

A woman with brown hair, wearing a dark coat, is standing on a train platform. She is looking down at a newspaper she is holding in her left hand and talking on a mobile phone held to her ear with her right hand. In the background, several other people are standing on the platform, and a train is visible on the tracks. The scene is set during the day with some artificial lighting visible on the platform.

**Delivering
for you**

Network Rail helps bring the country together. We own, operate, maintain and invest in Britain's rail network. Increasingly we are delivering improved standards of safety, reliability and efficiency. This benefits our customers and society at large.

Every day. Everywhere.



Network Rail is ambitious in its plans for the railway. Nearly £2.5 billion is being invested in enhancements to the network over the next two years, aimed at increasing capacity.

This Business Plan looks at the next two years only, which are the last of the Office of Rail Regulation's current control period. However, Network Rail remains focused on delivering a long term strategy for Britain's railways.

We will publish our detailed plans for the period from 2009 to 2014 in the autumn.



Performance in 2006/07

Our purpose is clear – to deliver a safe, reliable and efficient rail network at a price that the country can afford.

Improved safety

Safety remains our number one priority.

The incident in Cumbria on 23 February 2007 was tragic. However, we must not lose sight of the fact that the railway is safer than it ever has been and is the safest form of transport in Britain.

The risk from signals passed at danger is down 90 per cent since 2001 while the number of broken rails is at an all time low.

The railway is not just a safer place to travel, it is also a safer place to work. We have delivered a step change in our workforce safety performance.

Figure 1 Train performance

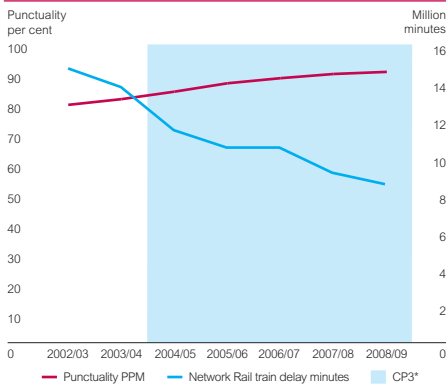
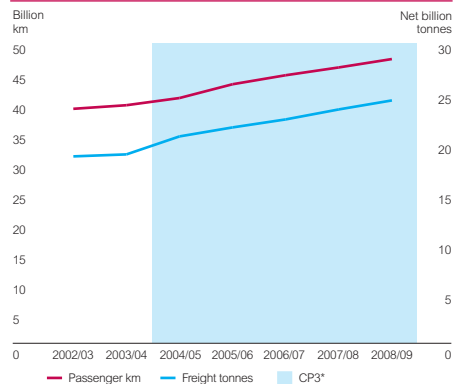


Figure 2 Traffic growth



* CP3 is control period 3 from 2004 to 2009

Improved reliability and capacity
Punctuality is at a seven year high.

The average punctuality over the last 12 months is 88 per cent. We are now predicting to hit our long term target of 90 per cent before the end of the control period in 2009.

As reliability has increased, so has demand, with passenger numbers up by 40 per cent in the last ten years, while, over the same timeframe, freight has increased by 60 per cent.

The industry has worked hard to achieve these impressive figures and Network Rail remains at the forefront of driving change in the years to come.

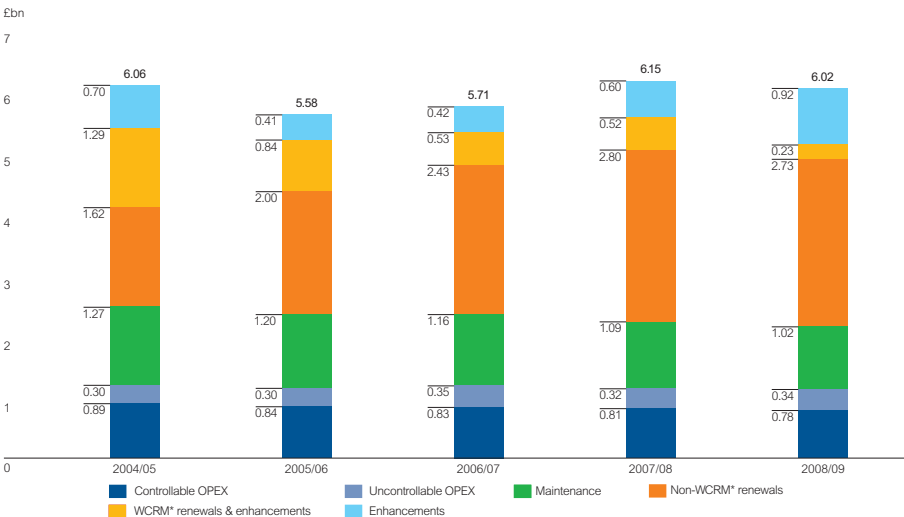
Improved efficiency
This year we have declared a profit for the first time.

In the six months to September 2006 we made a profit before tax of £747 million, all of which is being ploughed back in to the railway.

Moreover, substantial savings in operating and maintenance costs and improvements in the unit cost of renewals, have been made. As delivering these kinds of efficiencies will become more challenging as time goes on, we will increasingly look to apply new technology or existing technology in new ways.

Not all the issues have been resolved. However, we will continue in our pursuit to improve everything we do. This year's Plan outlines our vision to become a world class organisation. We will do this by delivering an organisation that responds to the needs of our stakeholders and customers alike.

Figure 3 Summary of expenditure



* WCRM – West Coast Route Modernisation

Becoming a world class organisation

We will work closely with the rest of the rail industry to deliver this and transform Britain's railway.

Our programme has three elements:

- **world class infrastructure and operations;**
- **supported by the right processes; and**
- **delivered by great people.**

Our plan for the next two years

We will continue the transformation of our business – increasing efficiency and making further investments. We continue to forecast outperformance in key areas, including improved income, better than forecast reductions in our controllable operating and maintenance expenditure, and an increase in the Regulatory Asset Base.

There are a number of enhancement projects at the implementation stage including King's Cross station and the Access for All programme. We are working with Transport Scotland to deliver a number of enhancement schemes, including Edinburgh Waverley, Airdrie to Bathgate and the Borders Rail links. The Thameslink programme is in development and we continue to support work on a number of other schemes, including the 2012 Olympic Games and Paralympic Games.

Challenges we face

The key challenges we face are:

- maintaining and improving the safety of the railway system;
- developing the railway to accommodate the continued growth in demand for rail;
- understanding and meeting customer and stakeholder expectations;
- transforming Network Rail into a world class company;
- contributing to a more sustainable railway, in both environmental and financial terms, by delivering further efficiencies and exploiting technological innovation;
- creating a longer term plan for the railway in response to the High Level Output Specifications from governments; and
- agreeing and obtaining the financial resources necessary to fulfil our vision.

We cannot succeed on our own.

To be successful we must work in close partnership with train and freight operators and the rest of the industry. Our plans also need to inform and reflect the requirements of government, as well as passenger and freight user groups, and local funders. The 2007 Business Plan sets out how we intend to work with the industry and our other key stakeholders to meet those challenges.

**For our more detailed Business Plan
and individual Route Plans please visit
our website:**

www.networkrail.co.uk

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