

## Severn Trent Plc Capital Markets Day

Severn Trent Plc is today holding a capital markets day at its operations centre in Coventry to provide additional information on its business plan for the next 5 years.

As part of the presentation today the Company is providing a further update on efficiencies in Severn Trent Water, to prepare for the new 5 year regulatory period starting on 1 April. The Final Determination from Ofwat, published in December 2014, contained £372 million<sup>1</sup> of efficiencies for the period 2015-2020 and the management team is confident of delivering on this challenge. This is based on plans already in place to deliver these efficiencies and the progress already made against them - £100 million has already been locked in over the 5 year period from re-negotiation of supplier contracts, along with the £100 million benefit from a new organisation structure previously announced in the trading update on 13 February. Together this equates to c. £200 million of efficiencies over the 5 year period.

In addition a £190 million investment in renewable energy will be announced. This investment will take place over the next 5 years principally in two technologies - anaerobic digestion and solar. This will take self generation of renewable energy from 28% of Severn Trent Water's gross energy consumption to around 50% by 2020. This will provide efficient green energy and a long-term hedge against volatile market prices.

Severn Trent Water is committed to its largest five year investment programme ever, including a capital investment programme of £3.3 billion<sup>1</sup>. Customers will continue to have the lowest combined average bills in the land until at least 2020. Severn Trent Water bills will fall in real terms over the next five years, by which time they will be around £60 below the industry average. Next year average bills will fall to £329, from £333. Severn Trent Water is also making provision to help four times as many customers who struggle to pay their bill over the next five years.

The capital markets day presentation will be available on the Severn Trent website ([www.severntrent.com](http://www.severntrent.com)). The event will also be filmed and the recording made available on the website at a later date.

Severn Trent Plc will announce its Preliminary Results for the financial year ending 31 March 2015 on 22 May 2015.

1. 2012/13 prices

### Enquiries:

Liv Garfield <i>Chief Executive</i>	Severn Trent Plc	0207 353 4200 (on the day) 02477 715000
Mike McKeon <i>Finance Director</i>	Severn Trent Plc	0207 353 4200 (on the day) 02477 715000
Rob Salmon <i>Head of Communications</i>	Severn Trent Plc	0207 353 4200 (on the day) 02477 715000
John Crosse <i>Head of Investor Relations</i>	Severn Trent Plc	0207 353 4200 (on the day) 02477 715000
Katharine Wynne / Martha Walsh	Tulchan Communications	0207 353 4200

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This document contains statements that are, or may be deemed to be, 'forward-looking statements' with respect to Severn Trent's financial condition, results of operations and business and certain of Severn Trent's plans and objectives with respect to these items.

Forward-looking statements are sometimes, but not always, identified by their use of a date in the future or such words as 'anticipates', 'aims', 'due', 'could', 'may', 'will', 'would', 'should', 'expects', 'believes', 'intends', 'plans', 'projects', 'potential', 'reasonably possible', 'targets', 'goal' or 'estimates' and, in each case, their negative or other variations or comparable terminology. Any forward-looking statements in this document are based on Severn Trent's current expectations and, by their very nature, forward-looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that may or may not occur in the future.

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All written or verbal forward-looking statements, made in this document or made subsequently, which are attributable to Severn Trent or any other member of the group or persons acting on their behalf are expressly qualified in their entirety by the factors referred to above. Subject to compliance with applicable laws and regulations, Severn Trent does not intend to update these forward-looking statements and does not undertake any obligation to do so,

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