

## Press - Actual

Credit- agreement between FBiH and the Republic of Portugal Forthcoming procurement of 1.000 new wagons On the occasion of completing the Credit agreement between FBiH and the Republic of Portugal, FBiH Railway organised a reception at the VIP parlor at the Railway station in Sarajevo on December 1st 2008. The Agreement is costed at 32 million Euro and includes details on the delivery of 356 new wagons and modernisation and reconstruction of 411 wagons of FBiH Railways. The Agreement was signed in 2005 and the deadline of payment is 28 years. The prominent guests from Portugal, the Portugal State Secretary of the Ministry of Transport, Public Works and Communications Ana Paula Vitorino, Manager of Portugal Railways Francisco Cardoso dos Reis, Manager of EMEF Carlos Alberto Clemente Frasao, FBiH Prime Minister dr. Nedžad Brankovi , FBiH Minister of Communications and Traffic Nail Šćekanić and the Manager of FBiH Railways Administration Narcis Džumhur expressed their content regarding the cooperation to date and announced its continuance in the future. "This project lasted for thirty-six months and the freight wagons arrived from Portugal successively. They are included in the traffic inside and out of BiH and they have already transported 1.476.000 tons of goods, which amounts to 9.9 % of the total transport of FBiH Railways. Considering that we have created new production lines, we wish to make 1.000 new freight cars, and to make them both in Portugal and BiH" said Džumhur. The Prime Minister Brankovi stressed that the project in question demonstrates that the railway workers had the courage and competence to make timely decisions for modernisation of the infrastructure and transport capacities, to the purpose of integrating with the European transport market. The projects for reconstruction and development of transport infrastructure in BiH, together with the power industry projects are the backbone of the BiH Government Program for Public Investments in this mandatory period. The framework of further cooperation between the two countries and realisation of mutually important projects envisages a new project of delivery of freight cars to BiH railway sector to the purpose of meeting the growing needs for transport for BiH economy and the consignees of the railway sector. This implies that BiH railways should acquire additional 1.000 freight cars to meet the requirements of BiH railway sector. Out of the 1.000 new freight cars 700 will be acquired by FBiH Railways. The value of this project, which could be realised under a favourable credit arrangement between Portugal companies and local operational bodies in the period from 2010 to 2014, is estimated at 100 million Euros. Portugal State Secretary of the Ministry of Transport, Public Works and Communications Ana Paula Vitorino and FBiH Minister of Traffic and Communications Nail Šćekanić and the representatives of the BiH railway sector have arranged and signed the following protocol of the action plan at the meeting at FBiH Government: 1. Representatives of BiH railway sector will deliver a concise scope of procurement (of the types and number of wagons) with the expected delivery deadlines until December 8th 2008 2. The parties will consider and analyse the feasibility of constructing the wagons in BiH. The representatives of BiH railway sector will deliver the final model of the wagon until December 25th 2008 3. The representatives of both parties will considered the financial arrangement until January 15th 2009. 4. The Portugal party will deliver the technical and commercial proposal on the basis of the scope of procurement until February 28th 2009 5. The Portugal party will prepare a complete financial proposal on the basis of the exchange, which is the result of the activities defined under the articles 3. and 4. stated above, to the purpose of adopting it until March 31st 2009. The communication between Portugese representatives and BiH representatives will be assessed monthly.

### Unique in the region

The wagons manufactured in Portugal started arriving during the summer of 2006. And they were the first new wagons in 30 years. Finally, we can say that FBiH Railway is the first and only company in the region which obtained H-wagons. These wagons have the volume of 10 cubic meters, load capacity of 60 tons, length 22 meters, and shaft pressure up to 20 tons. H-wagons reach the speed of 120 km per hour, and the daily load capacity of the entire wagon fleet amounts to 22.5 thousand tons. They are manufactured in accordance to the needs of the economic subjects in BiH and in the region. Apart from these new wagons manufactured in Portugal, additional 411 freight cars have been rehabilitated by means of credit. These freight cars constitute the new wagon fleet of FBiH Railway which amounts to 767 wagons, with the total daily load of 43 thousand tons. Under these circumstances and the effects of the global economic crisis which shook the world, FBiH Railways with their 2000 freight cars transported more than 7.2 million tons of load, which implies a rise of 20 % compared to the previous year.

Narcis Džumhur , Head of the Administration of FBiH Railway Senator and Manager 2008 At the special general assembly of the world's biggest company for the production of braking systems KNORR BREMSE from Austria, held on November 2008 in Vienna, the Head of the Administration of FBiH Railway Narcis Džumhur received an honorary certificate of Senator. This is the second certificate of its kind awarded to a prominent person for extraordinary contribution to the development of railways in Europe, which also affected the development of railway industry. Mister Džumhur received the certificate from Robert Ohler the Head of KNORR BREMSE in the beautiful Daun Kinsky palace in Vienna, in the presence of numerous guests and prominent European experts. Only a month later, i.e. on December 11th 2008 in Banja Luka, our Head of Administration was awarded another prominent prize. The Independent Agency for Election and Promotion of the best manager for south eastern and middle Europe awarded Mr. Džumhur with the award

“The Best Manager and Businessman of 2008”. The prize was awarded to Mr. Džumhur for special contribution in the development of FBiH Railway, successful business operation in local and international traffic, significant investment, as well as for the publication of respectable scientific works.

The prolongation of the Contract on Leasing to Turkish Railways Delegation of FBiH Railways paid an official visit to Turkish Railways (TCDD) with the intention of signing the new Agreement on Leasing of 19 locomotives, in October of 2008. Delegation headed by the Head of Administration of FBiH Railway Narcis Džumhur, Executive Manager of the Railway Operator Business Smajo Salketi, Executive Manager for Economic Business Sejo Rami and the Director of Cabinet of the General Manager Azra Ferizovi, performed the business efficiently and signed the new Agreement on Leasing FBiH Railway company's locomotives to Turkish Railways. The talks were held with the General Manager of Turkish Railways Sulejman Karaman and his assistants at the General Headquarters in Ankara. The general parameters such as the price and period of leasing were defined on that occasion. In the days that followed, other technical details were defined at the regional headquarters in Ankara and Istanbul. The leasing of locomotives to Turkey is a very important export business for FBiH Railway and BiH and it has been going on for 11 years. At the moment there are 19 electro locomotives of the series 441, (series E 52 500 according to the Turkish legislation) and they are located in two headquarters. Ten locomotives are used by the first headquarters located in Istanbul and they are situated in two engine sheds: Sirkedji in European and Hajdar Pasha in the Asian part of Istanbul. The remaining nine locomotives are located in the second headquarters located in Ankara. The locomotives are driving fast and business trains on the route Ankara- Istanbul. Two of the locomotives have been adjusted to the speed of 160 km per hour, and four to the speed of 140 km per hour. Turkey is currently undertaking great projects in the field of modernisation and development of its railways. It has become the sixth state in the world with the railway tracks which can support the speed of 200 km per hour. The investments in infrastructure and mobile capacities amount to 20 billion euro. All planned objects should be completed until 2020, by which time Turkey should have over 3000 km of railway lines which support the speed of 200 km per hour. In this transitional period, FBiH Railway locomotives have a very important role for TCDD and they mostly drive fast and passenger trains. FBiH Railway locomotives which are used in Turkey have been modernised by the Croatian company KON AR-ELVO. Therefore, Kon ar is giving its support to FBiH Railway in the leasing period in order to ensure their proper usage. Mrs. Grubi -Boinovi also participated at the meeting in Turkey as a member of FBiH Railway delegation to Turkey. Mrs. Grubi -Boinovi used the occasion to present the new projects of KON AR ELVO and FBiH Railways to representatives of TCDD.

The visit of the Delegation of Monte Negro Railways Continuation of satisfactory cooperation The cooperation within the organisation SEETO, consisting of the following countries in the region: Croatia, Bosnia and Herzegovina, Serbia, Monte Negro, Albania and UNMIK Kosovo has as its goal the development of the regional transport network and the creation of the joint regulations and norms which would facilitate the admission of the countries to the EU. The organisation is financed by the European Commission. As a part of the bilateral cooperation, the Delegation of the Monte Negro Railway paid an official visit to FBiH Railways on October 31st 2008. The Head of the Board of Managers of Monte Negro Railway Transport M.A. Rešćad Nuhodži and member of the Board of Managers Dragan Kujovi met with the Head of the Administration of FBiH Railway Narcis Džumhur and the Executive Manager for the Business of Railway Operator Smajo Salketi. They shared their experiences and discussed further cooperation.

Spanish Delegation paid an official visit to FBiH Railway Talgo is arriving in 2010 The Head of the Administration of FBiH Railway Narcis Džumhur had a meeting with the Delegation of the Spanish company “Talگو”, consisting of the General Manager Jose Mario Oriol Fabro, Marketing Manager Mario Orio and the Manager of the company's branch office in BiH Josip Brki. On that occasion FBiH Railways asked “Talگو” company to deliver the first two sets in July instead of October 2010, so that the new trains could be listed in the timetable for 2011. The representatives of “Talگو” stated that they are considering the possibility of shortening the deadlines of production and earlier delivery in order to meet this requirement. The Head of Administration of FBiH Railways Narcis Džumhur stressed that the preparations for securing the conditions for maintenance of Talگو trains are under way in BiH. These conditions include the installing of the newest equipment. The equipment brought by the Spanish will be installed in the factory of FBiH Railway in Rajlovac and it should be put into operation by the end of this year. During the meeting, the parties discussed the preparatory works in BiH and the arrangements for long-term operation and maintenance of these trains. Mr. Džumhur stressed that the local works which are under way are worth 2 million euro and that they are financed from the “Talگو” credit and carried out by the local companies. He also said that our passengers should finally receive the modern services after the European model. Therefore, it is necessary to launch a media campaign in order to create a strong commercial effect. The “Talگو” project is listed in the Program of Public Investments of FBiH Government in this mandatory period. The chief significance of the project is the reestablishment of the international passenger railway transport in BiH. Furthermore, the project represents the transfer of technology and it is the prerequisite for the establishment of long-term relations in the railway sector. According to the plan five daily and four night sets will travel on the routes to Zagreb, Belgrade, Ljubljana, Budapest and further to

European capitals. The Contract for procurement of nine sets of slant "Talgo" trains was signed in July 2005 and it is worth 66.7 million euro. The deadline of payment is 15 years with the grace period of seven years and interest rate of 1.25 %. The trains in question belong to the last seventh generation which can gather speed of up to 220 km per hour. "Talgo" trains belong to the newest generation of trains. Their characteristic is the inclination technique which secures the highest comfort and gathering of high speed. They operate in almost all countries of the EU.

Crans Montana Forum By train to Mostar On October 10th 2008 FBiH Railway organised a special ride on the route Sarajevo-Mostar-Sarajevo for the participants of Crans Montana Forum which took place from 7th to 11th October 2008. Over 50 businessmen from all over the world as well as the representatives of the diplomatic corps in BiH enjoyed the drive to Mostar. The passengers enquired about the arrival of Talgo trains in BiH which would make the experience of travelling by train complete.

InnoTrans Berlin 2008 Successful presentation of FBiH Railway The Delegation of FBiH Government headed by the Minister of Traffic and Communications Nail Šćekanić and his assistant Izet Mehinagi together with the Delegation of FBiH Railway consisting of the Head of the Administration of FBiH Railway Narcis Džumhur, Executive Manager of the Business of Railway Operator Smajo Salketi, the Chief of Cabinet of the Administration Manager Azra Ferizović, the Chief of Staff of the Services for Repair of Track Vehicles, Lejla Hidović, the Chief of Staff for the Reception and Quality Control Aida Vejzović and Rešad Mandžić the Head of Services for Geodetics attended the fair of transport technologies InnoTrans in Berlin, the world's biggest review of the inventions in the field of track industry, which is held every two years. FBiH Railway presented itself at the fair in an ambitious manner as a co-exhibitor of the company "Talgo" from Madrid. FBiH Railway presented the projects from the field of passenger transport with the emphasis on "Talgo" trains which will arrive in BiH in 2010 and 2011. A special promotional material and a high-quality catalogue on the prospects of passenger transport for tourist purposes were created for this occasion. The stand of FBiH Railway was visited by many delegations and guests. The mere presence of FBiH railway as an exhibitor at this prestigious fair came as a surprise. The promotion of FBiH Railway was met with a lot of acclaim and compliments. International transport conference under the name "Success as a Result of Specialisation" was held on September 22nd 2008 sponsored by "Talgo". The Head of the Administration of FBiH Railway Narcis Džumhur acquainted the representatives of the European railway and financial sector with the future development projects. The High Delegation of FBiH Ministry of Traffic and Communications and FBiH Railway had many successful business meetings during the fair. The meetings were held with the representatives of prominent world companies such as SIEMENS, KNOR, VESTINGHAUS, TALGO, KON AR, TGV GREDELJ, POLI-ITALIA, IB-ITALIEN BANKE, EMEF- PORTUGAL. Negotiations on future plans were held with the railway administrations with which FBiH cooperates: Austrian, Slovene, Croatian and Turkish. The experiences from this great event are of crucial importance for FBiH Railway and they will certainly contribute to further recognition of our company. It is important to stress that this year's InnoTrans fair was visited by more than 80.000 visitors from more than 100 countries, which is 25% more compared to the last fair held in 2006. This year's fair also beats the records regarding the area of the exhibition, which was expanded for 50% for this occasion, as well as regarding the number of exhibitors, the number of which increased for 20 %. Namely, 1.912 exhibitors from 41 countries presented their innovative products and services at the exhibition area of 150 000 km<sup>2</sup>. At the open exhibition area, on the gauges long 3.5 meters, the prototypes of more than 90 newest railway vehicles were presented. During InnoTrans 2008 contracts were signed and delivery of mobile capacities worth 2 billion euro was carried out. Bombardier Transportation delivered the first TALENT2 train to German railways (DB) for the services of local and regional transport. The remaining 320 worth 1.2 billion euro, will be delivered successively. Siemens Mobility supplies the Russian railways (RZD) with eight high-speed trains with the total value of 276 million euro. The first set of ValeroRUS was also presented at InnoTrans. Voith and the German Railways signed a Contract on the Delivery of 130 diesel locomotives worth 250 million euro. A company for local transport from Oslo procured 20 trains (light railway) worth 29 million euro from Siemens Mobility. Stadler sold tramcars which amount to 29 million euro to Munich City Administration. Thales UK reported that they received consignments worth several million pounds during InnoTrans. Among others, companies from Austria, the Middle East and Eastern Europe also held presentations at the fair. The biggest transport companies such as DB, PKP, RDZ, ÖBB, SBB, SNCF and others used InnoTrans as a platform for marketing and communication. Thirty-fourth general assembly of CER was held at the German Ministry of Transport on September 22nd 2008. More than 120 representatives of railway companies and infrastructure welcomed the 71st member of CER, company Bulmarket from Bulgaria. The questions concerning the so-called Greening Transport Package including the revision of the Directive of the Euro vignette, as well as the establishment of the corridor for load transport were highlighted at the assembly. A controversial debate is taking place in EU countries regarding the so-called mega-trucks. This question is also being considered by the CER. The next general assembly of CER will take place in Brussels on January 21st 2009.

Hungarian Train "Nostalgia" Hungarian tourist train "Nostalgia" rightfully referred to as "the Hungarian royal train", had arrived to the BiH Railway on August 31st 2008. Passengers from all of

Europe, looking for romantic environment and comfortable travel which evokes scenes from old movies, had not regretted spending up to 2000 pounds for a one-week trip through BiH. Alan Jackson, an Irishman, had flown on a plane from Dublin to Budapest in order to board the Hungarian train "Nostalgia" which promised an interesting trip through Bosnia and Herzegovina with his friends Paul Humphries and Jonathan Condell from England.

"This trip is worth every penny. It is interesting to look at your beautiful mountains, huge hills with towns anchored between them, getting to know your people. We spend every night in one of your towns and continue our voyage on the train in the morning. During these nightly stops we have the chance to get to know your towns and cultural and historic monuments, but the best thing is this train" said Alan. The train which inspired so much admiration consists of three wagons. The first was constructed in 1905, and the other two which were built in 1952 had the same function as the "blue train" of Yugoslav Railways. Rakoszy and Kadar were to Hungarians what Tito was for us. These museum wagons were reconstructed and every detail radiates with luxury. The seats covered with red plush, lamp-shades, rich draperies, lunch tables with Hungarian food, gilded and carved door handles and window handles reveal the richness of style and taste of both those who constructed the wagons and those who could afford this kind of travel. The manager of the Hungarian train "Nostalgia" Andras Szigeti says that these wagons are adjusted to the speed of 100 kilometers per hour where the conditions permit it.

"When we started this project, the intention was to cover all the destinations that were a part of the Austro-Hungarian Empire. We have clients from all over Europe and from other continents as well. A very popular destination is Budapest- Istanbul, but Poland- Germany- Belgium- Austria- Slovakia- Romania- Serbia- Bulgaria" says Szageti. On its first day in BiH, the Hungarian tourist train "Nostalgia" travelled on the lines Doboj- Tuzla, on the second day Tuzla- Banovici- Tuzla, then Tuzla- Doboj, Doboj- Zenica, Zenica- Sarajevo, Sarajevo- Vares- Sarajevo, Sarajevo- Ploce- Sarajevo and Sarajevo- Doboj. Wagons AAE for different cargoes and dimensions

Modern railway wagons of great loading capacity of the Swiss company AAE (Ahaus Alschlager Eisenbahn), intended for the transport of different types of goods were presented at the Railway Station in Sarajevo on August 28th 2008.

"It is a great honour that our invitation was accepted by the company which presented the wagons which can contribute to the expansion of our freight transport. I am glad to see a great number of businessmen who are already using our services and who will on this occasion be able to see all the services the railway can provide. The railway can transport goods of different freight and dimensions. FBiH will beat the record in the freight transport this year. Until the end of 2008 we will have transported 8.5 millions of tons of goods, while in 2007 we had transported 7.5 millions of tons" said Narcis Dzumhur, the President of the Administration of FBiH Railway Company. In the VIP salon those present were addressed by Ole Nigar, the Manager of the AAE Company. He emphasized that their greatest competition is road transport and that therefore, they had to have high quality transport and modern wagons. "We are satisfied with our current share in transport, but we hope that with our quality we will be able to expand it. Apart from the partners in Western Europe, our services are used by Greece, Slovenia, Croatia, Serbia, Bulgaria and Romania. We hope that BiH will become our partner too." stressed Manager Nagar. The Representative of AAE for Southeastern Europe Alois Vidmar acquainted those present with the main characteristics of the company. The main business activity of AAE from 1989 is renting of the railway wagons. The company with its headquarters in Barr, Switzerland, is a member of the UIC, AAV, ERFA, VAP, BCC. "We rent our wagons all over Europe, including the countries formed after the disintegration of the USSR. Apart from leasing, we are engaged in design and supply of modern railway wagons. We have an excellent team of experts who work on the construction of wagons, which are produced in Germany, Czech Republic, Slovakia, Romania, and in a part in TZV in Gredelj. Our work includes also supply and modification of used wagons as well as the complete package of services for maintenance of wagons. We also have a management for spare parts (storage and logistics). Our storehouses are in Austria and Germany and we can repair any mechanical failure within 24 hours" said Vidmar. AAE's transport fleet amounts to 25 thousand freight wagons with the average age of 8.4 years. The company employs 90 people. The shortest period for renting these wagons is one year, and the longest period for the signing of contract is three years. The visit of the Delegation of Slovene Railway

The Delegation of Slovene Railway headed by the General Manager Tomaz Schar paid a visit to the Administration of FBiH Railway on July 23rd 2008. On this occasion, they assessed the current cooperation with the emphasis on the amount of transported goods and passengers between BiH and Slovenia, transit included. The Initiative for Expanding of the Traffic of Freight Transport (the market potential, prepositions of measures) was launched. They also discussed the possibilities for the development of cooperation in the fields of scientific-developmental services, infrastructure etc. "Travelling in Europe in 2008" The presentation of the programme "Let's travel to Europe in 2008" which provides the students of the final year at BiH universities with a month of free travel in Europe was held on July 28th 2008 in Sarajevo. The project was motivated by the evident inexperience of the young generation when it comes to knowledge about Europe. According to the recent inquiry 33% of young people in BiH have never been outside BiH, and of those who have, have only visited neighbouring countries. Up to 40% of young people do not possess a passport. The young people who are studying at the Universities, and who should be the pillars of the development of our country have not had the opportunity to travel in the previous period. Ninety students from all of BiH universities have applied for this program. Thirty- seven students will get: monthly InterRail ticket for free ride in European trains, multiple Shengen visa valid for one month, pocket money, ISIC student card, participation at the opening of the programme (a weekend in Berlin, party, sightseeing in Berlin, the meeting with the German Minister of Exterior). This project could not have been realized without the help of partners and sponsors: FBiH Railways, Robert Bosch Foundation, Balkan Trust for Democracy Fund, the Chairman of the BiH Council of Ministers, the Prime Minister of Sarajevo Canton, German Embassy, UNIQA insurance company, Mtel and the media partner BHT. The Contract with "Gredelj" on Reconstruction and Modernisation of Four Locomotives The TZV Consortium "Gredelj" Sarajevo, TZV "Gredelj" Zagreb and FBiH Railway had signed on July 2nd 2008 in Sarajevo a Contract on

the reconstruction of three diesel- hydraulic locomotives of the series 212 and one diesel- electric locomotive of the series 642. "Gredelj is a respectable factory as far as FBiH Railway is concerned. The Contract which was signed after three years of negotiations is a continuation of a forty-year old cooperation. "Gredelj "invested a lot in the reconstruction of the diesel programme. The repair and modernization of four locomotives will amount to 14 million BAM, which is a large investment for FBiH Railways" said the Manager of the Administration of FBiH Railway Narcis Dzumhur. The Manager of TZV "Gredelj " Zagreb Antun Fabek stressed his belief that the work will be satisfactory, having in mind the current successful cooperation. In accordance to the signed Contract, "Gredelj" is obliged to insure the delivery of spare parts and systems within the period of 15 years, including the day of delivery of locomotives. The Exhibition "The Geometrisation of Man" At the beginning of July 2008 in the hall of the Sarajevo train station an installation was put in as a part of the manifestation organized by BiH Goethe Institute under the title "Geometrisation of Man". The pendulum was fixed to the 16-meter high ceiling. Underneath it were written the verses on time by Confucius in the translation of Drago Tesevic. The pendulum was named after the French physicist Jean Faucault, whose experiments in the 1851 proved the revolving of the Earth around its axis. During the installing the slight movements of the pendulum were drawing a rosette in the circle made of sand. A few meters away, stood a sand glass, which marked the limited time of human beings juxtaposing it with the eternal working of the pendulum in the universe. The work of art was completed by the sound installation. The spectators could hear the sounds which surround the human beings from their birth, from heart beats and sound of waves to techno music. The Manager of BHZJK Hamdija Saljic greeted those who were present in the hall of Sarajevo train station and stressed that the railway stations were always the places where people came to meet and gather around creative ideas. Prince Rudolf zur Lippe, philosopher, the host of the Homboldt forum for the question of time in Berlin and artist, gave the idea for the installation "Eternal Time- the Time of Man".