LISTING MEMO

$1,025,000,000
WPD Holdings UK

6.75% Notes Due 2004, 6.875% Notes Due 2007, 6.50% Notes Due 2008, 7.25% Notes Due 2017, and 7.375% Notes Due 2028 of WPD Holdings UK (the "WPDH Notes").

The Exchange Offer Expired at 5:00 p.m., New York City Time, on March 9, 2001. The Closing Date was March 16, 2001.

The Exchange Offer

- This Listing Memo Summarizes the Results of an Offer to Exchange 6.75% Notes Due 2004, 6.875% Notes Due 2007, 6.50% Notes Due 2008, 7.25% Notes Due 2017, and 7.375% Notes Due 2028 of WPD Holdings UK (the "WPDH Notes") for All Outstanding 6.75% Notes Due 2004, 6.875% Notes Due 2007, 6.50% Notes Due 2008, 7.25% Notes Due 2017, and 7.375% Notes Due 2028 of Hyder Limited (formerly known as Hyder plc) (the "Hyder Notes").
- The exchange offer and consent solicitation (together, the "exchange offer") was part of a restructuring of WPD Holdings UK ("WPD Holdings"), Hyder Limited ("Hyder" and, together with WPD Holdings, the "Offerors"), and their respective subsidiaries. Pursuant to this restructuring, and subject to the conditions described herein, WPD Holdings offered WPDH Notes in exchange for an equal principal amount of Hyder Notes and the consents of the holders of Hyder Notes to certain amendments to the Hyder Notes and their related fiscal agency agreements (the "Amendments").
- On March 12, 2001, the Offerors announced that the exchange offer had successfully expired and achieved a 100% acceptance rate. Immediately following completion of the exchange offer, the Hyder Notes received in the exchange offer were retired and cancelled, and WPD Holdings received from Hyder the capital stock of South Wales Electricity plc ("Infralec"), cash, Hyder's rights to certain currency and interest rate exchange agreements, and certain other assets of Hyder. As part of the restructuring, Hyder intends to dispose of all of its remaining assets.
- The exchange offer was subject to conditions, including a requirement that more than 50% in aggregate principal amount of each series of Hyder Notes be validly tendered with accompanying consents to the Amendments.
- Subject to certain exceptions described more fully herein, there were no withdrawal rights.
- The exchange of Hyder Notes for WPDH Notes in the exchange offer was a taxable event for U.S. federal income tax purposes. Four of the five series of WPDH Notes were issued with original issue discount for U.S. federal income tax purposes.

The WPDH Notes

- The Board of Directors of WPD Holdings authorized the issue of the WPDH Notes on February 9, 2001.
- The principal amounts, interest rates, and payment and maturity dates of each series of the WPDH Notes were substantially identical to the corresponding terms of the Hyder Notes for which they were exchanged, except that the WPDH Notes may be called by WPD Holdings at any time at the "make whole" amounts described herein, subject to certain terms.

This Listing Memo is dated June 19, 2001

Salomon Smith Barney

(cover continued on following page)

(cover page continued)

- WPD Holdings has not registered, and does not intend to register the WPDH Notes under the U.S. Securities Act of 1933, as amended (the "Securities Act"). Prior to February 9, 2001, the Offerors distributed to all holders of Hyder Notes a letter explaining that the offer would be made only to eligible holders, which means that the exchange offer was only made, and the WPDH Notes were only offered or issued (i) in the U.S., to Qualified Institutional Buyers (as defined in Rule 144A under the Securities Act ("QIBs")) in a private transaction in reliance upon an exemption from the registration requirements of the Securities Act, and (ii) outside the U.S., to persons other than U.S. Persons (as defined in Rule 902 under the Securities Act) in offshore transactions in reliance upon Regulation S under the Securities Act ("Regulation S"). This letter included a certification that holders were asked to complete and return. **Only holders who completed and returned the certification were authorized to receive or review the offering circular for the exchange offer or to participate in the exchange offer**. For a description of certain restrictions on resale or transfer of the WPDH Notes, see "Transfer Restrictions."
- Each series of WPDH Notes was issued only in the form of (i) a Rule 144A global bearer note in respect of each such series representing WPDH Notes offered and sold to QIBs pursuant to Rule 144A (each, a "Rule 144A Global Note"), (ii) a Regulation S temporary global bearer note in respect of each such series representing WPDH Notes offered and sold to non-U.S. persons in reliance on Regulation S (each, a "Regulation S Temporary Global Note"), and (iii) after the expiration of the Restricted Period (as defined below), a Regulation S permanent global bearer note in respect of each such series (each, a "Regulation S Permanent Global Note," and, together with each Rule 144A Global Note and each Regulation S Temporary Global Note, a "Global Note"). Beneficial interests in each Regulation S Temporary Note will be exchanged for beneficial interests in the corresponding Regulation S Permanent Global Note within a reasonable time of the expiration of the Restricted Period upon certification as to certain matters described more fully herein. See "Description of the WPDH Notes—Description of the Book Entry System—General." Each such Global Note was deposited with the WPDH Book-Entry Depositary (as defined herein), which holds the WPDH Notes for the benefit of The Depositary Trust Company ("DTC") and its participants. The WPDH Book-Entry Depositary issued the Book-Entry Interests (as defined herein) to DTC, which operates a system of dealing in the Book-Entry Interests. Ownership of interests in the Book-Entry Interests is limited to persons who have accounts with DTC ("Participants") or persons who may hold interests through such participants ("Indirect Participants"). Interests in the Book-Entry Interests are shown on, and transfers thereof will be effected only through, records maintained by DTC and its Participants, including Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear"), and Clearstream Banking, *société anonyme* ("Clearstream").
- **Prospective Investors should consider carefully certain risk factors relating to an investment in the WPDH Notes. See "Risk Factors."**
- WPD Holdings has taken all reasonable care to ensure and confirm that all of the information contained in this Listing Memo with regard to the WPD Holdings and the WPDH Notes is in every material respect true and accurate and not misleading, and to the best of its knowledge and belief there are no other facts the omission of which would make any statement in the Listing Memo misleading in any material respect in the context of the issue and sale of the WPDH Notes.
- Application has been made to list the WPDH Notes on the Luxembourg Stock Exchange.
- Neither the delivery of this Listing Memo nor any sale made in connection with the issue of the WPDH Notes shall, under any circumstances, constitute a representation or create any implication that there has been no change in the affairs of WPD Holdings since the date hereof or that the information contained herein is correct as of any time subsequent to its date.
- No person is authorized in connection with the issue, offering or sale of the WPDH Notes to give any information or to make any representation not contained in the Listing Memo and any information or representation not contained herein must not be relied upon as having been authorized by WPD Holdings.

TABLE OF CONTENTS

CERTAIN TERMS AND CONVENTIONS

Unless the context requires otherwise, references to "**WPD Holdings**" refer to WPD Holdings UK, a private unlimited liability company incorporated under the laws of England and Wales in 1998, and its direct and indirect subsidiaries, including WPD; references to "**WPD**" refer to Western Power Distribution, the trading name of South Western Electricity plc, a public limited company incorporated under the laws of England and Wales in 1989, and the principal operating subsidiary of WPD Holdings; references to "**Hyder**" refer to Hyder Limited, a limited company incorporated under the laws of England and Wales in 1989 (formerly known as Hyder plc); references to "**Infralec**" refer to South Wales Electricity plc, a public limited company incorporated under the laws of England and Wales in 1989; references to "**Dŵr Cymru**" refer to Dŵr Cymru Cyfyngedig, a limited company incorporated under the laws of England and Wales in 1989; and references to the "**Offerors**" refer to both WPD Holdings and Hyder.

In this listing memo, references to "pounds sterling," "£," "sterling," "pence," and "p" are to currency of the United Kingdom (the "U.K."), and references to "U.S. dollars," "dollars," "U.S.$," and "$" are to currency of the United States (the "U.S."). For the convenience of the reader, this listing memo contains translations of certain pound sterling amounts into U.S. dollars at specified rates, or, if not so specified, the noon buying rate in the City of New York for cable transfers in pounds sterling as certified for customs purposes by the Federal Reserve Bank of New York (the "Noon Buying Rate") on September 30, 2000, of $1.4787 = £1.00. No representation is made that the pound sterling amounts have been, could have been or could be converted into U.S. dollars at the rates indicated or at any other rates. See Note 1 to the consolidated financial statements of WPD Holdings, herein, for historical information regarding the Noon Buying Rates.

The fiscal years of each of the Offerors ends on March 31 of each year. Unless the context requires otherwise, references to "fiscal" or "fiscal year" in this listing memo refer to the twelve months ended March 31 of such year.

AVAILABLE INFORMATION

WPD Holdings will furnish to any owner of WPDH Notes or to any prospective purchaser of WPDH Notes designated by an owner of WPDH Notes that is a QIB, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act unless, at the time of such request, WPD Holdings is subject to Section 13 or 15(d) of the United States Securities Exchange Act of 1934, as amended (the "Exchange Act") or exempt from the reporting requirements of the Exchange Act by virtue of Rule 12g3-2(b) thereunder. Copies of this information will be available at the offices of the Paying Agent in Luxembourg.

FORWARD-LOOKING STATEMENTS

This listing memo includes "forward-looking statements" including, in particular, the statements about the Offerors' respective plans, strategies and prospects under the headings "Listing memo Summary," "Description of the Business of WPD Holdings" and in the Unaudited Pro Forma Financial Data and the related notes thereto. Although the Offerors believe that the plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, the Offerors can give no assurance that such plans, intentions or expectations will be achieved. Certain important factors could cause actual results to differ materially from the forward-looking statements made in this listing memo, including those discussed under the heading "Risk Factors." All forward-looking statements attributable to the Offerors or persons acting on their behalf are expressly qualified in their entirety by the cautionary statements and risk factors contained throughout this listing memo.

The WPDH Notes may not be offered or sold in the United Kingdom other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or otherwise in circumstances that do not constitute an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended). This listing memo and any other document received in connection with the issue of the WPDH Notes may only be issued or passed on in the United Kingdom to persons of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 (as amended) or persons to whom such documents may otherwise lawfully be issued.

LISTING MEMO SUMMARY

This brief summary highlights selected information from the listing memo.

Summary of the Transactions

The exchange offer was part of a restructuring of WPD Holdings, Hyder and their respective subsidiaries. Pursuant to this restructuring, WPD Holdings offered the WPDH Notes in exchange for the Hyder Notes and the consents of the holders of Hyder Notes to the Amendments. Immediately following completion of the exchange offer, the Hyder Notes received in the exchange offer were retired and cancelled, and WPD Holdings received in exchange the capital stock of Infralec, Hyder's investment in Teesside Power Limited, cash, Hyder's rights to certain currency and interest rate exchange agreements (the "SWAPs"), and certain other assets of Hyder. As part of the restructuring, Hyder intends to dispose of all of its remaining assets.

Summary of WPD Holdings and its Business

WPD Holdings is the ultimate owner of WPD, an electricity distribution company that operates in an area covering approximately 5,560 square miles in the southwest of England. As of March 31, 2000, WPD's distribution network consisted of approximately 18,193 miles of overhead lines and 11,630 miles of underground cable, and was connected to approximately 1.4 million end users. As a result of the transaction, Infralec was transferred from Hyder to WPD Holdings in March 2001. Infralec is the electricity distribution business that operates in an area covering approximately 4,600 square miles in the southern half of Wales. As of March 31, 2000, Infralec's distribution network comprised approximately 11,594 miles of overhead lines and 8,922 miles of underground cable and was connected to approximately 1.0 million end users. WPD Holdings is owned by subsidiaries of Mirant Corporation (formerly known as Southern Energy, Inc.) ("Mirant") and PPL Corporation ("PPL"). See "Description of the Business of WPD Holdings."

Summary of the Terms of the Exchange Offer

The Exchange Offer... The Offerors offered to exchange:

- up to $200,000,000 aggregate principal amount of WPD Holdings' 6.75% notes due 2004 (the "WPDH 2004 Notes"), for Hyder's 6.75% notes due 2004 (the "Hyder 2004 Notes");
- up to $200,000,000 aggregate principal amount of WPD Holdings' 6.875% notes due 2007 (the "WPDH 2007 Notes"), for Hyder's 6.875% notes due 2007 (the "Hyder 2007 Notes");
- up to $225,000,000 aggregate principal amount of WPD Holdings' 6.50% notes due 2008 (the "WPDH 2008 Notes"), for Hyder's 6.50% notes due 2008 (the "Hyder 2008 Notes");
- up to $100,000,000 aggregate principal amount of WPD Holdings' 7.25% notes due 2017 (the "WPDH 2017 Notes"), for Hyder's 7.25% notes due 2017 (the "Hyder 2017 Notes"); and
- up to $300,000,000 aggregate principal amount of WPD Holdings' 7.375% notes due 2028 (the "WPDH 2028 Notes"), for Hyder's 7.375% notes due 2028 (the "Hyder 2028 Notes").

The principal amounts, interest rates, and payment and maturity dates of each series of WPDH Notes issued in the exchange offer were identical to the terms of the Hyder Notes for which they were exchanged, except that the WPDH Notes are callable by WPD Holdings at any time at the "make whole" amounts described herein.

The Offerors received and accepted the tender (and related consents) needed to amend the Hyder Notes and their related fiscal agency agreements.

WPD Holdings has not registered and does not intend to register the WPDH Notes under the Securities Act. Accordingly, the WPDH Notes have not been offered or issued other than (i) in the U.S., to QIBs in a private transaction in reliance upon an exemption from the registration requirements of the Securities Act, and (ii) outside the U.S., to persons other than U.S. Persons in offshore transactions in reliance upon Regulation S. For a description of certain restrictions on the resale or transfer of the WPDH Notes, see "Transfer Restrictions."

Application has been made to list the WPDH Notes on the Luxembourg Stock Exchange.

Resales .... The WPDH Notes have not been registered under the Securities Act and may not be offered or sold within the United States or to or for the benefit of U.S. Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. For a description of certain restrictions on the resale or transfer of the WPDH Notes, see "Transfer Restrictions."

Expiration Date .... The exchange offer expired at 5:00 p.m., New York City time, on March 9, 2001.

Interest on the WPDH Notes and the Hyder Notes .... The WPDH Notes of each series will bear interest at the applicable rate per annum set forth for such series on the cover page of this listing memo from December 15, 2000. Such interest will be payable semi-annually on each June 15 and December 15, commencing June 15, 2001. No payment will be made in respect of accrued and unpaid interest on Hyder Notes accepted for exchange.

Taxation .... The exchange of WPDH Notes for Hyder Notes in the exchange offer was a taxable event for U.S. federal income tax purposes. The WPDH Notes were issued with original issue discount for U.S. federal income tax purposes.

Conditions to the Exchange Offer .... The exchange offer was subject to customary conditions. These conditions included the requirement that more than 50% in aggregate principal amount of each series of Hyder Notes be validly tendered and the requirement that valid consents to the Amendments to the Hyder Notes and the related Fiscal Agency Agreements be tendered with the Hyder Notes.

Exchange Agent .... Mellon Investor Services LLC was the exchange agent for the exchange offer. The address and telephone number of the exchange agent are set forth on the back cover page of this listing memo.

Information Agent	Mellon Investor Services LLC was the information agent for the exchange offer. The address and telephone number of the information agent are set forth on the back cover page of this listing memo.
Dealer Manager	Salomon Smith Barney was the dealer manager for the exchange offer. The address and telephone number of the dealer manager are set forth on the back cover page of this listing memo.

Summary of the Terms of the WPDH Notes

Issuer	WPD Holdings UK
Maturity Dates of the Securities Offered	The maturity dates for each series of the WPDH Notes are as follows: • the WPDH 2004 Notes mature December 15, 2004; • the WPDH 2007 Notes mature December 15, 2007; • the WPDH 2008 Notes mature December 15, 2008; • the WPDH 2017 Notes mature December 15, 2017; and • the WPDH 2028 Notes mature December 15, 2028.
Interest Accrual and Payment	The WPDH Notes of each series bear interest at the applicable rate per annum set forth for such series on the cover page of this listing memo, from December 15, 2000. Such interest will be payable semi-annually on each June 15 and December 15, commencing June 15, 2001.
Ranking	The WPDH Notes are direct, unsecured, and unsubordinated obligations of WPD Holdings ranking *pari passu* with all other unsecured and unsubordinated obligations of WPD Holdings (other than those obligations preferred by operation of law). The WPDH Notes effectively rank junior to any secured indebtedness of WPD Holdings to the extent of the assets securing such indebtedness and to any indebtedness of WPD Holdings' subsidiaries to the extent of the assets of such subsidiaries. Substantially all of WPD Holdings' consolidated assets are currently held by its subsidiaries. See "Risk Factors—Ranking of the WPDH Notes" and "Description of the WPDH Notes—Indenture—Covenants."
Optional Redemption	The WPDH Notes of each series are redeemable in whole or in part at the option of WPD Holdings at any time, at a redemption price equal to the greater of (i) 100% of the principal amount of the series of the WPDH Notes being redeemed or (ii) the sum of the present values of the remaining scheduled payments of the principal of and interest on the series of the WPDH Notes being redeemed discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Treasury Yield (as defined herein) plus 25 basis points in respect of the WPDH 2004 Notes, the WPDH 2007 Notes, and the WPDH 2008 Notes, and 37.5 basis points in respect of the WPDH 2017 Notes and the WPDH 2028 Notes; plus, for (i) or (ii) above, whichever is applicable, accrued interest on the WPDH Notes being redeemed to the date of redemption. See "Description of the WPDH Notes—Indenture—Optional Redemption."
Optional Tax Redemption	In the event of changes in the tax laws of the U.K. after the date hereof and certain other events that would obligate WPD Holdings to pay Additional Amounts (as defined herein), the WPDH Notes of each series may be redeemed at the option of WPD Holdings, in whole but not in part, at the principal amount thereof, plus accrued and unpaid interest. See "Description of the WPDH Notes—Indenture—Optional Tax Redemption."
Principal Covenants	The Indenture (as defined herein) under which the WPDH Notes were issued does not contain any limitation on the right of WPD Holdings to incur indebtedness. The Indenture does, however, contain certain covenants, including covenants applicable to WPD Holdings with respect to (i) limitations on liens, (ii) limitations on sale and lease-back transactions, (iii) limitations regarding

	consolidation, merger, conveyance, sale or lease transactions, and (iv) limitations on the ability of any subsidiary of WPD Holdings that is a direct or indirect parent company of Southern Investments UK plc ("SIUK") to incur additional indebtedness for borrowed money. See "Description of the WPDH Notes—Indenture—Covenants—Limitation on Liens," "—Limitation on Sale and Lease-Back Transactions," "—Consolidation, Merger, Conveyance, Sale or Lease," and "—Limitations on the Incurrence of Additional Indebtedness by Certain Subsidiaries."
Events of Default	For a discussion of certain events that will permit acceleration of the principal of the WPDH Notes (together with all interest accrued and unpaid thereon), see "Description of the WPDH Notes— Indenture—Events of Default."
Withholding Tax	Payments in respect of the Global Notes will be made free and clear of any present or future U.K. withholding and other deductions existing in the U.K., except as set forth under "Description of the WPDH Notes— Indenture—Additional Amounts." Subject to certain exceptions, WPD Holdings will pay such additional amounts (the "Additional Amounts") as will result in receipt by the holders of the Global Notes of such amounts as would have been received by them had no such withholding or deduction been required. See "Description of the WPDH Notes—Indenture—Additional Amounts."
Form and Denomination	Each series of WPDH Notes was issued only in the form of (i) a Rule 144A Global Note, (ii) a Regulation S Temporary Global Note, and (iii) after the expiration of the Restricted Period, a Regulation S Permanent Global Note in respect of each such series. Beneficial interests in each Regulation S Temporary Note will be exchanged for beneficial interests in the corresponding Regulation S Permanent Global Note within a reasonable time of the expiration of the Restricted Period upon certification as to certain matters described more fully herein. See "Description of the WPDH Notes—Description of the Book Entry System—General." Each such Global Note was deposited with the WPDH Book-Entry Depositary, which holds the WPDH Notes for the benefit of DTC and its participants. The WPDH Book-Entry Depositary issued the Book-Entry Interests to DTC, which operates a system of dealing in the Book-Entry Interests. Ownership of interests in the Book-Entry Interests is limited to Participants or Indirect Participants. Interests in the Book-Entry Interests is shown on, and transfers thereof will be effected only through, records maintained by DTC and its Participants, including Euroclear and Clearstream. Except as set forth under "Description of the WPDH Notes," Participants and Indirect Participants are not entitled to receive physical delivery of definitive WPDH Notes or to have WPDH Notes issued and registered in their names and are not considered the owners or holders of the WPDH Notes under the Indenture. See "Risk Factors—Considerations Related to Book-Entry Interests." Interests in the Book-Entry Interests and the definitive WPDH Notes, if any, will be issued in minimum denominations of U.S.$1,000 and integral multiples of U.S.$1,000 in excess thereof, with a minimum purchase requirement of U.S.$100,000.
Governing Law	The Indenture and the WPDH Notes are governed by, and construed in accordance with, the laws of the State of New York.
Trustee, Transfer Agent, and Book-Entry Depositary	Bankers Trust Company.

Paying Agents .... Bankers Trust Company and Deutsche Bank Luxembourg S.A.

The Transactions

WPD Limited, an affiliate of WPD Holdings, completed its acquisition of a controlling interest in Hyder on September 15, 2000. Since then, WPD Limited and the Offerors have been engaged in restructuring and financing transactions, with the general objectives of:

- integrating the ownership of Infralec with the ownership of WPD Holdings' existing electricity distribution company; and
- disposing of the assets of Hyder not related to the electricity distribution business, consisting primarily of Dŵr Cymru.

To achieve these objectives, WPD Limited and the Offerors have undertaken, or intend to undertake, the following steps:

(i) Hyder and Welsh Water Utilities Finance plc, one of Hyder's subsidiaries, have repurchased for cash approximately £875 million aggregate principal amount of their outstanding sterling-denominated debt securities. In addition, in accordance with the terms of its 7.875% cumulative redeemable preference shares, Hyder redeemed for cash approximately £190 million worth of such shares on January 31, 2001.

(ii) To finance the repurchase of the sterling-denominated debt securities and preference shares referred to in clause (i) above, as well as to fund the cash payment referred to in clause (iv) below, Hyder, through its subsidiary Dŵr Cymru, has executed a bridge loan agreement with Citibank and the Royal Bank of Scotland providing for borrowings of up to £1.4 billion (reduced to the extent that £465 million of Dŵr Cymru's existing debt is not repaid) at a floating rate based on LIBOR with a maturity date of December 31, 2001. As of February 9, 2001, Dŵr Cymru had borrowed £641 million under this bridge loan agreement.

(iii) The Offerors made the exchange offer described in this listing memo, whereby $1.025 billion aggregate principal amount of Hyder's outstanding dollar-denominated debt securities (*i.e.*, the Hyder Notes) were retired and cancelled, and WPD Holdings issued an equal principal amount of its debt securities (*i.e.*, the WPDH Notes).

(iv) As consideration for the issuance of the WPDH Notes by WPD Holdings, Hyder transferred to WPD Holdings all of the capital stock of Infralec and of Teesside Power Limited, the SWAPs, approximately £306 million in cash (representing an amount equal to the difference between (x) the aggregate market value of the WPDH Notes issued in the exchange offer and the SWAPs, and (y) the fair market value of Infralec and of Hyder's interest in Teesside Power Limited), and certain other assets.

(v) The Offerors obtained the consents described in this listing memo from holders of Hyder Notes sufficient to eliminate restrictions contained in the Hyder Notes on incurring certain liens and on entering certain sale-and-lease-back transactions. The elimination of these restrictions allowed Dŵr Cymru to enter into certain contemplated structured finance transactions; see clause (vi) below.

(vi) Pursuant to an internal share purchase agreement, Dŵr Cymru will raise approximately £1.65 billion of structured debt to re-finance the bridge loan, fund the payment referred to in clause (vii) below, and to make certain other payments.

(vii) Pursuant to an internal share purchase agreement, Dŵr Cymru will pay to Hyder, and Hyder in turn will pay and/or lend a cash dividend to WPD Limited, an amount of approximately £450 million.

(viii) WPD Limited will dispose of all of the capital stock of Dŵr Cymru to a third party and has, through its subsidiary Hyder Utilities Holdings Limited ("Hyder Utilities"), signed a definitive Sale and Purchase Agreement with Glas Securities Cymru Cyfyngedig ("Glas Securities"), a subsidiary of Glas Cymru Cyfyngedig ("Glas"), with respect to a potential transaction. Because of the secured debt expected to be incurred by Dŵr Cymru and the distributions referred to in clause (vii) above, the purchase price payable by Glas Securities will be nominal.

The steps described above are subject to numerous conditions and factors, many of which are wholly or partially beyond the control of the Offerors. These factors may include the negotiation and execution of definitive agreements, consents and approvals of regulatory bodies and other third parties, market conditions, general financial and business conditions, and others.

Summary Pro Forma Financial Information of WPD Holdings

Introduction to Unaudited Pro Forma Financial Information

On September 15, 2000, WPD Limited, a company under the same ultimate ownership as WPD Holdings, acquired control of Hyder in a share acquisition. On October 31, 2000, WPD Limited exercised its statutory right to acquire all remaining shares of Hyder in issue, acceptances of its acquisition offer having exceeded 90% of shares in issue. WPD Limited completed its acquisition of all remaining shares of Hyder in December 2000.

WPD Limited is in the process of restructuring the Hyder group. As part of this restructuring, in March 2001, it transferred Infralec to the WPD Holdings group, together with the Hyder group's investment in Teesside Power Limited, Hyder's rights to the SWAPs, and certain other assets. Infralec owns and operates the electricity network in South Wales.

Concurrent with the above, this document sets out the terms of the successfully completed exchange offer. This exchange offer had the financial effect of a transfer of the Hyder Notes to WPD Holdings. The nominal value of the Hyder Notes was £617 million. Cash of £306 million (representing the difference between (x) the aggregate market value of the WPDH Notes issued in the exchange offer and of the SWAPs, and (y) the fair market value of the capital stock of Infralec and of Hyder's interest in Teesside Power Limited and the certain other assets was at the same time paid from the Hyder group to the WPD Holdings group.

The unaudited pro forma financial statements in respect of the six months to September 30, 2000, and the unaudited pro forma Consolidated Statement of Income for the year to March 31, 2000, give effect to the above as if they had occurred on April 1, 1999. They are presented in accordance with U.S. GAAP and include the impact of purchase accounting adjustments. The unaudited pro forma financial statements should be read in conjunction with WPD Holdings' historical consolidated financial statements, included elsewhere in this document.

The unaudited pro forma information presented is for informational purposes only and is not necessarily indicative of future earnings or financial position or of what the earnings and financial position would have been had the transactions occurred at the beginning of the respective periods or as of the date for which unaudited pro forma financial information is presented.

WPD Holdings
Unaudited Pro Forma Consolidated Statement of Income
For the Six Months Ended September 30, 2000

	WPD Holdings Group	Transfer From Hyder Group (1)	US Bonds and Cash (2)	Adjustments (3)	Restructured WPD Holdings Group
		Pro forma adjustments			
	U.S. GAAP	U.K. GAAP	U.K. GAAP		U.S. GAAP
	£m	£m	£m	£m	£m
Operating revenues	103	82	-	-	185
Operating costs	(58)	(50)	-	13	(95)
Exceptional items	-	(5)	-	-	(5)
Operating income from continuing operations	45	27	-	13	85
Other income (expense) :					
Interest income	1	-	9	-	10
Interest expense	(26)	(6)	(23)	3	(52)
Investment income (4)	3	3	-	-	6
Total other (expense) income	(22)	(3)	(14)	3	(36)
Income from continuing operations before income taxes	23	24	(14)	16	49
Provision for income taxes	(7)	(7)	4	(4)	(14)
Net Income from continuing operations	16	17	(10)	12	35

Notes

(1) Includes Infralec and the Teesside Power Limited investment.

(2) The estimated market value of net assets transferred from Hyder to the WPD Holdings group, plus a cash value transferred, will match the aggregate value of the WPDH Notes exchanged for Hyder Notes and the transferred SWAPs. The cash value transferred could be different from that assumed in this pro forma as it depends on the estimated market value of the assets transferred, of the WPDH Notes, and of the SWAPs at the date of the transfer/exchange. The schedule above shows the interest payable on the WPDH Notes less interest receivable on cash balances at one year sterling interbank interest rates at March 31, 1999.

(3) This adjusts the results of the activities transferred from Hyder from U.K. GAAP to U.S. GAAP and reflects the application of purchase accounting. The principal adjustments relate to depreciation, capitalized interest, the recognition of changes in the market value of unhedged financial instruments, pension costs, and deferred tax. The purchase accounting adjustments are estimated.

(4) Defined as income from joint ventures, associates, investments, and profits on the disposal of investments.

WPD Holdings
Unaudited Pro Forma Consolidated Statement of Income
For the Year Ended March 31, 2000

			Pro forma adjustments		
	WPD Holdings Group	Transfer From Hyder Group (1)	US Bonds and Cash (2)	Adjustments (3)	Restructured WPD Holdings Group
	U.S. GAAP £m	U.K. GAAP £m	U.K. GAAP £m	£m	U.S. GAAP £m
Operating revenues	275	205	-	-	480
Operating costs	(143)	(112)	-	12	(243)
Exceptional items	-	(62)	-	-	(62)
Operating income from continuing operations	132	31	-	12	175
Other income (expense) :					
Interest income	2	2	14	12	30
Interest expense	(53)	(23)	(45)	-	(121)
Investment income (4)	7	2	-	-	9
Gain on sale of assets	-	68	-	-	68
Total other (expense) income	(44)	49	(31)	12	(14)
Income from continuing operations before income taxes	88	80	(31)	24	161
Provision for income taxes	(14)	(14)	9	6	(13)
Net Income from continuing operations	74	66	(22)	30	148

Notes

(1) Includes Infralec and the Teesside Power Limited investment.

(2) The estimated market value of net assets transferred from Hyder to the WPD Holdings group, plus a cash value transferred, will match aggregate the value of the WPDH Notes exchanged for Hyder Notes and the transferred SWAPs. The cash value transferred could be different from that assumed in this pro forma as it depends on the estimated market value of the assets transferred, of the WPDH Notes, and of the SWAPs at the date of the transfer/exchange. The schedule above shows the interest payable on the WPDH Notes less interest receivable on cash balances at one year sterling interbank interest rates at March 31, 1999.

(3) This adjusts the results of the activities transferred from Hyder from U.K. GAAP to U.S. GAAP and reflects the application of purchase accounting. The principal adjustments relate to depreciation, capitalized interest, the recognition of changes in the market value of unhedged financial instruments, pension costs, and deferred tax. The purchase accounting adjustments are estimated.

(4) Defined as income from joint ventures, associates, investments, and profits on the disposal of investments.

WPD Holdings
Unaudited Pro Forma Condensed Consolidated Balance Sheet

September 30, 2000

	WPD Holdings Group	Transfer From Hyder Group (1)	US Bonds and Cash (2)	Adjustments (3)	Restructured WPD Holdings Group (4)
		Pro forma adjustments			
	U.S. GAAP	U.K. GAAP	U.K. GAAP		U.S. GAAP
	£m	£m	£m	£m	£m
Property, plant and equipment (net)	1,278	589	306	(372)	1,801
Other assets	478	13	-	153	644
Current assets	334	78	306	-	718
Total assets	2,090	680	612	(219)	3,163
Stockholders' equity	595	425	-	(425)	595
Minority interests in subsidiaries	9	-	-	-	9
Mandatorily redeemable preference shares	50	-	-	-	50
Non-current liabilities	735	180	612	149	1,676
Current liabilities	701	75	-	57	833
Total stockholders' equity and liabilities	2,090	680	612	(219)	3,163

Notes

(1) Includes Infralec and the Teesside Power Limited investment.

(2) The estimated market value of net assets transferred from Hyder to the WPD Holdings group, plus a cash value transferred, will match the aggregate value of the WPDH Notes exchanged for Hyder Notes and the transferred SWAPs.

(3) This adjusts the results of the activities transferred from Hyder from U.K. GAAP to U.S. GAAP and reflects the application of purchase accounting. The principal adjustments relate to the valuation of fixed assets and investments, pension asset, liabilities, and deferred tax.

(4) Assuming 100% Acceptance of the Exchange Offer.

Selected Historical Consolidated Financial and Operating Data of WPD Holdings

The selected financial data set forth below should be read in conjunction with the consolidated financial statements and the notes thereto incorporated by reference into this listing memo. The figures have been prepared in accordance with U.S. GAAP. The audited financial statements for the year ended March 31, 2001 have not yet been finalized. WPD Holdings expects those financial statements to be available by the end of September 2001.

Until June 18, 1998, the WPD Holdings group, whose main operating company is WPD, was headed by WPD Holdings Limited. On that day, the owners exchanged their shares in WPD Holdings Limited for shares in WPD Holdings that carried the same rights. This transaction had no financial impact on the WPD Holdings group.

The following tables present the selected consolidated financial information in respect of the WPD Holdings group and its predecessor, WPD Holdings Limited. The information set forth below should be read together with WPD Holdings' historical consolidated financial statements and the notes to those statements included elsewhere in this listing memo. WPD Holdings' consolidated income statement data for the years ended March 31, 1997, 1998, 1999, and 2000, and the selected balance sheet data as of March 31, 1996, 1997, 1998, 1999, and 2000, are derived from WPD Holdings' audited consolidated financial statements, which were audited by Arthur Andersen, independent public accountants. The historical financial information may not be indicative of WPD Holdings' future performance.

All figures are in millions unless otherwise indicated.	**Years Ended March 31**				**Six Months Ended September 30**	
U.S. GAAP	**1997**	**1998**	**1999**	**2000**	**1999**	**2000**
Income Statement Data (1):						
Operating revenues	£ 258	£ 245	£ 261	£ 275	£ 129	£ 103
Operating expenses:						
Cost of sales	37	19	16	20	9	12
Maintenance	35	34	37	35	18	17
Depreciation and amortization	43	46	51	56	26	23
Selling, general and administrative	29	36	35	7	19	6
Write down of meters (2)	-	-	-	22	-	-
Incremental costs re: supply sale (3)	-	-	-	3	1	-
Operating income	114	110	122	132	56	45
Other income (expense):						
Interest income	2	2	1	2	-	-
Interest expense	(50)	(51)	(53)	(53)	(26)	(26)
Investment income	6	9	5	7	5	4
Gain on sales of assets	-	-	7	-	-	-
Gain on sales of investments	6	-	-	-	-	-
Total other expense	(36)	(40)	(40)	(44)	(21)	(22)
Income from continuing operations before income taxes	78	70	82	88	35	23
Provision (benefit) for income taxes:						
Customary	23	29	20	14	10	7
Effect of changes in tax rates	-	(22)	(11)	-	-	-
Windfall profits tax (4)	-	90	-	-	-	-
Income (loss) from continuing operations	55	(27)	73	74	25	16
Income from discontinued operations, net of income tax benefit of £2 in 1997, £5 in 1998, £5 in 1999, £2 in 2000, and £7 and £9 for the six months ended September 30, 1999 and 2000, respectively (3)	5	12	11	4	4	-
Gain on disposal of electricity supply business (less applicable income taxes of £49 in 2000, and £48 and £1 for the six months ended September 30, 1999 and 2000, respectively (3)	-	-	-	125	124	4
Net income (loss)	£ 60	£ (15)	£ 84	£ 203	£ 153	£ 20

	Years Ended March 31				Six Months Ended September 30	
	1997	1998	1999	2000	1999	2000
Financial Ratios :						
Interest cover (5)	2.2x	2.2x	2.3x	2.7x	2.2x	1.7x
Ratio of earnings to fixed charges (6)	2.4x	2.3x	2.5x	2.7x	1.9x	2.3x
EBITDA / Net debt (7)	25.6%	23.4%	24.6%	32.2%	17.2%	8.2%

	Years Ended March 31				Six Months Ended September 30	
	1997	1998	1999	2000	1999	2000
Statement of Cash Flow Data (1):						
Cash flow from operating activities	£ 70	£7	£ 71	£ 116	£ 75	£ 26
Cash flow from investing activities	(50)	(78)	(63)	(51)	133	(33)
Cash flow from financing activities	(37)	54	(24)	(88)	(91)	7
Other Operating Data:						
EBITDA (7)	£ 157	£156	£ 173	£ 188	£ 82	£ 68

	As of March 31					As of September 30	
	1996	1997	1998	1999	2000	1999	2000
Balance Sheet Data:							
Property, plant and equipment, net	£1,207	£1,253	£1,280	£1,301	£1,265	£1,279	£1,278
Current assets	189	175	144	125	81	211	334
Other assets	294	300	305	317	473	315	478
Total assets	1,690	1,728	1,729	1,743	1,819	1,805	2,090
Long-term debt	-	301	301	301	301	301	300
Subsidiary obligated mandatorily redeemable preferred Securities	-	50	50	50	50	50	50
Short-term debt	972	284	338	374	316	282	582

(1) The main group operating company, WPD, was acquired in September 1995. The Income Statement and Cash Flow Data for the fiscal year to March 31, 1996, is not comparable to the subsequent periods and has therefore been excluded from the above tables.

(2) The electricity industry regulatory authority is introducing competition in metering activities, namely meter fixing (meter provision, installation, certification, and repair) and meter reading. Meter fixing must be undertaken by authorized providers, of which WPD is one. Based on the proposed regulation, the current carrying value of metering assets will be impaired. As a result, the group recorded an impairment loss of £22 million in the third quarter of fiscal year 2000 to reflect the amount by which the carrying value of metering assets exceeded their fair value. The fair value is assessed by reference to the present value of estimated future cash flows attributable to the assets, using a discount rate commensurate with the risks involved.

(3) Discontinued operations relate to the electricity supply business. As a direct consequence of the sale of this business, certain incremental costs were incurred relating to the ongoing operations.

(4) In 1997, the government of the United Kingdom imposed a windfall profits tax on the U.K.'s privatized utilities. The amount of windfall profits tax imposed on WPD was £90 million, of which 50% was paid in December 1997 and 50% was paid in November and December of 1998.

(5) Defined as profit before interest and exceptional items over net interest payable.

(6) Calculated as the ratio of profit on continuing activities before tax plus fixed charges to fixed charges.

(7) EBITDA represents the operating income (loss) plus depreciation and amortization and the equity in income of affiliates. EBITDA, as defined, is presented because it is a widely accepted financial indicator used by some investors and analysts to analyze and compare companies on the basis of operating performance. EBITDA, as defined, is neither intended to represent cash flows for the period, nor is it presented as an alternative to operating income or as an indicator of operating performance. It should not be considered in isolation or as a substitute for a measure of performance prepared in accordance with U.S. GAAP and is not indicative of operating income or cash flow from operations as determined under GAAP. The method of computation may not be comparable to other similarly titled measures by other companies.

RISK FACTORS

The risks described in this section are those that WPD Holdings consider to be the most significant to the transactions discussed in this listing memo.

Lack of a Public Market; Transfer Restrictions

Resale of the WPDH Notes is Restricted and Certain Holding Periods Will Apply

WPD Holdings does not plan to register the WPDH Notes under the Securities Act or any U.S. state securities laws. Thus, unless they are registered, the WPDH Notes may not be offered or sold in the U.S., except pursuant to an exemption from registration under the Securities Act and applicable foreign or state laws or in a transaction not subject to such laws.

WPD Holdings has been advised by its counsel that, for U.S. securities law purposes, holders receiving WPDH Notes will not be able to "tack" the holding period for their surrendered Hyder Notes. Accordingly, holders of WPDH Notes offered under the exchange offer will have no liquidity or trading market for the duration of the relevant holding period for these WPDH Notes, except as to any trading market that may develop among QIBs, and non-U.S. Persons. See "Transfer Restrictions."

There is No Current Public Market for the WPDH Notes Offered and a Market May Not Develop or Be Sustained

While WPD Holdings has made an application to list the WPDH Notes on the Luxembourg Stock Exchange, the WPDH Notes represent new securities for which no trading market currently exists. WPD Holdings cannot predict whether an active trading market for the WPDH Notes will develop or be sustained. If an active market for the WPDH Notes fails to develop or be sustained, the trading price of the WPDH Notes could be adversely affected.

Leverage of WPD Holdings

As of March 31, 2001, on a consolidated basis after giving effect to the exchange offer and the other transactions described above (see "The Transactions"), WPD Holdings and its subsidiaries had £1,557 million of total liabilities, including £1,063 million of senior indebtedness, none of which has been secured. The Indenture for the WPDH Notes contains no restrictions on the amount of additional indebtedness that may be incurred by WPD Holdings or its subsidiaries; the Indenture does, however, contain certain restrictions on the ability of WPD Holdings to incur secured indebtedness. See "Description of the WPDH Notes—Indenture—Covenants."

The WPD Holdings group's significant debt burden could have important consequences to WPD Holdings, including, but not limited to, that (i) the cash received from operations may be insufficient to meet the principal and interest payments on WPD Holdings' debt as the same become due, (ii) a significant portion of WPD Holdings' cash flow from operations must be used to service its debt instead of being used in WPD Holdings' business, and (iii) WPD Holdings' flexibility to obtain additional financing in the future may be impaired by the amount of debt outstanding.

The ability of WPD Holdings to meet its financial obligations will be subject to financial, business, and other factors, many of which are beyond its control, such as prevailing economic conditions. In addition, the ability of WPD Holdings' subsidiaries to pay dividends or to make other payments to WPD Holdings may be restricted by the terms of the various credit agreements entered into by its subsidiaries, as well as by legal restrictions. The instruments governing existing and future indebtedness contain, or may contain, covenants that limit the operating and financial flexibility of WPD Holdings and its subsidiaries. Failure to generate sufficient cash flow may impair WPD Holdings' ability to obtain additional equity or debt financing or to meet its debt service requirements. In such circumstances, WPD Holdings may be required to renegotiate the terms of the instruments relating to its long-term debt or to refinance all or a portion thereof. There can be no assurance that WPD Holdings would be able to renegotiate successfully such terms or refinance its indebtedness when required or that satisfactory terms of any such refinancing would be available. If WPD Holdings were unable to refinance its indebtedness or obtain new financing under these circumstances, it would have to consider other options such as the sale of certain assets to meet its debt service obligations, the sale of equity, negotiations with its lenders to restructure applicable indebtedness or other options available to it under applicable law.

Future Capital Requirements

WPD Holdings May be Unable to Obtain Financing in the Future and any Future Financing It Receives May be Less Favorable to It Than Its Current Arrangements. Any Difficulty WPD Holdings Experiences in Obtaining Favorable Financing Arrangements May Adversely Affect Its Ability to Expand Its Operations and, as a Result, May Adversely Affect the Value of the WPDH Notes

WPD Holdings' continued access to capital with acceptable terms is necessary for its future success. WPD Holdings' attempts to consummate future financing may not be successful or on favorable terms. WPD Holdings will attempt to obtain future financing where and when it determines it to be in its best interest, but it cannot assure you that market conditions and other factors will permit future financings on terms similar to those its subsidiaries have previously received. WPD Holdings' ability to arrange for satisfactory financing, and the costs of such financing, are dependent on numerous factors, including general economic and capital market conditions, credit availability from banks, investor confidence, the continued success of current operations, and the applicable tax and securities laws.

WPD Holdings' failure to obtain satisfactory financing or refinancing could have a material adverse effect on its prospects and the market price of its securities, including the WPDH Notes.

Ranking of the WPDH Notes

The WPDH Notes are direct, unsecured and unsubordinated obligations of WPD Holdings ranking *pari passu* with all other unsecured and unsubordinated obligations of WPD Holdings (other than those obligations preferred by operation of law). The WPDH Notes effectively rank junior to any secured indebtedness of WPD Holdings to the extent of the assets securing such indebtedness and to any indebtedness of WPD Holdings' subsidiaries to the extent of the assets of such subsidiaries. WPD Holdings is a holding company that conducts substantially all of its operations through its subsidiaries, and therefore substantially all of WPD Holdings' consolidated assets are currently held by its subsidiaries. At September 30, 2000, WPD Holdings had no debt obligations. Also at September 30, 2000, WPD Holdings' subsidiaries had indebtedness of approximately £928 million outstanding to parties other than WPD Holdings. The Indenture for the WPDH Notes contains no restrictions on the amount of additional indebtedness that may be incurred by WPD Holdings or its subsidiaries; the Indenture does, however, contain certain restrictions on the ability of WPD Holdings to incur secured indebtedness. See "Description of the WPDH Notes—Indenture—Covenants."

If WPD Holdings becomes insolvent or is liquidated, or if payment under any secured obligation is accelerated, the lenders under such secured obligations will be entitled to exercise the remedies available to a secured lender under applicable law and pursuant to the terms of the agreement securing such obligation. Any claims of such lenders with respect to such assets will be prior to any claim of the holders of the WPDH Notes with respect to such assets. Accordingly, it is possible that there would be no assets remaining from which claims of the holders of the WPDH Notes could be satisfied, or if any such assets remain, such assets may be insufficient to satisfy such claims fully.

Factors Relating to the Electric Utility Business in England and Wales

Effect of Government Regulation

WPD Holdings' operations are subject to extensive governmental regulation. To comply with these legal requirements, which include laws, rules and regulations relating to competition, health and safety, and environmental and anti-pollution concerns, among other matters, may require the expenditure of considerable sums. The standards imposed by such environmental and anti-pollution regulations may also increase with time and impose more onerous obligations and liabilities on WPD Holdings in the future. In particular, government regulation imposes certain performance standards. The performance of WPD's network is related to a number of performance criteria, including (i) availability (the number of minutes each end user is without supply), (ii) security (the frequency of supply interruption), and (iii) quality of service (*e.g.*, restoration of supply within a certain time after interruption). Compliance with these criteria requires the expenditures of considerable sums and the implementation of various initiatives. WPD Holdings may also be exposed to compliance risks from existing and future facilities.

To conduct its business, WPD Holdings must obtain licenses, permits, and approvals for its facilities. WPD Holdings cannot assure you that it will be able to obtain and comply with all necessary licenses, permits, and approvals. If it cannot comply with all applicable regulations, WPD Holdings' business, results of operations, and financial condition could be adversely affected.

In addition, government regulation relating to pricing, competition, deregulation, and other matters has the capacity to greatly affect the success and profitability of WPD Holdings' operations. See "Overview of the Electric Utility Industry in England and Wales."

Price Regulation of Distribution

The operations of WPD are regulated under its Public Electricity Supply license (a "PES license"), pursuant to which income generated by the distribution business is subject to a price cap regulatory framework that provides economic incentives to increase efficiency and reduce costs while maintaining an appropriate quality of supply and enabling the company to finance new investments and provide a return to investors. See "Overview of the Electric Utility Industry in England and Wales."

In December 1999, the U.K. electricity industry Regulator published final price proposals for distribution price control for the 12 regional electricity distribution businesses in England and Wales, including WPD. For WPD, those proposals represented a 20% reduction to distribution prices effective April 1, 2000, followed by reductions in real terms of 3% each year from April 1, 2001. This price control is scheduled to operate until March 31, 2005.

There can be no assurance that these price reductions, and potential further reductions following additional reviews in the future, will not adversely affect WPD Holdings' profitability and the value of its securities, including the WPDH Notes.

Changes in Technology May Significantly Impact WPD Holdings' Business by Making Its Distribution Network Less Competitive

WPD Holdings' business is presently focused on distributing power from central power plants. Research and development activities are, however, ongoing to seek improvements in alternative electricity generation methods, most notably fuel cells, microturbines, windmills, and photovoltaic (solar) cells. It is possible that advances will reduce the cost of alternative methods of electricity production (perhaps in combination with tax or regulatory incentives favoring such alternative methods of electricity production) to a level that is equal to or below that of most central station electric production. If this were to happen, WPD Holdings' distribution network might need to be reconfigured, and the value of WPD Holdings' distribution network may be significantly impaired.

WPD Holdings' Facilities May Not Operate as Planned, Which May Lead to Poor Financial Performance

WPD Holdings' operations involve many risks, including the breakdown or failure of distribution equipment or other equipment or processes, labor disputes, fuel interruption, adverse impact from the plant of connected parties, and operating performance below expected levels. In addition, weather-related incidents and other natural disasters can disrupt both generation and transmission delivery systems. Operation of WPD Holdings' distribution network below expected efficiency levels may result in lost revenues or increased expenses, including higher maintenance costs and penalties.

Currency Risks, Hedging Transactions

The WPDH Notes are denominated in U.S. dollars. WPD Holdings' subsidiaries' revenues are generated primarily in pounds sterling while WPD Holdings' interest and principal payment obligations with respect to the WPDH Notes will be payable in U.S. dollars. As a result, any change in the currency exchange rate that increases the effective principal and interest payment obligations represented by the WPDH Notes upon conversion of pounds sterling-based revenues into U.S. dollars may, if not appropriately hedged, have a material adverse effect on WPD Holdings or on its ability to make payments on the WPDH Notes. Although WPD

Holdings expects to enter into certain transactions in connection with the exchange offer to hedge risks associated with exchange rate fluctuations, including the assumption of Hyder's rights to the SWAPs, there can be no assurance that WPD Holdings will engage in such transactions or that any such transaction will be successful in reducing such risks.

Considerations Related to Book-Entry Interests

The WPDH Book-Entry Depositary, or its nominee, is the sole holder of the WPDH Notes in the form of one or more Global Notes, each in bearer form, with respect to each series of the WPDH Notes. Unless and until definitive WPDH Notes are issued in exchange for interests in Book-Entry Interests, owners of interests in the Book-Entry Interests will not be considered the owners or holders of WPDH Notes under the Indenture. The WPDH Book-Entry Depositary has issued Book-Entry Interests to DTC, in which beneficial interests may be held. Accordingly, each person owning an interest in the Book-Entry Interests must rely on the procedures of the WPDH Book-Entry Depositary and DTC, and, if such person is not a Participant in DTC, on the procedures of the Participant (including Euroclear and Clearstream) through which such person owns its interest to exercise any rights and obligations of a holder of WPDH Notes under the Indenture.

Payments of principal, interest and any other amounts owing on or in respect of each of the Global Notes will be made to the Book-Entry Depositary, which will in turn distribute payments to Cede & Co. (as nominee of DTC), and thereafter payments will be made to Participants (and to Indirect Participants). None of WPD Holdings, the Trustee, the Book-Entry Depositary, any paying agent or any registrar has a responsibility or liability for any aspect of the records relating to, or payments made on account of, the WPDH Book-Entry Interests or interests therein or for maintaining, supervising or reviewing any records relating to such Book-Entry Interests or interests therein.

Unlike holders of the WPDH Notes themselves, owners of interests in the Book-Entry Interests do not have the direct right under the Indenture to act upon solicitations by WPD Holdings of consents or requests by WPD Holdings for waivers or other actions from holders of the WPDH Notes. Instead, owners of interests in the Book-Entry Interests are permitted to act only to the extent they have received appropriate proxies to do so from DTC and, if applicable, Participants. There can be no assurance that procedures implemented for the granting of such proxies will be sufficient to enable owners of interests in the Book-Entry Interests to vote on any requested actions on a timely basis. Similarly, upon the occurrence of an Event of Default (as defined herein) owners of interests in the Book-Entry Interests will be restricted to acting through DTC, its Participants and the WPDH Book-Entry Depositary. **There can be no assurance that the procedures to be implemented by DTC, its Participants and the WPDH Book-Entry Depositary under such circumstances will be adequate to ensure the timely exercise of remedies under the Indenture.** See "Description of the WPDH Notes—Description of the Book-Entry System."

Risk of Error in Forward-looking Statements

This listing memo includes "forward-looking statements." Although the Offerors believe that their respective plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, they can give no assurance that such plans, intentions or expectations will be achieved. Important factors could cause actual results to differ materially from the forward-looking statements the Offerors make in this listing memo, including under the heading "Risk Factors." All forward-looking statements attributable to the Offerors or persons acting on their behalf are expressly qualified in their entirety by the cautionary statements and risk factors contained throughout this listing memo.

CAPITALIZATION OF WPD HOLDINGS

The following table sets forth, as of March 31, 2001, the consolidated capitalization of WPD Holdings and its subsidiaries and the impact of the transfer of Infralec and of the exchange offer.

	WPD Holdings Group	Adjustments to Reflect Transfer of Infralec (2)	Adjustments to Reflect the Exchange Offer (2)	Restructured WPD Holdings Group (1)
	£ million	£ million	£ million	£ million
Short-Term Debt:				
Notes Payable to Banks:	600	-	306	294
Notes Payable to Owner:	150	-	-	150
Total Short-Term Debt:	**750**	**-**	**306**	**444**
Long-Term Debt:				
Notes due 2001	102	-	-	102
Notes due 2004	-	-	120	120
Notes due 2006	198	-	-	198
Notes due 2007	-	-	119	119
Notes due 2008	-	-	136	136
Notes due 2017	-	-	59	59
Notes due 2020	-	148	-	148
Notes due 2028	-	-	181	181
Total Long-Term Debt:	**300**	**148**	**615**	**1,063**
Company-Obligated Mandatory Redeemable Convertible Preferred Securities of a Subsidiary Trust:	**50**	**-**	**-**	**50**
Stockholders' Equity:	**679**	**-**	**-**	**679**
Total:	**1,779**	**148**	**309**	**2,236**

Notes

(1) The short-term debt above will be further reduced. This will include receipt of approximately £190 million from WPD Limited as a result of Hyder business disposals.

(2) The pro forma adjustments do not reflect the market value of the debt transferred into WPD Holdings.

DESCRIPTION OF THE BUSINESS OF WPD HOLDINGS

WPD Holdings is the parent of a group whose principal operating activity is currently conducted by WPD, an electricity distribution utility operating in southwest England. WPD Holdings was incorporated on June 18, 1998. Economic ownership of WPD Holdings is 49% indirectly by Mirant and 51% indirectly by PPL. Until December 1, 2000, Mirant had management control of the group; from that date, management control has been shared equally. Ownership of Infralec has been transferred from Hyder to WPD Holdings.

SIUK was incorporated as a public limited company under the laws of England and Wales in June 1995 as a vehicle for the acquisition of WPD, one of the 12 RECs in England and Wales licensed to distribute, supply and, to a limited extent, generate electricity. In September 1995, SIUK gained effective control of WPD and subsequently replaced WPD's board of directors and certain senior managers with officers and employees from within The Southern Company system. SIUK's main investment and only significant asset is the entire share capital of WPD, which is headquartered in Bristol, England.

SIUK has been a wholly owned indirect subsidiary of WPD Holdings since June 1998, pursuant to a sale transaction and reorganization between Mirant and PPL.

Since its acquisition in 1995, WPD has become a more focused company, concentrating on the main electricity business of distribution. Several businesses not related to distribution have been sold since WPD was acquired by SIUK, and the remaining ancillary businesses have been redirected to focus on support for the main distribution business.

In September 1999, WPD completed the sale of its electricity supply business (known as "SWEB") and certain related activities, together with the name "SWEB", to London Electricity plc for £160 million and the assumption of certain liabilities. WPD now trades under the name "Western Power Distribution." WPD's main business is the distribution of electricity to approximately 1.4 million end users in its authorized area in the southwest of England.

On September 15, 2000, WPD Limited, a company that is owned by subsidiaries of Mirant and PPL but that is not part of the WPD Holdings group, acquired control of Hyder in a share acquisition. On October 31, 2000, WPD Limited exercised its statutory right to acquire all remaining shares of Hyder in issue, acceptances of its acquisition offer having exceeded 90% of shares in issue. WPD Limited completed its acquisition of all remaining shares of Hyder in December 2000. WPD Limited has replaced Hyder's board of directors with its own nominees.

Hyder provided water and sewerage, electricity distribution and other services to customers in Wales. It also has other companies in the U.K. and elsewhere. Ownership of Infralec has been transferred from Hyder to WPD Holdings. It is WPD Limited's intention to sell or close all of Hyder's other business activities.

Infralec owns and operates the electricity distribution business in South Wales. Following the sale of its supply business together with the trading name "SWALEC" in February 2000, it has traded as "Infralec." Its revenues are principally derived from charges to electricity suppliers for using the distribution network. The headquarters of Infralec will remain in South Wales.

Share Capital

WPD Holdings has authorised, issued and fully paid ordinary shares:

A of £1 each –	12,184,716
B of £1 each –	11,936,049
C of £1 each –	746,003
D of £0.00001 each –	5,100,000
E of £0.00001 each –	4,900,000

The "A" ordinary shares and the "B" ordinary shares of WPD Holdings have the same voting rights, but the "C" ordinary shares have no voting rights.

On December 14, 1999, the "D" and "E" shares were issued to wholly owned subsidiaries of the two parents, PPL and Mirant respectively, for a total of £100. The "D" and "E" shares entitle their holders solely to all distributions arising in WPD Holdings from respectively its holdings of "D" and "E" shares in WPD Holdings Limited.

There were no shares authorized but not issued.

The above information appeared in WPD Holding UK's audited UK statutory accounts for March 31, 2000. There have been no changes since.

Description of the Owners

The following information concerning the ultimate owners of the Offerors is supplied for informational purposes only. Neither Mirant nor PPL have any obligations with respect to the WPDH Notes or the Hyder Notes.

Mirant Corporation

Mirant is a global independent power producer and a leading energy marketing and risk-management company. Mirant's core business is developing, constructing, owning, and/or operating power generation facilities in the U.S. and abroad. It has extensive operations in the Americas, Europe, and Asia. Mirant owns more than 17,000 MW of electric generating capacity around the world and has approximately 6,000 MW under advanced development. As of September 30, 2000, Mirant had total assets of $17.7 billion and its total market capitalization was over $9 billion on December 30, 2000.

Mirant has built and acquired a portfolio of power generating assets that makes it one of the world's largest independent power producers. Mirant was ranked as the third and sixth largest independent power producer in the world in the July 1999 and July 2000 editions of *McGraw-Hill's 205 Independent Power Companies.*

On October 2, 2000, Mirant closed an initial public offering (the "IPO") of 66.7 million shares of 19.7% of its common stock. The net proceeds from the IPO, together with a concurrent offering of preferred securities, were $1,714 million. On February 19, 2001, Southern Company's Board of Directors approved the distribution of its remaining shares in Mirant to Southern Company's shareholders. The distribution was effective April 2, 2001.

PPL Corporation

PPL is the holding company for PPL Electric Utilities Corp. ("PPL Electric"), PPL Generation, PPL Energy Plus, and PPL Global, LLC ("PPL Global"). As of October 17, 2000, PPL's market capitalisation was $6.2 billion.

PPL Electric is involved in the transmission and distribution of electricity, and serves 1.3 million customers located in 29 counties throughout eastern and central Pennsylvania.

PPL Generation owns 8,394 MW of generating capacity in Pennsylvania, 1,158 MW in Montana, and 93 MW in Maine, for a total of 9,645 MW.

PPL Energy Plus markets energy to wholesale customers in most states in the U.S. as well as Canada, and provides innovative and creative pricing to businesses in select markets. PPL Energy Plus also operates a portfolio of non-regulated subsidiaries involved in energy and energy services sales to newly deregulated markets, trading and marketing, international power distribution, heating and air-conditioning, and natural gas and propane storage and distribution in Pennsylvania and Maryland.

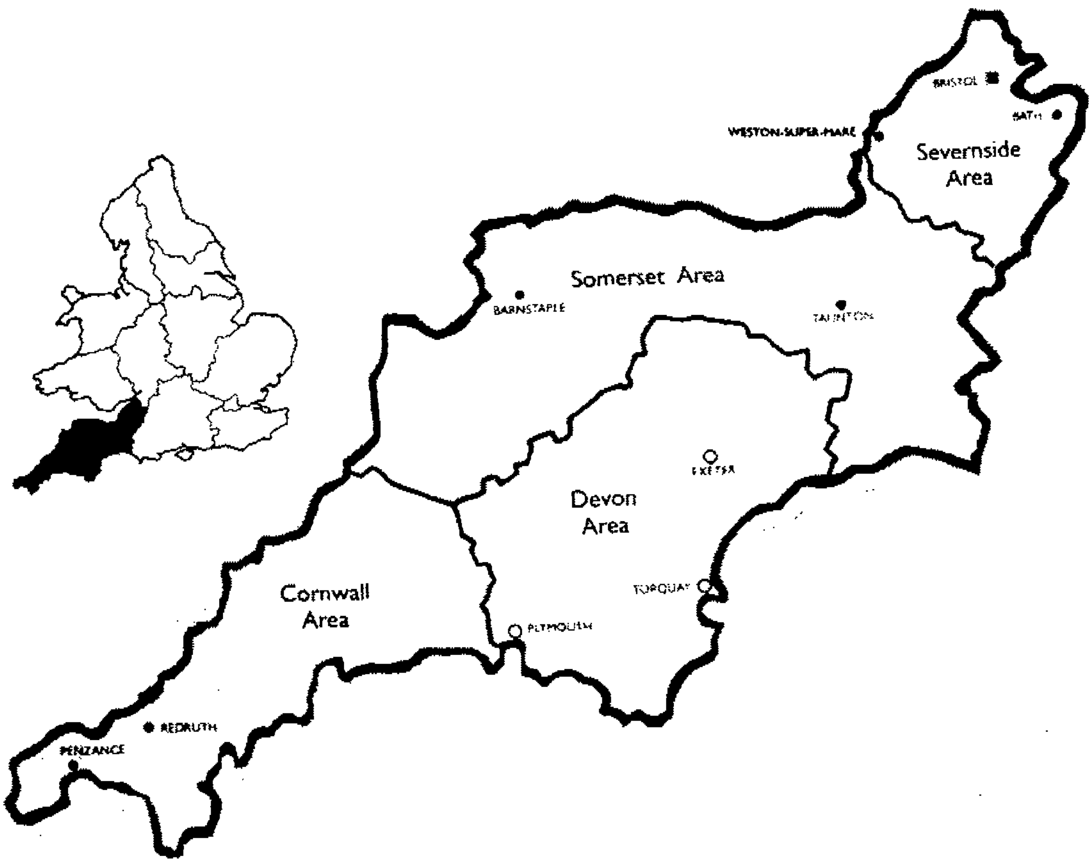
PPL Global develops, owns, and manages investments in international markets, and has been an owner of WPD since 1996. In addition to the U.K., PPL Global has major investments in Chile, Brazil, El Salvador, and Bolivia. These operations deliver electricity and services to more than 4.4 million customers. WPD ranks among the company's largest foreign investments. In addition, PPL Global acquires and develops generating facilities designed to serve the deregulating U.S. market. It currently has more than 2,300 MWs of capacity under development.

WPD's Distribution Business

Overview

WPD's PES license authorizes it to distribute electricity in an area covering approximately 5,560 square miles, extending from Bristol and Bath in the northeast, 188 miles southwest along the peninsula to Land's End and 28 miles beyond to the Isles of Scilly. This area has a resident population of approximately 2.8 million. WPD's network, which consisted of approximately 18,193 miles of overhead lines and 11,630 miles of underground cable as of March 31, 2000, distributed 14.4 TWh of electricity in 1999/2000, with a peak demand of 2,629 MW.

The southwest of England, of which the authorized area forms the greater part, has benefited from economic growth (as measured by Gross Domestic Product or "GDP") that on average has exceeded the U.K. rate during the 1990's and over the longer term. The area has also benefited from an average unemployment rate during calendar year 1999 of approximately 3.1%, which was below the U.K. average of 4.3% according to a 2000 study by Cambridge Econometrics. The largest cities and towns in WPD's authorized area are Bath, Bristol, Exeter, Plymouth, and Taunton. Business activity is generally concentrated in the population centers around Bristol, Bath, and Plymouth. The Bristol and Bath area is served by the M4 and M5 motorways, a rail network including a link between Bristol and London, and a commercial port at Avonmouth.



WPD's distribution business has grown in both its end user base and in the number of units distributed, primarily reflecting population and economic growth in the southwest of England. At March 31, 2000, WPD had experienced a 5-year compound annual growth rate of 0.94% in end users (to 1,356,000) and 2.07% in units distributed.

Strategy

Since being acquired by SIUK, WPD has reviewed and refined its distribution strategy and has established key goals of cost reduction and improved levels of service and network performance.

Staff reductions have played a key role in cost savings. Since acquisition, WPD has implemented a plan of voluntary and other staff reductions, mainly in the distribution business. Part of these reductions were made possible due to new work practices that WPD developed with the cooperation of WPD's unions. Team restructuring in the engineering division and the establishment of multi-skilled independent field teams has also contributed to improved cost efficiency. In addition, management restructuring has produced a flatter organizational structure by reducing management levels from seven to three. WPD implemented further staff reductions early in 2000 as a consequence of a regulatory price reduction.

Monitoring the satisfaction of end users connected to the network with the quality of supply provided is a key element of WPD's strategy. WPD aims to meet or exceed all the performance criteria established by the Regulator. Network performance is measured by three key criteria:

- *availability*: the minutes each end user is without supply;
- *security*: the number of supply interruptions per 100 end users; and
- *quality of service*: the number of end users whose supply is restored within one hour of an interruption, which is more challenging than the regulatory target of three hours.

In fiscal year 2000, the average time an end user was without supply was 64.4 minutes. This represents a 52% improvement on the performance in 1995 and surpasses the regulatory target of 93 minutes. This was achieved despite severe gales and lightning in late December 1999. On average, WPD's end users experience less than one interruption (0.9) per year and excellent progress has also been made in end user restoration. The initiative known as "target 60," which is unique in the industry, aims to ensure that as many end users as possible have their supply restored within the first 60 minutes of an interruption. For fiscal year 2000, WPD achieved a one-hour restoration rate of 71.6%. The three-hour rate of 93.7% exceeded our regulatory target of 90%.

Further improvements in customer service are being pursued by WPD, in part through on-going improvements in system performance. Some of the initiatives that WPD is relying upon to deliver improved performance include:

- refurbishment of 11kV aluminum overhead lines;
- rural reliability schemes;
- use of rubber gloves, allowing work to take place on the live network without disrupting supplies;
- tree cutting adjacent to overhead lines;
- a concentrated program of refurbishment and maintenance; and
- the use of remotely operated equipment to speed restoration.

The introduction of ENMAC (computerized Electrical Network Management And Control) will integrate control, fault management, and power analysis systems that currently operate independently. This will help to deliver faster, more responsive network management and a better service to electricity users.

End Users

A high proportion of WPD's distribution end users are domestic and smaller businesses. WPD's fastest growing category of end user is commercial (*e.g.* retail). Commercial activity in WPD's authorized area is mostly service-based and includes financial and business services, electronics, and technology-related businesses. WPD also distributes electricity to a number of larger industrial concerns in its authorized area.

The principal activities of WPD's largest end users include china clay extraction, ship repair, fertilizer production, aerospace, defense engineering, cement manufacturing and paper manufacturing. WPD's 20 largest end users accounted for 10% of total electricity distributed by WPD in fiscal year 2000 in terms of units distributed, with no single end user exceeding 3% of total electricity distributed.

The end users are customers of licensed supply businesses, which in turn are the customers of the distribution business. The SWEB supply business, owned by London Electricity plc, is the largest of WPD's distribution customers. For fiscal year 2000, sales to the SWEB supply business represented approximately 75% of the revenues of WPD's distribution business. Due to the nature of the industry, the financial impact on WPD of the failure of any licensed supply business in WPD's authorized area should not be material.

The following table sets out details of WPD's end users, units distributed and distribution revenues categorized by their average annual demand:

	Distribution Business						
	Distribution Customers			Electricity Units Distributed			Revenues (4)
	Number (1)	% of Total	5-year CAGR (2)	Volume (TWh) (3)	% of Total	5-year CAGR (2)	% of Total
Not more than 100kW	1,353,353	99.77	0.94%	8.9	62	1.83%	79
above 100kW to 1MW	2,887	0.21	4.00	2.6	18	4.87	13
above 1MW	225	0.02	0.69	2.9	20	0.54	8
Total	1,356,465	100.00	0.94	14.4	100	2.07	100

(1) At March 31, 2000.
(2) Represents the compound annual growth rate ("CAGR") for the period from April 1, 1995, through March 31, 2000.
(3) In terawatt hours for fiscal year 2000.
(4) For fiscal year 2000.

Distribution Facilities

Electricity is transported across NGC's transmission system at 400kV or 275kV to 11 grid supply points connected to WPD's distribution network, where it is transformed to 132kV and enters WPD's distribution system. Substantially all electricity that enters WPD's system is received at these eleven grid supply points.

At March 31, 2000, WPD's electricity distribution network (excluding service connections to end users) included overhead lines and underground cables at the operating voltage levels and approximate lengths as indicated in the table below:

Operating Voltage:	Overhead Lines (Circuit Miles)	Underground Cables (Circuit Miles)
132kv	910	37
33kv	1,762	577
11kv	10,638	3,864
6.6kv	15	77
480 or 415/240v	4,868	7,065
Total	18,193	11,620

In addition to the circuits referred to above, WPD's distribution facilities also include approximately:

Transformers	Number	Aggregate Capacity (mega volt amperes)
132kv/lower voltages	89	5,565
33kv/11kv or 6.6kv	540	7,750
11kv or 6.6kv/lower voltages (inc. 36,336 pole mounted transformers)	48,644	6,751
Substations		
132kv/33kv	47	
33kv/11kv or 6.6kv	311	
11kv or 6.6kv/415v or 240v	12,273	

Substantially all substations are owned in freehold, and most of the balance are held on leases that will not expire within 10 years.

Operation and control of WPD's distribution system is continuously monitored and coordinated from a control center located in Exeter. Electricity is received by end users at various voltages depending upon their requirements. At March 31, 2000, WPD's distribution system was connected to approximately 1.4 million end users.

Regulation

The operations of WPD are regulated under its PES license, pursuant to which income generated by the distribution business is subject to a price cap regulatory framework that provides economic incentives to increase the number of units of electricity distributed and to operate in a more cost-efficient manner. Under its PES license, WPD provides distribution services to virtually all electricity end users in its authorized area and must offer electricity supply services to all these customers also.

The recent enactment of the Utilities Act includes the requirement for the separate licensing of electricity distribution and supply, and the full legal separation of license holding entities. Until now, WPD has appointed London Electricity plc as its agent to run the part of the supply business falling under its current PES license on agency terms, thereby achieving the same economic effect as an outright transfer. WPD's electricity supply license activity will now be transferred to London Electricity plc under the transfer schemes set out in Schedule 7 of the Utilities Act, and new licenses are expected to be issued on August 1, 2001.

Response to the Regulatory Pricing Review

In December 1999, the Regulator published final price proposals for distribution price control for the 12 RECs in England and Wales. For WPD those proposals represented a 20% reduction to distribution prices effective April 1, 2000, followed by reductions in real terms of 3% each year from April 1, 2001. This price control was scheduled to operate until March 31, 2005.

In response, management plans to maximize efficiency and customer service as a focused distribution company. The implementation of the plans has necessitated an overall reduction in staffing levels amounting to 187 people, or about 10% of the work force. The reductions were focused on administrative and corporate functions, with minimal impact on field staff, ensuring customer service was not affected. In addition, WPD's approach to information technology systems has changed. Rather than developing custom made programs, WPD now buys systems "off the shelf" and changes business processes where necessary.

WPD's Ancillary Business Activities

WPD also has ancillary business activities that support its main electricity distribution business. These include electricity generation, real estate, and telecommunications. WPD owns generating assets with 12 MW of capacity used to back up the distribution network. In addition, WPD owns minority interests in windfarms and a 7.69% interest in Teesside Power Limited, owner of a 1,875 MW natural gas-fired, combined cycle plant. WPD markets and develops real estate no longer used in the distribution business, and is developing an income stream from the rental of fiber optic cables primarily attached to WPD's overhead distribution network.

Risk Management

The WPD Holdings group utilize certain financial derivative contracts for the purpose of hedging business exposure in connection with fluctuations in interest rates and currency rates. Interest rate swaps are used to assure the stability of future interest charges by effectively converting a portion of outstanding variable-rate debt into fixed rates. In addition, the U.S. dollar liabilities associated with certain of the WPD Holdings group's debt, including WPD's debt, are converted into pounds sterling by entering into foreign currency hedging contracts.

Employee Relations

At March 31, 2000, WPD had 1,679 employees (1,661 full time equivalent) and WPD Holdings had no employees. Of WPD's employees, 95% are represented by labor unions. All WPD employees who are not party to a personal employment contract are subject to one of two collective bargaining agreements. One such agreement is called the Electricity Business Agreement, which covered 1,493 employees at March 31, 2000 (1,475 full time equivalent); it may be amended by agreement between WPD and the unions and is terminable with 12 months notice by either side. The other collective bargaining agreement is called the Meter Reading Services Handbook of Agreements, which covered 107 employees at March 31, 2000 (107 full time equivalent); it may be amended by agreement between WPD and the unions and is terminable by written notice (with no period specified) by either side. WPD believes that its relations with its employees are favorable. Legal proceedings concerning the Electricity Supply Pension Scheme involving a company other than WPD have been undertaken. These proceedings may affect WPD in the future. See "Legal Proceedings."

Properties

WPD has both network and non-network land and buildings.

Network Land and Buildings

At March 31, 2000, WPD had freehold and leasehold interests in over 12,000 network properties, principally comprising substation sites. The recorded cost of total network land and buildings at March 31, 2000, was £80 million.

Non-Network Land and Buildings

At March 31, 2000, WPD had freehold and leasehold interests in non-network properties comprising chiefly offices, former retail outlets, depots, warehouses, and workshops, and included the freehold of its former principal executive offices in Bristol. The recorded cost of total non-network land and buildings at March 31, 2000, was £36 million.

The number of properties in each category is:

	Freehold or Long Leasehold	**Leasehold**
Depots	18	1
Offices	4	—
Surplus property (1)	39	10

(1) Largely unused retail sites.

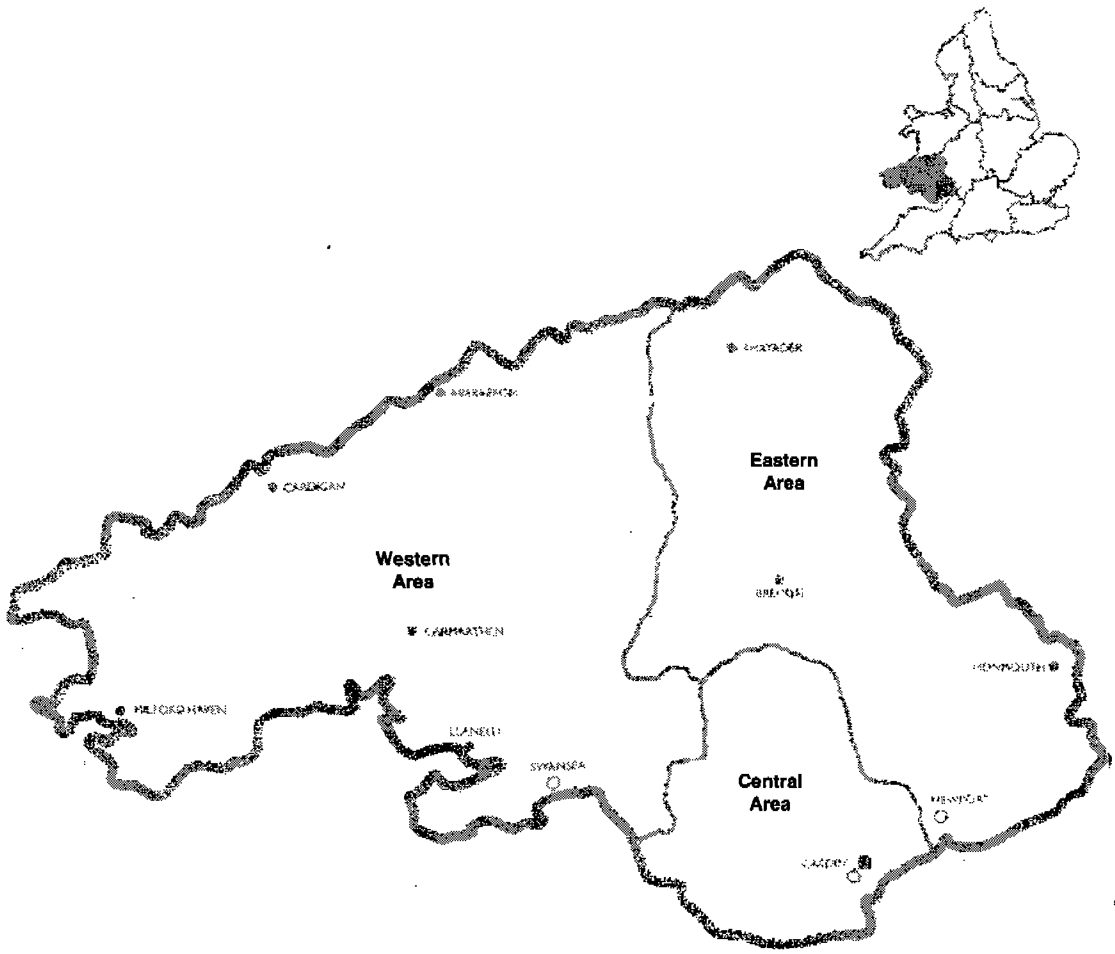
WPD also markets and develops property no longer used in the main electricity distribution business.

Infralec's Distribution Business

Overview

Infralec holds a PES license under the Electricity Act to distribute and supply electricity in an area covering approximately 4,600 square miles in the southern half of Wales until at least 2025. Infralec's authorized area is the ninth largest of the RECs and is 6% less than the average. Its distribution network comprised 20,516 miles at March 31, 2000, 57% of which is overhead cable. The network distributed 12.3 TWh of electricity in 1999/2000, with a peak demand of 2,037 MW.

The end user base (989,000) is by far the smallest of all the RECs and is less than 50% of the average. This results in Infralec's having the lowest end user density (213 end users per sq. mile) of all RECs in England and Wales. Approximately four-fifths of the population live in the coastal belt region between Newport and Llanelli (to the east and west of Cardiff) or in the valleys region to the north of this coastal belt. The remainder of the area is sparsely populated. There are 36 Extra High Voltage end users. These end users account for approximately one quarter of units distributed and approximately 7% to 8% of Infralec's distribution revenues.



Unemployment in South Wales has fallen in recent years to 5.5% of the workforce in 1999. During 1999, employment was largely unchanged with a reduction of 7% in the manufacturing sector balanced by increases in construction, transport and government and other services. The development of call centers in the area should aid the prospects for banking and financial services, which are supported by continuing inward investment.

Infralec's distribution business has grown in both its end user base and in the number of units distributed. At March 31, 2000, Infralec had experienced a 5-year compound annual growth rate of 0.65% in end users and 2.1% in units distributed.

Strategy

Infralec's strategy has been to focus on improving the performance of its distribution network to minimize the number and duration of supply outages. The primary goals of this strategy are to:

- reduce end user minutes lost by 19.4% from 145.2 in 1998/99 to 117.0 by 2004/05;

- increase the percentage of end users whose supply is restored within one hour;

- reduce complaints to the Regulator in order to achieve a top quartile position (in the year to December 1999, Infralec had the fifth lowest rate of end user complaints, at 6.26 per 100,000 end users, compared to WPD's first position and rate of 3.12); and

- reduce guaranteed standards payments in order to achieve a top quartile position (in the year to March 1999, Infralec had the fifth lowest rate of guaranteed standards payments, at 4.20 per 100,000 end users, compared to WPD's first position and rate of 1.26).

A range of initiatives will ensure that network reliability is improved from the end users' perspective: this means a reduction in both end user minutes lost and the overall number of outages. Focus is on the following areas:

- eliminating the tree trimming backlog with an increased spending programme and then implementing a programme designed to prevent tree growth having an adverse impact on network reliability, as is happening at the moment;

- a programme of network improvements to provide alternative links for spurs;

- improving the relatively small number of rogue circuits that account for a disproportionately large proportion of the network's minutes lost; and

- further automation of the network.

Capital programmes will be re-assessed to ensure value for money and contribution towards customer satisfaction.

WPD Holdings will continue to implement Infralec's strategy.

End Users

The economy of South Wales has a substantial manufacturing sector with the proportion of GDP that it contributes being well above the national average. The region has the highest concentration of electronics and electrical and optical instrument manufacture in the U.K., although this no longer seems to be a significant growth area in the regional economy. A number of large infrastructure projects have been completed, and new construction projects have been started that should underpin the future prospects for the economy in South Wales. Infralec's 20 largest end users accounted for 26% of total electricity distributed by Infralec in fiscal year 2000 in terms of units distributed, with the largest end user accounting for 5% of total electricity distributed.

The end users are customers of licensed supply businesses, which in turn are the customers of the distribution business. The SWALEC supply business, owned by Scottish and Southern plc, is the largest of Infralec's distribution customers. For fiscal year 2000, sales to the SWALEC supply business represented approximately 68% of the revenues of Infralec's distribution business. Due to the nature of the industry, the financial impact on Infralec of the failure of any licensed supply business in Infralec's authorized area should not be material.

The following table sets out details of Infralec's end users, units distributed and distribution revenues categorized by the voltage at which they receive their supply:

	Distribution Business						
	Distribution Customers			Electricity Units Distributed			Revenues (4)
	Number (1)	% of Total	5-year CAGR (2)	Volume (TWh) (3)	% of Total	5-year CAGR (2)	% of Total
Up to 1 Kv	988,163	99.9	3.3	6.3	51	1.7	82
1 kV to 33 kV	513	0.1	19.9	2.8	22	4.8	12
Over 33 kV	36	-	5.9	3.2	27	0.9	6
Total	988,717	100.00	0.65	12.3	100	2.1	100

(1) At March 31, 2000.
(2) Represents the CAGR for the period from April 1, 1995 through, March 31, 2000.
(3) In terawatt hours for fiscal year 2000.
(4) For fiscal year 2000.

Distribution Facilities

Electricity is transported across NGC's transmission system at 400kV or 275kV to eight grid supply points within the Infralec's distribution system. These supplies are supplemented by generation within South Wales; the largest being at Aberthaw, Uskmouth, and the new generation at Baglan Bay, ranging in size down to wind farms and small scale hydro electric plants. At March 2000, Infralec was examining some 44 enquiries for connection of generation above 1 MW to the system.

There are also cross border connections to the Manweb and Midland REC areas, mainly for supply of small groups of customers rather than bulk transmission/distribution. The largest connection is via the 132kV system to Manweb's Aberystwyth bulk supply point.

Operation and control of the distribution system is coordinated from Infralec's control center located in Cardiff, which continuously monitors the operational status of high voltage equipment in the network.

At March 31, 2000, Infralec's electricity distribution network (excluding service connections to end users) included overhead lines and underground cables at the operating voltage levels and approximate lengths as indicated in the table below:

Operating Voltage:	Overhead Lines (Circuit Miles)	Underground Cables (Circuit Miles)
132kv	724	44
33kv	1,118	244
11kv	7,653	3,022
6.6kv	-	15
480 or 415/240v	2,099	5,597
Total	11,594	8,922

In addition to the circuits referred to above, Infralec's distribution facilities also include approximately:

Transformers	Number	Aggregate Capacity (mega volt amperes)
132kv/lower voltages	118	5,170
33kv/11kv or 6.6kv	277	2,827
11kv or 6.6kv/lower voltages (inc. 36,336 pole mounted transformers	38,360	4,390
Substations		
132kv/33kv	63	
33kv/11kv or 6.6kv	211	
11kv or 6.6kv/415v or 240v	8,130	

Substantially all substations are owned in freehold, and most of the balance are held on leases that will not expire within 10 years.

Regulation

The operations of Infralec are regulated under its PES license, pursuant to which income generated by the distribution business is subject to a price cap regulatory framework that provides economic incentives to increase the number of units of electricity distributed and to operate in a more cost-efficient manner. Under the PES license, Infralec provides distribution services to virtually all electricity consumers in its franchise area and must offer electricity supply services to all these customers also.

There is an agency agreement under which Scottish and Southern Energy plc act as the agent for Infralec in the provision of a supply business service. The Utilities Act contains the powers for the splitting of the electricity licenses of all RECs. It was expected that from April 1, 2001, Infralec would be the holder of a distribution-only license, with all supply license responsibilities being passed to the then owner of the supply business. This is expected to happen on August 1, 2001.

Response to the Regulatory Pricing Review

In December 1999, the Regulator published final price proposals for distribution price control for the 12 regional electricity distribution businesses in England and Wales. For Infralec those proposals represented a 26% reduction to distribution prices effective April 1, 2000, followed by reductions in real terms of 3% each year from April 1, 2001. This price control was scheduled to operate until March 31, 2005.

The combination of Infralec's distribution business with WPD is expected to deliver significant savings on overhead costs, which will help to mitigate the impact of the distribution pricing review. Particularly significant savings will be achieved in respect of information technology where the incremental cost of a second distribution business is relatively low. Savings will also be delivered in a number of areas within the corporate and administrative functions, as well as the engineering call center, for similar reasons.

An acceleration of the separation of the distribution business from the SWALEC supply business will enable cost savings to be achieved more quickly. The experience gained by WPD in separating the SWEB supply and distribution businesses will add considerable value to the process of separation within Infralec. The emphasis will be on simple yet effective solutions that achieve the main objectives of the distribution business.

It is anticipated that significant savings can be achieved through the use of technology to more efficiently manage the maintenance of the system. In addition, purchasing efficiency improvements will be obtained from reducing the supplier base and combining the purchasing power of the two businesses. Other measures to be considered include the review of Infralec's spares holding policy.

Infralec's Ancillary Business Activity

Infralec has ancillary business activities that support its main electricity distribution business. As at March 31, 2000, these other businesses were relatively small, following the transfer on March 29, 2000, of several businesses to Hyder, most notably the transfer of ownership of South Wales Electricity Generating Limited. The most significant business remaining within Infralec is the telecommunications business, involving fibre cable leasing and radio site sharing, which represents revenues of almost £2 million per annum. For the year ended March 31, 2000, Infralec's other businesses (excluding electricity supply and discontinued operations) represented approximately 3% of pre-exceptional operating profit before finance charges and tax.

A small real estate portfolio will also be transferred from the Hyder group to the WPD Holdings group. These properties are rented to Infralec and to third parties (including certain Hyder businesses sold or to be sold). Part of the portfolio was transferred in March 2001. Opportunities will be sought to develop or sell certain sites. The market value of the portfolio to be transferred is approximately £38 million.

Hyder also has a 7.69% interest in Teesside Power Limited. See "The Transactions."

Risk Management

Infralec has long-term fixed funding with a nominal value of £150 million through the issue of a bond in 1996. Further funding was provided on a fixed basis through a back-to-back arrangement with Hyder. This was linked to Hyder's U.S. debt issues. On a short-term basis, additional funding was available through Hyder or by direct access to the group's bilateral facility of £450 million. In this situation, the use of derivatives to manage interest risk in Infralec was not considered necessary.

Employee Relations

Approximately 1,020 employees will be employed by Infralec. Of these employees, approximately 89% are represented by labor unions. All Infralec employees who are not party to a personal employment contract are subject to a collective bargaining agreement. As the terms in the collective bargaining agreement are similar to those that apply in WPD, it is anticipated that Infralec employees will transfer to the agreements that apply in WPD. WPD believes its relations with its employees are favorable and anticipates that a similar situation will exist in Infralec.

Legal proceedings concerning the Electricity Supply Pension Scheme involving a company other than Infralec have been undertaken. These proceedings may affect Infralec in the future. See "Legal Proceedings."

Properties

Infralec has network land and buildings. It is also proposed to transfer certain non-network land and buildings from the Hyder group to the WPD Holdings group.

Network Land and Buildings

At March 31, 2000, Infralec had freehold and leasehold interests in over 8,000 network properties, comprising principally substation sites. The recorded cost of total network land and buildings at March 31, 2000, was £27 million.

Non-Network Land and Buildings

The Hyder group freehold and leasehold interests in non-network properties that it proposes to transfer to the WPD Holdings group comprise chiefly an office, depots, warehouses and workshops. The number to be transferred will depend on negotiation with the occupiers of the various sites. The current market value of total non-network land and buildings approximates £38 million.

The number of properties in each category is:

	Freehold	Leasehold
Depots	15	1
Offices	1	-
Not used by Infralec (largely those rented to other parties)	52	6

LEGAL PROCEEDINGS

WPD and Infralec are routinely party to legal proceedings arising in the ordinary course of business that are not material, either individually or in aggregate. Neither WPD nor Infralec is a party to any material legal proceedings, nor are they currently aware of any threatened material legal proceedings. As described below, WPD Holdings is aware of an issue that could subsequently impact WPD and Infralec.

The Pensions Ombudsman (a U.K. statutorily appointed independent arbitrator) has issued a determination in favor of complaints made by members of the Electricity Supply Pension Scheme ("ESPS") relating to another employer's use of ESPS surplus to offset the employer's costs of providing early pensions on redundancies and certain other items. Under that determination, the Pensions Ombudsman directed the employer to pay into ESPS the amount of that use of the surplus plus interest. The determination was challenged in the High Court by the employer, and the High Court upheld the employer's appeal in a judgment delivered in June 1997. The High Court also granted the complainants leave to appeal to the Court of Appeal. The Court of Appeal hearing took place in October 1998, and its judgment was given in February 1999. While the complainants' appeal was successful, the Court of Appeal indicated that it may be possible to validate the employer's actions by a retrospective rule amendment. The Court of Appeal gave leave in principle for a subsequent appeal to the House of Lords (the U.K. Supreme Court), but also made arrangements for a further hearing held in May 1999. The Court of Appeal declined to hear further arguments and told the parties that any outstanding matters would have to be addressed by the House of Lords. The parties agreed a form of order, stayed pending the further appeal, which contains a requirement for the amounts offset against the surplus, plus interest, to be paid into the pension fund. NGC, together with National Power, initiated appeals in the House of Lords. NGC and National Power also executed deeds of amendment, which purport to cancel their accrued contribution obligations arising from the Court of Appeal's judgment. The House of Lords scheduled a hearing for February 12th to 17th, 2001, and their ruling was announced on April 4, 2001. Their ruling upheld the appeals of NGC and National Power and the deeds of amendment. It is understood that the complainants are considering whether an appeal to a European Court is possible and, if it is, whether to make such an appeal. WPD and Infralec are currently drafting similar amendments. If any appeal by the complainants to a European Court is successful, it is anticipated that payments into the ESPS of £24 million for WPD and £5 million for Infralec will ultimately be required. Under Financial Accounting Standards Board Statement No. 87, "Employers' Accounting for Pensions," there will be no immediate impact to Net Income.

MANAGEMENT OF WPD HOLDINGS

The following table sets forth certain information with respect to the directors and executive officers of WPD Holdings as of April 23, 2001:

Name	Age	Position
Barney S. Rush	49	Director, Chairman
Robert A. Symons	48	Director
D. Charl S. Oosthuizen	43	Director
Robert W. Burke	41	Director
Maurice E. Fletcher	51	Director
Paul Champagne	42	Director
Ricky L. Klingensmith	40	Director
Rick F. Owen	52	Director
Timothy J. Seelaus	44	Director

Barney S. Rush - Chairman of WPD Holdings since October 1999. He currently serves as Chief Executive Officer of Mirant Corporation's Europe Group, a position he has held since August 1999, and he is also Senior Vice President of Mirant. He previously served as President of Southern Energy Development-Europe. Before joining Mirant in 1996, he served as Executive Vice President for business development and finance at Oxbow Power Corporation. From 1981-1990, he worked in senior positions with Lehman Brothers. From 1975-1981, he served at the U.S. Department of State and at the World Bank. He holds a bachelor's degree from Harvard College and a Masters in Public Policy from the Woodrow Wilson School of Princeton University.

Robert A. Symons - Director of WPD Holdings Limited since October 1997 and of WPD Holdings since its incorporation. Effective March 31, 2000, he was appointed Chief Executive Officer of WPD. He has also been Distribution Director of WPD since October 1997. He previously served as Network Services Manager in Plymouth for WPD from December 1994 to September 1997. He holds a Higher National Diploma in Electrical Engineering and is a Fellow of the Institute of Electrical Engineers.

D. Charl S. Oosthuizen - Chief Financial and Accounting Officer of SIUK since June 1999 and also Finance Director of WPD since that date. He previously served as General Manager, Information Resources at WPD from April 1999 to May 1999, and as Assistant to the Chief Executive at WPD from December 1997 to March 1999. He was Treasurer of WPD until November 1997. He joined WPD in 1992 from Arthur Andersen, where he worked on acquisitions, corporate financing and restructuring, and international taxation.

Maurice E. Fletcher - Director of WPD Holdings since October 1999 and also a Director of WPD since that date. He previously served as Officer responsible for Human Resources for WPD. He is a graduate of the London School of Economics and formerly worked for both the Eastern and North Western Regional Electricity Companies.

Robert Burke – Director of WPD Holdings since April 2001. He is Vice President and Chief Counsel of PPL Global. Prior to joining PPL Global in 1996, he served as corporate counsel for Edison Mission Energy Company, where he was involved in the development and financing of generation facilities in the U.S. He was an associate with Hunton & Williams, where he represented independent power producers in regulatory and transactional matters. He earned a bachelor's degree in history from Providence College and a master's degree and law degree from the University of Virginia.

Paul Champagne - Director of WPD Holdings since May 1999. From May 1999 to the present, he has served as President of PPL Global. He joined PPL Global in 1995 as Vice President and Senior Development Officer. Prior to joining PPL, he served for six years in several business development roles at Edison Mission Energy Company, including Midwest Regional Manager. Earlier, as research engineer with the Research Triangle Institute in North Carolina, he consulted with the Electric Power Research Institute on technical and financial feasibility analysis. He earned a bachelor's degree in chemical engineering at the University of Illinois.

Ricky L. Klingensmith – Director of WPD Holdings since April 2001. He is Vice President - Finance of PPL Global responsible for all of PPL Global's financial activities. From February to August 2000, he was responsible for PPL Global's portfolio of businesses in the UK and Latin America. Prior to joining PPL Global in February 2000, he was manager of energy system assets and acquisitions at Air Products and Chemicals Inc. and, prior to that, was an engineer in the power systems group of Stone & Webster Engineering Corp. He earned a bachelor's of science degree in engineering science and mechanics from Pennsylvania State University and a master's degree in business administration from the Darden School of the University of Virginia.

Rick F. Owen - Director of WPD Holdings since April 2000. He currently serves as Vice President of Operations and Business Development of Mirant's European businesses. He previously served as Vice President of Operations and Business Development for the Caribbean region and South America.

Executive Compensation

Messrs. Symons, Oosthuizen, and Fletcher have received, and will continue to receive, compensation in respect of services performed as officers of WPD, WPD being their primary employer and an indirect subsidiary of WPD Holdings. They receive no cash or non-cash compensation as a result of these arrangements beyond that which they would otherwise receive from WPD for their services performed for WPD. The other directors have received, and will continue to receive, compensation in respect of services performed in their capacity as officers or employees of either Mirant or PPL. They receive no cash or non-cash compensation as a result of these arrangements beyond that which they would otherwise receive from Mirant or PPL for the services performed by them for Mirant or PPL.

PRINCIPAL SHAREHOLDERS AND CERTAIN TRANSACTIONS OF WPD HOLDINGS

WPD Holdings is the parent of a group whose principal operating activity is currently conducted by WPD. Economic ownership of WPD Holdings is 49% indirectly by Mirant and 51% indirectly by PPL. Until December 1, 2000, Mirant had management control of the group; from that date, management control has been shared equally.

During fiscal year 2000, the WPD Holdings group purchased services from Mirant and certain of its subsidiaries totaling £0.9m. At March 31, 2000, the WPD Holdings group owed Mirant and certain subsidiaries a total of £0.1m.

During fiscal year 2001, WPD Holdings entered into loan agreements with its two parents. The sum borrowed by WPD Holdings was loaned to WPD Limited to fund, in part, the acquisition of Hyder shares. At March 31, 2000, £90 million was owed to PPL and £60 million was owed to Mirant. Interest is payable on the loans to the parents at 0.5% above LIBOR.

PRINCIPAL SUBSIDIARIES OF WPD HOLDINGS

The principal subsidiaries of WPD Holdings are WPD and Infralec. Both are indirectly wholly-owned by WPD Holdings. Both were incorporated in England and Wales on April 1, 1989. The registered office of both WPD and Infralec is Avonbank, Feeder Road, Bristol, BS2 OTB. Descriptions of the business activities of both subsidiaries appear in the description of the business of WPD Holdings, above.

THE EXCHANGE OFFER

Purpose of the Exchange Offer

The exchange offer was part of a restructuring of WPD Holdings, Hyder, and their respective subsidiaries. As part of that restructuring, the ownership of the electricity distribution businesses of Hyder and WPD Holdings was consolidated by the transfer of Hyder's subsidiary, Infralec, to WPD Holdings. See "The Transactions."

The exchange offer provided for those holders of Hyder Notes, who otherwise could have been left in a deteriorating position as a result of this restructuring, to exchange such Hyder Notes for WPDH Notes that are investment grade. It also provided for the holders of Hyder Notes to give their consent to the Amendments in order to facilitate the ongoing restructuring of Hyder, WPD Holdings, and their respective subsidiaries.

Terms of the Exchange Offer

Upon the terms and subject to the conditions set forth herein and in the letter of transmittal and consent, the Offerors offered to exchange:

- $1,000 principal amount of WPDH 2004 Notes, for each $1,000 principal amount of outstanding Hyder 2004 Notes (CUSIP 448699-AB-4);
- $1,000 principal amount of WPDH 2007 Notes, for each $1,000 principal amount of outstanding Hyder 2007 Notes (CUSIP 448699-AA-6);
- $1,000 principal amount of WPDH 2008 Notes, for each $1,000 principal amount of outstanding Hyder 2008 Notes (CUSIP 448699-AD-0);
- $1,000 principal amount of WPDH 2017 Notes, for each $1,000 principal amount of outstanding Hyder 2017 Notes (CUSIP 448699-AC-2); and
- $1,000 principal amount of WPDH 2028 Notes, for each $1,000 principal amount of outstanding Hyder 2028 Notes (CUSIP 448699-AE-8).

Hyder Notes tendered pursuant to the exchange offer had to be accompanied by valid consents to the Amendments to the related Fiscal Agency Agreements and the Hyder Notes in respect of all such tendered Hyder Notes. No separate consideration was paid for giving a consent.

The principal amounts, interest rates, and payment and maturity dates of each series of WPDH Notes are identical to the corresponding series of Hyder Notes for which such series of WPDH Notes was being exchanged pursuant to the exchange offer. Whereas the Hyder Notes were solely the obligation of Hyder, the WPDH Notes are solely the obligation of WPD Holdings.

The WPDH Notes were issued in exchange for corresponding Hyder Notes in the exchange offer on March 16, 2001 (the "exchange date").

The Offerors endeavored to conduct the exchange offer in accordance with the applicable requirements of the Securities Act and the Exchange Act, and the rules and regulations of the Securities and Exchange Commission (the "Commission") thereunder. Prior to the commencement of the exchange offer date, the Offerors distributed to all holders of Hyder Notes a letter explaining that the exchange offer would be made only to eligible holders, which meant that the exchange offer would only be made to QIBs in a private transaction exempt from the registration requirements of the Securities Act or, outside the United States, to non-U.S. Persons in accordance with Regulation S under the Securities Act. This letter included a certification that holders were asked to complete and return. **Only holders who completed and returned the certification were authorized to receive or review the offering circular or to participate in the exchange offer.**

Transfer Taxes

WPD Holdings paid all transfer taxes, if any, applicable to the transfer and sale of Hyder Notes in the exchange offer. If transfer taxes were imposed for any other reason, the amount of those transfer taxes, whether imposed on the registered holder or any other persons, was payable by the tendering holder. Other reasons for which transfer taxes could be imposed include:

- if WPDH Notes in book-entry form were to be registered in the name of any person other than the person signing the letter of transmittal and consent; or
- if tendered Hyder Notes were registered in the name of any person other than the person signing the letter of transmittal and consent.

If satisfactory evidence of payment of or exemption from those transfer taxes was not submitted with the letter of transmittal and consent, the amount of those transfer taxes was billed directly to the tendering holder and/or withheld from any payments due with respect to the Hyder Notes tendered by such holder.

Exchange Agent

Mellon Investor Services LLC was appointed the exchange agent for the exchange offer. WPD Holdings paid the exchange agent reasonable and customary fees for its services and reimbursed it for its reasonable, out-of-pocket expenses in connection therewith.

Information Agent

Mellon Investor Services LLC was appointed as the information agent for the exchange offer and received customary compensation for its services.

Dealer Manager

The Offerors retained Salomon Smith Barney to act as dealer manager in connection with the exchange offer and paid a fee to the dealer manager for soliciting acceptances of the exchange offer. Such fee was based on the aggregate principal amount of the Hyder Notes tendered and not validly withdrawn in the exchange offer as of the termination or expiration thereof. The Offerors also reimbursed the dealer manager for its reasonable out-of-pocket expenses. The obligations of the dealer manager to perform such function were subject to certain conditions. The Offerors have agreed to indemnify the dealer manager against certain liabilities, including certain liabilities under the federal securities laws.

From time to time, the dealer manager has provided investment banking and other services for WPD Holdings for customary compensation.

Other Fees and Expenses

The expenses of soliciting tenders of the Hyder Notes were borne by WPD Holdings and Hyder.

DESCRIPTION OF THE WPDH NOTES

The WPDH Notes were issued under and are governed by an Indenture dated as of March 9, 2001 (the "Indenture"), among WPD Holdings, Bankers Trust Company, as trustee (the "Trustee"), paying agent, and transfer agent, and Deutsche Bank Luxembourg S.A., as paying agent (together with Bankers Trust Company, the "Paying Agents"). The following summaries of certain provisions of the Indenture do not purport to be complete and are subject to and are qualified in their entirety by reference to all the provisions of the Indenture. Copies of the Indenture are available for inspection on a business day during normal business hours at the principal office of WPD Holdings, at the office of the Trustee in the City of New York and at the office of the Paying Agent in Luxembourg. The holders are entitled to the benefits of, are bound by, and are deemed to have notice of, all the provisions of the Indenture. Wherever particular sections or defined terms of the Indenture are referred to, such sections or defined terms are incorporated herein by reference.

General

The Indenture does not limit the aggregate principal amount of the debt securities that may be issued thereunder and provides that the debt securities may be issued from time to time in one or more series. Pursuant to the exchange offer, five series were initially issued. The WPDH 2004 Notes will mature on December 15, 2004, and were issued in an aggregate principal amount of U.S.$200,000,000. The WPDH 2007 Notes will mature on December 15, 2007, and were issued in an aggregate principal amount of U.S.$200,000,000. The WPDH 2008 Notes will mature on December 15, 2008, and were issued in an aggregate principal amount of U.S.$225,000,000. The WPDH 2017 Notes will mature on December 15, 2017, and were issued in an aggregate principal amount of U.S.$100,000,000. The WPDH 2028 Notes will mature on December 15, 2028, and were issued in an aggregate principal amount of U.S.$300,000,000. Each WPDH Note will be redeemed at maturity at full face value. Each WPDH Note bears interest at the relevant rate per annum shown on the cover page of this listing memo from the most recent interest payment date to which interest has been paid or provided for. Interest on the WPDH Notes will be payable until the principal amount has been paid or made available for payment, and will be payable semi-annually, on June 15 and December 15 of each year commencing on June 15, 2001. The WPDH Notes will bear interest from December 15, 2000. Interest on the WPDH Notes will be computed on the basis of a 360-day year of twelve 30-day months.

The principal of and interest on the WPDH Notes will be payable in U.S. dollars or in such other coin or currency of the United States of America as at the time of payment is legal tender for the payment of public and private debts.

Application has been made to list the WPDH Notes on the Luxembourg Stock Exchange.

The WPDH Notes are direct, unsecured, and unsubordinated obligations of WPD Holdings ranking *pari passu* with all other unsecured and unsubordinated obligations of WPD Holdings (except those obligations preferred by operation of law). The WPDH Notes effectively rank junior to any secured indebtedness of WPD Holdings to the extent of the assets securing such indebtedness and to any indebtedness of its subsidiaries to the extent of the assets of such subsidiaries. Substantially all of WPD Holdings' consolidated assets are currently held by its subsidiaries. The Indenture contains no restrictions on the amount of additional indebtedness that may be incurred by WPD Holdings or its subsidiaries; however, the Indenture contains certain restrictions on (i) the ability of WPD Holdings to incur secured indebtedness, and (ii) the ability of any subsidiary of WPD Holdings senior to SIUK to incur any additional indebtedness for borrowed money. See "—Indenture—Covenants—Limitation on Liens" and "—Indenture—Covenants—Limitation on the Incurrence of Additional Debt by Certain Subsidiaries." The ability of WPD Holdings to pay principal and interest on the WPDH Notes is, to a large extent, dependent upon the payment to it of distributions, dividends, interest or other amounts by its subsidiaries. While WPD Holdings does not intend to pay principal of the WPDH Notes out of such amounts, but rather intends to refinance such principal, its ability to do so will also be, to a large extent, dependent upon the payment to it of such amounts by its subsidiaries. WPD Holdings' subsidiaries can make distributions of dividends to it under English law to the extent that they have distributable reserves, subject to the retention of sufficient financial resources to conduct their supply and distribution businesses as required by their PES licenses.

Description of the Book-Entry System

General

Each series of WPDH Notes was issued only in the form of (i) a Rule 144A Global Note, (ii) a Regulation S Temporary Global Note, and (iii) after the expiration of the Restricted Period, a Regulation S Permanent Global Note. Beneficial interests in each Regulation S Temporary Note will be exchanged for beneficial interests in the corresponding Regulation S Permanent Global Note within a reasonable time after the 40^{th} day after the later of the commencement of the offering and the closing date with respect to the WPDH Notes (the "Restricted Period"), upon certification that the beneficial interests in each Regulation S Temporary Global Note are owned either by non-U.S. persons or U.S. persons who purchased such interests pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act.

All such Global Notes were payable only in U.S. dollars. Title to such Global Notes passed by delivery. The Global Notes were deposited on issue with Bankers Trust Company, as book-entry depositary (the "WPDH Book-Entry Depositary"), which will hold the Global Notes for the benefit of DTC and its Participants pursuant to the terms of the deposit agreement (the "Deposit Agreement") dated as of March 9, 2001, among WPD Holdings, the WPDH Book-Entry Depositary and the holders and beneficial owners from time to time of interests in the Book-Entry Interests. Pursuant to the Deposit Agreement and a letter of representations from WPD Holdings and the Trustee to DTC (the "Letter of Representations"), the WPDH Book-Entry Depositary issued certificateless depositary interests (the "Book-Entry Interests"), which together represent a 100% interest in each of the underlying Global Notes. Such Book-Entry Interests were issued to DTC, which operates a book-entry system for interests in the Book-Entry Interests. The Book-Entry Interests held by DTC may not be transferred except as a whole by DTC to a nominee of DTC, by a nominee of DTC to DTC or another nominee of DTC, or by DTC or any such nominee to a successor of DTC or a nominee of such successor. Beneficial interests in the Global Notes may not be exchanged for WPDH Notes in physical, certificated form except in the limited circumstances described below. See "—Resignation of WPDH Book-Entry Depositary" and "—Definitive WPDH Notes."

Beneficial interests in the Rule 144A Global Notes may be held by QIBs, either directly through DTC or indirectly through organizations which are Participants, in such denominations as are permitted by DTC. Beneficial interests in the Regulation S Global Notes may only be held through Euroclear or Clearstream, and any resale or transfer of any such interests to U.S. persons shall only be permitted as described under "—Transfers and Transfer Restrictions" and "Transfer Restrictions." Foreign purchasers may hold their beneficial interests in the Regulation S Global Notes directly through Euroclear or Clearstream, or indirectly through organizations that are participants in Euroclear or Clearstream ("Foreign Participants"). Euroclear and Clearstream will hold beneficial interests in such Regulation S Global Note on behalf of their Foreign Participants through DTC. Transfers between Foreign Participants in Euroclear and Clearstream will be effected in the ordinary way in accordance with their respective rules and operating procedures.

Ownership of interests in the Book-Entry Interests will be limited to Participants and Indirect Participants. Upon the issuance by the WPDH Book-Entry Depositary of the Book-Entry Interests to DTC, DTC credited, on its book-entry registration and transfer system, the Participants' accounts with the respective interests owned by such Participants. Ownership of interests in the Book-Entry Interests was shown on, and the transfer of such interests in the Book-Entry Interests was effected only through, records maintained by DTC (with respect to interests of Participants) and on the records of Participants (with respect to interests of Indirect Participants). The laws of some states of the U.S. or other jurisdictions have required that certain purchasers of securities take physical delivery of such securities in definitive form. Such limits and such laws may have impaired the ability of such purchasers to own, transfer or pledge interests in the Book-Entry Interests.

So long as the Book-Entry Depositary, or its nominee, is the holder of the Global Notes, the WPDH Book-Entry Depositary or such nominee, as the case may be, will be considered the sole holder of the Global Notes (and the WPDH Notes) for all purposes under the Indenture. Participants or Indirect Participants will not be entitled to have WPDH Notes registered in their names, will not receive or be entitled to receive physical delivery of WPDH Notes in definitive bearer form, and will not be considered the owners or holders thereof under the Indenture or the Deposit Agreement. Accordingly, each person owning an interest in the Book-Entry Interests must rely on the procedures of the WPDH Book-Entry Depositary and DTC and, if such person is not a Participant in DTC, on the procedures of the Participant through which such person owns its interest, to exercise any rights and obligations of a holder under the Indenture or the Deposit Agreement. See "—Action by Holders of WPDH Notes" and "—Meeting of Holders of WPDH Notes."

In addition to a Paying Agent in the Borough of Manhattan, The City of New York, WPD Holdings will, so long as any series of the WPDH Notes are listed on the Luxembourg Stock Exchange and the rules of such exchange so require, maintain a Paying Agent in Luxembourg.

Information Regarding DTC, Euroclear and Clearstream

DTC

DTC has advised WPD Holdings as follows: DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its Participants deposit with DTC. DTC also facilitates the settlement among Participants of securities transactions, such as transfers and pledges, in deposited securities through electronic computerized book-entry changes in Participants' accounts, thereby eliminating the need for physical movement of securities certificates. Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is owned by a number of its Participants and by the New York Stock Exchange, Inc., the American Stock Exchange, Inc., and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as securities brokers and dealers, banks and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly. The rules applicable to DTC and its Participants are on file with the Commission.

WPD Holdings understands that under existing industry practices, if either WPD Holdings or the Trustee requests any action of owners of interests in the Book-Entry Interests or if an owner of an interest in the Book-Entry Interests desires to give or take any action that a holder is entitled to give or take under the Indenture, DTC would authorize the Participants owning the interests in the Book-Entry Interests to give or take such action, and such Participants would authorize Indirect Participants to give or take such action or would otherwise act upon the instructions of such Indirect Participants.

Euroclear and Clearstream

Euroclear and Clearstream each hold securities for their account holders and facilitate the clearance and settlement of securities transactions by electronic book-entry transfer between their respective account holders, thereby eliminating the need for physical movements of certificates and any risk from lack of simultaneous transfers of securities.

Euroclear and Clearstream provide various services, including safekeeping, administration, clearance and settlement of internationally traded securities, and securities lending and borrowing. Euroclear and Clearstream also deal with domestic securities markets in several countries through established depositary and custodial relationships. Euroclear and Clearstream have established an electronic bridge between their two systems across which their respective account holders may settle trades with each other.

Account holders in Euroclear and Clearstream are world-wide financial institutions, including underwriters, securities brokers and dealers, banks, trust companies, and clearing corporations. Indirect access to Euroclear and Clearstream is available to other institutions that clear through or maintain a custodial relationship with an account holder of either system.

Account holders' overall contractual relations with Euroclear and Clearstream are governed by the respective rules and operating procedures of Euroclear and Clearstream and any applicable laws. Euroclear and Clearstream act under such rules and operating procedures only on behalf of their respective account holders and have no record of or relationship with persons holding through their respective account holders.

Payments on the WPDH Notes

Payments of any amounts in respect of the Global Notes will be made through the Paying Agents to the WPDH Book-Entry Depositary, as the holder thereof. The WPDH Book-Entry Depositary will pay an amount equal to each such payment to DTC, which will distribute such payments to its Participants.

DTC, upon receipt of any such payment from the WPDH Book-Entry Depositary, will immediately credit Participants' accounts with payments in amounts proportionate to their respective ownership of interests in the Book-Entry Interests as shown on the records of DTC. WPD Holdings expects that payments by Participants to owners of interest in the Book-Entry Interests held through such Participants will be governed by standing customer instructions and customary practices and will be the responsibility of such Participants.

WPD Holdings does not have any responsibility or liability for any aspect relating to payments made or to be made by the WPDH Book-Entry Depositary to DTC in respect of the WPDH Notes or the Book-Entry Interests. None of WPD Holdings, the Trustee, the WPDH Book-Entry Depositary or any agent of any of the foregoing has any responsibility or liability for any aspect relating to payments made or to be made by DTC on account of a Participant's or Indirect Participant's ownership of an interest in the Book-Entry Interests or for maintaining, supervising or reviewing any records relating to a Participant's or Indirect Participant's interests in the Book-Entry Interests.

Any monies paid by WPD Holdings to the Trustee or the Paying Agents, or held by WPD Holdings in trust, for the payment of the principal of or any interest or Additional Amounts on any WPDH Notes and remaining unclaimed at the end of two years after such principal, interest or Additional Amounts become due and payable will be repaid to WPD Holdings, or released from the trust, upon its written request, and upon such repayment or release all liability of WPD Holdings, the Trustee, and such Paying Agent with respect thereto will cease.

If the due date for payment of principal or any interest installment or any Additional Amount in respect of any WPDH Note is not a business day, the holder thereof will not be entitled to payment of the amount due until the next succeeding business day and will not be entitled to any further interest or other payment in respect of any such delay.

All payments to the WPDH Book-Entry Depositary in respect of the Global Notes will be made without deduction or withholding for any U.K. taxes of other governmental charges, or if any such deduction or withholding is required to be made under the provisions of any applicable U.K. law or regulation, except as described under "— Additional Amounts," such Additional Amounts will be paid as may be necessary in order that the net amounts received by any holder of any Global Note after such deduction or withholder, will equal the amounts that such holder would have otherwise received in respect of such Global Note absent of such deduction or withholding.

Redemption

In the event a Global Note (or a portion thereof) is redeemed, the WPDH Book-Entry Depositary will deliver all amounts received by it in respect of the redemption of such Global Note to DTC and (in the case of redemption in full) surrender such Global Note to the Trustee for cancellation. The redemption price payable in connection with the redemption of interests in a Book-Entry Interest will be equal to the amount received by the WPDH Book-Entry Depositary in connection with the redemption of the related Global Note (or a portion thereof). For any redemptions of a Global Note in part, selection of interests in the related Book-Entry Interest to be redeemed will be made by DTC on a pro rata basis (or on such other basis as DTC deems fair and appropriate); *provided* that no interest in such Book-Entry Interest of $100,000 principal amount or less shall be redeemed in part. Once redeemed in part, a new Global Note in the principal amount equal to the unredeemed portion thereof will be issued and delivered to the WPDH Book-Entry Depositary.

Transfers and Transfer Restrictions

Transfers and exchanges of any Notes, as well as payments of the Notes (interest and principal) whilst the Notes are represented by a Global Note may be effected through the Paying Agent in Luxembourg subject to the terms of the Notes and the operating procedures of Clearstream Banking and Euroclear. A description of the procedure for the transfer and exchange of Individual Notes in Definitive Registered Form is described below "Transfer and Exchange of Definitive Registered Notes".

All transfers of interests in the Book-Entry Interests will be recorded in accordance with the book-entry system maintained by DTC, pursuant to customary procedures established by DTC and its Participants. See "—General."

All transfers of interests in Book-Entry Interests will be recorded in accordance with the book-entry system maintained by DTC, pursuant to customary procedures established by DTC and its Participants. See "—General" and "—Information Regarding DTC, Euroclear and Clearstream."

Transfers of the WPDH Notes will be subject to certain resale conditions and restrictions, as described herein and in "Transfer Restrictions."

Neither the Rule 144A Global Notes of any series, the Regulation S Global Notes of any series, nor any beneficial interest therein may be transferred except in compliance with the restrictions contained in the Indenture. Beneficial interests in the Regulation S Global Note of any series may be held only through Euroclear or Clearstream.

Any beneficial interest in the Regulation S Global Note of any series that is transferred to a person who takes delivery in the form of a beneficial interest in the Rule 144A Global Note of such series will, upon transfer, cease to be represented by such Regulation S Global Note and will become represented by such Rule 144A Global Note and, accordingly, will thereafter be subject to procedures applicable to beneficial interests in such Rule 144A Global Note for as long as it remains such an interest. Any beneficial interest in the Rule 144A Global Note of any series that is transferred to a person who takes delivery in the form of a beneficial interest in the Regulation S Global Note of such series will, upon transfer, cease to be represented by such Rule 144A Global Note and will become represented by such Regulation S Global Note and, accordingly, will thereafter be subject to procedures applicable to beneficial interests in such Regulation S Global Note for as long as it remains such an interest. Prior to the expiration of the Restricted Period, transfers by an owner of a beneficial interest in the Regulation S Temporary Global Note to a transferee who takes delivery of such interest through the Rule 144A Global Note will be made only in accordance with applicable procedures and upon receipt by the Trustee of a written certification from the transferor of the beneficial interest in the form provided in the Indenture to the effect that such transfer is being made to a person whom the transferor reasonably believes is a QIB within the meaning of Rule 144A in a transaction meeting the requirements of Rule 144A. Such written certification will not be required after the expiration of the Restricted Period.

Transfers by an owner of a beneficial interest in the Rule 144A Global Note to a transferee who takes delivery of such interest through a Regulation S Temporary Global Note or Regulation S Permanent Global Note, whether before or after the expiration of the Restricted Period, will be made only in accordance with applicable procedures and upon receipt by the Trustee of a written certification from the transferor to the effect that such transfer is being made in accordance with Regulation S or (if available) Rule 144 under the Securities Act and that the interest transferred shall be held immediately thereafter through Euroclear or Clearstream.

Action by Holders of WPDH Notes

WPD Holdings understands that under existing industry practices, if it requests any action of holders of WPDH Notes or if an owner of an interest in a Book-Entry Interest desires to give or take any action that a holder is entitled to give or take under the Indenture or the owner of an interest in a Book-Entry Interest is entitled to give or take under the Deposit Agreement, DTC would authorize the Participants owning the relevant interest in such Book-Entry Interest to give or take such action, and such Participants would authorize Indirect Participants to give or take such action or would otherwise act upon the instructions of owners of interests in such Book-Entry Interest holding through them.

As soon as practicable after receipt by the WPDH Book-Entry Depositary of notice of any solicitation of consents or request for a waiver or other action by the holders of WPDH Notes, the WPDH Book-Entry Depositary will mail to DTC a notice containing (i) such information as is contained in such notice, (ii) a statement that, at the close of business on a specified record date, DTC will be entitled to instruct the WPDH Book-Entry Depositary as to the consent, waiver or other action, if any, pertaining to the WPDH Notes, and (iii) a statement as to the manner in which such instructions may be given. Upon the written request of DTC, the WPDH Book-Entry Depositary shall endeavor insofar as practicable to take such action regarding the requested consent, waiver or other action in respect of the WPDH Notes in accordance with any instructions set forth in such request. DTC is expected to follow the procedures described above with respect to soliciting instructions from its Participants. The WPDH Book-Entry Depositary will not exercise any discretion in the granting of consents or waivers or the taking of any other action relating to the Deposit Agreement or the Indenture.

Meeting of Holders of WPDH Notes

A meeting of the holders of WPDH Notes may be called at any time from time to time pursuant to the Indenture (i) to give any notice to WPD Holdings or to the Trustee, or to consent to the waiving of any Event of Default and its consequence, or to take any other action authorized to be taken by holders, (ii) to remove the Trustee and appoint a successor trustee, or (iii) to consent to the execution of a supplemental indenture.

To be entitled to vote at any meeting of holders, a person shall be (i) a holder or (ii) a person appointed by an instrument in writing as proxy for a holder or holders by such holder or holders. The only persons who shall be entitled to be present or to speak at any meeting of holders shall be the persons so entitled to vote at such meeting and their counsel, any representatives of the Trustee and its counsel, and any representatives of WPD Holdings and its counsel.

At any meeting of holders, the representative of persons holding or representing WPDH Notes in an aggregate principal amount sufficient under the appropriate provision of the Indenture to take action upon the business for the transaction of which such meeting was called shall constitute a quorum. No action at a meeting of holders shall be effective unless approved by persons holding or representing WPDH Notes in the aggregate principal amount required by the provision of the Indenture pursuant to which such action is being taken. At any meeting of holders, each holder or proxy shall be entitled to one vote for each $1,000 principal amount of outstanding WPDH Notes held or represented. See "—Action by Holders of WPDH Notes."

At any time prior to (but not after) the evidencing to the Trustee of the taking of any action at a meeting of holders by the holders of the percentage in aggregate principal amount of the WPDH Notes specified in the Indenture in connection with such action, any holder of a WPDH Note, the serial number of which is included in the WPDH Notes the holders of which have consented to such action may, by filing written notice with the Trustee at its principal corporate trust office and upon proof of holding as provided in the Indenture, revoke such consent so far as concerns such WPDH Notes. Except as aforesaid, any such consent given by the holder of any WPDH Notes shall be conclusive and binding upon such holder and upon all future holders and owners of such WPDH Notes and of any securities issued in exchange therefore, in lieu thereof or upon transfer thereof, irrespective of whether or not any notation in regard thereto is made upon such securities. Any action taken by the holders of the percentage in aggregate principal amount of the holders specified in the Indenture in connection with such action shall be conclusively binding upon WPD Holdings, the Trustee and the holders of all the WPDH Notes.

Reports and Notices

So long as any series of the WPDH Notes are listed on the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange so require, notices to holders of the WPDH Notes so listed will, in addition to being sent to the WPDH Book-Entry Depositary, also be published in a leading newspaper having general circulation in Luxembourg (which is expected to be the *Luxemburger Wort*). The WPDH Book-Entry Depositary will immediately send to DTC a copy of any notices, reports and other communications received by it relating to WPD Holdings or the WPDH Notes.

Action by Book-Entry Depositary

Upon the occurrence of an Event of Default with respect to the WPDH Notes or in connection with any other right of the holder of the Global Notes under the Indenture, if requested in writing by DTC, the WPDH Book-Entry Depositary will take such action as shall be requested in such notice; *provided* that the WPDH Book-Entry Depositary has been offered indemnity satisfactory to it against the costs, expenses and liabilities that might be incurred by it in compliance with such request by DTC.

Amendment and Termination

The Deposit Agreement may be amended by agreement between WPD Holdings and the WPDH Book-Entry Depositary, and the consent of DTC shall not be required in connection with any amendment to the Deposit Agreement (i) to cure any formal defect, omission, inconsistency or ambiguity in such Deposit Agreement, (ii) to add to the covenants and agreements of WPD Holdings or the WPDH Book-Entry Depositary, (iii) to effect the assignment of the WPDH Book-Entry Depositary's rights and duties to a qualified successor, (iv) to comply with the Securities Act, the Exchange Act or the U.S. Investment Company Act of 1940, as amended, or any other applicable securities laws, domestic or foreign, (v) to modify the Deposit Agreement in connection with an amendment to the Indenture that does not require the consent of the holders of WPDH Notes, or (vi) to modify, alter, amend or supplement the Deposit Agreement in any other respect not inconsistent with such agreement that, in the opinion of counsel acceptable to WPD Holdings, is not materially adverse to DTC or the beneficial owners of the interests in the Book-Entry Interests. No amendment that materially adversely affects any holder or beneficial owner of an interest in the Book-Entry Interests may be made to the Deposit Agreement without the consent of such holder or beneficial owner. The Deposit

Agreement may be terminated upon the resignation of the WPDH Book-Entry Depositary if no successor has been appointed within 120 days as set forth under "—Resignation of WPDH Book-Entry Depositary."

Resignation of WPDH Book-Entry Depositary

The WPDH Book-Entry Depositary may at any time resign as book-entry depositary with respect to a Global Note. Upon such resignation, the WPDH Book-Entry Depositary shall deliver such Global Note to a successor depositary meeting the requirements specified in the Deposit Agreement. If no such successor has been so agreed within 120 days, the terms of the Deposit Agreement will oblige the WPDH Book-Entry Depositary to request WPD Holdings to issue definitive WPDH Notes in registered form (the "Definitive Registered Notes") with respect to that Global Note. On receipt of such Definitive Registered Notes, the WPDH Book-Entry Depositary will surrender such Global Note and distribute such Definitive Registered Notes in accordance with the directions of DTC. The Deposit Agreement will then terminate with respect to the series of WPDH Notes represented by the surrendered Global Note.

Obligation of WPDH Book-Entry Depositary

The WPDH Book-Entry Depositary will assume no obligation or liability under the Deposit Agreement other than to act in good faith without negligence or willful misconduct in the performance of its duties thereunder.

Settlement

Initial settlement for the WPDH Notes and settlement of any secondary market trades in the WPDH Notes will be made in same-day funds. Interests in the Book-Entry Interests will settle in DTC's Same-Day Funds Settlement System.

Definitive WPDH Notes

Owners of interests in Book-Entry Interests will be entitled to receive, through DTC, definitive WPDH Notes in registered form ("Definitive Registered Notes") in respect of such interest only if an Event of Default has occurred and is continuing with respect to the WPDH Notes to which such interest relates and the Holder, in such circumstances, upon instructions from owners of interests representing a majority of outstanding principal amount in such Book-Entry Interests, shall have requested in writing that the related Global Note be exchanged for one or more Definitive Registered Notes. If owners of interests in a Book-Entry Interest make a request pursuant to the preceding sentence, all of the owners of interests in such Book-Entry Interest will receive Definitive Registered Notes in respect of their interests. In addition, Definitive Registered Notes shall be issued if, at any time, (i) DTC notifies WPD Holdings and the WPDH Book-Entry Depositary that it is unwilling or unable to continue to hold the Book-Entry Interests or if at any time it ceases to be a "clearing agency" registered under the Exchange Act and, in either case, a successor is not appointed by WPD Holdings within 120 days, (ii) the WPDH Book-Entry Depositary notifies WPD Holdings that it is unwilling or unable to continue as WPDH Book-Entry Depositary with respect to the Global Notes and no successor is appointed by WPD Holdings within 120 days, or (iii) WPD Holdings, in its sole discretion, determines that Definitive Registered Notes shall be issued and executes and delivers to the Trustee an Officers' Certificate (as such term is defined in the Indenture) providing that the Global Notes shall be so exchanged. Definitive Registered Notes so issued will be issued in denominations of $1,000 or integral multiples thereof and will be issued in registered form only, without coupons. Such Definitive Registered Notes shall be registered in the name or names of such person or persons as the WPDH Book-Entry Depositary shall notify the Trustee based on the instructions of DTC. It is expected that such instructions may be based upon the direction received by DTC from its Participants with respect to ownership of beneficial interests in the Book-Entry Interests.

Payments of interest and principal on individual Definitive Notes shall be payable by the Paying Agent by Dollar check drawn on a bank in the USA and sent by mail to the Registered Holder thereof by wire transfer in immediately available funds or, for so long as any of the Notes are listed on the Luxembourg Stock Exchange and the rules of such Exchange shall so require, at the office of the Paying Agent in Luxembourg. For so long as any of the Notes are listed on the Luxembourg Stock Exchange and the rules of such Exchange shall so require, payment of principal at maturity will only be made upon presentation and surrender of an Individual Definitive Note at the office of the Paying Agent in Luxembourg.

Transfer and Exchange of Definitive Registered Notes

In the event that Definitive Registered Notes are in issue, a Holder may transfer or exchange the Definitive Registered Notes in accordance with the Indenture. A Holder must present a Registered Definitive Note for registration of transfer to the Transfer Agent in Luxembourg. Such Registered Definitive Note must, if the registrar and the Trustee so require, be duly endorsed or accompanied by a written instrument of transfer duly executed by the Holder, and WPD Holdings may require a Holder to pay any taxes required by law or permitted by the Indenture. At the request of any Holder, the Transfer Agent in Luxembourg will provide a form of written transfer for execution by the Holder. Upon receiving the Registered Definitive Note and the duly executed written instrument of transfer, WPD Holdings will execute and the Trustee will authenticate and deliver one or more new Definitive Registered Notes in the name of the designated transferee or transferees. Holders will be able to obtain the authenticated Definitive Registered Notes at the offices of the Transfer Agents in Luxembourg. For so long as the WPDH Notes are listed on the Luxembourg Stock Exchange, there will always be a Transfer Agent in Luxembourg.

All transfers and exchanges must be effected in accordance with the terms of the Indenture and, among other things, be recorded in the register maintained by any registrar. WPD Holdings is not required to transfer or exchange any WPDH Notes selected for redemption for a period of 15 days before a selection of WPDH Notes to be redeemed.

Indenture

Covenants

Except as otherwise set forth under "—Defeasance" below, for so long as any WPDH Notes remain outstanding or any amount remains unpaid on any of the WPDH Notes, WPD Holdings will comply with the terms of the covenants set forth below.

Payment of Principal and Interest

WPD Holdings will duly and punctually pay the principal of and interest and Additional Amounts, if any, on the WPDH Notes in accordance with the terms of the WPDH Notes and the Indenture.

Maintenance of Office or Agency

WPD Holdings will maintain (i) in the Borough of Manhattan, The City of New York, an office or agency of the Paying Agent where the WPDH Notes may be paid and notices and demands to or upon WPD Holdings in respect of the WPDH Notes and the Indenture may be served and, if Definitive Registered Notes have been issued, an office or agency of a transfer agent where WPDH Notes may be surrendered for registration of transfer and exchange, and (ii) an office or agency of a Paying Agent where the WPDH Notes may be paid in Luxembourg so long as the WPDH Notes are listed on the Luxembourg Stock Exchange and the rules of such Exchange so require. WPD Holdings will give prompt written notice to the Trustee of the location, and any change in the location, of any such office or agency. If at any time WPD Holdings shall fail to maintain any required office or agency or shall fail to furnish the Trustee with the address thereof, all presentations, surrenders, notices, and demands may be served at the office of the Trustee.

Further Assurances

WPD Holdings and the Trustee will execute and deliver all such documents, instruments and agreements, and do all such other acts and things as may be reasonably required to enable the Trustee to exercise and enforce its rights under the Indenture and under the documents, instruments and agreements required under the Indenture, and to carry out the intent of the Indenture.

Compliance Certificates

WPD Holdings will deliver to the Trustee within 120 days after the end of each fiscal year of WPD Holdings a certificate from the principal executive, financial or accounting officer of WPD Holdings, stating that in the course of the performance by each signer of his or her duties as an officer of WPD Holdings he or she would normally have knowledge of any default by WPD Holdings in the performance and observance of any of the covenants contained in the Indenture, stating whether or not he or she has knowledge of any such default without regard to any period of grace of requirement of notice and, if so, specifying each such default of which such signer has knowledge and the nature thereof.

Consolidation, Merger, Conveyance, Sale or Lease

Nothing contained in the Indenture shall prevent WPD Holdings from consolidating with or merging into another corporation or conveying, transferring or leasing its properties and assets substantially as an entirety to any person; *provided* that (i) the successor entity assumes WPD Holdings' applicable obligations under the WPDH Notes, and (ii) immediately after giving effect to such transaction no Event of Default, and no event that, after notice or lapse of time or both, would become an Event of Default, shall have happened and be continuing. In addition, WPD Holdings may assign and delegate all of its rights and obligations under the Indenture, the WPDH Notes, any supplemental indenture relating to the WPDH Notes, the Deposit Agreement, and all other documents, agreements and instruments related thereto to any person that owns all of the ordinary shares of WPD Holdings or to any person that owns all of the ordinary shares of a person that owns all of the ordinary shares of WPD Holdings, and upon any such person assuming such rights and obligations, WPD Holdings shall be automatically released from such obligations; *provided* that immediately after giving effect to such transaction no Event of Default, and no event that, after notice or lapse of time or both, would become an Event of Default shall have happened and be continuing.

WPD Holdings shall be released from all of its covenants and obligations under the WPDH Notes in the event of a consolidation or merger of WPD Holdings into another corporation or the sale or conveyance of all or substantially all of the assets of WPD Holdings to another entity, the assumption of all obligations under the WPDH Notes by such corporation or entity, and the satisfaction of certain other conditions.

In the event that any such successor entity is organized under the laws of a country located outside of the U.K. and withholding or deduction is required by law for or on account of any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within such country in which the successor entity is organized, or by or within any political subdivision thereof or any authority therein or thereof having power to tax, the successor entity shall pay to the relevant holder of the Global Notes such additional amounts, under the same circumstances and subject to the same limitations as are specified for "U.K. Taxes," as is set forth under "Additional Amounts" below, but substituting for the U.K. in each place the name of the country under the laws of which such successor entity is organized. In addition, such successor entity shall be entitled to effect optional tax redemption under the same circumstances and subject to the same limitations as are set forth under "—Optional Tax Redemption" below, but substituting for the U.K. in each place the name of the country under the laws of which such successor entity is organized.

Limitation on Liens

Subject to certain express restrictions, nothing contained in the Indenture in any way restricts or prevents WPD Holdings or any subsidiary of WPD Holdings from incurring any indebtedness; *provided* that WPD Holdings shall not issue, assume or guarantee any notes, bonds, debentures or other similar evidences of indebtedness of a kind typically traded on a stock exchange, in each case for money borrowed ("Debt"), secured by a mortgage, lien, pledge, security interest or other encumbrance ("Lien") upon any property or assets (other than cash) without effectively providing that the outstanding WPDH Notes (together with, if WPD Holdings so determines, any other indebtedness or obligation then existing or thereafter created ranking equally with the WPDH Notes) shall be secured equally and ratably with (or prior to) such Debt so long as such Debt shall be so secured; *provided, however*, that the term Lien shall not mean any easements, rights-of-way, restrictions and other similar encumbrances and encumbrances consisting of zoning restrictions, leases, subleases, licenses, sublicenses, restrictions on the use of property or defects in the title thereto. The foregoing restriction on Liens will not, however, apply to:

(i) Liens in existence on the date of original issue of the WPDH Notes;

(ii) (a) any Lien created or arising over any property that is acquired, constructed or created by WPD Holdings, but only if (1) such Lien secures only principal amounts (not exceeding the cost of such acquisition, construction or creation) raised for the purposes of such acquisition, construction or creation, together with any costs, expenses, interest and fees incurred in relation thereto or a guarantee given in respect thereof, (2) such Lien is created or arises on or before 90 days after the completion of such acquisition, construction or creation, and (3) such Lien is confined solely to the property so acquired, constructed or created; or (b) any Lien to secure indebtedness for borrowed money incurred in connection with a specifically identifiable project where the Lien relates to a property (including, without limitation, shares or other rights of ownership in the entity(ies) that own such property or project) involved in such project and acquired by WPD Holdings after the date of original issue of the WPDH Notes and the recourse of the creditors in respect of such indebtedness is limited to any or all of such project and property (including as aforesaid);

(iii) any Lien securing amounts not more than 90 days overdue or otherwise being contested in good faith;

(iv) (a) rights of financial institutions to offset credit balances in connection with the operation of cash management programs established for the benefit of WPD Holdings or in connection with the issuance of letters of credit for the benefit of WPD Holdings; (b) any Lien securing indebtedness of WPD Holdings for borrowed money incurred in connection with the financing of accounts receivable; (c) any Lien incurred or deposits made in the ordinary course of business, including, but not limited to, (1) any mechanics', material-men's, carriers', workmen's, vendors' or other like Liens, and (2) any Liens securing amounts in connection with workers' compensation, unemployment insurance, and other types of social security; (d) any Lien upon specific items of inventory or other goods and proceeds of WPD Holdings securing obligations of WPD Holdings in respect of bankers' acceptances issued or created for the account of such person to facilitate the purchase, shipment or storage of such inventory or other goods; (e) any Lien incurred or deposits made securing the performance of tenders, bids, leases, trade contracts (other than for borrowed money), statutory obligations, surety bonds, appeal bonds, government contracts, performance bonds, return-of-money bonds, and other obligations of like nature incurred in the ordinary course of business; (f) any Lien created by WPD Holdings under or in connection with or arising out of any pooling and settlement agreements or pooling and settlement arrangements of the electricity industry or any transactions or arrangements entered into in connection with the hedging or management of risks relating to the electricity industry; (g) any Lien constituted by a right of set off or right over a margin call account or any form of cash or cash collateral or any similar arrangement for obligations incurred in respect of the hedging or management of risks under transactions involving any currency or interest rate swap, cap or collar arrangements, forward exchange transaction, option, warrant, forward rate agreement, futures contract or other derivative instrument of any kind; (h) any Lien arising out of title retention or like provisions in connection with the purchase of goods and equipment in the ordinary course of business; and (i) any Lien securing reimbursement obligations under letters of credit, guarantees and other forms of credit enhancement given in connection with the purchase of goods and equipment in the ordinary course of business;

(v) Liens in favor of WPD Holdings or one of its subsidiaries;

(vi) (a) Liens on any property or assets acquired from a corporation that is merged with or into WPD Holdings, or any Liens on the property or assets of any corporation or other entity existing at the time such corporation or other entity becomes a subsidiary of WPD Holdings and, in either such case, is not created in anticipation of any such transaction (unless such Lien was created to secure or provide for the payment of any part of the purchase price of such corporation); (b) any Lien on any property or assets existing at the time of acquisition thereof and that is not created in anticipation of such acquisition (unless such Lien was created to secure or provide for the payment of any part of the purchase price of such property or assets); and (c) any Lien created or outstanding on or over any asset of any company that becomes a subsidiary on or after the date of the issuance of the WPDH Notes where such Lien is created prior to the date on which such company becomes a subsidiary;

(vii) (a) Liens required by any contract or statute in order to permit WPD Holdings to perform any contract or subcontract made by it with or at the request of a governmental entity or any department, agency or instrumentality thereof, or to secure partial, progress, advance or any other payments by WPD Holdings to such governmental unit pursuant to the provisions of any contract or statute; (b) any Lien securing industrial revenue, development or similar bonds issued by or for the benefit of WPD Holdings; *provided* that such industrial revenue, development or similar bonds are non-recourse to WPD Holdings; and (c) any Lien securing taxes or assessments or other applicable governmental charges or levies;

(viii) (a) any Lien that arises pursuant to any order of attachment, distraint or similar legal process arising in connection with court proceedings and any Lien that secures the reimbursement obligation for any bond obtained in connection with an appeal taken in any court proceeding, so long as the execution or other enforcement of such Lien arising pursuant to such legal process is effectively stayed and the claims secured thereby are being contested in good faith and, if appropriate, by appropriate legal proceedings, or any Lien in favor of a plaintiff or defendant in any action before a court or tribunal as security for costs and/or expenses; or (b) any Lien arising by operation of law or by order of a court or tribunal or any Lien arising by an agreement of similar effect, including, without limitation, judgment Liens; or

(ix) any extension, renewal or replacement (or successive extensions, renewals or replacements), as a whole or in part, of any Liens referred to in the foregoing clauses, for amounts not exceeding the principal amount of the Debt secured by the Lien so extended, renewed or replaced; *provided* that such extension, renewal or replacement Lien is limited to all or a part of the same property or assets that were covered by the Lien extended, renewed or replaced (plus improvements on such property).

Notwithstanding the foregoing, WPD Holdings may create or permit to subsist Liens over any property, shares and/or stock so long as the aggregate amount of Debt secured by all such Liens (excluding therefrom the amount of Debt secured by Liens set forth in clauses (i) through (ix), inclusive, above) does not exceed 10% of the consolidated net tangible assets of WPD Holdings and its subsidiaries on a consolidated basis.

Consolidated net tangible assets is defined in the Indenture as the total of all assets (including revaluations thereof as a result of commercial appraisals, price level restatement or otherwise) appearing on a consolidated balance sheet of WPD Holdings, net of applicable reserves and deductions, but excluding goodwill, trade names, trademarks, patents, unamortized debt discount and all other like intangible assets (which term shall not be construed to include such revaluations), less the aggregate of the consolidated current liabilities of WPD Holdings appearing on such balance sheet.

Limitation on Sale and Lease-Back Transactions

The Indenture provides that, so long as any of the WPDH Notes remain outstanding, WPD Holdings shall not enter into any arrangement with any person providing for the leasing by WPD Holdings of any assets that have been or are to be sold or transferred by WPD Holdings to such person (a "Sale and Lease-Back Transaction") unless: (i) such transaction involves a lease for a temporary period not to exceed three years; (ii) such transaction is between WPD Holdings and a subsidiary or affiliate of WPD Holdings; (iii) WPD Holdings would be entitled to incur indebtedness secured by a Lien on the assets or property involved in such transaction at least equal in amount to the attributable debt with respect to such Sale and Lease-Back Transaction, without equally and ratably securing the WPDH Notes, pursuant to "—Limitation on Liens" above, other than pursuant to the penultimate paragraph thereof; (iv) such transaction is entered into within 60 days after the initial acquisition by WPD Holdings of the assets or property subject to such transaction; (v) after giving effect thereto, the aggregate amount of all attributable debt with respect to all such Sale and Lease-Back Transactions does not exceed 10% of consolidated net tangible assets of WPD Holdings and its subsidiaries on a consolidated basis; or (vi) WPD Holdings, within the 12 months preceding the sale or transfer or the 12 months following the sale or transfer, regardless of whether such sale or transfer may have been made by WPD Holdings, applies, in the case of a sale or transfer for cash, an amount equal to the net proceeds thereof, and, in the case of a sale or transfer otherwise than for cash, an amount equal to the fair value of the assets so leased at the time of entering into such arrangement (as determined by the Board of Directors of WPD Holdings), (a) to the retirement of indebtedness for money borrowed, incurred or assumed by WPD Holdings which by its terms matures at, or is extendible or renewable at the option of the obligor to, a date more than 12 months after the date of incurring, assuming or guaranteeing such debt or (b) to investment in any assets of WPD Holdings.

Limitation on the Incurrence of Additional Debt by Certain Subsidiaries

The Indenture provides that, so long as any of the WPDH Notes remain outstanding, no subsidiary of WPD Holdings, whether currently in existence or formed after the date of the Indenture, that is a direct or indirect parent of SIUK shall incur any indebtedness for borrowed money under any circumstances, excluding any indebtedness that exists as of the date hereof.

Modification of the Indenture

The Indenture contains provisions permitting WPD Holdings and the Trustee to modify the Indenture or any supplemental indenture or the rights of the holders of WPDH Notes of each series to be affected with the consent of the holders of a majority in aggregate principal amount of the WPDH Notes at the time outstanding of all series to be affected (voting as a class); *provided* that no such modification shall, without the consent of each holder of WPDH Notes affected thereby, (i) change the stated maturity upon which the principal of or the interest on the WPDH Notes of such series is due and payable, (ii) reduce the principal amount of such series or the rate of interest thereon, (iii) change any obligation of WPD Holdings to pay Additional Amounts with respect to such series, (iv) change any place of payment or the currency in which the WPDH Notes of such series or the interest thereon is payable, (v) impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after the redemption date), (vi) reduce the percentage in principal amount of the outstanding WPDH Notes of such series, the consent of whose holders is required for any waiver of compliance with certain provisions of the Indenture or certain defaults thereunder and their consequences provided for in the Indenture, (vii) reduce the requirements contained in the Indenture for quorum or voting with respect to such series, or (viii) modify certain provisions of the Indenture. The Indenture provides that WPDH Notes owned by WPD Holdings or any of its Affiliates shall be deemed not to be outstanding for, among other purposes, consenting to any such modification. See "Description of the Book-Entry System—Meetings of Holders of WPDH Notes."

The Indenture also contains provisions permitting WPD Holdings and the Trustee to amend the Indenture in certain circumstances without the consent of the holders of any WPDH Notes to cure any ambiguity, to correct or supplement any provision therein that may be defective or inconsistent with any other provision therein, to evidence the merger of WPD Holdings or the replacement of the Trustee, and to make any other changes that do not materially adversely affect the rights of any holders of WPDH Notes.

Events of Default

An "Event of Default" with respect to each series of the WPDH Notes is defined in the Indenture as being (i) default for 30 days in payment of any interest or any Additional Amounts on the Global Note representing such series or the Definitive Registered Notes of such series, (ii) default in payment of principal of the Global Note representing such series or the Definitive Registered Notes of such series at maturity, (iii) material default in the performance, or material breach, of any covenant or obligation of WPD Holdings in the Indenture and continuance of such material default or breach for a period of 60 days after written notice is given to WPD Holdings by the Trustee or to WPD Holdings and the Trustee by the holders of at least 25% in aggregate principal amount of the WPDH Notes of such series, (iv) default in the payment of the principal of any bond, debenture, note or other evidence of indebtedness, in each case for money borrowed, or in the payment of principal under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed, of WPD Holdings which default for payment of principal is in an aggregate principal amount exceeding U.S.$50,000,000 (or its equivalent in any other currency or currencies) when such indebtedness becomes due and payable (whether at maturity, upon redemption or acceleration or otherwise), if such default shall continue unheeded or unwaived for more than 30 business days and the time for payment of such amount has been expressly extended, and (v) the failure of WPD Holdings generally to pay its debts as they become due, or the admission in writing of its inability to pay its debts generally, or the making of a general assignment for the benefit of its creditors, or the institution of any proceeding by or against WPD Holdings (other than any such proceeding brought against WPD Holdings that is dismissed within 180 days from the commencement thereof) seeking to adjudicate it bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition (in each case, other than a solvent liquidation, winding up, reorganization, arrangement, adjustment, protection, relief or composition) of it or its debts under any law relating to bankruptcy, insolvency, reorganization, moratorium or relief of debtors, or seeking the entry of an order for relief or appointment of an administrator, receiver, trustee, intervenor or other similar official for it or for any substantial part of its property, or the taking of any action by WPD Holdings to authorize any of the actions set forth in this clause (v).

If an Event of Default with respect to the WPDH Notes of a series shall occur and be continuing, either the Trustee or the holders of at least 25% in aggregate principal amount of the WPDH Notes of such series may declare the principal amount of the WPDH Notes of such series, and any interest accrued thereon, to be due and payable immediately. At any time after such declaration of acceleration has been made, but before a judgment or decree for payment of money has been obtained, if all Events of Default have been cured (other than the non-payment of principal of the WPDH Notes of such series which has become due solely by reason of such declaration of acceleration) then such declaration of acceleration shall be automatically annulled and rescinded.

No holder of the WPDH Notes of a series shall have any right to institute any proceeding, judicial or otherwise, with respect to the Indenture, or for the appointment of a receiver or trustee, or for any other remedy thereunder, unless (i) such holder has previously given written notice to the Trustee of a continuing Event of Default with respect to the WPDH Notes of such series, (ii) the holders of not less than 25% in principal amount of the WPDH Notes of such series shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee, (iii) such holder or holders have offered the Trustee indemnity satisfactory to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request, (iv) the Trustee, for 60 days after its receipt of such notice, request and offer of indemnity, has failed to institute any such proceeding, and (v) no direction inconsistent with such written request has been given to the Trustee during such 60 day period by the holders of a majority in principal amount of the outstanding WPDH Notes of such series.

Additional Amounts

All payments of principal and interest in respect of the Global Notes and Definitive Registered Notes shall be made free and clear of, and without withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the U.K. or by or within any political subdivision thereof or any authority therein or thereof having power to tax ("U.K. Taxes"), unless such withholding or deduction is required by law. In the event of any such withholding or deduction, WPD Holdings shall pay to the relevant holder of the Global Notes or the relevant Holders of the Definitive Registered Notes such additional amounts ("Additional Amounts") as will result in the payment to each such holder of the amount that would otherwise have been receivable by such holder in the absence of such withholding or deduction, except that no such Additional Amounts shall be payable:

(i) to, or to a person on behalf of, a holder who is liable for such U.K. Taxes in respect of the WPDH Notes by reason of such holder having some connection with the U.K. (including being a citizen or resident or national of, or carrying on a business or maintaining a permanent establishment in, or being physically present in, the U.K.) other than the mere holding of a WPDH Note or the receipt of principal and interest in respect thereof;

(ii) to, or to a person on behalf of, a holder who presents a WPDH Note (where presentation is required) for payment more than 30 days after the Relevant Date (as defined below), except to the extent that such holder would have been entitled to such Additional Amounts on presenting such WPDH Note for payment on the last day of such period of 30 days;

(iii) to, or to a person on behalf of, a holder who presents a WPDH Note (where presentation is required) in the United Kingdom; or

(iv) to, or to a person on behalf of, a holder who would not be liable or subject to the withholding or deduction by making a declaration of non-residence or similar claim for exemption to the relevant tax authority.

Such Additional Amounts will also not be payable where, had the beneficial owner of the WPDH Notes (or any interest therein) been the holder of the WPDH Notes, he or she would not have been entitled to payment of Additional Amounts by reason of any one or more of clauses (i) through (iv) above. If WPD Holdings shall determine that Additional Amounts will not be payable because of the immediately preceding sentence, WPD Holdings will inform such holder promptly after making such determination setting forth the reason(s) therefore.

"Relevant Date" means whichever is the later of (i) the date on which such payment first becomes due and (ii) if the full amount payable has not been received in The City of New York by the WPDH Book-Entry

Depositary or the Trustee on or prior to such due date, the date on which, the full amount having been so received, notice to that effect shall have been given to the holders in accordance with the Indenture.

Optional Redemption

The WPDH Notes will be redeemable in whole or in part, at the option of WPD Holdings at any time, at a redemption price equal to the greater of (i) 100% of the principal amount of the WPDH Notes being redeemed or (ii) the sum of the present values of the remaining scheduled payments of principal of and interest on the WPDH Notes being redeemed discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at a discount rate equal to the Treasury Yield plus 25 basis points in respect of the WPDH 2004 Notes, the WPDH 2007 Notes, and the WPDH 2008 Notes, and 37.5 basis points in respect of the WPDH 2017 Notes and the WPDH 2028 Notes, plus, for (i) or (ii) above, whichever is applicable, accrued interest on the WPDH Notes to the date of redemption.

"Comparable Treasury Issue" means, in the case of each series of the WPDH Notes, the United States Treasury security selected by an Independent Investment Banker (as defined below) as having a maturity comparable to the remaining term of the series of such WPDH Notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the WPDH Notes.

"Comparable Treasury Price" means, with respect to any redemption date, (i) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third business day preceding such Redemption Date, as set forth in the daily statistical release (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Securities," or (ii) if such release (or any successor release) is not published or does not contain such prices on such business day, the Reference Treasury Dealer Quotation (as defined below) for such Redemption Date.

"Independent Investment Banker" means an independent investment banking institution of national standing in the U.S. appointed by WPD Holdings and reasonably acceptable to the Trustee.

"Reference Treasury Dealer Quotation" means, with respect to the Reference Treasury Dealer (as defined below) and any Redemption Date, the average, as determined by the Trustee, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount and quoted in writing to the Trustee by such Reference Treasury Dealer at 5:00 p.m. on the third business day preceding such redemption date).

"Reference Treasury Dealer" means a primary U.S. Government securities dealer in New York City appointed by WPD Holdings and reasonably acceptable to the Trustee.

"Treasury Yield" means, with respect to any date on which WPDH Notes are redeemed (each a "Redemption Date"), the rate per annum equal to the semiannual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such Redemption Date.

Notice of redemption shall be given to the Luxembourg Stock Exchange and in accordance with "Reports and Notices" above, not less than 15 days nor more than 30 days prior to the date fixed for redemption.

If fewer than all the WPDH Notes are to be redeemed, selection of WPDH Notes for redemption will be made by the Trustee in any manner the Trustee deems fair and appropriate and that complies with applicable legal and securities exchange requirements.

Unless WPD Holdings defaults in payment of the redemption price, from and after the Redemption Date, the WPDH Notes or portions thereof called for redemption will cease to bear interest, and the holders thereof will have no right in respect to such WPDH Notes except the right to receive the redemption price thereof.

Under the procedures set forth above, the price (the "Redemption Price") payable upon the optional redemption at any time of a WPDH Note is determined by calculating the present value (the "Present Value") at such time of each remaining payment of principal of or interest on such WPDH Note and then totaling such

Present Values. If the sum of such Present Values is equal to or less than 100% of the principal amount of such WPDH Note, the Redemption Price of such WPDH Note will be 100% of its principal amount (redemption at par). If the sum of such Present Values is greater than 100% of the principal amount of such WPDH Note, the Redemption Price of such WPDH Note will be such greater amount (redemption at a premium). In no event may a WPDH Note be redeemed optionally at less than 100% of its principal amount.

The Present Value at any time of a payment of principal of or interest on an WPDH Note is calculated by applying to such payment the discount rate (the "Discount Rate") applicable to such payment. The Discount Rate applicable at any time to a payment of principal of or interest on a WPDH Note equals the equivalent yield to maturity at such time of a fixed rate United States treasury security having a maturity comparable to the maturity of such payment plus 25 basis points in respect of the WPDH 2004 Notes, the WPDH 2007 Notes, and the WPDH 2008 Notes, and 37.5 basis points in respect of the WPDH 2017 Notes and the WPDH 2028 Notes, such yield being calculated on the basis of the interest rate borne by such United States treasury security and the price at such time of such security. The United States treasury security employed in the calculation of a Discount Rate (a "Relevant Security") as well as the price and equivalent yield to maturity of such Relevant Security will be selected or determined by an Independent Investment Banker.

Whether the sum of the Present Values of the remaining payments of principal of and interest on a WPDH Note to be redeemed optionally will or will not exceed 100% of its principal amount and, accordingly, whether such WPDH Note will be redeemed at par or at a premium, will depend on the Discount Rate used to calculate such Present Values. Such Discount Rate, in turn, will depend upon the equivalent yield to maturity of a Relevant Security which yield will itself depend on the interest rate borne by, and the price of, the Relevant Security. While the interest rate borne by the Relevant Security is fixed, the price of the Relevant Security tends to vary with interest rate levels prevailing from time to time. In general, if at a particular time the prevailing level of interest rates for a newly issued United States treasury security having a maturity comparable to that of a Relevant Security is higher than the level of interest rates for newly issued United Securities having a maturity comparable to such Relevant Security prevailing at the time the Relevant Security was issued, the price of the Relevant Security will be lower than its issue price. Conversely, if at a particular time the prevailing level of interest rates for a newly issued United States treasury security having a maturity comparable to that of a Relevant Security is lower than the level of interest rates prevailing for newly issued United States treasury securities having a maturity comparable to the Relevant Security at the time the Relevant Security was issued, the price of the Relevant Security will be higher than its issue price.

Because the equivalent yield to maturity on a Relevant Security depends on the interest rate it bears and its price, an increase or a decrease in the level of interest rates for newly issued United States treasury securities with a maturity comparable to that of a Relevant Security above or below the levels of interest rates for newly issued United States treasury securities having a maturity comparable to the Relevant Security prevailing at the time of issue of the Relevant Security will generally result in an increase or a decrease, respectively, in the Discount Rate used to determine the Present Value of a payment of principal of or interest on a WPDH Note. As noted above, if the sum of the Present Values of the remaining payments of principal of and interest on a WPDH Note proposed to be redeemed is less than its principal amount, such WPDH Note may only be redeemed at par.

Optional Tax Redemption

If (i) WPD Holdings satisfies the Trustee prior to the giving of a notice as provided below that it has or will become obliged to pay Additional Amounts with respect to a series of the WPDH Notes as a result of any change in, or amendment to, the laws or regulations of the U.K. or any political subdivision or any authority or agency thereof or therein having power to tax or levy duties, or any change in the application or interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of this listing memo, and (ii) such obligation cannot be avoided by WPD Holdings taking reasonable measures available to it, WPD Holdings may, at its option, on giving not more than 30 nor less than 15 days' notice to the holders, redeem all, but not less than all, of the WPDH Notes of such series, in each case at their principal amount, together with accrued and unpaid interest; *provided* that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which WPD Holdings would be obliged to pay such Additional Amounts were a payment in respect of the WPDH Notes of such series then due. Prior to the publication of any notice of redemption pursuant to this paragraph, WPD Holdings shall deliver to the Trustee a certificate signed by a director of WPD Holdings stating that the obligation referred to in clause (i) above cannot be avoided by WPD Holdings taking reasonable measures available to it, and the Trustee shall accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out in clause (ii) above, in which event it shall be conclusive and binding on the holders.

In the event a WPDH Note is redeemed in whole or in part pursuant to this provision or "—Optional Redemption" above, the WPDH Book-Entry Depositary will redeem, from the amount received by it in respect of the redemption of such WPDH Note, an equal amount of the related Book-Entry Interest issued to DTC. The redemption price payable in connection with the redemption of such Book-Entry Interest will be equal to the amount received by the WPDH Book-Entry Depositary in connection with the redemption of the related WPDH Note.

Defeasance

WPD Holdings, at its option, (i) will be discharged from any and all obligations in respect of a series of the WPDH Notes (except in each case for the obligations to register the transfer or exchange of such WPDH Notes, replace stolen, lost or mutilated WPDH Notes, maintain paying agencies and hold moneys for payment in trust), or (ii) need not comply with certain covenants of the Indenture with respect to a series of WPDH Notes described under "—Covenants—Limitation on Liens," "—Covenants—Limitation on Sale and Lease-Back Transactions" and "—Covenants—Limitation on the Incurrence of Additional Debt by Certain Subsidiaries," in each case, if WPD Holdings irrevocably deposits with the Trustee, in trust, (a) money or (b) in certain cases, (1) U.S. Government Obligations that through the payment of interest and principal in respect thereof in accordance with their terms will provide money in an amount, or (2) a combination thereof, in each case sufficient to pay and discharge the principal and interest on the outstanding WPDH Notes of such series on the dates such payments are due in accordance with the terms of the WPDH Notes of such series (or if WPD Holdings has designated a redemption date pursuant to the final sentence of this paragraph, to and including the Redemption Date so designated by WPD Holdings), and no Event of Default or event which with notice or lapse of time would become an Event of Default (including by reason of such deposit) with respect to the WPDH Notes of such series shall have occurred and be continuing on the date of such deposit. To exercise any such option, WPD Holdings is required to deliver to the Trustee (x) an opinion of counsel (who may be counsel to WPD Holdings) to the effect that the holders will not recognize income, gain or loss for federal income tax purposes as a result of such deposit, defeasance and discharge, which in the case of clause (i) must be based on a change in law or a ruling by the U.S. Internal Revenue Service, and (y) an Officers' Certificate as to compliance with all conditions precedent provided for in the Indenture relating to the satisfaction and discharge of the WPDH Notes of such series. If WPD Holdings shall wish to deposit or cause to be deposited money or U.S. Government Obligations to pay or discharge the principal of and interest, if any, on the outstanding WPDH Notes of a series to and including the Redemption Date on which all of the outstanding WPDH Notes of such series are to be redeemed, such Redemption Date shall be irrevocably designated by a resolution of the board of directors of WPD Holdings delivered to the Trustee on or prior to the date of deposit of such money or U.S. Government Obligations, and such board resolution shall be accompanied by an irrevocable request from WPD Holdings that the Trustee give notice of such redemption in the name and at the expense of WPD Holdings not less than 15 nor more than 30 days prior to such Redemption Date in accordance with the Indenture.

Modification or Waiver of Certain Covenants

WPD Holdings may omit in any particular instance to comply with any term, provision or condition set forth in the Indenture with respect to the WPDH Notes of a series if, before the time for such compliance, the holders of a least a majority in aggregate principal amount of the outstanding WPDH Notes of such series shall, by act of such holders, either modify the covenant or waive such compliance in such instance or generally waive compliance with such term, provision or condition; *provided* that no such modification shall, without the consent of each holder of WPDH Notes of such series, (i) change the stated maturity upon which the principal of or the interest on the WPDH Notes of such series is due and payable, (ii) reduce the principal amount thereof or the rate of interest thereon, (iii) change any obligation of WPD Holdings to pay Additional Amounts with respect to WPDH Notes of such series, (iv) change any place of payment or the currency in which the WPDH Notes of such series or any premium or the interest thereon is payable, (v) impair the right to institute suit for the enforcement of any such payment on or after the stated maturity thereof (or, in the case of redemption, on or after redemption date), or (vi) reduce the percentage in principal amount of the outstanding WPDH Notes of such series, the consent of whose holders is required for any waiver of compliance with certain provisions of the Indenture or certain defaults thereunder and their consequences provide for in the Indenture. The WPDH Notes owned by WPD Holdings or any of its affiliates shall be deemed not to be outstanding for, among other purposes, consenting to any such modification.

Governing Law; Submission to Jurisdiction

The Indenture and the WPDH Notes are governed by, and construed in accordance with, the laws of the State of New York.

Any suit, legal action or proceeding against WPD Holdings or its properties, assets or revenues with respect to its obligations, liabilities or any other matter arising out of or in connection with the Indenture or a WPDH Note may be brought in the Supreme Court of New York, New York County or in the United States District Court for the Southern District of New York and any appellate court form either thereof. WPD Holdings has submitted to the non-exclusive jurisdiction of such courts for the purposes of any such proceeding and has irrevocably waived, to the fullest extent it may effectively do so, any objection to the laying of venue of any such proceeding in any such court and the defense of an inconvenient forum.

NOTICE TO INVESTORS

Offer and Sale by WPD Holdings of the WPDH Notes

The WPDH Notes have not been registered under the Securities Act and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. Persons, except in accordance with an applicable exemption from the registration requirements thereof. Accordingly, the WPDH Notes are being offered and issued only (i) in the United States to QIBs in a private transaction exempt from the registration requirements of the Securities Act, and (ii) outside the United States to non-U.S. Persons in reliance upon Regulation S.

TRANSFER RESTRICTIONS

Investor Representations and Restrictions on Resale

Each holder of Hyder Notes that submitted a letter of transmittal and consent (or agreed to the terms of a letter of transmittal and consent pursuant to an agent's message) represented, warranted, and agreed as follows:

(i) it acknowledged that the WPDH Notes have not been registered under the Securities Act and may not be sold except as permitted below;

(ii) it understood and agreed on its own behalf and on behalf of any accounts for which it was acting as hereinafter stated (a) that such WPDH Notes were being offered only in a transaction not involving any public offering within the meaning of the Securities Act, and (b) that (1) if within two years after the date of original issuance of the WPDH Notes or if within three months after it ceased to be an affiliate (within the meaning of Rule 144 under the Securities Act ("Rule 144")) of WPD Holdings, it decides to resell, pledge or otherwise transfer such WPDH Notes on which the legend set forth below appears, such WPDH Notes may be resold, pledged or transferred only (A) to WPD Holdings, (B) so long as such security is eligible for resale pursuant to Rule 144A, to a person whom the seller reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the resale, pledge or transfer is being made in reliance on Rule 144A (as indicated by the box checked by the transferor on the Certificate of Transfer on the reverse of the WPDH Note if such WPDH Note is not in book entry form), (C) in an offshore transaction in accordance with Regulation S (as indicated by the box checked by the transferor on the Certificate of Transfer on the reverse of the WPDH Note), or (D) pursuant to an exemption from the registration requirements under the Securities Act provided by Rule 144 (if applicable), and (2) the purchaser will, and each subsequent holder is required to, notify any purchaser of WPDH Notes from it of the resale restrictions referred to in (1) above, if then applicable;

(iii) it understood that each WPDH Note would contain the following legend, unless otherwise agreed by WPD Holdings:

"THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"). THE HOLDER HEREOF, BY PURCHASING THIS SECURITY, AGREES FOR THE BENEFIT OF THE COMPANY THAT THIS SECURITY MAY NOT BE RESOLD, PLEDGED OR OTHERWISE TRANSFERRED (X) PRIOR TO THE SECOND ANNIVERSARY OF THE ISSUANCE HEREOF (OR A PREDECESSOR SECURITY HERETO) OR (Y) BY ANY HOLDER THAT WAS AN AFFILIATE OF THE COMPANY AT ANY TIME DURING THE THREE MONTHS PRECEDING THE DATE OF SUCH TRANSFER, IN EITHER CASE OTHER THAN (1) TO THE COMPANY, (2) SO LONG AS THIS SECURITY IS ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE SECURITIES ACT ("RULE 144A") TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE RESALE,

PLEDGE OR OTHER TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A (AS INDICATED BY THE BOX CHECKED BY THE TRANSFEROR ON THE CERTIFICATE OF TRANSFER ON THE REVERSE OF THIS SECURITY), (3) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH REGULATION S UNDER THE SECURITIES ACT (AS INDICATED BY THE BOX CHECKED BY THE TRANSFEROR ON THE CERTIFICATE OF TRANSFER ON THE REVERSE OF THIS SECURITY), OR (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 (IF APPLICABLE) UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES";

(iv) it acknowledged that (a) none of the Offerors, the dealer manager or any person acting on behalf of the foregoing has made any representation to it with respect to the Offerors or the offer or sale of any WPDH Notes, and (b) any information it desires concerning WPD Holdings and the WPDH Notes or any other matter relevant to its decision to purchase the WPDH Notes (including a copy of the listing memo) is or has been made available to it;

(v) it (a) was able to fend for itself in the transactions contemplated by the exchange offer, (b) had such knowledge and experience in financial and business matters as to be capable of evaluating the merits and risks of its prospective investment in the WPDH Notes, and (c) (or the account for which it is acting) had the ability to bear the economic risks of its prospective investment in the WPDH Notes and could afford the complete loss of such investment; and

(vi) it understood that the Offerors, the dealer manager, and others would rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agreed that if any of the acknowledgements, representations and warranties made by it by its submission of a letter of transmittal and consent were, at any time prior to the consummation of the exchange offer, no longer accurate, it would promptly notify the Offerors and the dealer manager. If it was acquiring the WPDH Notes as a fiduciary or agent for one or more investor accounts, it represented that it had sole investment discretion with respect to each such account and it had full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

CERTAIN TAX CONSIDERATIONS

United States Tax Consequences

The following is a general discussion of certain United States federal income tax consequences associated with the exchange offer and the ownership and disposition of the WPDH Notes offered herein. Except where noted, it deals only with those holders who hold their Hyder Notes and WPDH Notes as capital assets and does not deal with special situations, such as those of brokers, dealers in securities or currencies, financial institutions, tax-exempt entities, insurance companies, persons liable for alternative minimum tax, U.S. persons whose "functional currency" is not the U.S. dollar, persons holding Hyder Notes or WPDH Notes, as the case may be, as part of a hedging, integrated, conversion or constructive sale transaction or a straddle, and traders in securities that elect to use a mark-to-market method of accounting for their securities holdings. The following summary does not address specific state, local or non-United States tax consequences or United States federal tax consequences (*e.g.*, estate or gift tax) other than those pertaining to the income tax.

Furthermore, this discussion is based on provisions of the Internal Revenue Code of 1986, as amended (the "Code"), the Treasury Regulations promulgated thereunder, and administrative and judicial interpretations of the foregoing, all as in effect as of the date hereof and all of which are subject to change, possibly with retroactive effect. This discussion applies only to holders who are U.S. Holders (as defined below) (i) who are residents of the United States for purposes of the current United Kingdom-United States income tax treaty (the "Treaty"), (ii) whose Hyder Notes and WPDH Notes are not, for purposes of the Treaty, effectively connected with a permanent establishment in the United Kingdom, and (iii) who otherwise qualify for the full benefits of the Treaty. This discussion does not address tax consequences of the purchase, ownership, or disposition of the WPDH Notes to holders of WPDH Notes other than those holders who acquired their WPDH Notes pursuant to the exchange offer. If a partnership holds Hyder Notes or WPDH Notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. Partners of partnerships that hold Hyder Notes or will acquire WPDH Notes pursuant to the exchange offer should consult their own tax advisors.

As used herein, the term "U.S. Holder" means a holder of a Hyder Note or WPDH Note, as the case may be, that is, for United States federal income tax purposes, (i) a citizen or resident of the United States, (ii) a corporation or partnership created or organized in or under the laws of the United States or of any political subdivision thereof, (iii) an estate the income of which is subject to United States federal income taxation regardless of its source or (iv) a trust if (a) a United States court is able to exercise primary supervision over the administration of the trust and one or more United States persons have the authority to control all substantial decisions of the trust or (b) the trust was in existence on August 20, 1996, was treated as a United States person prior to that date, and elected to continue to be treated as a United States person.

Each U.S. Holder should consult its tax advisor regarding the particular tax consequences to such U.S. Holder of the exchange offer, the ownership and disposition of the WPDH Notes, as well as any tax consequences that may arise under the laws of any other relevant foreign, state, local, or other taxing jurisdiction.

Exchange Offer

The exchange of a Hyder Note for a WPDH Note pursuant to the exchange offer will constitute a taxable transaction for United States federal income tax purposes. Accordingly, subject to the discussion below regarding separate consideration, a U.S. Holder who exchanges a Hyder Note for a WPDH Note pursuant to the exchange offer will recognize gain or loss equal to the difference between the issue price of the WPDH Note (less an amount equal to any accrued and unpaid interest on the Hyder Note not previously included in income, which will be treated as ordinary interest income) and such U.S. Holder's adjusted tax basis in the Hyder Note. Because (i) the Hyder Notes are, and the WPDH Notes may be, publicly traded within the meaning of Treasury Regulation Section 1.1273-2 and (ii) the Offerors expect that the fair market value of the Hyder Note and the WPDH Note will be equal on the exchange date, the issue price of the WPDH Note would generally be such fair market value and the amount realized in the exchange would generally be such fair market value (less an amount equal to any accrued and unpaid interest on the Hyder Note not previously included in income, which will be treated as ordinary interest income).

The issue price of the WPDH Notes will generally include any amounts allocable to interest that has accrued prior to the exchange date, subject to the possible application of an alternative method. Depending on whether the issue price of the WPDH Notes is less than or greater than their stated redemption price at maturity, the exchange could result, respectively, in the WPDH Notes (i) being deemed to be issued with original issue discount ("OID"), which would be included in the U.S. Holder's income over the term of the WPDH Notes or (ii) being treated as issued with amortizable bond premium, which a U.S. Holder may elect to amortize under a constant-yield-to-maturity basis as an offset to interest income on the WPDH Notes. Any election with respect to amortizing bond premium will apply to all obligations owned or acquired by the U.S. Holder in the current and all subsequent taxable years and may not be revoked without the permission of the Internal Revenue Service. It is expected that the issue price of the WPDH Notes will be less than their stated redemption price at maturity, so that they will be deemed to be issued with OID. See "—Original Issue Discount."

Subject to the market discount rules discussed below and the discussion below regarding separate consideration, any gain or loss recognized by a U.S. Holder pursuant to the exchange will be capital gain or loss. Capital gains of individuals derived with respect to capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations. A U.S. Holder who has acquired a Hyder Note with market discount (i.e. an excess of the stated redemption price at maturity over the basis of such Hyder Note immediately after acquisition by the U.S. Holder) in excess of a statutorily defined *de minimis* amount generally will be required to treat gain on the exchange of such Hyder Note as ordinary income to the extent of the market discount accrued to the date of the disposition, less any accrued market discount income previously included in the U.S. Holder's income pursuant to an election, if any.

It is possible that the Internal Revenue Service will take the position that a portion of the consideration received pursuant to the exchange should be treated as separate consideration for consenting to the Proposed Amendments, in which case such portion would be taxed as ordinary income (rather than as capital gain, discussed above). U.S. Holders are encouraged to consult their own tax advisors in this regard.

Consequences to Non-Tendering U.S. Holders

Under general principles of tax law, the modification of a debt instrument creates a deemed exchange (upon which gain or loss may be realized) if the modified debt instrument differs materially either in kind or in extent from the original debt instrument. Under applicable Treasury Regulations (the "Regulations"), the modification of a debt instrument is a "significant modification" that will create a deemed exchange if, based on all the facts and circumstances and taking into account certain modifications of the debt instrument collectively, the legal rights or obligations that are altered and the degree to which they are altered is "economically significant."

The Offerors believe that the adoption of the Proposed Amendments, when viewed in isolation, would not cause a significant modification of the Hyder Notes under the Regulations, and therefore would not result in a deemed exchange of the Hyder Notes for U.S. federal income tax purposes. If the adoption of the Proposed Amendments does not cause a significant modification of the Hyder Notes under the Regulations, U.S. Holders of Hyder Notes would not recognize any gain or loss with respect to the adoption of the Proposed Amendments. However, as discussed in "—The Transactions", Hyder also intends to dispose of all of the capital stock of Dŵr Cymru to a purchaser that would assume the remaining Hyder Notes. In such case, there would be a deemed exchange of the Hyder Notes for U.S. federal income tax purposes unless (i) the purchaser is deemed to acquire substantially all of the assets of Hyder and (ii) the transaction does not result in a change in payment expectations within the meaning of Treasury Regulations Section 1.1001-3(e)(4)(vi). The Offerors do not believe that the purchase of all of the capital stock of Dŵr Cymru would be treated as the acquisition of substantially all of the assets of Hyder, and thus believe that such purchase, and concomitant assumption of the Hyder Notes by such purchaser, would give rise to a deemed exchange of the remaining Hyder Notes. If Hyder does not dispose of all of the capital stock of Dŵr Cymru to a purchaser that assumes the remaining Hyder Notes, but the adoption of the Proposed Amendments results in a deemed exchange of the old Hyder Notes ("Old Hyder Notes") for new Hyder Notes ("New Hyder Notes"), Hyder intends to treat the deemed exchange of the Hyder Notes other than the Hyder 2004 Notes as a tax-free recapitalization, although there is some ambiguity as to the proper treatment of the Hyder 2007 Notes and Hyder 2008 Notes.

If a deemed exchange qualifies as a tax-free recapitalization, a U.S. Holder's tax basis in the New Hyder Notes will equal such U.S. Holder's adjusted tax basis in the Old Hyder Notes immediately prior to the date of the deemed exchange. A U.S. Holder's holding period for the New Hyder Notes will include the period during which the Old Hyder Notes surrendered in exchange therefor were held. If the deemed exchange did not qualify as a tax-free recapitalization, the deemed exchange would constitute a taxable exchange in which a U.S. Holder would recognize gain or loss equal to the difference between the issue price of the New Hyder Notes (less an amount equal to any accrued and unpaid interest on the Old Hyder Notes not previously included in income, which will be treated as ordinary interest income) and such U.S. Holder's adjusted tax basis in the Old Hyder Notes immediately prior to the date of the deemed exchange. Since the Hyder Notes are publicly traded within the meaning of Treasury Regulations Section 1.1273-2, the issue price of the New Hyder Notes would generally be their fair market value on the exchange date.

Depending on the issue price assigned to the New Hyder Notes, a deemed exchange, whether or not it qualifies as a tax-free recapitalization, could result in the New Hyder Notes (i) being deemed to be issued with OID, which would be included in the U.S. Holder's income on a constant-yield-to-maturity basis over the remaining term of the New Hyder Notes or (ii) being treated as issued with amortizable bond premium, which a U.S. Holder may elect to amortize under a constant-yield-to-maturity basis as an offset to interest income on the New Hyder Notes. It is expected that the issue price of the New Hyder Notes will be less than their stated redemption price at maturity, so that they will be deemed to be issued with OID. See "—Original Issue Discount."

Each U.S. Holder should consult its tax advisor regarding the particular tax consequences to such U.S. Holder of a failure to tender the Hyder Notes in the exchange offer, including any possible deemed exchange of the Hyder Notes that may result from the adoption of the Proposed Amendments.

Payment of Interest

Stated interest payable on a WPDH Note generally will be included in the gross income of a U.S. holder as ordinary interest income from foreign sources at the time accrued or received, in accordance with such U.S. holder's method of accounting for United States federal income tax purposes.

Original Issue Discount

It is expected that the issue price of the WPDH Notes will be less than their stated redemption price at maturity (the sum of all payments to be made on the WPDH Notes), so that the WPDH Notes will be deemed to be issued with OID in an amount equal to such difference. U.S. Holders should be aware that they generally must include OID in gross income in advance of the receipt of cash attributable to that income. Such income will be treated as income from foreign sources. However, U.S. Holders of WPDH Notes generally will not be required to include separately in income cash payments received on the WPDH Notes other than stated interest.

As described above in "—Exchange Offer," the issue price of the WPDH Notes will generally be the fair market value of the WPDH Notes or the Hyder Notes on the exchange date, which fair market values are generally expected to be equal on such date. Such issue price would generally include any amounts allocable to interest that has accrued prior to the date of the exchange, subject to the possible application of an alternative method.

The amount of OID includable in income by the initial U.S. Holder of a WPDH Note is the sum of the "daily portions" of OID with respect to the WPDH Note for each day during the taxable year or portion of the taxable year in which such U.S. Holder held such WPDH Note ("accrued OID"). The daily portion is determined by allocating to each day in any "accrual period" a pro rata portion of the OID allocable to that accrual period. The "accrual period" for a WPDH Note may be of any length and may vary in length over the term of the WPDH Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs on the first day or the final day of an accrual period. The amount of OID allocable to any accrual period is an amount equal to the excess, if any, of (i) the product of the WPDH Note's adjusted issue price at the beginning of such accrual period and its yield to maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) over (ii) the sum of any stated interest allocable to the accrual period. OID allocable to a final accrual period is the difference between the amount payable at maturity (other than a payment of stated interest) and the adjusted issue price at the beginning of the final accrual period. Special rules will apply for calculating OID for an initial short accrual period. The "adjusted issue price" of a WPDH Note at the beginning of any accrual period is equal to its issue price increased by the accrued OID for each prior accrual period and reduced by any payments made on such WPDH Note (other than stated interest) on or before the first day of the accrual period. Under these rules, a U.S. Holder will have to include in income increasingly greater amounts of OID in successive accrual periods. WPD Holdings is required to provide information returns stating the amount of OID accrued on WPDH Notes held of record by persons other than corporations and other exempt holders.

U.S. Holders may elect to treat all interest on any WPDH Note as OID and calculate the amount includable in gross income under the constant yield method described above. For the purposes of this election, interest includes stated interest, acquisition discount, OID and *de minimis* OID. The election is to be made for the taxable year in which the U.S. Holder acquired the WPDH Note, and may not be revoked without the consent of the Internal Revenue Service. U.S. Holders should consult with their own tax advisors about this election.

Sale, Exchange and Retirement of WPDH Notes

Upon the sale, exchange, retirement at maturity, or other taxable disposition of a WPDH Note, a U.S. Holder generally will recognize capital gain or loss equal to the difference between the amount realized by such holder (less an amount equal to any accrued and unpaid interest not previously included in income, which will be treated as ordinary interest income) and such holder's adjusted tax basis in the WPDH Note. A U.S. Holder's adjusted tax basis in a WPDH Note will, in general, be its issue price, increased by original issue discount and reduced by amortized premium and any cash payments on the WPDH Note other than stated interest. Capital gains of individuals derived in respect of capital assets held for more than one year are eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Backup Withholding and Information Reporting

In general, information reporting requirements will apply to certain payments of principal, interest, original issue discount and premium paid on a WPDH Note and to the proceeds of sale of a WPDH Note made to U.S. holders other than certain exempt recipients (such as corporations). A 31% backup withholding tax will apply to such payments if the U.S. holder fails to provide a taxpayer identification number or certification of foreign or other exempt status or fails to report in full dividend and interest income.

Backup withholding is not an additional tax. Any amounts withheld from a payment to a U.S. holder under the backup withholding rules will be allowed as a credit against the holder's United States federal income tax liability and may entitle the holder to a refund, provided that the required information is furnished to the Internal Revenue Service.

United Kingdom Tax Consequences

The following is a summary of the Offerors' understanding of current law and practice in the United Kingdom relating to the taxation of the WPDH Notes and the exchange of Hyder Notes for WPDH Notes. Some aspects do not apply to certain classes of person (such as dealers).

Each holder who may be subject to tax in the United Kingdom should consult its tax advisor regarding the particular consequences to such holder of the consent solicitation and the exchange of Hyder Notes pursuant to the exchange offer. Holders of Hyder Notes who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

Exchange Offer

The exchange of a Hyder Note for a WPDH Note pursuant to the exchange offer will constitute a disposal of the Hyder Note for United Kingdom capital gains tax and corporation tax purposes and the acquisition of a new asset, namely the WPDH Note. The U.K. tax treatment for U.K. corporation taxpayers will be, broadly, in accordance with their accounting treatment. This should, generally, result in no further gain nor loss occurring to such holders other than their book gain or loss. For individuals who are resident or ordinarily resident in the United Kingdom or carry out a trade, profession or vacation in the United Kingdom, the exchange may give rise to a chargeable gain or allowable loss for U.K. capital gains tax purposes. There will be no charge to corporation tax for companies who are not subject to U.K. corporation tax. There will be no charge to capital gains tax in the U.K. for individuals who are neither resident nor ordinarily resident in the United Kingdom and do not carry out a trade, profession or vocation in the United Kingdom.

No charge to corporation tax or capital gains tax will occur for holders of the Hyder Notes who do not take up the offer to exchange their Hyder Notes for WPDH Notes and, therefore, continue to hold the original Hyder Notes.

Interest Payments on the WPDH Notes

The WPDH Notes will constitute "quoted Eurobonds", provided that the WPDH Notes are listed on a recognized stock exchange, as defined in section 841 of the Income and Corporation Taxes Act 1988 (the "Taxes Act"). The Luxembourg Stock Exchange is currently recognized for these purposes. Payments of interest on "quoted Eurobonds" may be made without withholding or deduction for or on account of United Kingdom income tax.

Interest on the WPDH Notes constitutes United Kingdom source income for tax purposes and, as such, may be subject to income tax by direct assessment even where paid without withholding.

Interest with a United Kingdom source received without deduction or withholding on account of United Kingdom tax will not, however, be chargeable to United Kingdom tax in the hands of a holder who is not resident for tax purposes in the United Kingdom unless that holder carries on a trade, profession or vocation in the United Kingdom through a United Kingdom branch or agency in connection with which the interest is received or to which the WPDH Notes are attributable. There are exemptions for interest received by certain categories of agent (such as some brokers and investment managers).

United Kingdom Corporation Taxpayers

In general, holders that are within the charge to U.K. corporation tax will be charged to tax on all returns, profits or gains on, and fluctuations in value of, the WPDH Notes (whether attributable to currency fluctuations or otherwise) broadly in accordance with their statutory accounting treatment. Such holders will generally be charged to tax in each accounting period by reference to interest accrued in that period.

Any gains or losses on WPDH Notes held by United Kingdom resident corporate holders or certain other holders who are within the charge to United Kingdom corporation tax, which are attributable to fluctuations in the value of U.S. dollars relative to, in most cases, sterling will subject to reliefs and exclusions contained in the relevant legislation, and will be included in the calculation of such holders' taxable income on an accruals basis for each accounting period during which the WPDH Notes are held. Any gain or loss arising on a disposal (including redemption) of such WPDH Notes would be outside the scope of United Kingdom taxation of chargeable gains.

Other United Kingdom Taxpayers

Taxation of Chargeable Gains

A disposal of WPDH Notes by an individual holder who is resident or ordinarily resident in the United Kingdom, or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the WPDH Notes are attributable, may give rise to a chargeable gain or allowable loss for the purposes of the U.K. taxation of chargeable gains.

Accrued Income Scheme

On a disposal of WDPH Notes by a holder, any interest that has accrued since the last interest payment date may be chargeable to tax as income if that holder is resident or ordinarily resident in the United Kingdom or carries on a trade in the United Kingdom through a branch or agency to which the WPDH Notes are attributable.

Stamp Duty and SDRT

No stamp duty or stamp duty reserve tax is payable on a transfer of the WPDH Notes by delivery.

Proposed European Union Savings Directive

The European Union is currently considering proposals for a new directive regarding the taxation of savings income. According to the most recently available information it is proposed that, subject to a number of important conditions being met, member states will be required to provide to the tax authorities of another member state details of payments of interest or other similar income paid by a paying agent within its jurisdiction to an individual resident in that other member state, subject to the right of certain individual member states (including Luxembourg but not including the United Kingdom) to opt instead for a withholding system for a transitional period in relation to such payments, and subject to the proposals not being required to be applied to WPDH Notes issued before March 1, 2001. The proposals are not yet final, and they may be subject to further amendment and/or clarification.

GENERAL INFORMATION

In connection with the application to list the WPDH Notes on the Luxembourg Stock Exchange, a legal notice relating to the issue of the WPDH Notes and copies of the Articles of Association of WPD Holdings will be deposited with the Chief Register of the District Court in Luxembourg ("Greffier en Chef du Tribunal d'Arrondissement de et a Luxembourg") where such documents may be examined and copies obtained.

The issue of the WPDH Notes was duly authorized by the Board of Directors of WPD Holdings on February 9, 2001.

Neither WPD Holdings nor any of its subsidiaries is involved in any litigation or arbitration proceedings that are material in the context of the WPDH Notes, nor, so far as WPD Holdings is aware, is any such litigation or arbitration pending or threatened.

Save as disclosed in this Listing Memo, there has been no material adverse change in the financial or trading position of WPD Holdings since March 31, 2000, the date to which the last audited accounts were prepared.

WPD Holdings has made an application with respect to each series of WPDH Notes for clearance through Clearstream and Euroclear.

Copies of the Indenture, the First Supplemental Indenture, the Deposit Agreement and the Offering Circular will be available for inspection at the specified office of the Paying Agent in Luxembourg during the life of the WPDH Notes. Copies of the most recently published Annual Reports to Shareholders, Annual Reports on Form 10-K, and Quarterly Reports on Form 10-Q as are required to be filed by the various companies within the WPD Holdings group, and the Articles of Association of WPD Holdings, may be obtained free of charge from the registered office of WPD Holdings and through the specified office of the Paying Agent in Luxembourg during the life of the WPDH Notes. Other than the Quarterly Reports on Form 10-Q filed by SIUK plc, a subsidiary of WPD Holdings, WPD Holdings does not publish interim financial statements.

The Notes have been accepted for acceptance through Clearstream Luxembourg and Euroclear. Their common code, CUSIP and ISIN numbers are listed below.

Note	**Yield**	**Due**	**Common Code**	**CUSIP**	**ISIN**
144A	6.75%	15 December 2004	012679394	92931DAA0	US92931DAA00
144A	6.875%	15 December 2007	012679416	92931DAB8	US92931DAB82
144A	6.50%	15 December 2008	012679432	92931DAC6	US92931DAC65
144A	7.25%	15 December 2017	012679467	92931DAD4	US92931DAD49
144A	7.375%	15 December 2028	012679491	92931DAE2	US92931DAE22
Reg S	6.75%	15 December 2004	012679386	G9796VAA1	USG9796VAA10
Reg S	6.875%	15 December 2007	012679408	G9796VAB9	USG9796VAB92
Reg S	6.50%	15 December 2008	012679424	G9796VAC7	USG9796VAC75

Reg S	7.25%	15 December 2017	012679459	G9796VAD5	USG9796VAD58
Reg S	7.375%	15 December 2028	012679483	G9796VAE3	USG9796VAE32

LEGAL MATTERS AND VALIDITY OF THE NOTES

Certain legal matters relating to the WPDH Notes offered hereby will be passed upon for the Offerors by Simpson Thacher & Bartlett, as to U.S. federal and New York State law, and by Allen & Overy, as to United Kingdom law. Certain legal matters with respect to the WPDH Notes offered hereby will be passed upon for Salomon Smith Barney by Cleary Gottlieb Steen & Hamilton.

INDEPENDENT ACCOUNTANTS

The financial statements of WPD Holdings and subsidiaries as of March 31, 2000 and 1999 and for each of the three years in the period ended March 31, 2000, included in this listing memo, have been audited by Arthur Andersen, independent public accountants, as stated in their report appearing herein.

The financial statements of Hyder and its subsidiaries as of March 31, 2000 and 1999, and for each of the three years in the period ended March 31, 2000, included in this listing memo, have been audited by PricewaterhouseCoopers, independent accountants, as stated in their report appearing herein.

ENFORCEMENT OF CIVIL LIABILITIES

WPD Holdings is an unlimited liability company incorporated under the laws of England and Wales. Hyder is a public limited company incorporated under the laws of England and Wales. Several of the directors and executive officers of each of the Offerors (and certain experts named in this listing memo) are citizens or residents of the U.K. All or a substantial portion of the assets of such persons and substantially all the assets of each of the Offerors are located outside the U.S. As a result, it may not be possible for investors to effect service of process within the U.S. upon such persons or either Offeror or to enforce against them judgments of U.S. courts predicated upon civil liabilities under U.S. federal securities laws. There is doubt as to the enforceability in the United Kingdom, in original actions or in actions for enforcement of judgments of U.S. courts, of civil liabilities predicated upon U.S. federal securities laws.

The Indenture and the WPDH Notes are governed by, and construed in accordance with, the laws of the State of New York. WPD Holdings has submitted to the non-exclusive jurisdiction of the Supreme Court of New York, New York County and the United States District Court for the Southern District of New York and any appellate court from either thereof for any suit, legal action or proceeding against WPD Holdings or its properties, assets or revenues with respect to its obligations, liabilities or any other matter arising out of or in connection with the Indenture or the WPDH Notes.

The Issuer is:

WPD Holdings UK

Avonbank
Feeder Road
Bristol, BS2 OTB
England

Telephone: (44) 117 933 2000

The Luxembourg listing agent is:

Banque Générale du Luxembourg

50, avenue J.F. Kennedy
L-2951 Luxembourg

Telephone: (352) 4242 2686

The Luxembourg paying agent is:

Deutsche Bank Luxembourg S.A.

2, Boulevard Konrad Adenauer
Registre de Commerce Luxembourg
L-1115 Luxembourg

Telephone: (352) 4212 21

The Trustee, Transfer Agent, and Book-Entry Depositary is:

Bankers Trust Company

Four Albany Street
New York, New York 10006

Telephone: (212) 469 8000