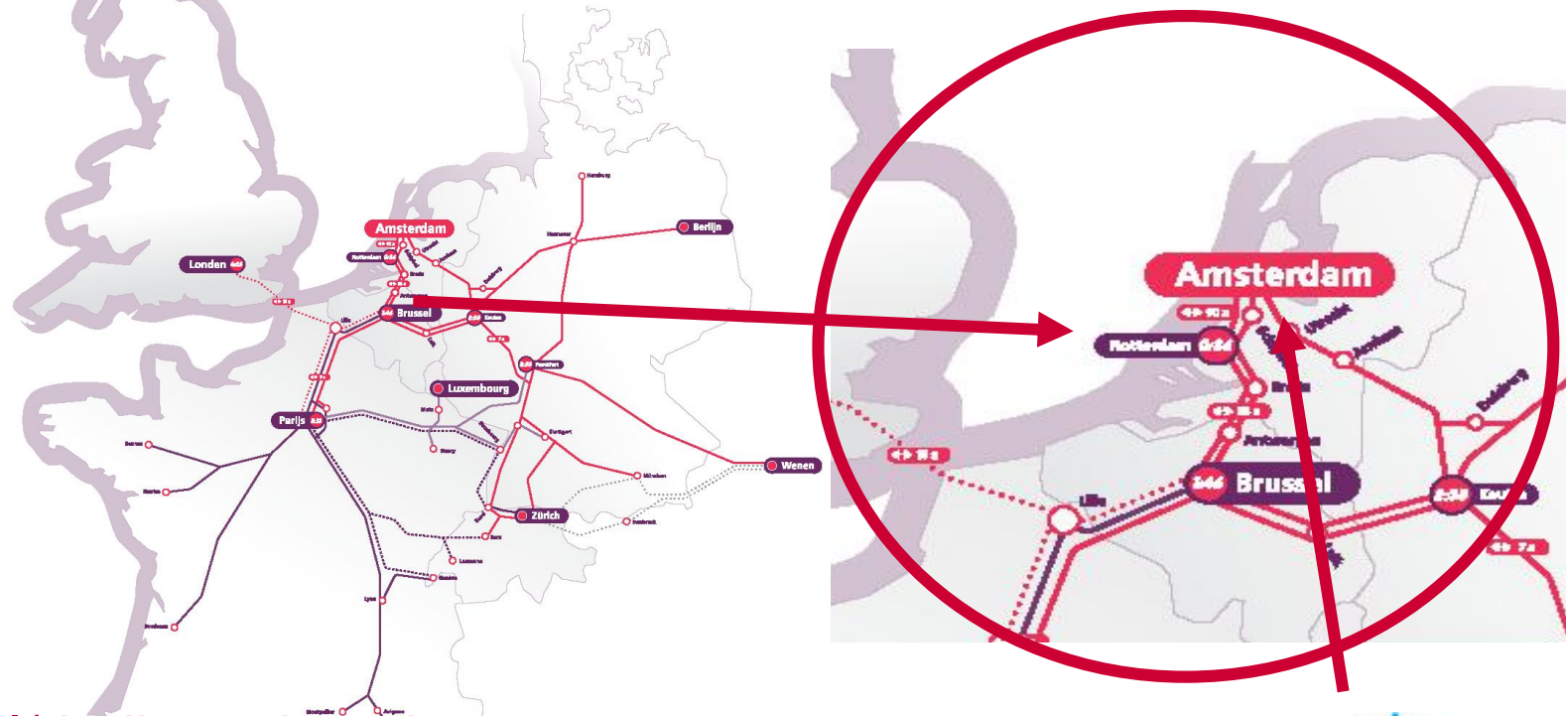


An integrated approach to air-rail

Marc van Heumen MM– NS Hispeed

**IARO/ Ticketing 2008 – London Gatwick
October 29**

European High Speed Train network expands to Amsterdam airport, KLM's home-base.....



Tunnel/dedicated track
 Train station at SPL airport
 >1/3 of all current psgrs use trains



Introducing SNCB/ NS Hispeed

- > **NS Hispeed: 15-year concession to operate High Speed Trains from Dutch/Belgium border**
- > **Routes**
 - > **Amsterdam- Schiphol Airport- Rotterdam- Breda (every 10 minutes)**
 - > **Amsterdam- Schiphol Airport- Rotterdam- Antwerp- Brussels (every hour)**
- > **Trains**
 - > **will replace all conventional (intercity and international) trains on stretches concerned**
 - > **will target new rail customers**
 - > commuters and (business) travelers that currently drive or fly
 - > air-rail passengers that currently fly
- > **Each train has approx. 450 seats divided over 2 classes.**
- > **SNCB/ NS Hispeed are members of Railteam**

Daily > 40.000 high-speed train seats to/from SPL (compare with 5 flights/limited seats/Bru only):

Product offering

High frequency and substantially reduced travel-time because of speed, dedicated infra-structure and direct link SPL-RTM.

SNCB/ NS Hispeed product

- Own brand
- 2-classes
- Business lounges
- Seat reservations
- Own loyalty program
- Information and customer service
- Service Recovery
- E-services

Convenient & reliable premium product



Travel times

max km/hr	Plane	Train	
	_____	<u>Now</u>	<u>HST</u>
SPL-ANR		1:49	0:58
SPL-BRU	0:55	2:34	1:30

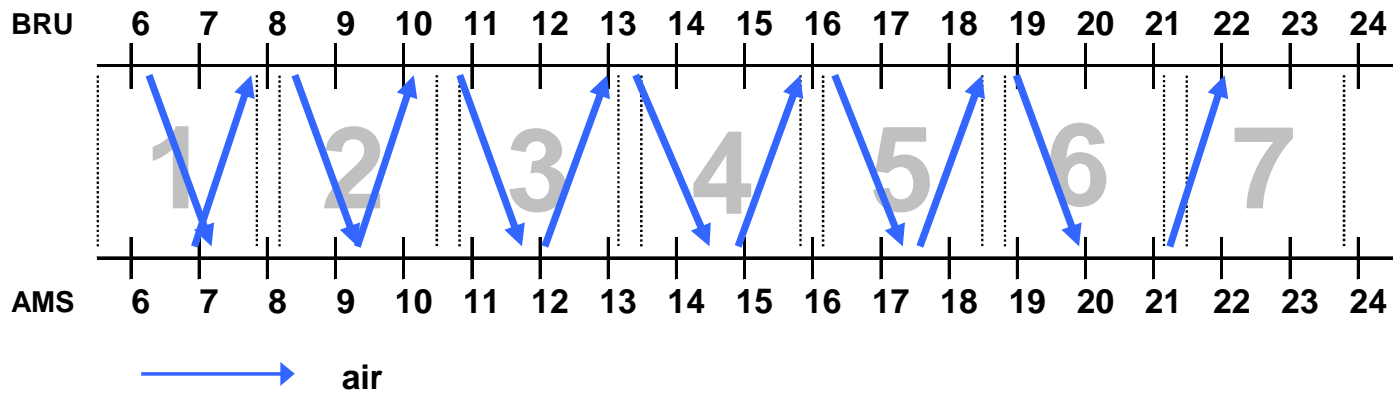
SPL-LON \pm 4:10

SPL-CDG \pm 3:00

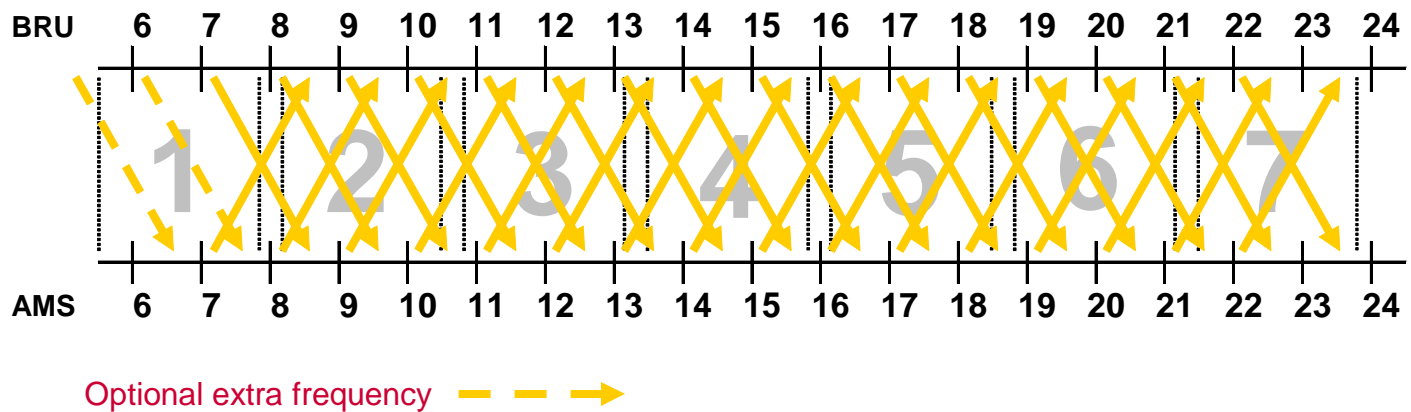
* Transfer in BRU; actual travel time depends on connection

Air- & rail schedules

KLM



HST
Excl. Thalys



So an opportunity for air-rail?

Yes from a (high speed) train perspective:

More passengers, also originating outside the train's immediate catchment area and from other distribution channels

Feeder function from/ to airports – centers of cities

Perfect alternative for other transport modalities

Yes from a (scheduled) airline perspective:

A high-frequency, high-quality feeder product strengthens the airport's catchment area (*already > 1/3 of all air passengers use trains to/from Schiphol Airport*)

HST can substitute short-haul flights

An integrated air-rail product is a competitive advantage



complement rather than compete

Who are the main partners in this project?

Rail

NS Hispeed (in Holland)
SNCB (in Belgium)
Potentially Thalys?

Air

KLM
Alliance & c/s partners
Interline partners (= industry)



Joint

Amsterdam Airport Schiphol
Third party for AirRail broker
Global distribution systems

Objectives

SNCB/ NS Hispeed objectives:

New (global) distribution channels

Incremental revenue

No exclusivity to airport/ airline/train operating carrier

KLM objectives:

Hassle-free, convenient, reliable, comfortable and well-integrated product for the passenger; non exclusive

Reliable, well-integrated, well-accepted and cost effective feeder product to/from Belgium and as alternative to BRU flights

AAS objectives:

Catchment area

Competitive position vis-à-vis competing hubs

Principles



Hassle-free, convenient, reliable, comfortable and well-integrated product for the passenger

Reliable, well-integrated, well-accepted and cost effective feeder product

Free flow code share/class mapping/seat reservation or Interlining agreements (dynamic with SNCB/ NS Hispeed)

Distribution via GDS and .com's by airline partners

100% e-tickets and link with airline DCS, incl. ICI & SSCI

Rail segment integrated into airline (travel) processes -> passenger checked on board of train and data to DCS

Joint intermodal vision

- > Airlines to distribute/price/sell a combined air-rail product
- > Rail portion to match as much as possible the air portion
 - > Reservations/distribution
 - > Travel process
 - > Back-office
- > Railway to provide inventory access and facilitate distribution of combined air-rail product in the global distribution systems
- > And sales of rail only through GDS

What are the main intermodal challenges?

Reservations & distribution:

- > Schedule publication and availability
- > Dynamic inventory access/messaging
- > Booking horizon

Travel process:

- > Check-in & boarding
- > Service recovery
- > Transfers at SPL hub (incl. signage/facilities/baggage drop-off)
- > Not through-checked baggage!

Back-office:

- > E-Tickets
- > Settlement
- > Partners: interline partners > co-operation > alliance partners
- > Management- and real time travel information

The solution for sales & distribution

- > Trains segments distributed with a flight number via all GDS's and airline websites
- > Free flow code share/class mapping/seat reservation
 - > **(SNCB/ NS Hispeed will use external message broker)**
- > Airlines price and sells air-rail (train operator does not)
- > 100% e-tickets

Our solution for the travel process

- > Self-carried baggage (no checked baggage on train)
- > Air- and rail product specifications aligned
- > (Self-service) check-in also applicable to train segments; passenger receives boarding pass with detailed information, primarily for information purposes
- > 'Boarding' on board of the train by means of a 100% check. Using a PDA, a message is sent to the airline's systems for
 - > **Frequent Flyer registration**
 - > **Settlement purposes**
 - > **Connections and service recovery**
- > Amsterdam Airport Schiphol involvement:
 - > **Signage, baggage drop-off and service point SPL**



Status of the project today

- > Product design is ready
- > KLM (and partners) is the first to start sales in a free flow codeshare operation
- > RFP final fase starts the end of this year
- > International operation high speed trains Amsterdam – Brussels start the end of 2009
- > Internal approval for the project is given

Summary

- > Highly integrated air-rail product
 - > High degree of seamlessness and convenience for passengers
 - > Incremental (profitable) revenue for both partners
 - > IT-solutions rather than manual intervention or added complexities
 - > Generic solution suitable for all (scheduled) airlines and available for other rail operators with on-board control (handheld PDA's)