

Deregulated passenger transport market leads to further expansion**Hector Rail to power Veolia Transport weekend trains**

Deregulation of the passenger rail market in Sweden is taking another important step forward on 1 July when weekend rail services are deregulated. Veolia Transport is first out of the blocks with the first Stockholm-Malmö service that will start as early as the first weekend in July. Veolia Transport has chosen Hector Rail to provide the locomotive power for this service from now and into the autumn. Hector Rail has a strictly subcontractor role in providing the locomotive power for the train service.

Veolia Transport is rapidly exploiting the opportunities that are emerging on the increasingly deregulated market for passenger rail services. Starting on 3 July, Veolia Transport will offer a regular weekend rail service between Stockholm and Malmö. The main competitive advantage is the attractive prices fixed at the time of booking that cannot be amended or refunded.

Veolia Transport has entrusted the provision of locomotive power for this service to Hector Rail. The contract is further confirmation of the excellent relationship between Veolia and Hector that started in winter 2007 with the provision of similar locomotive power for Veolia's winter sports rail service to the Swedish ski resort of Åre and has since been extended this summer with an overnight Lapland service.

“Deregulated passenger rail services have quickly become an important part of our operations,” said Mats Nyblom, CEO of Hector Rail AB. “Finally, passenger now have a genuine choice and can find the train product to suit their own preferences. However Hector Rail's role is strictly that of subcontractor, we are purely providing the locomotive power. The service concept and the offer to the travel market are the responsibility of our clients, in this case Veolia Transport.”

“People can at last travel on the weekends in Sweden at a reasonable price,” explained Gunnar Wulff, Head of the Rail Division at Veolia Transport. “We have already seen enormous interest in this product, so it clearly meets a need on the market. We are also extremely satisfied with how smoothly our relationship with Hector Rail has proceeded which has enabled us to get this product up and running so quickly as well.”

Hector Rail AB is an independent line haul provider in Scandinavia and Germany. As an independent operator, Hector Rail is not tied to any national or other transport company. By being independent and focused on meeting client needs through its own state of the art railway technology expertise, Hector Rail offers its clients tangible added value. Hauliers, large goods owners and other rail companies are the most important client groups. Hector Rail currently covers around 10,000 rail kilometres a day.

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