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Utilities Construction and Connections Market - UK 2008-2012

New AMA report provides a detailed review of this complex market

"During 2006 the value of **construction output in the four major utilities sectors** rose by just under 2% from 2005, to a value of £3.3bn representing just over 50% of all Infrastructure new work which also includes roads, railways and harbours. 2007 was expected to see a 4% increase year on year in terms of construction output in the utilities sector. The estimated value of the **Utilities Connections market** is some £1.15bn in 2007 and it is expected to show reasonable growth over the next few years, reflecting a positive housing and construction market."

A brief summary of the report is included on the following page.

Priced at £650, the report is currently available from AMA Research Ltd,
Telephone 01242 235724 or e-mail at sales@amaresearch.com.

Editors Note:

Attached is a summary of the report. Please use brief extracts if you wish, **but we would request that references to company market shares are not published without our prior permission.**

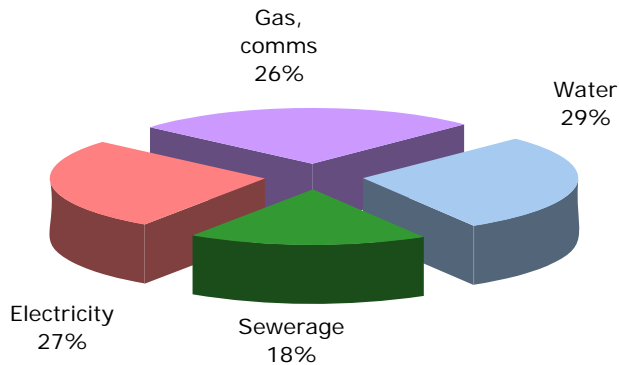
If you would like to receive an editorial review copy or would like to speak to an author of this report, please contact Keith Taylor or Chris Moore on (01242) 235724.

Please include our web address and telephone number on any review printed, it would also be appreciated if a copy of the review could be forwarded to AMA Research. Thank you.

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Utilities Construction and Connections Market 2008-2012

Utilities Construction Output Shares – 2006/07



This report is a review of the **Utilities sector**, covering the performance in the utilities themselves, but also the capital commitments to the sector and the likely impact on construction output throughout the sectors. Also covered is the **Utilities Connections sector**, where there has been considerable change as a result of deregulation in the industry, resulting in a more competitive, open market

The industry has changed substantially in recent years, driven by privatisation, consolidation and pressure from the regulators, particularly to ensure that the market remains a competitive one.

The UK utility market is now fully de-regulated with trading subject to the scrutiny of Government utility regulators to ensure fair competition between suppliers, set price limitations and ensure that the consumer receives a quality service.

During 2006 the value of construction output in the four major utilities sectors rose by just under 2% from 2005, to a value of £3.3bn representing just over 50% of all Infrastructure new work which also includes roads, railways and harbours. 2007 is expected to see a 4% increase year on year in terms of construction output in the utilities sector.

Ongoing investment by the utilities sector means that utilities continue to be a growth area, with consequent contract opportunities for the construction industry. Infrastructure is the third largest sector in terms of new work output and is a sector which is likely to be further boosted by transport programmes due for completion from 2009 onwards and significant new developments for the 2012 Olympic games.

The UK is no longer self-sufficient in energy terms and became a net importer of gas both for consumption and power generation in 2006. There has, therefore, been significant activity to increase the UK's import capability by National Grid and others. Also the government has set a target of 10% of electricity supply from renewable energy by 2010. Although the water and gas markets are considered to be relatively mature, the electricity and telecommunications sectors still provide good opportunities for expansion and increased market penetration and good growth is expected in all core utility market sectors over the next five years.

Utility companies are continuing to opt for **mergers and acquisitions** in the quest for more stable cashflow as a source of finance for large, capital intensive investments. Since the takeover of Scottish Power by Iberdola in April 2007, only two of Britain's six big energy suppliers, **Centrica** and **Scottish and Southern Energy**, remain independent.

The estimated value of the **utilities connections** market is some £1.15bn in 2007. The market is expected to show reasonable growth over the next few years, reflecting a positive housing and construction market. Leading utility connections companies include Integrated Utility Services, SSE, Connect, PN Daly, Core Utility, United Utilities, Clancy Docwra and Telecom Plus. Electricity connections account for a major part of the industry with a share estimated at just under 50% by value.

AMA Research's "**Utilities Construction and Connections Market UK 2008-2012**" report is available in hard copy or electronic format for £650 and can be ordered online at www.amaresearch.co.uk or by calling 0871 3103450.