

Anglian Water Group Results

Year ended 31 March 2014

Investor Presentation
5 June 2014

LOVE EVERY DROP. PUT WATER AT THE HEART
OF A WHOLE NEW WAY OF LIVING.

Disclaimer

For the purposes of the following disclaimer, references to this “document” shall mean this presentation pack and shall be deemed to include references to the related speeches made by or to be made by the presenters, any questions and answers in relation thereto and any other related verbal or written communications.

Any forward-looking statements made in this document represent management’s judgment as to what may occur in the future. However, the group’s actual results for the current and future fiscal periods and corporate developments will depend on a number of economic, competitive and other factors including some which will be outside the control of the group. Such factors could cause the group’s actual results for current and future periods to differ materially from those expressed in any forward-looking statements made in this document. Unless otherwise required by applicable law, accounting standard or regulation, we do not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future developments or otherwise.

Agenda

- The year in context
- Performance update
- Our Business Plan: Ofwat Risk Based Review (RBR)
- Looking ahead

Peter Simpson

**Chief Executive
Anglian Water Services**

The year in context

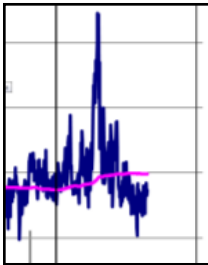
2013/14: year in context

Extremes of weather

Weather again played a significant role in our operational performance

- Hot dry summer, storm surge, wet winter: **minimal customer impact**

Validates approach to resilience



Summer spike



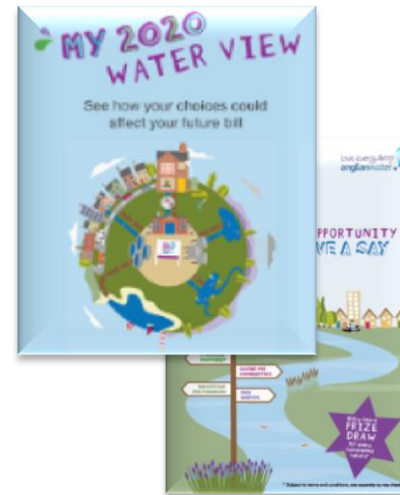
Daily analysis



Planning for 2015-2020

Preparing AMP6 Business Plan for submission to regulator
Taking an outcomes-based approach to business planning

CUSTOMER ENGAGEMENT FORUM



Operational performance update

Outcomes-based business planning is how we work



Ten outcomes developed as part of PR14 Business Planning process.

We played a leading role in developing outcomes regulation in the water industry.

Outcomes are a natural extension of Love Every Drop and our approach to long-term planning.

Our strategies, plans and investment are aimed at delivering these ten outcomes for customers and the environment.

The outcomes are supported by the CEF and by our customers.

Satisfied customers

- Customer service rated best in industry for second year running according to SIM
- Secured top spot over three years, 2011-14
- More than 93% of customers satisfied with service, according to SIM
- 40,000 customers took part in 'Voice of the Customer'
- Complaints down 15%
- Innovation driving success: 'Face of' training, proactive customer calling, growth in social media, online 'virtual assistant', reducing turnaround times
- Billing research and redesign to enhance understanding



Item	Standard Rate	Water Meter
Water supply	£100.00	£100.00
Water usage	£100.00	£100.00
Water supply and usage	£200.00	£200.00
Water supply and usage (with meter)	£200.00	£150.00
Total	£200.00	£150.00

HOW MUCH COULD YOU SAVE?

Year	Standard Rate	Water Meter
1st year	£174.51	£252.56
2nd year	£174.51	£252.56
3rd year	£174.51	£252.56

IT'S EASY TO MAKE THE SWITCH AND START SAVING

1. Check your water and sewerage meter number on www.anglianwater.co.uk

2. Call on 0800 700 000 and have the meter installed

3. All the work is done for you and you can start saving from day one

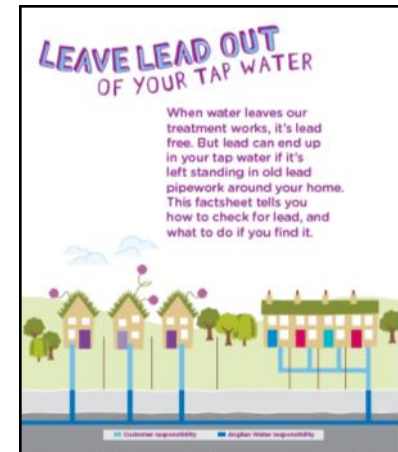
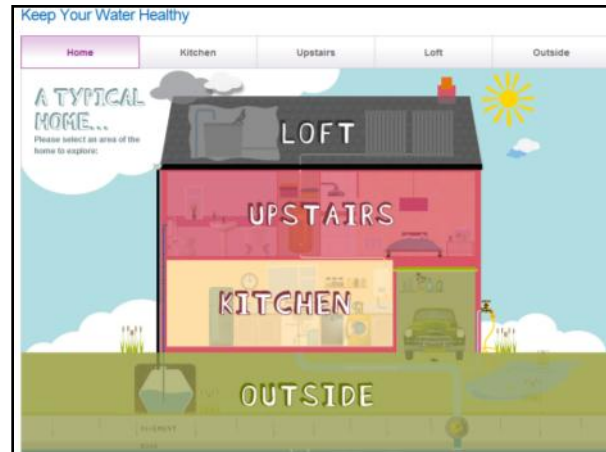
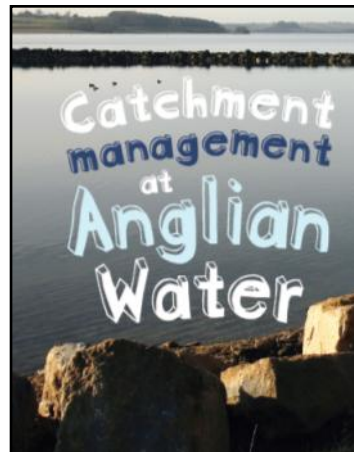
Fair charges

- Bills held below the level allowed by the regulatory settlement – reduces amount payable by customers by £10m
- Average customer bills will rise by less than inflation next year – and until 2020
- Consulting on new social tariff to help those facing financial hardship
- Almost 78% on a meter, have control over how much they use and how much they pay
- Continued focus on water efficiency in customers' homes – eg Potting Shed, Drop 20



Safe, clean water

- Water quality compliance at 99.96% for third consecutive year
- Launch of 'Keep Water Healthy' to help customers in their homes
- Lead pipe replacement on target. Working with NHS to get message to vulnerable customers
- Founder member of WaterSafe, approved plumber register
- Catchment management – focus in coming year

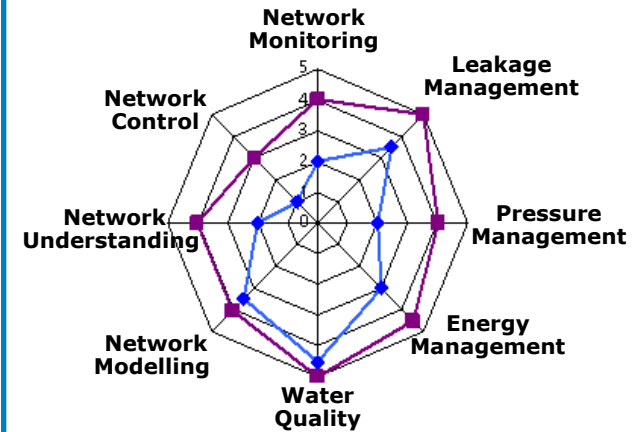


Resilient services

- Maintained services to customers during highest coastal surge in 50 years
- Keep It Clear- 48% drop in sewer blockages in areas targeted.
- New locations to be targeted in 2014/15 - industry & manufacturer partnership in development
- Anti-theft measures at 50 sites to reduce diesel thefts 68% drop in stolen diesel
- Recertification to ISO22301 (Business Continuity)
- Role on 13 LRFs, and MASG, and 21 LLFAs to plan for the future
- Carbon Trust & Water Standard – first water company to achieve standard.



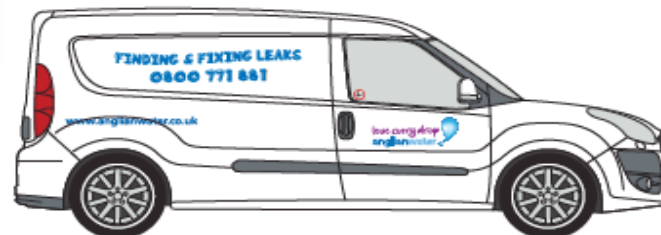
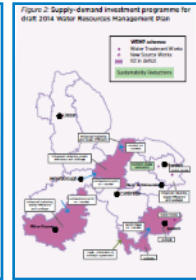
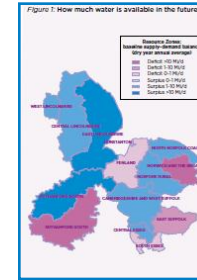
Optimised Water Networks



- 25 schemes in trial
- 43% reduction in burst mains
- Leakage down by 35%
- Plan to expand scale in AMP6
- Largest to-date in Peterborough – 55,000 homes

Supply meets demand

- Leakage at second lowest ever level, performance beyond that for which we are funded
- Targeting further reduction in AMP6, 18% ahead of target
- Draft WRMP published, sets out how we will balance supply and demand up to 2040
- Plans for WREA drawn up to collaboratively address medium and longer-term challenges

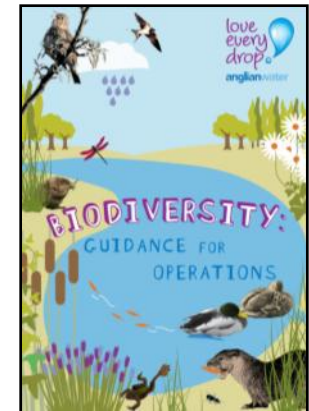


- Contributing to growing number of planning applications and Local Plans, helping local authorities prepare for growing populations.
- Projects: Hall WTW; Boston-Covenham pipeline; new Norfolk groundwater sources
- Abstraction licence reform consultation underway

A flourishing environment



- 99.9% of SSSIs in favourable or recovering condition
- Tetney Blow Wells, tree removal and remediation to move to favourable condition
- New nature reserve at Taverham Mill
- BTO partnership to track nightingales – species declined by almost 60% since 1995
- All 48 bathing waters met European standard for 12th year running. 40 met higher 'guideline' standard.
- Publication of biodiversity field guide for employees
- Launch of Shellfish Live for shellfish water quality; follows success of BeachAware



A smaller footprint

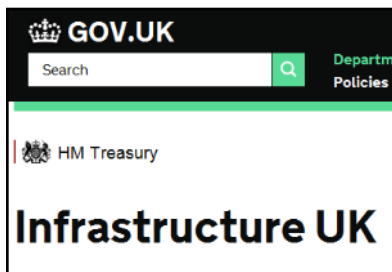
- 96% of waste now recycled across the business
- 64.1GWh of renewable electricity generated
- Embodied carbon reduced by 41%
- Recertified to CEMARS
- Played key role in HM Treasury Infrastructure Carbon Review
- Renewable energy generated by CHP and wind
- Repositioning from Waste Water to Water Recycling
- Developed and patented new process (HpH) to produce higher quality biosolids, saved c. £3m in capital expenditure



Uttons Drove WRC



- Extended to serve 15,000 more people...
- ...and deal with tightening of consents
- Innovation has resulted in 48% reduction in embodied carbon
- ...and 15% lower capital cost



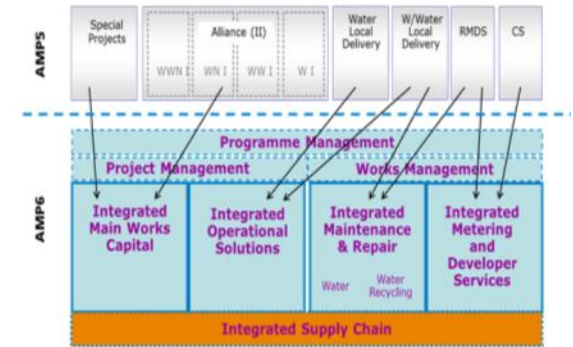
Caring for communities

- More than 27,000 people reached through education centres, in schools, and at community events
- Record water park visitor numbers – more than two million over the year - after wet summer in 2012
- Work with partners in Fenland to tackle deprivation and unemployment:
 - BITC Business Class programme
 - Big Connect – HRH heard about our plans
 - Ferry Project collaboration
 - Fenland jobs and skills fair
- Involving communities: KIC roadshows, Peterborough, Lincoln and Bedford
- 42 apprentices joined the company this year
- H&S: retained OHSAS 18001 accreditation
- RoSPA Gold Medal, AFR still very low



Investing for tomorrow

- AMP6: four new delivery vehicles. 15 year partnerships – right people and right partners
- Solid asset performance this year - confident this confirms stable serviceability
- One of 1st companies to achieve ISO55001 accreditation for asset management quality
- New predictive model examines impact of weather on different pipe materials
- Record proactive detection of burst mains - very successful leakage campaign. Drop in reactive jobs
- Some concern over WRC compliance - 16 failing works
- Fewer flooding incidents, blockages and collapses on network following PPM, Keep It Clear, central monitoring of pollution incidents, 'blue light' response
- Cat 1 and Cat 2 pollutions - increase from 3 to 9
- Involvement in Defra's Innovation Leadership Group - national priorities like energy and climate change



Fair profits

- Total indirect tax contribution of £167m
- Sought a fair balance in the sharing of outperformance with our customers: £205m of additional expenditure on customer priorities, including £43m to protect customers against impacts of drought, and £30m to keep leakage near to all-time low.
- Also absorbed a further £50m of additional costs arising from the adoption of private sewers and increased bad debt, without seeking to recover costs from customers
- Chose to hold increase in bills in 2014/15 below the level allowed by the regulatory settlement – reduced the amount payable by customers by £10m



Anglian Water Business

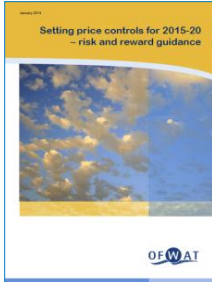
- Fully supportive of planned introduction of retail competition in 2017
- Anglian Water Business promoting Carbon Trust Water Standard
- November 2013: national leadership conference
- Osprey Water rebranded as Anglian Water Business:
AWB now one-stop-shop for customers on both sides of the border
- New e-billing facility launched
- Water efficiency support for customers: 'active water management' service
- Continue to work on Open Water programme to shape competitive marketplace, and using Scottish experience to inform our strategy



Our Business Plan: Ofwat Risk Based Review (RBR)

Ofwat Risk Based Review

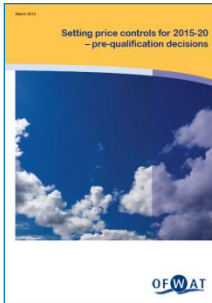
Overview of what's happened since we last met



27 Jan: Ofwat publish Risk and Reward guidance

Key elements:

- Lower cost of capital wholesale business (3.7% cf. our plan 4.3%)
- Ofwat expected more opportunities for financial rewards for good performance
- Lower retail margins



10 Mar: Ofwat publish result of RBR pre-qualification tests

- Only South West Water and Affinity Water pre-qualified for enhanced
- Summary tables of results assessment for all companies and some verbal feedback
- Change in process – opportunity for early Draft Determination

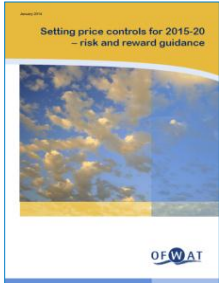


4 Apr: Ofwat publish outcomes of RBR and next steps

- South West Water and Affinity Water confirmed as enhanced
- Ofwat publishes detailed results of its assessment for each company
- Guidance for next steps

Ofwat Risk Based Review

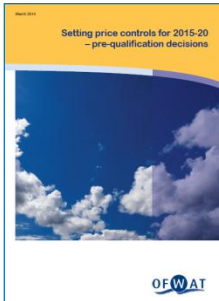
Overview of what's happened since we last met



30 Apr: Ofwat publish enhanced draft determinations

Key elements:

- Generally unsurprising
- Very small rewards for enhanced companies



30 May: Ofwat publish early draft determinations

- Northumbrian and Dwr Cymru were the only companies to request early draft determinations
- Unambitious on bills
- Elements of tinkering with plans

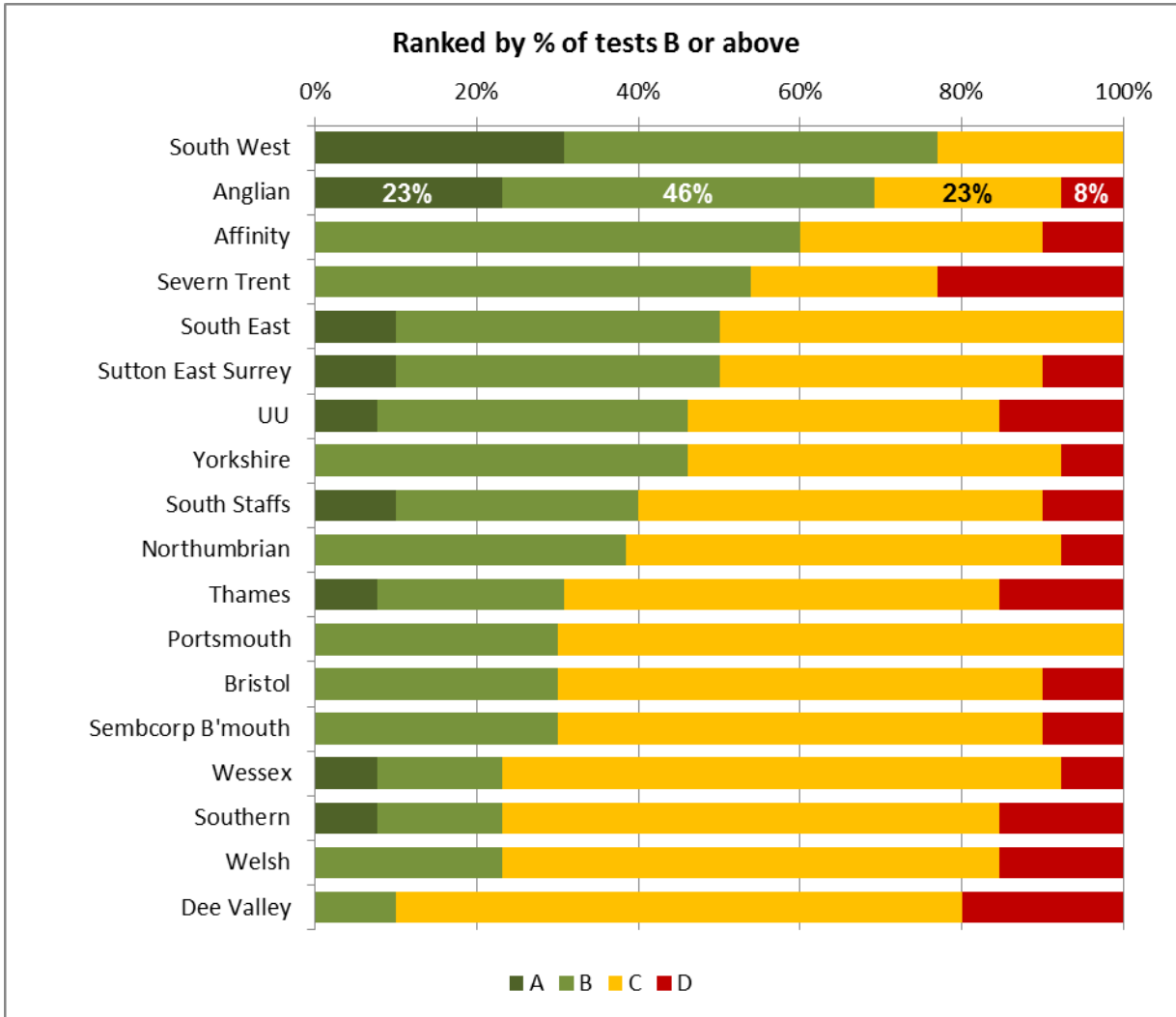


27 Jun: companies submit revised plans

- Guidance still being issued

29 Aug: Ofwat will publish remaining draft determinations

Our plan compares well to enhanced companies



There seems to be an uneven weighting across all of the test criteria

Performance on costs seems particularly important

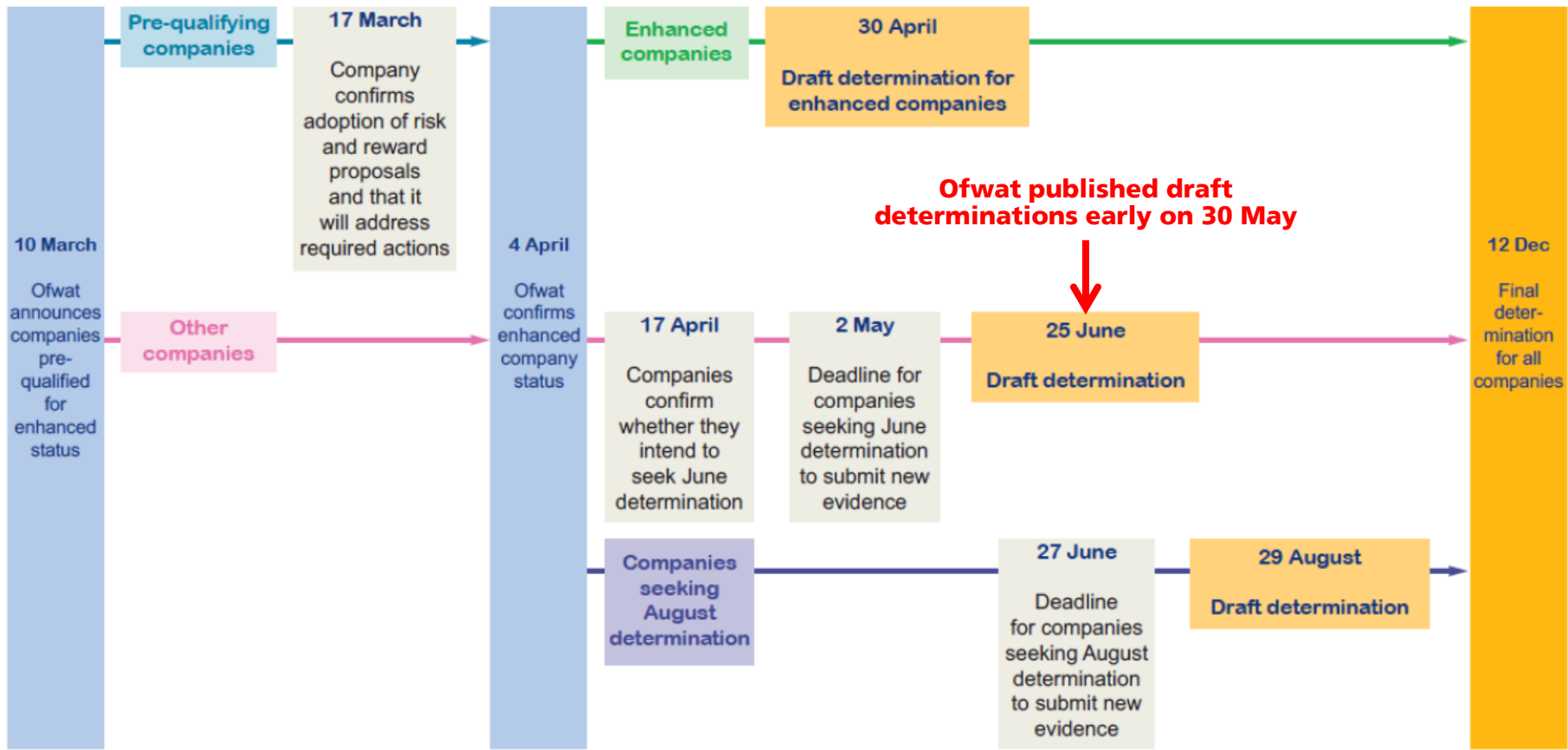
Across the industry, most of the D ratings relate to costs (wholesale and retail)

What does this mean for our plan?

- **We believe our plan is still the “right” plan**
 - A resilient plan that deals with key risks
 - Supported by customers and stakeholders
- **We propose some changes responding to Ofwat guidance:**
 - Lower WACC and retail margins
 - Outcome delivery incentives increase RORE
 - Reviewing scale of metering programme
 - Changes in PAYG to maintain financeability and investment grade credit rating
 - AMP5 legacy adjustments and retail cost allocation amendments
 - Withdrawn RPI sharing
- **We will provide more evidence where Ofwat has challenged our plan:**
 - Specific investment areas: resilience, growth, NEP

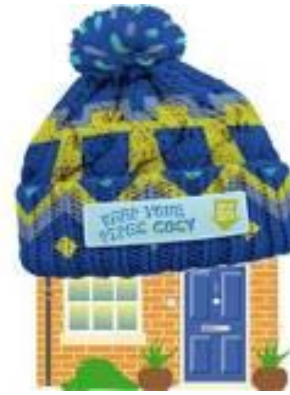
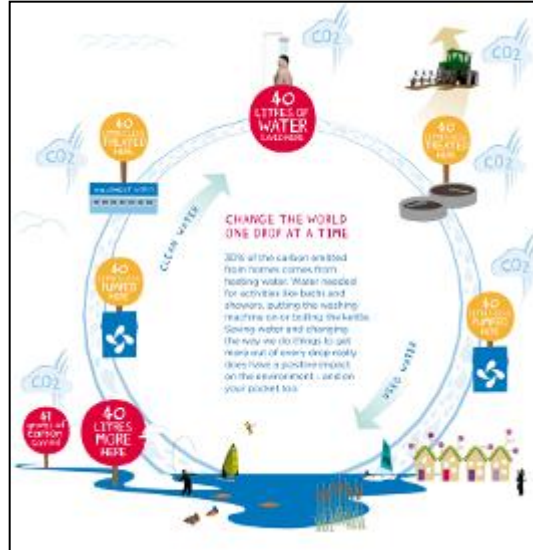


Summary of revised process



Looking ahead

Love Every Drop: our leadership platform



KEEP WATER HEALTHY



“Love Every Drop... demonstrated leadership and challenged us all to think differently about water. They set themselves ambitious targets and this report shows the great progress they’re making. Anglian Water is truly leading the way.”



DR NEIL BENTLEY, DEPUTY DIRECTOR GENERAL, CBI

Looking ahead



Securing approval for PR14 Business Plan

Positioning our 'six-year AMP' price commitment for customers

Preparing for transition from AMP5 to AMP6



Using 'Innovation, Collaboration, Transformation' to take Love Every Drop to the next stage

Excellent operational performance & high levels of customer satisfaction

Targeted & sustainable efficiencies across operations and capital investment programme

Lateral endorsement of our work to drive innovation, collaboration and transformation

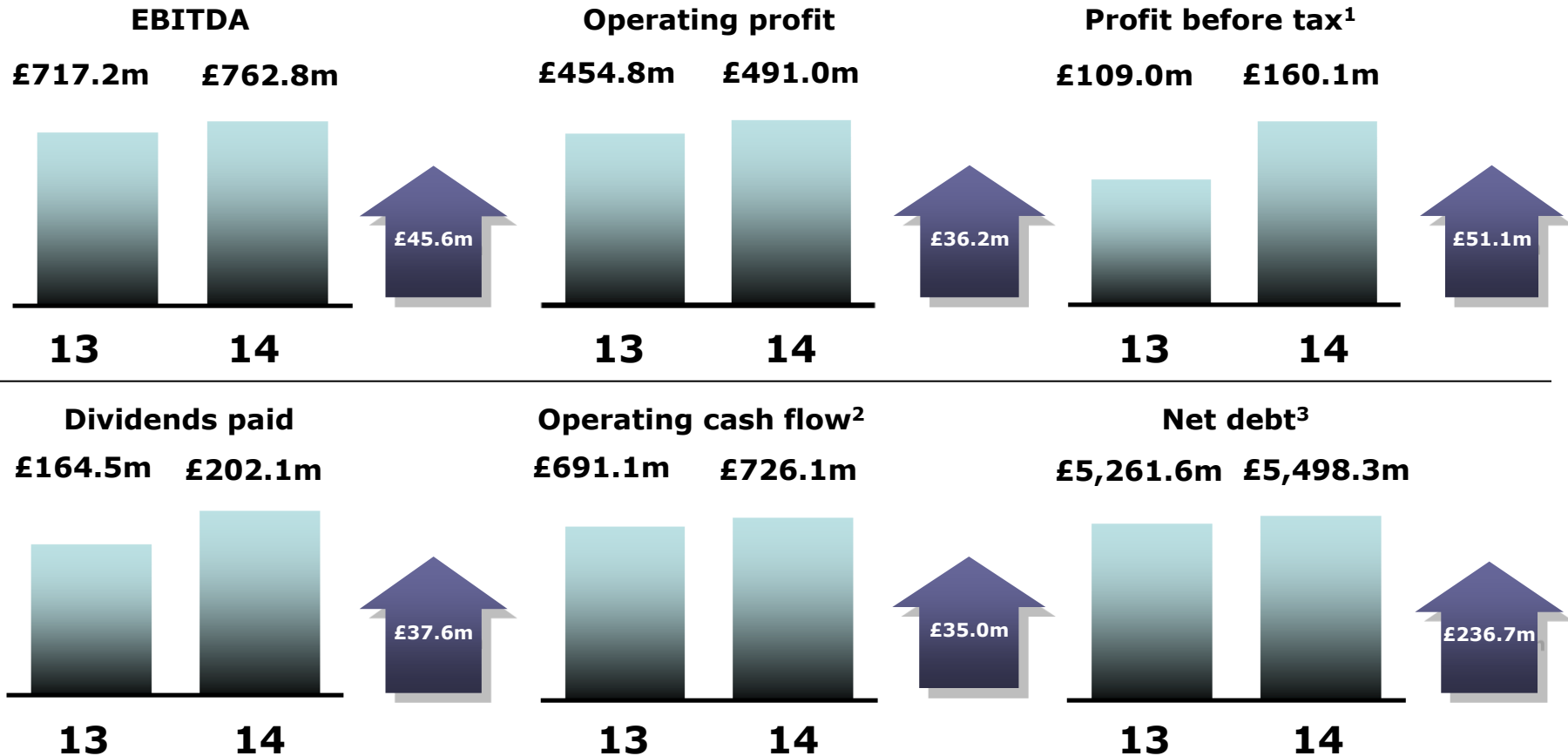
Work with Government & regulators on sector reform

Ensure stable and transparent regulatory & investment framework in best long term interests of customers

Scott Longhurst

**Managing Director
Finance & Non Regulated Business**

Anglian Water Financial highlights



¹ Excludes interest received of £192.3m (2013: £192.7m) from AWS Holdings Ltd.

² Shown on a statutory accounts basis. Net cash inflow from operating activities on a CTA basis is £719.9m (2013: £671.7m).

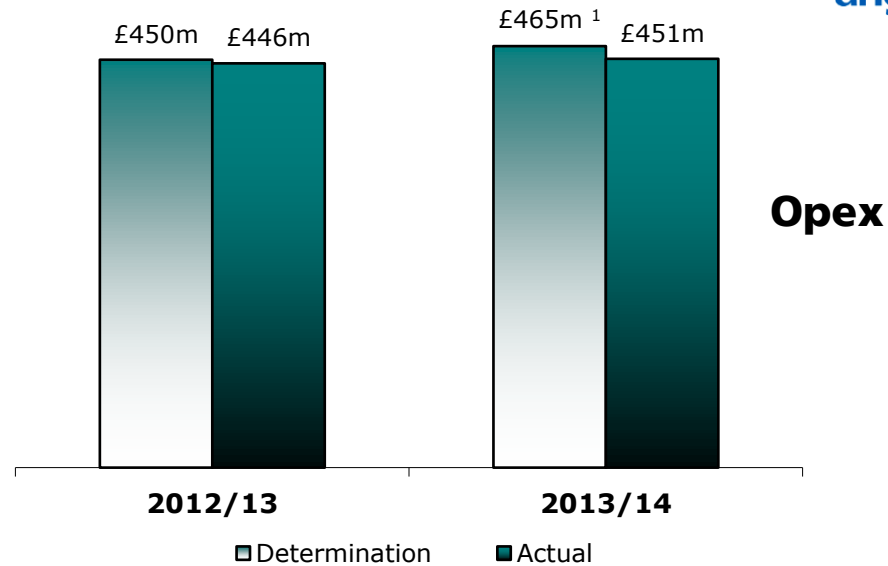
³ Shown on a statutory accounts basis. Net debt on a CTA basis is £5,535.9m (2013: £5,287.8m).

Anglian Water

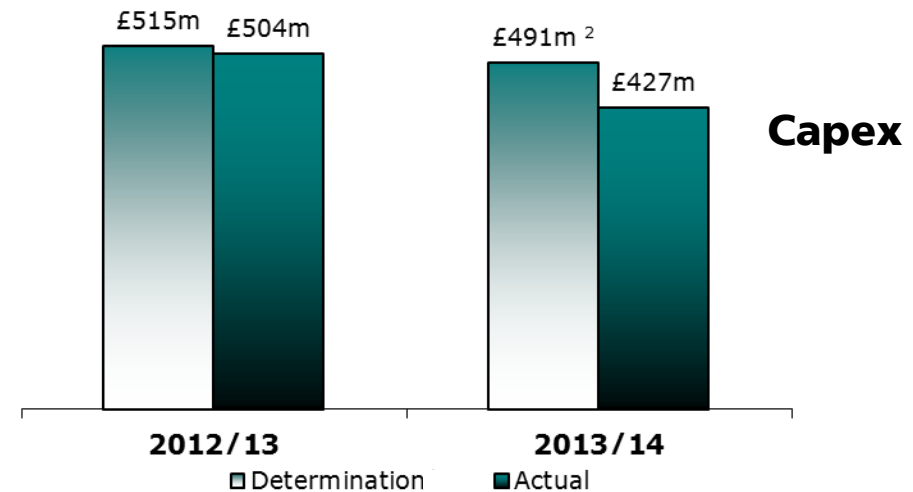
Progress against Final Determination (FD)



- Operating expenditure for 2013/14 below Final Determination despite Carbon Reduction Charge (£4.8m), private sewers (£4.9m) and higher bad debt charge (£7.0m) than allowed for in the determination. This has been achieved by focused efficiency initiatives and the rates rebate in the year.



- On track to achieving AMP5 outputs whilst delivering targeted capital efficiencies.
- Re-investing capital expenditure efficiencies



¹ FD opex adjusted for non-appointed business opex, the pension deficit payment and restated at 2013/14 prices for consistency.

² FD capital expenditure adjusted to include non-appointed business capex of £3.4m and adjusted for our current estimate of positive COPI for 2013/14 (4.7% relative to 2007/08), although this remains subject to change.

Anglian Water

Profit & loss account

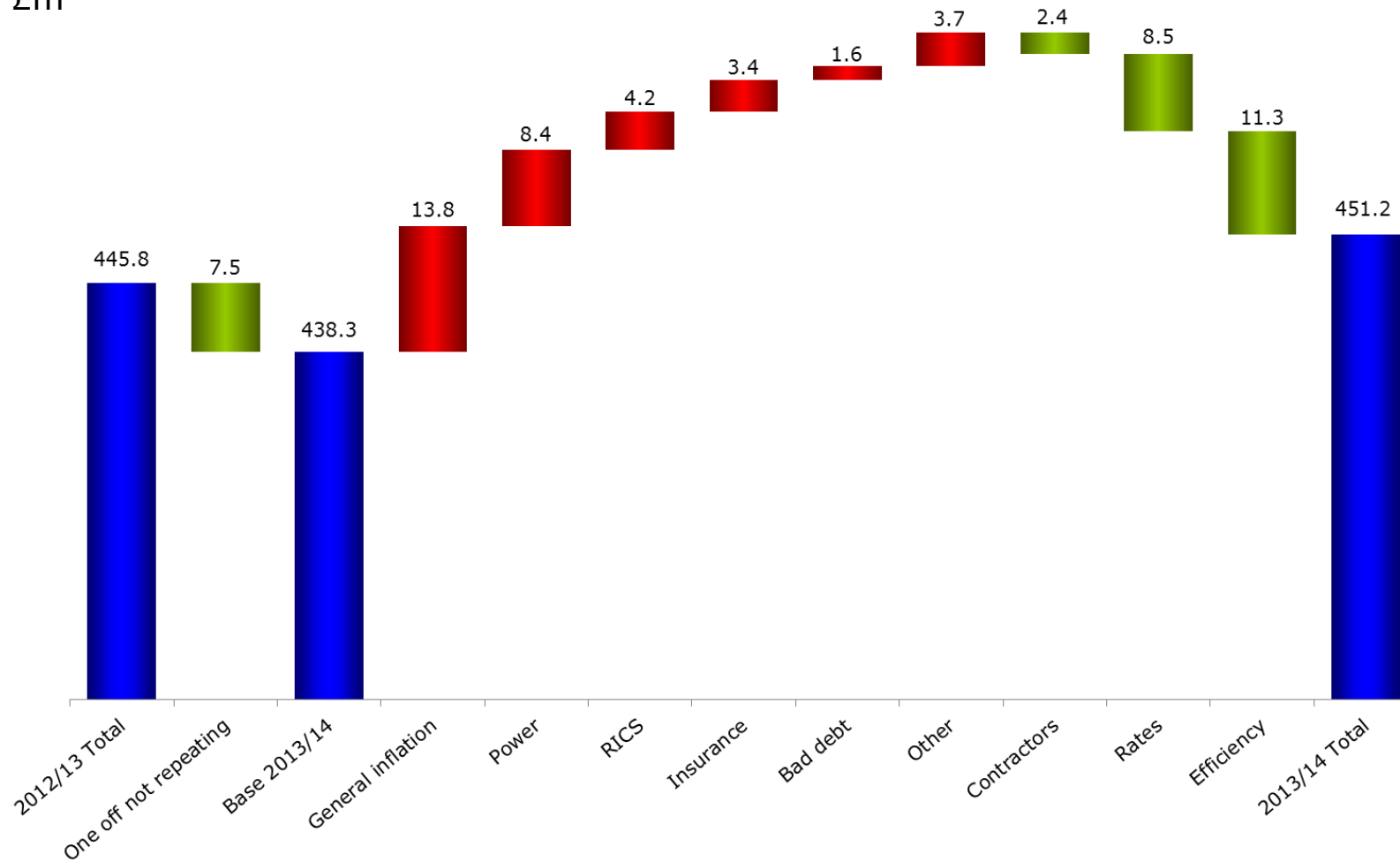


		2014 £m	2013 £m
turnover	4.4%	1,214.0	1,163.0
operating costs <i>% of turnover</i>	1.2%	(451.2) 37.2%	(445.8) 38.3%
EBITDA	6.4%	762.8	717.2
depreciation and amortisation <i>% of turnover</i>		(271.8) 22.4%	(262.4) 22.6%
operating profit <i>margin</i>	8.0%	491.0 40.4%	454.8 39.1%
interest (excluding indexation) ¹ indexation charge		(232.9) (98.0)	(234.9) (110.9)
<i>net interest payable</i>		(330.9)	(345.8)
profit before tax	46.9%	160.1	109.0

¹ Interest excludes the intra-group interest receivable of £192.3m (2013: £192.7m).

Anglian Water Operating costs

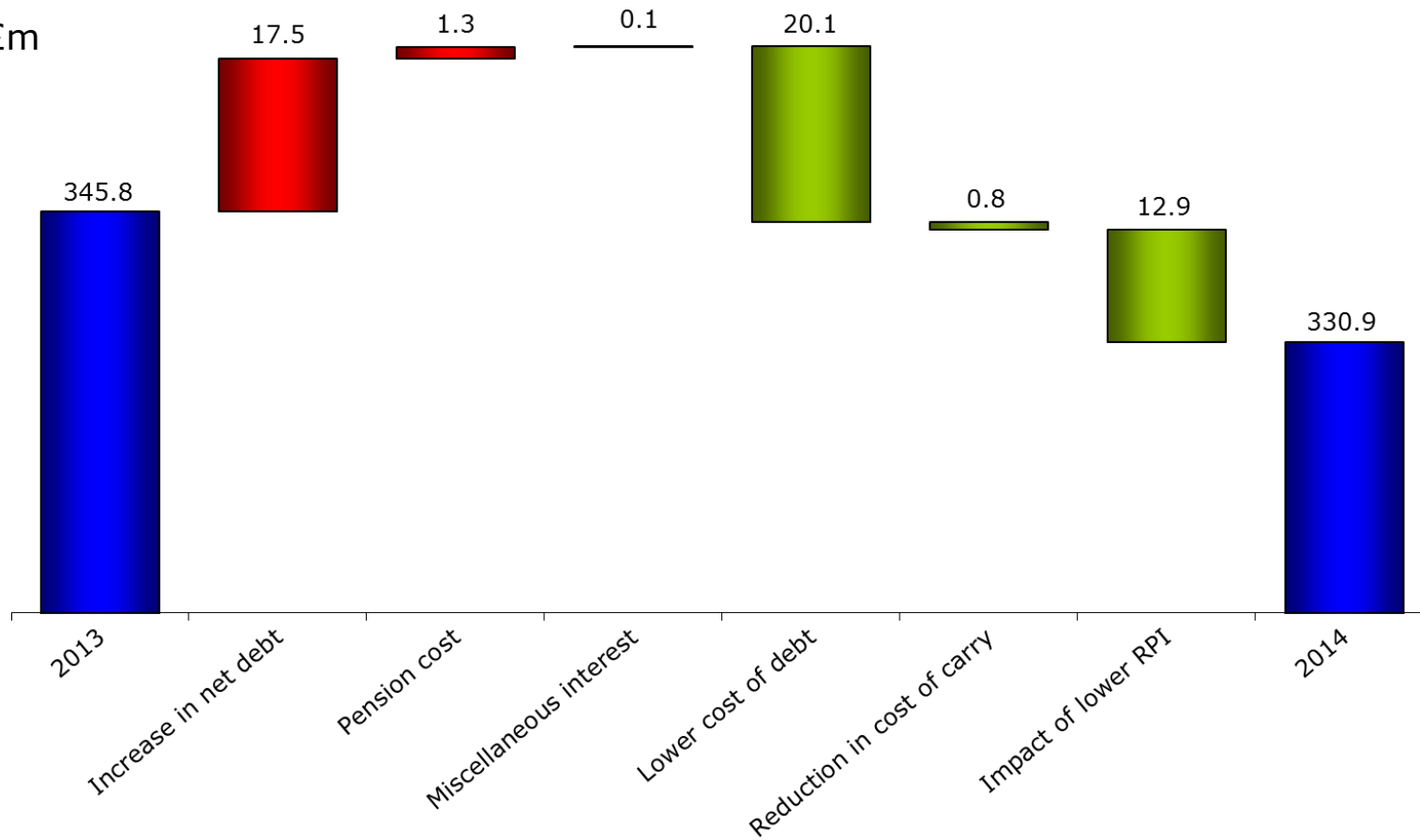
Year ended 31 March
£m



Anglian Water Interest

Year ended 31 March

£m



Anglian Water

Cash flow on a CTA debt basis¹

Year ended 31 March

	2014 £m	2013 £m
income	1,170.4	1,132.2
opex and taxation	(450.5)	(460.5)
net cash inflow from operating activities	<u>719.9</u>	<u>671.7</u>
capital maintenance expenditure	(227.9)	(291.0)
post maintenance capex cash flow	<u>492.0</u>	<u>380.7</u>
net interest	(223.5)	(221.0)
free cash flow	268.5	159.7
capital enhancement expenditure	(206.0)	(210.0)
buy back premium ²	-	(2.4)
repayment of intercompany loan ³	-	6.5
dividends	(202.1)	(164.5)
customer rebate account ⁴	(10.5)	-
refinancing cash flows per CTA definition	(150.1)	(210.7)

¹ CTA cash flows are on a different basis to those presented in the financial statements.

² Early redemption premium charged on the £275m Class B debt (matured in July 2012 and redeemed in two stages in 2011/12 and 2012/13) and £100m Class B debt (maturing in June 2014 and partially redeemed in 2012/13).

³ Settlement of an intra-group receivable due to the company.

⁴ Funds transferred to a non-distributable AWS bank account equivalent to reduction in 2014/15 turnover following decision to abate K.

Anglian Water

Movement in debt on CTA basis¹

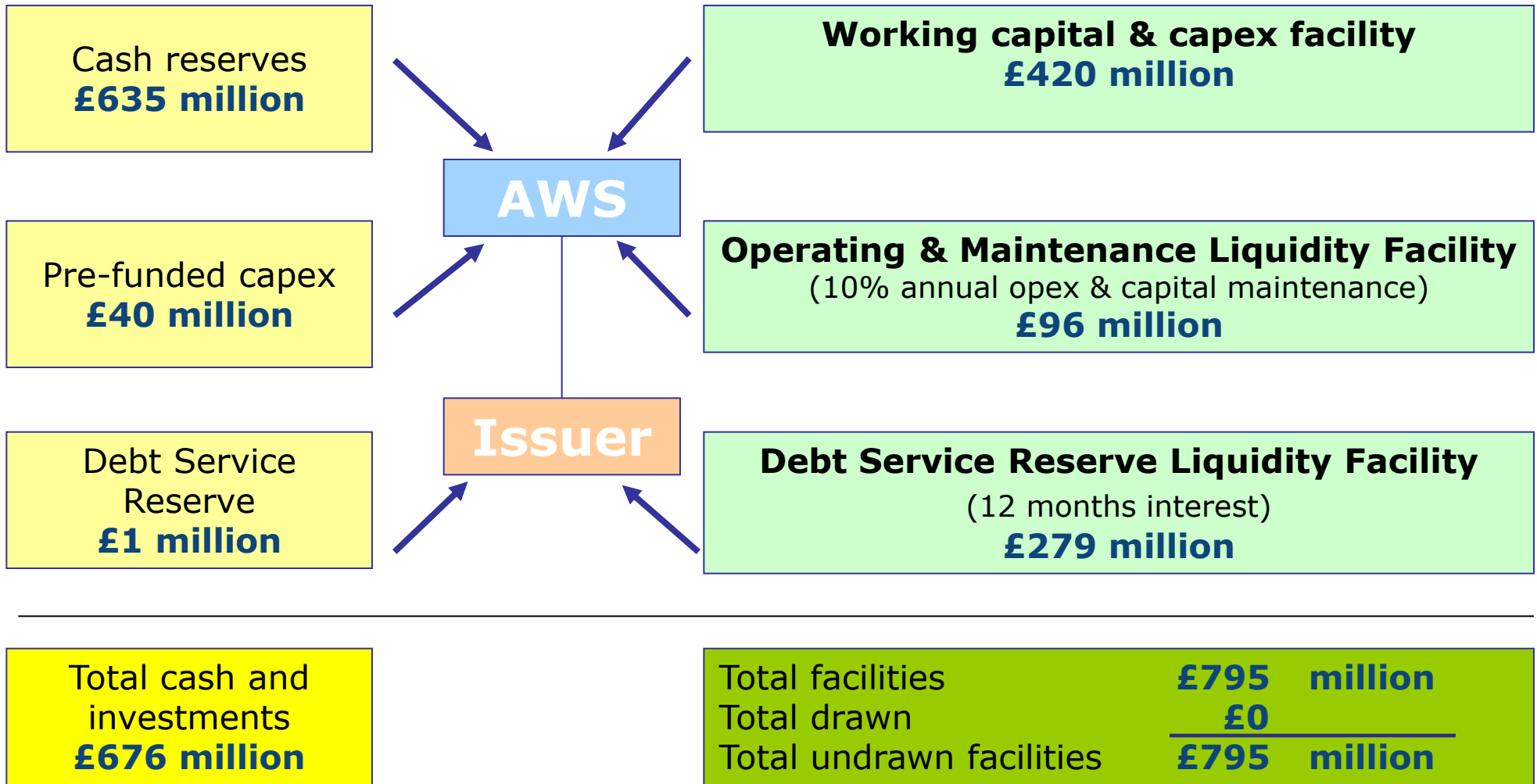
Year ended 31 March

	2014 £m
gross debt at 31 March 2013	(6,365.1)
new debt raised ²	(403.8)
debt repaid ²	654.8
indexation	(98.0)
gross debt at 31 March 2014	<u>(6,212.1)</u>
less cash	
- pre-funded capex	39.9
- debt service account	1.2
- tax reserve	100.0
- customer rebate account	(10.5)
- general working capital	545.6
net debt per CTA definition	<u>(5,535.9)</u>

¹ CTA net debt is on a different basis to that presented in the financial statements (see appendix 2 for reconciliation)

² See appendix 3 for details

Anglian Water Liquidity as at 31 March 2014



Anglian Water

Key Financial Ratios



Year ended 31 March

	March 2014	trigger event	default	March 2013
Class A RAR	67.7%	75.0%	n/a	68.5%
Senior RAR	79.6%	85.0%	95.0%	79.5%
Class A ICR	3.7	n/a	1.6	3.7
Class A PMICR	1.9	1.3	n/a	1.8
Senior PMICR	1.6	1.1	n/a	1.5
Class A average PMICR	1.9	1.4	n/a	1.8
Senior average PMICR	1.6	1.2	n/a	1.5
Class A actual maintenance ICR	2.5	n/a	1.0	2.1

RAR = Regulated Asset Ratio

ICR = Interest Cover Ratio

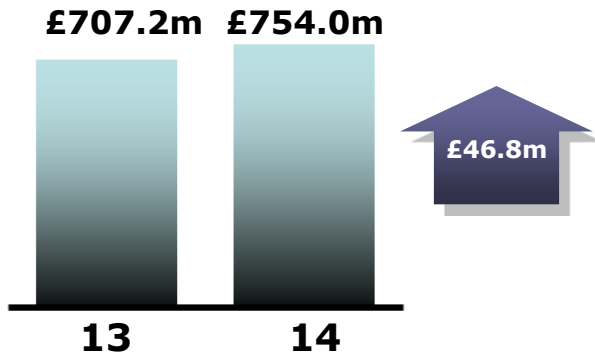
PMICR = Post Maintenance Interest Cover Ratio

Osprey Acquisitions Ltd

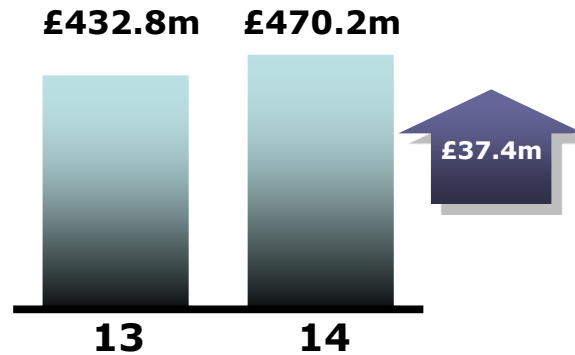
Financial highlights¹

Year ended 31 March

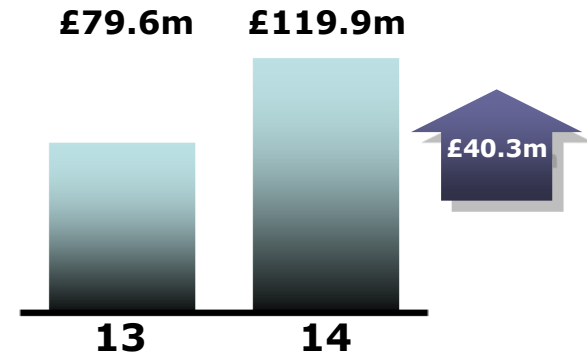
EBITDA



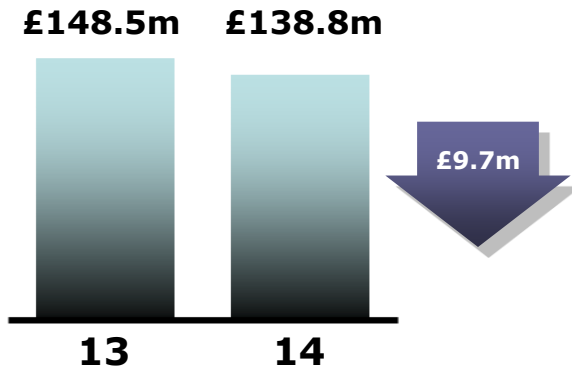
Operating profit ²



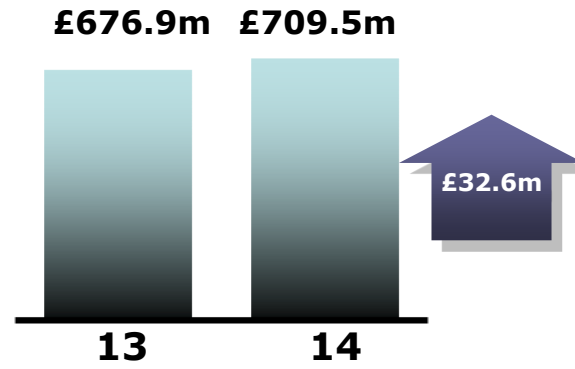
Profit before tax and goodwill amortisation ²



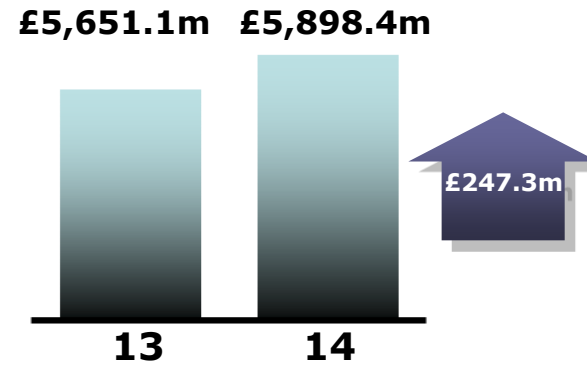
Dividends paid



Operating cash flow



Net debt (UK GAAP) ³



¹ Results presented here are for Osprey Acquisitions Limited consolidated accounts.

² Excludes goodwill amortisation of £68.7m (2013: £68.7m).

³ Excludes loan from parent and fair value adjustment to debt arising on acquisition.

Non Regulated Business



Property

- Steady progress in the challenging UK commercial property market
- Operating loss of £7.5m in line with expectations, compared to a loss of £7.1m for the comparative period
- Off balance sheet debt down by a further £1.9m to a level of £66.4m, (our share £33.2m)
- Agreed refinancing has secured funding for Joint Ventures through to March 2016

Other businesses

- Mainly comprises Celtic Anglian Water
- Sterling turnover £25.5m, up from £21.6m
- Operating profit increased to £5.5m, 2013 £4.1m
- Operating cash flow improved from £4.3m to £6.0m

Osprey Acquisitions Ltd

Operating profit segmental analysis

Year ended 31 March



		2014	2013
		£m	£m
Anglian Water	8.0%	491.0	454.8
AWG Property		(7.5)	(7.1)
head office and other		(1.4)	(3.0)
	+ 8.4%	482.1	444.7
depreciation of fair value adjs ¹		(11.9)	(11.9)
Osprey Acquisitions operating profit	+ 8.6%	470.2	432.8

¹ Depreciation of fair value adjustments relates to the revaluing of fixed assets to RCV on acquisition by the Osprey consortium.

Osprey Acquisitions Ltd

Operating cash flow

Year ended 31 March



	2014	2013
	£m	£m
Anglian Water	726.1	691.1
AWG Property	(9.8)	(7.3)
Head office and other	(6.8)	(6.9)
total operating cash flow	709.5	676.9

Osprey Acquisitions Ltd

Taxation



Year ended 31 March 2014

	PBT £m	Effective rate ¹ %	Tax £m
profit before tax			
before goodwill	119.9	26.8%	(32.1)
goodwill amortisation	(68.7)	-	-
current year deferred tax liability discounting	-	-	13.9
increase in discount rate	-	-	13.1
effect of reduction in CT rate ²	-	-	15.2
other including prior year adjustment	-	-	4.0
total profit per statutory accounts	51.2	n/a	13.8

¹ Before goodwill, deferred tax discounting and prior year adjustments

² 23% to 20% net of associated discounting

Osprey Acquisitions Ltd

Dividends



Year ended 31 March 2014

£m

10 June 2013

58.7

10 December 2013

80.1

total distributions to parent company

138.8

Year ended 31 March 2013

£m

8 June 2012

49.5

7 December 2012

99.0

total distributions to parent company

148.5

Osprey Acquisitions Ltd

Financial ratios



	March 2014	dividend lock-up	default	March 2013
Senior RAR	85.4%	93.0%	95.0%	85.6%
Senior ICR	2.8	n/a	2.0	2.6
Dividend Cover Ratio	4.6	n/a	2.0	4.2

RAR = Regulated Asset Ratio

ICR = Interest Cover Ratio

Summary



- ✓ Continued industry leader, delivering strong customer performance
- ✓ Driving sustainable operating cost reductions and innovative asset management solutions
- ✓ PR14 process well underway
- ✓ Delivering low cost, diversified financing solutions to ensure liquidity



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anglianwater

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Anglian Water

Reconciliation of CTA operating cash flow

Year ended 31 March

	2014	2013
	£m	£m
operating cash flow - statutory accounts basis	726.1	691.1
tax paid	-	(10.8)
commissions on facilities not used	(2.6)	(2.5)
other items ¹	(3.6)	(6.1)
net cash inflow from operating activities - CTA basis	719.9	671.7

¹ Other items includes issue costs of new debt and adjustments for unrepresented cheques

Anglian Water

Reconciliation of CTA net debt

	2014	2013
	£m	£m
net debt - statutory accounting basis	5,498.3	5,261.6
unpresented cheques	0.5	0.7
customer rebate account	10.5	0.0
uncleared statement cash	0.2	0.0
capitalised issue costs	26.4	25.5
net debt - CTA basis	5,535.9	5,287.8

Anglian Water

Summary of new loans and repayments

Year ended 31 March

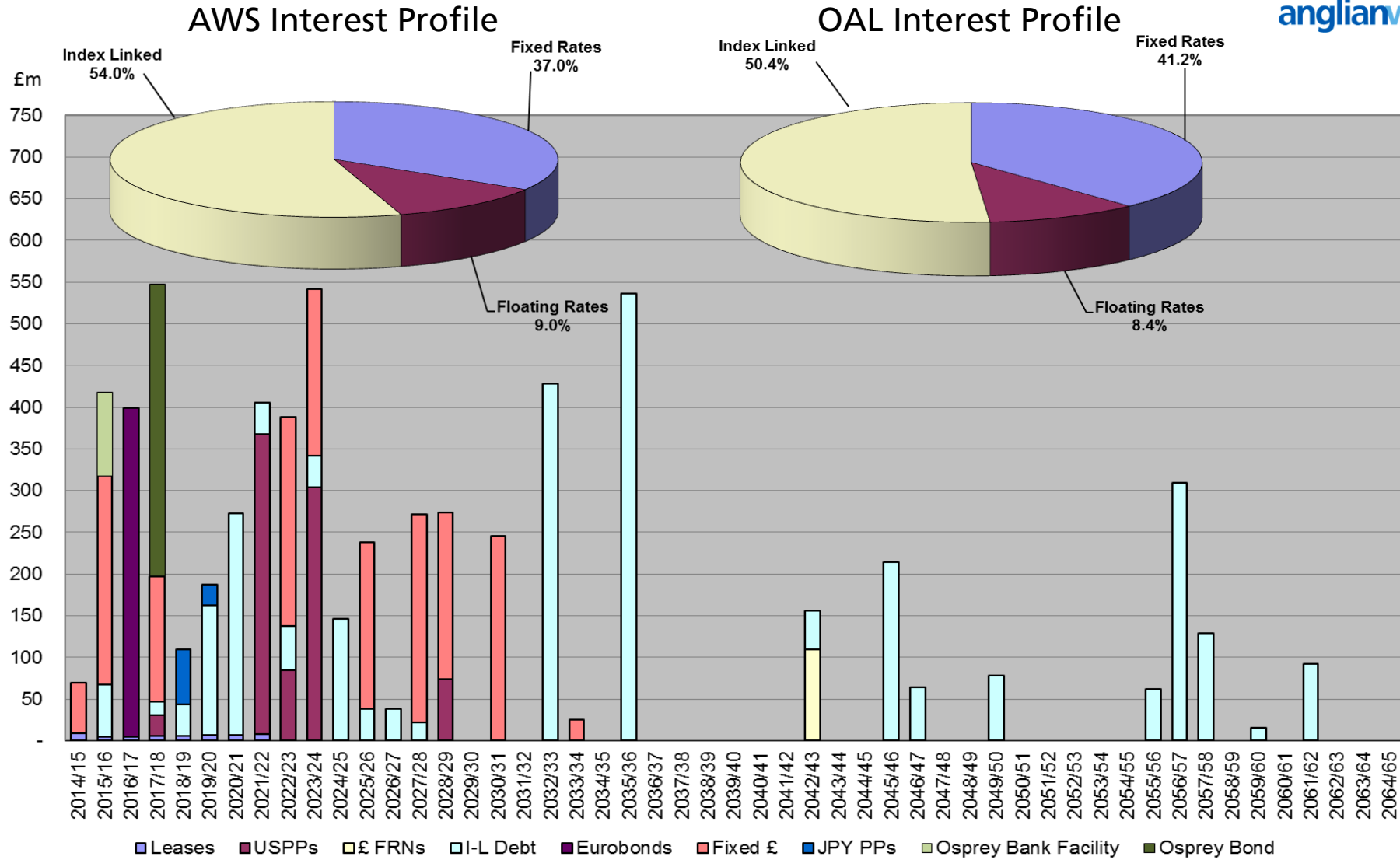
	2014		2013
	£m		£m
Debt raised		Debt raised	
£35m 1.141% Class A Index-Linked 2042	35.0	£250m 4.5% 2027	247.0
£203.6m Class A US Private Placements	203.6	£15m 1.37% IL Private Placement 2022	15.0
£100.2m Class B US Private Placement	100.2	£50m 2.05% IL Private Placement 2033	50.0
EIB £65m 0.41% Index-Linked 2029	65.0	£25.5m 4.195% Private Placement 2017	25.5
		£31.9m 3.983% Private Placement 2022	31.9
		£73.3m 4.394% Private Placement 2028	73.3
		£22.3m 3.983% Private Placement 2022	22.3
		US\$47m 5% Private Placement 2022	30.0
		EIB £150m 0% 2028	150.0
		£200m Class B 4.5% 2026	199.0
Total debt raised	<u>403.8</u>	Total debt raised	<u>844.0</u>
Debt repaid		Debt repaid	
€650m 4.625% Fixed 2013	(453.2)	£100m Class B 6.75% Bond 2014/2024 ¹	(39.1)
£258m Index-Linked Swap 2013	(97.6)	£275m 7.882% Fixed 2012/2037 ²	(210.7)
£100m 12.375% Fixed 2014	(100.0)	Finance lease	(3.5)
Finance lease	(4.0)		
Total debt repaid	<u>(654.8)</u>	Total debt repaid	<u>(253.3)</u>

¹ Remainder due to be repaid in June 2014.

² The balance was repaid early in 2011/12 following a tender offer.



Anglian Water Debt Maturity Profile as at 31 March 2014



Anglian Water Derivatives

Derivative Mark to Market Valuation as at 31 March 2014

Swap Type	Notional £m	MTM £m
Interest Rate Swap	1,878.9	(11.2)
Cross Currency Interest Rate Swap	1,085.5	44.9
RPI Swap ¹	565.9	(451.1)
	<u>3,530.3</u>	<u>(417.4)</u>
With Break Clause ¹	175.0	(140.4)
Without Break Clause	3,355.3	(277.0)
	<u>3,530.3</u>	<u>(417.4)</u>
Energy Derivatives	Notional £m³	MTM £m⁴
LEBA ² Power Swaps	<u>92.1</u>	<u>(12.0)</u>

Notes

¹The -£451.1m MTM value of the RPI swaps excludes accrued indexation which has already been charged to the profit and loss account amounting to £116.8m. The total £565.9m notional RPI swaps includes a £175m notional RPI Swap with a break clause. This break clause contains optional early termination on July 23 2022 and July 23 2027, applicable to both parties, but early termination is only exercisable by the bank counterparty should two or more rating agencies downgrade the rating of any of the Anglian Water Class A bonds below A-/A3/A by S&P, Moody's and Fitch

²LEBA = London Energy Brokers Association.

³Notional value for Energy Derivatives represents locked in purchase price for power.

⁴Including forward purchases from suppliers MTM of energy hedging instruments is -£16.7m.

Analysis excludes swaption transactions exercisable in June 2016 with a notional value of £300m and a MTM value of - £65.2m.

Osprey Acquisitions Ltd

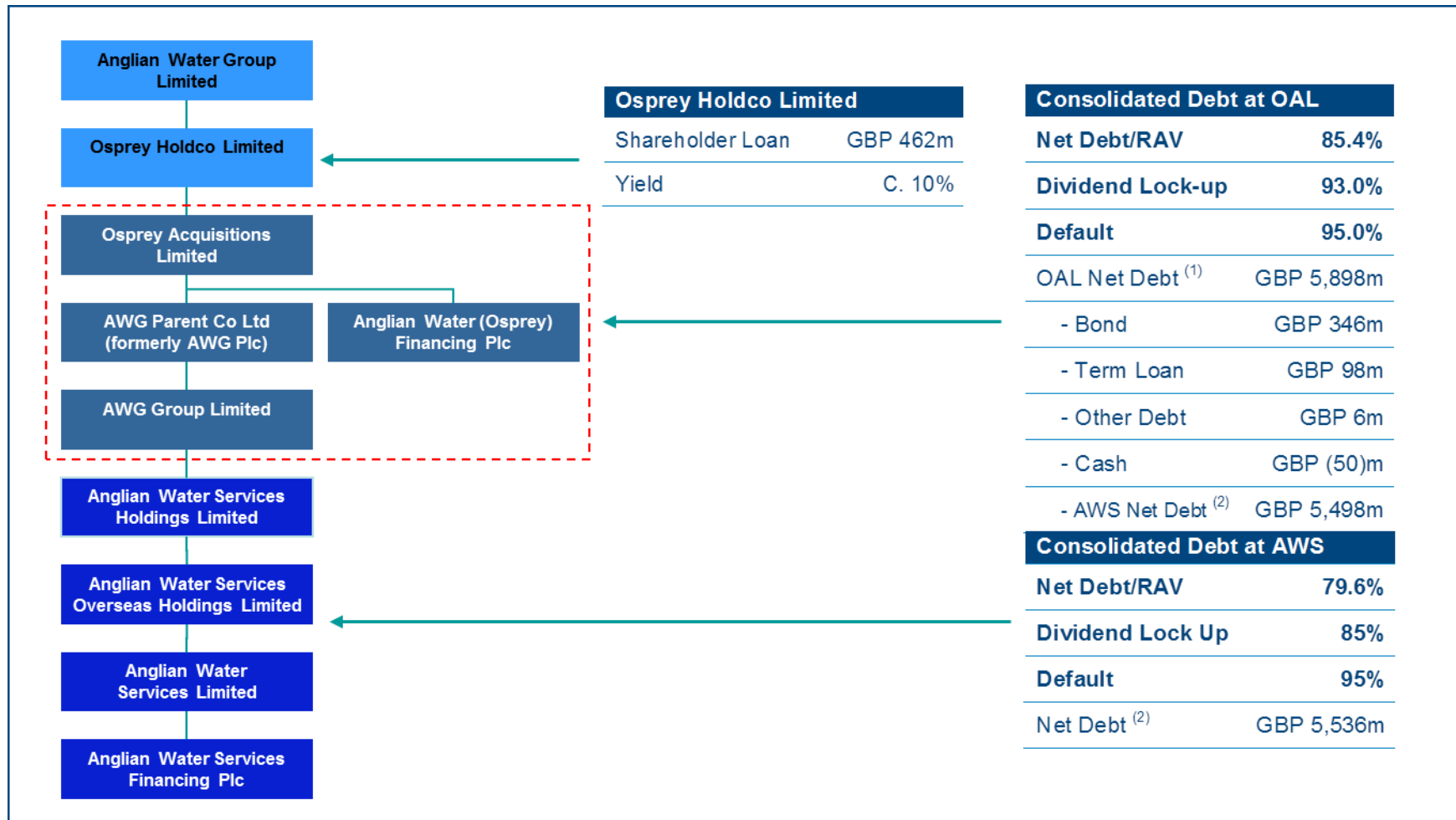
Profit and loss account

Year ended 31 March

		2014	2013
		£m	£m
turnover	+ 4.3%	1,253.1	1,201.3
operating profit	+ 8.6%	470.2	432.8
interest			
interest ¹		(251.7)	(241.7)
indexation charge		(98.6)	(111.5)
PBTGAE	+ 50.6%	119.9	79.6
amortisation of goodwill		(68.7)	(68.7)
profit before tax		51.2	10.9

Anglian Water Group financing structure

Consolidated Capital Structure at 31 March 2014



¹ Excludes Parent Co loan of £729m and Fair Value adjustments of £307m.

² AWS Net debt of £5,498m is prepared on an accounting basis whereas Consolidated Debt at AWS of £5,536m is prepared on a Common Terms Agreement (CTA) basis.

Osprey Acquisitions Ltd

Turnover segmental analysis

Year ended 31 March

		2014	2013
		£m	£m
Anglian Water	4.4%	1,214.0	1,163.0
AWG Property		13.8	17.0
head office and other		25.5	21.6
less: intersegmental trading		(0.2)	(0.3)
total turnover	4.3%	1,253.1	1,201.3
less: share of turnover of joint ventures		(5.0)	(6.9)
group turnover	4.5%	1,248.1	1,194.4

Osprey Acquisitions Ltd

Group cash flow

Year ended 31 March

	2014	2013
	£m	£m
Group operating cash flow	709.5	676.9
Net interest paid	(266.7)	(266.0)
Taxation	(12.5)	(10.8)
Capital expenditure	(435.1)	(501.4)
Dividends paid	(138.8)	(148.5)
Indexation	(98.6)	(111.5)
Other non-cash movements in net debt	(5.1)	(5.2)
Movement in net debt	(247.3)	(366.5)

Osprey Acquisitions Ltd

Net debt

	2014 £m	2013 £m
Anglian Water ¹	(5,498.3)	(5,261.6)
Non-regulated, including head office	23.0	32.3
	<u>(5,475.3)</u>	<u>(5,229.3)</u>
 Osprey Acquisitions Limited		
- £350m 7.0% bond 2018	(346.0)	(345.0)
- £100m term facility	(98.3)	(97.4)
- net cash	21.2	20.6
	<u>(5,898.4)</u>	<u>(5,651.1)</u>
Osprey Acquisitions group ²		

¹ Net debt on a UK GAAP statutory basis - see appendix 2 for reconciliation to CTA basis.

² Excludes loan from parent company (£728.8m*) and fair value debt adjustments arising on acquisition (£307.0m).

* Total shareholder investment of £1,550m was put into Osprey Acquisitions Ltd from Osprey Holdco Ltd by a mixture of equity and subordinated debt. At 31 March 2014 this quasi-equity subordinated loan stands at £728.8m.

