
INVESTING IN TOMORROW...TODAY



Business Briefing

17 June 2016



Meeting national needs through people and innovation

INVESTING IN TOMORROW...TODAY



Tony Bickerstaff, Group Finance Director

17 June 2016



Meeting national needs through people and innovation

INVESTING IN TOMORROW...TODAY



COSTAIN

PROGRAMME

Introduction: Andrew Wyllie CBE

Chief Executive, Costain Group

Mark Carne

Chief Executive, Network Rail

Martin Baggs

Chief Executive, Thames Water

Break

Lord Deighton

Chairman-Designate, Heathrow Airport

Costain Team

Lunch

INVESTING IN TOMORROW...TODAY



Andrew Wyllie CBE, Chief Executive

17 June 2016



Meeting national needs through people and innovation

INVESTING IN TOMORROW...TODAY



Business Briefing

17 June 2016



Meeting national needs through people and innovation



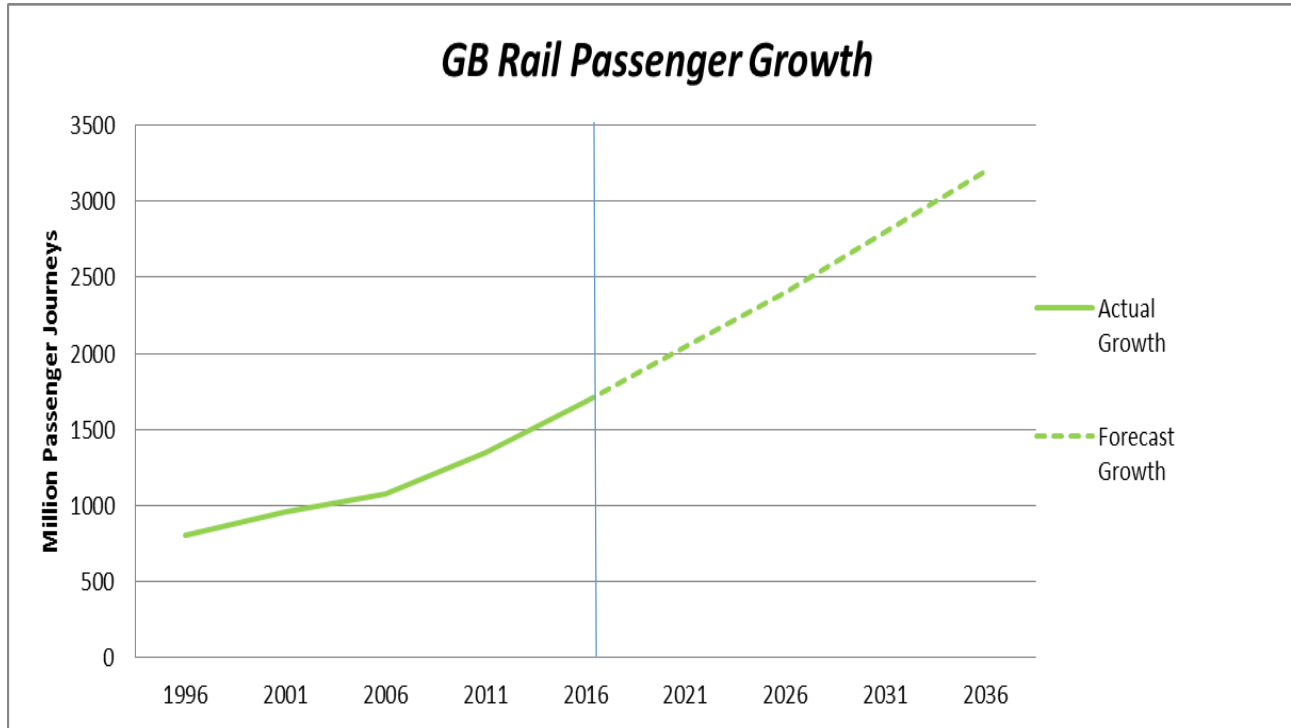
Delivering for our customers

Mark Carne
Chief Executive

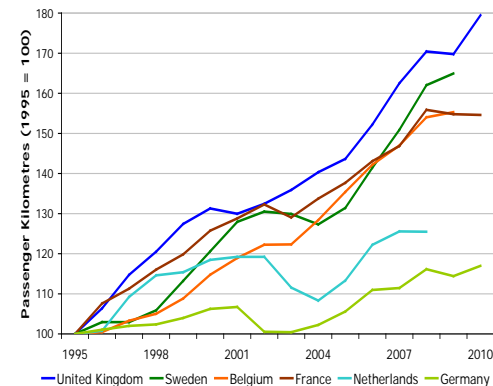
Delivering for our customers



We are the fastest growing railway in Europe



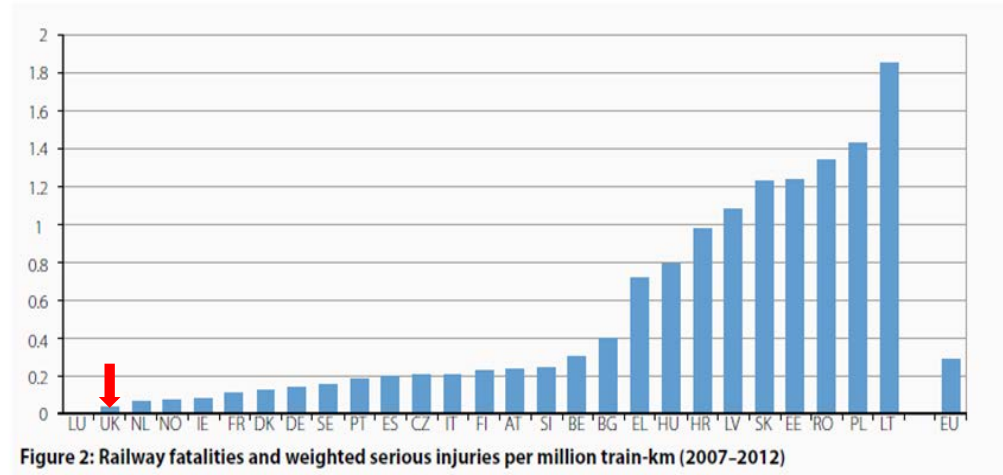
Europe



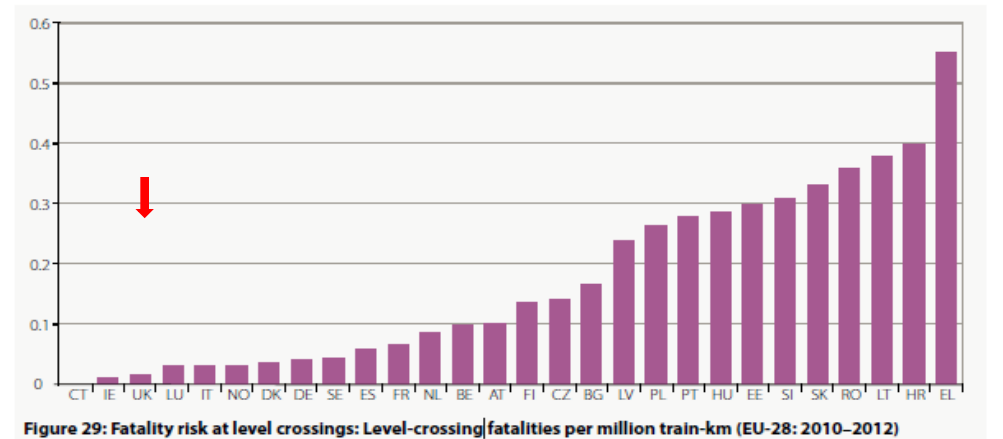
Delivering for our customers

We have the safest railway in Europe.

- Passenger Safety

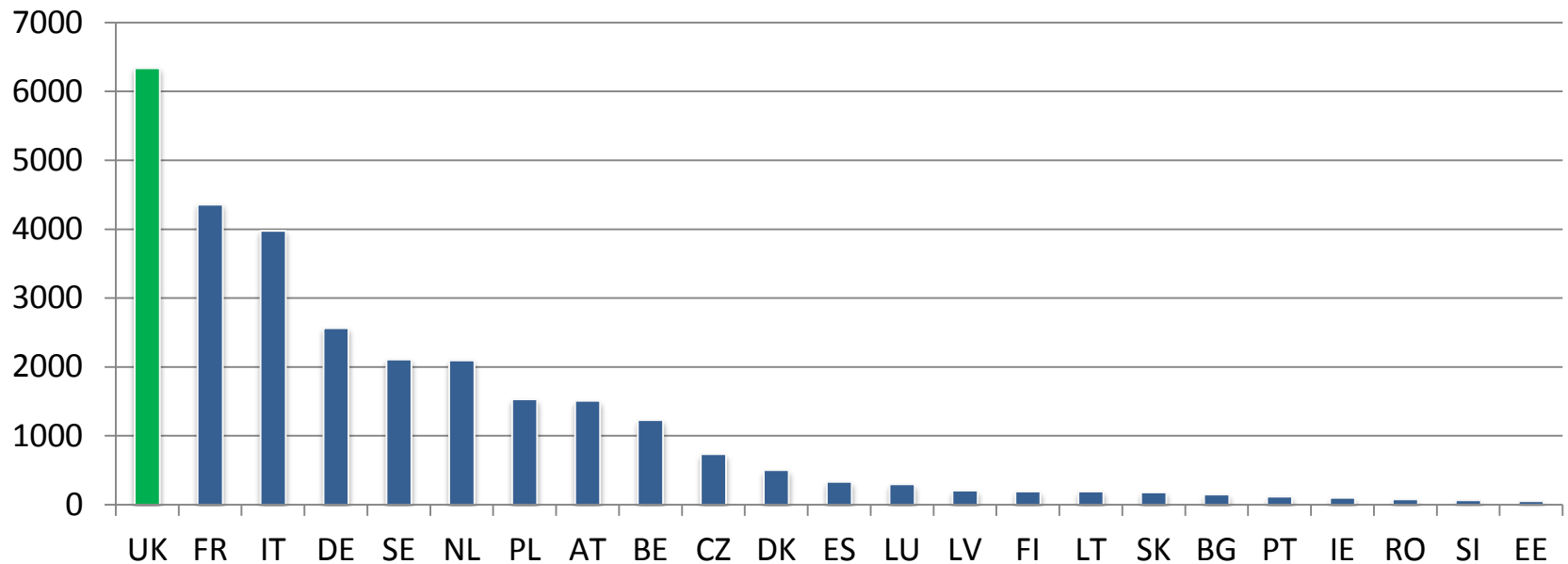


- Public Safety



We are investing more than anyone else in Europe in its railways

Investment in European Railways (EUR m)









Northern powercut: has the Tories' rail revamp reached the end of the line?
theguardian

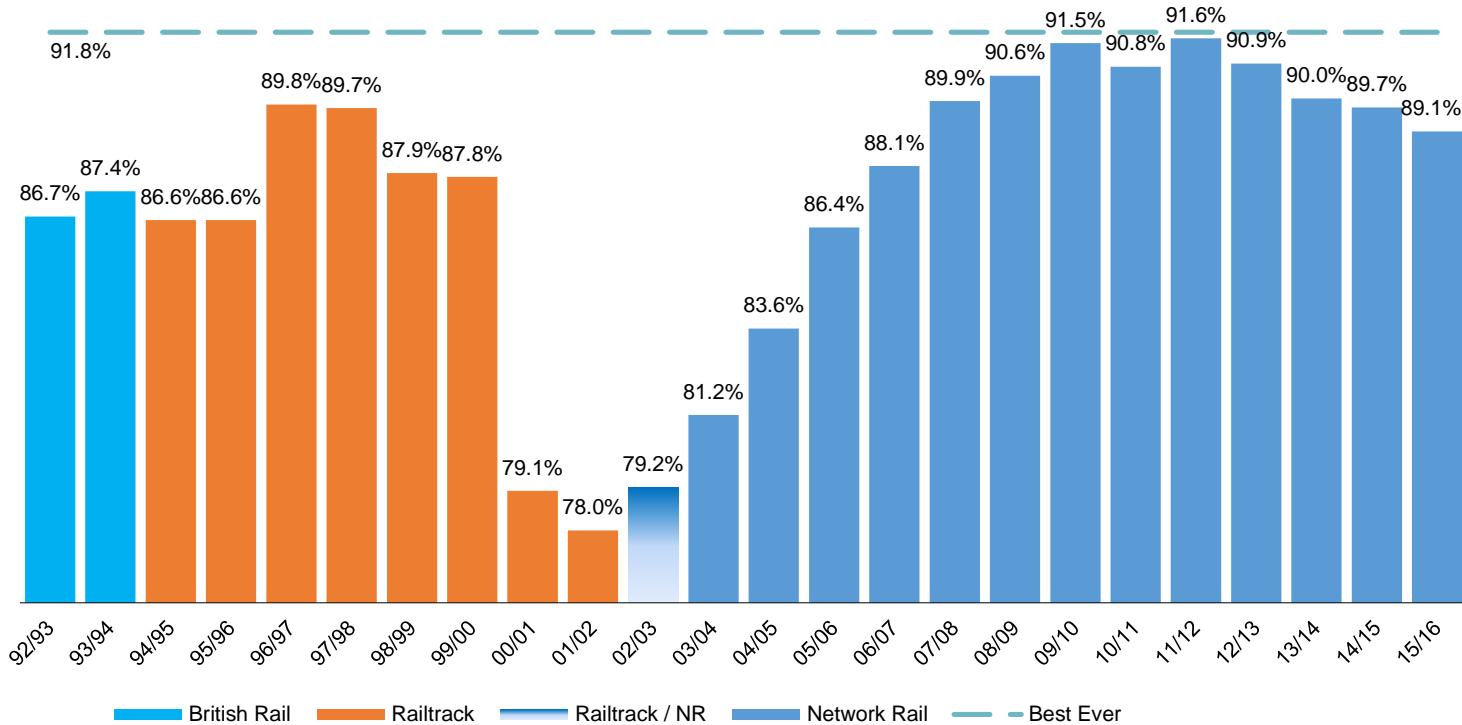
Cost of Great Western mainline electrification project triples to £2.8bn
theguardian

A Northern Snub? Trans-Pennine Electrification 'Paused'
EM60 East of the M60
The official blog of Stuart Valentine, 'The Travelling Post'

Chief executive gives evidence to Public Accounts Committee
Connect

Dismay as electrification plans are 'un-paused' but delayed by four years
Railnews
Today's news for tomorrow's railway

Passenger growth is impacting performance



Passenger performance is starting to decline

Doubling the number of passengers in the last 20 years....

....expected to double in the next 20

Freight is growing and needs more capacity.

The transformation journey for Network Rail

“An Independent
company”

That acted
like a

Regulated, state,
monopoly

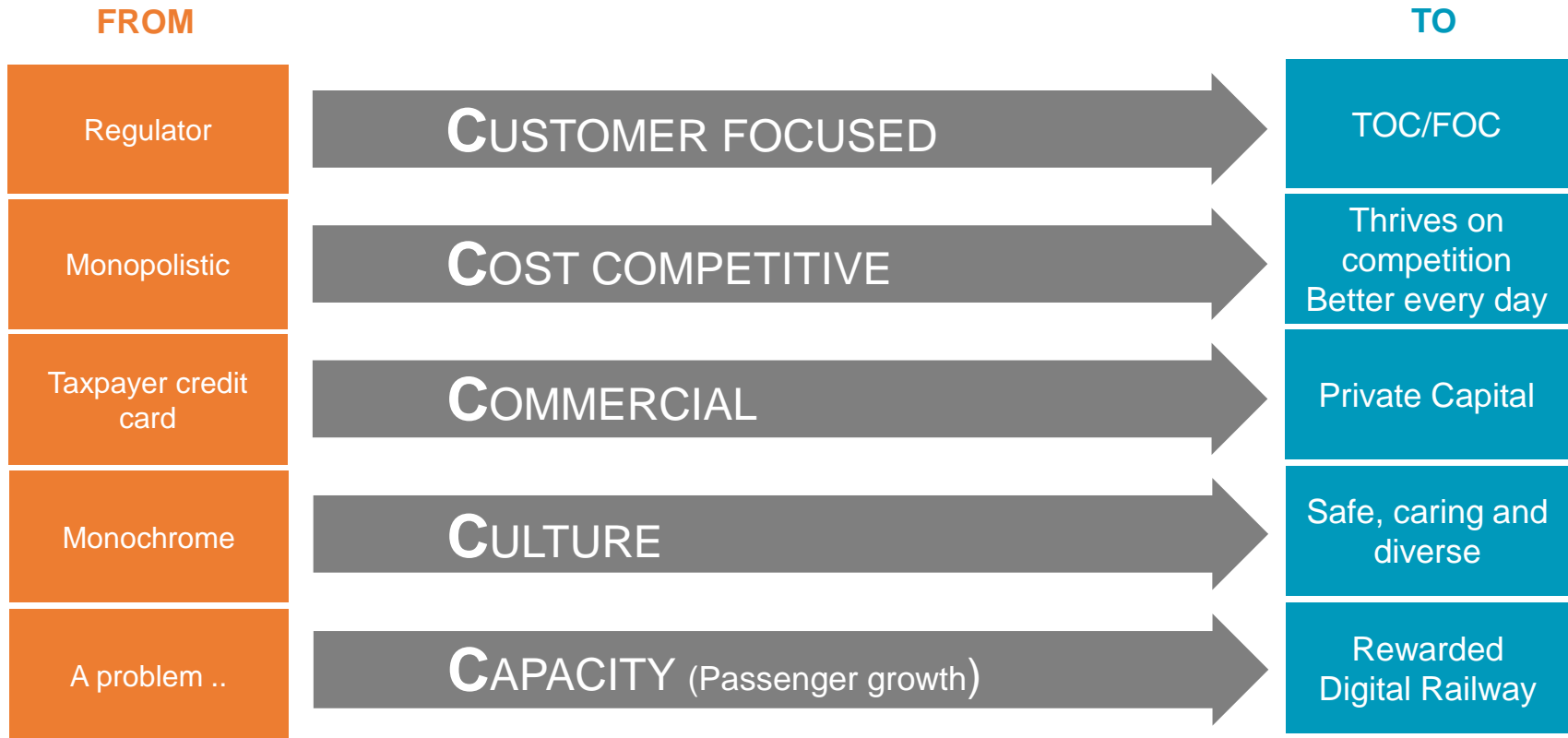


A Public Sector
organisation

That acts
like a

Private Sector
Business

the **5**_{cs} Organisational characteristics transforming Network Rail



Delivering for our customers



Self-service tickets

15

16

17

18

ures

Train departure board with multiple columns of text and times.

TICKETS

TICKETS

TICKETS

TICKETS

TICKETS

digital
railway

Revolutionary change to Britain's railways, founding on replacing traditional signalling with digital train control

More Trains

Greater
Reliability

Better
connectivity

Safer

Lower
Carbon
Footprint

Lower cost



Delivering for our customers

Better every day

INVESTING IN TOMORROW...TODAY



Business Briefing

17 June 2016



Meeting national needs through people and innovation

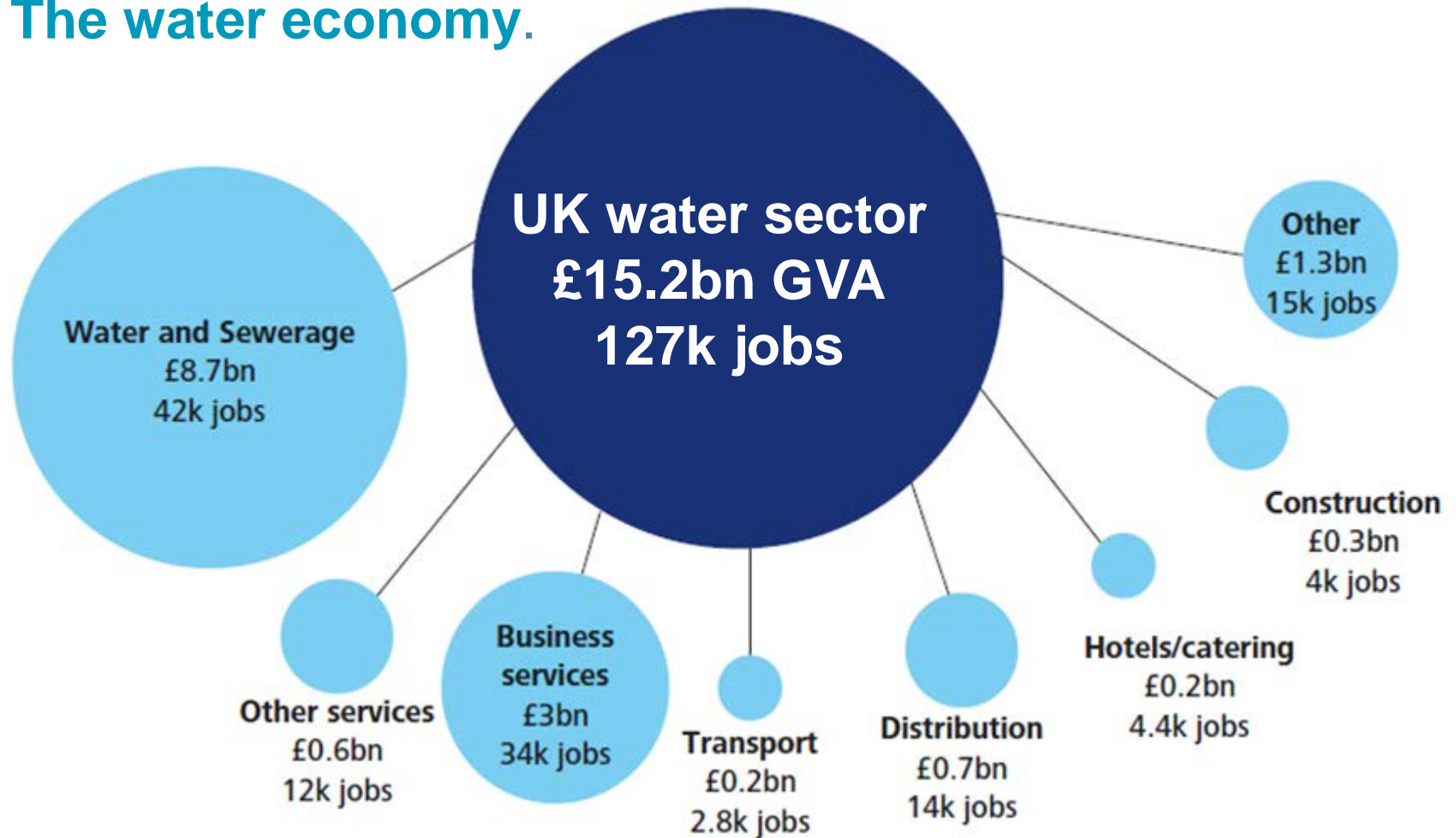


Investing in tomorrow...today

17 June 2016

Martin Baggs
Chief Executive Officer

The water economy.



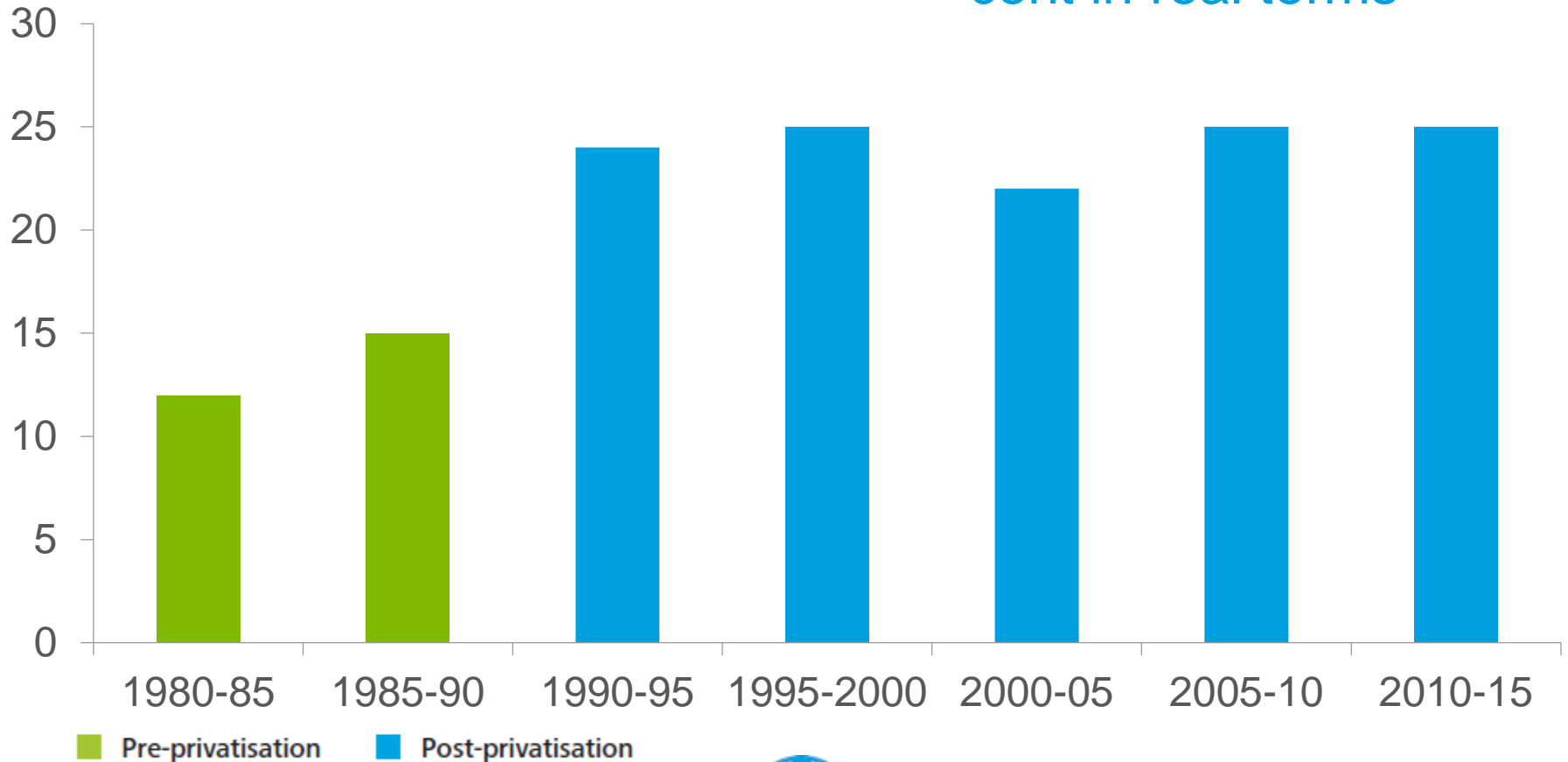
Source: Deloitte analysis

* Jobs figure is measured as full-time equivalents

Growing investment.

£116 billion invested since 1989

Investment up 12 per cent in real terms

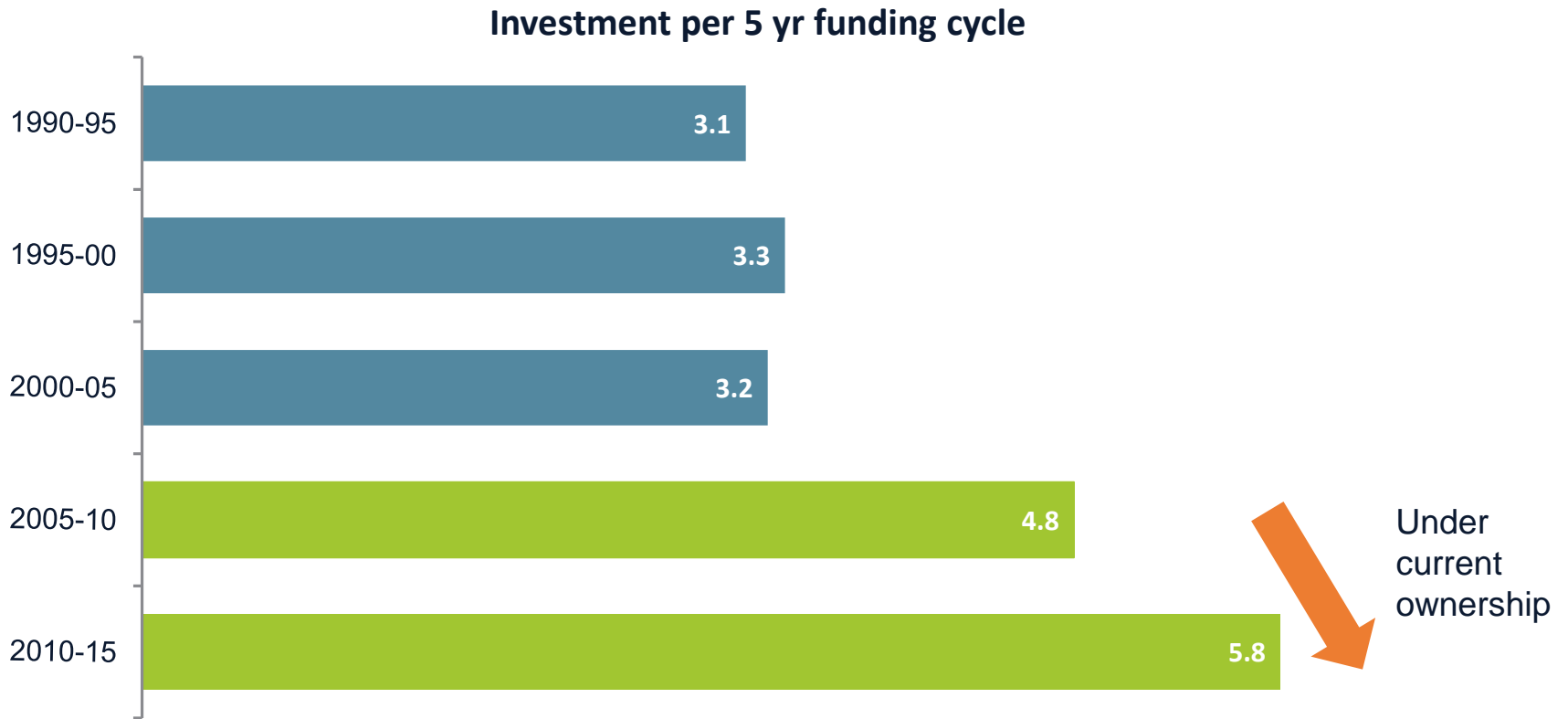


Benefits of investment.



Increasing levels of investment.

Under current ownership we have invested over £1bn per annum on average

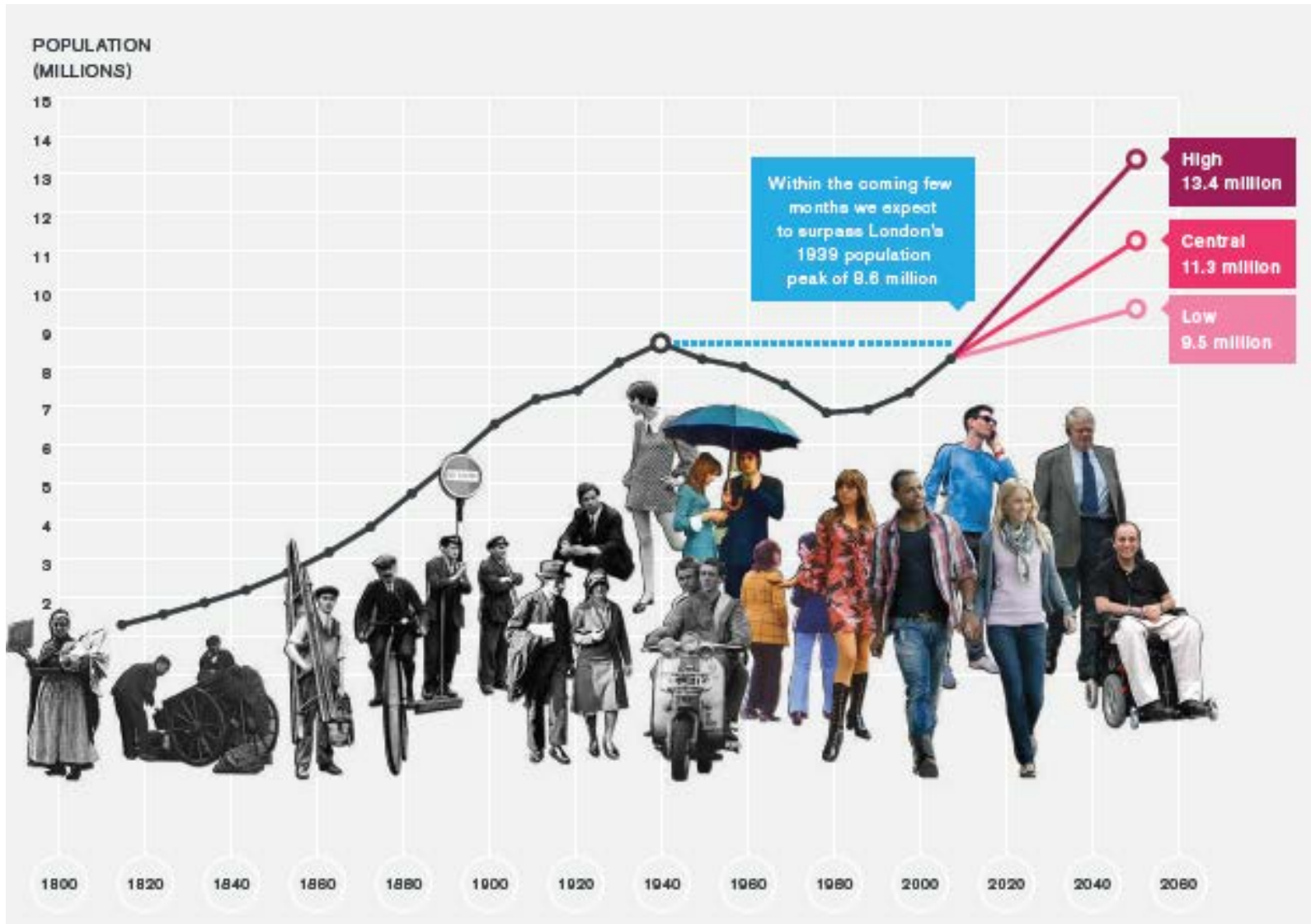


The future

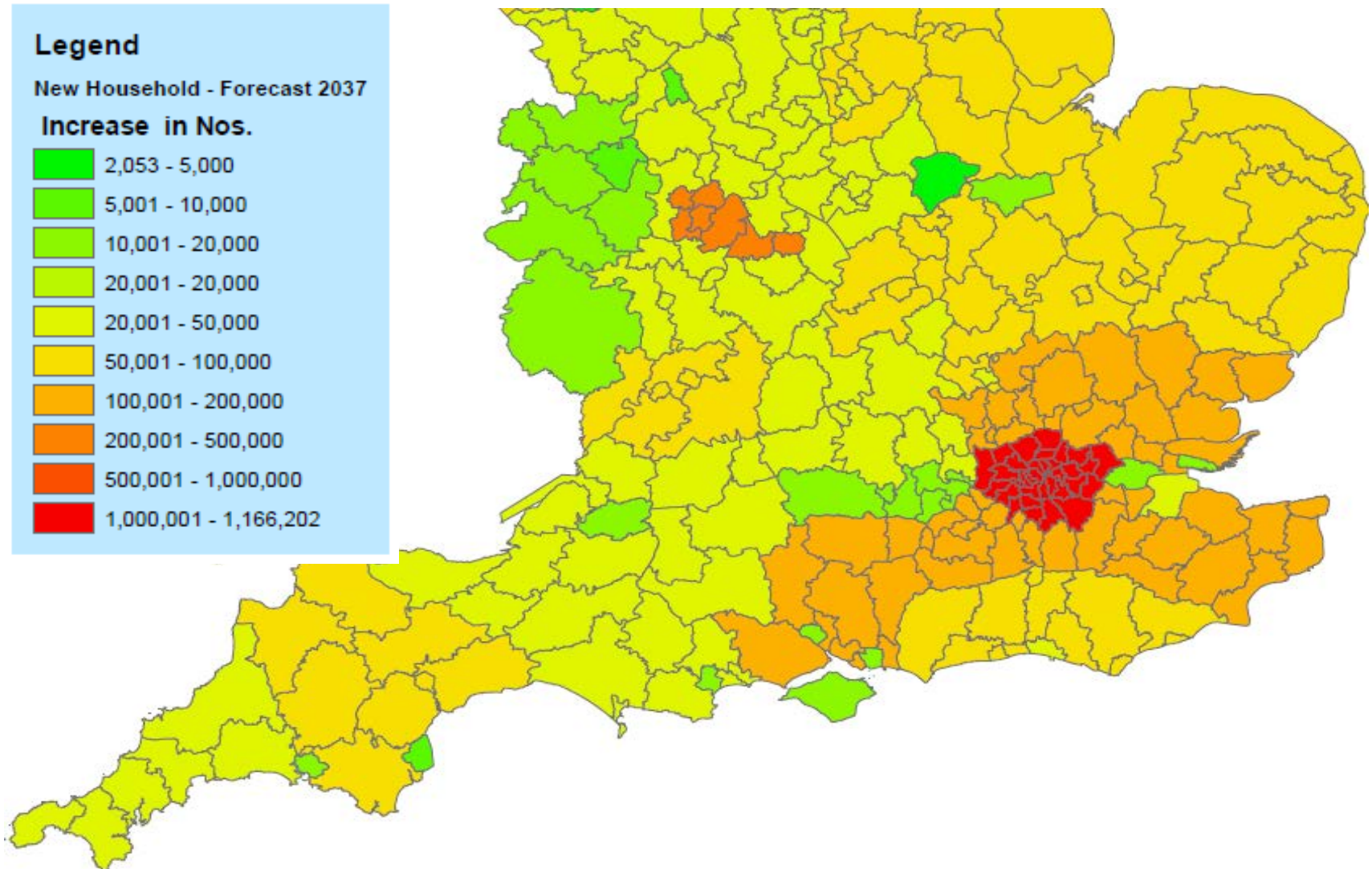
Growing population, changing environment and
diminishing resources



Growing population.



Future housing growth.



Enabling growth.

The next high growth areas in London

London's identified growth areas could accommodate an additional 1 million people.

As defined in the London Plan:

- **Opportunity area boundaries** (brownfield land areas with significant capacity for new housing, commercial and other development linked to existing or potential improvements to public transport accessibility. Typically they can accommodate at least 5,000 jobs or 2,500 new homes or a combination of the two, along with other supporting facilities and infrastructure)
- **Areas for intensification** (areas with significant capacity for new jobs and homes but at a level below that which can be achieved in the Opportunity Areas)

Part of the Mayor's Housing Strategy:

- **Housing Zones** (a new initiative jointly funded by the Mayor and national government to boost housing delivery in areas with high development potential)(boundaries to be confirmed)

© Crown copyright and database right 2015.
Ordnance survey 100032216



What does this mean?



New markets

- Water resources
- Sludge

Innovation

- New ways of working
- New delivery models

Greater collaboration

- Between the industry and supply chains
- Across agencies, departments and authorities
- Working with new government bodies
- Longer term planning
- Big, bold, brave decisions



Delivery

What this means for Thames Water



Thames Tideway Tunnel – new delivery model.

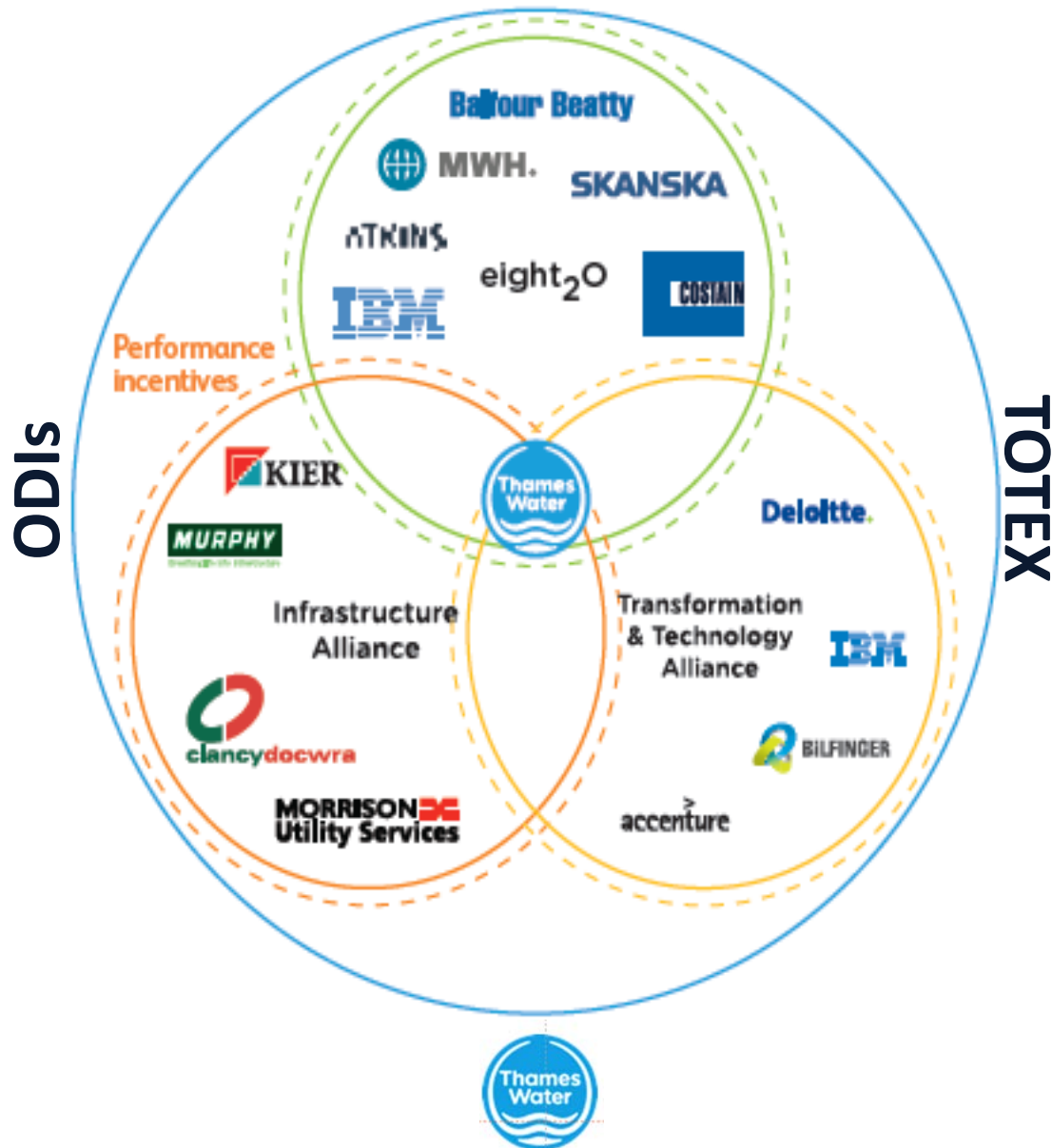
- Delivered by an independent infrastructure provider
- New and unique financial model
- Three separate tenders for construction
- Clear rewards and penalties
- Long-term savings for customers
- Protection from risk
- Model is transferable



Our alliances.



Delivering AMP6 commitments.



Conclusions.

The post-privatisation water industry

- High and growing levels of investment
- Strong track record of delivery

The future

- Growth will boost demand; climate change will reduce supplies
- The regulatory regime is changing with new opportunities
- This combination drives the need for new ways of working

Delivery

- Development of new delivery models is key
- The conventional client/contractor relationship has moved on
- Greater collaboration will be needed
- Working with the right organisations, with the right capabilities and the right people



Thank you



INVESTING IN TOMORROW...TODAY



Business Briefing

17 June 2016



Meeting national needs through people and innovation



Investing in tomorrow

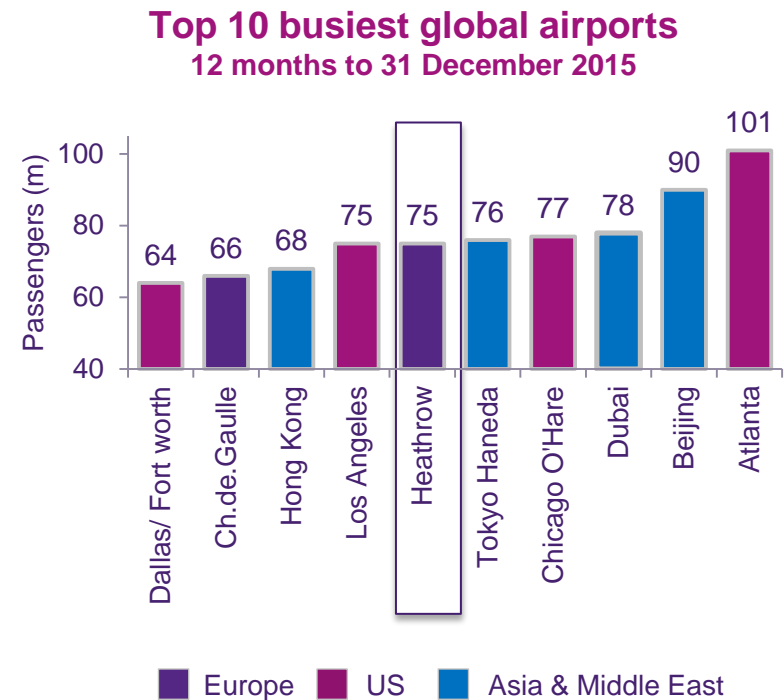
Heathrow

Lord Deighton
June 17th 2016

Heathrow
The right choice

Heathrow is the primary airport in the world's largest aviation market

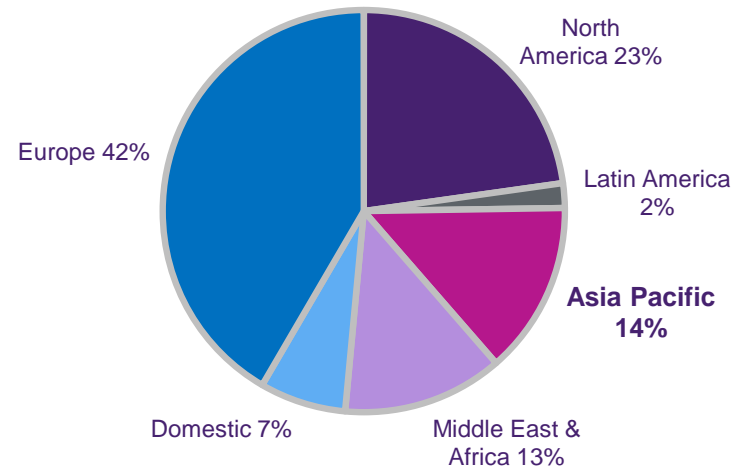
- Demand to fly to and from London is 15% higher than the next largest market
- 5 of global top 10 intercontinental long haul routes operate at Heathrow
- Over 80 airlines operate at Heathrow, over two thirds operating long haul services
- 80% of UK long haul scheduled traffic with ~80 long haul routes
- Balanced and diverse mix drives resilience
- Operates close to full capacity



Heathrow serves 34 cities in Asia and Australasia

- 14% of Heathrow traffic is to/from Asia Pacific
 - 42 thousand departures and arrivals
 - 10.4 million annual passengers, with 12.8 million seats flown annually
- Heathrow serves 34 cities in Asia Pacific with over 61 daily departures
 - 16 daily departures to Hong Kong and China
 - 4 daily departures to Japan
 - 5 daily departures to Singapore
 - 3 daily departures to Australia

Heathrow passenger traffic mix
12 months to 30 April 2016



OUR MANIFESTO FOR BRITAIN

Heathrow
The right choice

heathrow.com/ourmanifesto

 [@yourheathrow](https://twitter.com/yourheathrow)

1

Help Britain's economy grow stronger, creating up to 180,000 new jobs and 10,000 apprenticeships across the UK



Heathrow
The right choice

2

Let our country stand tall, connecting businesses with up to 40 more long-haul destinations across the globe



Heathrow
The right choice

3

**Meet tough environmental
and noise limits,** enforced by
new independent regulators



Heathrow
The right choice

4

Improve connectivity, with better air, rail and coach connections from Heathrow to every major town – North, East, South and West



Heathrow
The right choice

5

Secure a lasting legacy for future generations, enabling our children to compete in the global race



Heathrow
The right choice

Heathrow has the track record to finance expansion

- Existing business should be generating ~£2 billion annual operating cash flow by ~2020
- Heathrow has already financed one substantial infrastructure transformation
 - £11 billion capital investment over the last decade, including Terminal 5 and Terminal 2
 - RAB nearly tripled from £5.4bn in March 2004 to £14.9bn in December 2015
- Heathrow has materially strengthened its debt financing platform
 - raised nearly £2 billion per annum in global debt capital markets, including >£3 billion in 2012
 - access to multiple new currencies having issued in six currencies
 - significantly extended duration of debt portfolio
 - increased resilience of all levels of debt capital structure
- Expect to use existing demonstrably scalable debt financing platform to finance expansion
- Intend to target existing investment grade ratings
- Debt market capacity significantly exceeds requirements

Heathrow's future

GRIMSHAW



Heathrow's future



Heathrow's future

Zaha Hadid



Any questions?

Heathrow

The right choice

INVESTING IN TOMORROW...TODAY



Business Briefing

17 June 2016



Meeting national needs through people and innovation

Unique customer focused strategy



Securing a future energy supply...

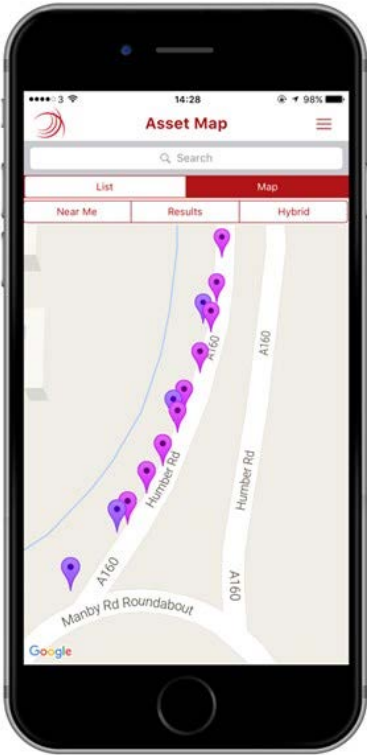


...maintaining a safe and reliable water supply



...upgrading the transport infrastructure

Smart people delivering smart solutions



INVESTING IN TOMORROW...TODAY



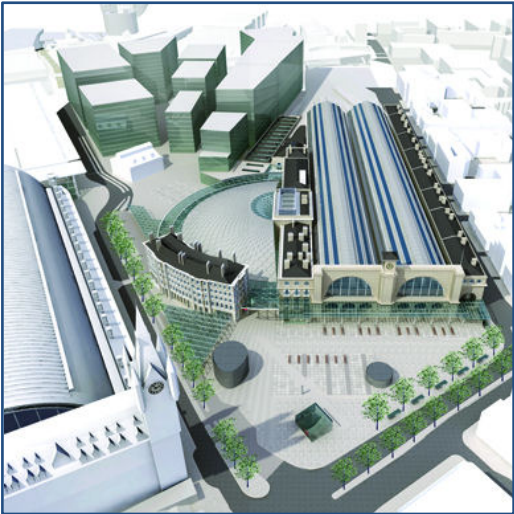
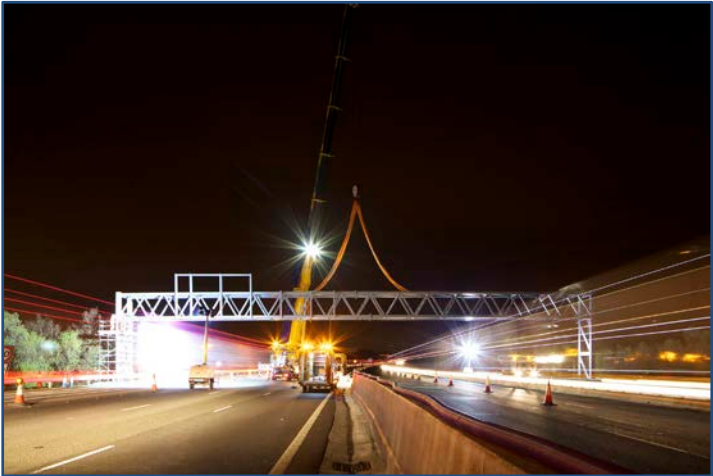
Richard Stuart CEng MICE

17 June 2016



Meeting national needs through people and innovation

Experience in major capital investment delivery



Secondment into Highways England smart motorway programme

COSTAIN



Costain delivers smart motorway innovation

COSTAIN



CCTV

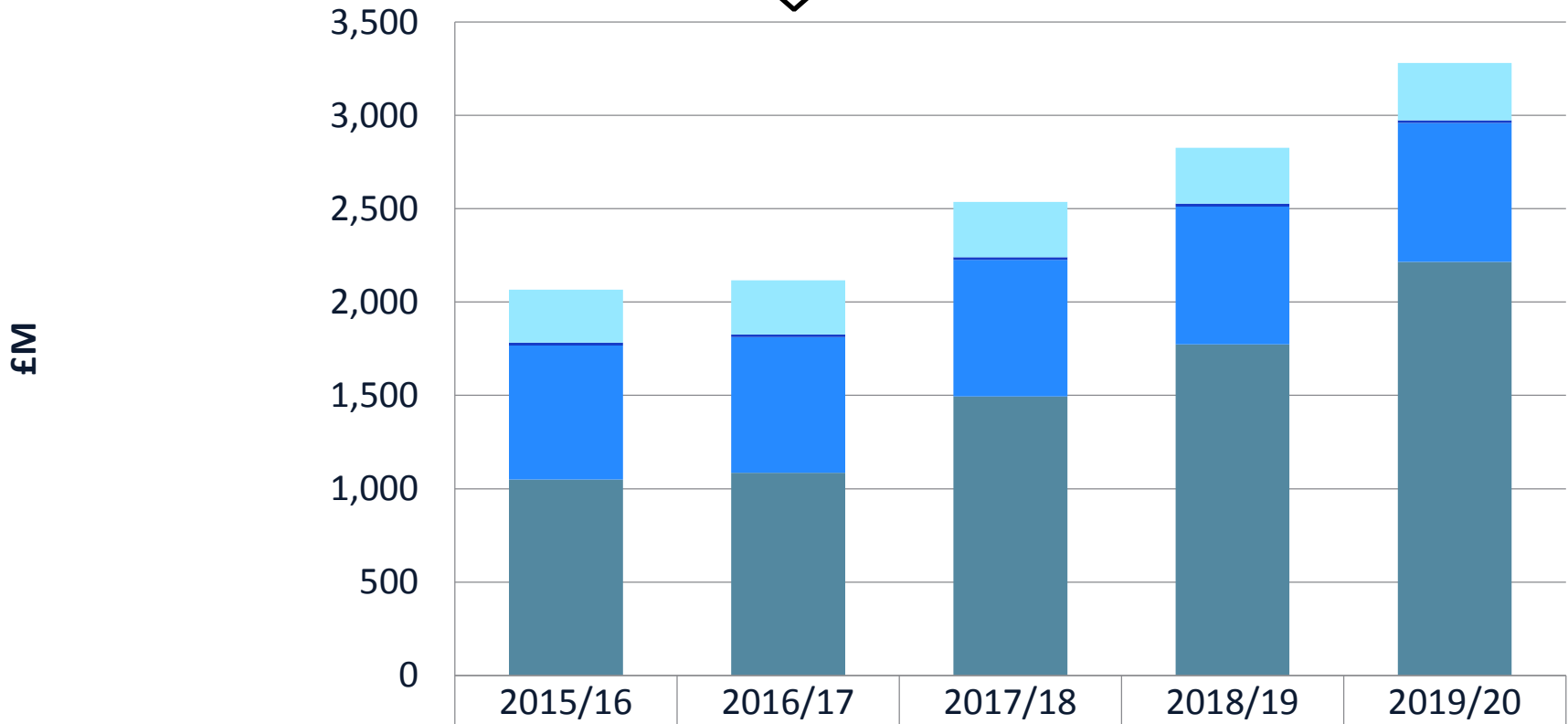


Journey Time System



RADAR

Context of Highways England future investment plan

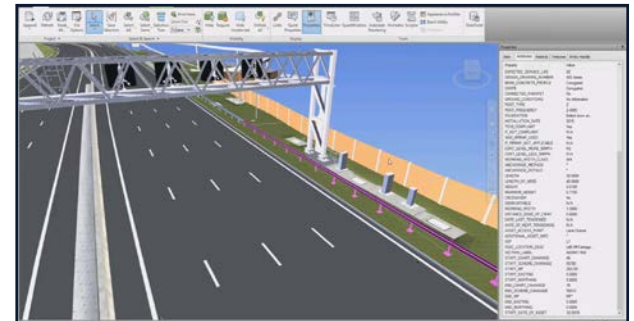
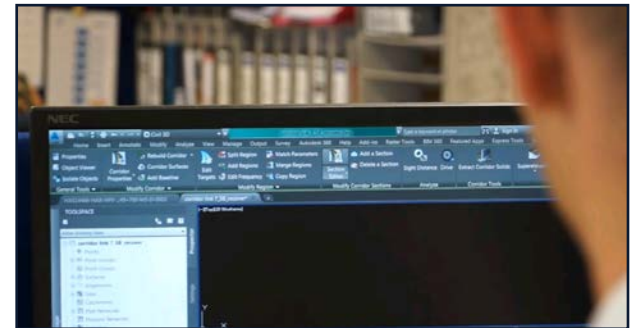


■ Maintenance	285	290	295	300	306
■ Operate/Support	15	15	15	15	15
■ Capital Renewals	718	726	732	738	744
■ Major & Smaller Projects	1,049	1,086	1,494	1,774	2,215

Costain delivers a broad range of services for Highways England

COSTAIN

- Construction
- Programme Management
- Information Management
- Design Process Improvement
- Statutory Process
- Delivery Planning



INVESTING IN TOMORROW...TODAY



Ioanna Papanikolaou MEng

17 June 2016



Meeting national needs through people and innovation

Achieving factory levels of performance in construction

COSTAIN



Optimising assets and integrating technology



Innovation in action on Thames Tideway Tunnel

COSTAIN



INVESTING IN TOMORROW...TODAY



Kim Faithfull-Wright BSc

17 June 2016



Meeting national needs through people and innovation

Enhancing skills and capabilities

COSTAIN

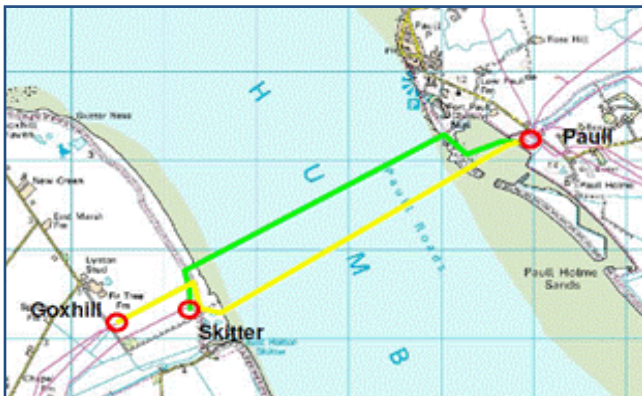
One of the largest private Programme Management Consultancies with 30 years experience building reputation, capability and expertise across its 500 People



Recognising the importance of projects to our customers

Complex, strategically important project for National Grid and UK infrastructure

- Provides 70 – 100 million cubic metres of natural gas per day
- 5km of 3.65m diameter tunnel to house 1m diameter pipeline
- Longest pipeline under a river in the world



Providing assurance for complex project delivery

- Key role in the Gas Transmission Asset Management Team
- Scoping and investment approval of work at Paull AGI required prior to Feeder 9 replacement
- Providing Programme Management Expertise
- Recognised Benefits



INVESTING IN TOMORROW...TODAY



Niku Nobakhti BEng MSc AMIChemE

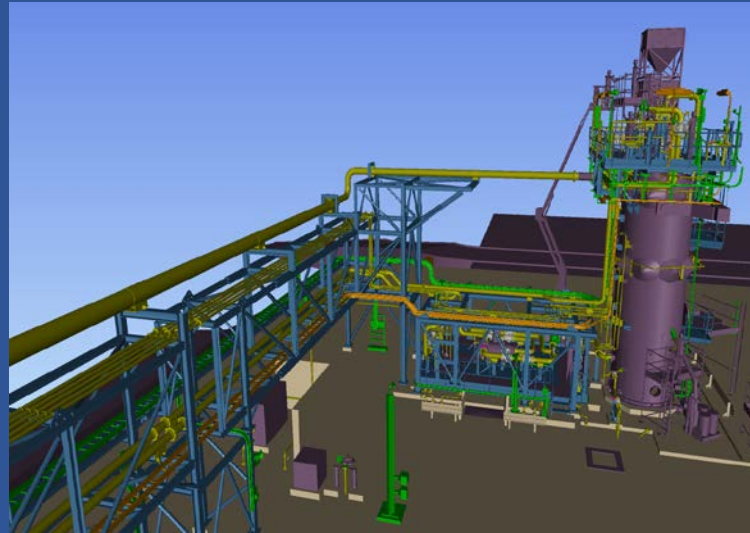
17 June 2016



Meeting national needs through people and innovation

Pioneering new approaches in the Energy sector

COSTAIN



**EPC SOLUTION PROVIDER
OF CHOICE DELIVERING
INTEGRATED PROJECTS FOR
CORE CUSTOMERS**

**IG YEARS OF
XPERIENCE TO
UTURE OF THE
JSTRY**

INVESTING IN TOMORROW...TODAY



Isabel Coman MEng CEng FICE RPP

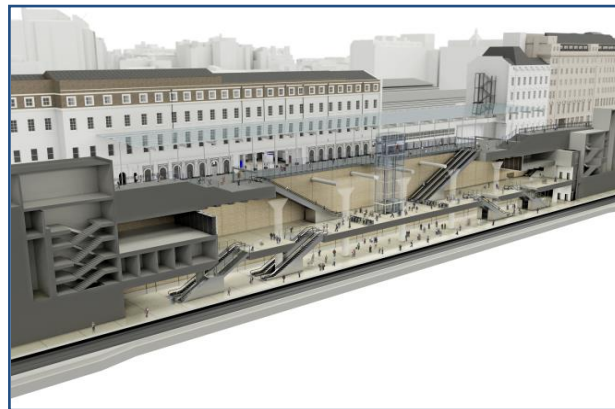
17 June 2016



Meeting national needs through people and innovation

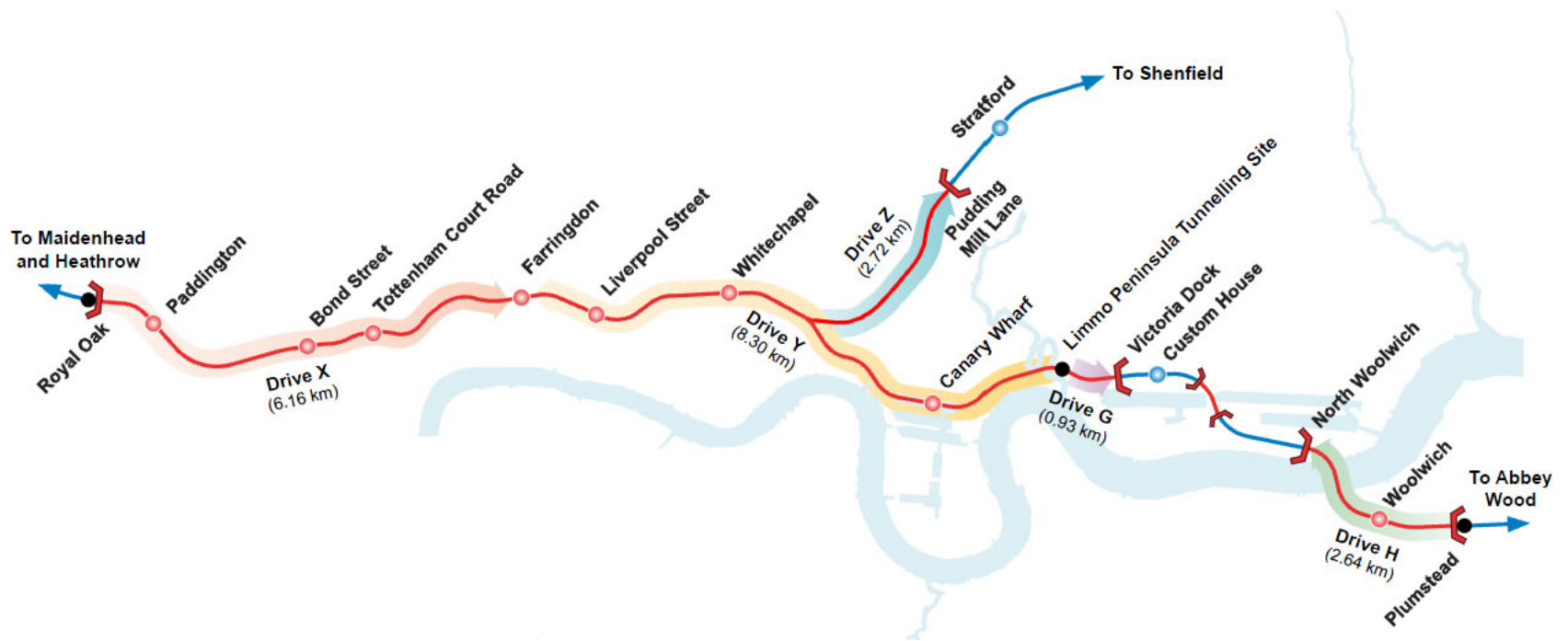
A record of delivering major rail infrastructure

COSTAIN

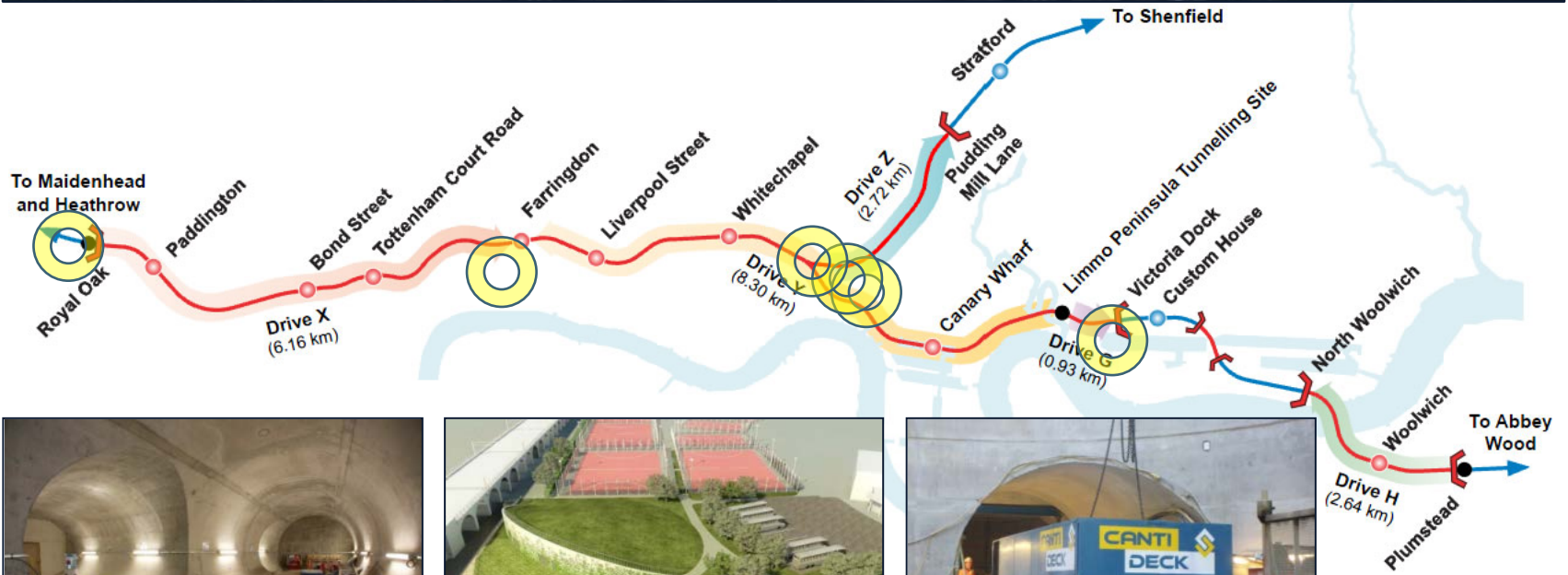


Delivering the largest portfolio of projects for Crossrail

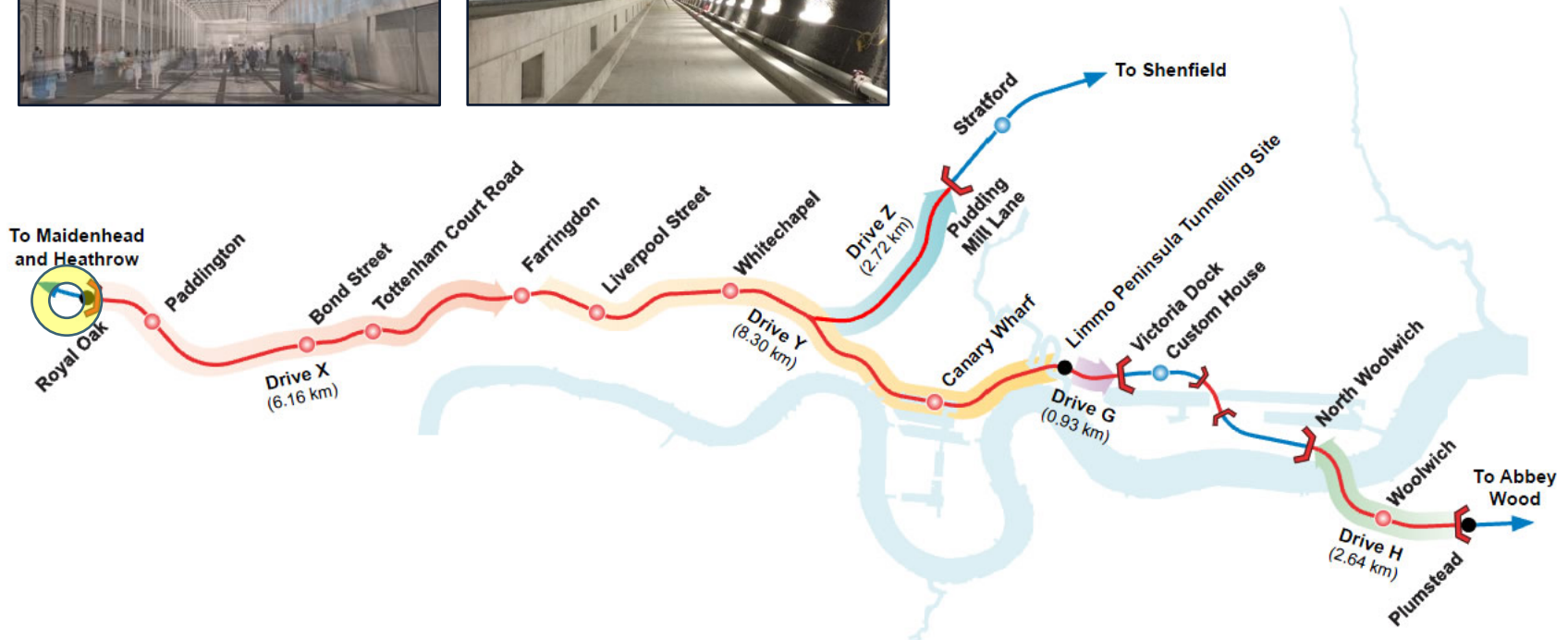
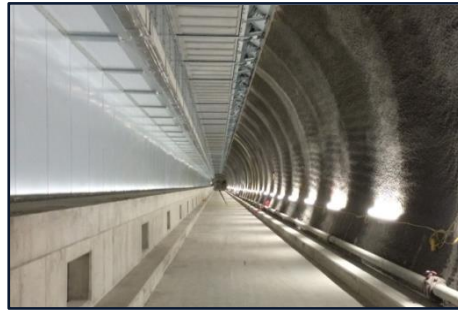
COSTAIN



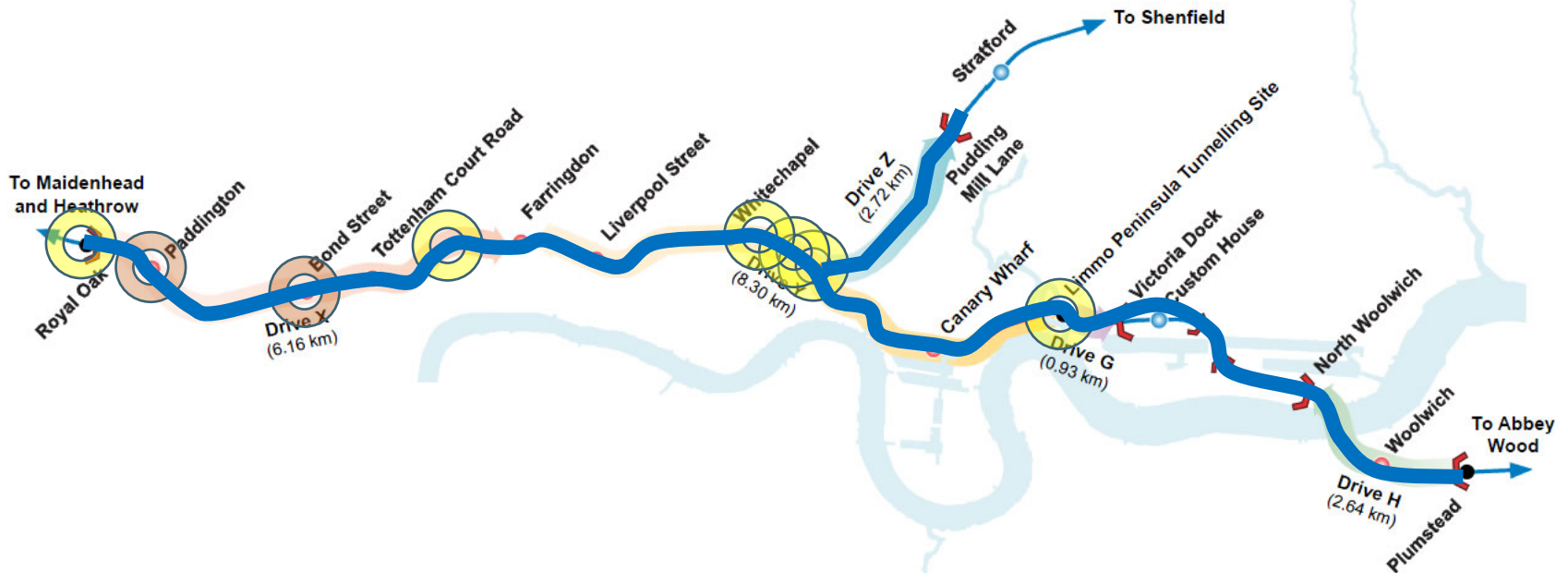
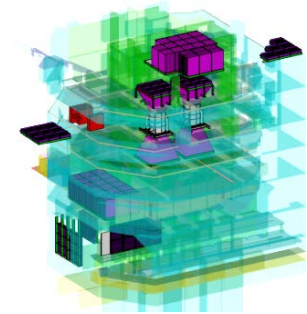
Delivering the largest portfolio of projects for Crossrail



Delivering the largest portfolio of projects for Crossrail



Delivering the largest portfolio of projects for Crossrail



Bringing innovation to Crossrail

COSTAIN



Bringing innovation to Crossrail

COSTAIN



INVESTING IN TOMORROW...TODAY



Business Briefing

17 June 2016



Meeting national needs through people and innovation