

CONNEX AWARDED MELBOURNE TRAIN CONTRACT

The Chairman of Connex Group Australia, Mr Bob Annells, today welcomed the Victorian Government's decision to award Connex the contract to operate the combined Melbourne train business.

"We are naturally delighted with today's announcement and extremely proud that the Victorian Government has entrusted us with the entire Melbourne train network, for at least the next five years," Mr Annells said.

"We are confident that the partnership we have entered with the Victorian Government is based on a sustainable model, will achieve the Government's public transport objectives and also meet our commercial needs."

After more than 12 months of working with Government on the new contractual arrangements to ensure that a sustainable partnership model emerged, Connex will take control of the entire metropolitan train network on 18 April 2004.

"We now face the task of integrating two separate businesses to operate as a unified train network for Melbourne," he said.

"Challenges certainly lie ahead but we have the experience, knowledge and vision to consolidate the network for the long-term benefit of Melbourne commuters.

Connex has prepared a detailed strategy to deliver an enhanced service for our current and future customers (see fact sheet following). "Building upon our very significant achievements and the lessons that we have learnt since 1999, we will undertake initiatives aimed primarily at enhancing the staff presence on the train network, particularly after dark and integrating the operations of two train businesses," Mr Annells said.

Our plans will be rolled out over the coming months and with the support of Government, employees and unions, we are confident that our plans can be implemented.

"We believe the long-term prospects for public transport in Melbourne are very healthy and we look forward to playing a vital role in the years ahead," he said.

Connex is one of the world's leading private operators in the passenger transport sector, providing urban, suburban, inter-city and regional passenger services on buses, trains, trams and ferries. The Melbourne operation will be the biggest commuter rail network operated by Connex anywhere in the world.

Connex Group Australia operates in Melbourne (trains), Sydney (Monorail, Light Rail, buses) and Noumea (buses). Connex is also set to become the operator of Auckland's commuter train network in July 2004. Connex is the transport division of Veolia Environnement, the world's leading environmental services company.

CONNEX GROUP AUSTRALIA Pty Ltd, ACN: 079 303 816

Media contact: Lea Jaensch, 0417 562 012

CONNEX'S INITIATIVES AND PLANS FOR MELBOURNE'S TRAIN NETWORK

We will build upon our initiatives and achievements since 1999 in the following areas:

- **More staff:** on trains and at stations; focused on providing an increased presence on the train network, particularly after dark. In addition to current arrangements, we will staff at least 30 train stations in the morning peak and 20 stations, chosen on a rotating basis, on weekday afternoons;
- **New trains:** completion of the rollout of new trains, both X'Trapolis and the Siemens fleet, and replacement of the aged Hitachi fleet;
- **Infrastructure projects:** car parks - new spaces and security upgrades; DDA projects; Craigieburn electrification and extension into the suburban network; modal interchanges;
- **Maintenance:** we are also extending our relationship with ALSTOM and have formed Mainco Melbourne as a joint venture between our companies. Together these companies will manage the network's infrastructure and rolling stock maintenance;
- **Integration:** we will integrate the operations of the train network over the coming 18 months to enable further performance improvements;
- **Marketing:** we will run targeted and innovative campaigns to encourage train travel, work with Metlink to grow public transport usage, and use technology to better meet the needs of our customers;
- **Training:** we will ramp up our training program for drivers to reduce the impact of the significant shortfall of drivers across the industry;
- **Ticketing:** we will proactively work with all stakeholders to ensure the introduction of a new ticketing system as soon as possible; in the interim we are committed to the process of continuous improvement to the current system;
- **Revenue Protection:** greater commitment in terms of staffing to ensure that more people pay their way; and
- **Working together:** we will work cooperatively with our industry partners including, Yarra Trams, the Department of Infrastructure, Metlink, V/Line and the bus operators to ensure that Melbourne's integrated transport network works to its full potential.

SOME FACTS AND FIGURES – MELBOURNE'S TRAIN NETWORK

- **Services:** 11,981 per week
- **Passengers carried:** 131 million per annum
- **Employees:** more than 2,600 including our maintenance partners
- **Network size:** 372 route kilometres; 15 lines
- **Stations:** 209
- **Vehicles** (3 cars): 316 (once all new trains are delivered)