



## 2004 SBB Cargo Calendar: International Freight Railways

Modern freight trains in majestic countryside: in its 2004 calendar SBB Cargo presents impressions of its freight trains in Switzerland, Italy and Germany. The photographs symbolise SBB Cargo's services and its strategy as a European freight railway.

Robert Wälti-Portner has taken photographs that are full of atmosphere, beautifully illustrating the four seasons.

The calendar (dimensions 48x33 cm) can be obtained by sending payment in advance to  
SBB Cargo Ltd  
CH-4065 Basle  
Postal account 17-667220-5  
(Please note on payment slip: "2004 calendar"):

Switzerland:  
CHF 35.- (incl. VAT and postage)  
Other countries:  
CHF 39.- (incl. VAT and postage)

Calendars will be delivered at the beginning of December 2003.



## Cooperation with European Rail Shuttle

SBB Cargo and ERS Railways BV have signed a cooperation agreement. Both enterprises aim to improve the quality of rail services on the Rotterdam–North Italy rail axis.

The partners have established an optimised production plan increasing the punctuality of ERS rail services on the Rotterdam–North Italy axis and reducing costs. The new concept will be implemented in January 2004.

European Rail Shuttle B.V. (ERS) is a joint enterprise of the worldwide ocean carriers Maersk Sealand and P&O Nedlloyd. The enterprise was founded in 1994 by Royal Nedlloyd, Sealand Service and P&O Containers with the objective of providing efficient, reasonably priced container transport throughout Europe. Maersk's participation began shortly after the company started operations. Today, on behalf of both parent companies, European Rail Shuttle operates 11,000 trains per year on an extensive rail network in Europe. This network connects Rotterdam and the German harbours with 17 destinations in Germany, France, Italy and Hungary.



## New diesels for Italy

SBB Cargo has commissioned Vossloh in Kiel to construct three Am 840 type locos for its new subsidiary Swiss Rail Cargo Italy. The rollout of the new locomotives is scheduled for October. Swiss Rail Cargo Italy will run the locomotives on non-electrified stretches in Italy.



Dear Reader

At the close of 2003, SBB Cargo can look back on another important stage in the company's development. Two new major projects were launched during the year.

The decision to optimise wagonload services was taken thus ensuring that Cargo Rail, our basic product, can be run cost-effectively. We are convinced this course is the only one that lets us offer customers reliable wagonload transport all over the country.

Some of our customers will experience changes in wagonload delivery schedules on December 15, when the new winter timetable is introduced. Satisfactory solutions have been found for most of those affected by timetable adjustments.

In 2003, another project of equal importance to that of optimising wagonload transport was the foundation of Swiss Rail Cargo Italy, the new Italian subsidiary that enters the market as a sole transport provider on the Switzerland to Italy north–south axis. By mid-December, Swiss Rail Cargo Italy's first trains will be up and running.

The recession persisted in 2003, both in Switzerland and abroad. The difficult economic background affected many enterprises in Switzerland and SBB Cargo was not left untouched.

Despite this we have worked very hard and this was reflected in the positive balance in the half-year report. Because of an effective cost management programme we halved our previous year's losses. This indicates that we are on the right road with the right strategy.

Please accept my heartfelt thanks for the collegial cooperation and for placing your confidence in us throughout 2003. I wish you a happy festive season and a prosperous New Year.

Frank-Thorsten Hennecke  
Head of Sales  
Customer Relationship Management

# Fit for the future

**Expanding the inland rail market by increasing productivity is one of SBB Cargo's strategic goals. SBB Cargo is realising this goal by optimising wagonload transport services.**



"Cargo Rail" is SBB Cargo's standardised wagonload service which generates fifty percent of the company's turnover. During the year, on behalf of wagonload services, more than 1.2 million freight wagons each weighing on average 33 net tonnes roll throughout Switzerland. Every freight conceivable is transported including foodstuffs, building materials, wood, scrap metal and hazardous goods.

In recent times the wagonload service has run up a deficit of approximately 36 million francs per year. To enable SBB Cargo to continue providing reliable wagonload transport to customers, economic targets have been set for this business sector; in future costs have to be covered and productivity significantly increased.

SBB Cargo has sought solutions avoiding substantial cuts in services but which nevertheless lead to fundamental optimisation of wagonload services and complete elimination of the deficit by 2005. The solution is seen in more intelligent, economical use of resources (see the article in Cargo Magazine 2/2003).

## Greater efficiency

SBB Cargo begins the Cargo Rail optimisation process on 15 December 2003. From this date wagonload services will be operated more efficiently while maintaining the same country-wide service and – after a three year implementation phase – they will also break even. During the first stage, SBB Cargo will introduce uniform and more efficient distribution methods. Loss-making periods of idleness for locomotives and staff will be reduced. Adapting machinery – for example by introducing radio-controlled shunters – and modernising both shunting and team stations will enable SBB Cargo to achieve further increases in productivity.

SBB Cargo has kept customers informed about changes to services, and in particular the new delivery times. The new production plan was drawn up with the involvement of representatives of all branches and customer groups. In individual cases, where the proposed new delivery times could have caused

problems, SBB Cargo has sought a mutually acceptable solution in consultation with the customer.

## Investments in shunting facilities

Here too, SBB Cargo is investing substantial amounts to optimise services and thus guarantee the long-term existence of wagonload services. Shunting operations will be concentrated at the larger shunting yards at Zurich Limmattal, Lausanne and Biel. Facilities will be extended and modernised.



## Services over the 2003/2004 Christmas and New Year holiday period

During the 2003/2004 festive season SBB Cargo will adhere to its customer-friendly timetable.

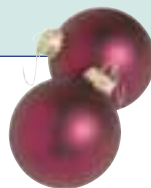
In contrast to last year, Cargo Rail, the basic wagonload service, will be maintained throughout the festive season with the exception of the official holidays. The service is available on 29, 30 and 31 December. On the 24 and 31 December, wagons will only be delivered and on the 29 December and 5 January they will be only be picked up. The last day for sending freight by Cargo Rail for delivery before Christmas is 23 December 2003. The last day for dispatching freight for delivery before New Year is 30 December 2003.

With the exception of Christmas day (25.12.2003), Cargo Express services will remain fully operational throughout the festive season. In addition, wagons will be transported overnight on holidays, that is the 26/27 December 2003 and the 1/2 and 2/3 January 2004.

Cargo Domino services on Sundays and holidays only carry consignments of perishable goods. You can notify SBB Cargo of loads up to 15 December 2003.

International wagonload services and Cargo Train single train services cease operations completely from 24.12.2003 to 28.12.2003 and from 31.12.2003 to 4.1.2004 up to and including 12 o'clock midday.

Details of services over Christmas and New Year 2003/2004 can be found on the Internet at <http://www.sbbcargo.ch>.



## Growing network with Germany and Italy

SBB Cargo now offers wagonload services within Switzerland and – in cooperation with associated European railways – to other countries for the export and import trade. Increasingly, in its own right SBB Cargo will be able to provide wagonload and wagon group freight services to neighbouring countries.

# First train to Italy

**At 5:40 a.m. on December 15 everything will be ready: Swiss Rail Cargo Italy, the subsidiary of SBB Cargo, commences pilot operations and all the signals will be switched to green for the first train from Chiasso to Molteno in north Italy. Regular rail operations begin in mid-April 2004.**



Swiss Rail Cargo Italy is ready to begin freight operations: commencing on December 15, 2003 the first trains with loads of steel will run from Chiasso to Molteno and Oggiono in north Italy. In a little less than 12 months, arguably record time, SBB Cargo has established Swiss Rail Cargo Italy, its new subsidiary. Initially only a few trains will carry out pilot operations. In mid-April 2004, after a further organisational phase is concluded and the first of 30 dual-current locomotives are delivered, Swiss Rail Cargo Italy (SRCI) will begin regular operations. By the end of 2004, Italy's fledgling rail-freight company will not only be running trains to Italy from Chiasso but also from Domodossola and Luino.

SBB Cargo will increase capacity gradually during the coming months. Italian staff will receive training; as a consequence more locos will become operational. Paolo Cervetti, the manager of SRCI, and a team of ten are organising a new reliable, customer-oriented rail-freight enterprise from their base at Gallarate, north of Milan. Their goal is to introduce Swiss quality and punctuality to north Italy guaranteeing customers an optimal freight service. Rail transport will become an attractive alternative for customers in the major north Italian market with the added benefit of speeding up the transfer of traffic from road to rail.

### Sole responsibility for transport

On 29 January 2003, SBB Cargo formally founded its fully-owned subsidiary Swiss Rail Cargo Italy. Only seven months after founding Swiss Rail Cargo Köln, the Swiss railfreight company established its second subsidiary with the specific aim of functioning as a sole provider offering cross-border, through transport facilities on the North-South axis.

SBB Cargo is investing more than 140 million euros in SRCI in the next five years. Most of the cash will be used to purchase new locomotives. Three diesel G 2000 series (Am 840)

locomotives, ordered from Vossloh Locomotives, will operate on non-electrified stretches. The first two have been running in pilot operations since the beginning of December. Dual-current locomotives equipped for cross-border operations in Italy and Switzerland will run on electrified lines eliminating the need for swapping locomotives at the border. 18 BR 185 series (Re 484) locomotives are already on order from the manufacturer Bombardier Transportation. Delivery will commence in December 2004.

SBB Cargo has recently issued a call for tenders (with even shorter delivery dates) for ten additional dual-current locomotives to be delivered by mid-2004. In the interim, SBB Cargo is leasing ES64F4 (Re 474) locomotives from Siemens Dispolok.



**Roberto Martignoni**

### New sales office in Milan

SBB Cargo will open in January a sales office in Milan. The Chiasso staff and head of sales Roberto Martignoni will move to the new office. The move to Milan will facilitate communication with Italian customers making it easier to provide advice and look after their transport needs. The Chiasso office remains open for SBB Cargo's customers in Ticino.

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### Eurohub Basle

Since 1999, the Eurohub gateway in Basle has provided rapid freight transport services to Italy. Here, at Switzerland's most extensive freight marshalling yard, single wagons and wagon groups are collected and put together to form block trains which proceed directly to Italy without any further shunting. SBB Cargo guarantees punctual delivery to ten destinations (hubs) throughout Italy (see the map). Previously goods arriving from the north had to be shunted at a number of yards en route to southern destinations. This new procedure has substantially speeded



up traffic and improved the quality of services to Italy. In 2003 this route has been available and SBB Cargo has dispatched more than 33 000 wagons via the Eurohub.



# Rail Cargo Austria

**Rail Cargo Austria ranks among Europe's most successful rail freight companies. Early market orientation is the main contributory factor. Today Rail Cargo Austria's future strategy involves penetrating foreign markets.**



In recent years Rail Cargo Austria has increased its transport volumes continuously, in contrast to most other rail operators who have had to cope with dwindling tonnages. In 2002, 87.2 million tonnes of freight were transported throughout Austria. Switzerland's neighbour may only be fourth in the European league, after Germany, Poland and France, but it is number one in growth. Over the last five years Rail Cargo Austria has proudly presented a growth rate of over 17%; at present the company has a 30% share of the total Austrian freight market. One minor blot in the copybook: in 2001 and 2002, due to a slump in the economy, annual growth fell significantly by approximately 1.5 million tonnes compared to previous years.

Rail Cargo Austria is not only expanding, it has been in the black since its foundation in 1993. What makes the company different – and better – than other rail enterprises? Wolfgang Scharinger, head of OeBB's freight section, is happy to answer this question: "Basically we pursue a progressive strategy while constantly keeping an eye on our existing structures. There's no secret recipe." Despite this he itemises six factors – none of which is revolutionary in any way – that have led to Rail Cargo Austria achieving a higher market share than its competitors:

- Early on in its existence RCA directed efforts to customer and market needs and aligned its sales structure to industry branches: chemicals and mineral oil, vehicles and fast moving consumer goods, wood, agricultural products and building materials, coal and steel, paper and waste disposal.
- RCA functions as a one-stop shop offering customers all services from one sole provider.
- In 1997 RCA instituted its own quality campaign. By 2004, all RCA's various business sectors will be certified to ISO 9001/2000. Through its own "Spedition Holding".
- RCA participates in about a dozen forwarding companies, each of which has brought specific know-how into the alliance and acts as a sales channel.
- RCA invests continuously in developing modern production facilities and specialised rolling stock.
- RCA recognises the value of staff training and motivation.

Josef Müller, a freelance Austrian journalist, who has closely observed OeBB's development for many years, summarises Rail Cargo Austria's success story: "Rail Cargo Austria has swapped the classical carrier role for that of a logistic service provider. It is has become a serious economic competitor on the shipping market. On the other hand shipping agents also cooperate closely with Rail Cargo Austria. From these specialists RCA has learned the importance of having a national network in the background, as can be seen by the many alliances made with partners in strategic sectors. In this respect, in southeast Europe in particular, Rail Cargo Austria has seized the initiative and is presently conducting an aggressive and successful campaign."

