















Bombardier Marks 14th North American BiLevel Rail Car Customer with Orlando-area Project

Central Florida's SunRail order joins nearly 1,000 BiLevel cars in operation across the US and Canada

Bombardier Transportation announced that it has received an order from the Florida Department of Transportation for the supply of 14 BOMBARDIER BiLevel rail cars for the central Florida SunRail commuter rail project to provide service to the Orlando area. This 14-car order brings the total number of North American BiLevel car customers to 14 with nearly 1,000 cars already in operation across the United States and Canada. Hundreds of thousands of commuters in major metropolitan centers including Miami, Dallas/Forth Worth, Los Angeles, San Diego, San Franciso, Seattle, Vancouver, Toronto and Montreal rely on Bombardier BiLevel commuter rail cars to get them to and from work every day. The contract is valued at approximately \$41 million US (\$39 million CAD, 29 million euro). Under the agreement, up to an additional 46 vehicles could be ordered. Deliveries are planned between May and August 2013.

"Bombardier is proud to be part of this very important expansion of public transit in central Florida by offering rail transportation as a solution for increasing mobility, reducing congestion, and benefiting the regional economy," said Raymond Bachant, President, Bombardier Transportation, North America. "We greatly appreciate the confidence the Florida Department of Transportation has placed in us."

In service since 1978, the Bombardier BiLevel commuter rail car is a service-proven transit solution that provides unparalleled reliability and cost efficiency, along with one of the shortest delivery schedules in the industry. BiLevel cars offer the cost advantages of a common platform, while allowing customers to build-in features that meet specific needs and requirements. Bombardier has provided rail cars and services in Florida since the early 1970's.

It has supplied BOMBARDIER INNOVIA 100 APM automated people movers to the City of Miami's downtown Metromover, as well as to the international airports of Miami, Orlando, and Tampa, for which it is also responsible for operations and maintenance. Bombardier also maintains transportation systems at the Orlando International Airport. The South Florida Regional Transportation Authority relies on Bombardier BiLevel cars and its maintenance services to provide its TriRail commuter transit service between Miami, Fort Lauderdale and West Palm Beach, Florida. It has also supplied BOMBARDIER INNOVIA 100 Monorail systems to the JTA Skyway in Jacksonville, Florida.

New record: Almost 25,000 tourist vehicles carried in one weekendfrom Folkestone by Eurotunnel Le Shuttle

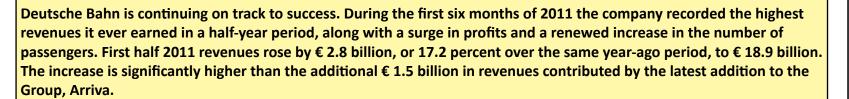


Eurotunnel Le Shuttle has carried a record number of tourist vehicles through the Channel Tunnel during the period July 22nd to July 24th: almost 25,000 cars (including motorcycles, vehicles with trailers, caravans and motorhomes) and coaches made the trip from Folkestone, Kent, to Coquelles, Pas-de-Calais, in 35 minutes, making this the most sustained traffic ever carried in one weekend between the UK and France since commercial services through the Channel Tunnel began in 1994.

Jacques Gounon, Groupe Eurotunnel Chairman and Chief Executive Officer stated: "At the start of the particularly intense summer holiday period, this new record demonstrates the efficiency and flexibility of Le Shuttle, the professionalism of our staff and the power of attraction that a fast and environmentally friendly means of transport has for our customers."

In order to manage this historic movement of traffic, 216 Shuttles departed from Folkestone at a frequency of five departures an hour or one every 12 minutes between 7am and 10pm (local time). It should be noted that, at the same time, 164 Eurostar trains, 362 Eurotunnel Truck Shuttles, 216 Le Shuttle trains, travelling from Calais to Folkestone, and 29 rail freight trains ran though the Channel Tunnel, a total of 987 trains, equivalent to one every 3-and-a-half minutes at peak time. At this rate, which makes the Channel Tunnel the most highly frequented international railway in the world, the remaining capacity is still approximately 30%, leaving the infrastructure with plenty of scope to accept new traffic.

DB remains on track for success in the first half of 2011



Dr. Rüdiger Grube, CEO and Chairman of the Management Board of DB AG, stated during the presentation of first half results in Berlin that: "The figures confirm that we have been on the right track and also signal that we should continue on as we have. Above all else we want to become more customer- and environmentally-friendly while raising our levels of service and quality. Open and honest communication with our customers is very important for us. And that is why we will start publishing our punctuality scores in the local and long-distance segments every month on the DB Internet site as of this September."

All business units contributed to the favorable results. Adjusted results from operations (adjusted EBIT) rose in the first half of the year to € 1.1 billion Euro, or € 287 million (+34 percent) more than the same year-ago figure. Net financial debt increased by € 351 million between December 31, 2010 and June 30, 2011 to € 17.29 billion. It should be taken into account that DB paid a first-time dividend of € 500 million to the Federal Republic of Germany in 2011. Dr. Richard Lutz , DB CFO: "We're on track and we are also confident about the remaining months, even if the pace of the recovery has slowed a bit."

Number of passengers rises again

The number of passengers traveling via Deutsche Bahn trains rose again during the first half of the year and increased by 1.9 percent or 18.4 million to 972.5 million. Volumes produced in the rail passenger transport segment were almost unchanged at 38 billion passenger kilometers (Pkm). The number of passengers recorded for the bus transport segment remained unchanged at 408.5 million. Volumes sold in the bus transport segment declined by 1.2 percent or 56 million to 4.72 billion passenger kilometers for reasons including the declining number of school children.

Transport and logistics continue to expand

Rail freight transport was able to grow further in the first half of the year as the volume of freight transported increased by 4.6 million tons or 2.3 percent to 207.8 million tons. At the same time, volumes sold rose by almost 4.2 billion ton kilometers to 56.78 billion ton kilometers, or 8 percent more.

European land transport recorded a strong upswing as the number of shipments surged by 20.7 percent or 8.14 million to 47.51 million While volumes of ocean freight also climbed by 4.6 percent, air freight volume declined marginally by 0.6 percent.

Infrastructure: More traffic on the tracks

Demand for train-path rose further in the first half of 2011. Track kilometers in track infrastructure increased by 2.5 percent or 12.9 million train-path kilometers to 521.4 million train-path kilometers. Non-Group railways' share of total train-path demand amounted to 20.8 percent, and surpassed the 20 percent level for the first time ever.





Stadler wins in Russia

At the opening of the Swissrail Forum in Moscow, Federal Councillor Johann Schneider-Ammann was able to announce that Stadler Rail has won its first order from Russia. Stadler has received an order for 100 four-axis diesel drive units from the Russian company Transmashholding (TMH), two of which are to be delivered in advance as prototypes. The drive units will be assembled in 50 multiple-unit trains, which the TMH subsidiary Metrovagonmash (MVM) will deliver to Russian Railways (RZD). The order volume for the 100 drive units amounts to around CHF 240 million.

Stadler's first order from Russia

At the Swissrail Forum in Moscow, Peter Spuhler is delighted: "I am very proud that our well-proven technology will be applied for the first time in Russia. I am particularly pleased that, in these continuing difficult economic times, we have been able to win a first order in a new market with huge potential – and this with a contract in Swiss francs." This first order from Russia was the result of extensive negotiations. Transmashholding is the largest Russian rail vehicle manufacturer with around 55,000 employees. Its subsidiary, Metrovagonmash, is located in Mytishchi, on the outskirts of Moscow. MVM employs around 5,000 people.

Delivery in stages

Delivery of the first two prototype drive units will take place at the end of 2012. Certification and delivery to RZD of the first complete train manufactured by MVM is scheduled for the first quarter of 2014. Then the plan is to exercise the option for the whole series of 49 trains – and therefore 98 further drive units. Stadler is currently working on three further broad-gauge orders: from Estonia for 38 FLIRT multiple-unit trains, from Finland for 32 FLIRT trains and from Belarus for 10 FLIRT trains. The first trains are already successfully in operation in Finland and Belarus; the others are currently in production.

LEGIOS bought ŽOS Nymburk



LEGIOS Company, a leading European manufacturer railway freight wagons and locomotives, railway repair shops and bought Engineering Nymburk (ŽOS Nymburk). After starting production in new factory in Horní Slavkov last year and again LEGIOS significantly strengthened its production capacity and structure of products and services. The Nymburk will continue to develop mainly repairing locomotives, but the race is gradually focusing on production freight cars and components for rail vehicles.

"We expect that production in Nymburk ŽOS this year to increase significantly and that we will accept new people. Today Nymburk plant has about 150 employees by the end of this number at least doubled, "says Radek Rybáček, CEO of LEGIOS.

During the last three years has changed its LEGIOSbusiness strategy and focused on expansion in European countries. According to Ryback, production LEGIOSU he gets stiff competition not only in the Czech and Slovak Republics, but even in Germany, Switzerland, France, Italy, Turkey and Russia. "Our foreign clients include AAE, Ambrogio, Deutsche Bahn, Railion, Touax Rail, Wascosa "Rybáček calculated."

Nymburk ŽOS history dates back to 1874 when there were established workshops for the repair of locomotives, cars and trucks. In the nineties of last century the plant was rebuilt to the highest repair of locomotives in eastern Europe to work across the CMEA. Since 2000, the company focuses on repair of rail vehicles of foreign manufacture. LEGIOS continues the rich tradition of engineering and repair of rail vehicles in Louny began in 1872. Currently, the company ranks among the major European manufacturer of locomotives, railway freight cars and spare parts. Its product range also includes the repair and modernization of railway cars and locomotives.

UPDATE: Work progress of the project "Optimization of the line Zbiroh – Rokycany"



Prague, 14 July 2011 – along the whole section of the construction, i.e. from the beginning in Zbiroh to the end in the railway station of Rokycany, work currently proceeds in practically all construction - and rail-related professions. They involve new parts of the telecommunication and signalling system, the installation of the contact line system, track replacement including earthwork, reconstruction of bridges and culverts, building platforms, drainage systems and the adopted implementation of noise protection measures.

Within the Optimization of the line Beroun – Zbiroh, constructional procedures and individual phases of the construction of these operational sets and structures are being coordinated and their completion is connected with the termination of the track possession on 5th August.

Near the railway station of Zbiroh, the construction of the flyover which will replace the current double-track level crossing continues. It is a significant feature enhancing the safety on a crossing spot common for road and railway transport at one level. As SŽDC's statistics demonstrate, only the grade-separated level crossing (underpass or overpass) can prevent risky and dangerous behaviour of some road users. In this section, work (again related to the ongoing construction Beroun – Zbiroh) is being carried out ensuring the interconnection and functionality of the telecommunication and signalling installation for both aforementioned constructions. The earthwork on the railway substructure in the district of the loading facility Zbiroh is conducted in cooperation with archaeologists who carry out their basic research here. If any discoveries are made, a proper rescue archaeological research will be carried out, which may disturb the work schedule of the construction. However, we do not anticipate anything like this to happen. In the railway station of Kařízek, work started on the construction of a footbridge which will be equipped with lifts, thus ensuring the access to the platforms or serving as a safe passage through the whole railway station. A barrier-free access to trains is a commonplace.

In the inter-station section Kařízek – Holoubkov, work proceeds on the railway substructure as well as the laying of track panels of the railway superstructure with all the related supplementary work. The rail operation is gradually transferred to the almost completed embankment of the line relocation in the area of Mýto so that in the final phase this nearly 1km-long track section could allow train sets to go at the projected speed of up to 160 km/h for tilting boxes. In the train stop Mýto, complex work is underway, such as the implementation of the drainage system, building a subway and a platform with lighting. Last but not least, work proceeds on the traction transformer substation Mýto. As for this inter-station section, we must mention the ongoing work on bridges and culverts. In particular the bridge near the village of Medový Újezd has become a synonym for the search for an optimal solution for both the railway line and the road transport as well as for tackling the needs related to sufficient drainage and diversion of the local brook. In the railway station of Holoubkov, the construction of noise barriers and the implementation of other obligatory noise-protection measures are about to be completed. We can see evident efforts to finish those sections of the underpass which still show the characteristics of a construction site, early August 2011.

In the railway station of Rokycany, a part of the track from the switch in the direction of Mirošov will soon be removed, where work will be carried out on the railway superstructure in the direction of the bridge across the Klabava River (track No. 1).

This construction also requires coordination with the staff that ensure rail operation since most work is carried out during continuous track possessions simultaneously with the operation on a sidetrack. Detours on adjacent roads are necessary.

Photo: Rokycany Bridge across Padrťský brook.



Eco Solutions from DB Schenker

Eco Solutions is DB Schenker's comprehensive range of climate-friendly transportation and logistics services. For every mode of transportation - rail, road, air and ocean - as well as warehouse logistics, DB Schenker offers environmentally friendly solutions that can make a measurable contribution to reducing CO2 emissions and thus to climate protection.

"We aim to become the leading provider of green transportation and logistics services and offer our customers climate-friendly solutions. Our Eco Solutions make it possible to reduce, offset or completely avoid CO2 emissions throughout the entire supply chain," said Dr. Karl-Friedrich Rausch, the Member of the Management Board of DB Mobility Logistics AG responsible for Transportation and Logistics, on Wednesday in Munich. "We are conscious of our responsibility as a service and logistics provider, have set ambitious, group-wide emissions-reduction targets for ourselves and are now offering our customers a comprehensive range of solutions to enable them to better pursue their own climate protection objectives." DB Schenker is currently presenting its Eco Solutions range at the transport logistic 2011 trade fair in Munich.

The Eco Solutions range includes Eco Plus, a solution that offers DB Schenker customers CO2-free rail freight throughout Germany. The energy required is taken entirely from renewable sources, and DB supports with ten percent of the revenue generated from Eco Plus the construction of new renewable energy power plants. Eco OceanLane enables customers to reduce their CO2 emissions for ocean freight by up to 50 percent. And with Eco Charter, the air freight solution, they can reduce their CO2 emissions on the routes from Frankfurt to Shanghai, Hong Kong, Singapore and Chicago by up to 20 percent. Eco Solutions are also available for land transport: DB SCHENKERhangartner and DB SCHENKERrailog offer customers a combination of road and rail transportation that allows them to reduce their CO2 emissions by up to 60 percent.

Eco Warehouse is a solution for building and operating warehouses energy efficiently and sustainably, reducing CO2 emissions by up to 35 percent. DB Schenker specialists work with customers to develop new, environment-friendly logistics centers that comply with international certification standards for climate- and eco-friendly logistics buildings.

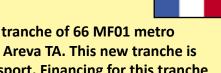
In addition to its Eco Solutions for specific modes of transportation, DB Schenker also offers Eco Neutral, which gives customers the opportunity to offset their CO2 emissions by financing climate protection projects. It also allows them to choose what proportion of their emissions they want to offset. Eco Neutral can be combined with other parts of the Eco Solutions range. DB Schenker works in tandem with its partner atmosfair to finance existing climate protection projects, thus enabling customers to offset their CO2 emissions. DB Schenker also aims to initiate its own projects in future.

Climate protection at DB Schenker starts with customer advice and transportation planning. Eco Optimizer clearly indicates the CO2 and other emissions involved in the transportation and logistics services provided to the customers. A specially developed emissions calculator analyzes CO2 emissions along the entire supply chain. Customers receive recommendations on to how to reduce their emissions, which may involve combining more energy-efficient modes of transportation or alternative routes. The data stored for Eco Optimizer is obtained from calculations made by the online environmental impact calculator EcoTransIT World and is thus based on a scientifically verified method and database.

DB Schenker's climate-friendly Eco Solutions range is complemented by a new unit of measurement: the ECO2PHANT. This illustrates how much CO2 customers can save through more energy-efficient transportation. Each ECO2PHANT is the equivalent of five tonnes of saved CO2 roughly the weight of an elephant.



The RATP orders 66 trainsets for Paris Metro



The RATP, the Paris-based public transport operator, has exercised the option for a new tranche of 66 MF01 metro trainsets from the consortium made up of Alstom Transport, Bombardier Transport and Areva TA. This new tranche is worth more than €300 million, of which around €200 million will accrue to Alstom Transport. Financing for this tranche will be split 50/50 between STIF (Syndicat des transports d'Ile-de-France) and the RATP. The trainsets are intended for use on line 9 of the Paris metro. Deliveries will take place from May 2013 to August 2016.

This order falls within the framework of the contract the RATP awarded to the consortium in July 2001, which provides for surveys, development, trials of a pre-production train and the optional supply of 160 trainsets. This is the third and final option exercise since the contract was signed. An initial tranche of 44 trainsets for line 2 had already been exercised in July 2006. A second option of 50 trainsets for line 5 had then been exercised in November 2007.

These trainsets will eventually replace the existing RATP fleet on lines 2, 5 and 9 of the Paris metro network. The first trainsets for line 2 were delivered in April 2008. Deliveries will continue at a rate of 20 per year until April 2013 for the last trainsets for line 5. The first trainset was brought into commercial service in June 2008.

Alstom Transport is in charge of general management for the project. The various components and energy production sub-assemblies are manufactured at Alstom's Ornans site, power electronic components for traction system at its Tarbes site and the on-board IT and passenger information systems at the Villeurbanne site. Alstom is integrating all components - including those supplied by its partners and suppliers - onto the metro trainsets at its Valenciennes factory. The construction of the MF01 is part of an overall policy to replace the RATP's rolling stock. The MF01 is gradually replacing the MF67 rolling stock brought into service between 1967 and 1978 (30% of the existing RATP steel-wheel metro train fleet). It will run on lines 2 (Porte Dauphine-Nation), 5 (Place d'Italie-Bobigny) and 9 (Pont de Sèvres-Mairie de Montreuil) of the Paris metro network. The MF01 uses 30% less energy than the classic model, thanks to improvements in traction drive efficiency and the inclusion of an energy-recovery electrical braking system. Its dynamic performance has been optimised so as to reduce journey times and increase the frequency of the trains.

Renfe, is Madrid the best in Europe?



Renfe are very proud of our train services, but when the users themselves to say how pleased they are is most proud of. And if this is supported by a study of the French SNCF, then pride is superlative.

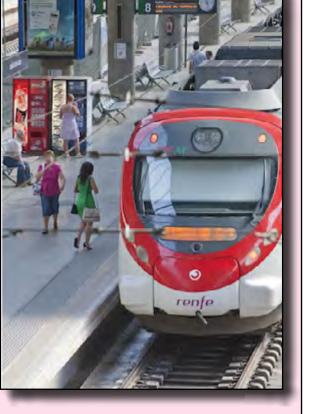
And the French rail operator, SNCF, has done, as we say, a study in the main centers of subway in Europe (Madrid, Paris,

London and Berlin), evaluating factors such as timeliness, frequency, duration of journeys or passenger information. And the locals in Madrid are very satisfied in all aspects surveyed.

In fact, a few days ago a delegation of SNCF Proximité visited RENFE to learn about local rail services and our Director of Madrid commuter nucleus explained the main service data and key points that have led to some quality indices as high. Then he was shown the Center for Information and Control at Renfe where the most interesting aspects of the daily management of the service is taught.

Want to know some of the key data for the Madrid commuter service? This service consists of 9 commercial lines, with a total of 368.6 kilometers. It currently has 100 stations, which serve a fleet of 290 trains with 1311 movements per day, getting an average speed of 51.24 km / h. The punctuality rate is 98.8 percent, and we have 859,196 passengers a day, of which 85.4% are satisfied with the service. But if we consider the percentage of customers would recommend Cercanías Madrid climbed to 92% of the users, the most valued aspects of speed, comfort, punctuality and cleanliness.

All this gives us a quality rating of 7.7 out of 10 overall, that the number of circulations and commuters out there, not bad, but even so, RENFE intends to continue improving.



Even more passengers and an encouraging net profit – but rising debt.



SBB fared well in 2010, moving 951,000 people a day – more than ever before. Passenger numbers were six percent higher than in 2009. SBB Cargo also increased its output in a difficult environment, carrying 200,000 tonnes of freight a day. Rail passengers' satisfaction with safety and punctuality increased further. Consolidated profits totalled an encouraging CHF 298.3 million, but heavy capital expenditures and a contribution of CHF 938 million to the restructuring of the SBB pension fund led to negative free cash flow of CHF 1,371 million. This had the effect of raising SBB's total interest-bearing debt by CHF 763 million to CHF 8.068 billion. SBB achieved an impressive level of services on behalf of the nation again in 2010: 951,000 customers used its trains every day, while the 2009 figure was six percent lower. International passenger traffic grew at an above-average rate, and the overall rail traffic volume in 2010 was 17.5 billion passenger-kilometres (five percent up on the previous year). Demand for freight services was also higher than in 2009: SBB Cargo carried some 200,000 tonnes a day, increasing its transport output by 12.3 percent year on year to just over 13 billion net tonne-kilometres. The capacity utilisation of the SBB network had already been high, and the increase in demand made it even higher. An average of 95.4 trains a day travelled over each kilometre of SBB track in 2010 (2009: 94.4). This figure is unequalled anywhere in the world. The continuing increase in demand for passenger services enabled SBB to enlarge its market share versus other transport modes to 25.2 percent (2009: 24.6). Passenger numbers rose during both peak and off-peak hours. SBB carried about 50 percent of its customers during morning and evening peak hours in 2010, and its market share in this segment is correspondingly high: one employee in every three goes to work by train at present.

High punctuality and safety, even more satisfied customers

SBB continued to stand for reliable, safe and comfortable mobility in 2010. 87 percent of all passengers reached their destinations on time, i.e. with no more than a three-minute delay. This result was slightly below the previous year's figure of 88.2 percent because of the early onset of winter. SBB ran about 190 special trains in December to alleviate the operating problems in neighbouring countries, some of which were very serious. 98.2 percent of SBB's domestic freight services were punctual in 2010 (2009: 94.4 percent). In the transit freight segment, however, punctuality remained unsatisfactory – though SBB has only very limited scope for improving it. Customer satisfaction with SBB's passenger services improved again, rising to 75.9 points (2009: 75.6). Passengers awarded better marks in the areas of safety, customer information and punctuality, but there was a slight decline in their sense of well-being while travelling by train. This can mainly be attributed to heavier capacity utilisation at peak hours, which means that trains have fewer seats available. Customers were more satisfied with the products and services on offer at SBB stations than they were in 2009, whereas they gave services in the cargo field a rather poorer rating than in the previous year. In 2010, SBB again suffered no major accidents in which passengers died or were seriously injured. But an employee lost his life in an accident in Zurich in October, and over the course of the year there were several minor or medium-to-serious accidents involving injuries. SBB's comprehensive safety management system reduced the number of violent incidents in the vicinity of SBB premises and of aggression against railway staff. On the whole, safety figures were at a very high level in 2010 - if marginally below those of 2009.

Encouraging net profit – but rising debt

At CHF 298.3 million, consolidated net income in 2010 was down on the previous year's figure of CHF 369.8 million. Funds received under the service level agreement with the federal government were insufficient to provide adequate network maintenance, so SBB had to appropriate supplementary funds. Even so, the number of speed restrictions increased to 60 (26 more than in 2009). Unlike the previous year, SBB was unable to conduct any major sales of real estate in 2010. The Passenger segment posted a surplus of CHF 292.6 million (2009: 280.6 million), while Real Estate generated operating income of CHF 246.7 million (2009: 361.9 million). Of this, CHF 79.2 million was channelled into the restructuring of the SBB pension fund, while compensation payments to Infrastructure accounted for a further CHF 150 million. Despite its increased output, SBB Cargo has not yet turned the corner: it posted a loss of CHF 64 million (2009: 62.5 million). Its financial result was hit especially hard by the weakness of the euro. Nonetheless, SBB Cargo achieved its financial objectives in a difficult environment. In the coming years, however, it must demonstrate that its strategic reorientation is viable, and that it is capable of breaking even in the medium term. Infrastructure generated a profit of CHF 4.8 million (2009: loss of 6.5 million). The continuing rise in debt is worrying. As against operating income of CHF 846.3 million, capital expenditure totalled CHF 2.629 billion. Taking account of the infrastructure investments funded by the Confederation, this brought free cash flow to CHF –1,371 million (2009: 375 million). The main factors were capital expenditure of CHF 965.8 million on new rolling stock, which will come into service on a staggered basis from 2011, and a contribution of CHF 938

million to the restructuring of the SBB pension fund. Total interest-bearing debt rose by CHF 763.2 million to CHF 8.068 billion (2009: 7.304 billion).

The rail system needs sustained funding

The demand for mobility in Switzerland will continue to grow. The number of people travelling on SBB trains will have risen significantly by 2030, and this will require capital expenditure of some CHF 20 billion in new rolling stock. Current proposals for investment in network maintenance and the continuing infrastructure upgrades total more than CHF 40 billion. Given the mechanisms currently available, there is clearly going to be a substantial funding gap. SBB must further improve its productivity and efficiency, as well as turning round loss-making operations. In the freight segment in particular, the spin-off of SBB Cargo International is expected to lead to appreciable cost reductions - and in the medium term to profits. In profitable areas such as long-distance national and international passenger services, SBB will invest in new, even more efficient rolling stock. If the company is to continue to develop on a selective basis, it must be able to generate the required funds in the market. As the owner of SBB, the Confederation has set it the strategic objectives for the period from 2011 to 2014 of generating profits and substantial positive cash flow, particularly in long-distance passenger services, in order to place the company as a whole on a firm financial footing. If this is to happen, the Confederation must create the right conditions for SBB and give it the commercial scope it needs, for example in the area of fare structuring. Furthermore, SBB – along with the commissioning federal, cantonal and municipal authorities – need greater planning security and a reliable schedule of service upgrades, as well as clarity about how these upgrades are to be funded. In regional services, heavy investment is required in customer-friendly rolling stock, which requires long-term agreements with the commissioning authorities. Infrastructure funding is another area in which the enormous challenges can only be faced by all stakeholders working together. SBB supports the Federal Council's proposal for the creation of a rail infrastructure fund, not subject to any time limit, that would finance maintenance, operations, and also the staged expansion of the network. From the viewpoint of SBB, the top priority must be to deal with the most urgent bottlenecks. Moreover, all investments must be designed to increase customer benefits and efficiency while keeping follow-on costs to a minimum. For SBB it is essential to create a long-term planning mechanism with which the federal government, the cantons and SBB can jointly forecast funding requirements for the upgrading, operation and maintenance of the rail infrastructure and enter into binding agreements on the financing of unmet follow-on costs.

Differentiated fare increases to be phased in

The Federal Council is also calling for users of the rail system to make significant contributions to its sustainable financing. From the viewpoint of SBB, fare rises are unpalatable – but given the constant improvement in services and their rising cost, they are inevitable. Fare increases should, however, be implemented on a differentiated basis that reflects the quality and cost of the service and the demand for it. They should also serve to even out peaks in capacity utilisation. The additional infrastructure costs for passenger services alone come to around CHF 500 million per year until 2017: significantly more than SBB's current net income. But the proceeds of fare increases cannot all go on infrastructure spending. SBB also needs these funds to pay for new rolling stock, and to ensure that the company can continue to develop on a sustained basis.

A year of breakthroughs

Together, Switzerland and SBB made progress in 2010 towards the goal of sustainable mobility. The breakthrough in the Weinberg tunnel was a milestone in the huge improvement in rail services in the Greater Zurich region, and the Gotthard breakthrough was the most important stage prior to the quantum leap that will transform the North-South axis for passenger services and freight alike. The conclusion of the new collective employment contract marked a further step in SBB's development into a modern, well-managed company. The Group's new and comprehensive sustainability strategy will enable it to meet its economic, environmental and social obligations under the headings of nine separate and transparent Group targets. In 2010, SBB received the Sustainability Award of the UIC, the International Union of Railways, for consistently incorporating considerations of sustainability in its strategic planning and in its agreements on objectives with all SBB managers. And with the assistance of the Federal Council and the Swiss Parliament, SBB has made significant progress with the restructuring of its pension fund. Last year SBB placed the largest order for rolling stock in its entire history. At a cost of CHF 1.9 billion, the 59 new double-decker trains will bring distinct improvements to long-distance services. SBB continued and reinforced cooperation on international services with Deutsche Bahn in Germany and SNCF in France. And SBB welcomed the first-ever woman to join its Management Board when Jeannine Pilloud was appointed as the new Head of the Passenger Division.SBB thanks all its customers for their trust, and its more than 28,000 employees for their tremendous commitment, reflected every day in their service to the Swiss rail system.















Above: Class 37 518 in BR Railfreight livery departs Ramsbottom. *Paul Godding*Below: A look at superbly authentic MK1 Corridor Composite No. E16153 at Bury. *Richard Hargreaves*





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