

Our approach to sustainable shareholder value creation

- Clear vision to be the best UK water and wastewater company, providing great service to our customers
- Management team with extensive commercial, operational and regulatory experience
- Track record of regulatory outperformance; exceeded 2010–15 targets
- Wholesale revenue and asset base linked to RPI inflation to at least 2020
- Clarity on allowed returns through to 2020
- Significant improvements in customer service and operational performance, with more to come
- Externally recognised responsible business credentials
- Customer and environmental benefits delivered through substantial capital investment, which drives long-term growth in the regulatory capital value
- Robust capital structure: stable A3 credit rating
- Sustainable dividend policy targeting a growth rate of at least RPI inflation per annum to at least 2020
- Total dividend per share of 38.45 pence for 2015/16

What's in this report

Our annual report and financial statements aims to meet the information needs of our investors as a whole, to help them to make informed decisions regarding their participation – for example, whether to buy, sell or hold our shares or bonds, whether to engage with management on issues and how to vote their shares. This includes information which we believe is material to these decisions and we present it in a way which we believe is fair, balanced and understandable.

We recognise that this report will be read by a wide variety of other stakeholders including customers, suppliers, employees, contractors, competitors, government, politicians, regulators, press, analysts and non-governmental organisations. Where we believe that a topic is material to a large number of them we either include it in this report or cross refer to other reports and information (such as our customer communications, our sustainability web pages or our regulatory reports).

We believe this approach meets the requirements of company law, the UK Corporate Governance Code, IFRS and the <IR> Framework and that we go beyond those requirements where we feel it is particularly helpful to do so and where that can be done without making the report unnecessarily lengthy or difficult to read.

Important information

Cautionary statement:

The annual report and financial statements (the annual report) contains certain forward-looking statements with respect to the operations, performance and financial condition of the group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this annual report and the company undertakes no obligation to update these forward-looking statements. Nothing in this annual report should be construed as a profit forecast. Certain regulatory performance data contained in this annual report is subject to regulatory audit.

Terms used in this report:

Unless expressly stated otherwise, the 'group', 'United Utilities', 'UU' or 'the company' means United Utilities Group PLC and its subsidiary undertakings; the 'regulated business', 'regulated activities' or 'UW' means the licensed water and wastewater activities undertaken by United Utilities Water Limited (formerly United Utilities Water PLC) in the North West of England.

Strategic Report

Details on our performance over the year and how it has been achieved, alongside our vision and strategy for future years.

Pages 04–49

Our Governance

Information on the board and its activities and those of the various committees.

Pages 50–109

Financial Statements

Our full audited financial results for the year.

Pages 110–163

Shareholder Information

Key dates, shareholder facts and registrar details.

Pages 164–165

Integrated report

This annual report has been prepared in accordance with the International <IR> Framework published by the International Integrated Reporting Council in December 2013.