Company Water Intelligence PLC

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Water Intelligence plc (AIM: WATR) ("Water Intelligence" or the "Group")

Water Intelligence opens Company-operated activities in Connecticut & Sells Franchise for New York City to Strategic Partner

Introduction

Water Intelligence, a leading provider of water monitoring products and leak detection and remediation services, announces the opening of Company-operated activities in Connecticut and the sale of a franchise for New York City.

In the Trading Update of 2 March 2011, the Board reported that in the Second Half of 2010 the North East Region was one of the fastest growing regions in the United States for franchisee royalties, recording a 10% increase over the same period in 2009.

Connecticut

As identified in the Board's plans at the time of the Reverse Acquisition of Qonnectis plc and Admission to AIM in July 2010, the Company, through its principal operating subsidiary, American Leak Detection ("ALD"), has opened Company-operated activities in New Haven, Connecticut.

This is the fifth such operation. The others are in Palm Springs, San Bernardino, Boston and Fort Lauderdale.

Staff have been recruited in Connecticut and currently being trained in ALD procedures. A sales pipeline has been developed. Trading will commence imminently.

New York City

ALD has sold the franchise for New York City to a strategic partner, a private company led by Faye Huang. Ms. Huang is a successful businesswoman, civic leader and is currently involved in creating business opportunities between the US and Asia. Ms. Huang is also a member of the California Workforce Investment Board ("CWIB"), having been appointed by former Governor Arnold Schwarzenegger. The CWIB promotes economic development and job creation, especially green-collar jobs, through public, educational and private partnerships.

The Group believes that New York City will be an important market for the growth of WI's product and services business. Mayor Bloomberg has made the elimination of water loss an important public issue with his announced Water Leak Notification program for homeowners and

a US \$250 million city investment in meter readers. Ms. Huang and her team are already working with public and private networks to deliver leak detection solutions.

The Group also believes that Ms. Huang will be helpful in using her business relationships to introduce the water metering products that Water Intelligence is currently developing in the UK, initially for the UK market, into the US market in due course.

Dr. Patrick DeSouza, Executive Chairman of Water Intelligence, commented:

"Faye's leadership experience with the California Workforce Investment Board will help our US franchise system. Each US state, pursuant to federal statute, has workforce investment policies to promote business and job creation and to encourage work with local educational institutions to provide jobs and innovation. Solving water leakage at the state and local level is something our US franchisees can participate in because of our nationwide footprint. Ms. Huang has already started working with private partners and Queens College of the City University of New York to hit the ground running in launching her franchise. In addition, Faye will use her strategic relationships to help Water Intelligence grow in Asia.

William E ("Bill") Palmer III, President of American Leak Detection, added:

"I am delighted to be working with Faye in developing this exciting new market for ALD's services. She has seen how we have set up the Connecticut operations. I am confident that she can replicate the successful business model that our franchisees have been operating for over 30 years.

Faye will also be helping me with additional programmes for our franchisees, where we can build partnerships with state and local government to enable our franchisees to grow their businesses more rapidly."

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The company news service from the London Stock Exchange

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