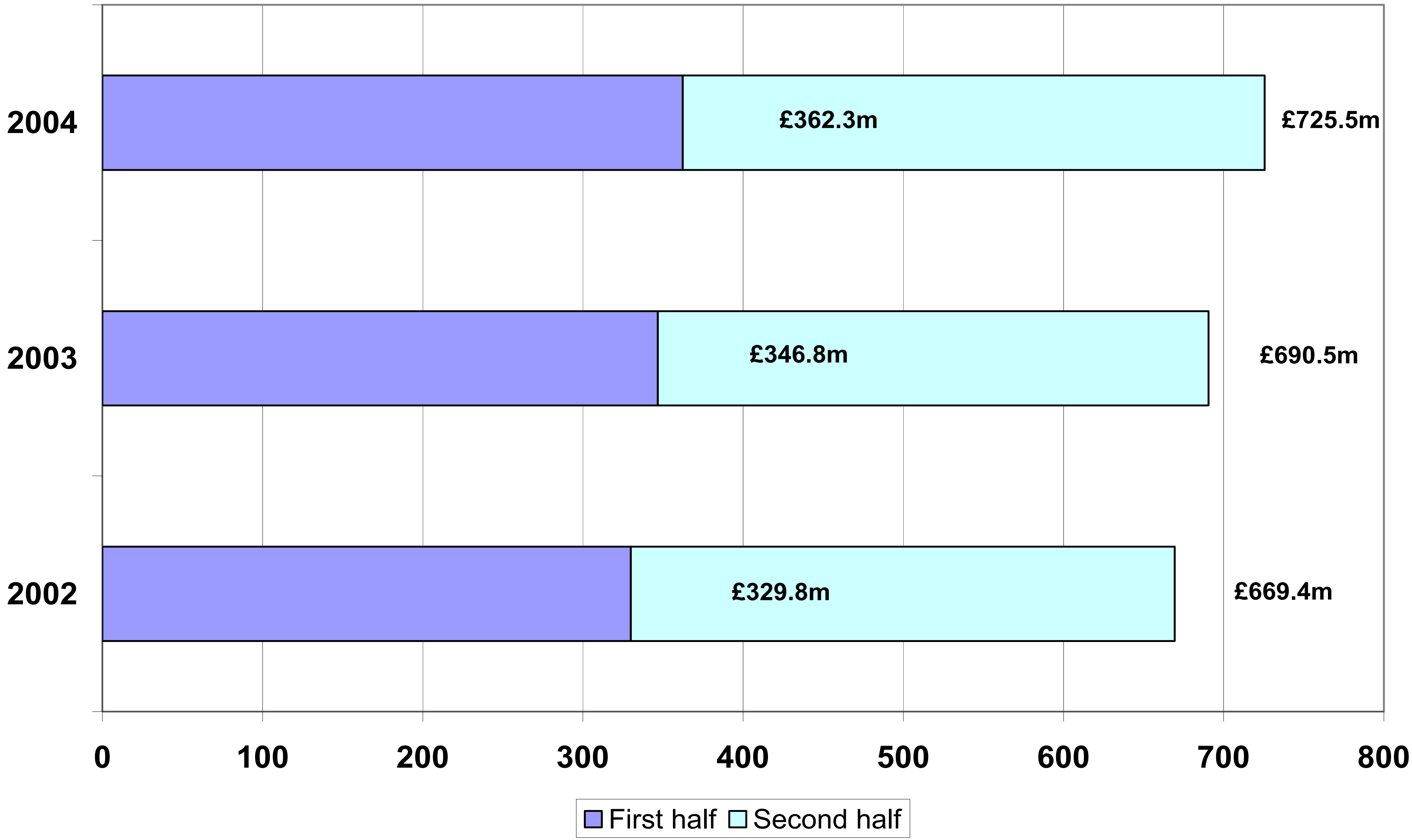
KeldaGroup

Appendices

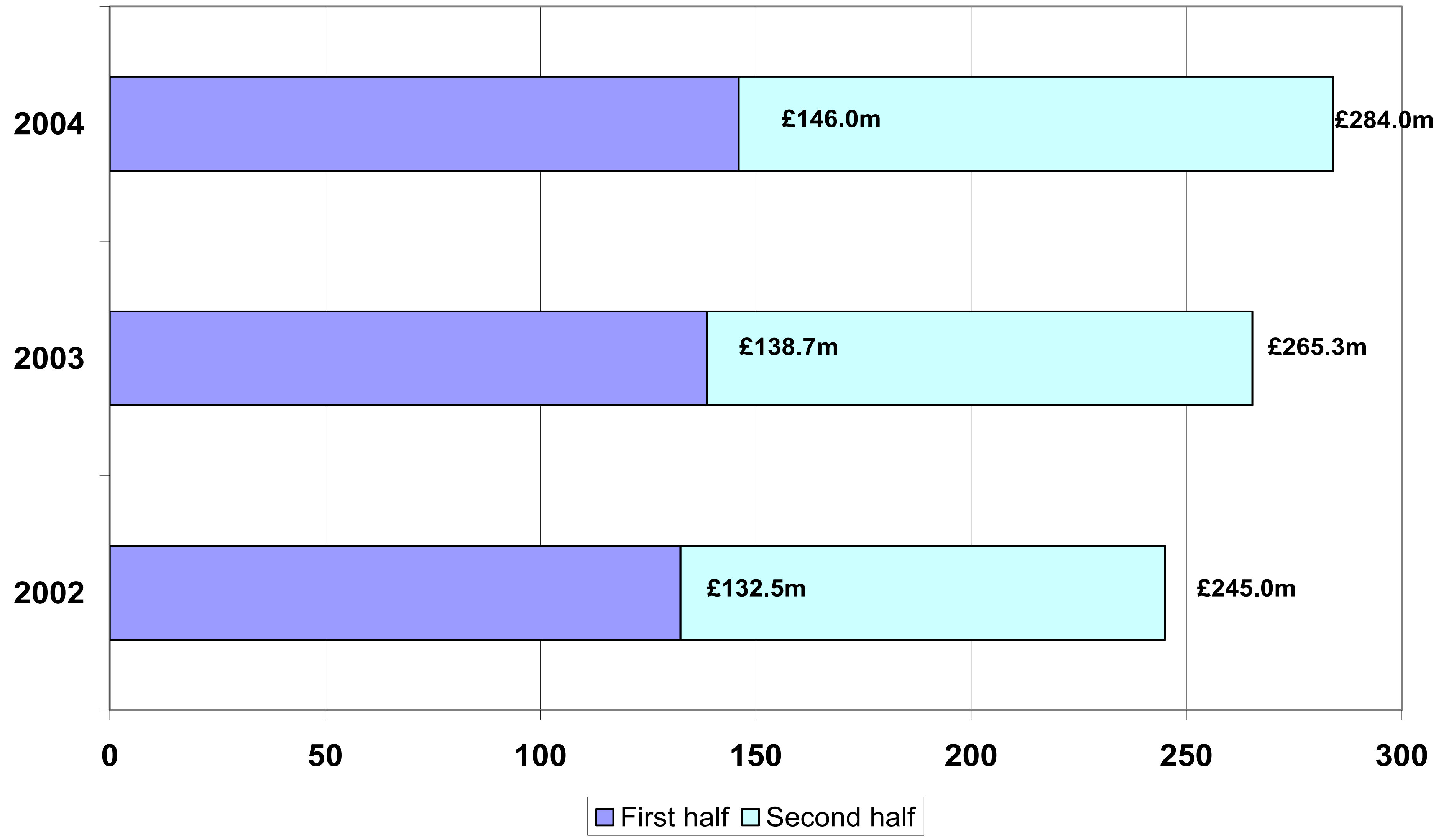
May 2004

Kelda Group plc
Group Turnover – 3 Year Trend

KeldaGroup



Kelda Group plc
Group Operating Profit – 3 Year Trend



Kelda Group plc
Earnings Per Share

	2004			2003		
	Earnings	Weighted ave no of shares	Earnings per share	Earnings	Weighted ave no of shares	Earnings per share
	£m	m	p	£m	m	p
Basic EPS	180.6	383.1	47.1	126.1	385.8	32.7
Less/Add back:						
Exceptional items	(14.6)		(3.8)	7.4		1.9
Adjusted EPS	166.0	383.1	43.3	133.5	385.8	34.6
Add back:						
Deferred tax	10.9		2.9	29.9		7.8
Adjusted EPS (excluding deferred tax)	176.9	383.1	46.2	163.4	385.8	42.4

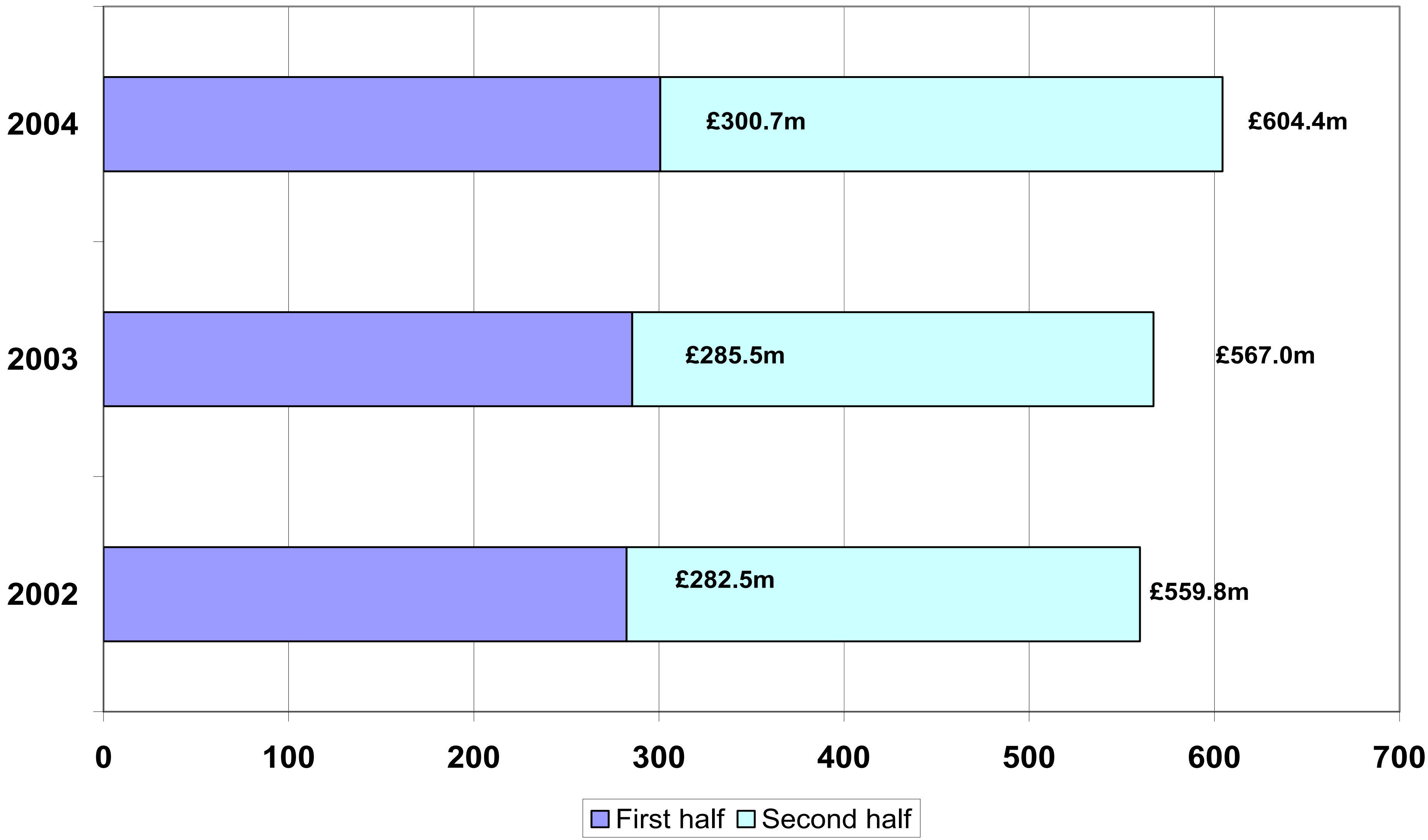
Kelda Group plc
Movement in Headline Profit

		£m	£m
2003 Profit before taxation			164.3
Movement in operating profit			
-	Continuing operations	16.9	
-	Discontinued activities	1.8	
Associates and joint ventures			
-	Operating results	(0.1)	
-	Reduction in WRG due to sale	(8.0)	
Interest			
-	Group	2.4	
-	Associates and joint ventures	3.4	
Exceptional items			
-	2003	10.9	
-	2004	14.6	
2004 Profit before taxation			206.2

Kelda Group plc
Capital Expenditure

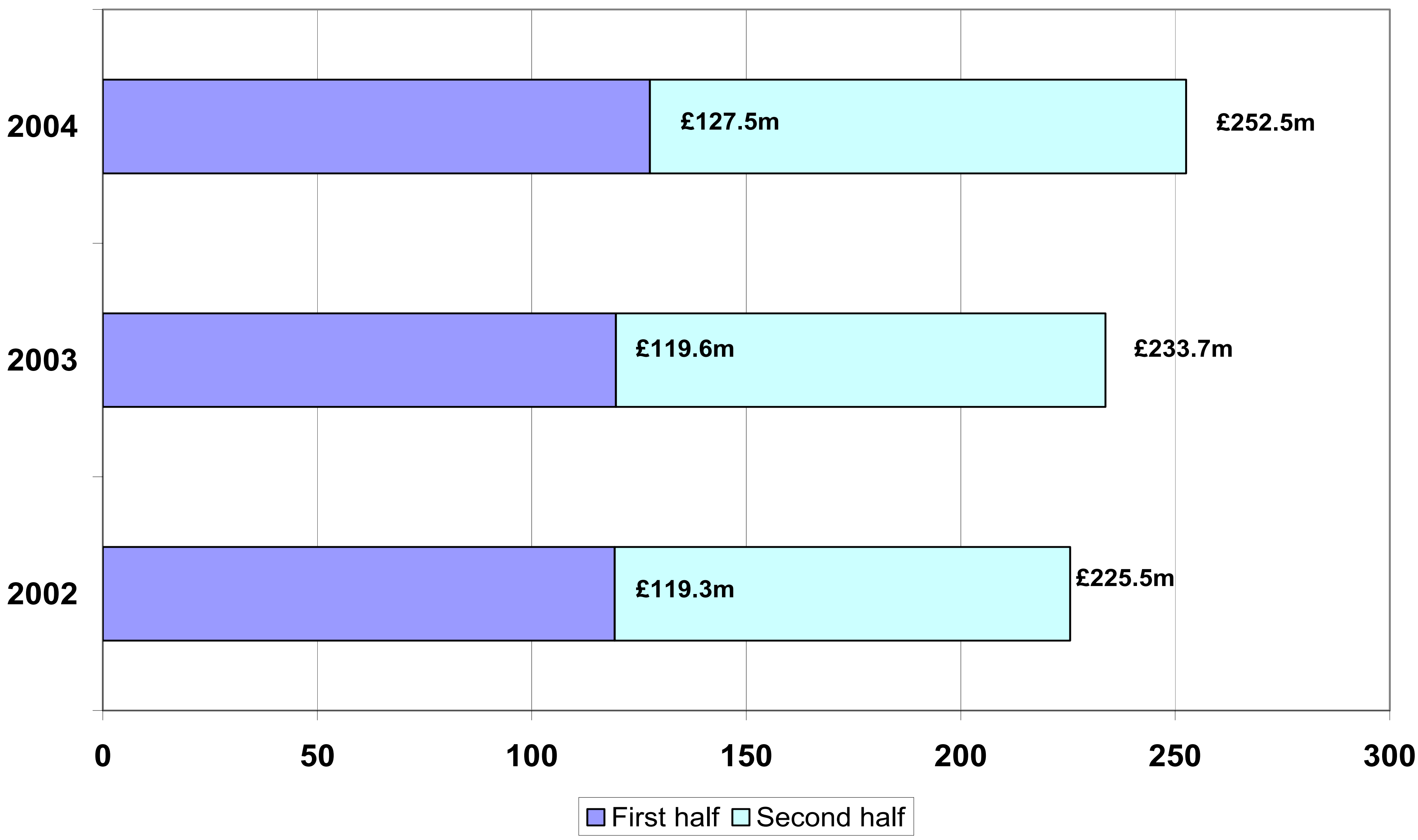
	2004	**2003**	**2002**
Yorkshire Water	**302.3**	319.5	324.8
Aquarion	**33.1**	19.9	17.2

Yorkshire Water
Turnover – 3 Year Trend



Yorkshire Water
Operating Profit – 3 Year Trend

KeldaGroup



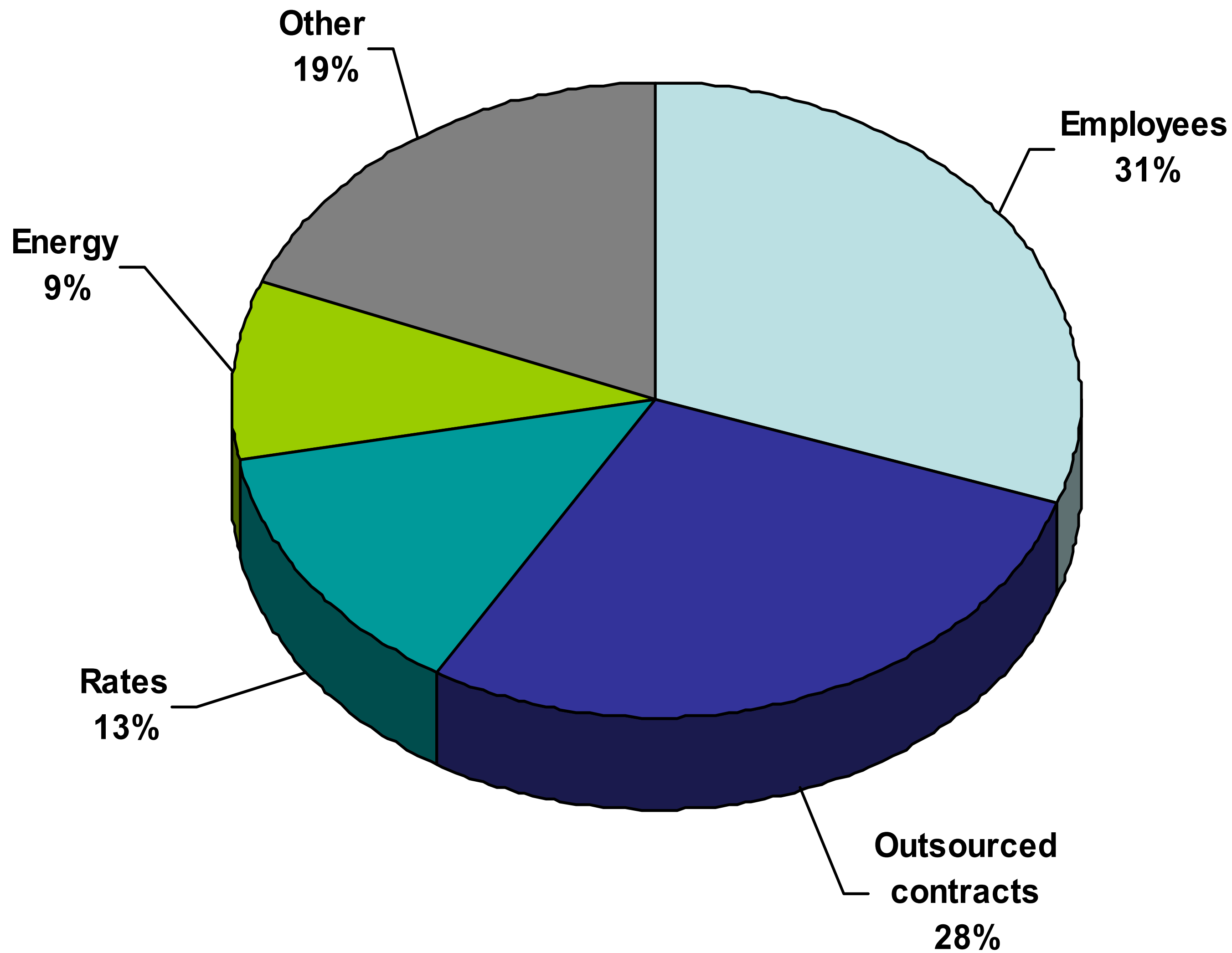
Yorkshire Water Turnover*

KeldaGroup

	£m	Increase/ (Decrease)
Year ended 31 March 2003	567.0	
Tariff increase	34.8	6.1%
New customers/increased consumption	3.3	0.6%
Meter options	(3.1)	(0.5%)
Other	2.4	0.4%
Year ended 31 March 2004	604.4	6.6%

* Regulated business

Yorkshire Water
Operating Costs (Regulated)



Yorkshire Water
Capital Expenditure

KeldaGroup

	2004	2003	2002
Capital expenditure	**246.4**	263.3	270.3
Infrastructure renewals	**55.9**	56.2	54.5
Total	**302.3**	319.5	324.8

*Capex for 2002 includes £0.1m for non regulated activities

Yorkshire Water
Regulated Asset Value

KeldaGroup

Year End (31 March)	2001 £m	2002 £m	2003 £m	2004 £m	2005 £m
At 2002/03 prices (1)	2,725	2,795	2,958	3,066	3,181
At 2003/04 Prices (2)	2,796	2,868	3,035	3,146	3,264
Actual/Forecast outturn prices (3)	2,608	2,711	2,958	3,146	3,346
Growth (at outturn prices)	-	3.9%	9.1%	6.4%	6.4%

(1) Source : Ofwat
(2) Source : Ofwat, inflated by appropriate RPI as at March 2004
(3) Source : Kelda, based on forecast RPI's to March 2005

Yorkshire Water
Efficiency Comparison

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Efficiency Comparison 2002/03

Opex Cost Efficiency	E	D	C	B	A
A			YW Wessex	Severn Trent, Thames, Wessex	YW
B			Northumbrian, United Utilities, Southern	Anglian, Severn Trent, South West	
C			Dwr Cymru, Southern	South West, Northumbrian, United Utilities	Anglian, Dwr Cymru
D				Thames	
E					

Capex Maintenance Efficiency

Water

Sewerage

Yorkshire Water Final Business Plan
Other Key Assumptions

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Trade effluent decline	5.89% p.a.
Meter options	24,000 p.a.
Additional base operating costs	
- Pensions	£5.4m p.a.
- Energy	£4m p.a. net of RPI
- Bad debts	£6m over 5 years
- Rates	£22m over 5 years

Yorkshire Water Final Business Plan Capital Expenditure

KeldaGroup

	Water £m	Sewerage £m	Total £m
Capital maintenance	379	358	737
Quality	271	587	858
Enhanced service levels	0	28	28
Supply/demand	25	37	62
Total	**676**	**1009**	**1685**

Yorkshire Water Final Business Plan Capital Expenditure by Quality Driver

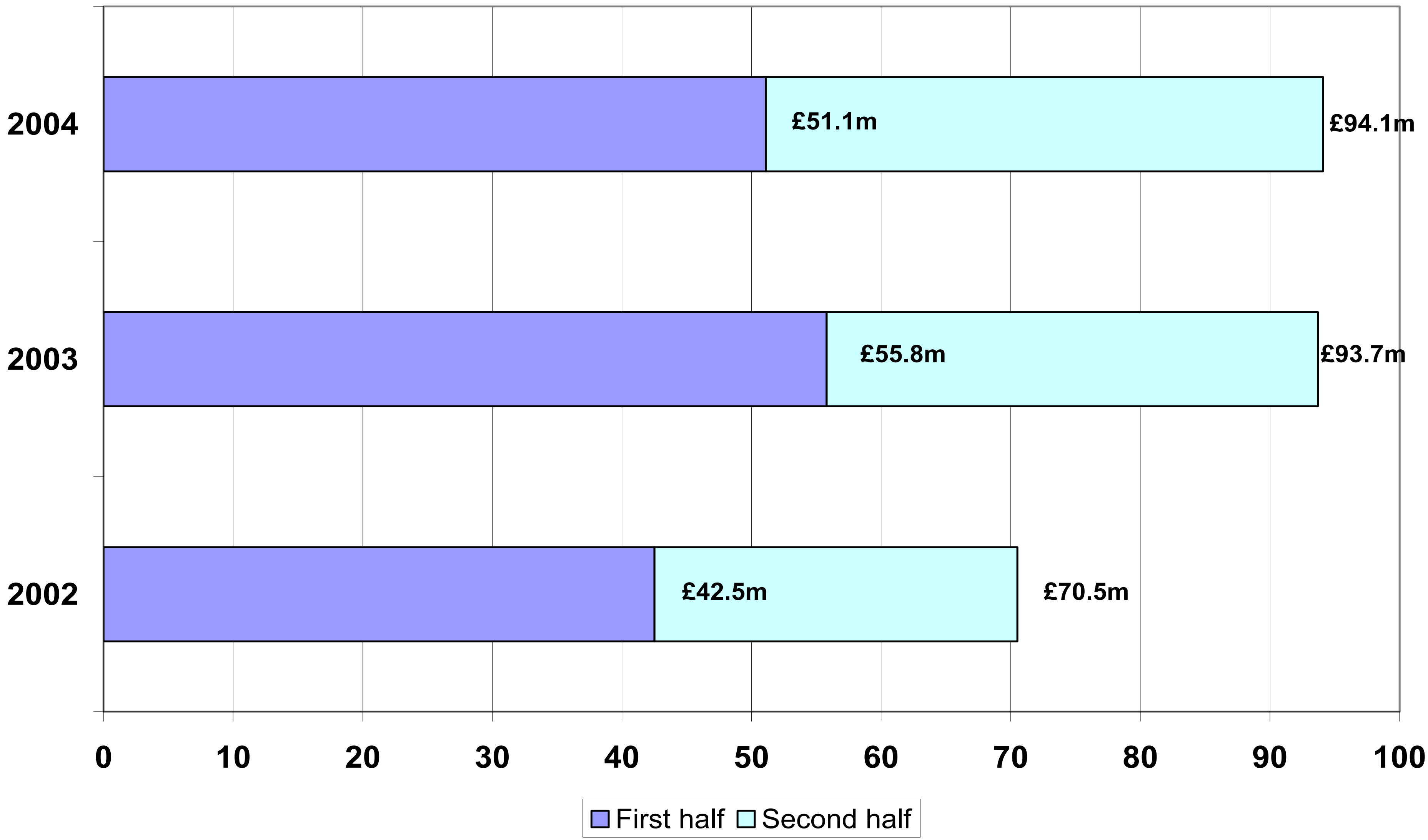
KeldaGroup

Water		
-	Distribution system renovation	184
-	Deteriorating raw water quality	85
-	Other	9
Sewerage		
-	Freshwater fish directive	381
-	Unsatisfactory intermittent discharges	107
-	AMP 3 overhang	70
-	Other	42
Less efficiencies		(20)
Total business net of efficiencies		858

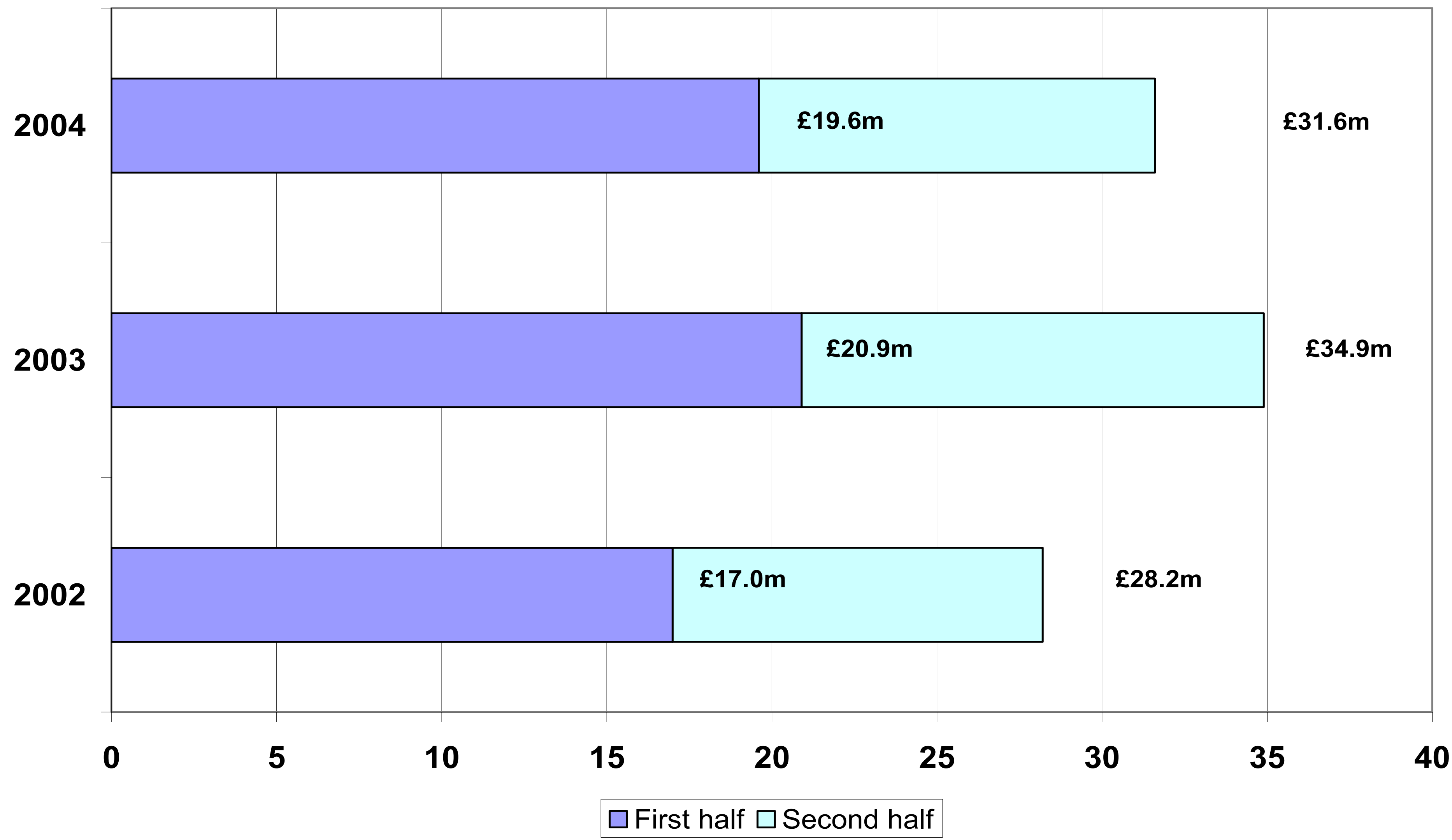
Yorkshire Water Final Business Plan Financial Ratios

	Final Business Plan
Investment grade rating	A
Key financial indicators	
- Historic cost interest cover (min)	3.2
- Cash interest cover (min)	4.2
- Gearing (average)	56%
- Dividend cover (min)	1.3

Aquarion
Turnover – 3 Year Trend



Aquarion
Operating Profit – 3 Year Trend



Aquarion
Operating Facts

No. of customers (‘000’s)	213
Miles of main	3,325
Pumping stations	139
Storage tanks	55
Dams	40
Treatment plants	12
Average daily demand (MGD)	104

Aquarion
U.S. Rate Base and Equity Returns

KeldaGroup

As at 31 March 2004

	Rate Base $m	**Allowed Equity Return %**
Connecticut	371.7	11.6
Massachusetts*	59.0	11.5
New Hampshire	16.8	9.5
New York	22.4	10.4
Sea Cliff	5.1	10.3
Total	**475.0**	

*includes Massachusetts Capital Resource Company of $31.9m

UK Service Operations
Analysis of Turnover

KeldaGroup

	2004	2003
YW Projects		
- group	**5.5**	3.8
- associates	**15.4**	6.6
YW Non Regulated		
- group	**6.3**	4.7
- associates	**0.0**	0.0
Loop		
- group	**3.5**	1.8
- associates	**0.0**	0.0
Total	**30.7**	16.9