

## Financial highlights

We delivered a solid performance with underlying operating profit up 3 per cent. We have a robust capital structure and effective pensions hedging policy in place, protecting us from the headwinds of turbulent market conditions. We delivered a net reward on our ODIs and improved bad debt performance in a challenging environment. We have now delivered seven years of sustainable dividend growth of at least RPI inflation, increasing our total dividend this year by 1.1 per cent in line with our policy.

### Revenue

<b>16/17</b>	<b>£1,704m</b>
15/16	£1,730m
14/15	£1,720m
13/14	£1,689m
12/13	£1,636m

Revenue was down £26 million at £1,704 million, reflecting the accounting impact of our Water Plus JV, which completed on 1 June 2016, partly offset by our allowed regulatory revenue changes.

### Underlying operating profit\*

<b>16/17</b>	<b>£622.9m</b>
15/16	£604.1m
14/15	£664.3m
13/14	£634.6m
12/13	£604.2m

Underlying operating profit was higher by £19 million, at £622.9 million, reflecting the new regulatory price controls, a reduction in infrastructure renewals expenditure and lower total costs, offset by the accounting impact of our Water Plus JV.

### Reported operating profit\*

<b>16/17</b>	<b>£605.5m</b>
15/16	£567.9m
14/15	£653.3m
13/14	£636.9m
12/13	£601.6m

Reported operating profit was higher by £38 million, at £605.5 million, reflecting the £19 million increase in underlying operating profit for the reasons detailed above, as well as reduced profit last year due to costs associated with the water quality incident.

### Total dividend per share

<b>16/17</b>	<b>38.87p</b>
15/16	38.45p
14/15	37.7p
13/14	36.04p
12/13	34.32p

Total dividend per ordinary share for 2016/17 of 38.87 pence. This is an increase of 1.1 per cent on last year, in line with our policy of targeting an annual growth rate of at least RPI inflation through to 2020.

\*A guide to alternative performance measures and a reconciliation between underlying operating profit and reported operating profit is shown on pages 44 to 45.



Read more about how we performed against our [Financial KPIs](#) on page 33



Read more about our [Financial performance](#) on pages 40 to 43