

Tube Lines' Quarterly Performance Report January – March 2009, Q4– 2008/9

Summary

This quarter safety performance was again better than target. There was one RIDDOR reportable lost time injuries and the lost time injury frequency rate fell to 0.11. Nonetheless, we continue to strive for even higher safety standards. “Being safe” is our central corporate value and we work hard to make employees safe at work, despite the challenging conditions faced on the Underground network.

The Northern and Piccadilly lines saw good performance in terms of availability, which measures the impact of delays on customers. Facilities service points were at their lowest level since Tube Lines took over responsibility for its three lines, although they narrowly missed meeting target levels.

Capital expenditure for the quarter was slightly less than planned at £76m, compared with a forecast £80m. The under-spend was because station upgrades have been delivered ahead of schedule and under budget and the timing of some track upgrade work has been altered to take advantage of weekend closures planned for other reasons.

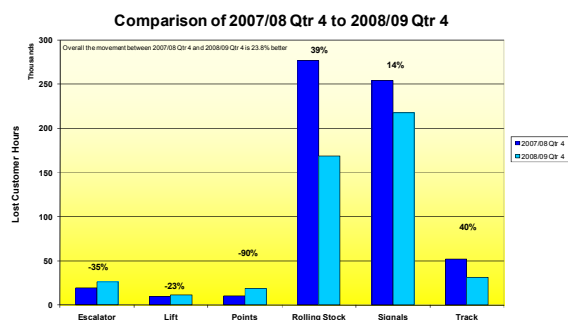
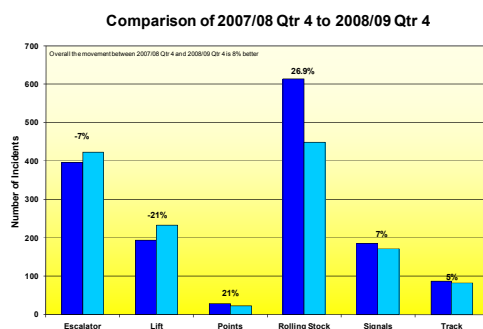
Good progress was made with the line upgrades. Testing has reached highly sophisticated levels and results are successful. The challenge of delivering these major projects remains significant but our plans are on track to deliver the Jubilee line at the end of this year.

There were 43 zero delay days over the quarter, a significant improvement on the 27 in the same quarter last year.

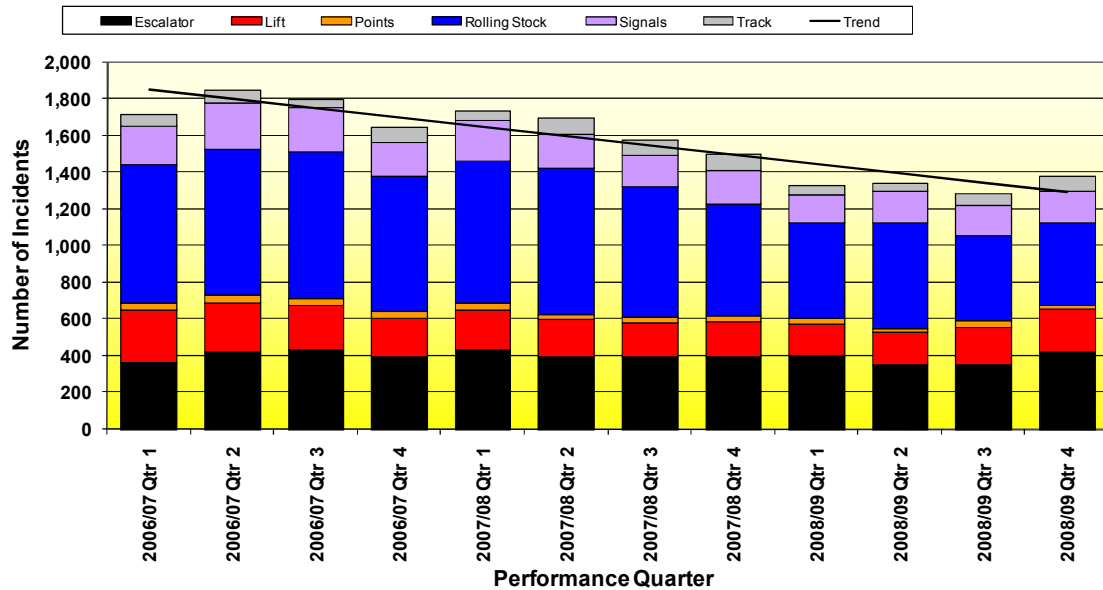
Highlights

Across all of our lines:

- Investment in infrastructure was £76m, compared with a forecast £80m
- Availability (lost customer hours): the Northern and Piccadilly lines exceeded their targets for the quarter but the Jubilee line missed its target
- Reliability (incident count): the number of recorded incidents causing delays was 8% lower than the same quarter last year
- 43 zero delay days were achieved



Availability - Overall Asset Incidents Count



Jubilee line:

- Achieved 19 zero delay days
- Line upgrade programme
 - Completed the refurbishment of train crew accommodation at North Greenwich
 - On the section of track between [J23], progressed maturity level 2 testing, completed axel counter testing and started commissioning the last change over cubicles
 - Completed feeder cable commissioning at Queensbury, part of the power upgrade
- Stations
 - The station upgrades at Queensbury, Canons Park and Stanmore reached the “delivery into service” stage, the last milestone before completion
 - London Underground approved work package plans for the forthcoming station upgrades at Canada Water, London Bridge, Westminster and North Greenwich
 - Work continued at Waterloo and Green Park stations
- Lifts & escalators
 - Completed refurbishment of an escalator at London Bridge station and returned it to service. Started work on another
- Track and civils work
 - Installed 69 insulation pots (ceramic sealed pots that sit on the sleeper and hold the conductor rail)
 - The site at Kingsbury where we completed cutting work won a beacon site award for best working practices and high levels of safety

Northern line:

- Line upgrade programme
 - Completed the refurbishment of train crew accommodation at Morden, East Finchley and Golders Green
 - The refurbishment of Edgware depot was completed, meaning work could start fitting new signalling equipment onto trains
- Stations
 - Upgrade work at Edgware station achieved practical completion
 - Continued upgrade work at Oval and Clapham Common stations
 - Started upgrade at High Barnet station

- Lifts & escalators:
 - Continued refurbishing a lift at Kennington station
 - Worked on in-truss replacement of an escalator at Bank
 - Step free access work at Golders Green progressed further
- Track and civils work
 - Nearly 2km of new rail was installed and over 700m of rail was realigned to achieve the correct running profile
 - 22 sleepers were installed, 832 pit blocks (in station areas) and 455 insulation pots – the pit block works at Tooting Broadway achieved beacon status
 - Weekend possessions, successfully completed without any incidents or overruns, enabled much work, including the completion of work on a set of points at Tooting
 - Drainage work continued on the embankment at East Finchley and the team won a beacon site award

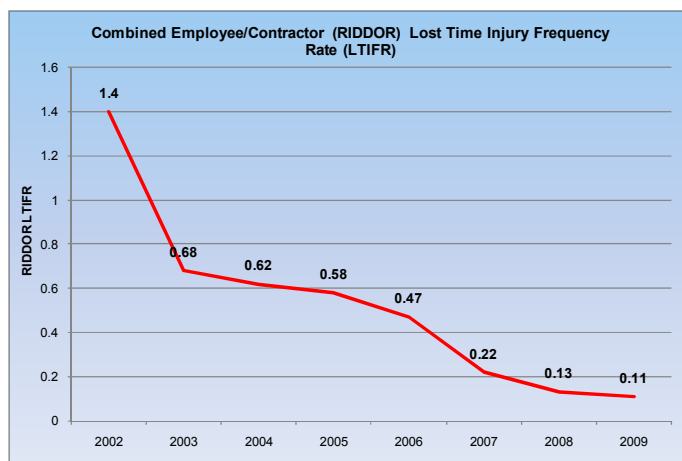
Piccadilly line:

- Achieved 24 zero delay days
- Stations
 - Achieved practical completion at Osterley on the station upgrade
- Lifts & escalators
 - Completed refurbishing an escalator at Heathrow and returned it to passenger service
- Line upgrade programme
 - Identified locations for 36 signalling equipment rooms along the line

Safety

We had another strong quarter with respect to the safety of staff and contractors with one RIDDOR* reportable lost time injury recorded compared with five reported in the same quarter last year.

The lost time injury frequency rate (LTIFR**) has reduced to 0.11. Employees and contractors working on Tube Lines' sites are now over 12 times less likely to have such an injury than they were when Tube Lines assumed responsibility for its three lines, when the LTIFR was 1.40. Maintaining this performance and further driving down the risk of injury continues to be a priority for Tube Lines.

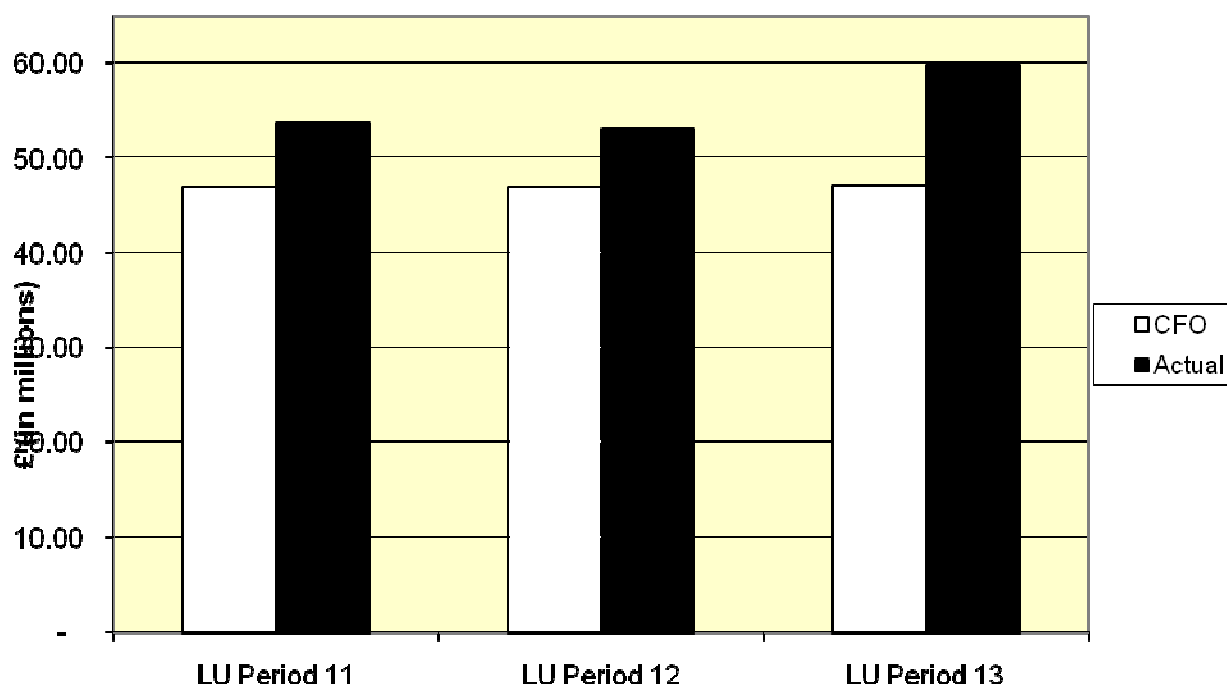


*RIDDOR stands for the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995. This legislation includes a requirement to report work place injuries that result in over three days of absence from work.

**LTIFR is the Tube Lines lost time injury frequency rate and is defined as the ratio of RIDDOR reportable lost time injuries per 100,000 hours of work. This measure is used across the industry.

Payment

ISC Payment Per Period Against CFO Financial Target January to March 2009



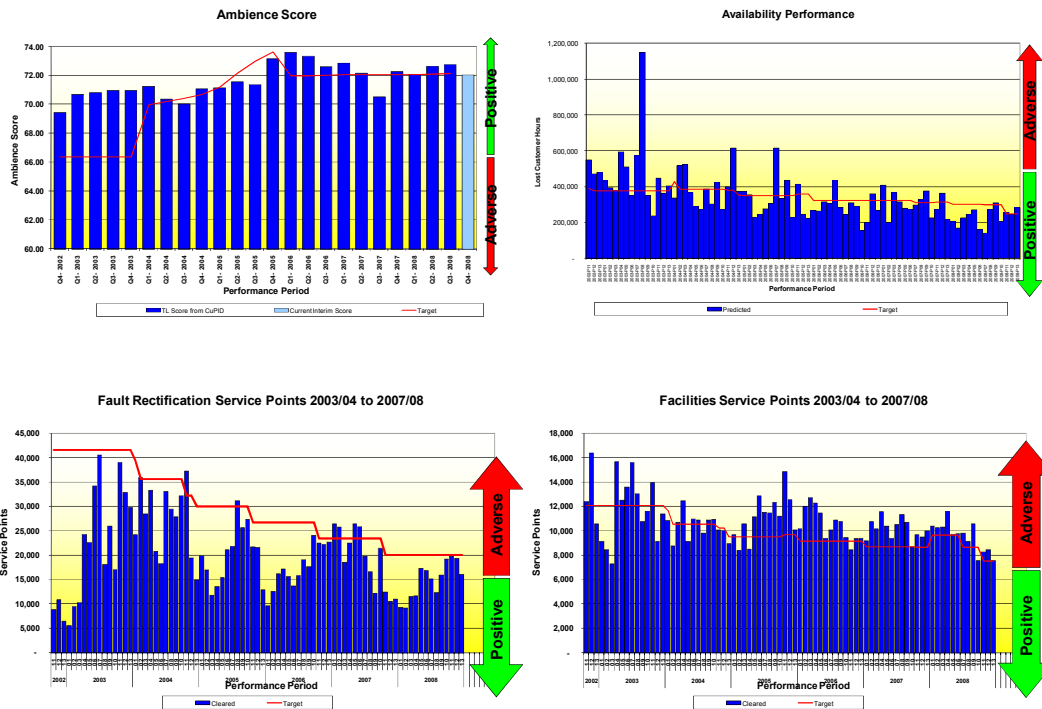
The graph provides an overview of the infrastructure service charge payment for each period against our financial targets agreed with London Underground in the contract. In line with the contract, the payments vary according to the levels of performance achieved against the performance targets – availability, ambience and service points. The graph does not necessarily represent an accurate reflection of operational performance in the quarter as allocation of abatements normally relates to incidents from previous periods.

The infrastructure service charge was ahead of target, due to extra work over and above the core PPP and the clarification and settlement of queried issues with London Underground.

Contractual Performance - Ambience, availability and service points

- Ambience (the measure of the travelling environment) – our performance narrowly missed the target – by just 0.02. The main reason for missing the target, which is measured through a mystery shopper survey, concerned the cleanliness of train floors, always a challenge during the main winter quarter covered by this report.
- Availability (delays caused by infrastructure) – we are expecting the Northern and Piccadilly lines to exceed their targets, but problems on the Jubilee line mean we are expecting to miss our overall target. The uncertainty is because the figures include a number of lost customer hours yet to be allocated and agreed with London Underground. Three incidents on the Jubilee line – two signal failures at Canary Wharf and one engineering overrun at Neasden – accounted for 10% of all lost customer hours this quarter.

- Service points – fault rectification service points were better than target but facilities service points missed the target, despite continuing improvements – this quarter they were 17% lower than the same quarter last year and reached the lowest levels since responsibility for the Jubilee, Northern and Piccadilly lines transferred to Tube Lines in 2003.



Station modernisations/ refurbishments on site: January – March 2009

Work is mobilised, ongoing or has been completed this quarter on the following stations:

• Godge Street	• Hatton Cross
• Covent Garden	• Stanmore
• Canons Park	• Waterloo
• High Barnet	• Oval
• Edgware	• Queensbury
• Green Park	• Osterley
• Clapham Common	•

Note: London Underground's financial year starts on April 1. The year is divided into 13 four-week accounting periods, referred to in the charts attached as P1 to P13. Q3 is a four-period quarter as opposed to the other three-period quarters and the charts showing quarters have been normalised to enable like-for-like comparisons. Tube Lines' financial year now starts on 1 January but for consistency and ease of comparison, this report uses London Underground's reporting periods.

Tube Lines Quarterly Performance Targets January – March 2009, Q4 – 2008/9

Highlights for the next three periods

Across all lines:

- Keep the employee accident rate below the action level set
- Achieve our contractual target for ambience
- Achieve fewer fault rectification points and facilities service points
- Reduce delays to passengers by incurring fewer lost customer hours

Jubilee line:

Line upgrade programme

- Between Stratford and Westminster, complete maturity level 2 testing, change over cubicle commissioning and other tests
- Between Green Park and Dollis Hill, start change over cubicle commissioning and complete data communications testing
- Complete installing communications equipment to new platform at Stanmore

Stations

- Start construction work at Kingsbury station and site work at Bermondsey
- Complete design for eight out of 10 Jubilee line extension station upgrades

Lifts & escalators

- Complete major refurbishment of escalators at Swiss Cottage and London Bridge stations
- Complete step free access work at Waterloo
- Start piling for step free access at Stratford – project for ODA

Track

- Complete earth structure remediation works between Kingsbury and Wembley Park and start similar work at Dollis Hill and Kingsbury

Northern line:

Line upgrade programme

- Start work on new signalling equipment rooms at Moorgate and Golders Green
- Complete fitting first five trains with new signalling equipment

Stations

- Reach delivery into service milestone at Waterloo station upgrade
- Achieve practical completion at Clapham Common and Oval station upgrades
- Start site work on Balham and Tooting Broadway station upgrades

Lifts & escalators

- Continue major refurbishment of a lift at Kennington station

Track

- Complete enhanced track renewal, Woodside Park to Finchley Central
- Complete pit block work at Tooting Broadway station and pit block and pedestal work at Hampstead station

Piccadilly line:

Line upgrade programme

- Continue train crew accommodation designs for Cockfosters and Northfields

Stations

- Achieve delivery into service on upgrade at Covent Garden station
- Start commissioning communications equipment at Hatton Cross station
- Start construction work at Hyde Park Corner station

Track

- Progress earth structure remediation work between Oakwood and Southgate
- Start conductor rail work from Arnos Grove to Bounds Green and Southgate to Oakwood