**From:** Stakeholderteam <Stakeholderteam@southernwater.co.uk>
**Sent:** 09 August 2021 10:41
**Cc:** Rhead, Branwen <Branwen.Rhead@southernwater.co.uk>
**Subject:** Major new investment to speed up Southern Water's transformation

**A message from Southern Water’s CEO, Ian McAulay.**

Good morning,

Today I am pleased to announce further equity investment totalling £1 billion into Southern Water and its holding companies from Macquarie Asset Management’s investors as long-term shareholders in our business. This equity investment is good news for our customers, for the local environment and for our regional economy.

Since joining Southern Water as Chief Executive in 2017, my focus has been on bringing transformational changes to the business. This has involved appointing an entirely new leadership team, delivering root and branch changes to our culture and governance and enhancing our delivery capabilities. But there is so much more to do as we grapple with the challenges of climate change, population growth and ensuring we have healthy rivers and seas, while providing the quality of service our customers expect.

This new investment endorses and accelerates our vision to achieve this in our region. It means we can do more to increase the investment planned across our asset base and accelerate delivery. It also substantially improves our financial resilience, with none of these proceeds being paid out to existing shareholders.

The additional expenditure means we will now be investing more than £2 billion in the next four years of the current regulatory period into existing assets and new technology to reduce pollution incidents and leakages – the equivalent to approximately £1,000 for each property in our catchment area. The investment programme includes £365 million starting today, targeted at fixing the pipes, pumping stations and sewers in need of most attention across our network.

That reinforces our ability to meet the significant challenges we face and to be responsible custodians of Southern England’s rivers and seas. With our long-term shareholders’ support, we are fully committed to protecting the environment and putting our customers first. Just as importantly, this new investment will also create around 1,000 new jobs in our Company and across our supply chain and enable us to expand our apprenticeships programme, assisting the economic recovery of our region as we tackle the global Covid-19 pandemic.

I understand that you have heard a lot from us recently and that you may have further questions, particularly to assist with any enquiries you receive. Please do not hesitate to get in touch if you think there is anything we can help with.

Kind regards,

Ian

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| **Branwen Rhead** |
| **Policy Manager** |