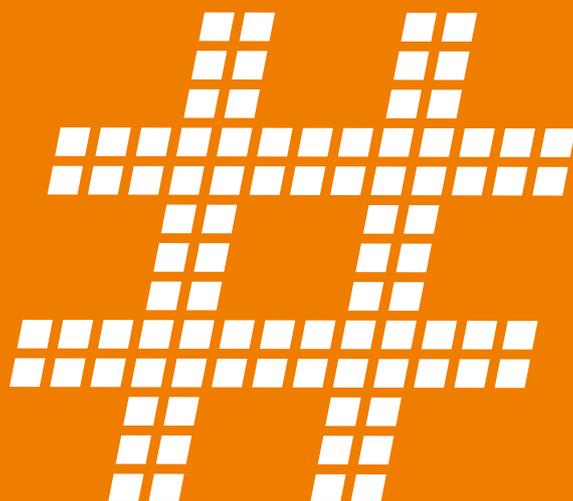


Ruter in 2013

Summary from the
annual report



Ruter#

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LLY HANSEN



Ruter's goal management system involving key success factors and target management indicators is linked to the company's overall objectives and is applied actively in an increasing number of processes



Ruter As

Ruter is the administration company responsible for public transport services in Oslo and Akershus. Ruter plans, commissions and markets public transport services.

Ruter's function, rooted in its business concept, is to provide attractive and environmentally friendly public transport services, and in doing so promote a vibrant metropolitan region. This involves the development, planning, commissioning and marketing of a public transport service network which, within stipulated financial frameworks, most effectively meets the public transport policy targets set out by Oslo municipality and Akershus County Council.

The administration company Ruter As is owned jointly by Oslo municipality (60%) and Akershus County Council (40%). The aim is to channel all public subsidy of public transport in Oslo and Akershus, with the exception of state subsidies provided to NSB, via Ruter, and by so doing promote transparent financial management and focused administration. It is not the company's aim to return a profit for its owners.

Transport services are run by operating companies under contracts with Ruter. In the case of bus and ferry services, contracts are awarded under competitive tender. In the case of Metro and tram services, a frame agreement has been entered into with the municipally owned Sporveien Oslo AS on the basis of direct procurement. This comes into force in 2014. The agreement specifies levels of

production, quality and reimbursement. Ruter covers Sporveien's rolling stock leasing costs to Oslo Vognselskap AS, which is also owned by Oslo municipality. Both forms of agreement are designed to assure transparency, establish incentives and achieve efficiency benefits.

Ruter's background and history

Ruter As began operations on 1 January 2008, having been established in 2007 following a merger of the functions carried out by previous administration companies AS Oslo Sporveier and Stor-Oslo Lokaltrafikk a.s. (SL). The history of Oslo Sporveier extends back to 1875, during which time the company had responsibility for the operation of a variety of transport services. From 1973, on behalf of Oslo municipality, Oslo Sporveier performed a combined commissioning and contract administration function together with other operators within a joint fare and ticketing system for the Oslo area. In 2006 Oslo Sporveier was split into an exclusively administration company and a production company – Kollektivtransportproduksjon AS (KTP), with subsidiaries established for the Metro, tram and bus networks and units devoted to infrastructure and workshop operations. In 2013, KTP changed its name to Sporveien Oslo AS (Sporveien). SL was established in 1975 as a purely administration company. It was owned jointly by the

Ruter As – Organisation



Ruter operates with a process organisation structure within which eleven cross-disciplinary teams operate under the four main processes of Sales and Marketing, Development, Production and Quality. Six support functions involving corresponding teams assist both with work linked to the main processes and with the management of the company. Issues within the Ruter organisation are dealt with according to a process chain moving from left to right. This ensures that processes are carried out from a customer perspective, and that issues are addressed in a purposeful and quality-assured manner.

The 'Sales and Marketing' process aims to make sure that as many people as possible travel by public transport by making our services meet our current and potential future customers' needs. Our aim is to achieve a strong market position and ensure stable sources of revenue.

The aim of the 'Development' process is to develop Ruter's transport services and product portfolio optimally to meet current and future demand in accordance with the policy targets and terms of reference set out for public transport services.

The 'Production' process is aimed at ensuring that network development is carried out within prevailing strategic and financial limits, that it meets customers' and shareholders' needs and expectations concerning service provision, and that it contributes towards increased customer satisfaction and growth in public transport use.

The aim of the 'Quality' process is to consolidate Ruter's reputation by ensuring high quality public transport service provision.

The support functions: The aim of "Analysis" is to deliver analyses of processes being carried out within the company, and in so doing generate a sound and relevant foundation for further analysis and assessments.

The aim of "Strategy" is to contribute towards providing Ruter with a long-term strategy for public transport provision in line with policy frameworks and society's needs, and to influence the terms of reference under which public transport provision operates.

The aim of "Finances" is to establish a true picture of revenues and expenditures associated with cash flows and finances linked to public transport provision in Oslo and Akershus.

The aim of "HR/Adm." is to ensure that Ruter is an attractive employer and that our expertise puts us in a position to address our responsibilities in the best way possible. HR-related policies and guidelines.

The aim of "IT" is to deliver the advanced development and professional operation of reliable electronic information and communications technology which makes an active contribution to Ruter's aim of achieving satisfied customers and a strong market position.

The aim of "Communication" is to ensure that Ruter remains true to its values in terms of its communications and representative functions both in-house and externally.

state, Oslo municipality and Akershus County Council, each with a one-third share. In practice, SL functioned as a commissioning company for bus and ferry services in Akershus, and between Akershus and Oslo. Agreements established between the state, Oslo municipality and Akershus County Council involving SL provided the backdrop for practical joint agreements regarding fares, ticketing and financial accounting entered into between the three transport companies SL, Oslo Sporveier and NSB. There continued to be one system for Oslo and another for Akershus and services which operated across the boundary. Title provisions enabled customers to combine tickets from the two systems. However, for the companies, regulatory bodies and owners, financial settlement agreements for journeys made using "foreign" tickets generated considerable problems. The establishment of Ruter as a joint adminis-

tration company for Oslo and Akershus provided an opportunity to create a single fare and ticketing system for the region as a whole. This aspect of the merger process was completed in October 2011. Today, collaboration and agreements between Ruter and NSB ensure that train services remain within the system, and that agreements exist for combined tickets for journeys to and from areas outside Akershus.

Further development of a strategic management model

Transport services are managed under contracts entered into between Ruter, the operating companies, and other suppliers. Based on public transport policy targets set out in municipal and county administrative planning documents, a joint vision has been established – "Together we make public transport the natural first choice". This

vision represents the foundation of Ruter's strategic plans. Strategic planning is carried out in accordance with the shareholders' agreement and is an important part of the management of the public transport network and regional planning in general.

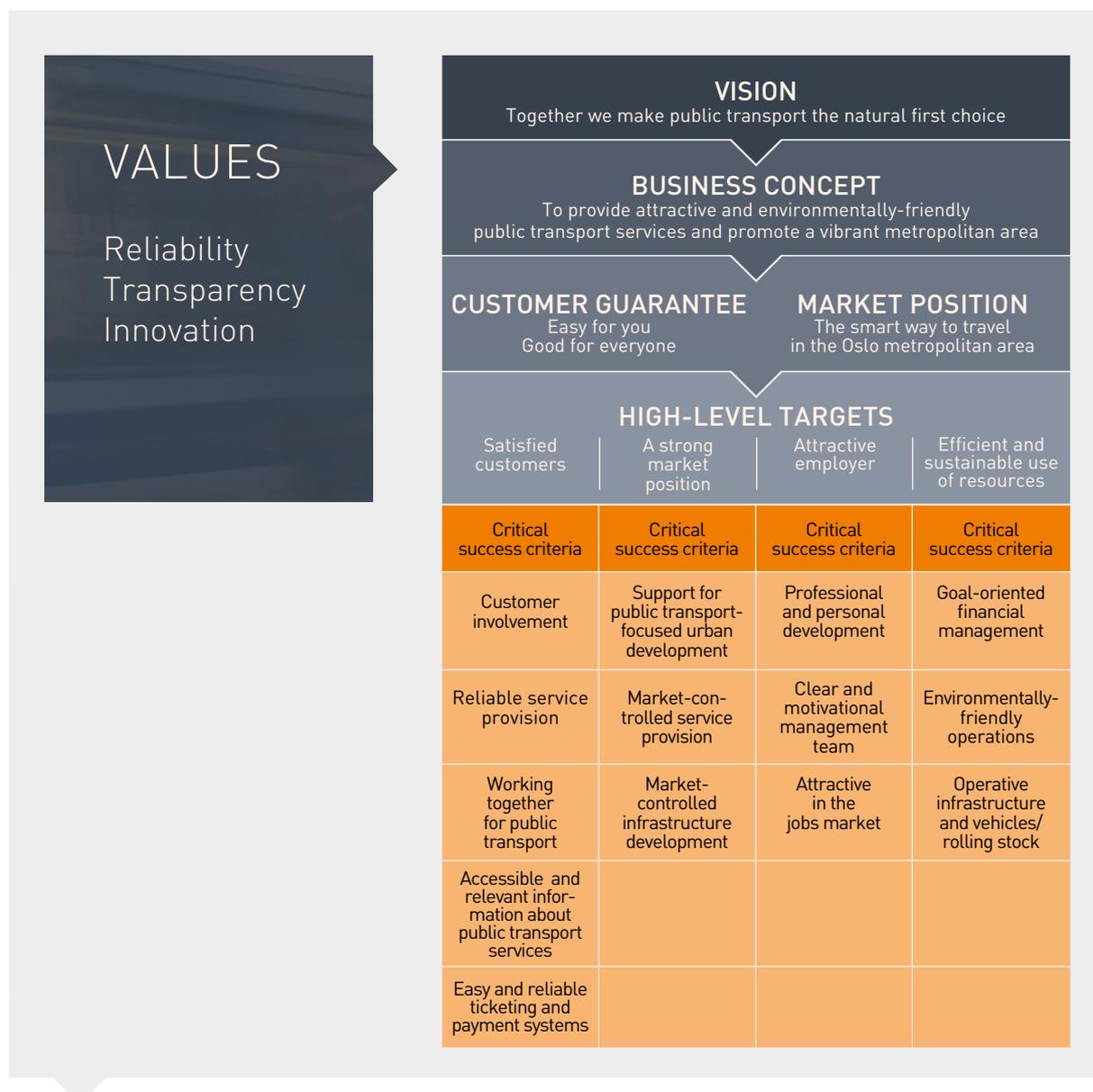
The current K2012 strategy plan was launched in 2011 and has also provided input to high-level plans set out by Oslo municipality and Akershus County Council, and to planning processes at national level. The strategy plan is reviewed and specified in detail on an annual basis as part of a rolling four-year action programme, combined with a financial plan, currently referred to as H2014. The action programme forms the basis for the budget process, which in turn governs which activities are assigned priority. In practice it is the annual subsidies allocated by Oslo municipality

and Akershus County Council that determine the definitive financial framework, in combination with policy guidelines relevant to the services portfolio.

Goal management system

In 2013, as part of its work to improve management procedures, Ruter continued to develop a goal management system. Our values, vision, business concept, customer guarantee, market position targets and overall targets are all supplemented by success criteria and target management indicators via a process involving wide-ranging participation throughout the organisation.

For 2014, quantitative goals have been established for target management indicators for seven critical success criteria. The extent to which these targets have been achieved will be set out in the 2014 Annual Report. Our overall targets are set out below.





Customer surveys and customer involvement are used actively during product development and in the building of our information and design program TID



Summary

An increased market share and 315 million journeys. More trains as a result of more frequent departures. Ruter's ticket app a great success with 310,000 users.

In 2013 Ruter recorded a growth in traffic of 3.1%, which corresponds to an increase in passenger boardings of 9 million to 309 million. Inclusive of the Airport Express Train (Flytoget), this amounted to a total of 315 million public transport journeys made in Oslo and Akershus in 2013. This means that we have broken the barrier of 1 million journeys per ordinary working day. Population growth remains strong at 1.7% for the region as a whole, distributed approximately evenly between Oslo and Akershus. Private car use grew by 0.7% in Oslo and 0.8% in Akershus. Since increases in the use of public transport are clearly higher than population growth, and while growth in car use remains some way behind, we can conclude that public transport has achieved an increase in market share. As a percentage of motorised journeys made in 2013, Ruter's shares were 46% in Oslo, 21% in Akershus and 33% for the region as a whole. The percentage of public transport use in the Oslo area is much higher than that for the other major urban areas and elsewhere in Norway, and revised estimates indicate that Ruter accounts for 55% of all public transport journeys taken in Norway.

In 2013 Oslo municipality and Akershus County Council entered into a four-year agreement with the Norwegian Ministry of Transport and Communications incorporating a bonus subsidy totalling NOK 1,020 million. The aim of this agreement was to stave off increases in private car traffic through the road

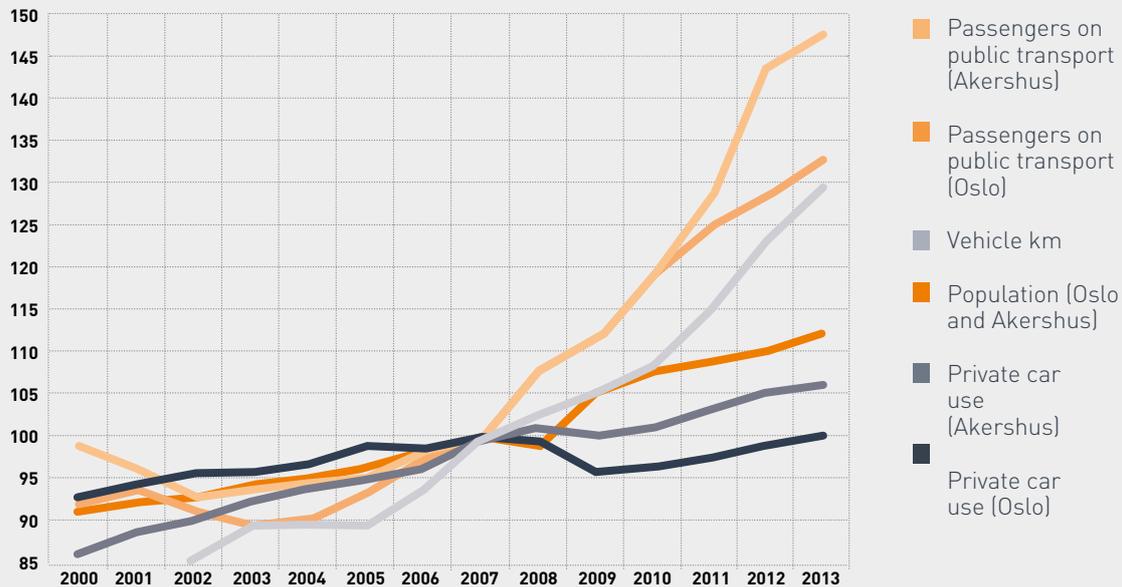
toll stations in Oslo and Bærum. Private car traffic at the stations was in fact reduced by 0.4%, thus achieving the target set. However, it remains a challenging ambition in the face of robust population growth to make public transport account for all growth in motorised journeys in the region as a whole. In order to achieve this Ruter would have to have achieved growth of between 4 and 5 per cent during 2013.

Growth in train journeys

Train services represent a major part of traffic growth recorded in 2012 and 2013. Last year, growth of 7% was recorded – resulting in 34.5 million journeys. Train journeys grew to represent about 11% of all public transport journeys made in 2013. NSB has had to make a technical revision of its figures, and according to them, 28% more train journeys were made in 2012. At the same time, growth in recent years is as much a natural result of the new fare and zone structure (introduced in October 2011 and involving lower fares for longer regional journeys), as it is due to increases in departure frequency and the introduction of more buses in connection with route alterations introduced in December 2012. This restructuring represented a new stage in the development of a new rail network model intended to provide 10-minute departure frequencies between Asker and Lillestrøm. Robust growth in train journeys has naturally been followed by a weaker growth in bus use, in line with the desired restructuring.

Traffic and market development

Index 2007=100



Bus journeys increased by 2.0% to 136 million. In the case of Metro and tram services, trends approximately reflected the average, with increases of 3.3% (to 85 million journeys) and 3.2% (to 49 million journeys), respectively. Ferry journeys remained stable at 4.5 million journeys. Of these, the ferries serving the islands recorded 1.1 million journeys due in no small part to the fine summer weather. On average, passenger growth was somewhat lower than the 6% increase in capacity provided (90.5 million vehicle kilometres). However, there were significant variations among the different service types.

Tram services: Good results despite technical problems

Growth in traffic in 2013 was achieved under circumstances in which existing vehicle stock made it impossible to increase provision. Technical problems have also resulted in service cancellations. From the end of April and leading up to the summer holidays, the SL95 trams had to be taken out of service for a period due to technical problems. A full replacement of these services using buses was not possible, and this resulted in service interruptions and reduced revenues. Even in this situation, the marked annual growth recorded is highly satisfactory, and a result of the strong position which the tram service retains among customers and the population as a whole, combined with a quality mindset and excellent service provided by staff. In 2013, 93% of tram customers were satisfied with their last journey. Continued growth in traffic in the absence of new ca-

capacity resulted in a further increase in seat occupancy measured in terms of passenger kilometres per seat kilometre (including standing room places). On average, capacity usage increased to 28% in 2013. This is a very high figure compared to other services in Scandinavia and northern Europe. A procurement process for new tram vehicles was initiated in 2013, incorporating a coordinated programme for both infrastructure upgrades and vehicle purchase. The new vehicles are planned to be delivered starting in 2018.

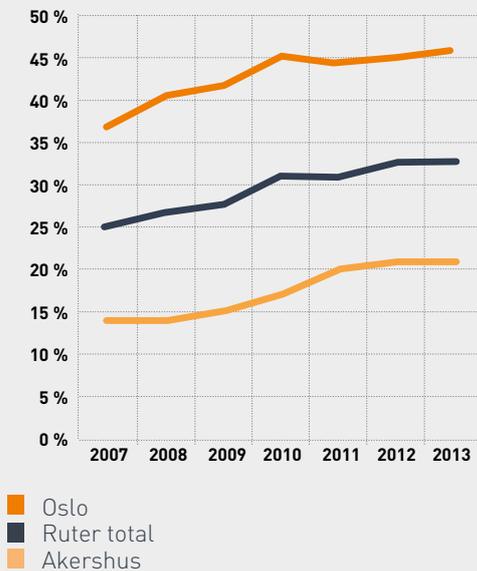
The Metro: Even more rolling stock in service

Delivery of the new MX trains was completed in March 2014. Ruter now has the use of a new and integrated set of Metro rolling stock, comprising 115 trains or 345 carriages. Previously we operated 207 of the old red carriages. The new trains should be adequate to enable us to cope with the increase in services necessary with the opening of the new link Lørenbanen in 2016, which also entails a doubling of departure frequencies on the present line 3. In the meantime, we now have sufficient carriages to ensure high levels of regularity and a reliable service for our customers.

The gradual delivery of the new trains in 2013 allowed Ruter to provide full train-lengths for all departures during the daytime, with some necessary exceptions on the Holmenkollen line, including through trains to Ellingsrudåsen. This increase in capacity has absorbed the traffic growth, without a

Market shares

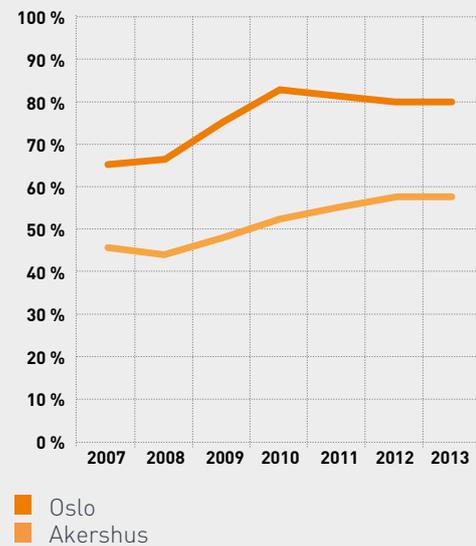
- Public transport's share (%) of all motorised journeys



Trends showing public transport's share of motorised traffic.

Satisfaction

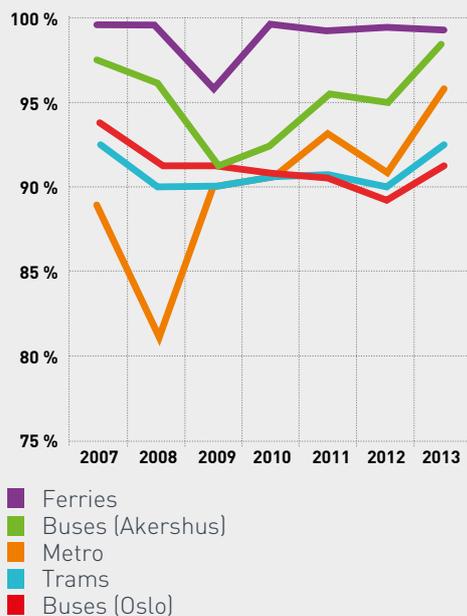
with the public transport system (by county)



Satisfaction with public transport services recorded during interviews at home, independent of frequency of travel using public transport.

Customer satisfaction

according to service mode



Customer satisfaction recorded during interviews on journeys

95%

of Ruter's customers were satisfied with their journeys in 2013.

93% of tram passengers expressed satisfaction despite periodic technical problems, cancelled services and overcrowded vehicles. Those who most often travel by tram are the most satisfied (81%) with Ruter's services overall. This illustrates not only that tram services are in robust health, but also that problems encountered in providing targeted quality do not necessarily have negative outcomes if staff handle situations well.

corresponding increase in seat occupancy, which in 2013 remained unchanged at 12%. Thus in the coming years there is still room for growth in traffic even without any increase in resources invested in the Metro.

City bus services: Still crowded

Nor in 2013 was it possible to provide major increases in bus services in Oslo due to economic constraints, and improvements were restricted to minor alterations. However, at 2.3%, growth in traffic outpaced population growth. As in the case of tram services, this was reflected in continued high levels of seat occupancy (29% on average, including standing room places). In practice, this means that on the busiest routes buses are frequently overcrowded and stops often by-passed during rush hours.

Regional bus services: Major changes

Trends in regional bus services in 2013 were characterised by the major restructuring carried out in December 2012 which provided better rail services and introduced more buses serving train connections in Romerike and in Asker and Bærum. As was planned, the restructuring has contributed towards a healthy growth in rail services, and a correspondingly weaker growth in bus services. This situation varies dramatically at local levels. However, on average, regional bus services experienced an increase in traffic of 1.5%, while seat kilometre production increased by 6%. At 47%, capacity utilisation, based on a measurement of seat occupancy (passenger kilometres/seat kilometres) was also relatively high for regional bus services in 2013.

Four fatalities

In July a passenger was struck by a Metro train and died after falling between the train and the platform.

Two serious bus accidents occurred on Sunday 15 December. Just after midnight a bus left the road at Rommen. The driver and one of the passengers lost their lives, and another person was seriously injured. During the evening an empty bus drove off the road into a parking area. One person was hit and later died, and three others were injured, including the bus driver.

Mobile app ticket sales on the up

Fare changes introduced by Ruter in February 2013 were characterised more by a general attempt to compensate for inflation rather than any major restructuring. The waiver of the on board purchase surcharge outside Zone 1 was retained in anticipation of more accessible alternatives. This will be looked into and assessed on an ongoing basis with a view to reducing on board sales and removing all cash held by drivers. Our objectives are to reduce journey times, improve punctuality and reduce or

eliminate the risk of robbery. It is worth noting that on board sales and the amounts of cash held by drivers are currently at very low levels. Drivers account for less than 6% of Ruter's total ticket sales. These figures are unevenly distributed in that 2.3% of such sales occur in Zone 1 and 11% in the other zones.

During the period February to May 2013, all sales and later all use of coupon cards and paper tickets came to an end. The transition to electronic alternatives has been very rapid, first involving the travelcard, and now continuing with the introduction of Ruter's ticket app (RuterBillett). The app has been very well received, and at year-end more than 600,000 downloads had been made. The app now has 300,000 regular users and was named "App of the Year" at the Mobile Trends conference, arranged by PCWorld magazine.

Some mobile tickets seem to have contributed towards shifts in our customers' choice of ticket to the extent that revenues per journey have increased by an amount greater than budgeted. Total ticket revenues amounted to NOK 3,041 million – 6.4% higher than in 2012.

Greater customer satisfaction in Oslo

82% of the population have a good or very good impression of Ruter, and the company's reputation has thus returned to previous levels after dropping to 78% in 2012. In general, total levels of the population's satisfaction with Ruter's services are highest in Oslo. Among those who actually travel by public transport, satisfaction is highest in Akershus. In the period from 2012 to 2013 satisfaction as measured by interviews conducted during journeys, increased from 91 to 94 per cent and thus approached levels measured in Akershus, which increased from 96 to 97 per cent. Overall, Ruter's customers expressed an increase in satisfaction from 91 to 95 per cent.

The increase in satisfaction in Oslo applies to all service modes (by 4% for trams and buses and 5% for the Metro). The Metro achieved 96% satisfied customers, which is the highest since records began. The proportion of satisfied customers was 99% for ferries, 97% for regional buses, 92% for city buses and 93% for tram services. These figures reflect stable levels of high quality and excellent efforts on the part of operators and staff at all levels, even though we recognise the potential for improvement in areas such as punctuality and information in cases of service disruption.

Increased satisfaction in Øvre Romerike

When we survey people in the region as a whole, regardless of whether or how often they travel by public transport, levels of satisfaction with our services remain stable at 80% in Oslo, 58% in Akershus

and 70% for Ruter as a whole. In Oslo, those groups expressing the greatest satisfaction are the eldest (77%), young adults (73%) and those who mostly travel by tram (81%). The least satisfied groups are rail travellers (57%) and those who live in Øvre Romerike (47%), although both of these categories have shown a marked improvement in recent years. In fact, satisfaction in Øvre Romerike has increased by 47% and Ruter's reputation by 36% since 2007.

Learning from others' success

Ruter takes part in Norwegian, Scandinavian, European and other international collaborative initiatives as part of its development work for purposes of mutual benefit. The success of public transport in Oslo and Akershus is considerable, and has been noticed in international circles.

Our explanations for this are in many ways similar to those given by Lasse Fridstrøm, a former Director at the Norwegian Institute of Transport Economics, who has set out the following reasons:

- Coordination and simplification of the transport and ticketing systems in Oslo and Akershus resulting from the establishment of Ruter
- Cheaper monthly period tickets enabling more customers to achieve zero marginal expense for each journey taken by public transport.
- Removal of the period subscription to the road toll ring, so that each journey through the toll stations involves a positive marginal expense.
- A new road toll section in the west, which increases the cost of entering the city centre by about 50%
- The financial crisis
- Increasing congestion on arterial roads into Oslo
- More bus routes, increases in standards on the Metro and improved punctuality both here and on the rail network

Ruter can add to these factors by citing a consistent policy of putting the customer first when it comes to our organisation and goal management, and a resolute determination to ensure consolidated financial support for public transport operations, in particular by means of road toll revenues incorporated in the so-called 'Oslo-pakke 3'.

Furthermore, Ruter has developed a strategic and operative service planning process which adheres to historically successful principles, and which is supported by policy-makers. This process involves a focus on markets where public transport is a basic requirement, combined with a simplified network with fewer routes and higher departure frequencies. These principles also include feeding into routes for city-bound traffic. Measures have also been taken to maintain services which guarantee mobility in less densely populated areas. The restructuring processes have resulted

in increases in traffic growth at much higher rates than increases in production, especially in the case of regional bus services. This is made evident by the 36% increase in seat occupancy since 2007.

Traffic growth is the result of increases in service provision financed by rises in service procurement, combined with reprioritisations. Transferring resources always entails conflicts. The few for whom services have been reduced will often protest, while those experiencing an improvement in services will normally remain passive. That the medicine works can be illustrated by increases in traffic, market share and general satisfaction among the population.

Ruter is pleased to share with others the results its consistent policy of putting the customer first and inviting customer involvement as part of its product development. This approach is employed continually as part of the development of our services, and is most noticeable in connection with projects such as the 'RuterBillett' app, and the information and design programme TID. The components of TID are freely available to colleagues in other cities and regions, both in Norway and overseas. Information should be seamless, and customers should not have to continually adapt to different modes of providing information. Moreover, Ruter's travel guarantee, which is 20 years old this year, has become a major export item.

Examples of what we have learned, and are currently learning, from others include the value of long-term and predictable planning (Helsinki), traffic prioritisation for buses and trams (Swedish, Swiss and German cities), collaboration processes (Copenhagen), integrated infrastructure initiatives focusing on cityscape aesthetics (French cities) and project tender process models (Stockholm).

As part of our work with organisational development and financing models, we have obtained both positive and negative inspiration from several urban centres.

We still have some way to go before we achieve a market share and satisfaction levels corresponding to those enjoyed by metropolitan areas such as Helsinki. However, levels of relative growth are very high in Ruter's operational area, and this has not gone unnoticed by our Finnish colleagues. Figures from the 2013 Scandinavian benchmarking indicator (BEST) continue to show that the population's overall satisfaction with services and fares is greater in Helsinki and Stockholm than in Oslo and Akershus. However, the Oslo area has exhibited the best development trends over time.

Direct comparisons must always be interpreted with caution. An analysis of the BEST results must also take account of technical restructuring which has



Opening of the rebuilt Metro line to Avløs 15 December 2013

rendered the 2013 results not directly comparable with previous years. We learn most of our lessons from the individual areas addressing quality. Oslo leads the way when it comes to information, safety, security, and its reputation among the public. As regards information, Ruter has improved its position, while our colleagues in Copenhagen have made great strides and have overtaken us when it comes to staff conduct. The greatest improvements we can make in terms of quality are in areas such as comfort and punctuality. We also face challenges when it comes to value for money. However, this is an area where comparisons between different countries and urban centres are particularly difficult.

A reward for good results

In 2013 the Oslo area again received a bonus subsidy from the Norwegian state – this time accompanied by a four-year agreement involving a financial framework of NOK 1,020 million. The agreement is seen as recognition of good results in terms of traffic growth and market share built up over a period of several years, while at the same time on the understanding that private car use, as measured in terms of passage through the road toll stations, shall not increase in the coming years. This target was achieved in 2013 in that private car use declined by 0.4% on these roads.

The subsidy will be used to improve departure frequencies and implement capacity increases on buses and ferries (31%), to renovate the tram network and traffic prioritisation (60%) and on a programme designed to improve information for customers (9%).

Upgrading to a modern Metro

Parts of the Metro network are now of an age which makes comprehensive renovation and reinvestment essential if Ruter is to maintain a reliable level of service provision. A new milestone was reached in 2013 with the upgrading of the Lambertseter line (line 4) and the opening of the rebuilt Kolsås line (the latter provisionally as far as Avløs). The line to Kolsås will be completed in the autumn of 2014.

At Avløs, Sporveien is constructing a modern train housing and maintenance centre.

When the line to Kolsås is opened, the entire network will become a modern Metro network. With the necessary exception of the Holmenkollen line, there are no level crossings with road traffic and platform capacity for six-carriage trains. Information systems will be upgraded to “Metro” standard. Digital screens for use on stations and on board trains are being designed and built.

Some important upgrades still remain, including those on Metro line 3. The most important is the signalling and safety system, for which a concept selection report has been prepared under the general heading of quality assurance. One proposed concept will introduce partly automated operations. This option will provide punctuality and capacity benefits possibly equivalent to four trains or more per hour through the shared tunnel – an increase in capacity of between 12 and 14 per cent.

New train service collaboration model

A fare and ticketing agreement with NSB, established over a period of 35 years, has benefited customers in many ways. However, there is potential for improvement, and the form of the agreement has to date not been in compliance with the original intentions of both the national and local authorities. The current allocation of responsibilities in the area of train service procurement involving the Ministry of Transport and Communications on the one hand, and for other public transport services involving Oslo municipality and Akershus County Council via Ruter on the other, does not make for an optimal system. Instead, it leads to inconvenience for customers and is detrimental to the public purse.

Ruter is currently working with Oslo municipality and Akershus County Council to develop and set out a potential new model for the purchase of local rail services. By combining planning, booking, infor-

mation and sales for train services under a single agency which also has responsibility for other public transport service provision, we ought to be able to achieve a customer- and market-oriented model with resulting efficiency benefits.

The current agreement with NSB governs the allocation of ticket revenues and at the same time guarantees that NSB receives a subsidy from Ruter in that Ruter's fares are lower than they would have been if the 'ordinary' NSB fare had been charged. This may be a good starting point, but in the event of major restructuring initiatives, outcomes may be considerable and uncertain. Not least, relative revenue gains and losses experienced by the parties may become entirely detached from variations in expenditure. For example, Ruter has implemented restructuring involving the introduction of more buses to connect with trains in accordance with agreed transport policy targets, even though this has involved financial losses.

In 2013 we continued to observe the effects of the new fare and zone structure (NYPS) introduced in October 2011, and the route restructuring introduced in December 2012 intended to provide more train services and NSB with a higher proportion of ticket revenues. The transfer to NSB of NOK 731 million prior to the final statement of accounts was greater than both parties had anticipated. NOK 101 million of this represents a subsidy for fare price differences.

New frame agreement with Sporveien

In 2012 Sporveien and Ruter agreed to develop a new frame agreement model based on shared aims and the high-level regulation of production and quality. The work to prepare the new frame agreement continued throughout 2013 and it was finally signed on 14 February 2014.

Although the agreement involves less micro-management, it more clearly sets out production and quality targets and goals linked to critical success criteria in line with the high-level strategic targets. This agreement will be closely followed up in 2014.

NOK 3.0 million profit is too low, but better than budgeted

On average, Ruter should be achieving an annual profit of about NOK 20 million when its self-financing capability for essential investment, such as ticketing technology, is taken into account. However, the 2013 budget planned for a break-even result although, in fact, a profit of NOK 3 million was achieved after financial items. This minor anomaly is equivalent to one half of one thousandth part of a turnover of NOK 5,768 million. In spite of the negative budget anomaly linked to Ruter's settlement with NSB, we achieved an overall positive result by means of a

combination of revenue assurance and tight costs control measures.

Sales of services to Oslo municipality amounted to NOK 1,153 million, and to Akershus County Council NOK 719 million. Operations-related revenue as part of "Oslo-pakke 3", obtained from road toll revenues, contributed an income of NOK 648 million. Public subsidy thus financed 32.5% of public transport in the region in 2013. Including operations-related revenue as part of "Oslo-pakke 3", combined with the state bonus subsidy, total subsidies amounted to about 44%. Traffic advertising revenues doubled to NOK 110 million in the period from 2012 to 2013 following a new tender process involving Sporveis-Annonse AS.

Total operational expenditures for the parent company amounted to NOK 5,781 million, and NOK 5,821 million for the group. Expenditures linked to service procurement and service operations by the parent company amounted to NOK 5,372 million (93%). Ruter paid NOK 2,175 million for bus operations, NOK 1,208 million for the Metro, NOK 624 million for trams, NOK 146 million for ferries and NOK 160 million for special school services.

Challenges to the organisational models

The results of the establishment of Ruter should provide an illustration of the potential inherent in new, targeted organisational models. At the same time, changes in themselves can generate positive outcomes if and when circumstances permit.

The high-level public transport policy targets set out both at national and local levels focus primarily on promoting success in the fields of customer recruitment and market position. It should thus be natural that public transport network development uses the market and its service provision and operations as a starting point. However, Norwegian planning models demonstrate that state infrastructure agencies still dominate core initiatives and decision-making when it comes to major and long-term projects. These organisations do not have responsibility for activity in the market and thus are not accountable for meeting the key public transport policy targets. Consequently, there should be opportunities to provide operational organisations such as Ruter with clear and early-stage authorisation and responsibility in relation to planning processes.

Moreover, an attempt should be made to organise public transport procurement according to functional market areas. This applies to the aforementioned coordination of rail and other forms of public transport provision, independently of geographical and organisational constraints. Customers expect seamlessness – regardless of apparent limitations.



Ruter's key figures provide a transparent basis for analysis, assessment and comparison



Key figures

Lower unit costs on the Metro. A stable costs situation for bus services. High seat occupancy on trams and buses.

Seat occupancy is measured in relation to seats available over the entire 24-hour day on all routes, and includes standing room places on the Metro, trams and city buses. Standing room places are not included for regional buses. In practice, even if some services are overcrowded in the rush hours on some sections of some routes, it is not reasonable to expect an average seat occupancy of much more than 30% in a situation where one also wants to provide a service on parts of the network and during times of the day when demand is weak.

In the case of the Metro, the combination of a new organisation, new work methods and new rolling stock have all contributed to significant cost efficiencies. The cost per seat kilometre for 2012 (33 øre) was 20% lower than in 2009.

For tram services, high and increasing levels of demand promote high cost efficiencies measured in terms of passenger kilometres. Figures of NOK 5.85 per passenger kilometre in 2013 are 14% lower than in 2008 following increases in seat occupancy from 26% in 2012 to 28% in 2013. For some services, seat occupancy figures as high as these result in overcrowding and by-passed stops.

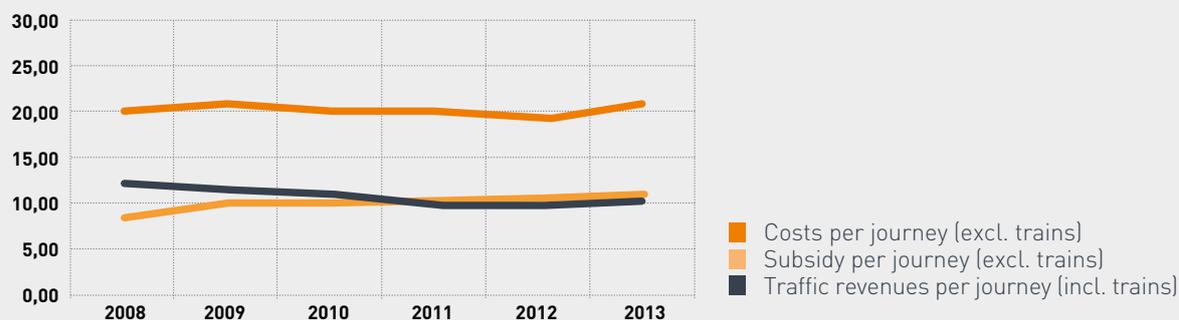
In the case of city bus services, costs per seat kilometre have remained relatively stable – down to 72 øre in 2013 – similar to those for the years 2008 to 2010. Average seat occupancy was 29% and, as in the case of trams, services were sometimes forced to by-pass stops. At 79 øre per seat kilometre, regional buses also recorded stable costs figures in 2013. The total costs of bus operations must take into account the marked increase in standards resulting from initiatives such as environmental prioritisations.

Ferry traffic shows a tendency towards increased costs based on both seat and passenger kilometres, and figures are similar to those for tram services. The cost per seat kilometre was NOK 1.29 for all ferry services taken together.

Current responsibility allocation means that we are unable to present a complete set of key figures for train services. In 2013 Ruter paid NSB NOK 21 per rail journey from combined ticket revenues and price subsidies. This is similar to the cost per journey for regional bus services (NOK 23). However, when it comes to trains, the state procurement of rail services from NSB represents a supplement, and provides a basis for covering a cost which is considerably higher than that paid by Ruter.

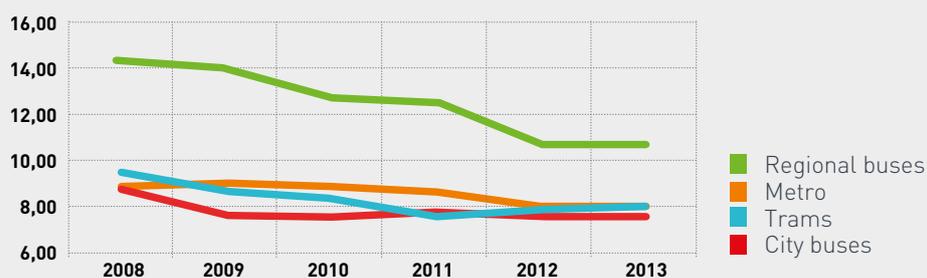
Revenues and costs per journey

(NOK)



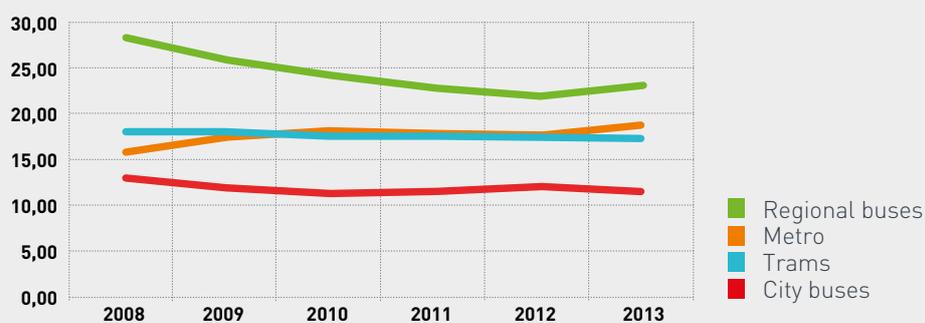
Revenues per journey per service mode

(NOK)



Costs per journey per service mode

(NOK)





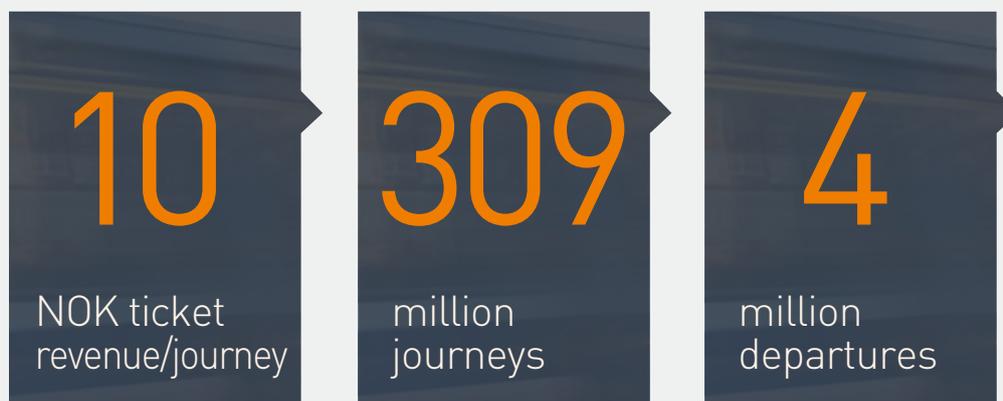
RUTER'S OPERATIONAL AREA	Ruter 2013	Ruter 2012	Ruter 2011	Ruter 2010	Ruter 2009	Ruter 2008
Operational key figures						
Journeys (mill.) *	309	300	285	271	256	244
Passenger km (mill.)	1759	1719	1636	1526	1433	1350
Vehicle km (mill.)	90,5	85,3	82,1	78,3	73,8	73,2
Seat km (mill.)	7868	7336	6981	6486	5948	5854
Departures (x 1000)	3991	3741	3605	3527	3440	3473
Seat occupancy (%)	22 %	23 %	23 %	24 %	24 %	23 %
Financial key figures						
Transport revenues (mill.)	3113	2977	3000	2939	2842	2862
Subsidy (mill.)	2928	2782	2640	2468	2330	1971
Expenditures (mill.) **	6264	5910	5732	5503	5265	4914
Operational profit/loss (mill.)	-13,5	-16,9	14,4	0,2	-7,5	-24,1
Profit/loss after extraordinary items (mill.)	3,0	1,4	6,5	3,0	1,1	0,2
Debt to equity ratio	89 %	84 %	85 %	85 %	80 %	70 %
Solidity (Equity share)	11 %	16 %	15 %	15 %	20 %	30 %
Working capital ratio I	1,21	1,26	1,28	1,25	1,23	1,27
Transport revenues/journey (incl. trains)	10,08	9,93	10,51	10,86	11,08	11,74
Expenditure/journey (excl. trains)	20,47	19,72	20,06	19,98	20,49	20,03

Financial figures are adjusted to the consumer price index.

The number of journeys is inclusive of train and ferry services. Production data are the sum of Metro, tram and bus services.

*) If we also include 6 million journeys on the Airport Express Train (Flytoget) in 2013, the total is 315 million.

**) Costs include vehicle hire and advertising on services paid directly to Sporveien.



METRO	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Operational key figures										
Journeys (mill.)	85	82	81	76	74	73	67	65	64	59
Passenger km (mill.)	508	492	484	456	446	437	399	387	406	362
Vehicle km (mill.), incl. empty running	33,2	30,2	28,9	25,1	21,9	21,5	20,7	19,8	20,2	18,4
Train km (mill.), incl. empty running	6,8	6,1	6,1	5,7	5,7	5,9	5,7	5,5	5,6	4,9
Seat km (mill.)	4411	4022	3842	3341	2871	2769	2610	2436	2502	2282
Seat (place) occupancy (%)	12 %	12 %	13 %	14 %	16 %	16 %	15 %	16 %	16 %	16 %
Departures (x 1000)	288	289	287	257	269	263	256	255	254	219
Train hours (x 1000), incl. layover**	279	260	246	222	219	234	228	226	229	206
Journey speeds (km/h)	30,1	31,2	31,3	32,1	31,2	31,7	31	31	31	31
Route lengths (km)	82	81	80	78	71	76	74	74	83	83
Energy consumption per passenger km	0,17	0,16	0,16	0,16	0,16	0,18	0,20	0,20	0,18	0,19
Financial key figures										
Transport revenues (mill.)	683	658	639	649	668	644	721	630	654	574
Subsidy (mill.)	707	694	709	656	517	436	219	252	155	198
Expenditures (mill.)*	1466	1390	1 374	1328	1 209	1107	902	850	837	804
Internal efficiency										
Cost/departure	5089	4808	4781	5166	4494	4204	3530	3337	3293	3668
Cost/seat km	0,33	0,35	0,36	0,40	0,42	0,40	0,35	0,35	0,33	0,35
External efficiency										
Transport revenues/journey	8,06	8,02	7,92	8,55	9,00	8,84	10,85	9,77	10,29	9,67
Transport revenues/passenger km	1,34	1,34	1,32	1,43	1,50	1,47	1,81	1,63	1,61	1,59
Transport revenues/seat km	0,15	0,16	0,17	0,19	0,23	0,23	0,28	0,26	0,26	0,25
Cost/journey	17,30	16,94	17,04	17,50	16,27	15,20	13,57	13,18	13,18	13,54
Cost/passenger km	2,88	2,82	2,84	2,92	2,71	2,53	2,26	2,20	2,06	2,22

Efficiency data include only Ruter As' accounted expenditures. For this reason capital expenditures for infrastructure and rolling stock are for the most part excluded. Financial figures are adjusted to the consumer price index.

*Expenditures include vehicle hire paid directly to OVS (258 mill. in 2013) and advertising on services paid directly to Sporveien (76 mill. in 2013).

**Incl. layover and empty running

TRAMS	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Operational key figures										
Journeys (mill.)	49	48	48	45	43	40	37	37	33	30
Passenger km (mill.)	158	153	153	145	137	127	118	117	107	91
Vehicle km (mill.)	3,9	4,1	4,0	4,0	3,9	4,0	4,0	3,9	3,4	2,9
Seat km (mill.)	572	593	571	577	568	585	581	560	492	425
Seat (place) occupancy (%)	28 %	26 %	27 %	25 %	24 %	22 %	20 %	21 %	22 %	21 %
Departures (x 1000)	360	363	360	366	367	355	388	349	312	282
Vehicle hours (x 1000) **	289	304	294	294	285	287	283	274	241	230
Journey speeds (km/h)	19,0	19,0	19,0	18,3	17,8	18,0	18,0	17,9	17,9	17,5
Route lengths (km)	40	41	41	41	39	41	42	40	40	40
Energy consumption per passenger km	0,12	0,15	0,14	0,16	0,19	0,22	0,23	0,22	0,23	0,20
Financial key figures										
Transport revenues (mill.)	396	381	360	369	361	371	386	317	294	272
Subsidy (mill.)	360	358	377	319	330	345	298	308	267	267
Expenditures (mill.) *	765	744	743	695	696	721	663	608	572	548
Internal efficiency										
Cost/departure	2122	2050	2065	1900	1898	2031	1711	1741	1831	1948
Cost/seat km	1,34	1,26	1,30	1,20	1,23	1,23	1,14	1,08	1,16	1,29
External efficiency										
Transport revenues/journey	8,04	7,97	7,51	8,17	8,43	9,33	10,44	8,69	9,05	8,96
Transport revenues/passenger km	2,51	2,49	2,35	2,55	2,63	2,92	3,26	2,72	2,74	2,99
Transport revenues/seat km	0,69	0,64	0,63	0,64	0,63	0,63	0,67	0,57	0,60	0,64
Cost/journey	15,51	15,59	15,52	15,37	16,27	18,16	17,92	16,65	17,59	18,04
Cost/passenger km	4,85	4,87	4,85	4,80	5,08	5,67	5,60	5,20	5,33	6,01

Efficiency data include only Ruter As' accounted expenditures. For this reason capital expenditures for infrastructure are for the most part excluded. Financial figures are adjusted to the consumer price index.

*Expenditures include vehicle hire paid directly to OVS (140.2 mill. in 2013) and advertising on services paid directly to Sporveien (8.4 mill. in 2013).

**Incl. layover.

28 %

seat occupancy incl. standing room places

BUSES (TOTAL)	2013	2012	2011	2010	2009	2008
Operational key figures						
Journeys (mill.)	136	133	126	119	109	101
Passenger km (mill.)	1093	1074	999	926	851	786
Vehicle km (mill.)	53,4	51,0	49,2	49,2	48,1	47,7
Seat km (mill.)	2885	2721	2568	2567	2509	2500
Departures (x 1000)	3343	3089	2958	2904	2804	2855
Bus hours (x 1000)	2316	2189	2137	2134	2085	2049
Energy consumption per passenger km						
Energy consumption per passenger km	0,26	0,27	0,30	0,31	0,33	0,35
Fossil CO2 emissions (kg/passenger km)	0,06	0,06	0,06	0,07	0,08	0,09
NOx emissions (g/passenger km)	0,24	0,29	0,46	0,57	0,69	0,88
PM10 emissions incl. road dust (g/passenger km)	0,02	0,02	0,02	0,02	0,03	0,03
Financial key figures						
Transport revenues (mill.)	1221	1190	1186	1079	1024	1066
Subsidy (mill.)	931	921	815	804	838	765
Expenditures (mill.)	2175	2120	2013	1893	1873	1843
Internal efficiency						
Cost/departure	651	686	681	652	668	646
Cost/seat km	0,75	0,78	0,78	0,74	0,75	0,74
External efficiency						
Transport revenues/journey	8,99	8,93	9,42	9,05	9,36	10,53
Transport revenues/passenger km	1,12	1,11	1,19	1,16	1,20	1,36
Transport revenues/seat km	0,42	0,44	0,46	0,42	0,41	0,43
Cost/journey	16,01	15,91	15,98	15,88	17,11	18,21
Cost/passenger km	1,99	1,97	2,02	2,04	2,20	2,35

Financial figures are adjusted to the consumer price index.

16 NOK cost per journey

CITY BUSES	2013	2012	2011	2010	2009	2008
Operational key figures						
Journeys (mill.)	88	86	83	81	74	69
Passenger km (mill.)	422	413	399	387	356	330
Vehicle km (mill.)	21,6	21,0	20,5	21,4	20,9	20,5
Seat km (mill.)	1455	1371	1278	1318	1286	1277
Seat (place) occupancy [%]	29 %	30 %	31 %	29 %	28 %	26 %
Departures (x 1000)	1810	1716	1754	1785	1722	1703
Bus hours (x 1000)	1324	1254	1251	1283	1246	1223
Journey speeds (km/h)	24,6	25,2	25,3	24,6	25,0	25,0
Energy consumption and emissions						
Energy consumption per passenger km	0,33	0,34	0,32	0,35	0,37	0,37
Fossil CO2 emissions (kg/passenger km)	0,05	0,08	0,07	0,08	0,09	0,09
NOx emissions (g/passenger km)	0,22	0,37	0,58	0,76	0,80	0,95
PM10 emissions incl. road dust (g/passenger km)	0,02	0,02	0,02	0,02	0,02	0,03
Financial key figures						
Transport revenues (mill.)	701	677	658	592	544	599
Subsidy (mill.)	333	356	326	342	384	327
Expenditures (mill.)	1046	1039	993	940	934	933
Internal efficiency						
Cost/departure	578	605	566	527	542	548
Cost/seat km	0,72	0,76	0,78	0,71	0,73	0,73
External efficiency						
Transport revenues/journey	7,97	7,87	7,92	7,33	7,34	8,73
Transport revenues/passenger km	1,66	1,64	1,65	1,53	1,53	1,82
Transport revenues/seat km	0,48	0,49	0,52	0,45	0,42	0,47
Cost/journey	11,89	12,08	11,94	11,65	12,60	13,58
Cost/passenger km	2,48	2,52	2,49	2,43	2,62	2,83

Financial figures are adjusted to the consumer price index.

0,72 NOK cost per seat kilometre

REGIONAL BUSES	2013	2012	2011	2010	2009	2008
Operational key figures						
Journeys (mill.)	48	47	43	38	35	33
Passenger km (mill.)	671	661	600	539	495	456
Vehicle km (mill.)	31,8	30,0	28,7	27,8	27,2	27,2
Seat km (mill.)	1430	1350	1290	1249	1223	1223
Seat (place) occupancy [%]	47 %	49 %	46 %	43 %	40 %	37 %
Departures (x 1000)	1533	1373	1204	1119	1082	1151
Bus hours (x 1000)	992	936	885	851	838	826
Journey speeds (km/h)	32,0	32,1	32,4	32,6	32,4	32,9
Energy consumption and emissions						
Energy consumption per passenger km	0,22	0,23	0,28	0,28	0,30	0,33
Fossil CO2 emissions (kg/passenger km)	0,07	0,06	0,06	0,07	0,07	0,08
NOx emissions (g/passenger km)	0,28	0,24	0,39	0,43	0,61	0,82
PM10 emissions incl. road dust (g/passenger km)	0,02	0,02	0,02	0,02	0,03	0,04
Financial key figures						
Transport revenues (mill.)	520	512	528	487	480	467
Subsidy (mill.)	598	565	488	462	454	438
Expenditures (mill.)	1130	1081	1020	953	939	911
Internal efficiency						
Cost/departure	737	788	848	851	868	791
Cost/seat km	0,79	0,80	0,79	0,76	0,77	0,74
External efficiency						
Transport revenues/journey	10,85	10,85	12,33	12,66	13,59	14,33
Transport revenues/passenger km	0,77	0,78	0,88	0,90	0,97	1,02
Transport revenues/seat km	0,36	0,38	0,41	0,39	0,39	0,38
Cost/journey	23,58	22,91	23,82	24,77	26,57	27,95
Cost/passenger km	1,68	1,64	1,70	1,77	1,90	2,00

Financial figures are adjusted to the consumer price index.

0,79 NOK cost per seat kilometre

FERRIES (TOTAL)	2013	2012	2011	2010	2009	2008
Operational key figures						
Journeys (mill.)	4,4	4,5	4,4	4,2	4,1	4,0
Passenger km (mill.)	24,4	25,2	24,3	22,9	22,6	21,8
Ferry km (mill.)	0,30	0,30	0,28	0,29	0,29	0,30
Seat km (mill.)	113	114	110	112	103	113
Seat (place) occupancy (%)	22 %	22 %	22 %	20 %	22 %	19 %
Energy consumption and emissions						
Energy consumption per passenger km	1,13	1,13	1,03	1,30	1,14	1,05
Fossil CO2 emissions (kg/passenger km)	0,24	0,24	0,25	0,31	0,28	0,28
NOx emissions (g/passenger km)	2,12	2,11	2,24	2,59	3,53	4,70
PM10 emissions (g/passenger km)	0,04	0,04	0,04	0,05	0,05	0,05
Financial key figures						
Transport revenues (mill.)	45	46	53	62	63	58
Subsidy (mill.)	101	99	80	76	63	54
Expenditures (mill.)	146	144	133	138	126	112
Internal efficiency						
Cost/seat km	1,29	1,27	1,21	1,23	1,23	0,99
External efficiency						
Transport revenues/journey	10,16	10,24	12,08	14,71	15,40	14,49
Transport revenues/passenger km	1,85	1,81	2,17	2,69	2,81	2,66
Transport revenues/seat km	0,40	0,40	0,48	0,55	0,62	0,51
Cost/journey	33,00	32,32	30,48	32,92	30,69	27,91
Cost/passenger km	5,99	5,72	5,47	6,03	5,60	5,13

Financial figures are adjusted to the consumer price index.

101 MNOK in subsidy

FERRIES (AKERSHUS)	2013	2012	2011	2010	2009	2008
Operational key figures						
Journeys (mill.)	3,4	3,5	3,4	3,2	3,1	3,0
Passenger km (mill.)	22,2	23,3	22,3	20,7	20,5	19,7
Ferry km (mill.)	0,21	0,21	0,20	0,20	0,20	0,21
Seat km (mill.)	95	96	93	96	86	95
Seat (place) occupancy [%]	23 %	24 %	24 %	22 %	24 %	21 %
Departures (x 1000)	28,4	28,4	27,2	27,2	27,4	27,0
Ferry hours (x 1000)	11,7	10,6	11,6	10,2	14,6	12,9
Environmental key figures						
Energy consumption per passenger km	1,15	1,13	1,02	1,32	1,15	1,05
Fossil CO2 emissions (kg/passenger km)	0,24	0,24	0,25	0,31	0,29	0,28
NOx emissions (g/passenger km)	1,87	1,83	1,97	2,33	3,38	4,67
PM10 emissions (g/passenger km)	0,04	0,04	0,04	0,05	0,05	0,05
Financial key figures						
Transport revenues (mill.)	37	39	44	47	49	43
Subsidy (mill.)	82	81	63	66	54	47
Expenditures (mill.)	119	120	107	113	103	90
Internal efficiency						
Cost/departure	4198	4207	3934	4169	3749	3341
Cost/seat km	1,25	1,25	1,16	1,18	1,20	0,95
External efficiency						
Transport revenues/journey	10,88	10,88	13,05	14,81	15,62	14,37
Transport revenues/passenger km	1,66	1,66	1,99	2,25	2,38	2,19
Transport revenues/seat km	0,39	0,40	0,48	0,49	0,57	0,45
Cost/journey	35,31	33,74	31,65	35,85	32,91	30,15
Cost/passenger km	5,37	5,13	4,82	5,46	5,01	4,59

Financial figures are adjusted to the consumer price index.

4200

NOK costs per departure

FERRIES (OSLO)	2013	2012	2011	2010	2009	2008
Operational key figures						
Journeys (mill.)	1,1	0,9	1,0	1,0	1,0	1,0
Passenger km (mill.)	2,2	1,9	2,0	2,2	2,1	2,1
Ferry km (mill.)	0,09	0,09	0,08	0,08	0,08	0,09
Seat km (mill.)	18	18	17	17	17	18
Seat (place) occupancy (%)	12 %	11 %	12 %	13 %	12 %	12 %
Energy consumption and emissions						
Energy consumption per passenger km	0,97	1,15	1,10	1,07	1,05	1,05
Fossil CO2 emissions (kg/passenger km)	0,25	0,30	0,29	0,28	0,28	0,27
NOx emissions (g/passenger km)	4,56	5,41	5,19	5,05	4,96	4,94
PM10 emissions (g/passenger km)	0,06	0,07	0,06	0,06	0,06	0,06
Financial key figures						
Transport revenues (mill.)	8	7	8	15	15	15
Subsidy (mill.)	19	18	17	10	9	7
Expenditures (mill.)	27	25	26	25	24	22
Internal efficiency						
Cost/seat km	1,51	1,39	1,51	1,49	1,38	1,19
External efficiency						
Transport revenues/journey	7,86	7,80	8,69	14,42	14,71	14,83
Transport revenues/passenger km	3,74	3,71	4,14	6,86	7,01	7,06
Transport revenues/seat km	0,46	0,40	0,50	0,89	0,85	0,83
Cost/journey	25,61	26,87	26,40	24,03	23,78	21,30
Cost/passenger km	12,19	12,80	12,57	11,44	11,32	10,14



MNOK in transport revenues

TRAINS	RUTER 2013			RUTER 2012		
	Total	Akershus/ cross- boundary	Oslo	Total	Akershus/ cross- boundary	Oslo
Train journeys med (mill.) **)	34,6	26,2	8,5	32,3	24,4	7,8

TRAINS	RUTER 2011			RUTER 2010		
	Total	Akershus/ cross- boundary	Oslo	Total	Akershus/ cross- boundary	Oslo
Train journeys med (mill.) **)	26,5	21,2	5,4	26,0	20,8	5,3

TRAINS	RUTER 2009			RUTER 2008		
	Total	Akershus/ cross- boundary	Oslo	Total	Akershus/ cross- boundary	Oslo
Train journeys med (mill.) **)	25,6	20,5	5,1	26,1	20,8	5,2

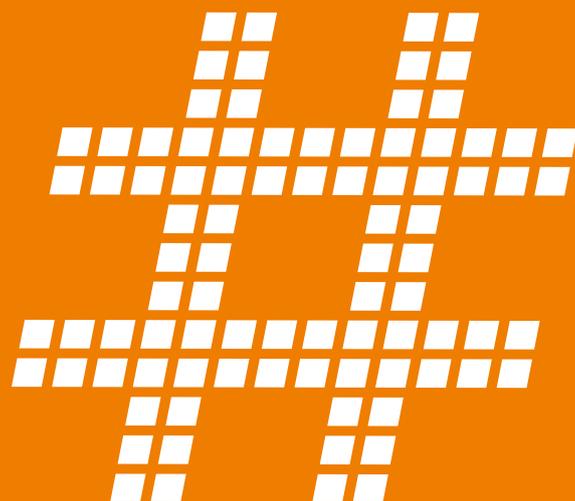
Figures for 2012 are revised due to changes in computation method. Passenger figures are thus not comparable with previous years.
 **) If we also include 6 million journeys on the Airport Express Train (Flytoget) in Oslo and Akershus, the total number of train journeys in 2013 is 40.5 million.



← Ելքային Ելքային Ելք
← Utgang Exit
← Ելքային Ելքային Ելք

3 Carl Berners pl. n8 000000
41000 15000 15000
3 Carl Berners Corner opposite the Shop 10 Carl Berners photo

← Utgang Exit
← Ելքային Ելքային Ելք



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