

Badar Khan - Strategic Review

Strategic Review – Direct Energy

In this strategic review we are clearly focusing on developing and pulling together resources to focus on our offers to our customers as well as driving efficiency in the organisation both of which will allow to Direct Energy to accelerate organic growth in North America. The North American business is a strong and valuable part of the portfolio and the reason is because our customers' needs on either side of the Atlantic are actually very similar and so by developing propositions on both sides of the Atlantic will benefit North America as it will our business in the UK.

Connected Homes in North America

We've been in market in North America for some time, helping our customers understand how and why their bill adds up to what it adds up to and with connected homes technologies we'll be able to provide customers with deeper insight, combined with control of those appliances that consume energy and I think that has enormous potential not only in North America but potentially around the World.

Direct Energy's Competitive Advantages

I think we have three. The first is scale; we are the largest provider of energy supply across homes and businesses and across power and gas in North America. So, we have real scale. Secondly, we have literally thousands of technicians who are trusted by our customers to come into their homes and solve their immediate problems. And thirdly, we are pooling together our resources across Centrica to develop propositions and when you put that together with scale and our technicians, I think you've got a set of advantages that no other company in North America is able to replicate.

Cost Efficiency Programme

Well, the programme that we announced today is actually a logical extension of the work that we've been doing over the last couple of years to simplify our platform and consolidate our systems after the numerous acquisitions that we've done over the last several years. It's not a decision that we take lightly and of course we're very transparent on its impact to all of our employees and we expect around a thousand roles to be impacted in North America over the next five years, off set, of course to a greater or less extend by our ability to grow the business.

Future Shape of Direct Energy

We are the market leader in the provision of energy supply and services which are our chosen segments in North America, combined with the distinct advantages I spoke of earlier. I expect Direct Energy to be leveraging the resources of an international energy company to drive its propositions,



to drive efficiency and to fundamentally transform the way our customers engage with their energy which will result in maintaining our market leadership position in North America as well as maintaining our position as employer of choice.