

## French keen to get on track in Britain



SNCF has partnered of Go-Ahead Group hoping to win the c2c franchise Alstom

Robert Lea Industrial Editor  
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The French state railway is increasing its interest in the British network as lead investor in a bid to run the country's most punctual train company.

SNCF is the 51 per cent partner in a joint venture with Go-Ahead Group that hopes to win the Essex Thameside franchise — better known as the c2c — from National Express.

The SNCF bid for the line between London Fenchurch Street and Southend is significant because a new 15-year licence is likely to be an industry prototype for so-called vertical integration.

The new industry buzz phrase envisages train companies working far more closely with or taking over the operations of Network Rail in the maintenance and renewal of tracks, signalling and stations. In France, SNCF is responsible for the trains and the tracks.

The 51-49 structure of the bid, via Keolis, SNCF's international arm, also represents a ratcheting up of its role in its relationship with Go-Ahead.

Through Keolis, SNCF has been in a partnership called Govia with Go-Ahead, which runs the Southeastern, Southern and London Midland railways. At present, however, the relationships are on a 65-35 ratio, with Go-Ahead the lead partner.

“It is the right partnership for a bid for Essex Thameside, in which there will be elements of vertical integration and in which we can bring in their expertise,” David Brown, Go-Ahead’s chief executive, said. A Keolis spokesman said: “Keolis can bring the requisite infrastructure expertise through SNCF to take the lead in the contract.”

SNCF has shown its hand in Britain by going it alone — that is, without Go-Ahead — in a bid to win the biggest prize on the British railways: the £8 billion-a-year West Coast InterCity line. SNCF has been shortlisted in its attempt to wrest the franchise from Sir Richard Branson’s Virgin Trains.

Profits from Go-Ahead’s three present train franchises were up by 25 per cent in the six months to the end of December, during which time it received taxpayer handouts of nearly £100 million. Group pre-tax profits, including its substantial bus operations, were 5 per cent better at £44 million. Its interim dividend is being held at 25½p.

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