



## **Investor Report**

**For the quarter ended 30 June 2010**

## Important Notice

This report is being distributed in fulfilment of a document, the Common Terms Agreement (CTA), which governs the company's obligations to its bond holders and other financial creditors. It is directed to, and intended for, existing investors in the company. No other persons should act or rely on it. The company makes no representation as to the accuracy of forecast information (or any other information in this report, other than as set out in the CTA). These forecasts involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forecasts. This unaudited report should not be relied on as a guide to future performance, and should not be relied on in deciding whether to undertake future investment in the company. For the purposes of the financial promotions regime under the Financial Services and Markets Act 2000, this report is given on the basis of the exemption provided in Article 69 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as it relates to bonds which are already admitted to trading on a relevant market).

# Contents

	<b>Page</b>
General overview and business update	1
Consolidated cash flow	6
Consolidated debt service payments	7
Glas notes principal balance reconciliation	8
Glas bank account movements	9
Interest cover ratio (ICR) – 5 years to 31 March 2010	10
Interest cover ratio (ICR) – 5 years to 31 March 2015	11
Regulatory asset ratio (RAR) – 5 years to 31 March 2010	12
Regulatory asset ratio (RAR) – 5 years to 31 March 2015	13
Income statement	14
Statement of comprehensive income	14
Balance sheet	15

## General overview and business update

This quarterly Investor Report covers the three month period ending 30 June 2010. The Investor Report has been prepared to comply with the specific requirements of the Common Terms Agreement (CTA), which governs the company's obligations to its bondholders and other financial creditors.

The financial information in this report is drawn from the company's accounting records, applying the accounting policies as per the company's statutory accounts, but is presented in a modified form for investors as required by the CTA.

Business performance including key performance indicators (KPIs) for operations and customer service are reported in the company's annual report and accounts. These are available on the company's website ([www.dwrcymru.com](http://www.dwrcymru.com)).

### Financial performance

Summary financial results for the three months ended 30 June are as follows:

	<b>3 months to 30 June 2010 £m</b>	<b>3 months to 30 June 2009 £m</b>	<b>Change</b>
Turnover	166	165	+1%
Operating costs	62	66	-6%
<b>EBITDA (before infrastructure renewals expenditure)</b>	<b>104</b>	<b>99</b>	<b>+5%</b>
Net interest (excluding indexation)	36	26	
Capital expenditure (before grants and contributions)	57	79	

## General overview and business update cont'd

Operating profit before interest, tax, depreciation, infrastructure renewals and amortisation (EBITDA) for the three months to 30 June 2010 is slightly higher than the comparative period last year – while the economic environment remains challenging, there have been some reductions in power costs and savings have been made from the insourcing of the operational contracts.

Turnover in the three months to 30 June 2010 was £166 million, as compared to £165 million in the three months to 30 June 2009. The increase is a reflection of the overall price reduction of 1% (being the RPI+K adjustment allowed by Ofwat). During the period, 4,500 domestic customers switched to metered charging (2009: 5,000).

Operating costs (excluding depreciation and infrastructure renewals expenditure) were £62 million (2009: £66 million); the main variances result from power cost reductions (£1 million), lower bad and doubtful debt charges (£1 million) and the savings from bringing the operational activities back in-house (£2 million).

Net interest payable in the period (excluding fair value movements) was £46 million (2009: £14 million), including a £6 million premium on early redemption of £113 million of Class C1 bonds and an indexation charge on index-linked debt of £10 million (2009: credit of £12 million). Indexation for the year to March 2010 was based on the movement in the Retail Prices Index (RPI) from July 2008 (216.5) to July 2009 (213.4); as inflation was negative over this period, this resulted in a credit to the income statement.

As at 30 June 2010, nearly all borrowings are at fixed or index-linked rates of interest (in part through the use of RPI swaps), which means that the company is insulated from volatility in market interest rates.

The regulatory gearing (the ratio of net debt to regulatory capital value) of the company was as follows:

<b>£m</b>	<b>30 June 2010</b>	<b>31 March 2010</b>
<b>Net debt</b>	2,692	2,669
<b>Regulatory capital value</b>	3,806	3,737
<b>Regulatory gearing</b>	<b>71%</b>	<b>71%</b>

On Glas Cymru's acquisition of Welsh Water in May 2001, gearing stood at 93% (net debt/RCV). Since then, the financial position of the group has been steadily improved, such that gearing has fallen to 71% as at 30 June 2010 and 'financial reserves' (RCV less net debt) have exceeded £1 billion. The company's policy is to operate at a gearing level of around 70%.

## General overview and business update cont'd

### Capital investment programme

Capital investment (including infrastructure renewals expenditure) was £57 million before grants and contributions (2009: £79 million). Of that £57 million, £14 million is reported as capital maintenance as defined in the CTA, while for regulatory purposes £35 million is classed as capital maintenance.

### Prospective financial ratio tests

As required by the CTA to demonstrate compliance with prospective financial ratio tests (regulatory asset ratio and interest cover ratios), this report includes projected ratios up to 31 March 2015. These projected ratios are derived from Glas Cymru's 2010 business plan (which has been prepared by the company) and are in the format specified by the CTA. On this basis, the prospective financial ratios exceed the "trigger levels" as defined in the CTA (see pages 11 and 13). It should be noted that the company's business plan and the projected ratios have not been reviewed by the company's auditors and the reader's attention is drawn to the important notice at the front of this document.

### Credit ratings

Moody's Investor Service ("Moody's"), Standard and Poor's ("S&P") and Fitch Ratings ("Fitch") have all reviewed their credit ratings of MBIA UK Insurance Limited ("MBIA") and, as a consequence, their rating of the company's Class A Bonds, which are guaranteed by MBIA. As of 11 August 2010, the credit ratings of MBIA were B3 and BB+ from Moody's and S&P respectively, and MBIA is no longer rated by Fitch.

The credit ratings of the company's Class A Bonds, which are guaranteed by MBIA, revert to their higher underlying ratings of A3/A/A by Moody's, S&P and Fitch respectively. The strong credit quality of the business is reflected in credit ratings which are now the highest in the water sector, despite a very challenging Final Determination:

Bond Class	Moody's	S&P	Fitch
A	A3	A	A
B	A3	A	A
C	Baa2	BBB+	BBB+

Moody's corporate family rating of Dŵr Cymru Cyfyngedig is A3, one of the strongest ratings in the industry.

On 8 March 2010 S&P placed Glas' ratings on negative outlook, reflecting their assessment of the potential impact of Ofwat's Final Determination following the 2009 Price Review.

## General overview and business update cont'd

### Financing and liquidity

As at 30 June 2010, undrawn revolving credit facilities and cash (excluding the debt service reserve account) amounted to £298 million, giving the company a high degree of liquidity.

On 31 March 2010, Dŵr Cymru (Financing) Limited issued £140 million B series index-linked bonds with a maturity date of 2048 to provide funding for Welsh Water's £1.2 billion AMP5 capital programme.

On 15 April 2010, Dŵr Cymru Cyfyngedig drew down the remaining £75 million of its latest loan facility (£100 million) with the European Investment Bank.

On 7 May 2010, in view of the high level of available liquidity, the level of undrawn revolving credit facilities was reduced from £345 million to £100 million. The remaining facilities have maturity dates of 30 September 2011 (£60 million) and 30 June 2012 (£40 million).

On 3 June 2010 Dŵr Cymru (Financing) Limited agreed to repurchase £113 million of Class C1 bonds following a tender offer to bond holders. The amount repurchased represents a take-up rate of 90% and settlement will be made in cash on 7 June 2010. The balance of £12 million has an expected maturity date of 31 March 2011.

### Restructuring of Welsh Water

On 9 February 2010 Welsh Water announced its intention to restructure the business by terminating the outsourced operational contracts with United Utilities Operational Services ('UUOS') and Kelda Water Services ('KWS') and by implementing a phased headcount reduction of around 300 people.

Subsequent to the end of the year, negotiations relating to the termination of the contracts have been finalised, and on 1 April 2010 1,093 UUOS employees transferred to Welsh Water, followed by 476 KWS employees on 1 May 2010.

Around 1,000 UUOS and KWS employees transferring to Welsh Water are entitled to transfer their existing defined benefit pensions into the DCWW Pension Scheme. In aggregate the transfer is likely to be fully-funded on an actuarial basis, although this result is uncertain and the assumptions used may differ from the calculation under IAS 19. The DCWW Pension scheme is likely to increase in size significantly which will increase the sensitivity of the balance sheet obligation to changes in the discount rate.

## General overview and business update cont'd

### Appointment of Chairman Designate

On 9 March 2010, Glas Cymru announced the appointment of Bob Ayling as Chairman Designate. He succeeded Lord Burns who stood down following the company's AGM on 9 July 2010. For further details, see the press release on our website ([www.dwrcymru.com/English/news/index.asp](http://www.dwrcymru.com/English/news/index.asp)).

### Investors

The company's annual investor meeting was held on Thursday 29 July in London.

If you would like a one-to-one meeting with the Finance Director or the Treasurer, please contact Gina Cardwell (telephone 01443 452768) or send an e-mail request to [investors@dwrcymru.com](mailto:investors@dwrcymru.com).

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## Consolidated cash flow

	3 months ended 30 June 2010 £m	3 months ended 30 June 2009 £m
Turnover	165.8	165.2
Less: operating expenses	(62.4)	(66.4)
<b>Earnings before interest, taxation, depreciation and amortisation</b>	<b>103.4</b>	<b>98.8</b>
Working capital movements	(2.0)	(17.9)
Non bond-related interest paid	(0.7)	(0.3)
Interest capitalised in accordance with IAS 23	(0.5)	-
Interest received	0.5	0.3
<b>Net operating cash flow and interest received</b>	<b>100.7</b>	<b>80.9</b>
<b>New borrowings:</b>		
European Investment Bank	75.0	-
<b>Utilisation of reserves:</b>		
Cash transferred to capex reserve	(99.0)	(46.5)
Cash utilised from capex reserve	29.3	46.5
Net cash utilised from other reserves	0.1	7.2
<b>Capital expenditure:</b>		
Net costs of disposal of assets	-	0.1
Infrastructure renewals expenditure	(7.8)	(20.0)
Non-infrastructure maintenance	(11.7)	(28.0)
Enhancement expenditure	(52.5)	(41.3)
<b>Net cash flow after capital expenditure, new borrowings and reserve drawings</b>	<b>34.1</b>	<b>(1.1)</b>
Transfer to debt service payments account	(14.1)	(29.9)
Principal repayments	(115.1)	(2.1)
<b>Net cash flow after debt service</b>	<b>(95.1)</b>	<b>(33.1)</b>
Free cash balances brought forward	223.0	95.4
<b>Free cash balances carried forward</b>	<b>127.9</b>	<b>62.3</b>

## Consolidated debt service payments

	Payments due & made in 3 months ending 30 June 2010 £m	Amount accrued 30 June 2010 £m
<b>Liquidity facility:</b>		
Liquidity facility commitment fee	0.3	0.2
<b>Interest on senior debt:</b>		
Finance lease interest payments	5.5	40.9
A1 interest payments	-	5.0
A4 interest payments	-	2.7
A5 interest payments	-	0.9
A6 interest payments	-	0.3
B1 interest payments	-	5.4
B3 interest payments	-	1.7
B4 interest payments	-	1.0
B5 interest payments	-	0.2
B6 interest payments	-	0.6
European Investment Bank loan interest payments	0.4	0.2
KfW IPEX-Bank GmbH loan interest payments	0.2	-
Revolving credit facility commitment fees	0.1	-
Miscellaneous fees	0.1	0.2
	6.6	59.4
Interest rate swaps	-	5.8
MBIA financial guarantee fees	3.9	-
VAT on finance lease payments	1.0	-
<b>Senior interest payments</b>	<b>11.5</b>	<b>65.2</b>
<b>Interest on junior debt:</b>		
C1 interest payments (including £5.9m premium on redemption)	7.7	0.2
	7.7	0.2
<b>Total debt service payments</b>	<b>19.2</b>	<b>65.4</b>

## Glas notes principal balance reconciliation

	Credit rating <sup>1</sup>	Opening balance 1 April 2010 £m	New issues £m	Repayment £m	Indexation £m	Closing balance 30 June 2010 £m
Finance leases		883.5	-	-	-	883.5
<b>Class A bonds<sup>2</sup></b>						
A1 notes	A3/A/A	350.0	-	-	-	350.0
A4 notes		329.5	-	-	3.2	332.7
A5 notes		107.2	-	-	1.0	108.2
A6 notes <sup>3</sup>		109.4	-	-	1.2	110.6
<b>Class B bonds</b>						
B1 notes	A3/A/A	325.0	-	-	-	325.0
B3 notes		159.8	-	-	1.7	161.5
B4 notes		94.5	-	-	1.0	95.5
B5 notes		54.7	-	-	0.6	55.3
B6 notes		140.0	-	-	1.3	141.3
<b>Class C bonds</b>						
C1 notes	Baa2/BBB+/BBB+	125.0	-	(112.9)	-	12.1
European Investment Bank loan		146.9	75.0	(2.2)	-	219.7
KfW IPEX-Bank GmbH loan		35.0	-	-	-	35.0
Local authority loans		2.2	-	-	-	2.2
		2,862.7	75.0	(115.1)	10.0	2,832.6

<sup>1</sup> Moody's/S&P/Fitch ratings

<sup>2</sup> Guaranteed by MBIA rated B3/BB+/- . Class A bond ratings default to their higher underlying ratings of A3/A/A.

<sup>3</sup> The class A6 notes (£100m) were issued at a fixed rate of 4.473% but swapped into an effective index-linked rate of 1.35%. Cumulative indexation of £10.6m reflects the principal accrual on the index-linked swap.

## Glas bank account movements

	Opening balance 1 April 2010 £m	Interest received £m	Deposits £m	Payments £m	Closing balance 30 June 2010 £m
<b>Free cash balances:</b>					
Receipts account	77.2	-	174.6	(200.9)	50.9
Payments account	160.7	-	382.0	(467.5)	75.2
Other bank accounts	(14.9)	0.3	1,049.8	(1,033.4)	1.8
	223.0	0.3	1,606.4	(1,701.8)	127.9
<b>Debt service payments account:</b>					
Debt service ledger	25.6	-	14.1	(19.2)	20.5
Capex reserve account	-	-	99.0	(29.3)	69.7
<b>Customer payments account:</b>					
Customer rebate ledger	0.1	-	-	(0.1)	-
	248.7	0.3	1,719.5	(1,750.4)	218.1

## Interest cover ratio (ICR) – 5 years to 31 March 2010

(See important notice at the front of the document)

	Actual				
	Year to 31 March 2006 £m	Year to 31 March 2007 £m	Year to 31 March 2008 £m	Year to 31 March 2009 £m	Year to 31 March 2010 £m
Income	576.5	602.7	648.6	684.2	716.5
Operating expenditure (before exceptional costs)	(213.2)	(228.6)	(230.8)	(266.9)	(265.7)
<b>Pre capital maintenance cash flows</b>	<b>363.3</b>	<b>374.1</b>	<b>417.8</b>	<b>417.3</b>	<b>450.8</b>
Capital maintenance expenditure	(98.1)	(150.2)	(146.2)	(189.1)	(124.0)
<b>Post capital maintenance cash flows</b>	<b>265.2</b>	<b>223.9</b>	<b>271.6</b>	<b>228.2</b>	<b>326.8</b>
Net interest (excluding indexation)	(129.9)	(127.0)	(127.5)	(124.3)	(113.4)
Capital expenditure	(122.3)	(96.7)	(136.7)	(152.3)	(225.0)
Customer rebates	(23.0)	(24.7)	(25.7)	(27.0)	(28.3)
<b>Pre-financing cash flows</b>	<b>(10.0)</b>	<b>(24.5)</b>	<b>(18.3)</b>	<b>(75.4)</b>	<b>(39.9)</b>
<b>Interest payable on senior debt:</b>					
Finance leases	31.9	33.7	45.8	42.6	14.3
Class A	43.6	36.9	36.4	41.2	40.4
Class B	33.5	32.4	33.2	34.0	33.5
MBIA financial guarantee fees	4.7	3.6	3.7	3.6	4.0
Interest rate swaps	4.2	7.7	(0.2)	(7.9)	9.9
Authorised loans	5.4	8.5	8.3	7.2	1.8
Less interest receivable	(9.7)	(7.4)	(12.2)	(8.6)	(3.4)
<b>Total net senior debt interest</b>	<b>113.7</b>	<b>115.4</b>	<b>115.0</b>	<b>112.1</b>	<b>100.4</b>
<b>Interest payable on junior debt:</b>					
Class C	13.1	10.2	10.2	10.3	10.2
Class D	-	-			
Other	3.1	2.2	2.3	1.9	2.8
<b>Total interest payable</b>	<b>129.9</b>	<b>127.8</b>	<b>127.5</b>	<b>124.3</b>	<b>113.4</b>
Senior interest cover pre capital maintenance (trigger 2.0; default 1.6)	3.1	3.3	3.6	3.7	4.5
Total interest cover pre capital maintenance	2.8	2.9	3.3	3.4	4.0
Senior interest cover post capital maintenance (trigger 1.0)	2.3	2.0	2.4	2.0	3.3
Total interest cover post capital maintenance	2.0	1.8	2.1	1.8	2.9

## Interest cover ratio (ICR) – 5 years to 31 March 2015 (based on 2010 business plan)

	Projections				
	Year to 31 March 2011 £m	Year to 31 March 2012 £m	Year to 31 March 2013 £m	Year to 31 March 2014 £m	Year to 31 March 2015 £m
(See important notice at the front of the document)					
Income	675	676	684	693	701
Operating expenditure	(277)	(269)	(269)	(271)	(275)
<b>Pre capital maintenance cash flows</b>	398	407	415	422	426
Capital maintenance expenditure	(139)	(163)	(171)	(155)	(146)
<b>Post capital maintenance cash flows</b>	259	244	244	267	280
Net interest (excluding indexation)	(127)	(122)	(125)	(126)	(124)
Capital expenditure	(137)	(91)	(94)	(72)	(49)
<b>Pre-financing cash flows</b>	(5)	31	25	69	107
<b>Interest payable on senior debt:</b>					
Finance leases	13	22	31	37	39
Class A	38	39	39	39	40
Class B	37	38	38	38	38
MBIA financial guarantee fees	4	4	4	4	4
Interest rate swaps	23	14	5	(1)	(3)
Authorised loans	4	6	12	13	12
Less interest receivable	(2)	(1)	(4)	(4)	(6)
<b>Total net senior debt interest</b>	117	122	125	126	124
<b>Interest payable on junior debt:</b>					
Class C	10	-	-	-	-
<b>Total interest payable</b>	127	122	125	126	124
Senior interest cover pre capital maintenance (trigger 2.0; default 1.6)	3.4	3.3	3.3	3.3	3.4
Total interest cover pre capital maintenance	3.1	3.3	3.3	3.3	3.4
Senior interest cover post capital maintenance (trigger 1.0)	2.2	2.0	2.0	2.1	2.2
Total interest cover post capital maintenance	2.0	2.0	2.0	2.1	2.2

## Regulatory asset ratio (RAR) – 5 years to 31 March 2010

(See important notice at the front of the document)

	Actual				
	As at 31 March 2006 £m	As at 31 March 2007 £m	As at 31 March 2008 £m	As at 31 March 2009 £m	As at 31 March 2010 £m
<b>Senior gross debt:</b>					
Finance leases	740	767	842	892	884
Class A	742	856	875	902	896
Class B	553	611	623	637	774
Net interest accrual on senior debt	29	84	56	54	55
Authorised loans	60	135	131	151	182
Authorised loan facility	120	-	-	-	-
<b>Total senior gross debt</b>	2,244	2,453	2,527	2,636	2,791
Less: cash balances and authorised investments	(14)	(158)	(124)	(139)	(249)
<b>Total senior net debt</b>	2,230	2,295	2,403	2,497	2,542
Class C	125	125	125	125	125
Interest accrual on junior debt	-	10	-	-	-
Local authority loans	4	4	3	3	2
<b>Total net debt</b>	2,359	2,434	2,531	2,625	2,669
<b>Regulatory capital value (RCV)</b>	3,042	3,310	3,529	3,626	3,737
<b>Reserves (RCV less total net debt)</b>	683	876	998	1,001	1,068
<b>Regulatory asset ratio:</b>					
RAR (Senior)	73%	69%	68%	69%	68%
RAR (Senior + C) (trigger 90%; default 95%)	77%	73%	72%	72%	71%
RAR (Total debt)	78%	74%	72%	72%	71%

## Regulatory asset ratio (RAR) – 5 years to 31 March 2015 (based on 2010 business plan)

	Projections				
	As at 31 March 2011 £m	As at 31 March 2012 £m	As at 31 March 2013 £m	As at 31 March 2014 £m	As at 31 March 2015 £m
(See important notice at the front of the document)					
<b>Senior gross debt:</b>					
Finance leases	874	862	844	822	769
Class A	918	928	939	951	963
Class B	789	799	808	818	828
Net interest accrual on senior debt	55	56	57	59	60
Authorised loans	173	259	246	233	205
<b>Total senior gross debt</b>	<b>2,809</b>	<b>2,904</b>	<b>2,894</b>	<b>2,883</b>	<b>2,825</b>
Less: cash balances and authorised investments	(35)	(127)	(110)	(138)	(161)
<b>Total senior net debt</b>	<b>2,774</b>	<b>2,777</b>	<b>2,784</b>	<b>2,745</b>	<b>2,664</b>
Local authority loans	2	2	2	1	1
<b>Total net debt</b>	<b>2,776</b>	<b>2,779</b>	<b>2,786</b>	<b>2,746</b>	<b>2,665</b>
Headroom under gearing policy <sup>1</sup>	-	5	79	186	195
	<b>2,776</b>	<b>2,784</b>	<b>2,865</b>	<b>2,932</b>	<b>2,860</b>
<b>Regulatory capital value (RCV)</b>	<b>3,854</b>	<b>3,977</b>	<b>4,093</b>	<b>4,189</b>	<b>4,086<sup>2</sup></b>
<b>Reserves (RCV less total net debt)</b>	<b>1,078</b>	<b>1,198</b>	<b>1,307</b>	<b>1,443</b>	<b>1,421</b>
<b>Regulatory asset ratio:</b>					
RAR (Senior) (trigger 90%; default 95%)	72%	70%	70%	70%	70%
RAR (Total debt)	72%	70%	70%	70%	70%

<sup>1</sup> Indicative financial headroom while maintaining gearing at the Board's target of 70%.

<sup>2</sup> RCV at 31 March 2015 anticipates a possible downward adjustment reflecting an assumed movement in COPI relative to RPI during the 5 year period.



## Income statement (unaudited)

	3 months ended 30 June 2010 £m	3 months ended 30 June 2009 £m
Turnover	165.8	165.2
Operating expenditure	(62.4)	(66.4)
<b>EBITDA</b>	<b>103.4</b>	<b>98.8</b>
Infrastructure renewals expenditure	(5.6)	(16.9)
Depreciation	(34.8)	(34.7)
Profit on disposal of fixed assets	-	0.1
<b>Operating profit</b>	<b>63.0</b>	<b>47.3</b>
Interest payable	(30.5)	(27.0)
Premium on redemption of Class C1 bonds	(5.9)	-
Indexation of index-linked debt	(10.0)	12.6
Interest receivable	0.6	0.8
Fair value (losses)/gains on financial instruments	(39.5)	50.1
<b>(Loss)/profit before tax</b>	<b>(22.3)</b>	<b>83.8</b>
<b>Taxation</b>	<b>-</b>	<b>-</b>
<b>(Loss)/profit after tax</b>	<b>(22.3)</b>	<b>83.8</b>

## Statement of comprehensive income (unaudited)

	3 months ended 30 June 2010 £m	3 months ended 30 June 2009 £m
(Loss)/profit for the period	(22.3)	83.8
Actuarial loss in the pension scheme	-	-
Movement on related deferred tax asset	-	-
<b>Total recognised (losses)/gains for the period</b>	<b>(22.3)</b>	<b>83.8</b>

## Balance sheet (unaudited)

	At 30 June 2010		At 31 March 2010	
	£m	£m	£m	£m
<b>Fixed assets</b>		3,182.2		3,164.0
<b>Current assets and liabilities:</b>				
Debtors and prepayments	404.6		505.5	
Creditors and accruals	(396.2)		(518.0)	
		8.4		(12.5)
<b>Total assets less current liabilities</b>		<b>3,190.6</b>		<b>3,151.5</b>
<b>Financing liabilities:</b>				
Bonds	(1,692.2)		(1,795.0)	
Finance leases	(883.5)		(883.5)	
Bank loans (EIB, KfW)	(254.7)		(181.9)	
Other	(2.2)		(2.2)	
	(2,832.6)		(2,862.6)	
Net interest accrual	(77.1)		(55.7)	
	(2,909.7)		(2,918.3)	
<b>Cash and cash equivalents:</b>				
Receipts account	50.9		77.2	
Payments account	75.2		160.7	
Capex reserve account	69.7		-	
Debt service payments account	20.5		25.6	
Customer payments account	-		0.1	
Other bank accounts	1.8		(14.9)	
	218.1		248.7	
<b>Net debt</b>		<b>(2,691.6)</b>		<b>(2,669.6)</b>
Derivative financial instruments		(212.3)		(172.7)
Provisions for liabilities and charges		(45.2)		(45.4)
<b>Net assets before deferred tax</b>		<b>241.5</b>		<b>263.8</b>
Deferred tax		(352.6)		(352.6)
<b>Net liabilities</b>		<b>(111.1)</b>		<b>(88.8)</b>