

KeldaGroup



**KELDA GROUP PLC** | INTERIM REPORT 2001

## Highlights

- Group turnover from continuing operations up 4.6%
- Group profit before taxation £91.4m up 12.8%
- Earnings per share up 11.6% to 19.2p
- Yorkshire Water improving efficiency and service standards
- US land sale agreement signed
- Interim dividend 7.7p

## Chairman's statement

Your company has produced a very satisfactory set of half year results. These include continued progress in reducing overhead costs and improving efficiencies, service and quality standards in all operations. The highlights include organic and acquisition growth in the US and our Aquarion land sale to the state of Connecticut for \$90m. The one relative disappointment was the slower than expected progress in disposing of our final non core activity, renewable energy, namely First Renewables which we now expect to complete by the financial year end.

The headline growth in group profit before taxation of 12.8% benefited from the non recurring strategic review costs of last year and an increase in operating profit contribution from Waste Recycling Group (WRG). The underlying operating profit growth from continuing operations was approximately 9%, driven, in the main, by continuing improvements in efficiency from our UK and US water operations and lower corporate overhead costs. An interim dividend of 7.7p will be paid.

The performance of Yorkshire Water was very satisfying. Apart from achieving the required level of efficiency it delivered major improvements in service and quality, achieving best ever reported levels of drinking water compliance. In addition, substantial improvements were made in reducing river pollution and in sea water bathing quality with the delivery of the CoastCare investment programme.

Growth in the US was accelerated, as planned, with the conditional agreement to acquire four New England water supply companies which have an excellent geographic, product and service fit with our existing Aquarion operations. Good progress is being made with the necessary regulatory consents which should be completed in mid 2002. The deal is expected to be earnings enhancing and will grow our scale by approximately 50% in the US market. It will be funded from Kelda's existing cash resources and debt facilities. The proposed sale of surplus catchment land to the state of Connecticut has received state funding approval and the required regulatory processes are due to be completed early in the new year.

On American matters, this is the first public opportunity the company has had to express our deepest sympathies and support for US citizens generally and the communities we serve close to New York who have been affected by the infamous act of terrorism of September 11th. Aquarion has donated support and provided essential water supplies as part of our efforts to make a tangible contribution to assisting the New York authorities.

We continue to encourage the expansion and growth of WRG which is an active participant in the progressive rationalisation of the household waste industry. WRG recently concluded the acquisition of Hanson's waste interests and has significantly strengthened its commercial and operational management with the appointment of a new chief executive, a commercial director and a finance director.

## Chairman's statement

The other smaller group support operations, Loop Customer Management and KeyLand Developments continued to progress satisfactorily, although KeyLand had a smaller net contribution due to planning delays in two major development projects.

The financial strength of the company has increased with the improvement in profit and reduction in debt due to the programme of disposals. An opportunity was taken to support the required investment programme of Yorkshire Water with a recent bond issue which raised a further £90m.

The results incorporate technical adjustments relating to the adoption of the new accounting standard on deferred tax. These include reducing the group reserves as at 31 March 2001 by £138m. It is important to note that the adoption of the new standard will have no effect on the group's cash or borrowing position and, in an industry which will continue to invest in improvements to assets and infrastructure and hence attract tax allowances, has resulted in a provision being established which will probably never be paid.

The company continues to debate with government and regulator the need for a strategic view of the industry and their plans for the role of equity. The success of Glas Cymru shows the benefits to customers of the type of restructuring Kelda tried to introduce last year. Acceptance of the logic behind this type of restructuring is needed if the government fails to give better prospects for growth in shareholders' funds. This is required to encourage equity and capital markets to provide the industry's long term investment funding on which all future quality improvements depend.

In the short run changes in the risk perception of bond and capital markets will encourage the leverage of balance sheets as evidenced by the Southern Water and AWG proposals. It is difficult to generalise about the water industry from these examples as each has separate strategic aims and a different financial basis. Such schemes will allow limited monetisation of equity value but, we consider, do not provide a long term solution to the equity question. We will be carefully observing investors' attitudes towards a highly leveraged business that has a need for continuing high levels of capital investment indefinitely into the future.

Therefore, at this time we continue to keep all options under review as well as developing further initiatives of our own. I can report there has been an increase in the understanding of the linkage between the equity and debt markets and improvement in the dialogue with government and regulator. The extent to which this will result in a measurable change is at this time difficult to predict. The willingness of government to listen, however, is encouraging for the longer term prospects of the industry.

I have already made mention of our sympathy and support for our colleagues in the US. They are very much determined to make it business as usual and look forward to the completion of the regulatory approval process of our US acquisition. In conclusion I would like to thank all employees for their contributions in delivering the benefits of increased focus on water and waste water operations and to thank executive and board colleagues for their contribution and support.



**John Napier**  
Executive Chairman

## Review of the business

### Group financial performance

The group's turnover on continuing operations increased by 4.6% during the period to £329.8m (2000: £315.3m). The group's share of associates turnover increased to £64.5m (2000: £47.1m), including Waste Recycling Group plc (WRG) which contributed £59.4m (2000: £40.0m) following WRG's Hanson acquisition in February 2001. Total group turnover, including share of associates, was £394.3m (2000: £396.3m).

Group operating profit from continuing operations increased by 9.0% to £132.5m (2000: £121.6m). Strategy review costs of £4.9m in the prior year were not repeated and corporate overheads fell by a third as a result of that review. The group's share of associates' operating profit increased to £9.1m (2000: £8.5m) including the contribution from WRG which increased by 24.7% to £9.1m (2000: £7.3m).

The group's interest charge (excluding share of associates) has reduced because of lower net debt following receipt of the business sale proceeds and lower interest rates. Group profit before taxation for the interim period increased 12.8% to £91.4m (2000: £81.0m).

### Taxation

Following the introduction and adoption by the group of Financial Reporting Standard (FRS) 19 'Deferred Tax', provision for deferred tax has been made on a discounted basis. Deferred tax is the tax attributable to the timing differences which arise from the inclusion of items of income and expenditure in one period for tax purposes (based on tax legislation) and another for accounting.

For the group, tax relief normally exceeds the charge against profit for depreciation because of the size of the UK water services business capital expenditure programme. The interim results include a deferred tax charge representing the change in the provision and the prior year figures have been restated accordingly.

The adoption of FRS 19 has no impact on the amount of tax paid or the group's cash flows because the timing differences are not expected to reverse in the foreseeable future.

The tax charge on profit for the interim period has been calculated by applying the forecast effective tax rate, including deferred tax, for the full year. The charge against profit for the period of £17.7m (2000: £15.0m) represents an overall effective tax rate of 19.4% (2000: 18.5%). This is still well below the normal 30% corporation tax rate, principally because of the discounting of deferred tax.

Earnings per share, stated after deferred tax, increased 11.6% to 19.2p (2000: 17.2p).

### Interim dividend

An interim dividend of 7.7p per share (2000: 7.5p) will be paid on 1 March 2002 to shareholders on the register on 25 January 2002. The full cost of the dividend will be met by Yorkshire Water.

## Review of the business

### **Yorkshire Water**

Turnover in Yorkshire Water increased by 3.4% to £282.5m (2000: £273.3m) which reflects the allowed overall increase in tariffs. Revenue growth was offset by a small decline in consumption by industrial and commercial customers and the effect of domestic metering. Operating profit increased by 5.6% to £119.3m (2000: £113.0m).

The company continues to improve its quality, service and efficiency and is well placed to achieve the cost reductions required by the last price determination. It has reduced regulated operating costs by a further 1% in real terms from the equivalent period last year. This is in addition to the 2% real reduction achieved in the prior period, despite the further costs incurred as a result of the substantial capital investment programme.

The last six months have seen continued advances in Yorkshire Water's operating, environmental and customer service performance. On all key measures, the company is now reporting best ever levels of performance. This was highlighted by strong endorsement from the company's regulators and these substantial improvements are now being recognised by customers and other stakeholders.

Best ever levels of drinking water compliance were recognised in the annual report of the Drinking Water Inspectorate (DWI), published in June. This showed 99.9% of samples complied fully with DWI regulations, a performance which reflects the investment of over £730m in drinking water improvements since privatisation.

Dramatic improvement in the quality of some of the region's most heavily polluted rivers, such as the Aire in West Yorkshire and Don in South Yorkshire, are highlighted in the Environment Agency's State of the Environment report as being a direct consequence of Yorkshire Water's investment programme. Further improvements will derive from the current investment programme. In this, Yorkshire Water will decommission, upgrade or screen more than 1,000 sewer overflows by the end of the year 2005 - almost one a day for the next three years.

Ofwat's recently published Levels of Service report for 2000-2001 reveals that only one other water and sewerage company performed better than Yorkshire Water. Of the ten major water and sewerage companies, Yorkshire Water now has the lowest number of customers suffering from poor water pressure. 96.9% of the company's 1.7 million customer calls were answered within 30 seconds - its best ever performance. All 1.5 million customer billing enquiries were responded to within five working days.

Following the company's £120m CoastCare investment programme in coastal waste water treatment, the region's bathing beaches have had their best water quality performance since records began, a fact recognised by pressure groups such as Surfers against Sewage and Sons of Neptune.

Yorkshire Water is delighted to report that the current investment programme is on target to deliver further customer and environmental benefits across the region.

Given the company's position as the most efficient deliverer of capital schemes in the industry, it is well placed not only to meet the regulatory targets but also to deliver further financial efficiencies in this area.

### **Aquarion**

Turnover has increased by 10.4% to £42.5m (2000: £38.5m) and operating profit by 8.3% to £17.0m (2000: £15.7m). Favourable exchange rate movements account for about 5% of this improvement.

In August, Aquarion Company entered into legal agreements to acquire four New England water supply businesses from American Water Works Company Inc. The four businesses supply water in the states of Connecticut, Massachusetts, New Hampshire and New York, close to Aquarion's existing operations. The acquisition will increase Aquarion's business by approximately 50% and is consistent with Kelda's strategy for growth in the US market. The consideration will be two times the book value of the net assets of the acquired companies at the time of closing, which is anticipated to be about \$118m in cash, plus the assumption of \$115m of debt. It will be funded from Kelda's existing cash resources and debt facilities. The transaction is conditional upon various US regulatory approvals, which are proceeding satisfactorily.

The \$90m land sale agreement with the state of Connecticut and the international conservation organisation, The Nature Conservancy, was signed in November and has been submitted for regulatory approval. When completed, it will be the largest land deal for open space preservation in Connecticut history.

### **Other businesses**

An outbound calling service for the National Blood Service was recently integrated into Loop, Kelda's customer management business. Loop is now one of Yorkshire's largest handlers of telephone calls, dealing with more than 4.5 million inbound and outbound calls a year.

KeyLand Developments has had a quiet first half year. Turnover and operating profit were both down on the comparable period in 2000 as planning delays have affected two significant contracts. Substantial progress, however has been made in developing a number of surplus Yorkshire Water properties through joint ventures.

Discussions are continuing with a number of potential purchasers of First Renewables which has interests in a number of energy development projects, including the innovative ARBRE biomass power plant. Progress continues to be made towards commissioning the plant which is now expected to become fully operational in 2002.

### **Waste Recycling Group**

The group's share of the results of WRG has been derived from their previously published interim results for the six month period ended 30 June 2001. The trading performance of the business was good and showed the benefits of the recent acquisitions and new waste management contracts.

## Group profit and loss account

Year ended 31 March 2001 Restated £m		Note	Six months ended	
			30 September 2001 £m	30 September 2000 Restated £m
774.6 (93.4)	<b>Turnover: group and share of associates</b> Share of associates' turnover	2	<b>394.3</b> <b>(64.5)</b>	396.3 (47.1)
681.2	<b>Group turnover</b>		<b>329.8</b>	349.2
632.4	Continuing operations		<b>329.8</b>	315.3
48.8	Discontinued operations		-	33.9
228.0	<b>Group operating profit</b>		<b>132.5</b>	121.9
225.1	Continuing operations		<b>132.5</b>	121.6
2.9	Discontinued operations		-	0.3
10.9	Share of associates' operating profit		<b>9.1</b>	8.5
238.9	<b>Operating profit: group and share of associates</b>	2	<b>141.6</b>	130.4
15.9	Net exceptional profit on disposal of operations	3	-	-
254.8	<b>Profit on ordinary activities before interest</b>		<b>141.6</b>	130.4
0.4	Income from investments		-	0.2
(95.2) (3.6)	Net interest payable - group - associates		<b>(46.1)</b> <b>(4.1)</b>	(47.7) (1.9)
156.4	<b>Profit on ordinary activities before taxation</b>		<b>91.4</b>	81.0
(23.6)	Taxation on profit on ordinary activities - current taxation	5	<b>(11.5)</b>	(8.8)
(12.0)	- deferred tax	6	<b>(6.2)</b>	(6.2)
120.8	<b>Profit on ordinary activities after taxation</b>		<b>73.7</b>	66.0
1.0	Equity minority interests		<b>0.4</b>	0.1
121.8 (95.4)	<b>Profit attributable to shareholders</b> Dividends		<b>74.1</b> <b>(29.7)</b>	66.1 (28.8)
26.4	<b>Retained profit for the period</b>		<b>44.4</b>	37.3
31.7p	Basic earnings per share	7	<b>19.2p</b>	17.2p
31.6p	Adjusted earnings per share	7	<b>19.2p</b>	17.2p
31.6p	Diluted earnings per share	7	<b>19.2p</b>	17.2p
24.8p	Dividends per share		<b>7.7p</b>	7.5p

## Group balance sheet

At 31 March 2001 Restated £m		At 30 September 2001 £m	At 30 September 2000 Restated £m
	<b>Fixed assets</b>		
186.0	Intangible assets	<b>185.4</b>	203.5
3,192.5	Tangible assets	<b>3,223.9</b>	3,156.8
112.7	Investments in associated undertakings	<b>114.8</b>	126.9
26.4	Other investments	<b>25.8</b>	29.0
3,517.6		<b>3,549.9</b>	3,516.2
	<b>Current assets</b>		
4.4	Stocks	<b>3.5</b>	7.7
194.7	Debtors	<b>180.8</b>	190.9
146.5	Cash and short term deposits	<b>189.8</b>	152.3
345.6		<b>374.1</b>	350.9
(347.9)	<b>Creditors: amounts falling due within one year</b>	<b>(373.1)</b>	(386.2)
(2.3)	<b>Net current assets (liabilities)</b>	<b>1.0</b>	(35.3)
3,515.3	<b>Total assets less current liabilities</b>	<b>3,550.9</b>	3,480.9
(1,736.4)	<b>Creditors: amounts falling due after more than one year</b>	<b>(1,724.0)</b>	(1,727.3)
	<b>Provisions for liabilities and charges</b>		
(138.1)	- deferred tax	<b>(143.8)</b>	(131.8)
(2.4)	- other	<b>(1.5)</b>	-
1,638.4	<b>Net assets</b>	<b>1,681.6</b>	1,621.8
1,638.9	<b>Equity shareholders' funds</b>	<b>1,682.2</b>	1,621.6
(0.5)	Equity minority interests	<b>(0.6)</b>	0.2
1,638.4	<b>Capital employed</b>	<b>1,681.6</b>	1,621.8

## Statement of group total recognised gains and losses

Year ended 31 March 2001 Restated £m		Six months ended	
		30 September 2001 £m	30 September 2000 Restated £m
121.8	Profit attributable to shareholders	<b>74.1</b>	66.1
14.6	Exchange adjustments (net of tax)	<b>(2.3)</b>	9.8
136.4	<b>Total recognised gains and losses relating to the period</b>	<b>71.8</b>	75.9
-	Prior year adjustment in respect of the adoption of FRS19	<b>(138.1)</b>	-
136.4	<b>Total recognised gains and losses since last annual report</b>	<b>(66.3)</b>	75.9

## Group cash flow statement

Year ended 31 March 2001 £m		Note	Six months ended	
			30 September 2001 £m	30 September 2000 £m
369.9	<b>Net cash inflow from operating activities</b>	8	<b>216.1</b>	221.9
5.2	<b>Dividends received from associated undertakings</b>		<b>0.8</b>	0.9
(81.3)	<b>Returns on investments and servicing of finance</b>		<b>(47.1)</b>	(40.2)
(7.3)	<b>Taxation</b>		<b>(13.7)</b>	(5.7)
(269.4)	<b>Capital expenditure and financial investment</b>		<b>(111.0)</b>	(152.2)
101.5	<b>Acquisitions and disposals</b>		<b>(0.6)</b>	(4.1)
(93.6)	<b>Equity dividends paid</b>		-	-
(134.7)	<b>Management of liquid resources</b>		<b>24.4</b>	(135.5)
110.5	<b>Financing</b>		<b>(1.3)</b>	120.3
0.8	<b>Increase in cash in the period</b>		<b>67.6</b>	5.4

## Analysis of movement in net debt

Year ended 31 March 2001 £m		Six months ended	
		30 September 2001 £m	30 September 2000 £m
0.8	Increase in cash in the period	<b>67.6</b>	5.4
22.0	(Increase) decrease in short term debt	<b>(3.1)</b>	19.3
(129.4)	Decrease (increase) in long term debt	<b>4.8</b>	(137.7)
134.7	(Decrease) increase in liquid resources	<b>(24.4)</b>	135.5
(0.2)	Short term debt acquired with subsidiary undertaking	-	-
-	Long term debt acquired with subsidiary undertaking	-	(0.2)
(10.2)	Currency translation differences	<b>3.0</b>	(6.6)
17.7	<b>Movement in net debt in the period</b>	<b>47.9</b>	15.7
(1,412.8)	Net debt at the beginning of the period	<b>(1,395.1)</b>	(1,412.8)
(1,395.1)	<b>Net debt at the end of the period</b>	<b>(1,347.2)</b>	(1,397.1)

## Notes to the accounts

The figures for the year ended 31 March 2001 have been extracted from the statutory accounts which have been filed with the Registrar of Companies and which contained an unqualified audit report and did not include a statement under section 237 (2) or (3) of the Companies Act 1985.

The Interim Statement was approved by the board of directors on 5 December 2001.

### 1 Basis of preparation

The interim results have been prepared using the accounting policies disclosed in the Annual Report and Accounts 2001 with the following modification. In accordance with FRS 19 'Deferred Tax', issued by the Accounting Standards Board in December 2000, provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation. As permitted by the FRS the policy of discounting deferred tax assets and liabilities has been adopted. The changes in the balance sheet to establish the provision for deferred tax and in the profit and loss account for the deferred tax charge have been accounted for as a prior year adjustment and comparative figures have been restated accordingly. FRS 18 'Accounting Policies' has been adopted in the current period. It has had no effect on the published figures.

### 2 Segmental analysis of turnover and operating profit

	Turnover Six months ended		Operating profit Six months ended	
	30 September 2001 £m	30 September 2000 £m	30 September 2001 £m	30 September 2000 £m
Water services				
- UK regulated	<b>282.5</b>	273.3	<b>119.3</b>	113.0
- US operations	<b>42.5</b>	38.5	<b>17.0</b>	15.7
Waste Recycling Group (associated undertaking)	<b>59.4</b>	40.0	<b>9.1</b>	7.3
Other activities	<b>9.9</b>	8.6	<b>(1.4)</b>	1.9
	<b>394.3</b>	360.4	<b>144.0</b>	137.9
Discontinued operations	-	35.9	-	1.1
	<b>394.3</b>	396.3	<b>144.0</b>	139.0
Corporate and business development costs			<b>(2.4)</b>	(3.7)
Strategy review costs			-	(4.9)
	<b>394.3</b>	396.3	<b>141.6</b>	130.4
Group	<b>329.8</b>	349.2	<b>132.5</b>	121.9
Associated undertakings	<b>64.5</b>	47.1	<b>9.1</b>	8.5
	<b>394.3</b>	396.3	<b>141.6</b>	130.4

### 3 Non operating exceptional items

The profit of £15.9m in the year ended 31 March 2001 arose from the disposal of the group's interests in Alcontrol, White Rose Environmental and the property associates White Rose (Leeds) Limited and White Rose Development Enterprises Limited.

## Notes to the accounts

### 4 Foreign currencies

The results of the group's overseas subsidiaries have been translated using average exchange rates ruling during the period. The results of Aquarion have been translated using an average exchange rate of \$1.43 to the pound (2000: \$1.50).

### 5 Current taxation

	Six months ended	
	30 September 2001 £m	30 September 2000 £m
Group	8.7	5.9
Associated undertakings	2.8	2.9
	<b>11.5</b>	<b>8.8</b>

The group taxation charge comprises both mainstream corporation tax and overseas tax calculated at the estimated effective tax rates for the year.

### 6 Deferred tax

Deferred tax has been provided in accordance with the requirements of FRS 19 as follows:

Year ended 31 March 2001 Restated £m	Six months ended	
	30 September 2001 £m	30 September 2000 Restated £m
12.0	Deferred tax charge	6.2
		6.2

The effect of the adoption of FRS 19 on the group's previously reported earnings per share, retained profit for the period and capital employed is as follows:

Year ended 31 March 2001		Six months ended 30 September 2000	
	<b>p</b>		<b>p</b>
34.8	As previously reported		18.8
(3.1)	Effect of implementing new accounting policy		(1.6)
31.7	<b>As restated</b>		<b>17.2</b>
	<b>£m</b>		<b>£m</b>
38.4	As previously reported		43.5
(12.0)	Effect of implementing new accounting policy		(6.2)
26.4	<b>As restated</b>		<b>37.3</b>
	<b>£m</b>		<b>£m</b>
1,776.5	As previously reported		1,753.6
(138.1)	Effect of implementing new accounting policy		(131.8)
1,638.4	<b>As restated</b>		<b>1,621.8</b>

## 7 Earnings per share

The weighted average number of shares used in the calculation of basic earnings per share (EPS) is 385,171,938 (2000: 384,214,624) and of diluted EPS is 386,113,733 (2000: 384,579,776).

Diluted EPS adjusts basic EPS for the potential effect of the exercise (at their option price) of all dilutive outstanding share options under the group's sharesave schemes.

Adjusted EPS is considered by the directors to give a better and more consistent indication of the group's underlying performance, and is adjusted for exceptional costs and exceptional items (net of tax).

## 8 Reconciliation of operating profit to net cash inflow from operating activities

	Six months ended	
	30 September 2001 £m	30 September 2000 £m
Group operating profit	132.5	121.9
Depreciation	68.3	68.6
Amortisation of goodwill	0.6	1.0
Release of grants and contributions	(1.6)	(1.6)
Profit on sale of fixed assets and other adjustments	3.0	(0.4)
Decrease (increase) in stocks	0.9	(1.8)
Increase in debtors	(9.2)	(1.1)
Increase in creditors	21.6	35.3
<b>Net cash inflow from operating activities</b>	<b>216.1</b>	<b>221.9</b>

## **Independent review report to Kelda Group plc**

### **Introduction**

We have been instructed by the company to review the financial information for the six months ended 30 September 2001 which comprises the Profit and Loss Account, Balance Sheet, Cash Flow Statement, Statement of Total Recognised Gains and Losses and the related notes 1 to 8. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

### **Directors' responsibilities**

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

### **Review work performed**

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

### **Review conclusion**

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 September 2001.

### **Ernst & Young LLP**

Leeds  
5 December 2001

## Shareholder information

### Financial calendar

23 January 2002	Ex dividend date
25 January 2002	Record date
1 March 2002	Interim dividend paid
30 May 2002	Preliminary announcement of annual results
25 July 2002	Annual general meeting
28 August 2002	Ex dividend date
30 August 2002	Record date
1 October 2002	Final dividend paid

### Payment of dividends to mandated accounts

Shareholders who do not currently have their dividends paid directly to a bank or building society account and who wish to do so should complete a mandate form obtainable from the registrar. Tax vouchers are sent to the shareholder's registered address under this arrangement unless requested otherwise.

### Share price information

The latest Kelda Group plc share price is available at [www.keldagroup.com](http://www.keldagroup.com), Ceefax, Teletext and also on the FT Cityline, telephone 0906 003 5492 (calls charged at 60p per minute).

### Information on gifting your shares

To transfer your shares to another member of your family as a gift, please ask the company's registrar for a gift transfer form. The completed transfer form and relevant share certificate(s) should be returned to the registrar to record the change in ownership.

The company supports a scheme whereby shareholders with small holdings of shares, whose value makes them uneconomic to sell, can donate them to Wateraid. Details can be obtained from the shareholder information office. Further information about Wateraid is available at [www.wateraid.org.uk](http://www.wateraid.org.uk)

### Secretary and registered office

Philip Hudson  
Kelda Group plc  
Western House  
Halifax Road  
Bradford BD6 2SZ  
Tel: 01274 600 111

### Registrar

Northern Registrars Limited  
Northern House  
Woodsome Park  
Fenay Bridge  
Huddersfield HD8 0LA  
Tel: 01484 600 900  
[www.northernregistrars.co.uk](http://www.northernregistrars.co.uk)

### Shareholder information office

Freephone: 0800 919 303

### Website addresses

[www.keldagroup.com](http://www.keldagroup.com)  
[www.yorkshirewater.com](http://www.yorkshirewater.com)  
[www.aquarion.com](http://www.aquarion.com)

### Water supply and general enquiries

Customer helpline: 0845 1 24 24 24

**KELDA GROUP PLC** | WESTERN HOUSE, HALIFAX ROAD, BRADFORD BD6 2SZ [www.keldagroup.com](http://www.keldagroup.com)

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Printed on 100% Elemental Chlorine Free (ECF) wood pulp.  
Only from replanted sources.  
Totally recyclable and biodegradable.