

Announcement from Dwr Cymru (Financing) Limited

Attached to this notice is an announcement by MBIA UK Insurance Limited ("MBIA") with regard to its holdings in wrapped UK securitised bonds.

At the invitation of MBIA, Dwr Cymru (Financing) Limited ("Financing") attended the meeting hosted by the Association of British Insurers referred to in MBIA's announcement.

In the event that MBIA proceeds to make any formal proposals, Financing intends to consider those proposals.

For further information please contact:

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MBIA UK Meets with the Association of British Insurers and Representatives of Holders of Wrapped Bonds

LONDON--(BUSINESS WIRE)--MBIA UK Insurance Limited ("MBIA UK"), announced today that it held a meeting hosted by the Association of British Insurers (ABI), with representatives of holders of MBIA UK wrapped UK securitised water company bonds. The purpose of the meeting was to solicit feedback with respect to MBIA UK's proposal to reduce certain significant insured exposures with bondholder consent, for prudential portfolio management reasons, for consideration to be agreed. If MBIA UK proceeds to make any formal proposals, notice of any bondholder meetings will be given in accordance with the terms of each relevant bond's terms and conditions and bond trust deed. MBIA UK's proposals should not be viewed as expressing a view on credit quality of the Issuers of the relevant bonds.

Forward-Looking Statements

This release includes statements that are not historical or current facts and are "forward-looking statements" made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The words "believe," "anticipate," "project," "plan," "expect," "intend," "will likely result," "looking forward" or "will continue," and similar expressions identify forward-looking statements. These statements are subject to certain risks and uncertainties that could cause actual results to differ materially from historical earnings and those presently anticipated or projected, including, among other risks, the possibility that the Company will experience severe losses due to increased deterioration in its insurance portfolios; significant fluctuations in liquidity and asset values with the global credit markets; the Company's ability to fully implement its Strategic Plan as outlined in the Company's most recent Annual Report on Form 10-K; the Company's ability to favorably resolve regulatory proceedings and litigation claims against the Company and legal actions initiated by the Company in connection with potential insurance loss recoveries; an inability to achieve high, stable credit ratings; and changes in general economic and competitive conditions. These and other factors that could affect financial performance or could cause actual results to differ materially from estimates contained in or underlying the Company's forward-looking statements are discussed under the "Risk Factors" section in MBIA Inc.'s most recent Annual Report on Form 10-K, which may be updated or amended in the Company's subsequent filings with the Securities and Exchange Commission. The Company cautions readers not to place undue reliance on any such forward-looking statements, which speak only to their respective dates. The Company undertakes no obligation to publicly correct or update any forward-looking statement if it later becomes aware that such result is not likely to be achieved.

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