

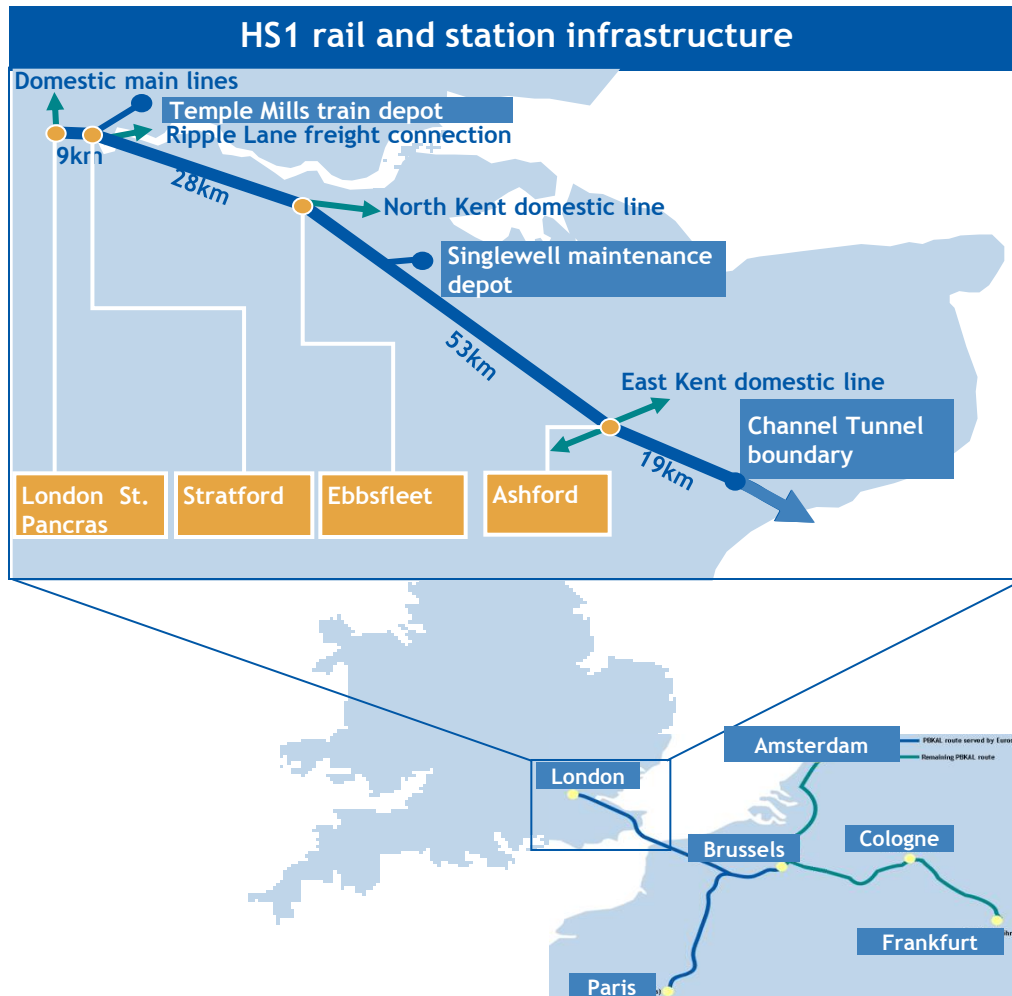
# Lessons for the builders of HS2 from those who run HS1

September 2014



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CEO



- Concession until 2040 to operate, maintain and renew the 109 km high speed rail line
  - UK's only high speed railway, completed in 2007
  - Connects London St. Pancras International to the Channel Tunnel
  - Serves four stations along the route
  - UK leg of the Paris-Brussels-Köln-Amsterdam-London trans-European transport network priority project
- Primary business is to provide high speed rail access to domestic and international passenger rail and international rail freight
- Highly stable regulated track access income
- Unregulated upside from retail, car parking, advertising and other commercial options
- Clear and transparent regulatory and commercial framework

# Asset Overview

## Track



- Only high speed rail line in the UK
- Connects St Pancras International in London through Kent to the UK Channel Tunnel boundary
- Designed to be compliant with European gauge and relevant technical standards for inter-operability with Europe
- Number of connections to the classic rail network
- Maximum speeds:
  - International passenger services: 300kph (Section 1), 230kph (S2)
  - Domestic passengers: 230kph
  - Freight: maximum of 140 kph

## Stations



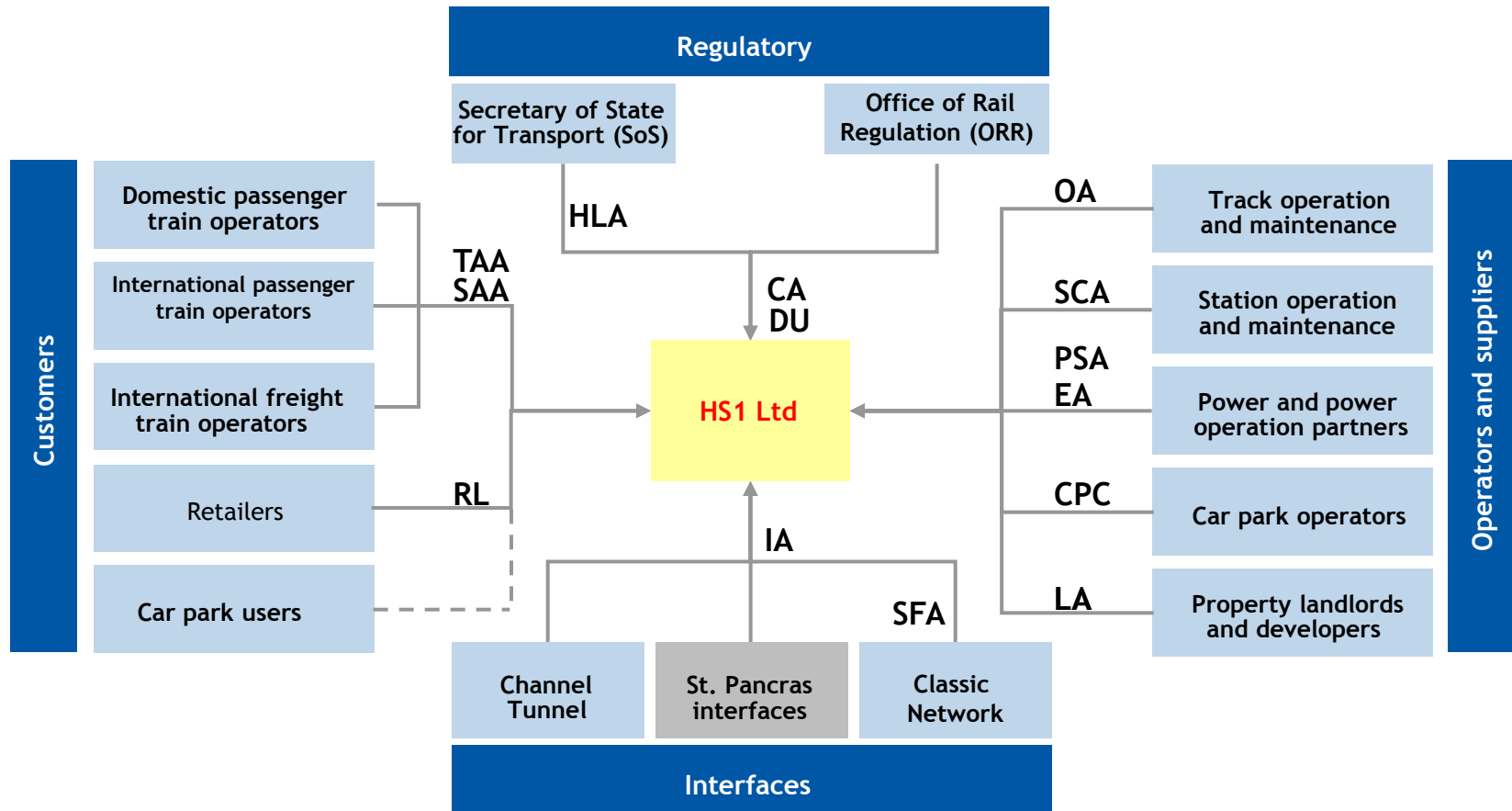
- St Pancras International, HS1's iconic, Grade 1 listed, London Terminus with 9 high speed platforms, 90,000 sq. ft retail space and 5\* hotel
- Stratford International located near Canary Wharf with DLR connection to central London, 850 car park spaces
- Ebbsfleet International, located in the heart of the Thames Gateway regeneration zone and close to the M25 with 5,145 car parking spaces
- Ashford International, with 1,800 car parking spaces

## Ancillary rail infrastructure




- Singlewell infrastructure maintenance depot
- Ashford Control Centre (HS1 operating activities in shared facility within the Network Rail control centre)
- Signalling, communication, power supply (UKPN) and control systems
- Ripple lane exchange
- Temple Mills depot (depot facilities for rolling stock)

# Regulatory & contractual framework



HLA	HS1 Lease	CA	Concession Agreement	TAA	Track Access Agreement
SAA	Station Access Agreement	RL	Retailer Leases	IA	Interface Agreements
SFA	Shared Facilities Agreement	OA	Operator Agreement	SCA	Station Concession Agreement
PSA	Power Supply Agreement	CPC	Car Park Operator Concessions	LA	Lease Agreements
EA	EDFE Suite of Agreements	DU	Domestic Underpinning	--	No contractual agreement with HS1 Ltd





*“You can’t buy  
private transport  
this good”...*

*Kobe Bryant*

# HS1: Our strategy and how we are doing

## Our goal:

To be the world's leading high speed railway

- Protect and grow
- Punching above our weight
- Winning by inches

Safety

- Our long-term target is zero-harm, with no major RIDDORs as a short-term target. Safety is no accident: we all play our part

Assets

- Asset performance remains strong with a HS1 infrastructure delay > 5 mins of 0.3% (vs concession cap of 13%) and about 4 seconds per train
- HS1 has been available every day since it opened

Customers

- St Pancras voted the Number 1 station in the UK in the National Passenger Survey every year since 2007
- Great & developing relationship with TOCs & FOCs
- Growing demand for services

Efficiency

- Partnership with NRHS. 10% immediate savings in OA charges from 2012.
- Periodic review proposals accepted first time by ORR. Reduction in charges for customers of 12% +

Reputation & Sustainability

- Excellent Olympics : enhanced reputation of all businesses
- 6 major awards won by HS1 in last 12 months and Rachel Starling awarded an MBE in the Queen's Birthday honours list 2014

# Service Offering

## Domestic passenger services

60%



- Southeastern provides high speed domestic passenger services between London and North and East Kent under franchise arrangements

- Facilitating additional services as Southeastern develops timetable

## International passenger services

34%



- Eurostar services between London and Paris, Brussels
- >80% market share

- New trains next year
- New entrant (DB)
- Extension of EIL services to Provence & Amsterdam
- Other potential operators

## Retail and car parking

6%



- Unregulated station income through retail, advertising and car parking operations
- Annual footfall at St. Pancras of 48 million

- Achieving organisational change to deliver better retail customer experience
- New car park operator (CP Plus) in place since December 2012

## Freight services

0%



- Limited night time conventional medium speed freight traffic on HS1 - more than 800 trains expected 2014

- Very high speed freight was tested on HS1 in March 2012 and has growth potential across Europe
- Joint study to evaluate depot options

# 1. You won't be running the railway

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## 2. Think Customer

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- Capacity
- Flexibility
- Systems

### 3. Differentiate the railway from the classic network

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- Private money is available and keen to invest
- Concessions protect the long term quality of the asset - obligations on the concessionaire and the Regulator
- Systems can be integrated - don't use legacy systems without at least consideration of alternatives

## 4. Build in resilience for punctuality











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- Connections
- Sidings and / or passing arrangements
- Design for resilience

## 5. Keep it simple

### Main characteristics of Railway Lines

Length of line and usage

		Route length [km]	EqTrackkm : routekm ratio	Accumulated tonnage [MGT]	Annual tonnage <sup>1)</sup> [MGTPA]
	HS1	110	4.6	59	17
	HSL-Zuid	90	2.6	10	6
	Milano – Bologna	191	2.7	42	14
	Bologna – Firenze	86	2.3	58	23
	LGV Sud-Est	457	2.6	620	29
	LGV Atlantique	284	2.5	477	26
	LGV Nord-Europe	326	2.7	362	23
	LGV Rhône-Alpes + Méditerranée	367	2.6	189	16
	LGV Est-Européen	301	2.5	60	12
	Seoul-Busan	367	2.1	294	39

1) This value represents the section of line with the highest loading; the accumulated tonnage is shown for this section too



## 6. Don't leave the railway dependent on large suppliers in future

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## 7. Build positive relationships with neighbours

### Vertical Streaming

By Mike Seddon



Dave began to suspect that he had moved next door to the neighbour from hell.