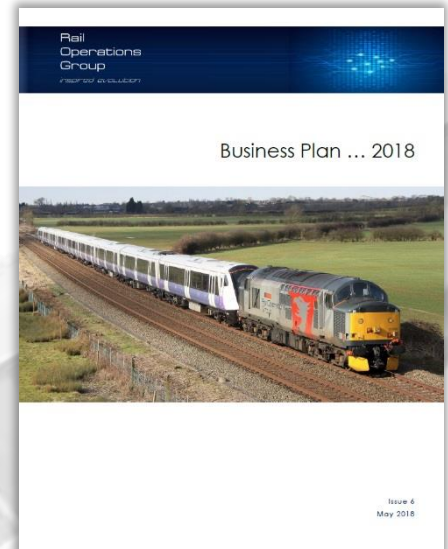


2017-18 ... ROG's Most Successful Trading Year on Record

As ROG's 2017-18 trading year draws to a close, the company witnesses another meteoric increase in growth. Not only has ROG doubled its annual turnover in just 12 months, it's also ROG's most profitable year on record. The trading year end coincides with the launch of Issue 6 of ROG's Business Plan which predicts further growth and diversification into new markets.

ROG has not only witnessed significant increases in turnover and profit in the last 12 months, it has doubled the size of its organisation, increased its locomotive fleet size, invested in additional specialist equipment for EMU locomotive-haulage and continued to secure more high-profile contracts.



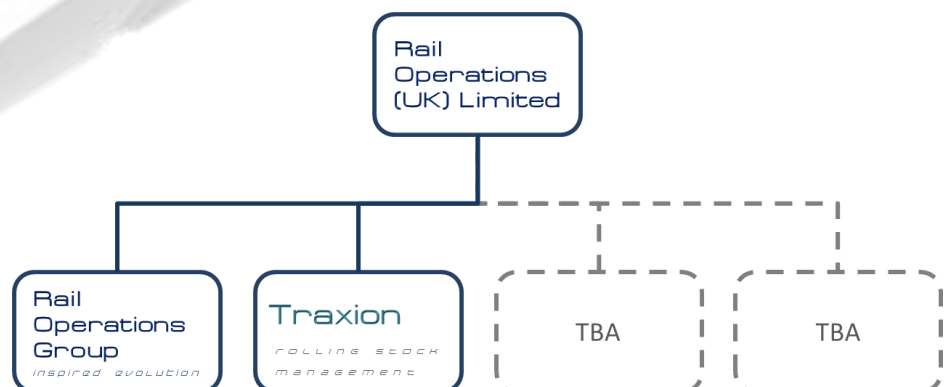
Group Development

Rail Operations (UK) Limited has developed into a 'group' of companies. With Rail Operations Group, the train operating arm of the group, firmly established as a respected, reliable and trusted brand, the group have recently launched a new company, **Traxion**. This specialist company has been designed to manage newly built, refurbished, off-lease and end-of-life passenger rail vehicles. **Traxion** also specialises in rolling stock storage and disposals.

Gary Prodger, Executive Director for the Group said "our passion for what we do coupled with ensuring our customers are at the forefront of our thinking, has proven to be something the industry greatly respects and appreciates. This is what fuels the group's continued success and development".

Gary went on to say, "we are launching two further companies over the next two years that will see us delivering passenger, logistics and freight services. As with **Traxion**, these will be separate trading companies to ensure consistent delivery of high quality services".

Headed by Chief Executive Officer Karl Watts (former MD of ROG), Rail Operations (UK) Limited forms the 'parent' company to provide the group with strategic direction and corporate governance (see new company structure graphic adjacent).



ROG Win Engineering Business Excellence Award

ROG were delighted to win the 2018 Engineering Business Excellence category at this year's prestigious Rail Business Awards. The award was in recognition of ROG delivering significant innovation and modernisation to the UK rail industry by transforming locomotive haulage of EMU fleets across the UK. ROG are the UK's leader and no.1 specialist in locomotive haulage of passenger rolling stock for delivery, testing and engineering projects.



ROG Expands Production Team

This month sees ROG's organisation increase to fifty-five people with this increasing to over sixty in July. ROG continues to invest in people after recruiting and appointing further personnel to the key positions of Access Planning, Train Planning and Control.

Several new faces have now joined us in Derby and our planning team are busy increasing our train planning capability which will ultimately provide more train paths on the rail network.

We also continue to develop our ATTune train planning software with ROG recently acquiring several additional licenses. This enables ROG to better manage its train planning requirements whilst ensuring long term, short term and one-off planning requirements are delivered for our customers.

We are also undertaking a significant amount of train planning work to identify WTT (working timetable) pathways which offer reassurance to our customers and help maximise resource deployment.

ROG Orders Additional Locomotive

In order to keep pace with the continually growing demand for ROG's services, the decision has been taken to prepare a further translator fitted Class 37 to strengthen the ROG fleet. 37510 is being prepared at Leicester Depot, following the successful trials and acceptance of classmate 37611 which recently joined the fleet.

Interim MD Dave Burley said "Adding to this fleet of tried and tested translator locomotives will bring the number available to ROG to six. This significant investment demonstrates our commitment to meet the emerging and increasing needs of our customers whilst maintaining the flexibility and ability to mobilise rapidly to meet the fluid market we serve". 37510 is due to enter traffic next month and joins the best performing heritage locomotive fleet in the UK.

Meanwhile ROG continues to develop its longer-term traction strategy which includes the procurement of brand new, state-of-the-art locomotives.

First CAF Mk5 Coaching Stock for TPE

After many months of planning and preparation ROG seamlessly mobilised the first of a number of services delivering CAF built Mk5a coaching stock from Royal Portbury Dock to Manchester International Depot, following transfer by sea. The service utilises two of ROG's fleet of Class 37 locomotives in order to tackle some serious gradients en-route, whilst keeping operating costs to a minimum.

This technically complex operation was made possible by a huge amount of industry collaboration, borne out of the expertise that has been built up over the past 3 years of stock delivery by ROG. Mark Keighley, ROG's Commercial Manager project managed the flow since its inception and was at Portbury to oversee the operation. He commented "Whilst ROG already have the ability to operate trains across Europe and through the Channel Tunnel to the UK, this operation adds a fresh dimension and some competition to a growing market. The team have worked tirelessly to make this happen and it did – exactly according to plan - on the first delivery. That's a huge ask by any measure".



ROG Launch New Promotional Video

ROG have launched a new promotional video. The video is available for viewing at <https://vimeo.com/266396828>

The Last of the Class 375 Refresh Programme

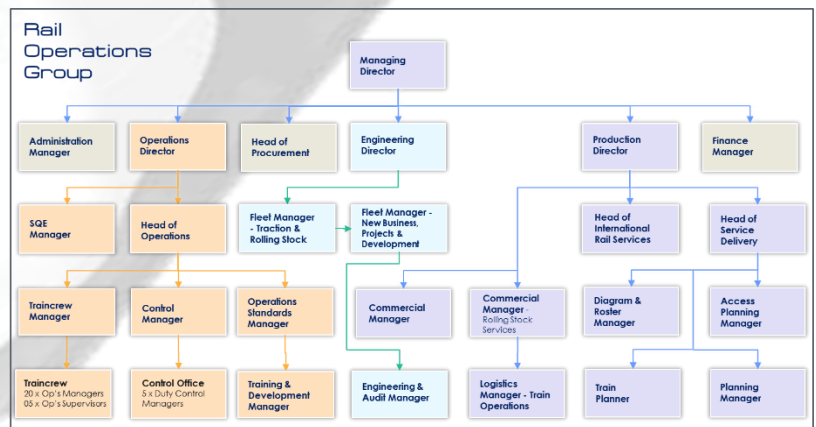
Bombardier took a real leap of faith some three years ago when they placed a contract with ROG to deliver Class 375 units from Ramsgate EMU Depot to Derby Litchurch Lane and return them after works. ROG was a fledgling company at the time but Bombardiers’ faith was not misplaced. Since the Class 37 translator locomotives were introduced to this flow, delivery on the contract has been 98.8%. With the last service delivered, the contract now draws to a close. CEO Karl Wats was asked about the contract and said “This was a technically complex operation and the introduction of our translator locomotives changed the face of translator operations forever – just as we foresaw. Bombardier and ROG, through this contract have shaped a little bit of railway history, to the betterment of all. Others now seek to emulate what ROG have achieved here and we have set the industry bar high with a 98.8% delivery target. That is truly industry leading.”



ROG’s New Organisational Structure

ROG’s organisation continues to grow at an exciting rate. The growth is mainly around traincrew, in particular, Operations Managers (the guys who drive our trains). There has also been a significant increase in our planning team which has increased from 2 to 5.

In terms of people, there’s been a few changes. Karl Watts has moved from Managing Director of ROG to Chief Executive Officer of the new parent company, Rail Operations (UK) Limited. Karl has been succeeded by Dave Burley, ROG’s former Operations Director. Dave’s contact details are 07771 831075 or dave.burley@railopsgroup.co.uk



Paul Orchard in his new role as Production Director takes over all things commercial and planning. It’s Paul you need to contact in the first instance if you need anything moving unless this contact is already established through Mark Keighley, Richard Broughton or Emma Briars. Paul’s contact details are: 07741 566825 or paul.orchard@railopsgroup.co.uk

New starters

As mentioned above, **Paul Orchard** joins ROG as Production Director. Paul's vast experience in freight, logistics and operational planning brings even more respected and trusted experience to the ROG team. In a 30-year career embracing several senior positions within English Welsh & Scottish Railway (EWS), Fastline Freight and Freightliner, Paul joins us from Russell Logistics where, as Head of Rail, he recently project managed the delivery of Sainsbury's first rail connected facility at Daventry (DIRFT). Paul's role at ROG is to provide strategic direction on all Commercial and Operational Planning aspects of the business including Contract Management, Business Development and Timetable Planning.

ROG has appointed **Gerry Jones** to the role of Commercial Manager. Gerry's vast experience in commercial contract management has been gained during his 38-year railway career which has primarily been in the freight sector with trainload, wagonload, intermodal and international customers. Gerry's contract management experience has included customers such as Corus, BP, Imerys, Ministry of Defence and the Royal Household and he has successfully negotiated many new contracts and renewals as well as project managing specific flows and short-term campaigns which included running trains from the UK through to Afghanistan.

ROG has appointed **Paul Kerwin** to the position of Project Manager. Paul brings nearly 40 years of operational experience gained both in the UK and overseas. From becoming a Locomotive Engineer in the early 1980s, his career has progressed to encompass a wide variety of roles which include Regional Operations management, Rolling Stock maintenance, Inland Container Terminal management and latterly working in the Middle East as a Specialist Consultant. This diversity of experience will benefit ROG as Paul leads and develops **Traxion**, our exciting and innovative new rolling stock storage and disposal business.

News in Brief

Edinburgh Trams

We continue our new driver verification work with Edinburgh Trams and have now become involved in the development of a Professional Tram Driver policy. We are also working with First Trams at Croydon assisting with route risk verification and policy development. The UK's rapidly emerging light railway network is an exciting area to be working in right now, the can-do attitude of everyone we meet is very refreshing and encouraging.

Crewe South Yard

ROG have secured a long-term lease with Network Rail for the use and operation of Crewe South Yard. The yard is the first of a number of locations ROG are bringing on stream for the purpose of rolling stock storage. All storage facilities and associated storage programmes will be managed by the Group's new company, **Traxion**.

CEO Q & A

Q: It's been 11 months since the last KT, why such a big gap?

A: Simple, we've just been so ridiculously busy, there's only so many hours in the day.

Q: How come you managed to achieve 98.8% train service performance over a 2 ½ year, long-distance, locomotive-hauled EMU logistics contract, not even the passenger community can achieve that?

A: Rolling stock services is a very complex, dynamic and technically challenging business. It's very different from any other type of train operation and therefore demands a supplier who is, not just industry leaders in this field, but who can dedicate all its company resources to it. It's also about making the decision back in 2015 to use class 37 locomotives as opposed to the much less reliable class 47 locomotive.

Q: What's the secret ingredient to ROG's continued success?

A: There's no one single ingredient. As mentioned in the previous answer, the rolling stock services market is very specialised and requires a very specialised supplier. Until ROG came along, such a supplier did not exist. We simply filled a gap in the market.

Q: What's been the most challenging part of ROG's development?

A: Keeping pace with our rate of growth. Because we only appoint well-known, well-respected, industry experts, growing the organisation in proportion to ROG's development has been a real challenge.

Making Contact

If it's a short-term requirement, please contact Richard Broughton on 07802 658394 or richard.broughton@railopsgroup.co.uk

If it's a longer-term requirement, please contact:

- for Rolling Stock services: Paul Orchard on 07741 566825 or paul.orchard@railopsgroup.co.uk or Emma Briars on 07741 566860 or emma.briars@railopsgroup.co.uk
- for European services: Mark Keighley on 07736 165867 or mark.keighley@railopsgroup.co.uk
- for large scale projects and ITTs: Karl Watts on 07793 767218 or karl.watts@railopsgroup.co.uk
- for all other services: Gary Prodger on 07890 959582 or gary.prodger@railopsgroup.co.uk

For rolling stock storage and disposals or other matters relating to **Traxion**, please contact Paul Kerwin on 07855044020 or paul.kerwin@railopsgroup.co.uk

