

PRESS RELEASE

Warsaw, 3 March 2010

**Stadler's appeal gains positive opinion of the National Appeal Chamber
(Krajowa Izba Odwoławcza)**

Stadler's appeal against the cancellation of the tender for the delivery of 16 EMUs held by Koleje Mazowieckie has gained the positive opinion of the National Appeal Chamber (Krajowa Izba Odwoławcza). According to the National Appeal Chamber, Koleje Mazowieckie had no legal grounds to cancel the tender. Stadler, a leading system supplier of customer-specific solutions for rail vehicle construction, decided to appeal against the decision of Koleje Mazowieckie (Mazovian Railways), because despite the fact that the Stadler's offer of the modern and popular FLIRT trains, assembled in Siedlce, received the best evaluation in the tender, Koleje Mazowieckie cancelled the tender. The justification was that the price of EUR 76 million net offered exceeded the allocated budget which amounts to EUR 79 million gross. Stadler was convinced that this decision had no legal justification. According to the documentation presented by the company, the net price offered by Stadler fits in the assigned budget. However, Koleje Mazowieckie added 22% VAT to the net price, which according to the tax law should not have been added. In addition, irrespective of the supplier from which Koleje Mazowieckie buys the vehicles, VAT tax is in fact deductible, which is valid for all railway operators in Europe. The tender holder therefore had no legal grounds to cancel the tender. This argument was accepted by the National Appeal Chamber, which ordered Koleje Mazowieckie to annul its decision about the cancellation of the tender. Stadler is expecting to sign a contract with Koleje Mazowieckie in the nearest future. This is important to guarantee that Stadler can deliver the ordered vehicles before the EURO 2012 Championships, as they are urgently needed for this event.

"Stadler's Executive Board decided to appeal against the decision of the tender holder as it was convinced that its arguments were justified, and therefore the Board is very satisfied that the National Appeal Chamber upheld Stadler's appeal," said Peter Spuhler, CEO and the owner of Stadler Rail Group.

In defence of the company's staff in Siedlce and of fair and free competition on the market, Stadler felt compelled to submit its appeal first to the tender holder, and then to National Appeal Chamber.

According to Polish tax law, the price offered by Stadler fits in the budget allocated by Koleje Mazowieckie for the purchase of 16 EMUs. Even if the offer had exceeded the budget, standard practice has been first to find additional funding rather than cancel the tender immediately. In previous tenders for rolling stock, the tender holder has attempted to source the necessary funding, when the purchase price of the best offer has been higher than the allocated budget. This happened, for example, in the recent tender for 20 EMUs in the Mazovia province, when the contract was allocated to another producer.

This is the second appeal that Stadler has won within the last few days. Last Friday (26 February 2010) Stadler gained support for its appeal in the above mentioned tender of the Mazovia province for 20 EMUs. In this case, Stadler protested because it was convinced that the company awarded the contract did not meet all the criteria requested by the customer.

The results of two appeal confirm Stadler's conviction that the principles of fair competition are applied in Poland.

About Stadler Polska

In June 2006, Stadler Bussnang AG received its first order from Poland for the delivery of fourteen FLIRT trains for the Mazovia and Silesia provinces (ten for Mazovia and four for Silesia) and the maintenance of the vehicles for a period of three years. After having received the order from the provinces of Mazovia and Silesia, the Stadler crew immediately started planning the assembly plant in Siedlce. The company rented and modernised a facility in Siedlce owned by the Polish railway company PKP. As a result, all of the fleet ordered by Stadler's Polish clients was produced in Siedlce. The official opening of Stadler's rail vehicle assembly plant in Siedlce took place on 5 September 2007. As there were no further orders from the Polish market, Stadler started producing GTW for the Dutch market. The roll-out of the first two trains took place with the customer Arriva in September 2009. Stadler believes in the potential of the Polish market, which is why it invested in its assembly plant in Siedlce. Stadler has brought innovative railway technology to Poland. As there has been a lack of orders from the Polish market, Stadler transferred export orders to Siedlce, to keep the assembly plant running and retain its well-qualified staff there. In addition, Stadler recently announced further investments in Poland in order to increase production capacities in the Siedlce plant.

About Stadler Rail Group

Stadler Rail Group, a system supplier of customer-specific solutions for rail vehicle construction, incorporates Stadler Altenrhein AG, Stadler Bussnang AG, and Stadler Winterthur AG in

Switzerland in addition to the German locations Stadler Pankow GmbH in Berlin and Velten, and plants in Puztaszabolcs, Budapest and Szolnok in Hungary, Siedlce in Poland and Alger in Algeria. The Group employs a workforce of over 3,000 around the world. The best-known vehicle series from the Stadler Rail Group are the globally successful GTW articulated railcar (501 trains sold), the Regio Shuttle RS1 (404 trains sold), the Fast, Light, Innovative, Regional Turbo-train FLIRT (547 trains sold) and the new double-decker electric multiple unit called DOSTO (73 trains sold). Stadler has also successfully established itself in the streetcar and tram market with the product series Variobahn (264 vehicles sold) and the newly developed Tango (142 vehicles sold). Furthermore, Stadler manufactures passenger carriages and two-axle locomotives, and is also a world leading manufacturer of rack rail vehicles.

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