

love every drop
anglianwater



YEAR ENDED
31 MARCH 2018

PETER SIMPSON
CHIEF EXECUTIVE OFFICER

SCOTT LONGHURST
MANAGING DIRECTOR,
FINANCE AND NON-REGULATED BUSINESS



BEFORE WE GET STARTED

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.





OPERATIONAL PERFORMANCE UPDATE

PETER SIMPSON
CHIEF EXECUTIVE OFFICER



THE QUEEN'S AWARDS
FOR ENTERPRISE:
SUSTAINABLE DEVELOPMENT
2015

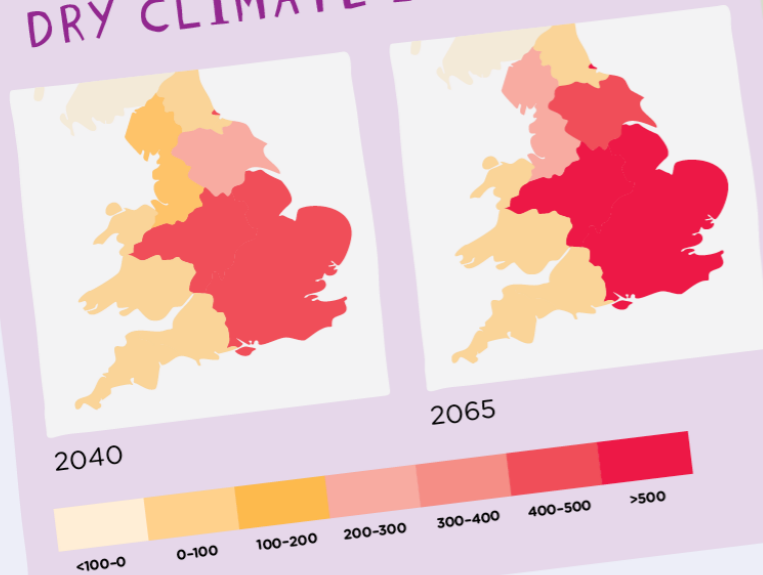
A CHANGING CLIMATE, A GROWING POPULATION AND PROTECTING THE ENVIRONMENT

By the 2050s, the demand for water will exceed the available supply in many catchments in England, and some in Wales and Scotland. Without further action, the demand for water during drier periods may not be met in many areas.

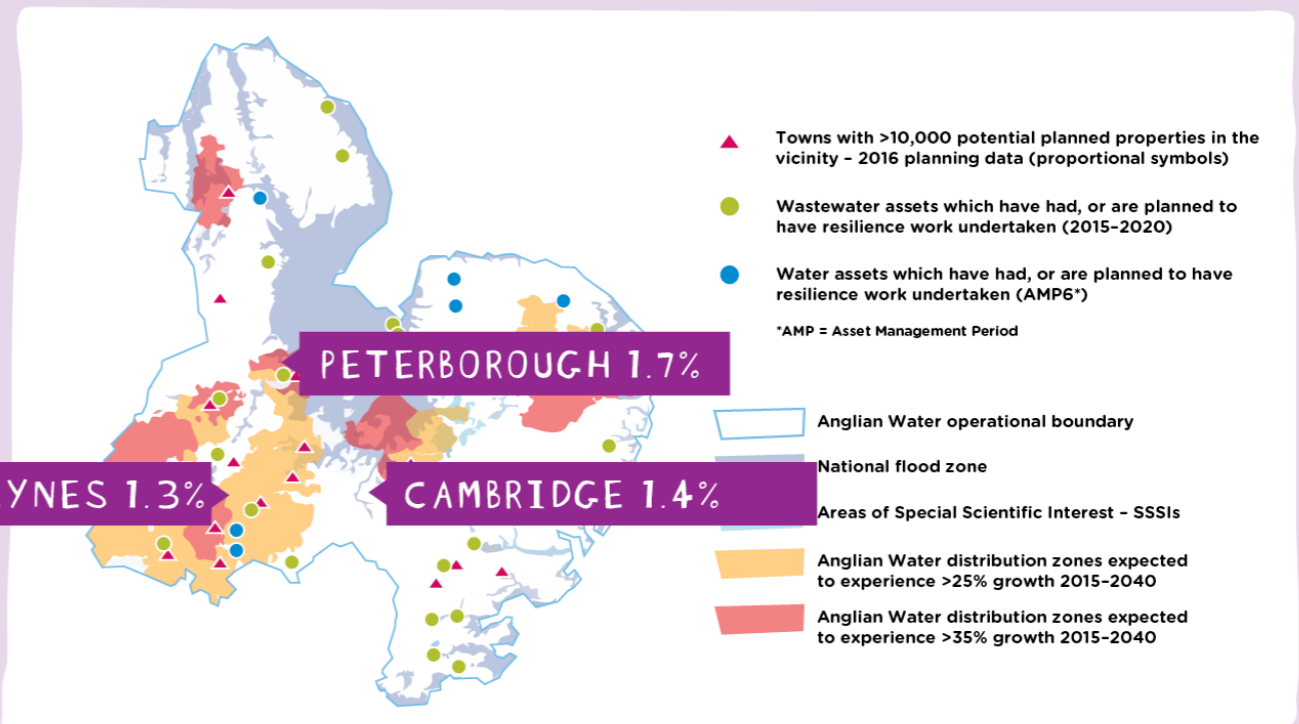
www.theccc.org.uk



DRY CLIMATE IMPACTS



AREAS OF GROWTH AND FLOOD RISK IN THE ANGLIAN WATER REGION



Sources: Environment Agency, ONS, Local Government and Anglian Water

Within 25 years, water available for supply could be cut by half.

THE BIG PICTURE



OUR AMBITIONS FOR THE FUTURE



Make the east of England **RESILIENT TO THE RISKS OF DROUGHT AND FLOODING**



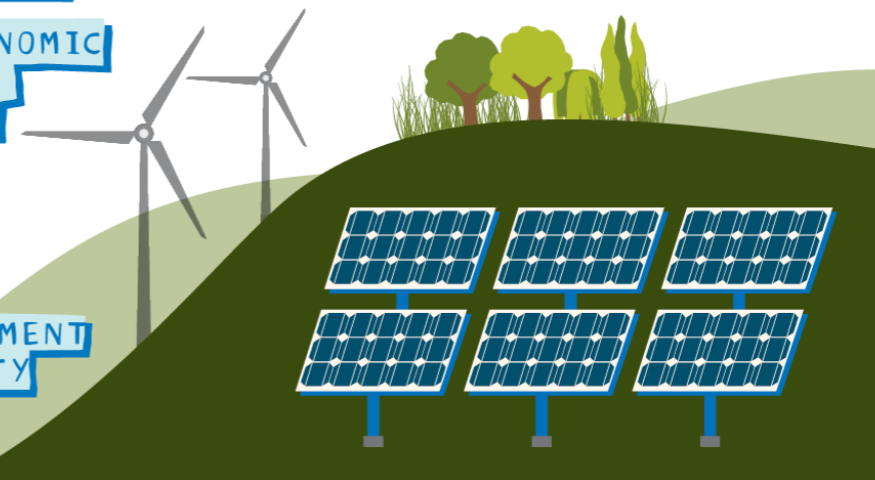
Enable **SUSTAINABLE ECONOMIC AND HOUSING GROWTH** in the UK's fastest growing region



Be a **CARBON-NEUTRAL BUSINESS** by 2050



Work with others to achieve **SIGNIFICANT IMPROVEMENT IN ECOLOGICAL QUALITY** across our catchments



A LEADING CUSTOMER SERVICE BUSINESS
WITH THE ENVIRONMENT AND SUSTAINABILITY
AT THE HEART OF EVERYTHING WE DO

THE WORLD WE'RE WORKING IN

Opinion **Inside Business**

John McDonnell is right: Britain can easily nationalise water

Real question is whether ownership changes would improve the utilities

As the political debate about the future of Britain's privatised utilities heats up, battle lines have been drawn over what it might cost to nationalise the water industry.

On the one hand, the Labour party's *soi-disant* Marxist shadow chancellor John McDonnell maintains it would be "cost-free" to revive the old regional water authorities. On the other, some think-tanks say that this would crowd out other spending and even dynamite the public finances.



THE TIMES

Nationalising will be for ever, says John McDonnell



FINANCIAL TIMES

UNDER A PUBLIC AND POLITICAL MICROSCOPE

Defra UK
@DefraGovUK

We've published our 25 Year Environment Plan setting out our ambition to be the first generation to leave the #environment in a better state than we found it. Read it now - gov.uk/government/new... #GreenFuture #GreenBrexit #25YEP #PlasticFree

25 YEAR PLAN
Department for Environment, Food & Rural Affairs

A GREENER FUTURE
This Government's ambition is to leave our environment in a better state than we found it. Our 25 Year Plan outlines the steps we propose to achieve that ambition.

3:08 AM - 11 Jan 2018

668 Retweets 635 Likes



HM Government

A Green Future: Our 25 Year Plan to Improve the Environment

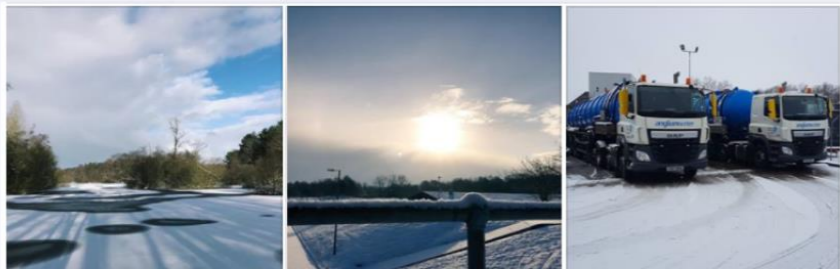
2. Clean and plentiful water

We will achieve clean and plentiful water by:

- Improving at least three quarters of our waters³ to be close to their natural state⁴ as soon as is practicable by:
 - Reducing the damaging abstraction of water from rivers and groundwater, ensuring that by 2021 the proportion of water bodies with enough water to support environmental standards increases from 82% to 90% for surface water bodies and from 72% to 77% for groundwater bodies.

ofwat

HIGHLIGHTS



Anglian Water - Love Every Drop added 4 new photos. Published by Jane Anglian 171 · March 2 at 3:37pm · ©

Services around our region have had a very busy week. Our teams have been out and about helping customers and we'd just like to say a huge thanks for the many cups of tea they've received and for bearing with us while we have dealt with a huge number of calls. We have had several hundred calls from people with no water due to frozen pipes, and given out advice on how to thaw them out. Some people were still off water and we're visiting around 400 homes, prioritising vulnerabl... See More

14,934 people reached

Boost Post

Like Comment Share

Ricky Hipwell, Fiona RiverCare BeachCare and 234 others · Chronological

78 Shares

View 11 more comments

glassdoor®
2018 BEST PLACES TO WORK
EMPLOYEES' CHOICE

LEADING UTILITIES OF THE WORLD

1 UK

2 WORLD

DAILY EXPRESS
STILL 10p
AMANDA BARRIE
MYSTERY ALLERGY COULD KILL ME
DIABETES IS NOW FASTEST GROWING NHS CRISIS
BLIZZARDS TO SWEEP BRITAIN
Coldest weather for 27 years and Storm Emma is on the way

i
Arctic blast hits UK
Temperatures plummet and more snow on the way as 'Beast from the East' blows in from Siberia
Extensive travel disruption expected with motorists advised only to make essential journeys
Public asked to check on elderly neighbours and relatives and report rough sleepers

1 SIM

RESPONSIBLE BUSINESS OF THE YEAR 2017
BUSINESS IN THE COMMUNITY



ODI PERFORMANCE

12-13 Prices	15-16	16-17	17-18	TOTAL
	£m	£m	£m	£m
Interruptions to supply	5.7	0.8	5.7	12.1
Leakage	0.5	2.6	4.5	7.6
Pollution incidents	4.4	2.3	2.3	9.0
Value For Money Perception - Water	0.1	0.0	0.2	0.3
Value For Money Perception - Wastewater	0.1	0.0	0.125	0.225
Fairness of bills perception	0.1	0.1	0.225	0.425
Affordability perception	0.2	0.1	0.25	0.55
Water infra serviceability	0.0	-0.6	0.0	-0.6
Total	11.0	5.3	13.3	29.6



**Number one in SIM:
Potential for reward of
£50-£70m.**

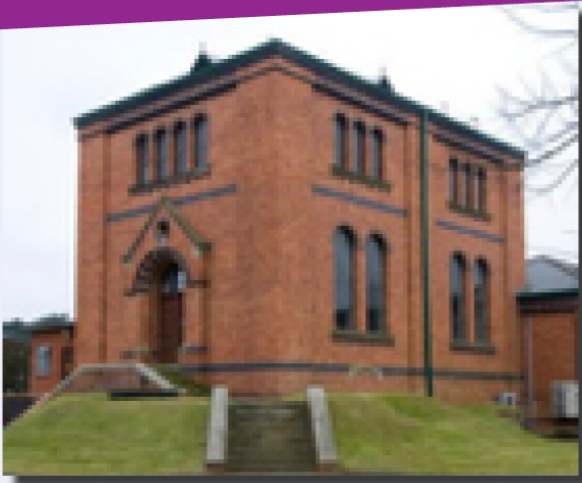
2017: UTILITY SECTOR'S FIRST EVER **STERLING GREEN BOND**



- Necessitated high standards for sustainability throughout...
- ...But required no changes to our processes: sustainability is simply how we work.
- Around 200 stand-out schemes to be financed: innovative water abstraction, drought & flood resilience, progressive water recycling & resource management.
- Future debt issues will be through sustainable finance, where possible.
- UK Government highlighted our leadership in green finance: Clean Growth Strategy, published as part of a UK Industrial Strategy.



CASE STUDY: HEIGHAM WATER TREATMENT WORKS



- £37 million scheme ensures sustainable water supplies for generations.
- Largest filtration system of its kind in Europe meets population and environmental needs.
- Final solution saves almost £6 million, and 3,000 tonnes (or 44% of carbon).
- Protects site of special scientific interest along river Wensum.
- Latest example of continual innovation in the building of systems resilient to growth and climate change.

A CASE STUDY IN TRANSFORMATION

INGOLDISTHORPE TREATMENT WETLAND –
WET, WILD AND CLEVER.



We've delivered an **innovative approach** to water treatment to:

- better protect the environment and reduce cost to customers
- meet tight standards for ammonia and phosphate to prevent deterioration
- make sure river flows are maintained
- negotiate consent flexibility with the EA.
- led to social and environmental benefits and enhanced biodiversity

INNOVATION: BUILDING THE WATER COMPANY OF THE FUTURE



PR19 CUSTOMER ENGAGEMENT



LEGITIMACY: BEING A RESPONSIBLE BUSINESS

OUR FINANCIAL AND CORPORATE PLEDGES

- ✓ CAYMANS COMPANY - CLOSED
- ✓ ACCOUNTING PRESENTATION SIMPLIFIED
- ✓ CONSULTING WITH OFWAT TO EMBED PUBLIC INTEREST IN LICENCE
- ✓ MAJORITY INEDS ON BOARD
- ✓ ADDITIONAL £65M RESILIENCE INVESTMENT ON TOP OF £100M, FUNDED BY DIVIDEND REDUCTION RESTRAINT
- ✓ GEARING REDUCED THROUGH DIVIDEND RESTRAINT THROUGH TO 2025

LATERAL ENDORSEMENT: SUPPORTING TRUST IN WATER



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FINANCIAL PERFORMANCE

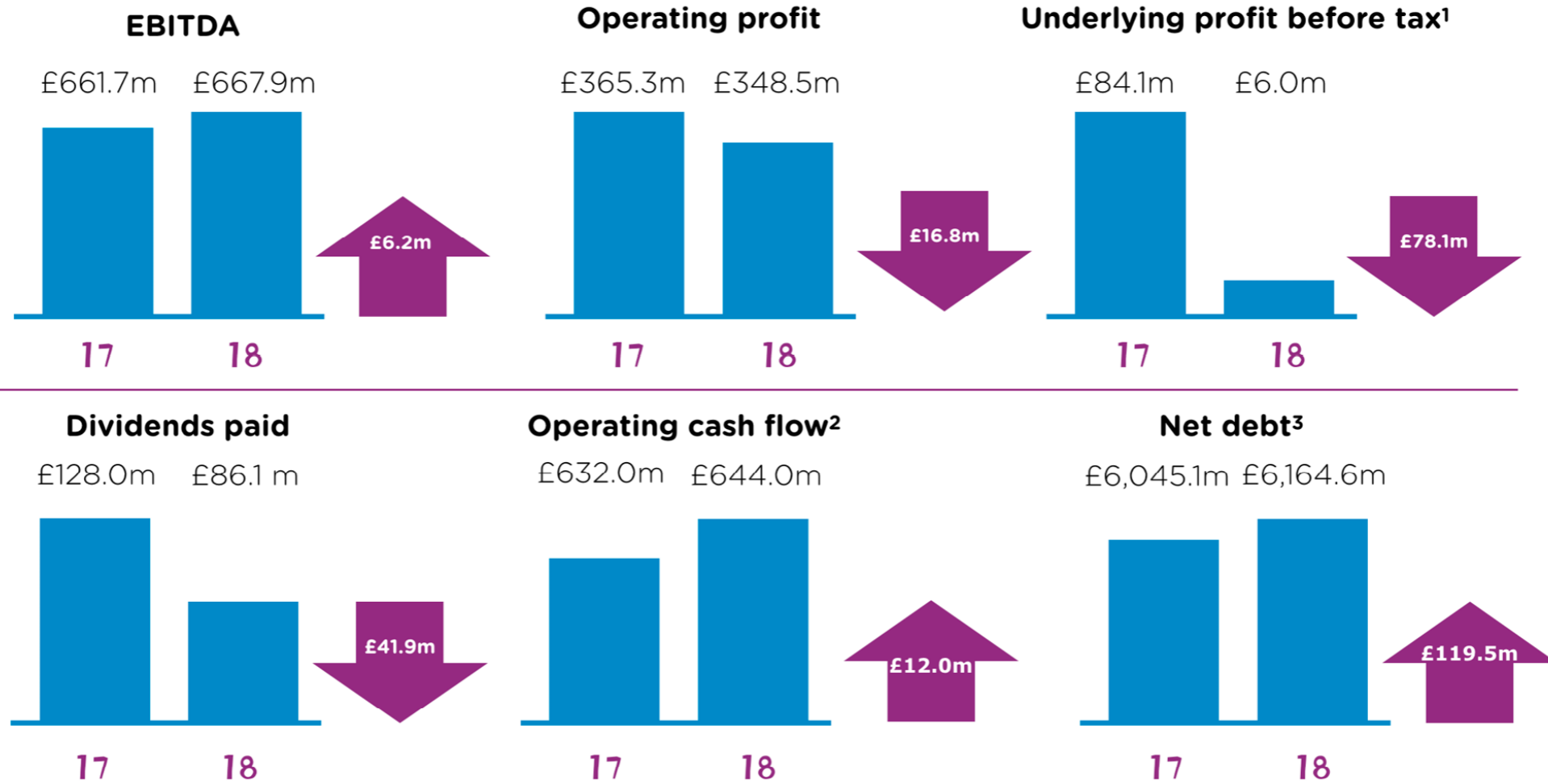
SCOTT LONGHURST
MANAGING DIRECTOR,
FINANCE AND NON-REGULATED BUSINESS



THE QUEEN'S AWARDS
FOR ENTERPRISE:
SUSTAINABLE DEVELOPMENT
2015

ANGLIAN WATER - FINANCIAL HIGHLIGHTS

YEAR ENDED 31 MARCH



¹ Excludes interest received of £191.8m (2017: £192.3m) from AWS Holdings Ltd and gain on derivatives of £117.6m (2017: loss of £116.0m).

² Shown on a statutory accounts basis. Net cash inflow from operating activities after tax on a CTA basis is £614.5m (2017: £604.6m).

³ Shown on a statutory accounts basis, excluding derivatives. Net debt on a CTA basis is £6,031.2m (2017: £5,829.5m).

ANGLIAN WATER – INCOME STATEMENT ¹

YEAR ENDED 31 MARCH

	2018 £m	2017 £m
Revenue	1,248.9	1,227.0
Operating costs	(581.0)	(565.3)
EBITDA	667.9	661.7
Other operating income	16.1	14.8
Depreciation	(335.5)	(311.2)
Operating profit	348.5	365.3
Interest (excluding indexation) ²	(207.6)	(208.0)
Indexation charge	(136.5)	(75.2)
Finance income	1.6	2.0
<i>Underlying net finance costs</i>	<i>(342.5)</i>	<i>(281.2)</i>
Underlying profit before tax	6.0	84.1

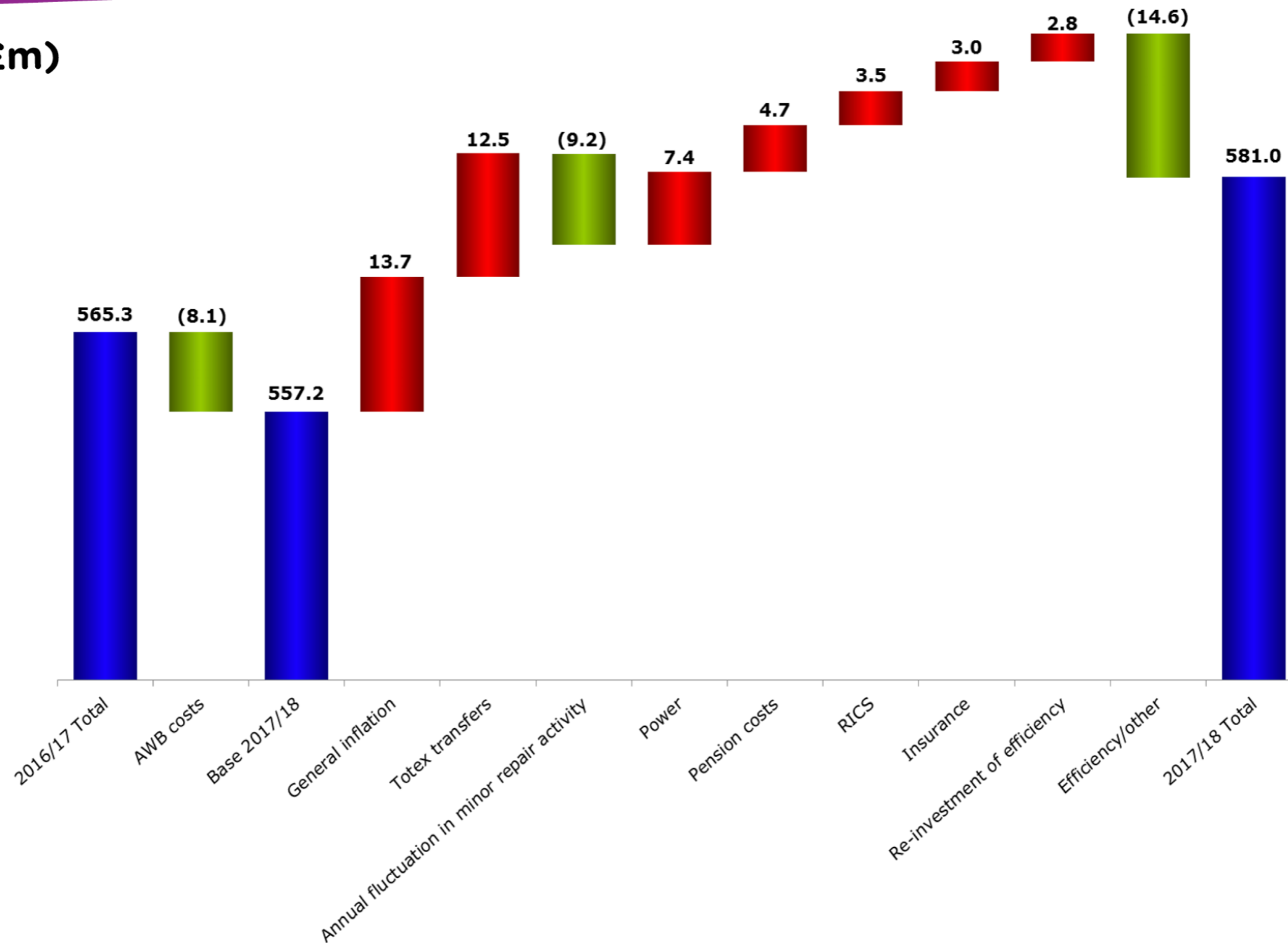
¹ Shown on an underlying basis (i.e. excluding fair value gains on derivatives of £117.6m (2017: loss of £116.0m)).

² Interest excludes the intra-group interest receivable of £191.8m (2017: £192.3m). A reconciliation to the statutory profit before tax is provided in appendix 3.

ANGLIAN WATER - OPERATING COSTS

YEAR ENDED 31 MARCH

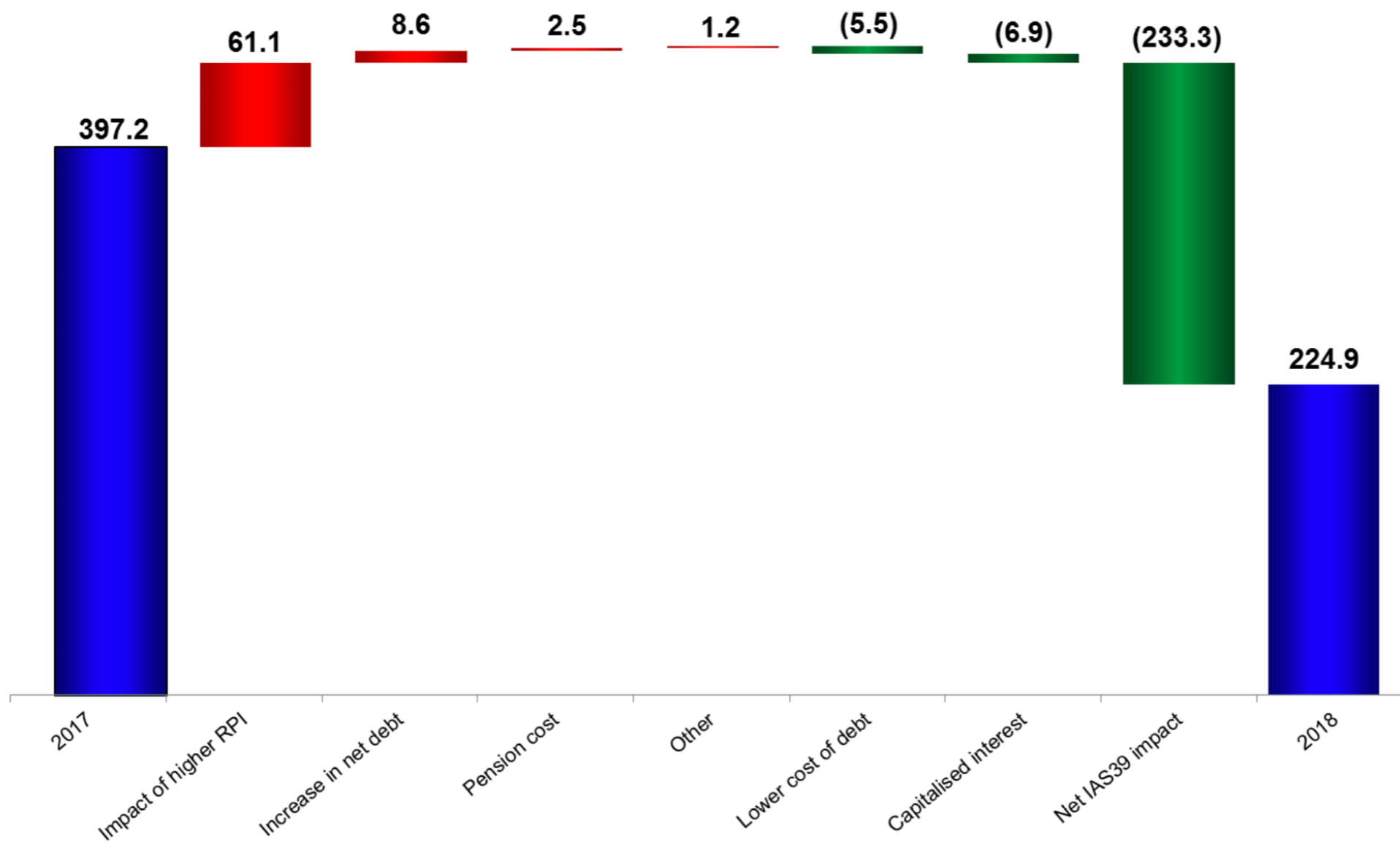
(£m)



ANGLIAN WATER - INTEREST

YEAR ENDED 31 MARCH

(£m)



ANGLIAN WATER – CASH FLOW ON A CTA DEBT BASIS ¹

YEAR ENDED 31 MARCH

	2018 £m	2017 £m
Income	1,187.0	1,180.7
Opex and taxation	(572.5)	(576.1)
Net cash inflow from operating activities	614.5	604.6
Capital maintenance expenditure	(235.7)	(207.1)
Post maintenance expenditure	378.8	397.5
Net interest	(211.8)	(229.1)
Free cash flow	167.0	168.4
Capital enhancement expenditure	(162.3)	(100.1)
Disposal proceeds NHH retail	78.9	-
Dividends		
Dividends paid available to ultimate shareholders	(86.1)	(128.0)
Dividends paid not available to ultimate shareholders:		
Special dividend to fund the transfer of NHH retail	(62.2)	-
Pre-financing cash flows per CTA definition	(64.7)	(59.7)

¹ CTA cash flows are on a different basis to those presented in the financial statements (see appendix 1 for reconciliation)

ANGLIAN WATER – MOVEMENT IN DEBT ON CTA BASIS¹

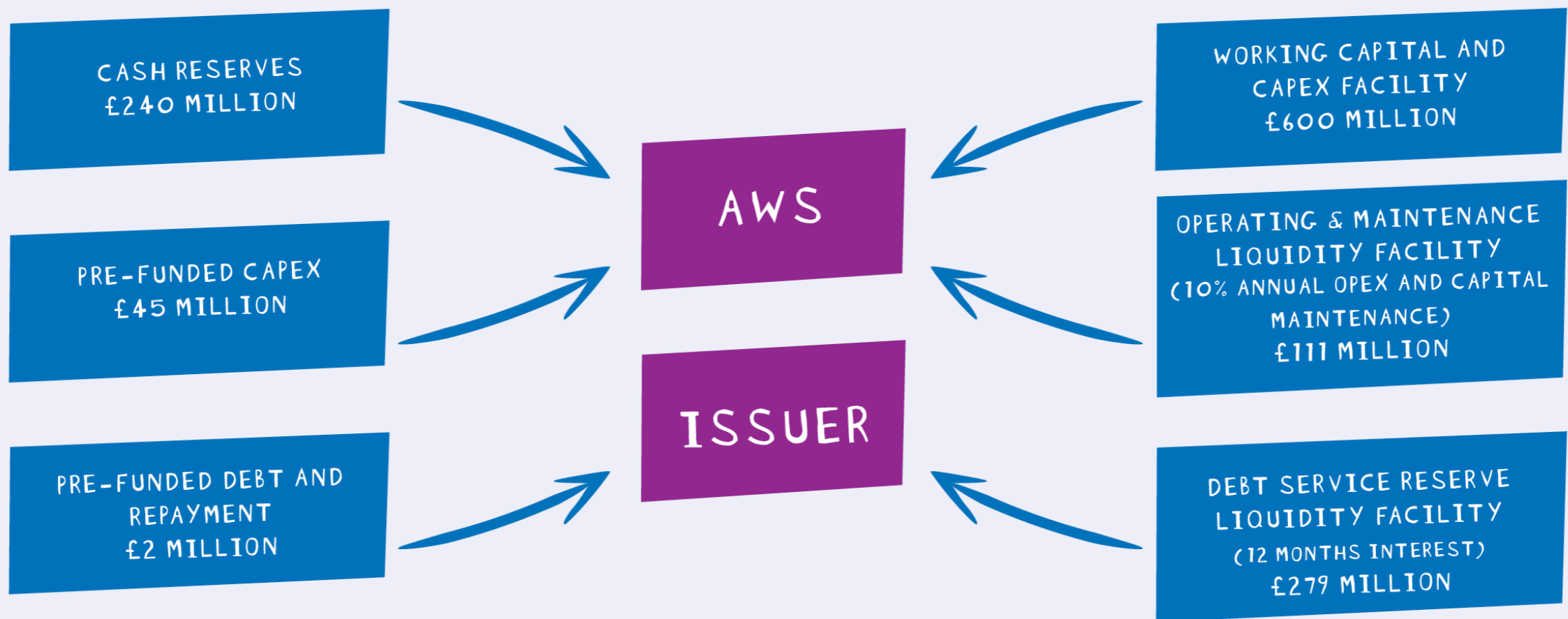
YEAR ENDED 31 MARCH

	2018
Gross debt at 31 March 2017	(6,286.4)
New debt raised	(248.6)
Debt repaid	327.4
Indexation	(110.3)
Gross debt at 31 March 2018	<u>(6,317.9)</u>
Less	
- Debt service account	1.7
- Tax reserve	40.0
- Capex reserve	44.9
- Other cash	<u>200.1</u>
Net debt per CTA definition	(6,031.2)

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

ANGLIAN WATER - LIQUIDITY

AS AT 31 MARCH 2018



TOTAL CASH AND INVESTMENTS
£287 MILLION

TOTAL FACILITIES	£990 MILLION
TOTAL DRAWN	£ 0
TOTAL UNDRAWN FACILITIES	<u>£990 MILLION</u>

ANGLIAN WATER - AWS DIVIDENDS IN 2017 - 2018

Dividend paid available to ultimate shareholders

£86.1m



How were the dividends used?

£78.8m used to pay dividends and loan interest to the ultimate shareholders and holding company loan interest

Dividends paid not available to the ultimate shareholders

Dividend paid to settle the inter-company loan
 Loan settlement received
 Net AWS cash outflow

£1.6bn
(£1.6)bn
 nil



One off restructuring dividend to remove an inter-company loan in order to simplify reporting

Dividend paid to fund the inter-company interest
 Inter-company interest received
 Net AWS cash flow

£191.8m
£(191.8)m
 nil



Round-trip inter-company interest and dividend. This ceases from 31 March 2018 following the removal of the £1.6bn inter-company loan described above

Special dividend to fund the transfer of NHH retail
 Funds flowing back to AWS in the form of sale proceeds
 Net AWS cash inflow on NHH Retail sale

£62.2m
£(78.9)m
 £16.7m



One off dividend to enable the transfer of the Non-Household Retail business in April 2017

KEY FINANCIAL RATIOS

Anglian Water Financial Ratios – Year Ended 31 March 2018

	March 2018	Trigger Event	Default	March 2017
Class A RAR	67.9%	75.0%	-	65.9%
Senior RAR	78.1%	85.0%	95.0%	79.0%
Class A ICR	3.6	-	1.6	3.1
Conformed Class A PMICR	1.8	1.3	-	1.6
Conformed Senior PMICR	1.5	1.1	-	1.4
Class A actual maintenance ICR	2.2	-	1.0	2.0

Osprey Acquisitions Limited Financial Ratios – Year Ended 31 March 2018

	March 2018	Trigger Event	Default	March 2017
Senior RAR	83.4%	93.0%	95.0%	84.6%
Senior ICR	2.6	-	2.0	2.6
Dividend Cover Ratio	4.0	-	2.0	3.5

RAR = Regulated Asset Ratio

ICR = Interest Cover Ratio

PMICR = Post Maintenance interest Cover Ratio

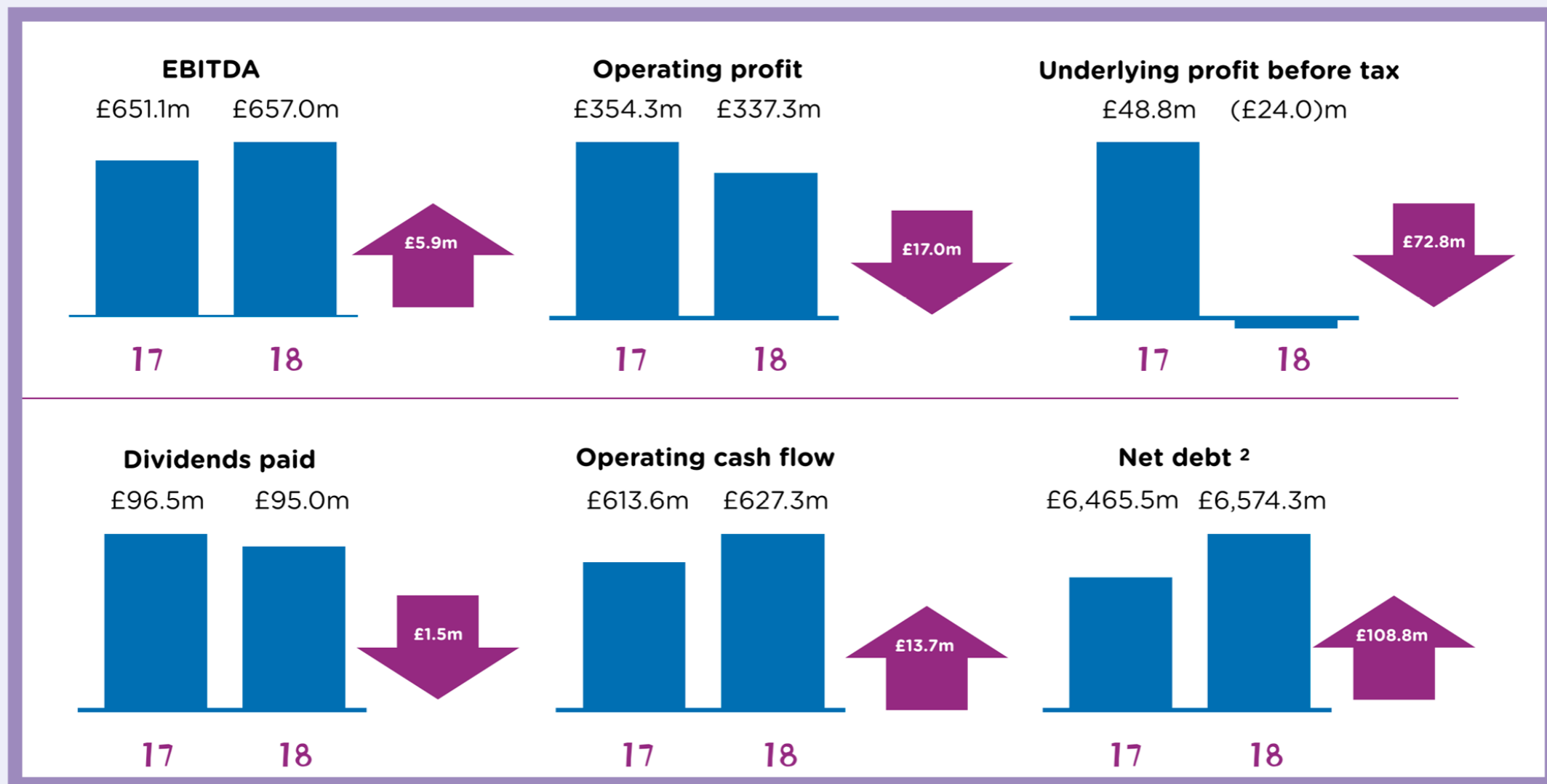
FINANCING

- Osprey £240m bond repaid in January 2018 and successfully refinanced with a new 4% 2026 bond in December 2017.
 - Restructuring of RPI swaps completed moving to stronger counterparty and institutional investor solutions with long term PAYG solution.
 - £250m Green Bond raised in August 2017
 - Transparency and Governance restructure complete:
- ✓ Revised Anglian Water financing group structure, with all UK registered companies
 - ✓ £1.6bn intercompany loan was repaid on 29 March
 - ✓ We are changing the composition of the AWS Board so the Independent Non Executive Directors are in the majority and not just the largest group.



OSPREY ACQUISITIONS LTD FINANCIAL HIGHLIGHTS¹

YEAR ENDED 31 MARCH



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

² Excludes loan from parent and fair value adjustment to debt arising on acquisition.

SUMMARY

- We are committed to redoubling our efforts to improve transparency, show that **public interest is at the heart of the business**, increase investment and reduce gearing over AMP6 and AMP7; and are delivering tangible progress.
- Our Caymans Company has been **removed from our financing structure**.
- We are delivering **significant totex efficiencies and environmental improvements** and an additional £65m resilience investment is being funded by dividend reductions.
- **Our first green bond** has been highly regarded in **setting the benchmark** for others, and our work with HRH the Prince of Wales Accounting for sustainability project promoting best practice for others to follow. We will look to raise further sustainable finance through AMP6 and AMP7.



QUESTIONS



THE QUEEN'S AWARDS
FOR ENTERPRISE:
SUSTAINABLE DEVELOPMENT
2015



APPENDICES



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ANGLIAN WATER - RECONCILIATION OF CTA OPERATING CASH FLOW

1

YEAR ENDED 31 MARCH

	2018	2017
	£m	£m
Operating cash flow - statutory accounts basis	644.0	632.0
Tax paid	(23.5)	(19.8)
Commissions on facilities not used	(2.5)	(2.3)
Other items ¹	(3.5)	(5.3)
Net cash inflow from operating activities - CTA basis	614.5	604.6

¹ Other items include issue costs of new debt, adjustments for unpresented cheques, the reallocation of interest on Wing strategic mains refunds and cash in transit.

ANGLIAN WATER - RECONCILIATION OF CTA NET DEBT

2

	March 2018 £m	March 2017 £m
Net debt - statutory accounting basis ¹	6,164.6	6,045.1
Unpresented cheques and payments	0.4	0.3
Capitalised issue costs	26.1	26.6
IAS 39 adjustments	(159.5)	(242.1)
Unsecured solar lease	(0.4)	(0.4)
Net debt - CTA basis ¹	6,031.2	5,829.5

¹ The CTA net debt continues to be on old UK GAAP basis, while statutory net debt is on an IFRS basis

ANGLIAN WATER - RECONCILIATION OF UNDERLYING PROFIT BEFORE TAX

3

	2018 £m	2017 £m
Profit before tax on an underlying basis	6.0	84.1
Finance costs - fair value gains/(losses) on financial derivatives	117.6	(116.0)
Finance income - intra group interest receivable	191.8	192.3
Profit on disposal of the non-household retail business	4.6	-
Profit before tax as reported in the statutory accounts	320.0	160.4

ANGLIAN WATER - SUMMARY OF NEW LOANS AND REPAYMENTS

YEAR ENDED 31 MARCH

4

	2018 £m		2017 £m
New Debt raised		New Debt raised	
£250m GRN 1.625% 2025	248.6	£500m RCF	125.0
		Bilateral RCF	30.0
		USPP £214m 2026 (\$150m)	104.3
		£55m fixed 2.93% 2025	55.0
		£20m fixed 2.93% 2025	20.0
		£35m floating	35.0
		£200m GBP Class B 2027	200.0
Total debt raised	<u>248.6</u>	Total debt raised	<u>569.3</u>
Debt repaid		Debt repaid	
£150m 5.5% 2017/2040	(150.0)	€500m 27th June 2016:	(394.0)
EIB Tranche 1 £75m 0.53% 2027	(8.6)	Finance lease	(5.1)
EIB Tranche 2 £75m 0.79% 2027	(8.6)	£500m RCF	(70.0)
£25.5m 4.2% Private Placement 2017	(25.5)	Bilateral RCF	(30.0)
£500m RCF 2020	(55.0)		
Repayment of accreted interest on derivatives	(73.9)		
Capital element of finance lease rental payer	(5.7)		
Total debt repaid	<u>(327.3)</u>	Total debt repaid	<u>(499.1)</u>

DERIVATIVES MARK TO MARKET VALUATION

6

YEAR ENDED 31 MARCH

	Notional £m	MTM £m
Swap Type		
Interest Rate Swap	2,880.3	(308.8)
Cross Currency Interest Rate Swap	795.9	108.2
RPI Swap 1	565.9	(495.1)
	<hr/>	<hr/>
	4,242.1	(695.7)

Energy Derivatives	Notional £m ³	MTM £m ⁴
LEBA2 Power Swaps	93.9	(9.1)

1 The -£495m MTM value of the RPI swaps excludes accrued indexation which has already been charged to the profit and loss account amounting to £35m. All RPI swaps are now PAYG

2 LEBA = London Energy Brokers Association.

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

4 Including forward purchases from suppliers MTM of energy hedging instruments which is £0.0m.

OSPREY ACQUISITIONS LTD INCOME STATEMENT

7

YEAR ENDED 31 MARCH

	2018	2017
	£m	£m
Revenue	1,259.6	1,235.2
Operating profit	337.3	354.3
Interest		
Interest	(224.4)	(230.3)
Indexation charge	(136.9)	(75.5)
Share of joint ventures	-	0.3
PBTGAE	(24.0)	48.8
Fair value gains/(losses) on financial derivatives	119.1	(107.0)
Profit on disposal of business ¹	4.6	-
Profit on disposal of joint venture	-	9.5
Profit/(loss) before tax	99.7	(48.7)

¹ Profit on transfer of AWS non-household business

OSPREY ACQUISITIONS LTD
REVENUE SEGMENTAL ANALYSIS
 YEAR ENDED 31 MARCH

		2018 £m	2017 £m
Anglian Water	1.8%	1,248.9	1,227.0
Head Office and other		11.1	8.7
less : intersegmental trading		(0.4)	(0.5)
total revenue	2.0%	1,259.6	1,235.2

OSPREY ACQUISITIONS LTD OPERATING PROFIT SEGMENTAL ANALYSIS

9

YEAR ENDED 31 MARCH

	2018 £m	2017 £m
Anglian Water	348.5	365.3
Head Office and other	(11.2)	(10.1)
	<hr/> 337.3	<hr/> 355.2
less JVs operating profit ²	-	(0.9)
Operating profit	<hr/> 337.3	<hr/> 354.3

¹ Excludes the Anglian Venture Holdings businesses as they are held above OAL in the Anglian Water Group Limited structure.

² Under IFRS reporting, joint ventures operating profit is excluded from reported operating profit. The Group's share of JV's operating profit is then included lower down the income statement.

OSPREY ACQUISITIONS LTD GROUP CASH FLOW

10

YEAR ENDED 31 MARCH

	2017 £m	2016 £m
Group operating cash flow	627.3	613.6
Taxation	(8.8)	(9.5)
Capital expenditure	(401.4)	(307.1)
Disposal proceeds	79.0	14.0
Net interest paid	(251.7)	(269.3)
Repayment of accumulated interest	(73.9)	-
Dividends paid	(95.0)	(96.5)
Indexation ¹	(110.7)	(61.4)
Other non-cash movements in net debt	126.4	(97.4)
Movement in net debt	(108.8)	(213.6)

¹ In addition to the above indexation on debt, there is a further £26.2m (2017: £14.1m) indexation on derivatives which is included for covenant purposes in calculating net difference

OSPREY ACQUISITIONS LTD NET DEBT

11

	2018 £m	2017 £m
Anglian Water¹	(6,164.6)	(6,045.1)
Head office and other	30.0	12.8
	(6,134.6)	(6,032.3)
Osprey Acquisitions Limited		
£350m 7.0% bond 2018	-	(241.9)
£210m 5.0% bond 2023	(212.8)	(212.5)
£240m 4.0% bond 2026	(238.7)	-
Unamortised costs on undrawn bank facilities	0.5	2.1
net cash	11.3	19.1
	(6,574.3)	(6,465.5)
Osprey Acquisitions Group²		

¹ Net debt on an IFRS 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 (£180.4m)

* 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 2018 this quasi-equity subordinated loan stands at £728.8m

OSPREY ACQUISITIONS LTD

OPERATING CASH FLOW

YEAR ENDED 31 MARCH

12

	2018	2017
Anglian Water	644.0	632.0
Head Office and other	(16.7)	(18.4)
Total operating cash flow	627.3	613.6

OSPREY ACQUISITIONS LTD TAXATION

YEAR ENDED 31 MARCH

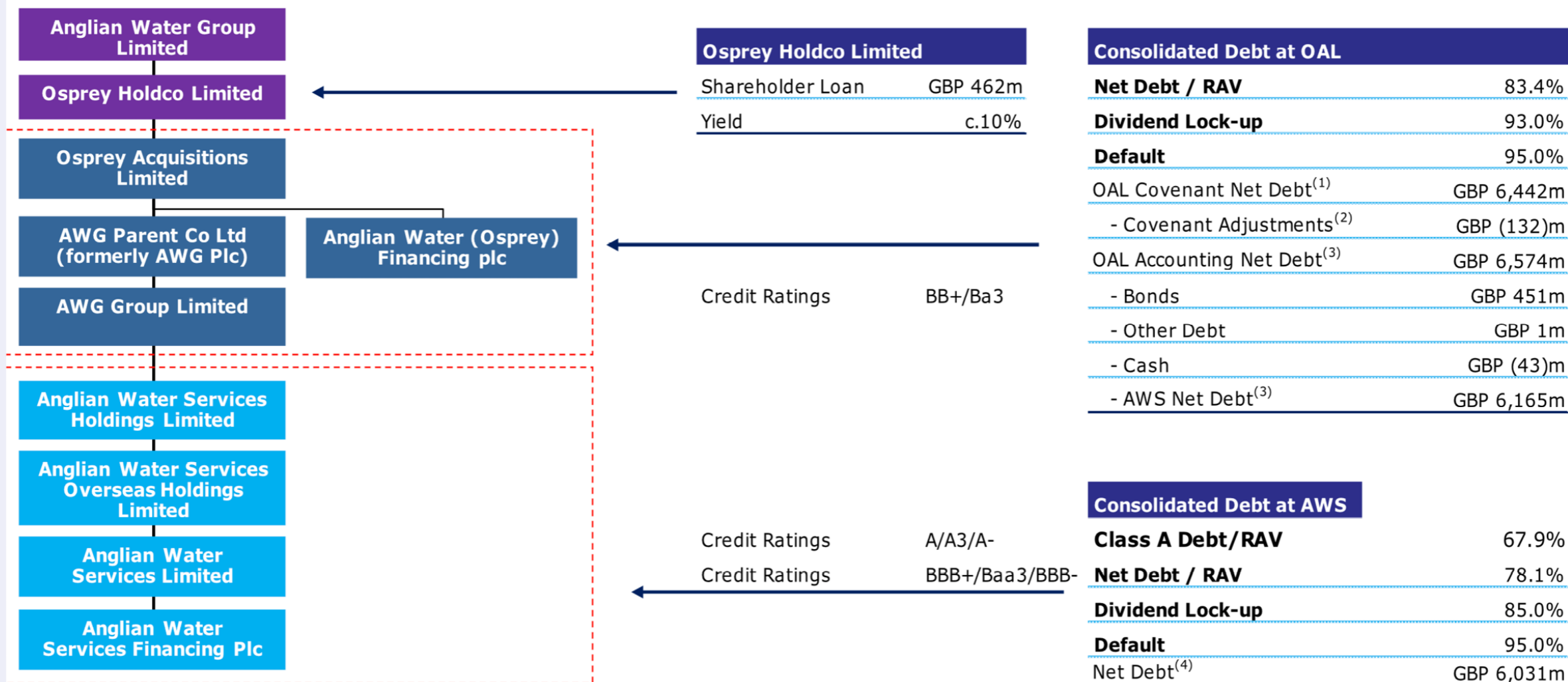
13

	2018	2017
	£m	£m
Profit/(loss) before tax	99.7	(48.7)
Tax at UK rate of 19% (2017: 20%)	18.9	(9.7)
Effects of recurring items:		
Items not deductible for tax purposes	2.7	1.8
Items not taxable	(0.4)	(0.4)
Joint venture results reported net of tax	-	(0.1)
Effects of non-recurring items:		
Profit on disposal of business subject to statutory exemption	(0.8)	(1.9)
Reduction in corporation tax rate	(0.5)	(53.3)
Effects of differences between rates of CT and DT	1.9	8.1
Adjustments in respect of prior periods	(0.3)	(12.9)
	<hr/>	<hr/>
Tax charge/(credit) for the period	21.5	(68.4)

ANGLIAN WATER GROUP FINANCING STRUCTURE

CONSOLIDATED CAPITAL STRUCTURE AT 31 MARCH 2018

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(1) OAL Covenant net debt excludes issue costs and IFRS adjustments

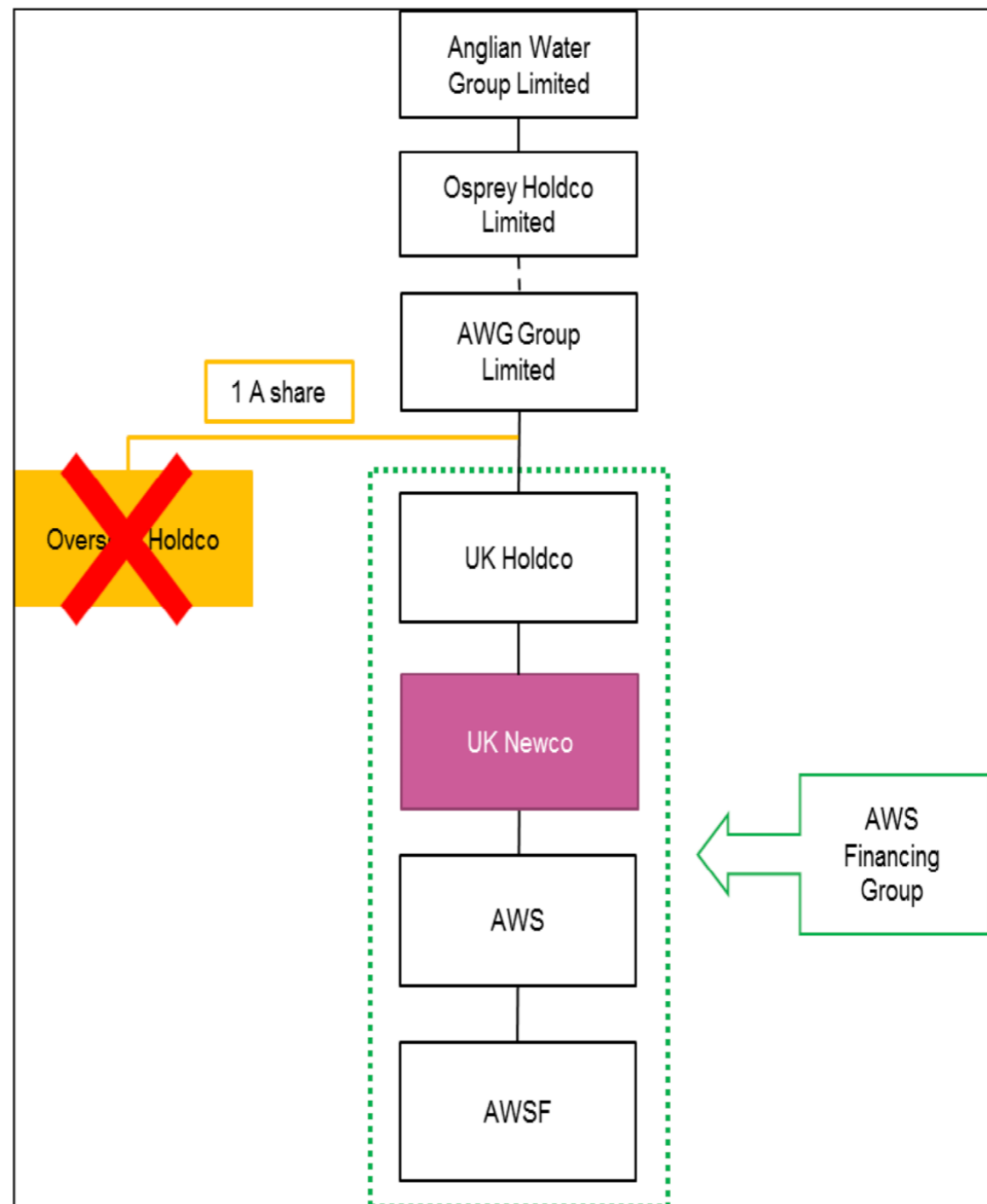
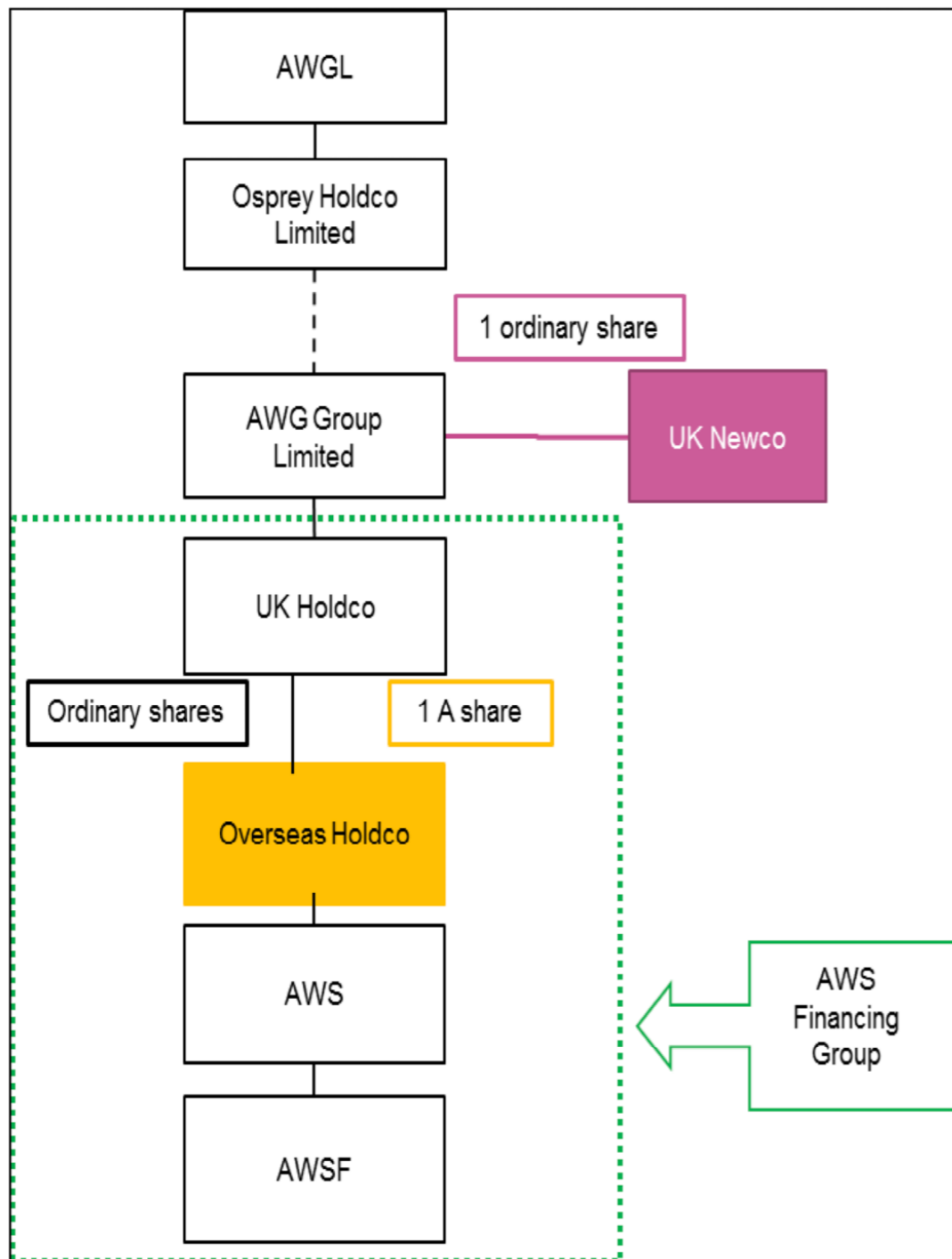
(2) These adjustments are made to align accounting Net Debt to the CTA. The adjustments are; unamortised issue costs, FX/FV/inflation adjustments and interest accruals

(3) Excludes Parent Co loan of £729m, Fair Value adjustments to debt of £180m and derivatives of £732m

(4) AWS net debt of £6,165m excludes derivatives and is prepared on an IFRS accounting basis, whereas Consolidated Debt at AWS of £6,031m if prepared on a Common Terms Agreement (CTA) basis

REMOVAL OF CAYCO COMPLETED

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OUR GREEN BOND

PROJECTS FINANCED BY THE GREEN BOND

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- Around **200 projects** are funded by the first Green bond, with 70% of the capital spend financed by the bond and 30% from our own resources.
- In total, **84,716 tonnes of carbon** are being saved or avoided with these projects compared to the 2010 baseline.
- The Treasury Team are identifying a number of projects **each reporting period and using this as a training and personal development exercise** for team members to learn more about the business and present to other team members and debt investors.

Eligible Green Projects	Sustainable Water Management £m	Sustainable Water Recycling £m	Total £m
Capital Maintenance	33.7	50.9	84.6
Enhanced Service Level: and additional standby generation	21.4	8.0	29.4
Growth (Supply Demand)	23.5	27.1	50.5
Quality	20.8	91.2	112.0
Total Portfolio Spend	99.4	177.2	276.5
Spend Buffer			(63.8)
Spend Available for Allocation			212.7
Net Proceeds			247.8
Proceeds Allocated To Date			203.0
Proceeds Unallocated			44.8

love every drop
anglianwater

