

Tube Lines' Quarterly Performance Report April - June 2009, Q1– 2008/9

Summary

Tube Lines had another strong quarter; all three lines were better than target for Availability, a measure of delays caused by infrastructure failures, and the number of recorded incidents fell by 4% over the year between quarter 1 2008/09 and quarter 1 2009/10. Tube Lines also beat its Ambience target, the measure of train and stations cleanliness, and facilities service points were at their lowest level since Tube Lines took over responsibility for its three lines, although the target was narrowly missed.

This quarter safety performance was again better than target. There was one RIDDOR reportable lost time injuries and the lost time injury frequency rate (LTIFR) fell to 0.04 which means that employees and contractors working on Tube Lines' sites are now 20 times less likely to have an injury than they were when Tube Lines assumed responsibility for its three lines, when the LTIFR was 1.40.

Good progress was made with the line upgrades. Advanced testing of the Jubilee line signalling system went according to plan and multiple trains were operated successfully using the new system under test conditions to London Underground's timetable. The Northern line upgrade also progressed well; during the quarter five trains were fitted out with the new transmission based train control equipment.

There were 57 zero delays days over the quarter, a significant improvement on the 29 in the same quarter last year.

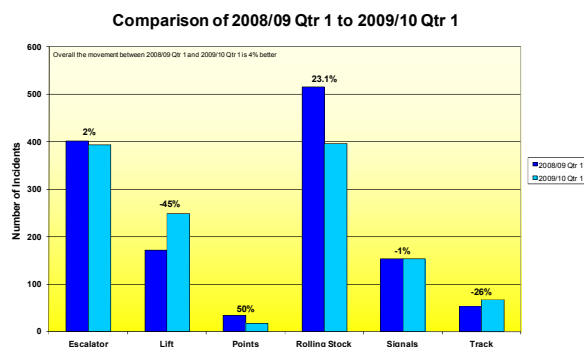
Capital expenditure for the quarter was in line with the planned forecast at £86m.

This quarter Tube Lines was named top London large employer of the year at the Learning & Skills Council (LSC) awards for its apprenticeship programme, and won a cross industry partnership award in recognition of the improvements made to the Northern line.

Highlights

Across all of our lines:

- Investment in infrastructure was £86m in line with the forecast
- Availability (lost customer hours): all three lines exceeded their targets for the quarter
- Reliability (incident count): the number of recorded incidents causing delays was 4% lower than the same quarter last year
- 57 zero delay days were achieved



Line by Line Performance

Jubilee line:

- Achieved 25 zero delay days
- Line upgrade programme
 - All major milestones for this quarter were completed; successfully ran five multiple trains between Stratford and Westminster (J23 area) under TBTC mode and against timetable
 - Advance software testing went according to plan
 - Eleven out of twelve Cut over Cubicles (CoC) have now been commissioned in J23 area.
- Stations
 - The Step Free Access work at Green Park progressed with the commencement of excavations works in the new ticket hall area
 - Completed the upgrade of Canons Park and Queensbury stations taking the total number of stations upgraded through to the end of this quarter to 15
- Lifts & escalators
 - Completed refurbishment of an escalator at London Bridge and Swiss Cottage station and returned them both to passenger service. This takes the total number of refurbished escalators to 87
- Track and civils work
 - Track renewals work between St John's Wood and Baker St were completed
 - To date, 13.7km of track has been replaced; the remaining 651 metres of planned track renewal work to be completed between now and mid 2010

Northern line:

- Achieved 4 zero delay days
- Line upgrade programme
 - The project progressed well this quarter; five trains have now been fitted out with the new on-board train signalling equipment
 - Out of total 36 Signal Equipment Rooms (SERs); construction work started on 32 of which 19 are now completed and ready to be fitted out with signalling equipment
- Stations
 - Completed the upgrade of Oval, Edgware and Waterloo stations taking the total number of stations upgraded through to the end of this quarter to 23
 - Upgrade work started at Balham and Tooting Broadway stations
- Lifts & escalators:
 - Completed design works on two escalators at Bank station
 - Completed the refurbishment of a lift at Kennington station and returned it to passenger service
 - A total of 35 escalators and 3 lifts have been refurbished
- Track and civils work
 - To date, 49.5km of track has been replaced; the remaining 2.5km of planned track renewal work will be completed between now and mid 2010.

Piccadilly line:

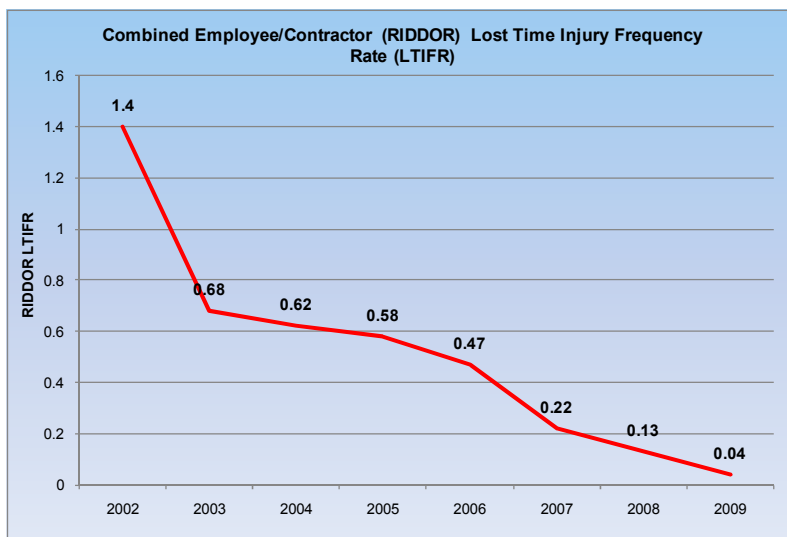
- Achieved 28 zero delay days
- Stations
 - Completed the upgrade of Osterley, Russell Square, Hounslow West and Covent Garden stations, taking the total number of stations upgraded through to the end of this quarter to 28
- Lifts & escalators
 - 16 escalators have been refurbished to date and lifts have been installed at three stations

- Line upgrade programme
 - Sent out invitation for rebid on the Piccadilly line rolling stock
- Track & Civils
 - To date, 26.7km of track has been replaced; the remaining 522 metres of planned track renewal work will be completed between now and mid 2010.

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 0.04. Employees and contractors working on Tube Lines' sites are now over 20 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.

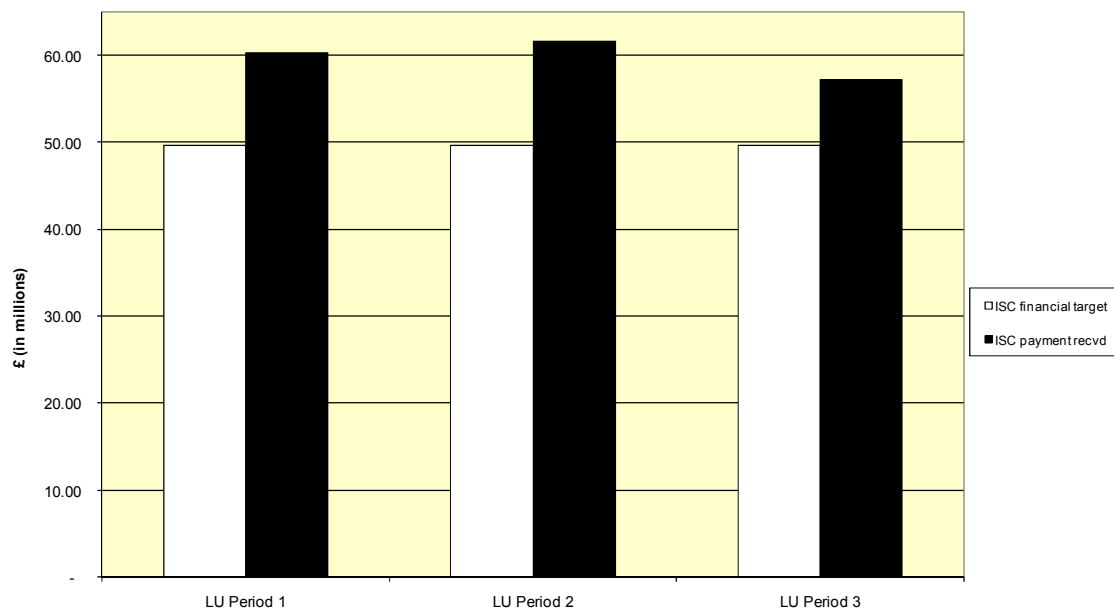


*RIDDOR stands for the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 1995. This legislation includes a requirement to report work place injuries that result in over three days of absence from work.

**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
April to June 2009

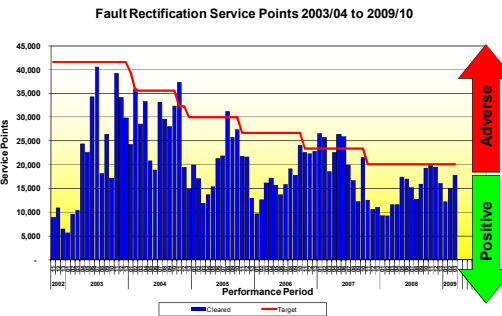
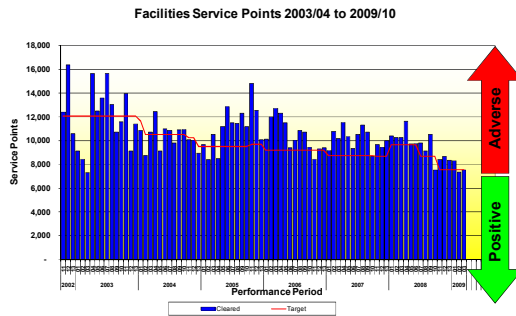
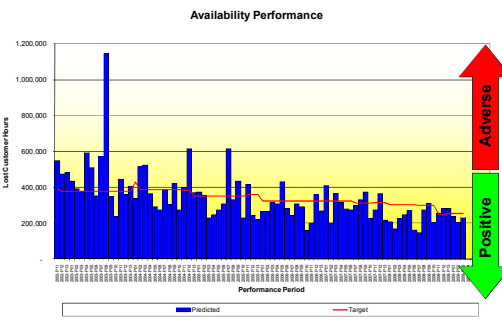
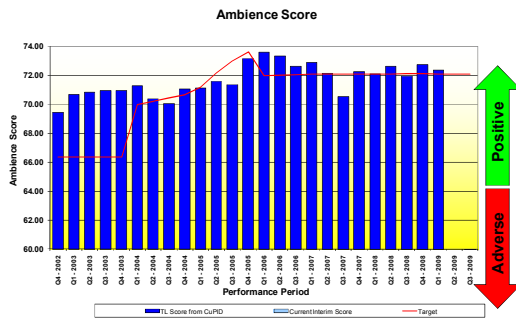


The graph provides an overview of the infrastructure service charge payment for each period against our financial targets agreed with London Underground in the contract. In line with the contract, the payments vary according to the levels of performance achieved against the performance targets – availability, ambience and service points. The graph does not necessarily represent an accurate reflection of operational performance in the quarter as allocation of abatements and bonuses 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). This is better than target. However, Ambience scores continue to show inconsistency through the measurement method of using a mystery shopper survey (MSS) and London Underground has agreed to undertake a pilot of hand-held MSS data collection
- Availability (delays caused by infrastructure). This is better than target. It includes a number of Lost Customer Hours yet to be allocated and agreed with London Underground but dividing it line by line we expect to beat the target for the quarter. Overall availability is also expected to be better than target.
- Service points – fault rectification service points were better than target but facilities service points missed the target, despite continuing improvements. Tube Lines has daily interface with its key supplier which is resolving issues and contributing to improved performance. Reliability improvement plans and initiatives are starting to make an impact and will improve performance further in the future.



Station modernisations/ refurbishments on site: April - June 2009

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

• Godge Street	• Hatton Cross	• Kingsbury
• Covent Garden	• Stanmore	• Balham
• Canons Park	• Waterloo	• Tooting Broadway
• High Barnet	• Oval	• Queensbury
• Edgware	• Osterley	• Wood Green
• Green Park	• 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
July to September 2009, Q2 – 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:

- Complete the upgrade of Green Park (defined as Beneficial Use) and start work on London Bridge and Southwark stations
- Progress Step Free Access (SFA) work at Green Park and Kingsbury stations and complete the SFA project at Waterloo and City
- Progress the testing and commissioning phase of the signalling upgrade project
- Commence the refurbishment of an escalator at Canary Wharf station

Northern line:

- Complete the upgrade of Clapham Common, Oval and Goodge Street stations and make good progress on Tooting Broadway, Balham and High Barnet stations
- Progress the upgrade of the Northern line; complete the fit out signalling equipment on 20 trains
- Complete the renewal of a set of points and crossings at Kennington
- Commence the refurbishment of an escalator at Euston station

Piccadilly line:

- Continue progress of the upgrade of Hatton Cross and commence work at Hounslow East station
- Complete the installation of a lift at Oakwood and progress Step Free Access works at Osterley
- Complete the refurbishment of two escalators at Heathrow
- Continue the re-rail programme