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Business Briefing

# MEETING NATIONAL NEEDS

05 June 2015

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**Tony Bickerstaff, Group Finance Director**



# Agenda



Meeting National Needs

Andrew Wyllie

Meeting the National Need for Energy

John Pettigrew

HS2: A Catalyst for Growth across Britain

Simon Kirby

BREAK

Upgrading the highways infrastructure

Graham Dalton

Being a partner of choice

Costain

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**Andrew Wyllie CBE, Chief Executive**





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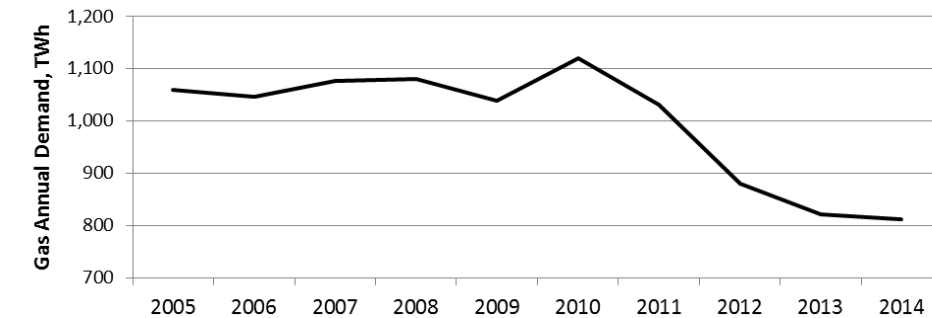
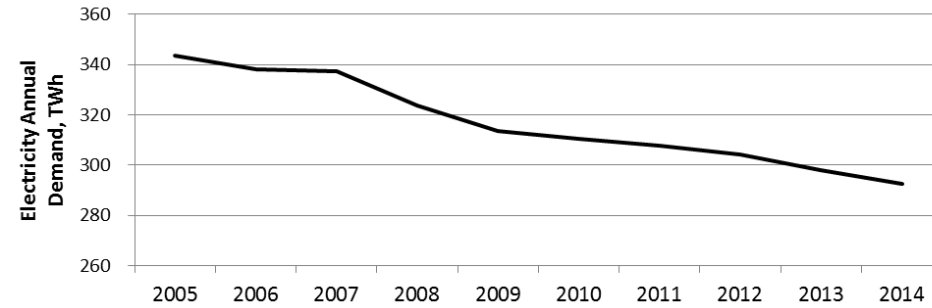
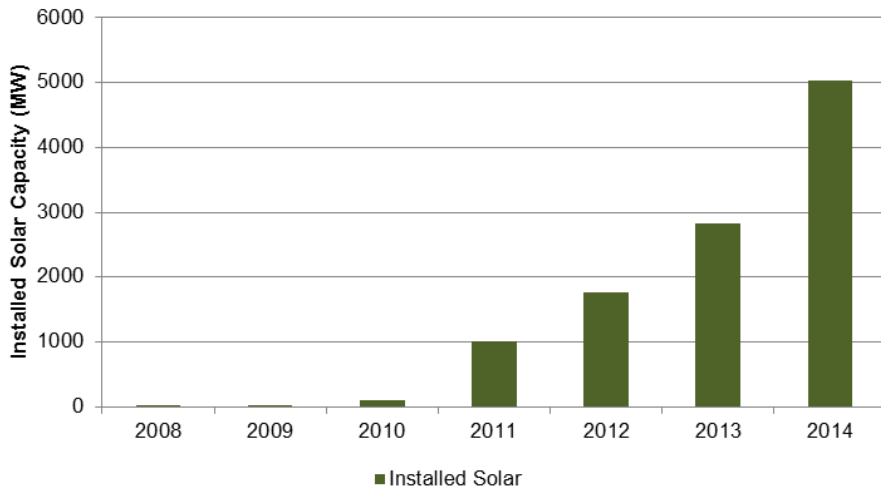
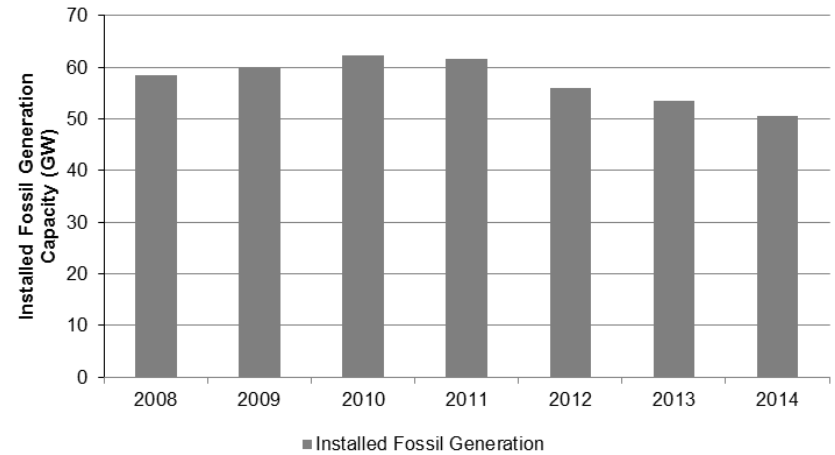
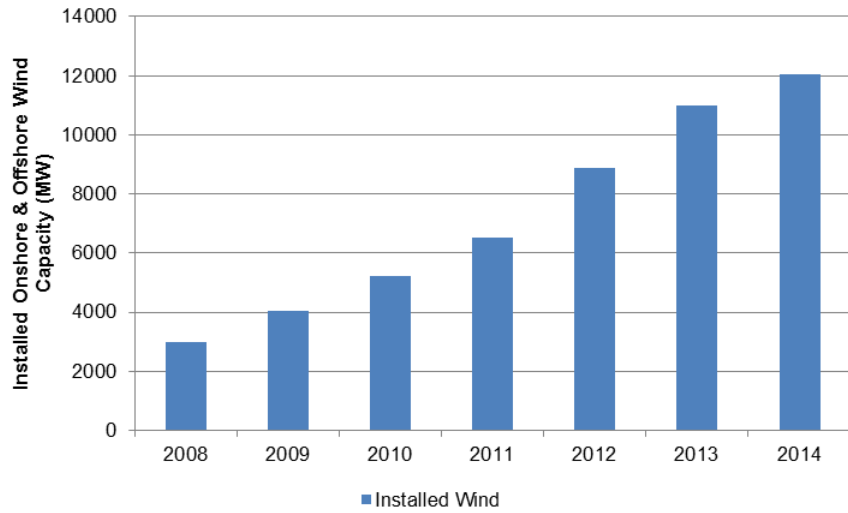


# Meeting the National Need for Energy



**John Pettigrew**  
National Grid  
Executive Director, UK

# Change in Energy Landscape

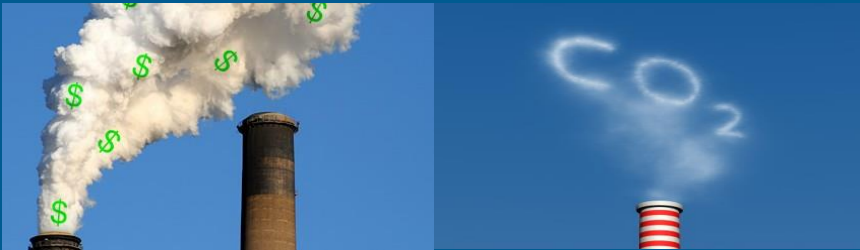


# Electricity Market Reform

A package of measures to.....



Incentivise low carbon investment  
- Contracts For Difference



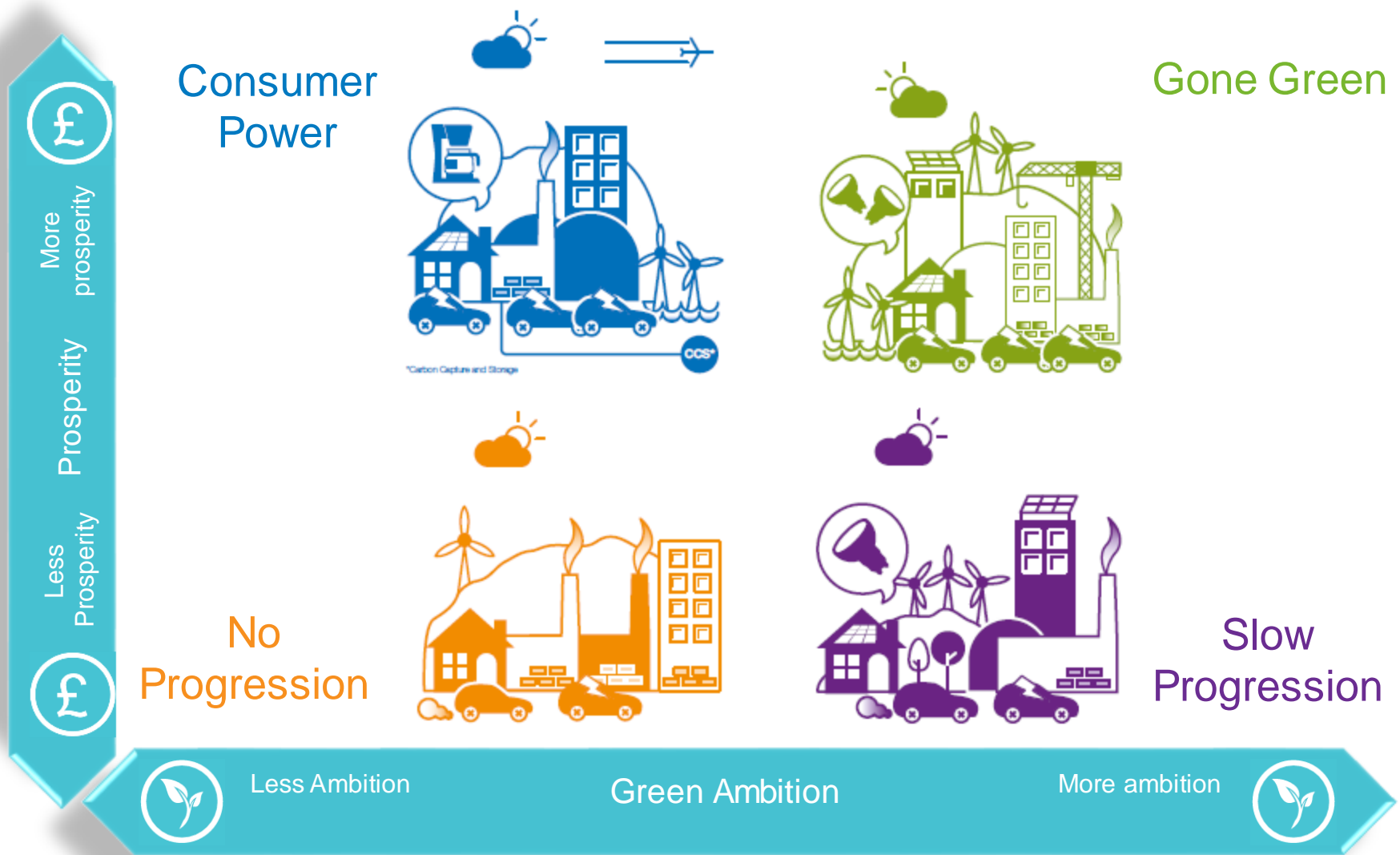
Manage emissions  
- Emissions Performance Standard  
- Carbon floor price support



Security of supply  
- Capacity market



# Our 2015 Future Energy Scenarios

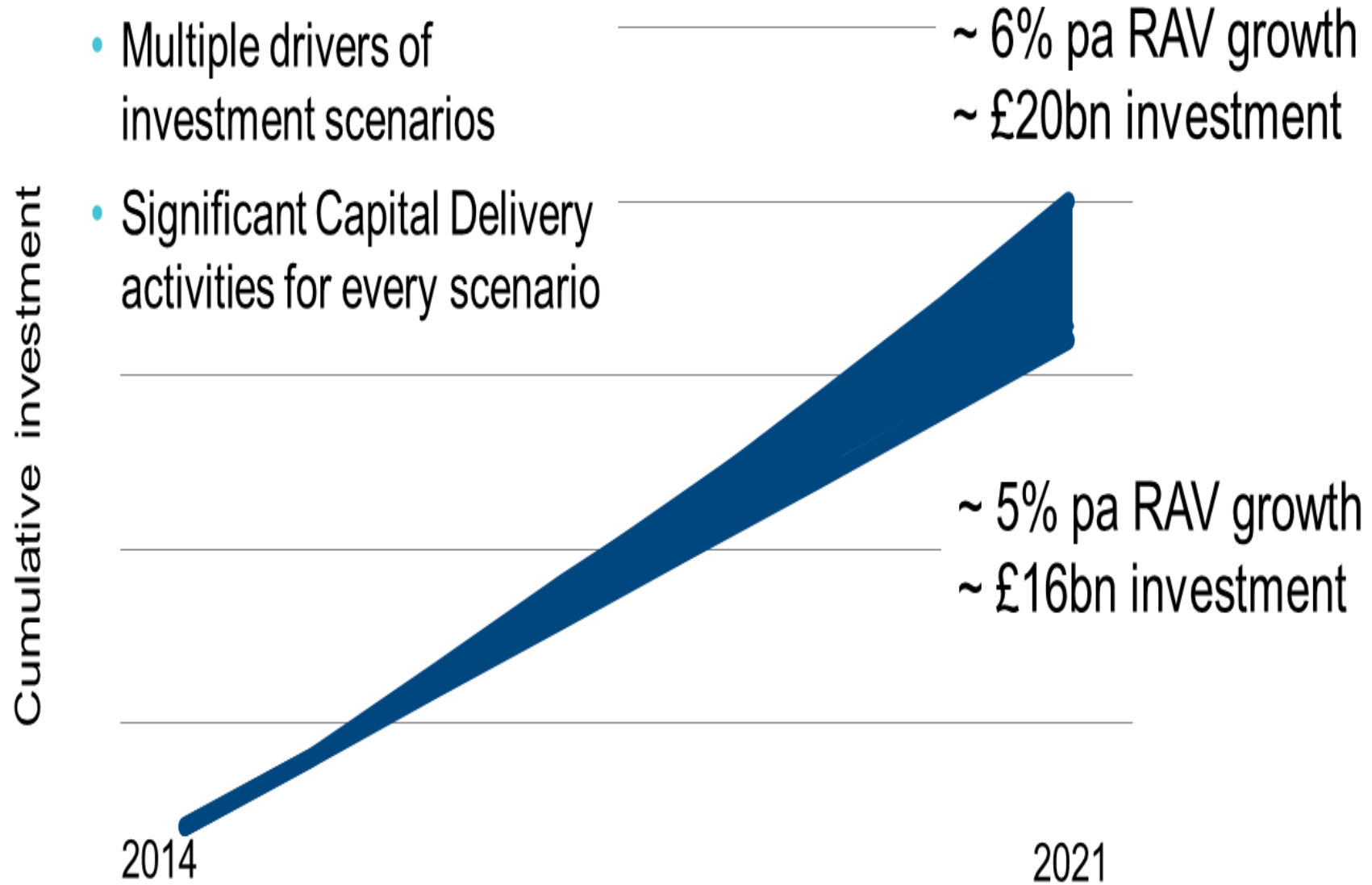


## Changes in Generation landscape

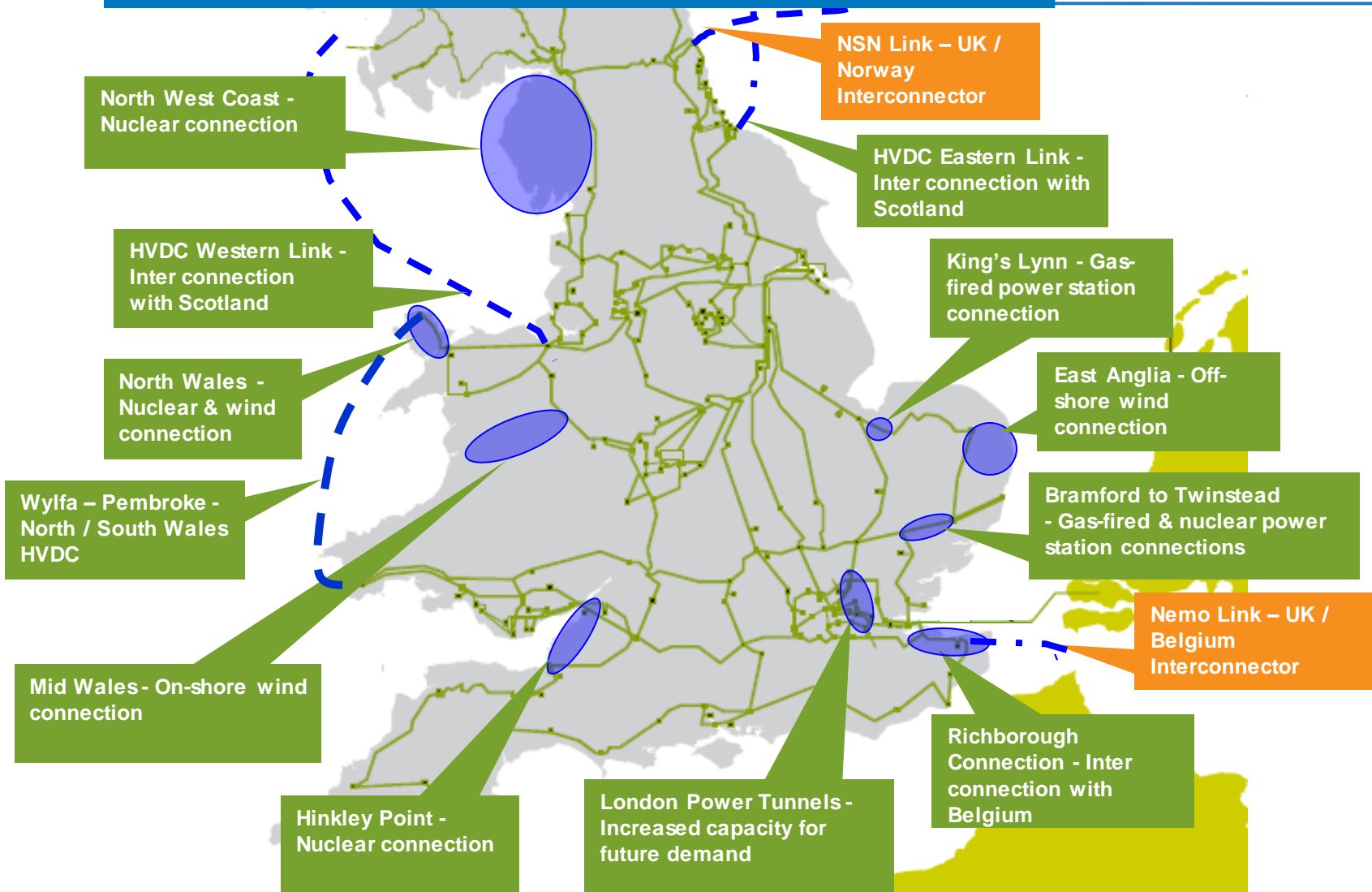
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Plant Type	Currently Connected (MW)	New Applicants (MW)
Coal / Biomass	20296	280
Hydro	3775	3029
Interconnector	4364	8205
Nuclear	9937	17737
Oil & AGT	800	0
Wind Offshore	4328	32791
Wind Onshore	2953	7144
Gas	28060	21044
<b>Total</b>	<b>74513</b>	<b>90230</b>

## Key Investments



## Our major infrastructure projects (I/C's in orange)



# Conclusion





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# HS2: A Catalyst for Growth across Britain

Simon Kirby, CEO, HS2 Ltd

Costain Business Briefing  
Friday 5 June 2015



## How HS2 will transform Britain



# The need for HS2

Britain's two-speed economy:



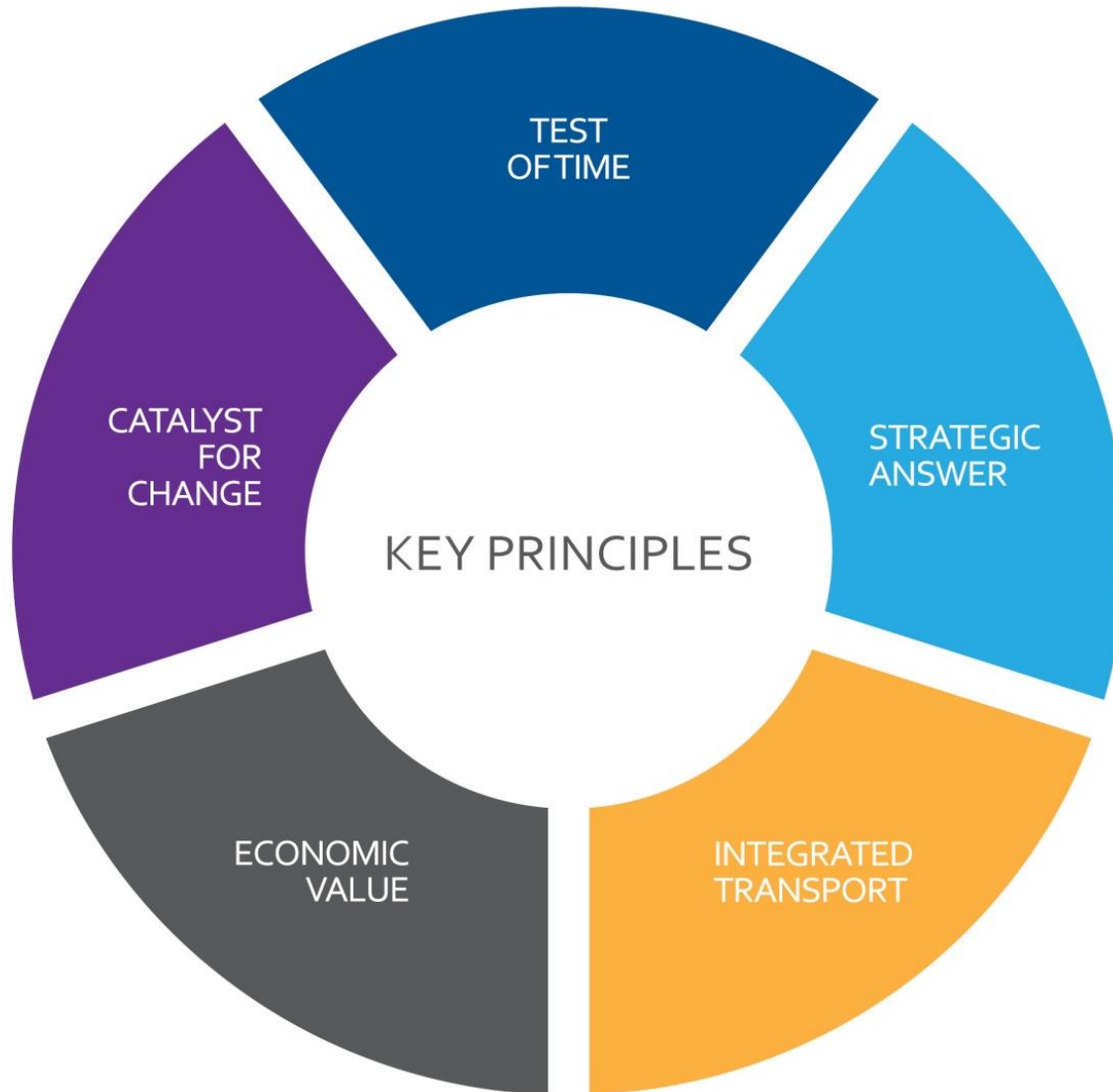
London



North-West

Gross value added per hour worked

# HS2's criteria for success



The **planning** of HS2  
will **transform** the way Britain  
thinks about **transport**

# Rebalancing Britain



hs2 *engine for growth*

The **construction** of HS2  
will **transform** the way Britain  
builds **infrastructure**



# Safety



Creating jobs and improving diversity



A step-change in the industry's skill set



The operation of HS2  
will transform Britain's  
economic geography



# Expectations for Phase One



## Plans for Phase Two



## Hopes for East-West connectivity

“The result should be that  
**London** grows sustainably, and  
the **Midlands** and the **North**  
achieve their full potential.”

**Sir David Higgins**  
**Chairman, HS2 Ltd**

Thank you



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# **Business Briefing – Meeting National Needs**

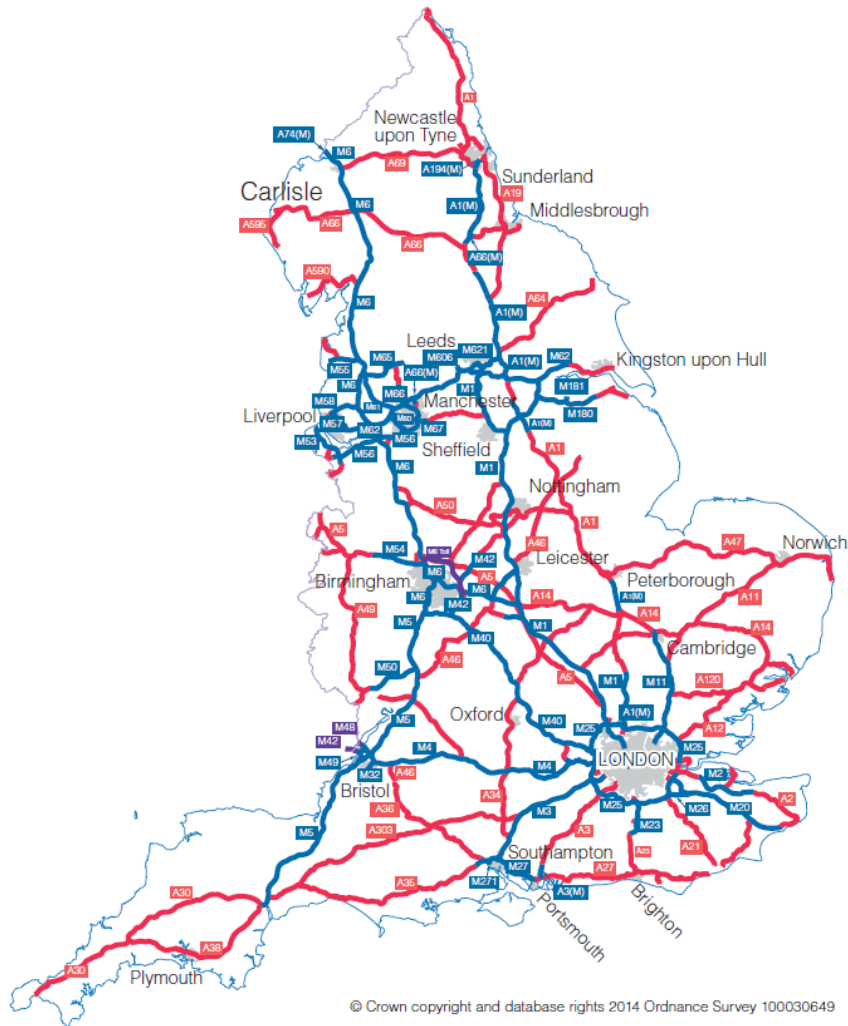
## **Upgrading the highways infrastructure**

**Graham Dalton – Chief Executive**

**5 June 2015**



# England's Strategic Road Network



- 7,139km of motorway and trunk road
- Used by 4 million drivers every day
- 3% of roads in England
- Carrying a third of all traffic and two thirds of all freight in England
- 141bn vehicle km in 2014 up 2.4% on 2013
- Port container throughput of 22,000 TEU per day\*

\*UK Ports and Logistics (TEU = Twenty Foot Equivalent Units)

# Roads reform & strategic road investment

## Government's Road Investment Strategy



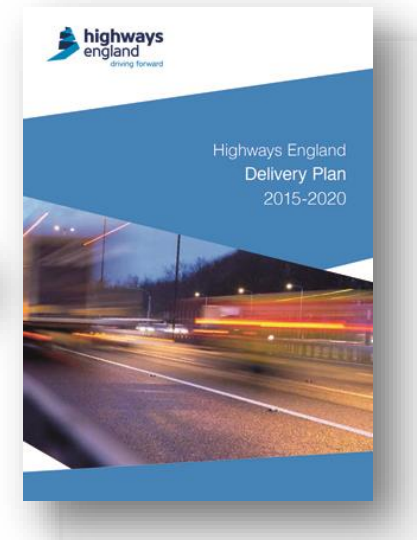
- Overview
- Strategic Vision
- Performance Specification
- Investment Plan

## Our response Strategic Business Plan



- Overview
- Strategic Business Plan

## Delivery Plan, Management Plan, Operational Metrics Manual, Route Strategies



- Strategic Outcomes
- Enablers
- Enhancement projects
- Performance Indicators
- Funding Table

# Highways England

- Company limited by shares
- Owned by government
- Operating with commercial freedom
- With clear accountability
- Monitored by the Office of Rail and Road (ORR) & Transport Focus
- Introduces longer term certainty for the company and suppliers
- Remains a heavily outsourced business



# Vision and ambition

## What we will achieve

- Delivering a better experience for our customers and stakeholders

## Strategic outcomes

- Supporting economic growth
- A safe and serviceable network
- More free flowing network
- Improved environment
- Accessible and integrated network



# Significant and growing investment

## Short term

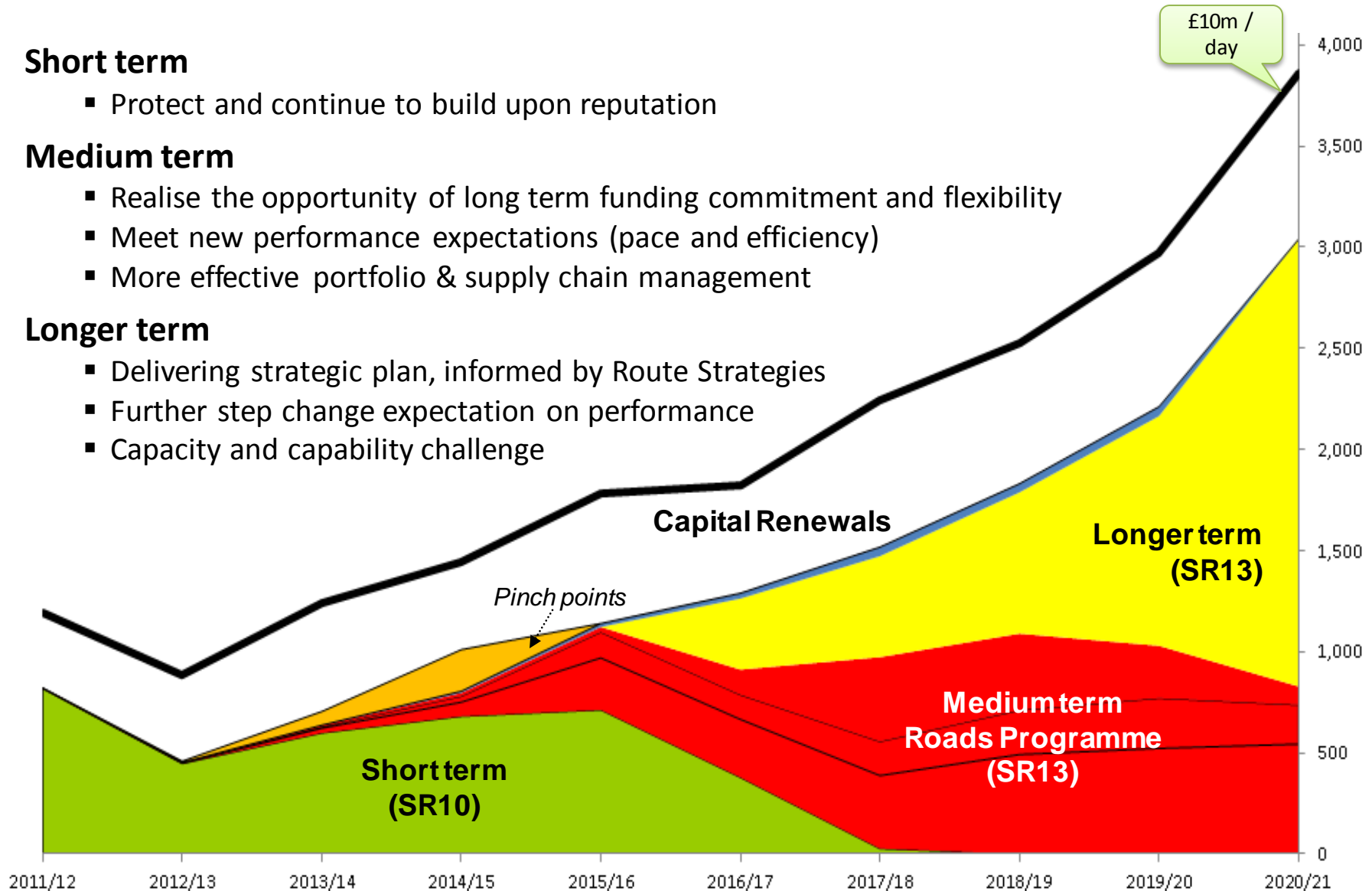
- Protect and continue to build upon reputation

## Medium term

- Realise the opportunity of long term funding commitment and flexibility
- Meet new performance expectations (pace and efficiency)
- More effective portfolio & supply chain management

## Longer term

- Delivering strategic plan, informed by Route Strategies
- Further step change expectation on performance
- Capacity and capability challenge



# Key suppliers

- Amey Limited
- Balfour Beatty Group
- Carillion PLC
- Ch2m
- Colas
- Costain Group PLC
- Morgan Sindall Group PLC
- Mouchel Group PLC
- Royal BAM Group
- Skanska UK PLC



# What do we need from our suppliers?

- Safety - a step change for workers and customers



# What do we need from our suppliers?

- Reduced customer impact





# What do we need from our suppliers?

- Productivity



# In conclusion

- We have a five year plan
- We have committed funding
- We will work closely with our supply chain to deliver it





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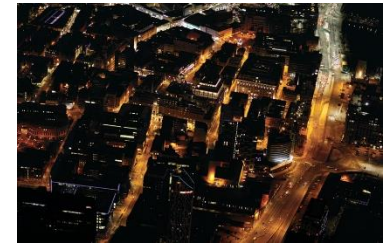
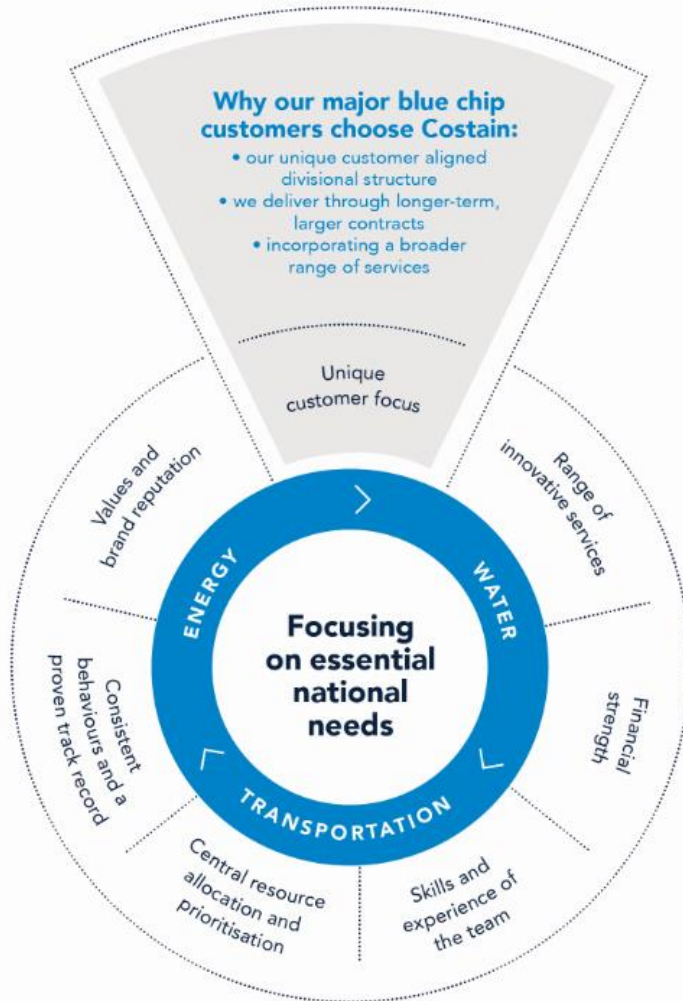
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BEING A PARTNER OF CHOICE

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# Unique strategy



Securing a future energy supply...



...maintaining a safe and reliable water supply

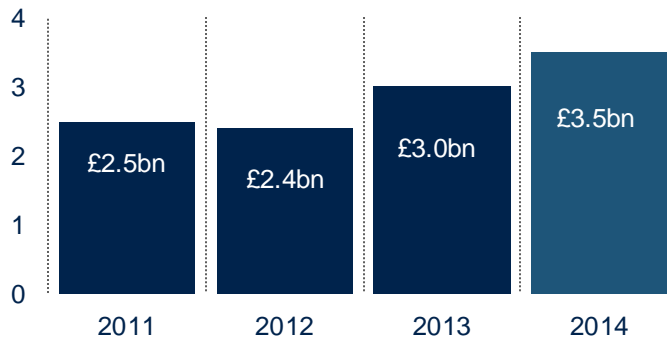


...upgrading the transport infrastructure

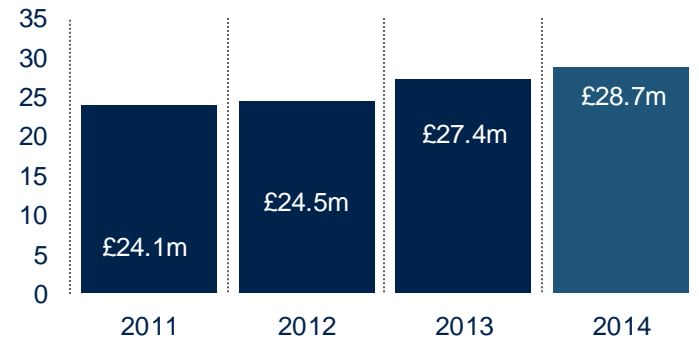
# Delivering results



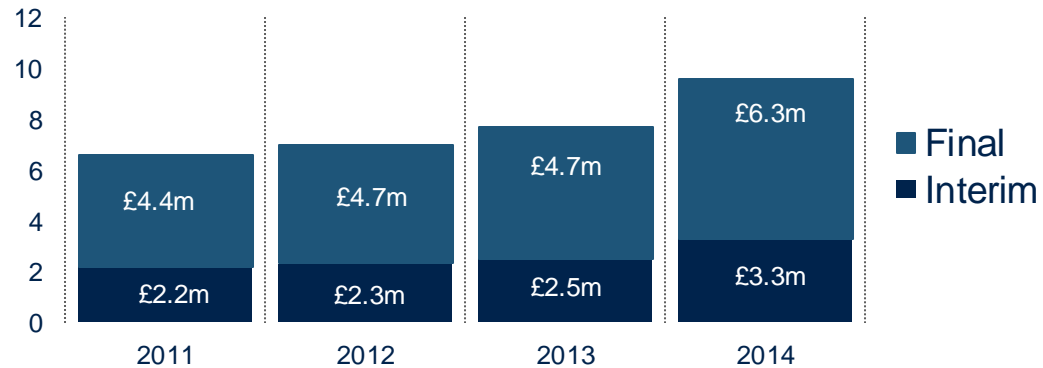
### Record, high quality order book



### Increase in profit



### Total value of dividend pay-out (£ million)



# Delivering a broad range of integrated services



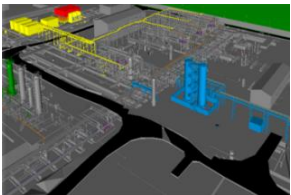
Smart motorways



Managing Mobicloud to improve site efficiency



London Bridge Station



Perenco Dimlington



Advising clients on asset enhancement



Cutting the cost of carbon capture



Advising on HS2



Centrica Barrow

# Expansion in highways



Construction



Maintenance



Technology



**A556  
Knutsford to Bowdon Improvement Scheme**

Working in partnership with Highways England



**CAPITA**

Pre-construction and Statutory Process



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**SPECIALIST DESIGN & ADVISORY SERVICES**

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# Specialist design and advisory services

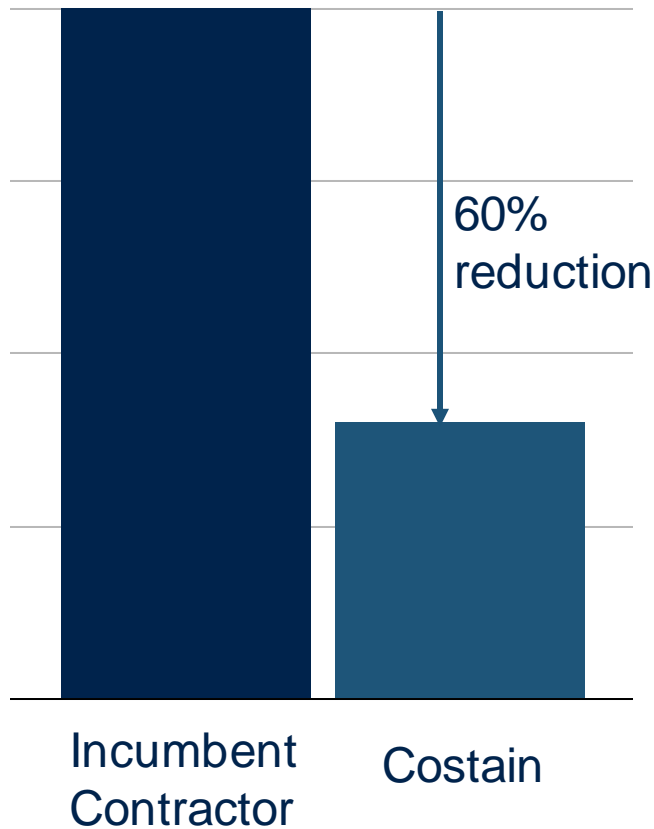
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# Dimlington Terminal Upgrade



Project capital cost



Maintained current processing capacity



Delivered within legislative deadline

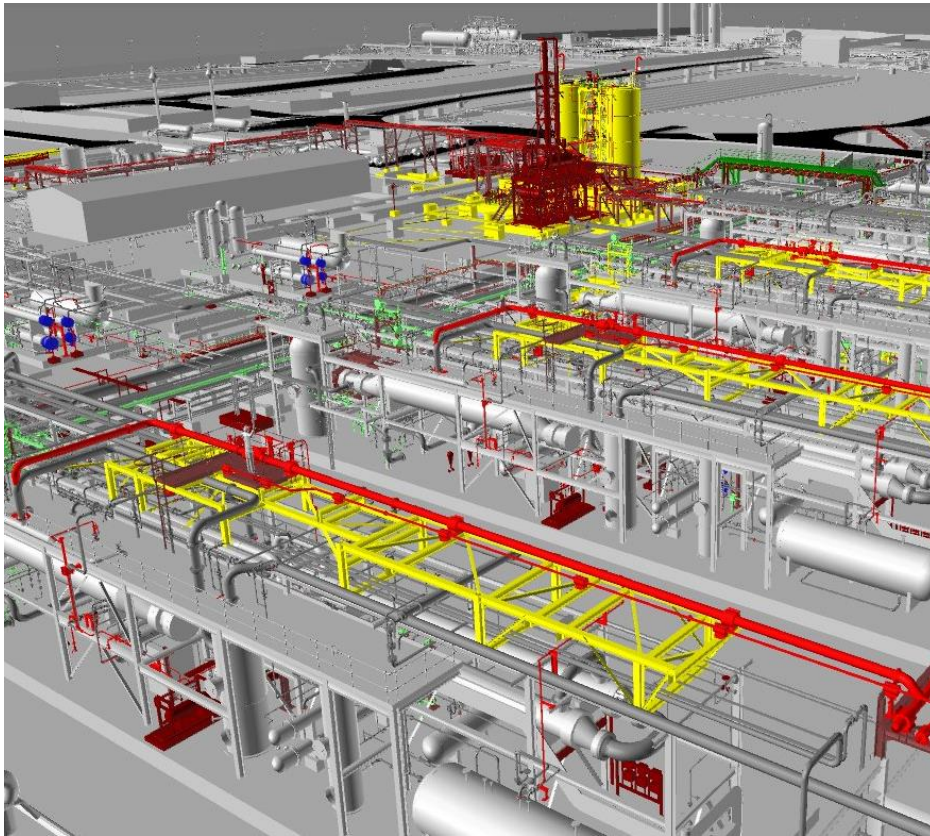


Improved terminal energy efficiency



# Dimlington Terminal Upgrade

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Completed without interrupting terminal operation, saving £millions per day in lost revenue



Built strong relationship with new customer



Currently undertaking further gas terminal projects





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**DELIVERING ON OUR PROMISES**

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# Delivering on our promises

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- **Rail journeys to increase to 3 billion annually by 2020**
- **Need high speed, high capacity rail and to improve connections**
- **Costain has project life-cycle capability**

- **Complex challenges**
- **Solved by talented delivery teams and specialists**



# Reading Station redevelopment



- Busiest station outside of London
- 17 million passengers annually
- 5 new platforms constructed
- Remained operational throughout



# London Bridge Station redevelopment

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- One of the busiest stations in London
- Approximately 52 million passengers per year
- Will increase capacity by 40%

# London – North West Electrification Programme

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- 2,000 miles electrification programme
- Design, supply, test, commission
- Frequent services, greater capacity
- Better connecting the nation





- **Paddington New Yard – programme critical**
- **Awarded 13 contracts on Crossrail**
- **Projects range from System-wide works, station builds and utility works**
- **Partner of choice**



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# BEING A PARTNER OF CHOICE

DRIVING EFFICIENCIES IN LONG-TERM  
RELATIONSHIPS

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# Severn Trent Water Framework



# Strensham water treatment works

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**BEING A PARTNER OF CHOICE  
DELIVERING TECHNOLOGY-LED SOLUTIONS**

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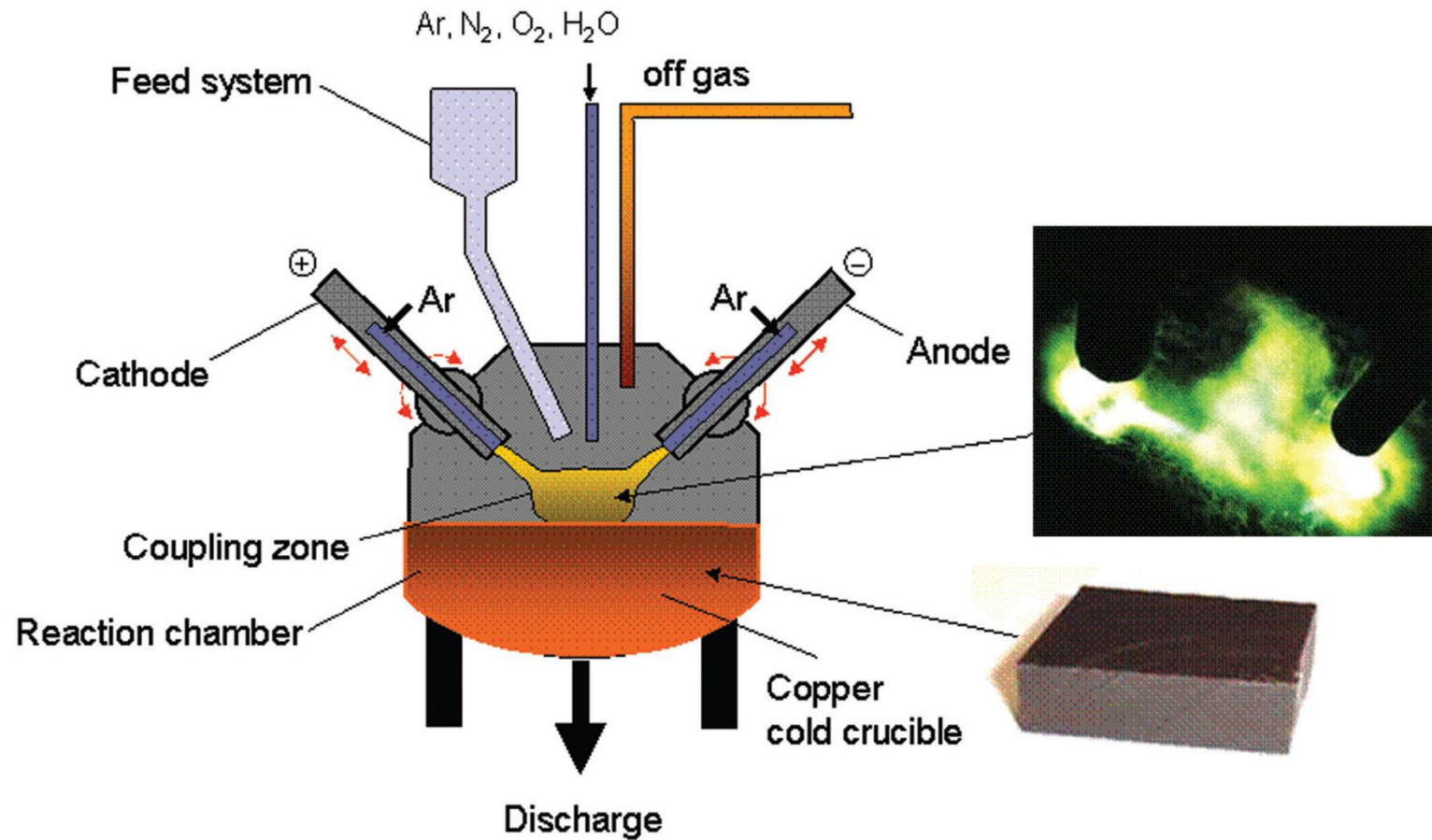
# Nuclear waste – long term storage

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# Plasma waste vitrification

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# Crucible of simulated nuclear waste

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