

NS Press Release
Utrecht, 15 August

NS 2014 half-year results

NS focuses on collaboration over first half of 2014

For the Dutch rail operator, Nederlandse Spoorwegen, the first six months of 2014 were predominantly about stepping up collaboration with other rail parties to serve passengers' best interests. "One of our efforts involved partnering with the local public transport operator in The Hague, HTM, to open several public transport service shops. We also signed a new renewable energy deal together with all other rail operators, while the rail sector as a whole has switched to the *OV-chipkaart* smart card for travel on public transport, and TLS - the organisation behind the *OV-chipkaart* - is expected to become a cooperative of all transport companies. Since this spring, the introduction of the Long-Term Rail Agenda, the new (draft) rail operating concession and intensified collaboration with ProRail have created a clear framework for the future and better services for passengers," says President of Nederlandse Spoorwegen, Timo Huges.

Simplicity, unity and ownership

NS' strategy, which was refined earlier this year, revolves around the concepts of simplicity, unity and ownership. Although the first six months of 2014 were mainly about unity and collaboration within the rail sector, we have also taken concrete steps in terms of simplicity and ownership. NS' higher management structure, for example, was simplified to bring management closer to the passenger and operations, while several key focus areas for improvement of the product for passengers were identified, such as tackling poor performing rail links and better deployment of capacity to suit passengers' needs. The latter has already led to the deployment of additional units in early 2014, and over the upcoming autumn period, capacity will once again be maximised through optimum deployment of reserve rolling stock. "When it comes to ownership, I feel a great sense of pride in the many hundreds of NS staff who volunteered to help tidy up trains and stations when cleaners staged a strike. Numerous office staff also helped out at stations over the first few days after the switch-over to the *OV-chipkaart*. We will continue on this path of simplicity, unity and ownership over the next few years, while maintaining a clear focus on where we can and must improve for our passengers," says Huges.

The passenger comes first, second and third: first six months at a glance

- NS' primary target is punctuality for passengers. Over the first six months, 93.3% of our passengers arrived at their destinations on time (punctuality over the first half of 2013: 90.4%), despite various disruptions affecting punctuality.

- On the whole, customer satisfaction showed an upward trend over the first six month-period of 2014, albeit that the cleaners' strike at our suppliers did lead to a clear dip in customer satisfaction in April and May. As a good client, NS worked both openly and behind the scenes to help resolve the dispute. At the end of May, the cleaning companies and trade unions reached a deal for a new collective labour agreement.
- On 9 July, the rail sector made the switch to the *OV-chipkaart*, making passengers' door-to-door journey even easier. On 13 March, the revamped Rotterdam Central Station was opened. Rail travel is also being improved for disabled passengers. It was announced this spring that, as of 1 January 2015, the number of NS railway stations where special assistance is available for disabled passengers will be increased from 94 to 102. The advance notice requirement when requesting assistance will furthermore be reduced from three hours to one hour.
- NS has significantly cut its carbon emissions by improving energy efficiency. Energy consumption per passenger kilometre has dropped by 6.5%. Aside from that, we have teamed up with all other transport companies in striking a deal with Eneco for the supply of 100% renewable power for railway traffic from 2018. From 1 January 2015, NS trains will be 50% renewable energy-powered.
- NS is currently in the process of procuring new Sprinter and Intercity trains. Needless to say, lessons learnt in the procurement of the Fyra/V250, such as the necessity of using tried-and-tested technology and integrated project management, will be heeded. As we await the delivery of the new Sprinter trains, a total of 18 older DDAR-type double-decker trains will, after a minor technical overhaul, be taken into service again temporarily to keep up capacity.
- In the United Kingdom, NS has, through subsidiary Abellio and after the earlier Northern Rail concession, also managed to extend the Abellio Greater Anglia concession for some 2 years. Both in Germany and the UK, customer satisfaction and punctuality have improved in comparison to last year.
- NS is the Netherlands' 16th most popular employer. The 'Hands off our colleagues!' campaign was launched to take a stance against aggression and violence towards NS staff. This kind of behaviour is simply unacceptable to us. The NS workforce has more or less stayed the same in size (over 25,000 FTEs).

Finances

NS posted net profits of €133m over the first six months of 2014 (first half of 2013: net losses of €76m). This is, however, mainly down to incidental items. Operating expenditure, for example, was lower than in 2013, which was down to a release of provisions, largely following the settlement of the V250 issue with the manufacturer AnsaldoBreda. Nederlandse Spoorwegen's operating income was up €94m in the first half of 2014 as a result of higher transport revenue from rail and bus operations in the Netherlands. This rise in revenue was seen

mainly in the consumer market. In the business market, NS barely achieved growth.

“For 2014 as a whole, we are expecting the upward trend in results to continue, albeit mainly as a result of non-recurring items,” says Engelhardt Robbe, Nederlandse Spoorwegen's CFO. “The outlook for 2015 is less positive due to higher expenditure as a result of the new concession. Also given the required investments in equipment, NS will therefore need to continue to keep costs under control and maintain its drive to improve results.”

Note to editorial staff:

Go to www.ns.nl/jaarverslag for customer satisfaction and punctuality figures, key financial figures and the full half-yearly report.