

Our business model in action



Support services National Offender Management Service

How we apply our centralised operating platform

- ✔ Living our Values
- ✔ High standards of corporate governance
- ✔ Strong risk management
- ✔ Embedding sustainability into everything we do
- ✔ Building long-term partnerships with customers, partners and suppliers
- ✔ First-class supply chain management

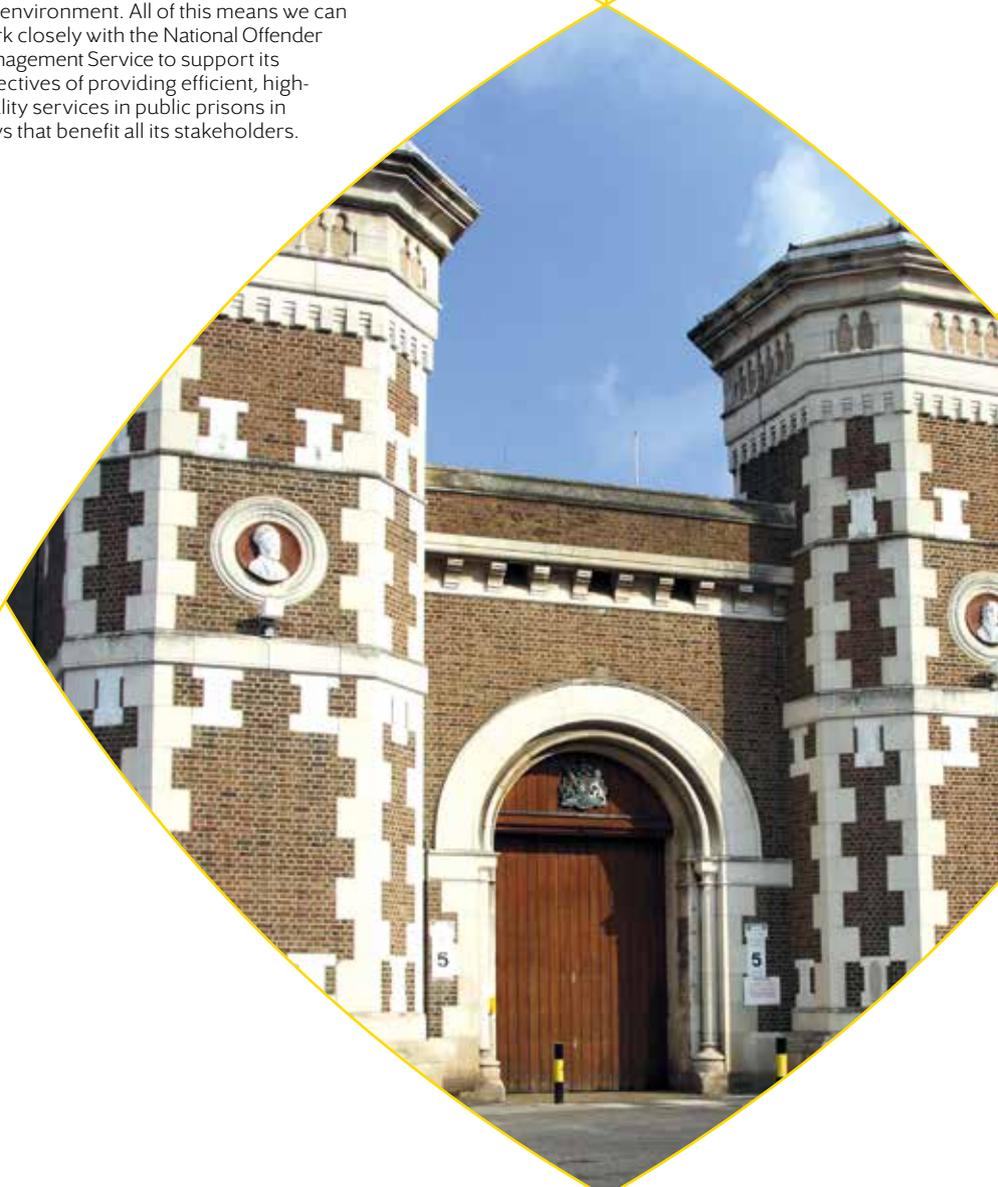
In January 2015, Carillion was awarded two contracts by the UK National Offender Management Service to provide facilities management services for public sector prisons in two geographical areas - the first for London and the East of England and the second for South West, South Central, Kent and Sussex. In total, these contracts involve the provision of services to 54 prisons, approximately half the total number operated by the National Offender Management Service.

These contracts were successfully mobilised on 1 June 2015 and together are worth approximately £200 million over an initial five-year period, which can be increased to seven years through two one-year extensions, subject to satisfactory performance.

Under these contracts Carillion is providing a wide range of facilities management services, involving nearly 150 service lines, including mechanical and electrical engineering maintenance, building fabric maintenance, energy management and environmental services, waste management, escort services for contractors coming into prisons, grounds maintenance and landscaping, cleaning services and minor building works. We are also using our sector-leading experience as the largest trainer of apprentices in our

sector to engage with and train prisoners to carry out some of these services in order to create for them a pathway to future employment, potentially with Carillion or with other businesses in our sector.

Our success in winning these contracts reflects our ability to understand the needs of our customers and to use all our skills and resources to design and deliver fully integrated service solutions, tailored to their needs, combined with our strong focus on quality, value for money and creating positive outcomes for the communities in which we operate and for the environment. All of this means we can work closely with the National Offender Management Service to support its objectives of providing efficient, high-quality services in public prisons in ways that benefit all its stakeholders.





Public Private Partnership projects Midland Metropolitan Hospital

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In August 2015, a Carillion joint venture, The Hospital Company (Sandwell) Limited, was selected as the preferred bidder by the Sandwell and West Birmingham Hospitals NHS Trust to finance, design, build and maintain the new Midland Metropolitan Hospital under a 30-year concession contract using the UK Government's PF2 procurement model. Financial close on this project was achieved in December 2015 and construction work is now underway on site, with completion scheduled for late 2018.

Carillion will invest £13 million of equity in the project, as well as building the hospital at a capital cost of £297 million and delivering facilities management and life-cycle maintenance services that are expected to generate approximately £140 million of revenue over the concession period.

PPP projects draw upon all our resources and skills in order to create integrated solutions for public sector buildings and infrastructure that offer value for money by delivering high standards of design and efficiency at the lowest whole-life cost. Carillion has delivered over 60 Public Private Partnership projects, including more than 20 healthcare projects, making us a global leader in the PPP market.

The new Midland Metropolitan Hospital will be a state-of-the-art facility with over 680 beds and 13 operating theatre suites that will support the Trust in delivering significant improvements in healthcare services for the people of Sandwell and West Birmingham. It has been designed to meet the best international standards to make it truly patient focused and to support the efficient delivery of high-quality clinical services. It has also been designed to the highest standards of sustainability, with a number of innovative design features, including a fully enclosed Winter Garden, car parking within the hospital building on the ground and first floors to create a secure environment for patients and staff, and full separation of clinical activities and journeys from the public and non-clinical activities.

As a leading provider of training and apprenticeships, we are also using this project as another opportunity to provide training and apprenticeships for local people as well as maximising the use of local suppliers, to the benefit of the local economy.

Our business model in action

continued



Middle East construction services Dubai World Trade Centre

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In October 2015, the Dubai World Trade Centre awarded Carillion the main contract to deliver a further phase of the Dubai Trade Centre District (DTCD), worth £125 million.

Carillion has operated in the United Arab Emirates (UAE) through its Joint Venture with the Al Futtaim Group for around 50 years, during which time we have established a market-leading reputation, with an outstanding track record of delivering iconic buildings throughout the UAE and this latest contract award reflects and enhances that reputation.

At the time of this contract award, we were nearing the successful completion of the first phase of the DTCD development, the contract for which was awarded in March 2014. Winning the contract for the next phase of this development is just one of many examples across the Group of our success in winning repeat work with long-term customers, for whom integrated solutions that meet high standards of quality, reliability, Health & Safety and sustainability are paramount.

The DTCD is a major development located between the current Dubai International Convention Centre and Emirates Towers in the heart of the City's Central Business District. The vision for the DTCD is to create the world's leading destination for all major exhibitions, conferences and events, with the whole development designed and built to best-in-class quality standards. For example, this latest phase, like the first one, includes international office accommodation that has achieved LEED® Gold Certification⁽¹⁾ from the US Green Building Council – an industry benchmark for green building performance covering design, construction, operation and maintenance.

The news that we had been awarded this latest phase of the DTCD development was announced during a visit by the then UK Minister for Trade, Lord Livingston, to highlight Carillion's success as a leading example of how British expertise is playing a key role in the development and growth of Dubai's infrastructure.

Note
(1) LEED - Leadership in Energy & Environmental Design, is a green building certification programme that recognises best-in-class building strategies and practices.





Construction services (excluding the Middle East) Liverpool Football Club

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In December 2014, Carillion signed a contract with Liverpool Football Club (LFC) to expand the main stand at the Club's world famous Anfield Stadium, together with associated improvement works, on which construction began on site early in 2015. The contract will add around 8,500 seats to the main stand, increasing its capacity to over 20,000 and making it one of the largest single stands in Europe with best-in-class hospitality facilities, and increase the overall capacity of Anfield to some 54,000. The work is scheduled for completion during the 2016/2017 football season.

From the outset, building a strong and trusted partnership with LFC has been at the heart of delivering this contract successfully. This is essential to deliver the high standards of operational efficiency, Health & Safety and engagement, both with LFC and the local

community, required for the successful delivery of the contract. For example, we are using an innovative programme and construction techniques to manage the work in order to minimise its effects on the Club's activities by keeping the main stand fully operational for every football fixture throughout the contract. Prior to every game, our match-day liaison team meet with the Club's safety team, stadium management and the Liverpool City Council Licensing Authority to inspect the existing stand and access routes, to ensure that all the match-day safety requirements are in place. A match-day Inspection Plan has been developed in partnership with LFC and the City Council, which has to be complete before the stand can be formally handed over to LFC for use on match days.

A key element of the contract was to lift into place a 650 tonne, 140 metre long roof truss with pinpoint accuracy, which was televised as well as being watched live on Twitter and by local people from the surrounding streets. The lift was overseen by an independent panel of safety experts, which reviewed and confirmed the engineering procedures used. Two important pieces of club history, the Shankly Gates and the Hillsborough Memorial, have been safely stored and will be re-integrated respectfully into the new building.

Minimising the impact of the contract on the local community, with whom engagement and communication are key priorities, is also an essential part of this contract. We have also held local job fairs and we are committed to provide placements for at least 50 apprentices for local people.

