

A blurred person in a red jacket is walking past a train at a station platform. The train is white with 'national express' written on it. The platform has a yellow safety line. The train's interior is visible through the open door, showing green seats and handrails. The scene is lit with station lights.

national express

Essex Thameside franchise award

27 June 2014

Cautionary statement



This presentation is intended to focus on matters which are relevant to the interests of shareholders in the Company. The purpose of the presentation is to assist shareholders in assessing the strategies adopted and performance delivered by the Company and the potential for those strategies to succeed. It should not be relied upon by any other party or for any other purpose.

Forward looking statements are made in good faith, based on a number of assumptions concerning future events and information available to Directors at the time of their approval of this report. These forward looking statements should be treated with caution due to the inherent uncertainties underlying any such forward looking information. The user of these accounts should not rely unduly on these forward looking statements, which are not a guarantee of performance and which are subject to a number of uncertainties and other facts, many of which are outside of the Company's control and could cause actual events to differ materially from those in these statements. No guarantee can be given of future results, levels of activity, performance or achievements

Rail: a new franchise at the forefront of innovation



- New franchise to run for 15 years until 2029
- Increase in number of services to support customer demand
- Ground-breaking Personal Performance Promise
- New Passenger Charter guaranteeing excellent customer services
- Significant investment
 - new and refurbished trains
 - ticketing systems
 - station improvement

c2c: investment will drive incremental growth



- Revenue growth projections c.7.5% (vs. 7.2% historic)
- Successful execution should see profit performance in line with industry norms
- Full revenue risk franchise; high commuter usage into central London
- c2c capital investment of c.£50m, primarily in years 1-3 to support revenue growth and passenger experience
- Profile: revenue and premium growth highest in first 3 years, reflecting investment and new timetable introduction

c2c: financial profile targeting high rates of return on investment



- o Premium franchise payments of an estimated £1.5bn* - profile builds with revenue growth
- o Good cash generation from year 3 onwards
- o Guarantees of £140m, of which £52m bonded. £6m performance bond and normal season ticket bond

c2c: a second era of transformation



- Setting new standards of quality and innovation
- Delivering our bid:
 - significant housing and employment development along the line
 - meeting new demand in a cost-efficient way
 - revolution in customer service
- An opportunity to drive growth through excellence

c2c: more trains, more services, more London destinations



- A new timetable in 2015 adding 20% more weekday trains and 21% at the weekend; 38% more peak hour capacity into Fenchurch Street
- Metro services at 3 minute intervals at key interchanges
- New London destinations: planned services to Stratford and Liverpool at weekends
- Refurbishment and upgrades of existing popular fleet
- 68 new carriages representing 4,500 extra seats being procured to accommodate future growth from 2019.

c2c: a focus on passengers



- Ground-breaking passenger charter
 - automatic compensation for registered smartcard customers
 - personalised performance reports
 - right to be sold the cheapest ticket for your journey
 - staffing at every station from the first train to the last
- Smart and flexible ticketing system offering more discounts
- Technology at the forefront
 - Wi-Fi; mobile app; online; annual fund for innovation

c2c: investing to grow



- £33m investment in a three-year station improvement programme
- National Express “Smart Station” standard
- £5m redevelopment of Barking station
- £1.7m to transform facilities at Fenchurch Street station
- Upgrade to remaining stations to ensure c2c becomes the UK’s first fully-accessible franchise

c2c: local partnerships to improve services

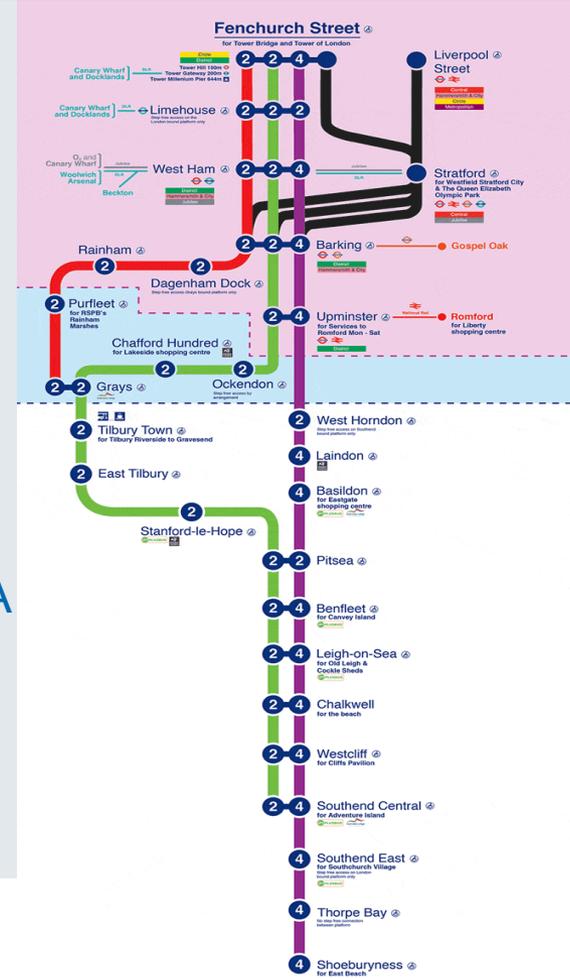


- Alliance with Network Rail to reduce running costs and deliver Right Time performance
- Partnership with British Transport Policy to boost customer security
- Working with local authorities to integrate smartcards with buses
- Investment to reduce energy consumption at stations and depots by 25%
- Annual fund for local improvements

c2c: the UK's best performing railway



- Revenue £143 million
- Passengers 37.5 million journeys
- Number of trains 74 trains
- 296 vehicles
- Punctuality* 97%
 - Top rated franchise for the current month and MAA
- Which? Magazine:
 - “London’s best commuter operator”



* Public Performance Measure Moving Annual Average (MAA).

National Express:

the next step in our growth strategy



- Reputation for excellence is delivering a steady flow of new contracts
- National Express now established in UK rail for 15 years
- Flagship c2c franchise forms the basis of future UK rail bidding strategy
- High quality bids for Crossrail and Scotrail submitted in H1 2014; announcements expected later in the year
- Demonstrable expertise and unique positioning in a liberalising global transport market

national express

