

GROUP FINANCIAL HIGHLIGHTS

REVENUE

£1,352.3m -0.4%

ADJUSTED EBITDA⁽¹⁾ before non-underlying items

£508.4m +9.1%

PROFIT BEFORE TAX before non-underlying items

£211.3m +0.3%
(statutory basis £206.3m)

DIVIDEND

33.58p +5.6%

SHAREHOLDER PROFITS⁽²⁾ (£m)

Profit before tax and non-underlying items	211.3
Non-underlying items impacting profit before tax	(5.0)
Tax charge	(38.0)
Profit attributable to perpetual capital holders	(16.2)
Profit after tax attributable to shareholders	152.1

HIGHLIGHTS OF THE YEAR

- Strong start to the new regulatory period for the water business delivering a RoRE of 11.7%⁽³⁾
- Group results benefiting from growth:
 - £90 million of EBITDA delivered from Energy Recovery Facilities (ERFs) in 2015/16, up 166%. ERFs on track to deliver targeted c.£100 million of EBITDA⁽¹⁾ in 2016/17 despite pressure on power prices and the removal of Levy Exemption Certificates (LECs)
 - Bournemouth Water acquired on 15 April 2015, with key aspects of the integration with South West Water delivered:
 - licence and trade and assets merged
 - shared services combined
 - debt transferred and security removed
- Group efficiency initiatives underway, expected to deliver future cost savings of c.£11 million p.a.

STRATEGY IN ACTION

- Dividend increased by 5.6% in line with sector-leading policy of 4% year-on-year growth over RPI
- Group remains well funded with efficient long-term financing
- Continued focus on sustainable investment and activities that make a positive impact on communities and the environment
- Implementing improvements in recycling activities.

(1) Earnings before interest, tax, depreciation, amortisation and non-underlying items (EBITDA). (Adjusted EBITDA includes IFRIC 12 interest receivable and share of joint venture EBITDA – see notes 8 and 20 to the financial statements)

(2) Reconciliation of profit before tax and non-underlying items to profit after tax attributable to shareholders

(3) Return on regulated equity. See page 28 for further details.

ASSETS

£5.7bn

INVESTMENT IN KEY
INFRASTRUCTURE

£317m

CASH AND COMMITTED
FACILITIES TO FUND
CAPITAL PROGRAMME

£1.7bn

KEY PERFORMANCE INDICATORS⁽¹⁾

REVENUE (£m)

2011/12		1,233.1
2012/13		1,201.2
2013/14		1,321.2
2014/15		1,357.2
2015/16	-0.4%	1,352.3

DIVIDEND PER SHARE (pence)

2011/12		26.52
2012/13		28.46
2013/14		30.31
2014/15		31.80
2015/16	+5.6%	33.58

ADJUSTED EBITDA⁽²⁾ before non-underlying items (£m)

2011/12		430.8
2012/13		433.0
2013/14		456.9
2014/15		465.9
2015/16	+9.1%	508.4

INTEREST RATE ON ANNUAL NET DEBT (%)

2011/12		4.2
2012/13		4.0
2013/14		3.8
2014/15		3.4
2015/16		3.3

PROFIT BEFORE TAX before non-underlying items (£m)

2011/12		200.5
2012/13		190.0
2013/14		207.3
2014/15		210.7
2015/16	+0.3%	211.3

REGULATORY CAPITAL VALUE as at 31 March (£m)

2012		2,827
2013		2,916
2014		2,959
2015		2,928
2016	+7.6%	3,150

EARNINGS PER SHARE

before non-underlying items and deferred tax (pence)

2011/12		47.3
2012/13		40.3
2013/14		42.6
2014/15		39.8
2015/16	-0.8%	39.5 ⁽³⁾

GROUP ASSETS as at 31 March (£bn)

2012		4.3
2013		4.8
2014		5.0
2015		5.4
2016	+5.6%	5.7

(1) These are the key performance indicators (KPIs) we use to measure the performance of our businesses as described in our business model on page 10

(2) Earnings before interest, tax, depreciation, amortisation and non-underlying items (EBITDA). (Adjusted EBITDA includes IFRIC 12 interest receivable and share of joint venture EBITDA)

(3) Basic earnings per share (statutory basis) 37.0p.