



Interim Report 2004

Financial highlights

- Operating profit up 11.0% to £78.4 million*
 - South West Water up 6.9% to £65.3 million
 - Viridor Waste up 30.6% to £14.5 million before goodwill

- Profit before tax up 11.0% to £47.4 million*

- Earnings per share (before deferred tax) up 9.9% to 34.3p*

- Interim dividend per share up 4.5% to 13.8p

- Final Determination received by South West Water

**Before exceptional item in 2004/05 of £2.0 million for costs incurred relating to abortive acquisition*

Operational highlights

- **South West Water**
 - Remains on track to outperform the current regulatory contract
 - Ofwat confirmed 2003/04 OPA improvement of 45 points and enhanced efficiency banding

- **Viridor Waste**
 - Continued strong growth in profits from landfill and power generation
 - Thames Waste acquisition and West Sussex PFI performing in line with expectations

Final Determination

The Final Determination by Ofwat on prices to be paid by South West Water's customers for the next five years represents a very tough challenge for the company, but one the company is determined to meet. Against this background and having regard to the level of customer charges in the South West, the Board has decided not to ask the Director General of Water Services to refer the Final Determination to the Competition Commission.



“These excellent results demonstrate further profitable growth in the Group, affirming our strategy of focusing on our two key businesses, South West Water and Viridor Waste. The Board confirms its intention to continue its existing progressive policy of growing the Group dividend in real terms, at least up to 2009/10.”

Ken Harvey, Chairman

Chairman's interim statement

Group overview

- Turnover rose by 20.2% to £282.2 million.
- Operating profit rose by 11.0% to £78.4 million.*
- Profit before tax was up 11.0% to £47.4 million.*
- Earnings per share before the exceptional item and deferred tax increased by 9.9% to 34.3p. Earnings per share after the exceptional item and deferred tax fell by 5.2% to 29.1p.
- Capital expenditure was £86.1 million (2003 – £85.6 million).
- Thames Waste Management Limited was acquired during the half year for £30.7 million (£28.5 million net of cash).
- Net debt was £1,089.0 million, an increase of £14.9 million since 31 March 2004. Gearing, being net borrowings to shareholders' funds, was 118% (2003 – 114%). Interest cover was 2.5 times for the 30 September 2004 half year (2003 – 2.5 times).
- The interim dividend of 13.8p per share represents an increase of 4.5% over the equivalent figure for September 2003. It will be paid on 7 April 2005 to shareholders on the register on 28 January 2005. A scrip dividend alternative will be available.

*Before exceptional item in 2004/05 of £2.0 million for costs incurred relating to abortive acquisition.

South West Water

South West Water turnover rose by £11.6 million to £157.6 million. Approved tariff increases, including the 4.4% K factor, amounted to £10.5 million. Customers switching from unmeasured to metered charging caused a reduction of £3.3 million in turnover. Other factors, including 3,600 new customer connections and increased commercial sales, offset by a small decrease in measured demand, contributed £4.4 million.

South West Water's operating profit rose 6.9% to £65.3 million. Operating costs, including depreciation, increased by £7.4 million to £92.3 million. Additional costs from new capital schemes of £2.8 million, inflation of £1.6 million and £4.6 million of other cost increases, mainly pensions and direct cost of sales, were offset by £1.6 million of efficiency savings. South West Water remains ahead of Ofwat's efficiency targets and is on track to deliver further efficiency savings to outperform the regulatory contract to 2005.

Capital expenditure reduced as expected by £1.8 million to £68.0 million. £33.6 million was invested in water supply improvements including water mains renovation, water treatment works enhancement and leakage control. Ofwat's latest report on leakage notes that South West Water is one of the leading companies in managing water leakage and continues to deliver results in line with Ofwat's leakage target. Water resources remain secure. Almost 300km of water mains were laid, replaced or refurbished during the half year, a 44% increase on the first half of 2003/04. Drinking water quality and river water quality are at an all time high and

the region features the highest proportion of high quality rivers in England. South West Water in 2003/04 has achieved one of the largest Overall Performance Assessment (OPA) score improvements, as reported by Ofwat.

Waste water investment expenditure totalled £34.4 million for the half year. Commissioning of the Ilsham Valley pumping station in Torbay commenced in early April and its operation signalled the completion of the final major project in the company's 15 year original 'Clean Sweep' bathing water improvement programme. 'Clean Sweep' has transformed the coastal environment around the South West and this year 81% of the South West's bathing waters reached the top quality guideline standard in the 2004 annual assessment, one of the best performances of any region in the UK. This compares with 47% of the region's bathing waters achieving the tougher standard five years ago.

The strong growth in South West Water's Regulatory Asset Value (RAV), as previously highlighted, continues to outstrip the increase in the company's net debt to 2005.

On 2 December 2004, the Director General of Water Services (Ofwat) issued his Final Determination in respect of the K4 period (2005 – 2010). The key elements for South West Water are:

- (a) 'K' price increases of 12.5%, 9.8%, 9.8%, 1.7%, 1.4% for 2005-2010; an average of 6.9% over the five years.
- (b) A capital programme of £762 million at 2002/03 prices (similar to K3 – 2000-2005).
- (c) Average annual operating expenditure efficiency improvements of 2.5% (water) and 2.0% (sewerage).
- (d) Capital maintenance efficiency improvements of 6.0% (water) and 11% (sewerage), including frontier shift.
- (e) Capital enhancement efficiency improvement of 7.0% (water) and 18% (sewerage), including frontier shift.
- (f) Projected Regulatory Asset Value increase to £2,560 million by March 2010 (out-turn prices).

The Final Determination represents a very tough challenge for South West Water, but one the company is determined to meet. Substantial efficiencies have already been delivered by the company since privatisation and focus continues on delivering additional efficiencies to meet the demands placed upon it. South West Water has announced plans for further restructuring to contribute towards the additional efficiencies required over the period, and manpower levels will be reduced by a further 100. The company expects to provide for exceptional restructuring costs of c. £5.0 million in the second half of 2004/05.

Viridor Waste

Viridor Waste ('Viridor') has continued to trade strongly in the six months ended 30 September 2004, building further on the growth achieved over the past three years. Turnover was up 39.7% to £126.7 million, including a £17.0 million contribution from the Thames Waste Management acquisition, £5.3 million from landfill tax, a full six month contribution from Churngold Holdings (acquired June 2003) and the impact of the West Sussex PFI.



Viridor operating profit before goodwill for the half year rose by 30.6% to £14.5 million (£12.7 million after goodwill), compared to £11.1 million in 2003/04 (£10.0 million after goodwill). Underlying operating profit rose 11.0% excluding this year's and the full year effect of last year's acquisitions and additional pensions charges. Operating margins, before goodwill and excluding landfill tax, were down from 16.8% to 15.0% reflecting the change in business mix including Thames Waste Management's liquids and sludge contracts. Earnings before interest, tax, depreciation and amortisation (EBITDA) rose 32.6% from £21.5 million to £28.5 million. Capital expenditure for the half year was £18.0 million (2003 – £15.7 million).

Total landfill disposal volumes increased by 20% to 2.3 million tonnes (including Thames Waste Management). Excluding acquisitions, volumes increased by 12% to 2.1 million tonnes. Volumes were particularly high preceding the ending of hazardous waste disposal to non-hazardous landfills in July. Underlying gate fees rose by 5%, continuing to outstrip cost increases. Viridor currently has 80 million cubic metres of landfill capacity.

Viridor's power generation output increased by 25% to 160,000 MWH (a 9% increase excluding acquisitions) which was sold at an average price of £50 per MWH. 53% of this output is eligible for renewable obligation certificates (ROCs); the remainder benefits from the Government's Non Fossil Fuel Obligations. Capacity increased by a further 2MW to 47MW with a further 3MW under construction.

In April, Viridor acquired Thames Waste Management Limited, a landfill, power generation and liquid waste treatment business, for a cash consideration of £30.7 million (£28.5 million net of cash in the company). Since acquisition, the company has secured a long term waste and recycling contract with Southern Water. Under the five-year £20 million contract, Viridor will provide sludge collection, transport and recycling and disposal services to Southern Water. The acquisition is projected to be earnings enhancing before goodwill this year and is trading in line with expectations.

As part of the Government's developing waste strategy, council integrated contracts will assume greater importance for the waste industry. Viridor commenced its 25-year £450 million integrated waste contract with West Sussex County Council on 1 April 2004, its first PFI contract. This involves the management and operation of 12 household waste recycling sites, five transfer stations and a materials reclamation facility across the county. Existing sites will be improved and upgraded and a number of new sites will be developed. £25 million capital expenditure will be required in the early years of the contract, including a replacement materials reclamation facility. Viridor also began a three-year 'provision of waste disposal and associated services' contract worth £10 million with the Borough of Poole Council on 1 September 2004.

Viridor continues to explore new technologies in partnership with its customers. A £2.3 million in-vessel composting facility was opened at Beddington landfill near Croydon, Surrey in September. This innovative waste recycling facility is now fully operational and has a capacity to process up to 30,000 tonnes of green (organic) domestic waste per annum. Built with substantial grant funding from the London Recycling Fund, the facility is designed initially to serve the London Boroughs of Sutton, Croydon and Merton. This will assist them in meeting their recycling and landfill diversion targets over the coming years, making a significant contribution towards sustainable waste management in London. Two further £1.5 million in-vessel composting plants are under construction, with financial assistance from DEFRA, in Devon and Suffolk in partnership with the respective county councils.

Pensions

The Group's defined benefit pension schemes showed an indicative net deficit at 30 September 2004 at a similar level to the reported FRS 17 net deficit of £54.0 million at 31 March 2004. This deficit represents circa 5% of the Group's total market capitalisation.

The triennial actuarial valuation of the Group's defined benefit pension schemes at 1 April 2004 is in progress and when completed is expected to result in additional annual costs of circa £6 million; in line with this an additional charge of £3 million under SSAP24 accounting is reflected in the half year.

International Financial Reporting Standards

Preparation for the adoption of IFRS in 2005/06 is underway. The principal differences between current UK and International Accounting Standards likely to impact on the Group are expected to be in relation to deferred tax, goodwill, fixed asset accounting and pensions. It is expected that the overall net impact will be to reduce net assets and increase the volatility of earnings. Underlying cash flow is not affected.

Taxation

The mainstream corporation tax charge for the half year to September 2004 was £4.6 million (2003 – £4.2 million).

The deferred tax charge for the half year to 30 September 2004 was £4.5 million (2003 – £0.7 million).

Financing

Net interest payable increased from £27.8 million to £31.0 million. The average interest rate on net debt has increased from 5.5% to 5.7%.

Strategy and prospects

The Board's priority continues to be the creation of shareholder value through its strategic focus on water, sewerage and waste management. The Final Determination represents a major challenge for both South West Water and the Group which we are determined to meet. Viridor Waste's successful strategy of creating long-term sustainable profit growth is expected to continue through capitalising on its landfill asset base, exploiting its landfill gas power generation potential and pursuing profitable opportunities in line with the Government's developing waste strategy.

Ken Harvey, Chairman
9 December 2004

Group profit and loss account

for the half year ended 30 September 2004

	Half year ended 30 September 2004 (unaudited)			Half year ended 30 September 2003* (unaudited) £m	Year ended 31 March 2004*			
	Notes	Before exceptional item £m	Exceptional item £m		Total £m	Before exceptional item £m	Exceptional item £m	Total £m
Turnover								
Continuing operations		263.0	–	263.0	234.8	455.1	–	455.1
Acquisitions		19.2	–	19.2	–	16.2	–	16.2
Total turnover		282.2	–	282.2	234.8	471.3	–	471.3
Operating costs	(4)	(203.8)	(2.0)	(205.8)	(164.2)	(335.0)	(6.5)	(341.5)
Group operating profit								
Continuing operations		76.9	(2.0)	74.9	70.6	135.7	(6.5)	129.2
Acquisitions		1.5	–	1.5	–	0.6	–	0.6
Total Group operating profit		78.4	(2.0)	76.4	70.6	136.3	(6.5)	129.8
Share of operating loss in joint venture		–	–	–	(0.1)	(0.3)	–	(0.3)
Total operating profit		78.4	(2.0)	76.4	70.5	136.0	(6.5)	129.5
Net interest payable		(31.0)	–	(31.0)	(27.8)	(57.2)	–	(57.2)
Profit on ordinary activities before taxation		47.4	(2.0)	45.4	42.7	78.8	(6.5)	72.3
Tax on profit on ordinary activities	(5)	(9.1)	–	(9.1)	(4.9)	(10.8)	–	(10.8)
Profit on ordinary activities after taxation		38.3	(2.0)	36.3	37.8	68.0	(6.5)	61.5
Dividends	(6)	(17.7)	–	(17.7)	(16.4)	(51.1)	–	(51.1)
Retained surplus transferred to reserves		20.6	(2.0)	18.6	21.4	16.9	(6.5)	10.4
Earnings per share								
Before exceptional item and deferred tax	(7)							
Adjusted basic				34.3p	31.2p			57.7p
Adjusted diluted				34.1p	31.1p			57.3p
After exceptional item and deferred tax								
Basic				29.1p	30.7p			49.8p
Diluted				28.9p	30.5p			49.5p
Dividend per share	(6)			13.8p	13.2p			41.0p

There were no recognised gains or losses other than the profit for the six months to 30 September 2004 and for the year to 31 March 2004.

*Restated (note 3).

Summarised Group balance sheet

at 30 September 2004

	30 September 2004 (unaudited)	30 September 2003* (unaudited)	31 March 2004*
Notes	£m	£m	£m
Fixed assets			
Intangible assets	62.5	45.7	47.6
Tangible assets	2,190.6	2,105.6	2,141.1
Investments	2.6	0.6	2.6
	2,255.7	2,151.9	2,191.3
Current assets			
Stocks	4.9	3.8	4.5
Debtors	107.4	104.8	97.3
Investments and cash	296.3	225.1	267.7
	408.6	333.7	369.5
Current liabilities			
Creditors: amounts falling due within one year	(324.6)	(258.9)	(293.6)
Net current assets	84.0	74.8	75.9
Total assets less current liabilities	2,339.7	2,226.7	2,267.2
Creditors: amounts falling due after more than one year	(1,278.2)	(1,187.7)	(1,234.9)
Provisions for liabilities and charges	(101.1)	(90.3)	(94.0)
Deferred income	(34.6)	(39.1)	(38.7)
Net assets	925.8	909.6	899.6
Capital and reserves			
Called-up share capital	139.5	137.6	137.9
Share premium account	156.1	154.2	154.2
Profit and loss account	630.2	617.8	607.5
Shareholders' funds	925.8	909.6	899.6

*Restated (note 3).

Group cash flow statement

for the half year ended 30 September 2004

	Half year ended 30 September 2004 (unaudited)	Half year ended 30 September 2003* (unaudited)	Year ended 31 March 2004*
Notes	£m	£m	£m
Net cash inflow from operating activities	(9)	135.0	103.8
Returns on investments and servicing of finance	(22.5)	(9.6)	(41.3)
Taxation	-	-	(0.1)
Capital expenditure and financial investment	(81.0)	(94.9)	(178.6)
Acquisitions	(28.5)	(20.0)	(20.0)
Equity dividends paid	(10.6)	(15.6)	(47.0)
Net cash outflow before use of liquid resources and financing	(7.6)	(36.3)	(71.9)
Management of liquid resources	0.7	5.1	(62.1)
Financing	31.9	72.2	155.7
Increase in cash in period	25.0	41.0	21.7

*Restated (note 3).

Segmental analysis by class of business

for the half year ended 30 September 2004

	Half year ended 30 September 2004 (unaudited) £m	Half year ended 30 September 2003 (unaudited) £m	Year ended 31 March 2004 £m
Turnover			
<i>Continuing operations</i>			
Water and sewerage	157.6	146.0	291.8
Waste management	126.7	90.7	183.1
Other	3.4	3.8	7.3
Less intra-group trading	(5.5)	(5.7)	(10.9)
Group total	282.2	234.8	471.3
Group operating profit			
<i>Continuing operations before exceptional item and goodwill amortisation</i>			
Water and sewerage	65.3	61.1	118.9
Waste management	14.5	11.1	22.7
Other	0.4	(0.5)	(2.8)
Total continuing operations before exceptional item and goodwill amortisation	80.2	71.7	138.8
Group operating profit			
<i>Continuing operations after exceptional item and goodwill amortisation</i>			
Water and sewerage	65.3	61.1	118.9
Waste management	12.7	10.0	20.2
Other	(1.6)	(0.5)	(9.3)
Group total	76.4	70.6	129.8
Profit on ordinary activities before taxation			
<i>Continuing operations after exceptional item and goodwill amortisation</i>			
Water and sewerage	39.6	37.2	70.1
Waste management	8.6	7.5	14.7
Other*	(2.8)	(2.0)	(12.5)
Group total	45.4	42.7	72.3

*includes exceptional item and interest arising on parent company financing of acquisitions.

Continuing operations include acquisitions.

Notes

- The results for the half year ended 30 September 2004 are unaudited as were those for the half year ended 30 September 2003. The same accounting policies have been applied as those set out in the Pennon Group Plc Annual Report and Accounts for the year ended 31 March 2004 except for the policy on the treatment of shares acquired under the Employee Share Ownership Plan (see note 3).
- The financial information for the year ended 31 March 2004 does not constitute full financial statements within the meaning of section 240 of the Companies Act 1985. The full financial statements for that year have been delivered to the Registrar of Companies. The independent auditors' report on those financial statements was unqualified and did not contain a statement under section 237 (2) or (3) of the Companies Act 1985.
- The Group's accounting policy on the treatment of shares acquired under the Employee Share Ownership Plan has been amended following adoption of Urgent Issues Task Force Abstract 17 (revised 2003) 'Employee Share Schemes' (UITF17 revised 2003) and Urgent Issues Task Force Abstract 38 'Accounting for ESOP Trusts' (UITF38).

The policy adopted by the Group for the treatment of shares acquired under the Employee Share Ownership Plan recognises in the profit and loss account the cost of an award on a straight line basis over the period to which the performance criteria relate and is based on an assessment of the expectations of the extent that those performance criteria will be met. To meet the award, shares are held in a discretionary trust. Until such time as the shares vest unconditionally with the employees, the consideration paid for the shares is deducted in arriving at shareholders' funds. Previously, the shares acquired by the trust were recognised on the balance sheet at cost of acquisition less impairment, being the charge to profits over the period to which the employees' performance related. Any gain or loss on transactions in own shares will be reported through the statement of movements in shareholders' funds.

As a result of these changes in accounting policy the comparative figures have been restated as follows:

Group balance sheet

	Fixed asset investments		Profit and loss reserve	
	September	March	September	March
	2003	2004	2003	2004
	£m	£m	£m	£m
Previously reported	2.1	3.6	619.3	608.5
Application of UITF17 (revised 2003)	3.2	3.7	3.2	3.7
Application of UITF38	(4.7)	(4.7)	(4.7)	(4.7)
Restated now reported	0.6	2.6	617.8	607.5

The restatement for September 2003 comprises a prior period adjustment of £1.3 million at 31 March 2003. There has been no change to the charge for the half year.

Notes

3. continued

Group cash flow statement

	Capital expenditure and — financial investment —		— Financing —	
	September	March	September	March
	2003	2004	2003	2004
	£m	£m	£m	£m
Previously reported	(95.5)	(179.2)	72.8	156.3
Application of UITF38	0.6	0.6	(0.6)	(0.6)
Restated now reported	(94.9)	(178.6)	72.2	155.7

4. The exceptional item is £2.0 million (March 2004 £6.5 million) costs incurred relating to the abortive acquisition of the UK landfill and landfill gas operations of Shanks Group Plc where discussions were terminated on 25 May 2004.

5. Tax on profit on ordinary activities comprises:

	September 2004 (unaudited) £m	September 2003 (unaudited) £m	March 2004 £m
United Kingdom corporation tax	4.6	4.2	7.5
Deferred tax	4.5	0.7	3.3
	9.1	4.9	10.8

The tax charge for September 2004 and September 2003 has been derived by applying the anticipated effective annual tax rate to the first half year profit before tax.

6. Dividends

	September 2004 (unaudited) £m	September 2003 (unaudited) £m	March 2004 £m
Interim dividend of 13.8p (September 2003 13.2p) per share	17.7	16.4	16.4
Final dividend of 27.8p per share	—	—	34.7
	17.7	16.4	51.1

The interim dividend of 13.8p per share will be paid on 7 April 2005 to shareholders on the register on 28 January 2005.

7. Earnings per Ordinary share

Basic and diluted earnings per share

The calculation of earnings per share is based on the profit on ordinary activities after taxation divided by the weighted average number of ordinary shares in issue during the half year of 124.7 million (2003 123.3 million).

All share options with an exercise price lower than the average market price of the Company's shares during the half year have been included in the calculation of diluted earnings per share. The weighted average number of shares in issue during the half year, taking account of the dilutive effect of share options, was 125.6 million (2003 123.9 million).

Adjusted basic and diluted earnings per share

Adjusted earnings per share have been calculated to exclude the impact of the exceptional item and deferred tax on the results, as such items can have a distorting effect on earnings from year to year and therefore warrant separate consideration. Adjusted earnings have been calculated as follows:

	30 September 2004 (unaudited) £m	30 September 2003* (unaudited) £m	31 March 2004* £m
Profit on ordinary activities after taxation	36.3	37.8	61.5
Exceptional item	2.0	—	6.5
Deferred tax (note 5)	4.5	0.7	3.3
Adjusted earnings before exceptional item and deferred tax	42.8	38.5	71.3

*Restated (note 3).

Notes

8. Statement of movements in shareholders' funds

	September 2004 (unaudited) £m	September 2003 (unaudited) £m	March 2004 £m
Profit on ordinary activities after taxation	36.3	37.8	61.5
Dividends	(17.7)	(16.4)	(51.1)
	18.6	21.4	10.4
Adjustment for shares issued under the scrip dividend alternative	5.8	–	1.3
Shares issued for cash consideration	0.7	1.8	2.1
Purchase of own shares	–	(0.6)	(0.6)
Adjustment for shares issued in respect of the Annual Incentive Bonus Plan – Deferred shares	0.5	–	–
Adjustment in respect of employee share schemes	0.6	0.4	0.9
Goodwill arising on previously acquired business	–	(2.2)	(3.3)
Shareholders' funds (equity interest):			
Addition for period	26.2	20.8	10.8
At start of period			
As previously reported	900.6	890.1	890.1
Prior year adjustment (note 3)	(1.0)	(1.3)	(1.3)
At start of period (restated)	899.6	888.8	888.8
At end of period	925.8	909.6	899.6

9. Reconciliation of Group operating profit to net cash inflow from operating activities:

	Half year ended 30 September 2004 (unaudited) £m	Half year ended 30 September 2003* (unaudited) £m	Year ended 31 March 2004* £m
Group operating profit	76.4	70.6	129.8
Depreciation charge	47.6	42.1	86.1
Amortisation of intangible fixed assets	1.8	1.1	2.5
Provision for impairment of fixed asset investments	0.6	0.4	0.9
Deferred income released to profits	(0.6)	(0.6)	(1.2)
Decrease in provisions for liabilities and charges	(0.9)	(1.4)	(2.0)
(Increase)/decrease in stocks	(0.4)	0.2	(0.5)
Increase in debtors (amounts falling due within and over one year)	(3.8)	(11.0)	(4.2)
Increase in creditors (amounts falling due within and over one year)	14.6	2.3	5.4
(Profit)/loss on disposal of tangible fixed assets	(0.3)	0.1	(1.7)
Net cash inflow from operating activities	135.0	103.8	215.1

*Restated (note 3).

10. Acquisitions

On 5 April 2004 the entire issued share capital of Thames Waste Management Limited, (now renamed Viridor Waste (Thames) Limited), was purchased by Viridor Waste Management Limited for a cash consideration of £30.7 million, including costs of £0.2 million. Net cash balances acquired were £2.2 million. The acquisition was accounted for using the acquisition method and provisional goodwill arising on the acquisition, amounting to £16.7 million, has been capitalised and will be amortised evenly over the Directors' estimate of useful economic life, which is 20 years.



Notes

11. Analysis of net debt

	At 1 April 2004 £m	Cash flow £m	Non-cash movements £m	At 30 September 2004 (unaudited) £m
Cash at bank and in hand	14.0	(1.2)	–	12.8
Current asset investments:				
Overnight deposits	13.5	29.2	–	42.7
Bank overdrafts	(7.0)	(3.0)	–	(10.0)
	20.5	25.0	–	45.5
Debt due within one year (other than bank overdrafts)	(79.7)	16.6	(7.6)	(70.7)
Debt due after more than one year	(491.5)	(25.0)	7.6	(508.9)
Finance lease obligations	(763.6)	(22.8)	(9.3)	(795.7)
	(1,334.8)	(31.2)	(9.3)	(1,375.3)
Current asset investments: Other than overnight deposits	240.2	(0.7)	1.3	240.8
	(1,074.1)	(6.9)	(8.0)	(1,089.0)

Non-cash movements include transfers between categories of debt for changing maturities, increased accrued finance charges within finance lease obligations and increased accrued interest on cash deposits to secure rental obligations.


Pennon Group Plc

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