPITAL CORP.;
RATING OUTLOOK IS NEGATIVE**

Approximately \$95 Million of Debt Affected

New York, June 07, 2004 -- Moody's Investors Service confirmed the Baa1 senior unsecured rating of American Water Capital Corp. (AWCC), with a negative outlook. The company's short-term rating of VMIG 2 for remarketable industrial revenue bonds was not placed under review and remains unchanged. This rating action concludes the review for possible downgrade that was initiated on November 26, 2003.

The rating of AWCC is primarily based upon the support of its parent, American Water Works, Company, Inc. (AWW), which operates regulated water utilities in 18 states. The confirmation of AWCC's rating reflects the relatively stable nature of AWW's water utility business, and financial strength that is expected to be derived from its ownership by RWE AG (A1 senior unsecured, negative outlook). RWE funds substantially all of AWW's short-term capital requirements. The rating confirmation also incorporates Moody's expectation that regulators will approve rate increases that result in improvement of AWW's consolidated cash flow coverages to a level that is more consistent with the rating category.

The negative rating outlook reflects the possibility that American Water Capital's ratings could be downgraded if regulators do not approve rate increases of sufficient magnitude to improve AWW's consolidated cash flow coverages to a level that is more commensurate with the rating category. The negative outlook is also influenced by the negative rating outlook for RWE, whose ratings are a meaningful consideration for the rating of AWCC.

American Water Works' financial results deteriorated in 2002 and 2003, with an increasing level of consolidated debt. However, consolidated funds from operations and cash from operations are anticipated to increase over the next few years. Financial results are expected to improve in 2004 and 2005 due to regulatory rate increases. Some of this expected improvement will result from rate increases that have already been authorized in late 2003 and thus far in 2004. AWW's need to file for rate increases in most states in which it operates reflects the high level of capital spending necessary to upgrade and maintain its water systems in compliance with regulatory standards.

American Water Capital Corp. (AWCC), a Delaware corporation, is a wholly-owned finance subsidiary of American Water Works Company (American Water Works or AWW). The purpose of this finance subsidiary is to streamline the financing function, create cash management efficiency, and lower the cost of capital for AWW's regulated water utility subsidiaries. AWCC is the primary funding vehicle for AWW and its utility subsidiaries. American Water Works has provided credit enhancement through a support agreement between AWW and AWCC. American Water Works will continue to own, during the term of the support agreement, all of the voting stock of AWCC. American Water Works has committed to ensure that a positive tangible net worth at AWCC will be maintained at all times. In addition, if AWCC is unable to make timely payment of interest, principal, or premium on any debt issued and outstanding, American Water Works has committed to provide immediate and timely funds to AWCC.

A merger between RWE AG and American Water Works Company was consummated in January 2003. American Water Works and its regulated water utilities operate as subsidiaries of RWE. American Water Capital has a committed credit facility for borrowing from RWE in amounts up to \$550 million. There is currently \$330 million outstanding under this credit agreement.

The rating of AWCC incorporates the benefit of AWW's ownership by RWE. The consolidated financial metrics of AWW would not support the Baa1 rating of AWCC on a stand-alone basis. The rating incorporates Moody's view that AWW derives significant financial flexibility from the ability to defer (if necessary) its preferred dividend payments to the parent, and its ability to borrow from the RWE family of companies.

American Water Works Company is the parent company of numerous water utilities in the United States. American Water Works Company is an indirect wholly-owned subsidiary of RWE AG. Headquartered in Essen, Germany, RWE AG is a large international energy and utility company with core activities in electricity, gas, water, and wastewater.

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- Senior Unsecured: unchanged at Baa1, stable outlook.

The following ratings were downgraded:

- All issuance under Thames Water Utilities Finance Plc's US\$4.0 billion EMTN Programme guaranteed by Thames Water Utilities Limited, downgraded to A2 from A1, negative outlook.

- RWE Thames Water Plc's issuer rating to A3 from A2, negative outlook.

Headquartered in Essen, Germany, RWE AG is a large international utility with core activities in electricity, gas, water and wastewater. For the year ending 31 December 2004, it reported group turnover of EUR42,137 million.

Headquartered in London, England, RWE Thames Water Plc is the holding company of a group of companies whose main operating subsidiary is Thames Water Utilities Limited, the largest of the ten water and wastewater utilities in England and Wales.

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