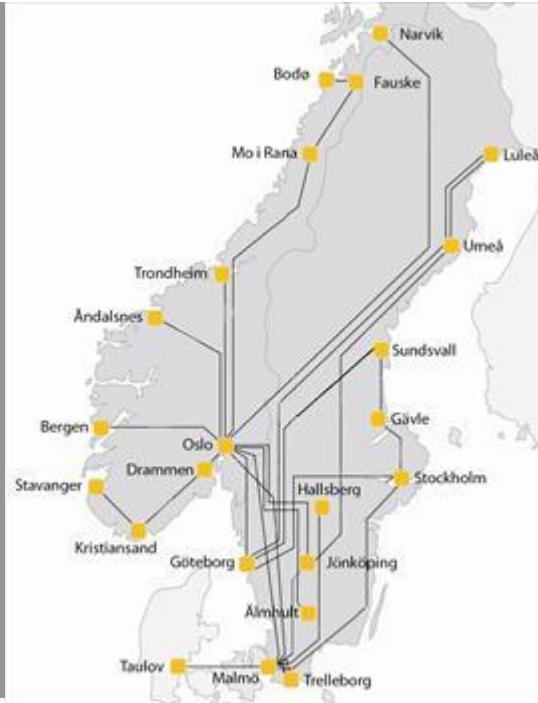




-UIRR and CargoNet - strategic match and a basis for closer cooperation.

CEO Are Kjensli CargoNet-Group  
UIRR 40 Years Conference – Brussels, 21th October 2010

# CargoNet-Group



- Turnover 190 million euros.
- Over 80% growth in Norway since 2002.
- 800 employees.
- Scandinavia's largest intermodal operator with 800.000 teu's/year.
- Licensed railway company with its own locomotives, wagons and drivers.
- Shuttle-trains with high frequency and focus on equipment utilization.
- Average speed over 70 km / h.
- Punctuality 88% within 15 minutes.



The opportunities are there.....



- CargoNets have experienced how close strategic partnership with our largest customers generates growth.
- More than 70% of the volumes of the big forwarders in Norway are at some point on a CargoNet-train.
- CargoNet has a market share of over 50% of the total transport market on the main corridors.

.....but the competition hardens!

# The legacy from traditional wagon load prevents efficient utilization of the infrastructure

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- Traditionally, a plentiful supply of locomotives, wagons and personnel.
- Focus on capital utilization has not been the most important for railway companies.
- Focus on heavy industry – railways have traditionally not taken part in the growth of goods with high value cargo.
- We learned the hard way, one cannot both operate within wagonloads and intermodal - you cannot compete with your own customers!

# A challenging journey to become a pure intermodal company

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- Wagonloads was closed in 2003.
- Significant efficiency - 75% fewer employees, more than doubling of the volume.
- Doubling of the utilization of locomotives.  
Up to 250,000 km a year per wagon.
- Still huge potential for efficiency improvements.

# We have to challenge the “old school thinking” of European railways

- Intermodal solutions are seen by many as a threat to the established structures and power relations in the European railways.
- Most customers see intermodal as a better solution.
- I think we focus too much on the limitations, and too little on those customers who want a strategic partnership.
- The UIRR companies are together a force that can set a new agenda - challenge the “old school” railway-thinking.



# The new agenda

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- In our role as intermodal operators we have the opportunity to challenge through genuine cross-border products - focus on transport corridors.
- Challenge the infrastructure managers.
- Challenge the technical barriers.
- Challenge the limitations of unions.

By doing so we earn the trust of our customers.



## The best solution

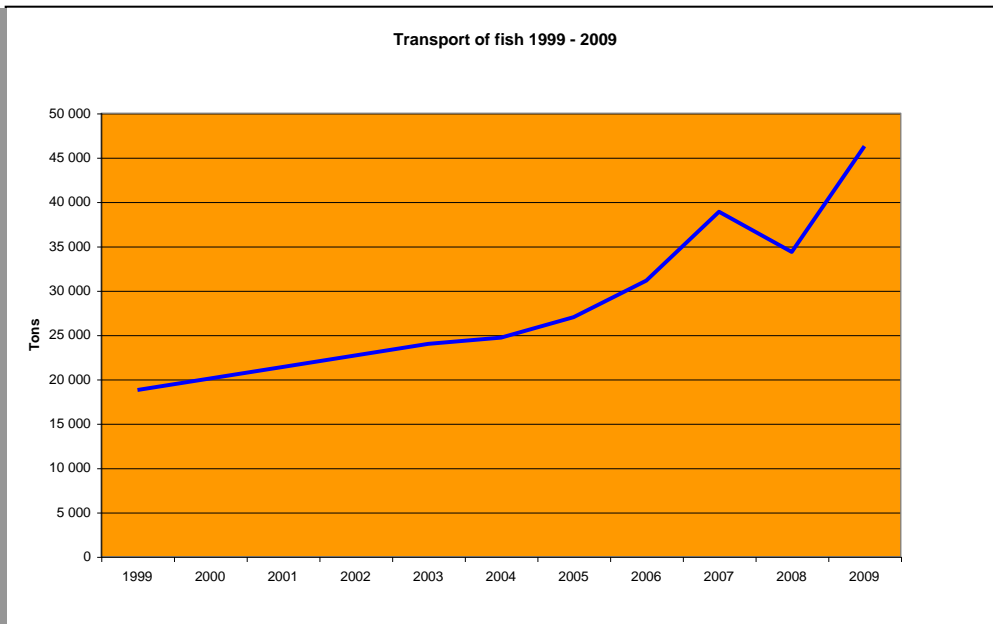


- Intermodal solutions provides the best utilization of the infrastructure.
- Intermodal solutions provide the best social benefits of infrastructure.
- Intermodal solutions will help to build confidence in the railway transport.
- My experience is that intermodal solutions also represent the lowest transaction-costs between the customers and the railway.



# Transport of fresh fish is a fast growing segment - requires high quality

- We are succeeding in Norway – but the success stops in Oslo on the way south!
- Customers prefer trucks in Europe due to lack of quality, predictability and long transit times.
- We can jointly develop transport by rail all the way from Norway to the fish distributors in Europe.



# CargoNet wants to further develop cooperation with the UIRR companies



- Today we have close relations to Hupac and Kombiverkehr.
- We share the same conceptual thinking - a good starting point for further development.
- We offer a competitive network in Scandinavia.
- We want to be an active contributor in the development of new products to and from Scandinavia.
- It is necessary to work together for better conditions for intermodal solutions.
- A future close cooperation with the companies under the UIRR-umbrella.



Thank you for your attention!