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EARLY SOLUTIONS TOGETHER



Morgan Est is one of the UK's leading providers of infrastructure services.

Morgan Est provides a comprehensive integrated capability to infrastructure clients across the UK. Our services include finance, design, construction and asset management.

Our reputation is based upon innovation, technical expertise, professional delivery and a culture of partnership; earned on some of the UK's highest profile projects.

We are organised into four main national business units, which work together to provide integrated solutions.

INFRASTRUCTURE

Civil engineering, roads, water and mechanical and electrical activities



TUNNELLING

The UK's leading large tunnel contractor with in-house design and precast facilities



RAIL

Building and civil engineering projects in a rail environment



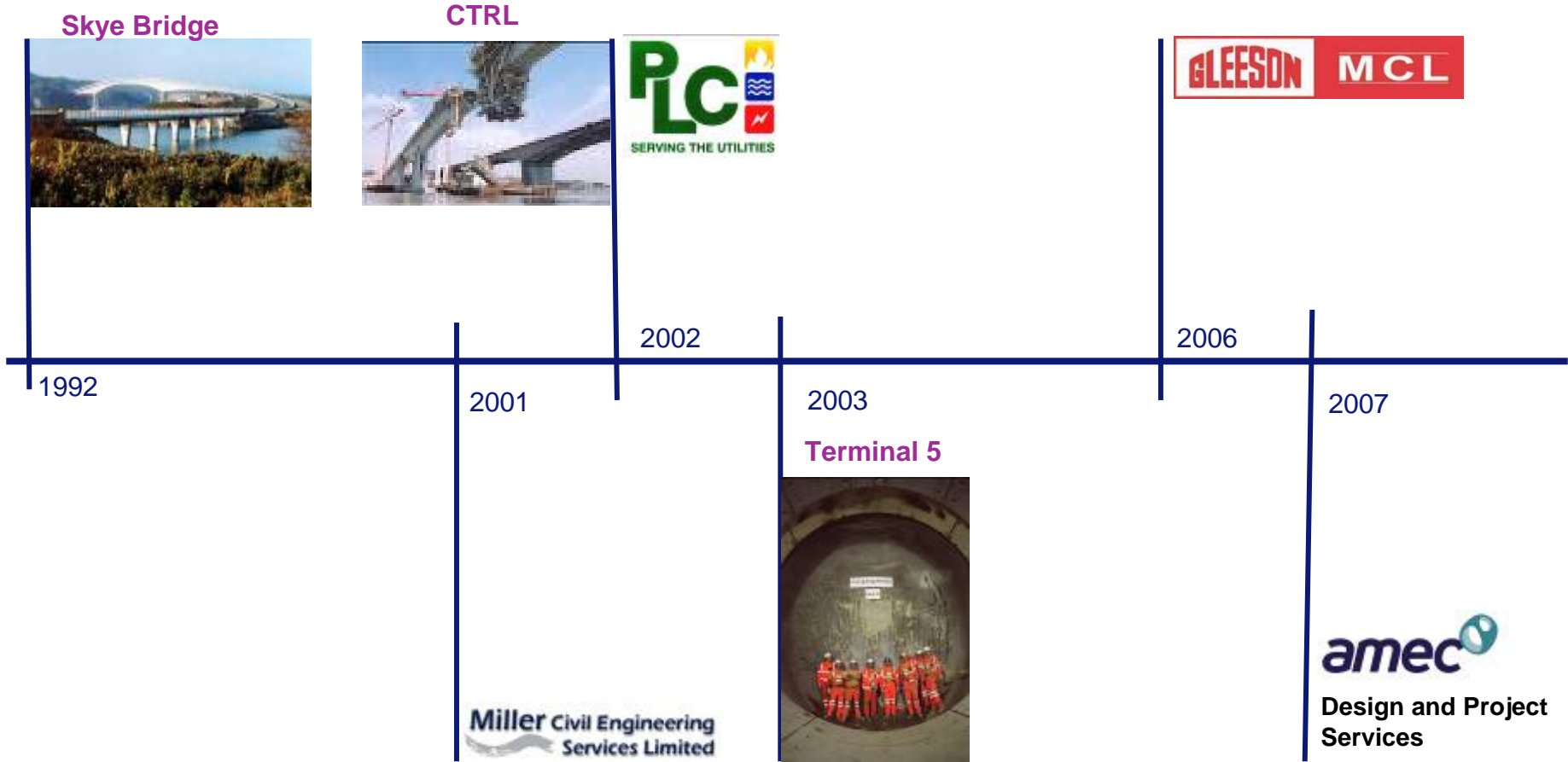
UTILITIES

Network solutions in the water, gas and electrical sectors



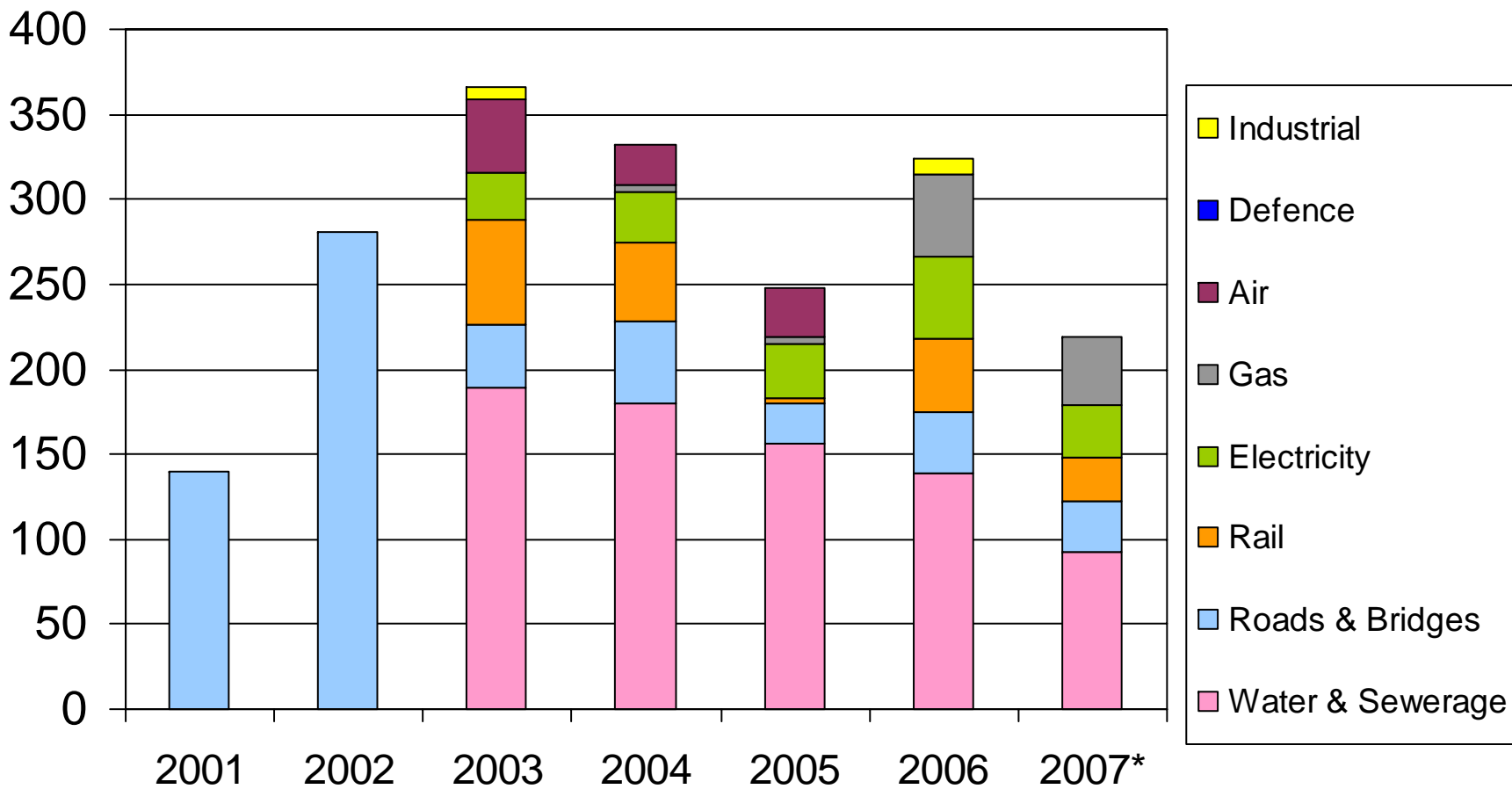


Significant Milestones





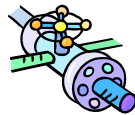
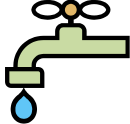












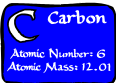



Morgan Est Growth



* Half year



Sector Development and Influences

Sector	Size p.a.	2006 Share %	Conditions	Key Influences	
	(2006) £m				
Water and Sewerage	1,550	12%	—	AMP 5 (2010-2015)	 
Highways (new construction)	1,866	6%	—		 
Rail	990	6%	↑		   
Electricity	883	9%	↑		  
Gas	371	15%	↑		  
Airports (civils)	300	15%	↑		   



Economic Drivers

Selective competitive bidding coupled with an increasingly open book approach from our clients has resulted in a much improved, overall risk profile

- Healthy balance of long term frameworks and selectively tendered major projects
- Bid selectivity and risk management is fundamental
- Increasing open book / target cost approach from customers; over 80% of our workload on this basis
- Successful at maintaining low overheads (<4%)
- Constrained by resources – need to attract and retain key staff in order to succeed



Achieving market leading positions in our chosen sectors through
EARLY SOLUTIONS TOGETHER

Our vision

Reliable delivery of complex projects and services
Finding innovative engineering solutions

Excellence in safety performance
Integrated solutions across civil engineering and utilities

Team-working with clients and suppliers
Development of our people

Our strengths

Morgan Est Values

Uncompromising in our approach to safety
Packed with pride, great people and fresh ideas
Unyielding in our integrity
Delighting our customers time after time
Collaborative in our relationships

The way we do things



Key Clients

nationalgrid

DE
DEFENCE ESTATES
Delivering Estate Solutions to Defence Needs

e-on UK



BAA



Transport for London

SCOTTISH WATER



HIGHWAYS AGENCY



Severn Trent Water



Targeting 2.5% margins

Bid and customer selectivity, a clearer focus on costs and significant progress in moving into higher margin activities will deliver sustainable margin enhancement

- Loss avoidance
- Customer and bid selectivity
- Higher margin sectors
- Market leading positions
- Cost reduction programmes
- Supply chain strategy
- Better people
- Long term customer relationships



AMEC DPS Acquisition

Successful integration of Amec DPS civils and tunnelling activities has accelerated achievement of market leading positions

- Integration has gone better than expected
- Contributed £150m full year revenue and several key clients to Morgan Est
- 1500 people
- Now a clear market leader in tunnelling and a key player in highways, water and civil engineering



Order Book

Sector		Strategy
Water & Sewerage	£552m	Selectively Grow
Gas	£381m	Grow
Electricity	£297m	Grow
Highways	£114m	Selectively Grow
Rail	£72m	Grow
Airports	£100m	Grow
Total Order Book	£1.5bn	



Future Key Prospects

Morgan Est has enormous future growth potential based on the significant spending plans of our key customers in our areas of core expertise

- Crossrail and Thames Tideway
- AMP5 Water
- Thameslink and other Network Rail investment growth
- LUL post Metronet
- Energy, power generation and renewables
- Continued utilities outsourcing
- Scottish infrastructure investment

Kings Cross Station

Providing passenger links between the new Northern Ticket Hall and the deep level Piccadilly, Northern and Victoria lines.



Value: £70m

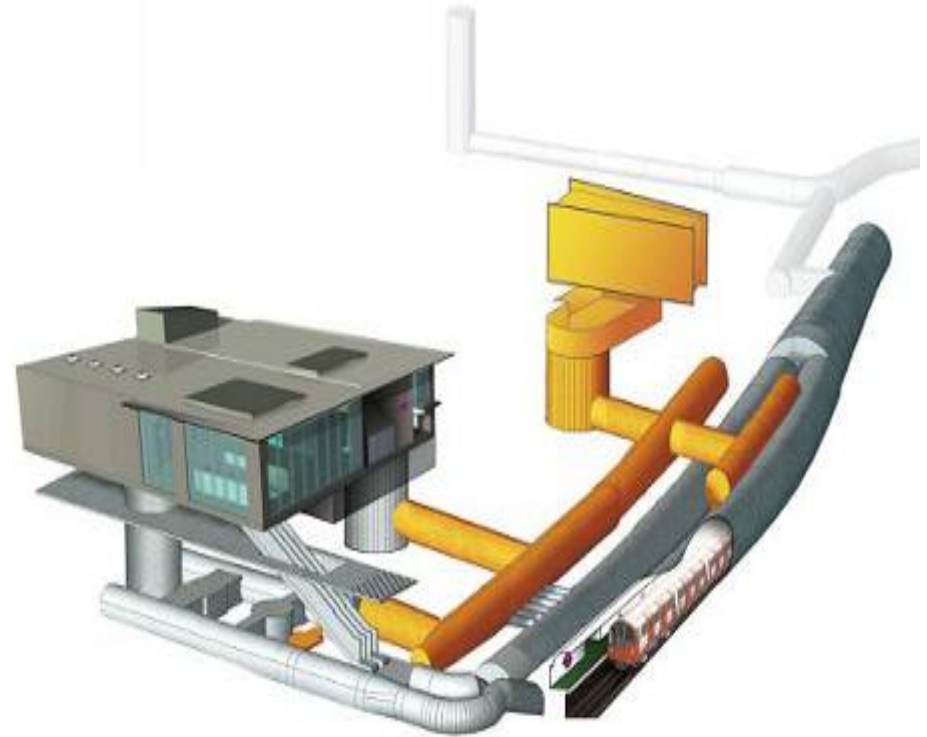
Client: Metronet SSL and London Underground Ltd

Completion: 2008

Shepherds Bush Station

Involves civil engineering, tunnelling and building works to improve station access and relieve pedestrian traffic congestion.

Awarded through LUL's five year Alternative Provider Framework Agreement.



Value: £60m | **Client:** London Underground Ltd

Completion: 2009



Kincardine Bridge

Kincardine Crossing will be one of the world's largest bridge decks constructed using an incremental launch technique.

Construction from one side minimises the environmental impact on the salt-marshes and mudflats that form part of the feeding and nesting grounds for migratory birds.



Value: £100m

Client: Transport Scotland

Completion: 2008



M1 Junction 25 to 28 Widening

Early Contractor Involvement (ECI) contract for the design and construct widening of 23km of existing motorway including 45 bridge structures.

Equal Joint Venture with Vinci and Sir Robert McAlpine.



Value: £310m

Client: Highways Agency

Completion: 2010



National Grid Substations

Refurbishment and upgrade of 400kv and 275kv substations across central England, over a 10-year framework.

Joint venture with ABB.



Value: £50m p.a | **Client:** National Grid

Completion: 2014

Belfast Sewers

Design, build, test and commission a 9.4 km tunnel up to 4m in diameter.

Involves the construction of a Terminal Pumping Station and new storm water tanks providing 6000m³ of additional storage area.

Joint venture with NI contractor Farrans.



Value: £90m | **Client:** Northern Ireland Water

Completion: 2009



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