

HALF YEARLY RESULTS

A2Dominion Housing Group's Half Yearly Performance Update covering the period to 30 September 2018

A2Dominion Housing Group announces the following update for the period to 30 September 2018.

Financial Performance

The Group has delivered a strong financial performance compared to budget expectation for the period. The Group is expected to sustain this level of performance through to the end of the financial year.

Management Accounts Consolidated Statement of Comprehensive Income		
	6 Months to 30-Sep-18 £m	6 Months to 30-Sep-17 £m
Turnover	197.8	133.2
<i>Rent</i>	111.2	109.2
<i>Sales</i>	73.9	11.6
<i>Social Housing Grant Amortisation</i>	8.3	7.9
<i>Other Income</i>	4.4	4.5
Operating Surplus	52.2	56.3
Operating Margin	26.4%	42.3%
Share of Joint Venture Surplus	2.4	16.7
Interest	(23.5)	(26.0)
Surplus for the Period	31.1	47.0

Management Accounts Consolidated Statement of Financial Position		
	30-Sep-18 £m	31-Mar-18 £m
Fixed Assets	3,243.0	3,174.6
Current Assets	652.1	568.2
Creditors	(2,925.4)	(2,803.5)
Net Assets	969.7	939.3
Revenue Reserves	962.6	932.6
Other Reserves	7.1	6.7
Net Equity	969.7	939.3

Year on year the Group achieved a lower operating margin compared to the same period last year. This is a consequence of two large developments with lower margins, which generated nearly £50m of turnover during the 6 months to September 2018. Social housing income operating margin remains strong at 35.7% (2017: 38.7%).

The Statement of Financial Position shows a net asset increase of £30.4m which highlights the Group's continued commitment to invest our surpluses and obtain funding to deliver our housing development programme.

HALF YEARLY RESULTS

Operational Performance

- **Customer:** The Group has performed well over the first half of the year showing improved results in our customer contact performance and maintaining a high level of customer satisfaction (81%). Arrears levels have also remained steady for the year to date. Overall satisfaction with responsive repairs services (89%) and planned maintenance services (99%) are above target.
- **Development:** The number of homes built to the end of September 2018 is 338.

Treasury

As at 30 September, the Group's loan facilities and borrowings are summarised as follows:

	Arranged £m	Drawn £m
A2Dominion Housing Group Limited	(1.3)	(1.3)
A2Dominion Homes Limited	932.0	635.6
A2Dominion South Limited	797.7	632.4
A2Dominion Residential Limited	280.5	280.5
A2Dominion Housing Options	26.0	26.0
A2Dominon Development Limited	<u>47.3</u>	<u>47.3</u>
	<u>2,082.2</u>	<u>1,620.5</u>

In addition to the £461.7m of undrawn facilities, the Group had £212.0m of cash invested with a variety of counterparties, in line with our Treasury Policy.

As at 30 September, the Group's overall fixed rate ratio was 84.3% (compared to 91.4% as at the end of March 2018) and the average borrowing rate remains unchanged at 4.38%.

Since April 2018, the Group has entered into two new revolving credit facilities of £50m each. The Group has also issued a Floating Rate Note of £60m, and has signed a new uncommitted facility for a future notes issue of \$100m. Over the next 2 years, £170m of existing loan facilities will be lost through scheduled loan facility amortisation and we are planning to replace these lost facilities in the near future. The annual update of our EMTN programme documentation was carried out during September, so that the Group is able make use of this over the next 12 months.

Investor Update

An Investor Update presentation is available on our website link:

<https://www.a2dominiongroup.co.uk/content/doclib/68.pdf>