

Yorkshire Water Services Limited announces its results for the year ended 31 March 2014.

Highlights:

- Strong financial, service and environmental performance delivered against regulatory targets
- Customer service, water quality and flooding from sewers are all improving
- Significant investment in renewable energy generation, cleaner beaches and bathing waters
- Operating profit of £330.2m (2013: £331.5m).
- Turnover increased to £984.2m (2013: £936.2m).
- Capital expenditure of £344.6m made during 2013/14 (2013: £385.7m).
- At 31 March 2014 Yorkshire Water's Regulated Capital Value was £5,866m.
- Revised 2015-2020 business plan to be resubmitted to Ofwat on June 27

Chairman's statement:

Yorkshire Water again has a good set of financial results underpinned by continuing investment and improvement in our operational and environmental performance.

Over the past 12 months we have performed strongly against Ofwat's key performance indicators, with the trend being one of year-on-year improvement across many of our regulatory measures.

Particularly pleasing has been the significant improvements we have delivered in the quality of our customer service, which we intend to build on further in 2014/15.

During the year we continued to make substantial capital investment in the region, one outstanding highlight being our £110 million initiative to improve the quality of bathing waters on Yorkshire's East Coast. As we conclude this work I am pleased that environmental benefits were already being delivered prior to start of this year's official bathing season.

We also continued to make major investment in renewable energy generation, a key element of our on-going plans to reduce energy consumption, our carbon footprint and operating costs.

Following £30 million of investment at one of our biggest waste water treatment works in Bradford, it is now well on the way to being entirely self-sufficient with regard to energy generation. Similarly, £23 million of investment in a new anaerobic digestion facility at our Blackburn Meadows Waste Water Treatment Works in Sheffield will also play a key role in helping us to minimise our environmental impact and costs.

In recognition of the financial pressures being faced by our customers, as well as continuing to focus on reducing our operating costs, we decided not to increase charges by as much as originally planned in 2014-15, limiting the increase to the rate of inflation.

In our business plan for the period 2015 to 2020, our intention is to ensure that average customer bills do not rise by above the rate of inflation until at least 2020.

Discussions are ongoing with Ofwat about our plan, which we will formally resubmit later this month.

Commenting on the company's end-of-year results, Richard Flint, the Chief Executive of Yorkshire Water, said:

"I am delighted that the company goes from strength to strength with high levels of performance in most elements of our operations in the last year. This is testimony to the hard work and dedication of colleagues from across the business and the partner organisations who work with us."

"We have had constructive dialogue with Ofwat on our investment plans for the period 2015-2020 and will continue to work with the regulator to achieve the best possible outcome for our region. In the meantime, our focus will be to build on the excellent progress we have made over the past 12 months to enhance our levels of service and customer satisfaction"

ENDS