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Utilities Connections Market - UK 2010-2014

New AMA report provides a major review of the UK Utilities Connections Market

“Utilities connections experienced 10% decline in value in 2009 as a consequence of falling output levels in the housebuilding and non-domestic construction sectors. Expectations for 2010 remain mixed with housing completion numbers again expected to dip and more difficult times expected for key non-domestic sectors; however impetus for growth is likely to be derived from higher value connections in the gas, electricity and telecoms sectors”.

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.**

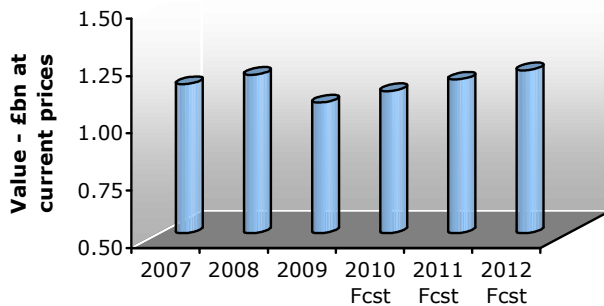
If you would like to receive an editorial review copy or would like to speak to an author of this report, please contact Chris Moore or Keith Taylor on (01242) 235724.

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 CONNECTIONS MARKET - UK 2010-2014

UK Utilities Connections Market 2007-2012
By Value (£bn at current prices)



The utilities connections market is closely aligned with levels of non-domestic construction output and housebuilding. In addition, the health of the utilities construction market also impacts on the value of the connections sector.

Utilities connections experienced 10% decline in value in 2009 as a consequence of falling output levels in the housebuilding and non-domestic construction sectors.

The chart, above, illustrates our estimates of market performance from 2007 with current forecasts of anticipated performance through to 2012. Expectations for 2010 remain mixed with housing completion numbers again expected to dip and more difficult times expected for key non-domestic sectors; however impetus for growth is likely to be derived from higher value connections in the gas, electricity and telecoms sectors.

Drivers for growth in the utilities connections market in recent years have included further penetration into existing domestic and commercial/industrial premises. Factors such as switching of main fuel type, upgrading of systems, conversions and extensions to existing buildings and the increased use of renewable energy had all assisted with both volume and value growth in recent years.

Increased competition from independent connections organisations in the gas sector has also contributed to significant reduction in average gas connections values over the last 2-3 years with 35% reduction experienced 2006-09. Electricity connections have also been affected by falling average connections prices; however the level of competition in the sector is not as advanced as that in the gas sector with significant decline in low voltage connections concentrated in the domestic sector cited as one of the main reasons for falling average prices.

The opening of the connections market to competition over the last 10-12 years via the option to use alternative contractors for the "contestable" connections works has seen the emergence of a number of specialist "multi-utility" providers who can supply some or all mains utility connections to their customers. These include utilities companies operating outside their own specialist areas. In addition, several independent companies, many of which are divisions of major construction contractors with no direct links to utility providers, have also entered the market.

Prospects for utilities connections remain relatively optimistic with output value growth currently expected to reach £1.3bn by 2014, approximately 21% higher than value estimated for 2009. Key to this growth is likely to be increased demand from the recovering housebuilding and non-domestic construction sectors whilst developments in the telecoms and renewable energy sectors are also likely to provide impetus for growth. The connections market is also likely to be further exposed to increased competition in terms of supplies with significant potential for growth of independents in the electricity connections sector.

AMA Research's report "**Utilities Connections Market – UK 2010-2014**" is available in hard copy or electronic format for £650 and can be ordered online at www.amaresearch.co.uk or by calling 01242 235724.