Jeff Bell, Group Chief Financial Officer

2017 H1 financial performance

When I look at the key numbers for the half year, there's really three in particular I'd like to pick out. One is operating profit, a second is earnings and a third is adjusted operating cash flow.

Taking them in turn, in operating profit we saw in our customer-facing divisions, Centrica Business and Centrica Consumer broadly offset each other and were flat year-on-year. We saw an increase in Centrica Business operating profit, primarily from a very strong performance in our Energy Marketing and Trading business and in North American Business. That helped offset in Centrica Consumer lower profitability, primarily in the two Home divisions from warmer weather and lower customer numbers.

When I look at the asset businesses then - our Rough Storage asset and E&P, they were down, year-on-year. Rough Storage because of the issues we've had with the well programme and our inability to offer storage to our customers, and in E&P in our Morecambe gas field, where we've had to have the field offline, for operational and safety issues.

If I then move to earnings… earnings were down 11%, versus operating profit being down at 4%, as we had a higher interest expense charge. And finally, from an adjusted operating cash flow perspective, strong working capital initiatives in the first half of the year meant that, despite the fact that the first half in 2016 was a very strong adjusted operating cash flow delivery, we saw a similar amount of operating cash flow delivery in the second half. So broadly, the growth was flat, year-on-year.

Turning to the efficiency programme, we made good progress in the first half of the year, delivering £124 million of efficiencies.

We remain on track for the £250 million that we've indicated as one of our targets for the current year.

We've been very focused on delivering through our different functions and operations. We saw improved transformation in our customer operations area, particularly using areas like digital technology to improve customer service and help drive out costs.

And from a global perspective, we're really starting to see the benefits of a global function working in a standardised way, with a much higher level of shared service capabilities.

Turning to the full year, the targets that we set back in February at our 2016 results, we remain on target to deliver through the rest of the year. We will deliver more than £2 billion of adjusted operating cash flow.

From a net investment perspective, we will be within our £1 billion cap that we've set for the year of organic capital expenditure - and small acquisitions of less than £100 million. And within that spending envelope, E&P will again be around £500 million, within our £400 million to £600 million target range.

And in terms of rebuilding the financial resilience of the organisation, we again remain on track for our £2.5 billion to £3 billion net debt range.

So I see today's results at the half year as setting us up well and being in a good position to deliver on those full year targets by the end of the year.