

THE FORCE BEHIND OUR ACTIONS

2007 Activity Report



Table of contents

- 2** Message from the Chairman of the Board of Directors
- 4** Message from the Director General
- 6** Ranked 14th among top Québec corporations
- 12** A promising business plan
- 16** A performance-driven corporation
- 24** Our indicators
- 28** Committed to sustainable development
- 36** Our stock and trade for 2007
- 46** A good year for art
- 52** Governance





MESSAGE FROM STM LEADERS

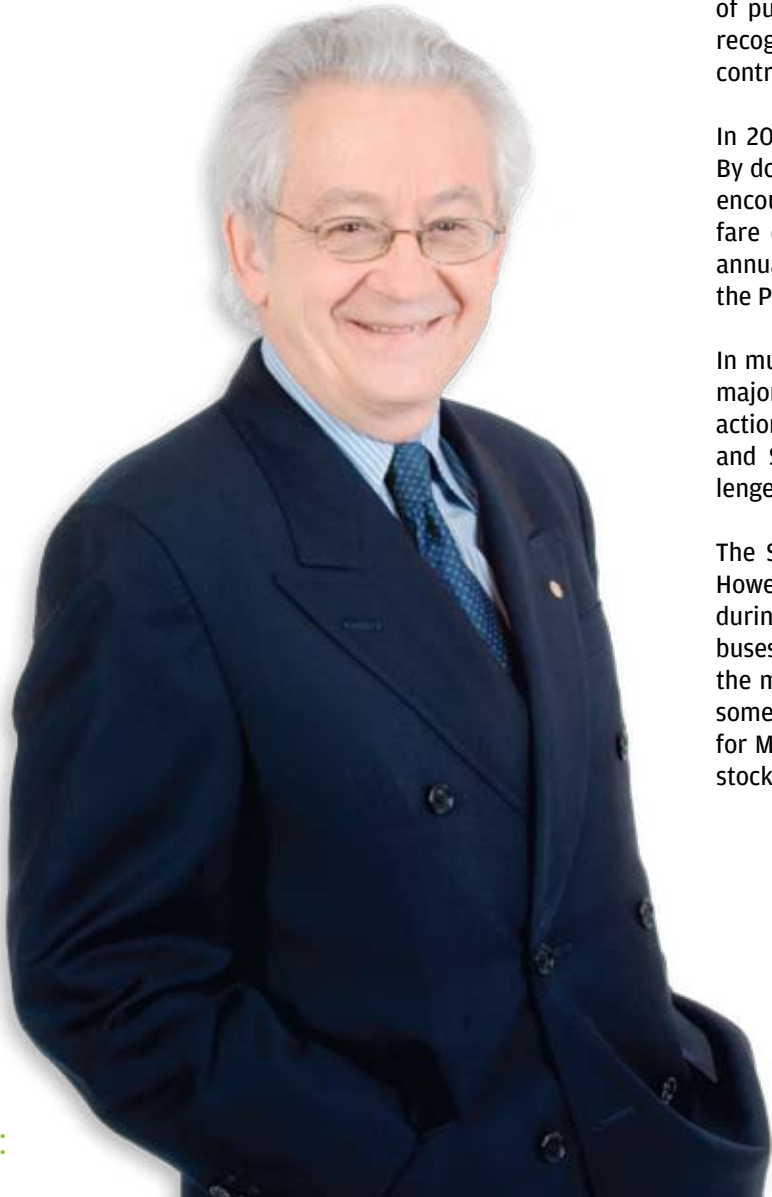
The growing commitment of our partners

After a few financially difficult years, public transportation is entering into a new period of growth. Indeed, thanks to increased support from all levels of government, programmes have been implemented to promote the development of public transit. As a strategic alternative in the fight against climate change, public transportation is largely recognized as a real solution to improving air quality and, by the same token, the quality of life of people, because it contributes directly to reducing greenhouse gases (GHG).

In 2007, the governments of Québec and Canada made decisions that were favourable to public transportation. By doing so, they acknowledged the essential role it plays in the community. Various measures were introduced to encourage its use, including the creation of new funds arising from the federal tax on gas, GST refunds, tax deductible fare cards, and the establishment of SOFIL, the public body responsible for funnelling the \$100 M earmarked annually by the Québec government to public transit authorities across the province, for the purpose of implementing the Politique québécoise du transport collectif (PQTC), Québec's policy on public transportation.

In much the same way, Ville de Montréal has chosen public and active transit in its Transportation Plan. Of the 21 major initiatives aimed at reinventing Montréal over the next ten years, more than half involve the STM. Targeted actions will maximize services while serving a larger number of people. The ambition of both municipal government and STM is nothing less than to make Montréal a public transit leader in North America. A bold and ambitious challenge made possible through the support of partners and employees committed to building the future.

The STM has the drive, the determination and the competent employees needed to take on these challenges. However, to succeed, it must have performing and reliable vehicles. And to meet the increasing demand, particularly during peak periods, it is imperative that the STM acquire new métro cars and replace its first-generation low-floor buses (APS 1) that are twice as less reliable as those of earlier generations. If the STM receives authorization from the ministère des Transports du Québec (MTQ), over 1000 new buses could be added to its surface fleet by 2011, something unheard of! Discussions are ongoing with the Québec government about the replacement process for MR-63 métro cars, first introduced into service in 1966. If all goes well, our clients could be seeing new rolling stock by 2012.



The year 2007 will be remembered for the grand opening of three new métro stations in Laval, a most memorable event. Still, 2007 was also marked by two historic agreements. First, the municipalities forming the Montréal Metropolitan Community (CMM) acknowledged the metropolitan nature of métro infrastructure and, consequently, accepted to finance its operating deficit. Second, all surveillance activities in the métro were handed over to Ville de Montréal's police department (SPVM). These agreements further illustrate the STM's commitment to gaining the support of its partners in the interest of public transit and its clients.

The STM has undertaken significant changes and the population is beginning to appreciate the results of this new approach. Its efforts to increase performance and improve the quality of services are noteworthy and deserve to be emphasized. The excellent work by its management team and the contribution by all employees toward making public transportation a pleasant experience must also be acknowledged. I would also like to thank the members of the board for their continued support and their precious contribution to the success of this company in which we so firmly believe.



Claude Trudel




The force behind our actions

The STM is a key economic player that contributes to the quality of life of citizens and to the prosperity of the greater metropolitan area. A public corporation, it shows such excellent results, its stock price would climb if it was listed on the exchange! Indeed, its performance and sound management are acknowledged by bond rating services who gave it A+ and A (high) ratings. Moreover, when its operational indicators are compared to those of other public transit companies around the world, it enjoys an enviable situation in many regards.

Ranked 14th among top Québec corporations, the STM must improve its public image and further promote its services in the community. To help make these changes happen, I have reviewed the corporate organizational chart and ensured that it will help achieve the goals of the 2007-2011 business plan we have prepared. This plan ties in with Montreal's Transportation Plan and confirms the position public transportation must hold in the metropolitan area. It proposes nothing less than an actual revival based on improved, more frequent and better defined services. It aspires to making public transportation a very real solution to the fight against greenhouse gas emissions. The business plan is also a reflection of our commitment to sustainable development and illustrates the STM's firm intention of becoming a leader in that field. In fact, several decisions taken in 2007 support this corporate direction: procurement of biodiesel to fuel its entire fleet of vehicles, purchase of hybrid-drive and articulated buses, eco-construction project as part of the expansion of Legendre bus centre, partnerships with big events to promote public transit use and contribute to lowering greenhouse gases.

Consultations among groups of clients have shown that many do not realize they are doing their part for the environment when they use our services. Yet a bus carries as many people as 50 cars and produces 6 to 18 times less pollutants. The same goes with the métro, which carries as many people as 500 cars and does not pollute, as it runs on hydroelectric power. This only confirms the importance of emphasizing the advantages of public transportation and of supporting our actions and decisions with communications and marketing strategies that have more teeth.





Despite negotiations with our six unions that kept us rather busy, we nevertheless moved forward with our projects and the results speak for themselves. Métro car refitting, ongoing Réno-Métro programme, deployment of new fare collection boxes in buses and preparations for the arrival of smart cards were all successfully achieved. Opening and operating three métro stations in Laval was without a doubt the biggest event of the year, the last métro expansion dating back to 1988. This project required years of work and called upon the genius, professionalism and determination of our employees. It also showed the extent of our team's efficiency, competence and pride in its achievements.

As an public institution, the STM must inspire pride: pride in using its services and contributing to its mission, pride in our professional work and accomplishment, pride in being one of its partners. And to promote greater pride, we must multiply our efforts and work on changing public perceptions about us. The context is favourable, as public transportation now enjoys the crucial support of elected officials at all levels of government and of business partners. We must mobilize our forces and make the most of this support so that we provide clients with a pleasant transit experience. I am convinced that we are up to the challenge. The STM's strength lies with its team, committed to reaching its goals, a team capable of giving its very best. This is what keeps us going and reveals the true meaning of **the force behind our actions**.



Yves Devin





Mission Statement

A public transit corporation, the STM is a key component to economic growth in the Montreal area, while contributing to the quality of life of citizens and supporting sustainable development.

The STM develops and operates an integrated transit network, courteously providing customers with reliable, rapid, safe and comfortable transportation.

Its clients and employees, as well as its corporate and commercial partners are proud of this relationship, because the STM is known for delivering quality services at a fair price.



RANKED 14TH AMONG TOP QUÉBEC CORPORATIONS



Values

To achieve its mission, the STM promotes five corporate values:

• **Teamwork** • **Thoroughness** • **Respect** • **Accountability** • **Transparency**

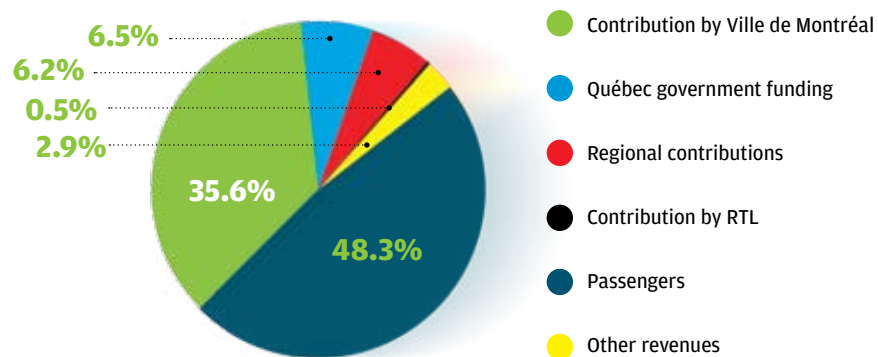
Goal

An **8%** increase in ridership by 2011

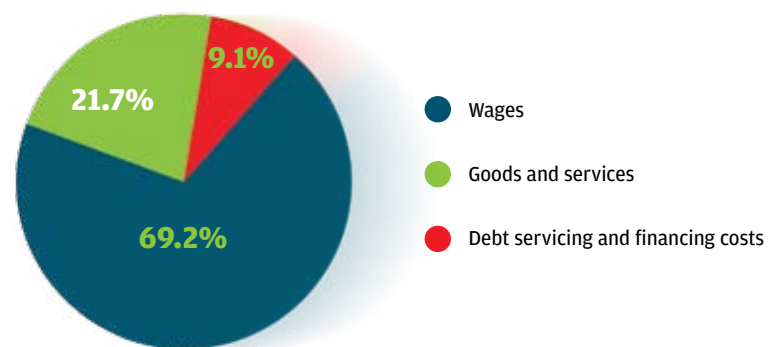
2007 Budget

\$857 M

2007 Revenues by category



Expenses by category





The transit network



Métro system

4 lines totalling 71 km of tracks serving 68 stations

Fleet of cars

MR-63	336
MR-73	423
Total	759



Bus system

192 routes, including 20 for night time service
126 routes accessible to persons with limited mobility
11 reserved lanes covering 45,5 kilometres

Fleet of vehicles

Standard buses	496
Low-floor buses	1094
Paratransit minibuses	101
City minibuses	4



Distribution of workforce

Workforce at December 31, 2007

Sector of activity	2006	2007
First-level operational managers and supervisors	318	326
Foremen	133	140
Corporate managers	213	227
Non-union professionals and office staff	88	89
Unionized professionals	201	216
Divisional clerks	202	200
Security inspectors	149	106 ¹
Unionized office staff	633	655
Drivers, operators and related services workers	3671	3667
Maintenance workers	1887	1980 ²
Total	7495	7606

¹ As part of the transfer of activities related to transit security, a number of métro constables have been transferred to the Métro division of Montréal's police department (SPVM). Those who remained with the STM now carry the title of inspector.

² A larger number of maintenance workers was needed to carry out projects, such as the refitting of MR-73 métro cars and Réno-Systèmes.

	2007
Proportion of women	22.5%
Proportion of ethnic and visible minorities	14%
Average age of employees	46 years
Average number of years of service	13.7 years
Recruitment	663 employees
Retirement eligibility	1060 employees
Actual retirements	355 employees

Union representation

- 90.3%
- of all employees are members of either one of these six certification units:
- 45.8%

Syndicat des chauffeurs d'autobus, opérateurs de métro et employés des services connexes au transport de la STM (section locale 1983 – SCFP)
- 28.3%

Syndicat du transport de Montréal (employés d'entretien – CSN)
- 8.9%

Syndicat du personnel administratif, technique et professionnel du transport en commun (SCFP 2850 – FTQ)
- 3%

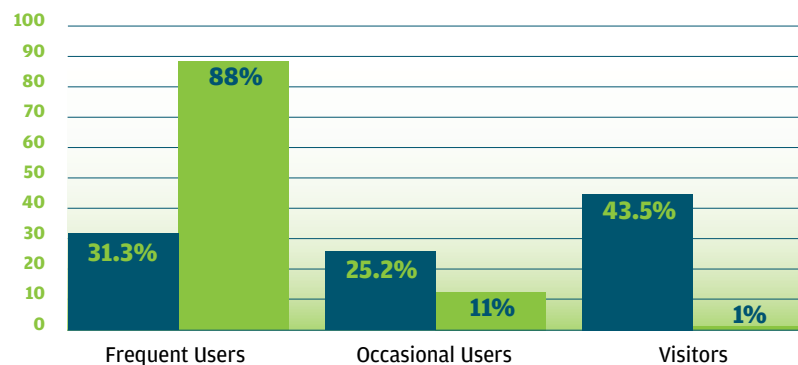
Syndicat des professionnelles et professionnels de la STM
- 2.5%

Syndicat des travailleurs et travailleuses de la STM (CSN)
- 1.8%

Fraternité des constables et agents de la paix de la STM



Client Profile



■ percentage of clients
■ percentage of rides they carry out

Average age: 42 years **Occupation:** 24.7% are professionals

Average household income: \$48 300

Language: 67% French, 13% English, 20% Other

Gender: 56.1% Women, 43.9% Men

Source: Segmentation de la clientèle, 2006.

PURPOSE OF TRANSIT RIDES

	Total STM	Métro	Bus
Work	42%	48%	39%
Studies	30%	28%	31%
Other	28%	24%	30%
Montréal residents	86%	81%	95%
Proportion of clients from households without a car	40%	38%	44%

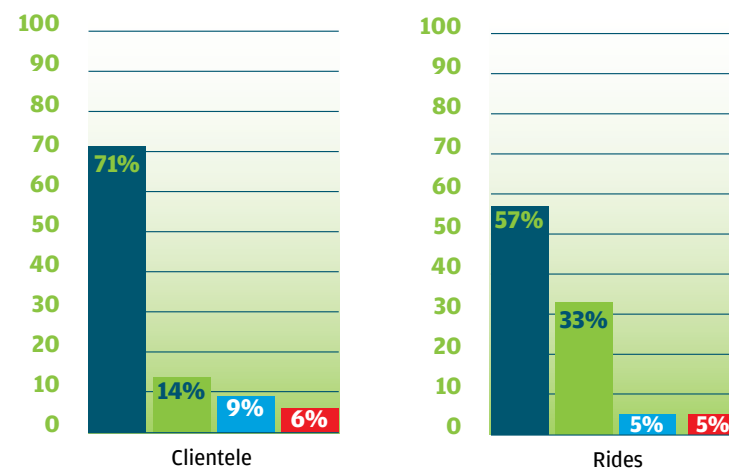
Average length of transit ride: 8 km

60% of clients transfer at least once per ride

Source: 2003 Origin-Destination Survey.

Paratransit Client Profile

17 500 admitted clients



■ Physical disability
■ Intellectual disability
■ Psychic disability
■ Visual disability

81% of rides are carried out by ambulatory clients

19% by people in a wheelchair

75% of rides are provided by taxis

25% by minibus

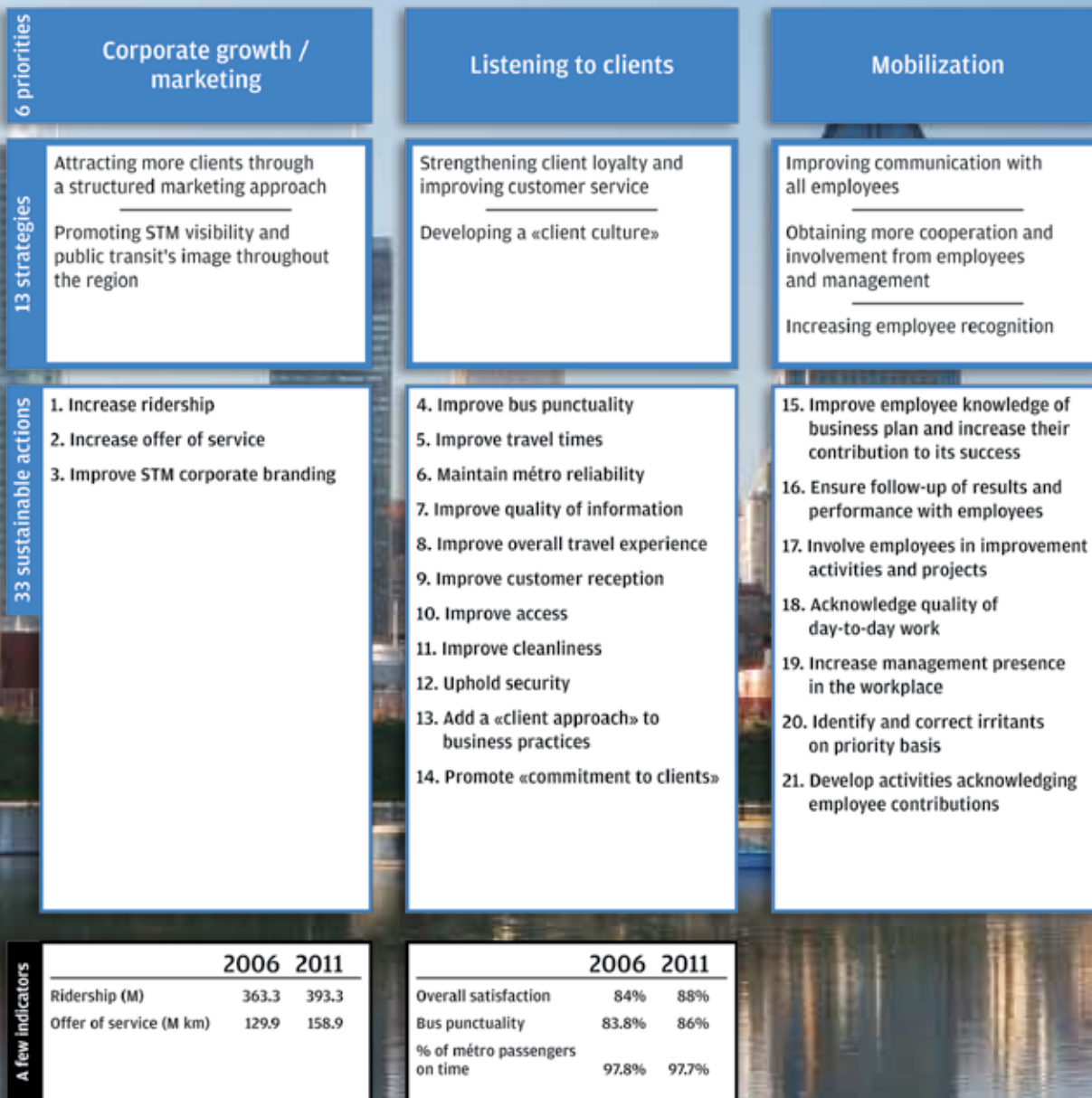


To take on the ambitious challenge of increasing ridership by 8% by 2011, posed by the Politique québécoise du transport collectif (PQTC - Québec's policy on public transportation), the STM must increase its offer of service by 16%. In the next five years, it will have to implement hundreds of measures to attract more clients to its transit system. Those efforts will be supported by communications and marketing strategies that will help to boost public opinion of its image and position the STM as an efficient, performance-driven corporation, concerned with providing its clients with a wholly satisfying public transit experience. With security, reliability, rapid transportation, cleanliness and cordiality as the main structuring elements of service quality, these are at the heart of the corporation's 2007-2011 business plan.

A PROPOSED BUSINESS PLAN



2007-2011 Business plan – sustainable actions



Achieving business investments

Generating added value when renewing assets

Optimizing project portfolio management

Optimizing internal project management

- 22. Improve knowledge of assets being replaced
- 23. Develop an investment plan integrating corporate priorities
- 24. Implement process for project prioritization
- 25. Improve project portfolio management
- 26. Improve project planning and execution
- 27. Improve project oversight and follow-up

Improving performance

Improving corporate profitability

Optimizing management in each corporate sector: reviewing processes, activities, business practices, allocation of staff and resources

- 28. Increase corporate revenues
- 29. Maintain operating costs as low as possible
- 30. Promote STM's economic impact in metropolitan area
- 31. Lighten decision-making process for closer ties with operations
- 32. Improve corporate processes

Integrating sustainable development

Adopting best practices for sustainable development

- 33. Include sustainable development approach in business practices

	2006	2011
Investment achievement rate	65.5%	90%

	2006	2011
Commercial revenue	\$14.8 M	\$27 M
Self-financing rate	60.8%	61.6%
Number of immobilized buses	18.9%	17%





A PERFORMANCE-DRIVEN CORPORATION

Winning awards

«Équité et accès à l'égalité dans l'emploi» award for equal opportunity and employment equity by the Round Table for Black History Month

«Coup de cœur» award by the Lisette-Dupras rehabilitation centre to Carole Rozon, driver for STM paratransit service

Outstanding Achievement award by the Québec urban transport association, ATUQ, for the opening of three métro stations in Laval

Lifetime Achievement Award by the Canadian Urban Transport Association to Daniel Côté, Executive Director – Major Projects Management

Prix Gilles-Coutu awarded to Jacques Lussier, Superintendant – Minibus Service Delivery, for his involvement in improving paratransit services and for defending the rights of paratransit users

Director of the Year award to Yves Devin, Director General, at a Gala hosted by Ville de Montréal police (SPVM)

Prix Guy-Chartrand from Transport 2000-Québec awarded to Daniel Beauchamp for the quality of management at Transport adapté

Finalist for the Prix Arts-Affaires from the Board of Trade of Metropolitan Montreal in recognition of our close association with the Board of Montréal Museum Directors

Important market share

85% of all public transportation in the métropolitan area; 75% of all public transit use throughout the province.

Strong modal share given the North American context

About 30% of all motorized travel in the Montréal area on weekdays is carried out by public transportation.

High usage level

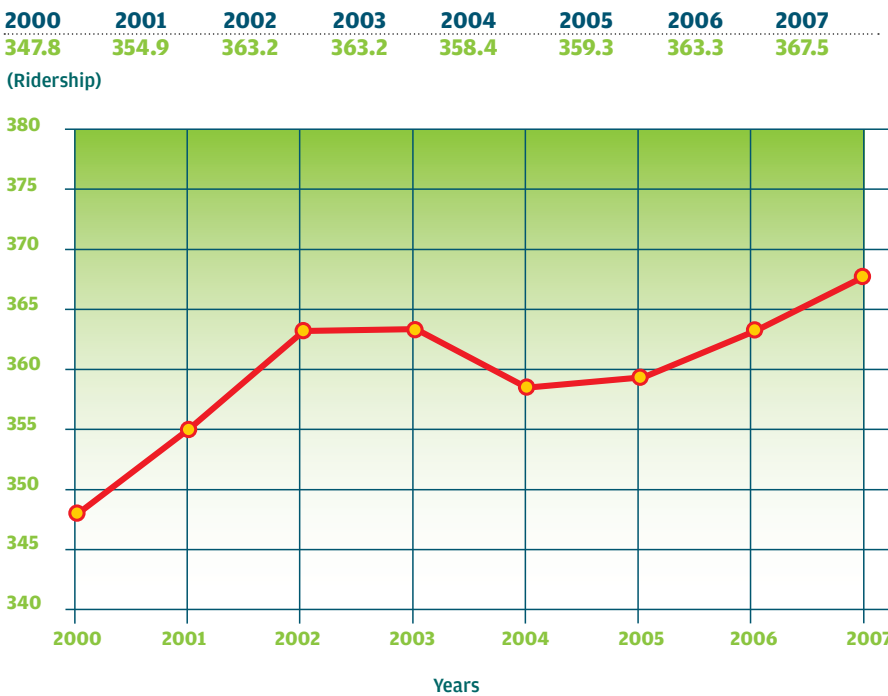
Each year, Montrealers take public transit some 222 times compared to Toronto residents who take it 210 times and to residents of major American cities (Boston, Chicago, Detroit, New York, Washington and San Francisco) who, on average, only use it 63 times.

Moreover, according to Statistics Canada, the Montréal area ranks first among major Canadian cities, with the least frequent car travel and where public transit is the most popular.

Expanding ridership

4.2 million rides more than in 2006 for a total of 367.5 million bus and métro rides, or a little over one million rides each day.

Ridership - Bus and métro



Continued growth for paratransit service marked by a **7.4%** increase in the number of rides provided by minibus or taxi, for a total of over **2** million trips. In addition, since 2003, operating costs per trip have decreased by **12%**, from **\$21.77** to **\$19.16**.

Rides	2006	2007	Variation
Minibus	403 412	393 702	- 2.4%
Accessible taxi	215 267	301 767	40.2%
Taxi	1 321 924	1 389 440	5.1%
TOTAL	1 940 603	2 084 909	7.4%

Fares among the lowest in North America

Transit fares charged by the STM are still among the lowest in North America. Indeed, according to the Mercer Human Resources index based on the cost of living (i.e. on wages, goods and services provided in large cities) instead of on the median household income, the STM compares favourably to public transit companies in Vancouver, Calgary, Toronto, Chicago and New York, with respect to the cost of public transportation. The fare discounts granted to students and seniors (**47%** on average) are also one of the best bargains on the market.

2007 Fare structure – North American cities

Regular Fares

City	Cash	Ticket	Monthly pass
Canada (\$ CAN)			
Montréal	\$2.75	\$1.96	\$65.00
Longueuil	\$3.25	\$2.50	\$73.00
Laval	\$3.00	\$2.63	\$72.50
Québec	\$2.50	\$2.30	\$66.35
Toronto	\$2.75	\$2.25	\$109.00
Calgary	\$2.25	\$1.95	\$75.00
Vancouver	\$2.25	\$1.80	\$69.00
United States (\$ US)			
Boston	\$2.00	\$1.70	\$59.00
New York	\$2.00	\$1.60	\$76.00
Chicago	\$2.25	\$2.00	\$75.00
Philadelphia	\$2.75	\$2.20	\$78.00

STM Fares

	2006	2007
Local regular fare		
CAM	\$63.00	\$65.00
CAM hebdo	\$18.50	\$19.00
Strip of 6 tickets	\$11.50	\$11.75
Ticket – Laval stations ¹	---	\$2.75
Cash	\$2.50	\$2.75
Local reduced fare		
CAM	\$33.75	\$35.00
CAM hebdo	\$10.25	\$10.75
Strip of 6 tickets	\$6.00	\$6.25
Ticket – Laval stations ¹	---	\$1.75
Cash	\$1.50	\$1.75
Tourist card		
1 day	\$9.00	\$9.00
3 days	\$17.00	\$17.00

¹ Fares in effect since April 30, 2007, with the opening of Cartier, de la Concorde and Montmorency métro stations.

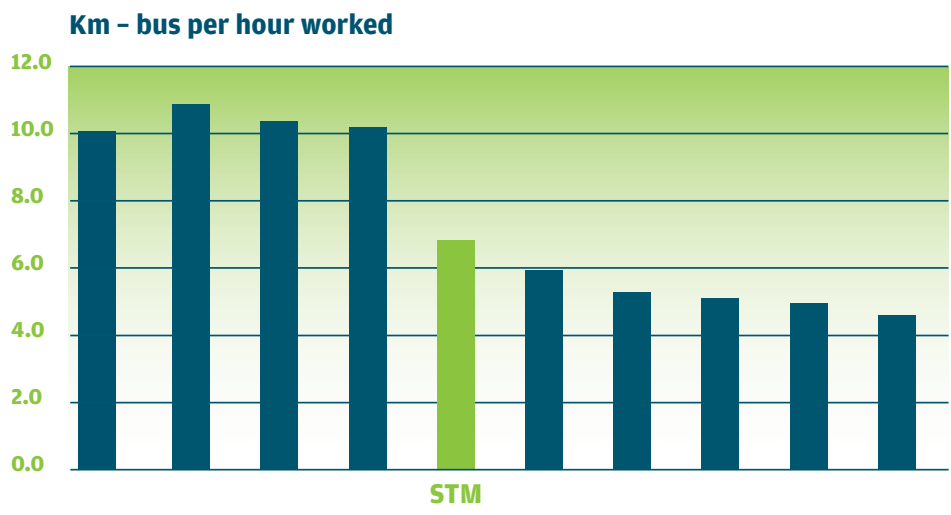
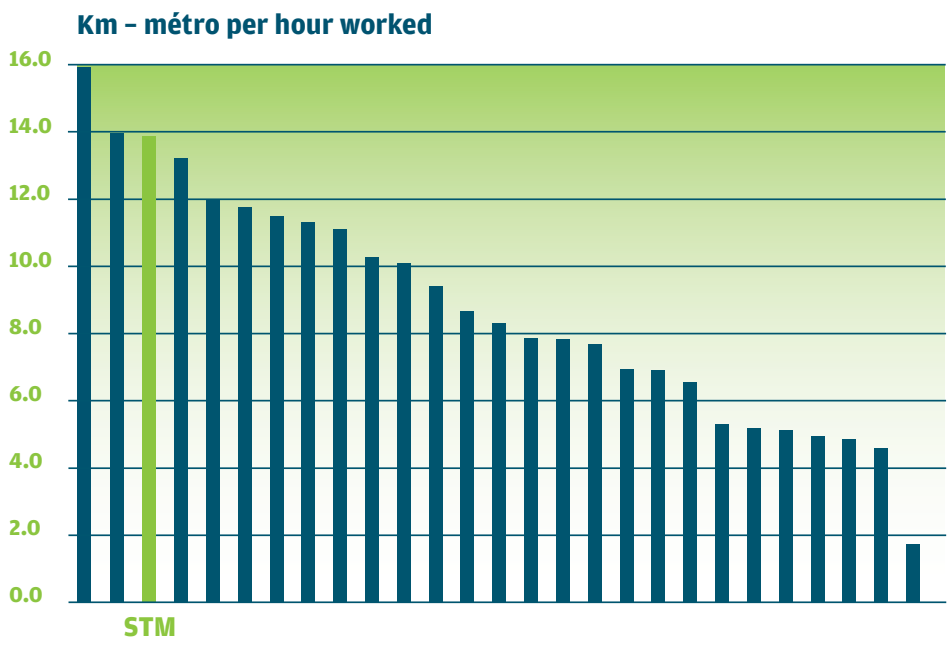


A company that stands out

Over the years, the corporation has succeeded in staying on course with regards to performance, as indicated by benchmarking studies carried out by Imperial College London, which concluded that:

- The Montréal métro is one of the three most efficient subway systems in the world;
- Its operating costs are among the lowest;
- Bus driver productivity ranks among the best (7h 18m out of 7h 30m spent driving their bus).

Imperial College London measures the efficiency of transportation modes by the number of kilometres produced per hour worked by all employees.



Source for charts: Imperial College London.

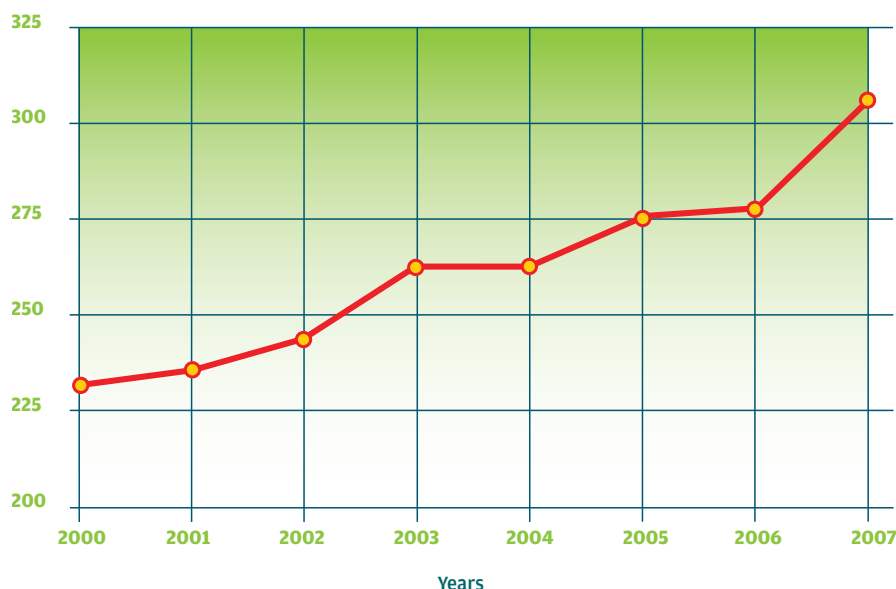
An exceptional contribution by Ville de Montréal

Ville de Montréal made a one-time, exceptional contribution of **\$29 M** over and above 2006 to absorb the accumulated operating deficit. With this measure, the city is once again acknowledging the importance given to public transportation and demonstrating its confidence in the actions that will be taken to further develop public transit.

Municipal contribution since 2000 (constant dollars)

2000	2001	2002	2003	2004	2005	2006	2007
231.6	236.6	244.1	263.0	263.0	276.2	278.0	306.0

(in millions of dollars)



A well-stocked portfolio of projects

The STM plans on investing **\$7.6 B** from 2008 to 2021, at an average rate of **\$546 M** a year. The purchase of métro cars and buses, the replacement of fare sales and collection equipment, the construction of new bus depots, and the ongoing Réno-Systèmes and Réno-Stations renovations programmes are some of the main projects that will be realized over the next few years to improve services.

Enviably credit ratings

Over the last few years, the STM's sound management was rewarded by Standard & Poor's and DBRS who upheld the STM's A+ and A (high) ratings. The agencies acknowledged the company's solid financial performance and sound management style, as well as the commitment to public transportation made by government and municipalities in the Montréal agglomeration. In their reports, however, they noted that the need for investment still poses a challenge for the transit corporation, as maintaining and upgrading its installations is estimated at over six billion dollars over the next fifteen years.

Sheltered from fuel price fluctuations

The STM uses some **47** million litres of diesel fuel each year, at a cost of about **\$46 M**. That amount could be even higher if the company had not conducted hedging transactions. Indeed, as a way of protecting against fluctuations in the price of gas, the STM has negotiated SWAP agreements for oil with major financial institutions since 1998. This measure enabled the STM to better plan its fuel expenses and enjoy stable prices. Until now, it has produced savings of some **\$5 M**.

Investments wisely sheltered from any ABCP

The STM financed its investment projects while ensuring that its operational activities ran smoothly. The corporation's cautious and rigorous management of incoming and outgoing funds, focused on meeting targets, helped to avoid the asset-backed commercial paper (ABCP) credit crisis affecting many financial markets, as it does not have any such investments.

\$350 M in long-term loans at an average rate of **4.87%**

\$561 M in short-term loans at an average rate of **4.61%**

\$395 M in investments at an average rate of **4.46%**

\$117 M in assets in a sinking fund that produced returns of **5.18%**



Financially healthy pension funds

The STM manages two employee pension funds: the first for the *Syndicat du transport de Montréal CSN*, exclusive to maintenance workers, and the second for the *Régime de retraite de la STM* (1992), to which all other employees contribute. These funds hold assets valued at over **\$3.3 B** and are financially healthy despite the weak performance of some financial markets. Their sound management ranks them among the top-performing funds in Canada.

Best practices in real estate assets maintenance

The STM's *Galaxie* project team has fulfilled its mandate with the implementation of best business practices in real estate assets maintenance, thanks to the full deployment of SAP management system for infrastructure maintenance. Thanks to their efforts, one can now obtain a status report of maintenance activities in real-time, an advantage for planners and supervisors alike. With this new work tool, the STM can rationalize costs and increase efficiency in this business sector.

New equipment to counteract fraud

The deployment of **1500** electronic fare control boxes for buses was successfully completed after fifteen months and seven bus depots. The fare boxes offer better control over fare revenues and about **\$4 M** were recovered. Some **3300** employees were trained for this new technology, which was well received. These results are a good sign for the next phase of deployment planned for spring 2008. Once all the equipment is installed, the STM estimates it can recover at least 50% of the \$20M it loses to fraud each year.

Commercial revenues on the rise

The STM created Transgesco, a wholly-owned subsidiary company, in 2003 to ensure the development of commercial potential and establish sources of revenue other than fare-based. For now, Transgesco s.e.c. oversees two subsidiaries, Métrocom s.e.c. (administration of commercial space) and Métrovision s.e.c. (network of digital displays). After growing **8.9%** from 2005 to 2006, Transgesco s.e.c. continues to expand and closes the year with a **\$3.4 M** profit. Behind this increase are **6** new retail areas introduced in the métro environment, bringing their total to **10**, and implementation of phase II of Métrovision's deployment plan for its display screens, bringing their total to **20**.

Including revenues produced from partnerships with Métromédia Plus (bus and métro ads), Viacom (bus shelter ads), Télécité (métro car visual displays), and with *Métro* newspaper, commercial revenues for 2007 reached **\$15.9 M**, a **\$1.6 M** increase over 2006.

- 1 Retail area in Lionel-Groulx station
- 2 New electronic fare box
- 3 Montréal Alouettes
- 4 Rogers Cup - Tennis Canada
- 5 Gala Sports-Québec
- 6 MétroOpéras avec l'Opéra de Montréal
- 7 En ville, sans ma voiture (World Car-Free Day)
- 8-9 Salon national de l'environnement
- 10-11 Salon des générations



Profitable business partnerships for all

The STM was involved in Montréal's biggest events to promote public transportation, position itself as a partner committed to sustainable development, gain new clients and ensure the loyalty of current ones. According to surveys, **46%** of the population believes that these partnerships help to improve public opinion of the STM. Its notoriety is such that **70%** of those taking part in events know the STM. Such partnerships are in line with the corporate strategy to develop its client base through a structured marketing approach.

For the first time, the STM teamed up with the Just for Laughs Festival and invited the population to use the bus and métro to reach the sites where festival activities were held. The original theme, *Métro-bus yourself* to the Just for Laughs Festival, was widely seen, creating true synergy between the event and public transportation.

Another winning partnership was developed with Tennis Canada and the Rogers Cup. Indeed, through that agreement, ticket holders received two public transit tickets, free of charge, to encourage them to use the bus or métro to make their way to the Uniprix Stadium. In doing so, organizers demonstrated their commitment to the environment, while emphasizing the importance of their action to tennis fans, who responded quite favourably to the invitation. The promotion was an overwhelming success and showed that for large events, public transportation is a logical, natural partner.

«Our agreement with the STM is a first on the world tennis scene, because no other tournament provides free access to public transportation for tournament ticket holders. Such a partnership offers an excellent opportunity to reflect on the environmental impacts of car use and on the importance of making responsible choices in terms of sustainable development. In that sense, Tennis Canada is convinced that using public transportation is an excellent way of contributing to efforts by the entire community in that respect.»

Eugène Lapierre, Director, Rogers Cup

Montréal Alouettes
 Rogers Cup – Tennis Canada
 Presidents' Cup (PGA golf tournament on Ile Bizard)
 FIFA U-20 World Cup Soccer
 Défi sportif for disabled athletes
 Gala Sports-Québec
 Montréal Open golf tournament
 Tour de l'Île de Montréal cycling event
 Salon national de l'environnement
 Salon des générations
 COMOTRED Conference on paratransit
 AQTR Conference on sustainable transportation
 En ville, sans ma voiture (World Car-Free Day)
 Fête des neiges de Montréal
 Fête des enfants de Montréal
 Journée de l'air pur (Clean Air Day)
 AQLPA's old vehicle scrapping program
 Biennale de Montréal
 Expo ART
 Just for Laughs Festival
 Festival du nouveau cinéma
 Montréal High Lights Festival
 Montréal Museums Day
 Journées de la culture
 La poésie prend le métro
 MétroOpéras avec l'Opéra de Montréal
 Salon des métiers d'art
 Transportation Cocktail with Équiterre
 Espace Sedna
 Parada de Autobus
 Fête du Montréal souterrain



OUR INDICATORS





Ridership

367.5 million bus and métro rides, a **1.1%** increase
2 million paratransit rides, a **7.4%** increase

Customer satisfaction

Overall customer satisfaction level is holding steady at 84% while operating costs have been lowered.

Métro reliability maintained despite aging equipment, with the result that **nearly 98% of clients arrive on time.**

Bus service reaches 84% on-time performance level, despite reliability problems mostly affecting first-generation low-floor buses (APS 1) that account for one third of the bus fleet.

Stronger sense of security: **89% of clients feel secure aboard the bus and métro.**

Transport adapté

Rising satisfaction levels for paratransit service, where exceptional results have been achieved: appreciation levels for drivers vary from **88% to 100%**, particularly for their smooth driving and courtesy, while appreciation for the quality of service provided by call centres is about **85%**, and refer to courtesy, attentive listening, pleasant tone of exchange, as well as the quality of information provided by agents.

A marked improvement in response rate

In 2006, one needed to call **3.15** times before being answered when making a reservation. In 2007, that ratio went down to **2.45** calls, a **22.2%** improvement.

The average waiting time lowered slightly, from **4 min 16** to **3 min 27**, a **19.1%** improvement.

Customer services

A-U-T-O-B-U-S **10 295 212** calls
STM-INFO **792 566** calls

TOTAL **11 087 778** calls
or **5%** less than in 2006

Website **17 255 502** visitors
or **24%** more than in 2006

Comments and complaints

24 669, a **14%** increase, with **22 082** complaints and **2 587** suggestions and/or compliments

66% were voiced over the telephone and 32% by email

68% pertained to the bus network and 12% concerned the métro

Complaints by category	
Service delivery	10 467
Employees	8 290
Equipment	2 425
Information	900

Main reasons

- Three new stations in Laval (overloading on the 2 - Orange line and fares)
- Shortage of buses due in part to reliability problems of APS 1
- Negotiations and strike by maintenance workers
- Bad weather conditions and snow removal

Bus

Total kilometrage

	2006	2007
Bus	69 776 396	70 013 558
Paratransit minibus	2 775 922	2 673 956

Busiest bus routes / average weekday

1. 67 – Saint-Michel	38 900 daily rides
2. 121 – Sauvé/Côte-Vertu	36 400 daily rides
3. 139 – Pie-IX	34 500 daily rides
4. 535 – Voie réservée du Parc/ Côte-des-Neiges	32 100 daily rides
5. 69 – Gouin	27 400 daily rides

Bus Punctuality

Goal (-1 min + 3 min)	2006	2007
	83.7%	83.8%

Projected service delivery	99.15%	98.2% ¹
----------------------------	--------	--------------------

¹ The decrease is explained mainly by a one-week strike in May.

Accidents involving a bus or minibus (per 100 000 km)

	2006	2007
	4.13	4.41

Métro

Busiest métro stations

1. Berri-UQAM	12 024 018
2. McGill	10 807 951
3. Guy-Concordia	7 344 314
4. Longueuil—Université-de-Sherbrooke	7 198 704
5. Bonaventure	6 771 416

Busiest day

Thursday, October 18 with **830 130** rides

Métro

Total kilometrage (providing customer service)

64.8 M km-car vs **59.8 M** in 2006

Projected service delivery

2006	2007
100.09%	101.62% ²

² with added train cars on 5 – Blue line

Reliability

97.6% of clients arrive on time

Number of rides delayed by 5 minutes or more³

Causes

	2006	2007
Mischief, ill passengers	2 219 843	2 020 307
Rolling stock	1 249 291	1 682 651
Train operations	208 099	426 828
Stationary equipment	374 536	453 007
External factors	123 508	220 896
Miscellaneous	178 759	208 063
All causes	4 354 036	5 011 752

³ When reading chart, one should take into consideration that the métro provided over 222 million trips in 2007 and that the 2 – Orange line was extended to Laval.

Number of incidents lasting 5 minutes or more⁴

Causes

	2006	2007
Mischief, ill passengers	409	366
Rolling stock	218	258
Train operations	42	88
Stationary equipment	78	85
External factors	15	26
Miscellaneous	32	30
All causes	794	853

⁴ When reading chart, one should take into consideration that the métro ran an additional 5 million kilometres in 2007.

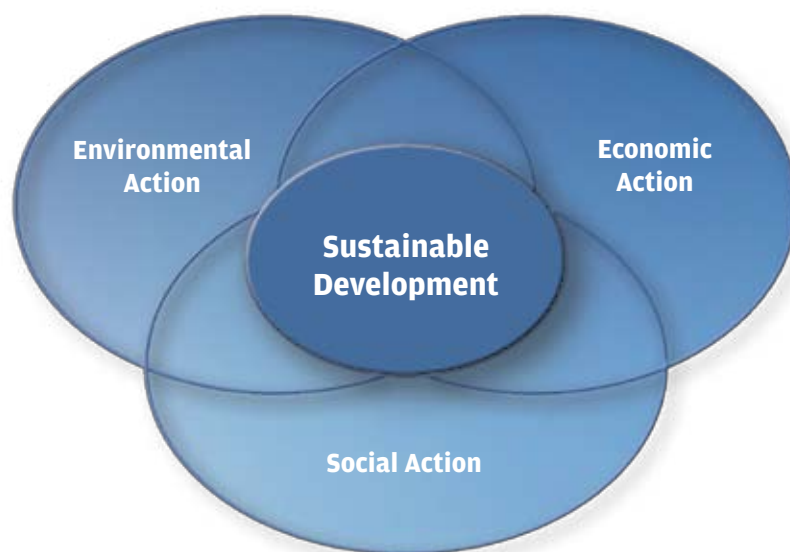




PROFITABLE ACTIONS
COMMITMENT TO SUSTAINABLE DEVELOPMENT



Having signed the Charter on Sustainable Development by *Union internationale des transports publics*, the STM committed to integrating the Charter's dispositions in its business practices, to training its employees and to measuring its progress in a context of ethics and transparency. To make its vision come true, the STM established a Strategic Planning executive branch responsible for sustainable development, among other things. It is involved with the David Suzuki Foundation, the *Conseil régional de l'environnement de Montréal* (CRE), Équiterre and Transport 2000 Québec for the purpose of delving deeper into the possibilities and initiating a number of awareness activities. Although it already carries out over a hundred such sustainable actions, the corporation has developed a vision that was presented to the media on March 22, not only to make a stand but to show it intends to go the distance.





Back to biodiesel in 2008: opening up a new market

As part of its commitment, the STM has chosen biodiesel to fuel its bus fleet beginning in November 2007. The decision follows through on the 2002-2003 pilot project carried out by Frontenac bus depot (Centre de transport Frontenac), with **155** buses, that achieved very good results.

The use of a **5%** concentration of biodiesel, commonly known as B5, will lead to reducing annual CO₂ emissions by about **7000 tons**, equal to removing some **1400** vehicles from our roads.

To that end, the STM had to show boldness and determination in persuading oil companies to supply it with this relatively unavailable product. By doing so, it opened up the Québec market for biodiesel, which will not only benefit public transit companies, but also municipalities and consumers alike, who will eventually choose greener ways of being mobile.

OLCO inc. Corporation was awarded a two-year contract to supply diesel fuel and biodiesel. For production of that biofuel, the STM favours a combination of used cooking oils and animal fat. The scope of this contract places the STM among the top three biodiesel buyers in Canada along with Toronto and Vancouver.



«It is primarily by multiplying the number of real actions that we can quickly make progress in furthering sustainable development efforts. From that perspective, there is reason to acknowledge the STM's initiative, because in addition to making GHG emission reductions possible, it presents an inspiring example of direct action that can, in turn, mobilize organizations and individuals alike.»

Isabelle Hudon, President and Chief Executive Officer, Board of Trade of Metropolitan Montreal

1
David Suzuki with Yves Devin and Claude Trudel.

2
Press conference on sustainable development, March 22, 2007.

3
A bus running on biofuel can reduce its annual GHG emissions by four tons.



Hybrid Bus Acquisition

As part of the Urban Transportation Showcase Program, the STM in collaboration with Société de transport de l'Outaouais (STO) will conduct a pilot project for the purpose of implementing an integrated set of measures aimed at reducing greenhouse gas emissions and airborne pollutants. The project will specifically focus on operating eight hybrid diesel-electric buses in the Côte-des-Neiges–Notre-Dame-de-Grâce district and assessing their environmental performance in various weather conditions. The hybrids will be paired with same-generation, conventional diesel drive buses travelling the same routes. The project could lead to the reduction of **330 tons** of GHG emissions, equal to removing about sixty vehicles from our roads. Based on results obtained by King County Transit in Seattle, these environmental gains would result from a **20%** reduction in fuel consumption, largely offsetting the vehicle's higher purchase price.

Carrying out this project required investments of **\$19.7 M**, of which **\$6.4 M** are funded by the ministère des Transports du Québec, **\$4 M** by the federal government, **\$3.9 M** by SOFIL (from the transfer of federal excise taxes on gas), **\$3.2 M** by the STM, and **\$2.2 M** by the STO.

A big change in direction: acquiring articulated buses

In April, the STM awarded a **\$190.6 M** contract to NovaBus for the procurement of **202** articulated buses. The decision reflects an important change in direction taken by the corporation to provide greater diversity in services. A prototype should be introduced to the public in 2008 and, if all goes well, the new buses will be put into service by fall 2009. With passenger capacity at **105** people compared to **75** in a standard bus, the vehicles will be assigned to heavily used routes.



Embracing eco-construction

Works to expand the Legendre bus centre and new bus bodyshops were formally announced on October 4 with Transports Québec Minister, Mrs. Julie Boulet, in attendance. Estimated at **\$102 M**, this large-scale project will be achieved through the financial support of the ministère des Transports du Québec, who assumes **75%** of eligible expenditures. The two structures will help improve service reliability. Work should be completed by July 2009, allowing the STM to replace a major share of its bus infrastructure with installations designed to facilitate maintenance of fibreglass bus bodies and accommodate articulated vehicles. Early on in the project, the STM favoured an ecological approach that would reaffirm its commitment to sustainable development. Choices were made to ensure the buildings' components are greener: recycling **15 million** litres of water each year from washing buses, vegetation barriers, **950** square metres of green roof, **500** square metres of solar walls, and a rainwater storage pond with plant material.

Ongoing SmartDriver for Transit program

More than **2000** bus drivers were trained in smart driving techniques. The two-day training promotes smooth driving techniques, by anticipating stops and events likely to occur on the road. This approach contributes to reinforcing the feelings of safety among transit users. The program has, by now, also contributed to reducing atmospheric greenhouse gas emissions by some **4242** tons, equal to removing **617** from our roads.





Acquisition of green vehicles for supervisors

In line with its commitment toward sustainable development, the STM favours the purchase of fuel-efficient vehicles or hybrid-drive SUV models, used by bus operations supervisors on the road.

A green energy métro

Running on electricity, the métro has a low environmental footprint. It is fed by seven power stations located throughout the city. In 2007, it consumed nearly **315 M** kWh, for a total cost of **\$19 M**. As it provided over **222 M** rides, the energy costs work out to about **8 ¢** per passenger trip. Considering the average public transit ride is roughly **8** kilometres, it averages at a **1 ¢** a kilometre. No other motorized means of transportation can compete with the métro in terms of energy consumption per trip.

Teaming up with Jean Lemire

The STM answered Jean Lemire's invitation by opening its doors to treasure hunters from his eco-construction project, *Espace Sedna Cascades Rebut global*, set up in Montréal's Old Port. Built almost entirely from recycled or salvaged materials, the space was furnished with bus and métro seats and the side of a bus serving as a pier-side window. Here was an original way for the STM to showcase its commitment to sustainable development.

«Climate changes and the planet-wide environmental crisis will cause countless victims around the world. Today, we have a moral duty to use every means at our collective disposal to curb its impact and quickly.»

Jean Lemire, author, biologist, head of mission aboard the *Sedna IV*

As part of the PQTC, an **8%** increase in ridership is equal to a GHG reduction of **80 000** tons



The environmental protection plan's five guiding principles

- Preventing and reducing pollutant emissions in water, air and soil
- Using water and energy resources responsibly
- Applying the 3 RVE principle (**R**educe at source, **R**euse, **R**ecycle, con**V**ert and, as a last resort, **E**liminate) when managing hazardous materials
- Improving the environmental management system and its capacity to react in an emergency
- Designing and operating buildings ecologically

Equality, diversity and accessibility: three major principles of sustainable development

In 1987, the STM became one of the first Québec companies to adopt an equal opportunity plan. Twenty years later, the programme is still well-reputed and recognized among the different ethnic communities. The STM takes pride in the work it has accomplished and will uphold efforts to make its workforce more representative of the transit users it serves.

In 2003, the STM created a committee on ethnic and social diversity, presided by Mrs. Brenda Paris, who represents transit clients on the Board of Directors. Her role consists of elaborating a strategy that will lead to a better understanding of the social reality of the public transit system's environment and improving the quality of relations with the various cultural communities. In 2007, five work sessions were held, as well as several fruitful exchanges with other ethno-cultural associations. The STM was also present during many job fairs to entice members of ethnic and cultural communities to join the transit team. That strategy proved a winner, with **30%** of newly-hired employees coming from them, compared to **23%** in 2006.



1

*Inauguration of Espace Sedna Cascades Rebut global.
Pierre Bourbonnière, Director of marketing, STM;
Yves Devin, Director General, STM; Mrs. Denise Vaillancourt,
Executive Director - Planning, marketing and communications, STM;
Jacques Languirand, spokesperson; Mrs. Line Beauchamp, Minister,
Développement durable, Environnement et Parcs;
Laurent Lemaire, Executive Vice-Chairman, Cascades Board of Directors;
Jean Lemire, Chairman, Fondation Sedna;
Sidney Ribaux, Executive Director, Équiterre; Jean Fiset, Site Director;
and Vincent Vanderbrouck, Artistic Director.*

2

*Accepting the «Équité et accès à l'égalité dans l'emploi»
award by the Round Table for Black History Month.
Serge Fortin, STM;
Mrs. Brenda Paris, member of the STM Board of Directors;
and Mrs. Lise Thériault, Minister, Immigration
et Communautés culturelles.*





← TERMINUS HENRI-BODASSA
SORTIE



OUR STOCK AND TRADE FOR 2007





An expanding network: three new métro stations

On April 26, with Québec Premier Jean Charest in attendance along with Montréal Mayor Gérald Tremblay, Laval Mayor Gilles Vaillancourt and several distinguished guests, Agence métropolitaine de transport (AMT) and the STM inaugurated the three newest métro stations along the 2 - Orange line: Cartier, de la Concorde and Montmorency. A day filled with pride for the elected officials, leaders, builders and employees who had been working on the project for over six years. More than **165 000** people took advantage of the Open Doors event on April 28-29 to gain free admission and visit the three stations marked by their modern style, expansive volume and natural light. News of the opening was among the top stories of interest to Quebecers during the week of April 29.

Over **60 000** rides are taken daily along that section, largely surpassing the **35 000** initially estimated.

Service improvements: this is only the beginning!

Achieved with the support of ministère des Transports du Québec and Ville de Montréal who are jointly funding it, the STM service improvements programme adopted in 2007, PASTEC, is in tune with the *Politique québécoise du transport collectif* aimed at increasing the offer of service by **16%** and increasing transit ridership by **8%** in the next five years. Some **\$100 M** are earmarked for Québec. The following actions were taken in 2007:

- 5 - Blue métro line: six-car trains at all times in response to **8%** increase in ridership
- 194 - Métrobus Rivière-des-Prairies: continuous service weekdays with 30-minute intervals during off-peak times (**5274** added hours of service). Satisfaction level: **80%**
- Express 470 - Pierrefonds: continuous service weekdays with 30-minute intervals during off-peak times (**6279** added hours of service). Satisfaction level: **95.1%**
- New public taxi in Senneville-Sainte-Anne-de-Bellevue for peak period service
- 12 - Île-des-Sœurs: Sunday service. Satisfaction level: **93%**
- 12 - Île-des-Sœurs and 168 - Cité-du-Havre: routes extended to southern tip of island



More space and greater comfort aboard the métro's MR-73 cars

The rolling stock maintenance team kept the pace with its refitting programme for MR-73 métro cars, so well indeed that **311** of the **423** cars (**73.5%** overall) were renovated in 2007 at an average cost of **\$68 000** per car. As the programme was carried out by its employees, the STM was able to lower the number of immobilized trains and keep as many running as possible. It was also able to integrate new components as they became needed during the project, such as protective films on windows to counteract graffiti. Another factor was the establishment of a workforce renewal plan for certain skilled workers in the building trades to fill positions that will, predictably, become available when these employees retire.

A survey of transit users showed that **88%** are satisfied with the interior layout (with **10%** more space), its amenities (seats, triple support posts), and lighting that compares to natural daylight. The refitted métro cars are mainly operated on the 2 - Orange line.

Some **75%** of the **\$38.6 M** project is funded by ministère des Transports du Québec. Project administrators expect the total cost to be about **18%** lower than estimated, which would save **\$7 M**. Refitting on the MR-73 cars began in 2005 and should be completed by 2008.

Inauguration of new underground fire-fighting training centre

As part of the métro's 2 - Orange line extension, the fire prevention training centre had to find a new home. It was thus relocated closer to Henri-Bourassa station, inside new, more modern and functional quarters. Officially inaugurated in October with Transports Québec Minister Julie Boulet in attendance, the STM's new underground infrastructure accurately reproduces a section of the underground métro so that simulations may be carried out on site.

«While the Centre enjoys an enviable international reputation, it provides training to more than 500 people (fire fighters, STM personnel, etc.) each year and receives dozens of visitors. In its category, it now ranks among the three most advanced training centres in the world. Rebuilding the underground fire prevention training centre, whose reputation extends beyond our borders, is a crucial investment in the public's safety in the Montréal métro, but also for the population in general.»

Julie Boulet, Minister, Transports Québec

1
*Inauguration of Montréal métro extension to Laval.
Gilles Vaillancourt, Mayor of Laval,
Jean Charest, Québec Premier,
and Gérald Tremblay, Mayor of Montréal,
aboard the inaugural train driven
by Mrs. Marie-Josée Messier.*

2
*AMT Chief Executive Officer, Joël Gauthier,
giving the keys of the three new stations
to STM Chairman of the Board, Claude Trudel.*

3
*Launch of additional service on
Métrobus 194 - Rivière-des-Prairies bus route.
Nicolas Montmorency, municipal
councillor - Pointe-aux-Prairies district;
Mrs. Maria Calderone, borough
councillor - Rivière-des-Prairies district;
Joe Magri, municipal councillor - Rivière-des-Prairies district;
Cosmo Maciocia, Mayor of Rivière-des-Prairies Borough;
Mrs. Liette Vinet, Director - Bus Service Delivery, STM;
Claude Trudel, Chairman of the Board of Directors, STM;
and Benoît Gendron, Director -
Network Planning and Development, STM.*

4
*Launch of Sunday service on 12 - Île-des-Soeurs bus route.
Claude Laparé, bus driver; Marc Touchette, borough councillor;
Claude Trudel, Chairman of the Board of Directors, STM;
Yves Devin, Director General, STM;
Mrs. Ginette Marotte, borough councillor, Verdun;
Mrs. Liette Vinet, Director - Bus Service Delivery, STM;
and Paul Beaupré, borough councillor, Verdun.*

5
*Inauguration of new underground fire-fighting training centre.
Mrs. Julie Boulet, Minister, Transports Québec;
Michel Champagne, Head of fire prevention section, STM;
Claude Trudel, Chairman of the Board of Directors, STM;
and Yves Devin, Director General, STM.*





Replacement of MR-63 métro cars

The STM initiated a replacement process for its **336** MR-63 métro cars that are over 41 years old. Manufactured in the sixties, the train cars have travelled **3.5 M** kilometres, equal to circling the Earth **874** times! This means that Montréal is now one of the cities operating some of the oldest rolling stock in the world. Their replacement has become crucial, yet because métro cars are custom-built, the entire process usually requires five to six years.

As it is funding **75%** of the estimated **1.2 B** dollar project, the Québec government requested that the STM negotiate the contract privately with Bombardier. In the weeks that followed, Alstom obtained a court injunction in protest, while at the same time requesting a safeguard order to effectively end all discussions pertaining to the renewal of MR-63 rolling stock between the STM and Bombardier, a motion that was rejected by the Honourable Pierre Jasmin, S.C.J., in his May 22 ruling.

Hearings for the injunction took place in September, but by December 31, the Honourable Joël A. Silcoff, S.C.J., had not yet rendered his decision. While waiting for the ruling, the project management bureau continued to draw up the technical specifications according to the work schedule.

Repair work needed to maintain building assets

Estimated at **\$75.6 M**, Phase II of the ongoing Réno-Stations programme is **75%** funded by the ministère des Transports du Québec. Renovation work carried out at Namur, Honoré-Beaugrand, Radisson, de la Savane and Plamondon stations consisted mainly in repairing floor slabs and staircases, as well as replacing windows. Such work is indispensable to maintaining the métro's property assets and will continue until 2009.





Investing in modernization

The sustained efforts of the engineering and management teams at Réno-Systèmes have resulted in the construction and equipment installation in the Laval extension being completed earlier than expected. In addition to the métro extension to Laval becoming operational, a widely acknowledged success, the Réno-Systèmes project bureau has several other achievements to its credit for 2007. Most of the work has already been completed, including installation of the remote transmission system, **1150** video surveillance cameras, **6000** telephone sets, the new radio-communications system for métro operations, **1100** new loud-speakers inside five stations, and replacement of **60** km of high voltage cables. In the programme's first phase, the work carried out in 2007 reached **\$71.6 M**.

At the same time, the second phase of the programme continued to progress. Works totalling some **\$29 M** were carried out, as part of the train control system renewal, consolidation of elevated tracks at multi-level stations, replacement of telephone sets in tunnels, and delivery of **13** escalators. Among other work mandates, site layout and construction of fare control booths for the deployment of the new fare sales and collection system in 2008 are worth noting, as well as the federal government's *Transit-Secure Program*, allowing for full access control and video surveillance system coverage throughout the métro and the deployment of a new tunnel intrusion detection system.

«We are counting on our partners to help us tackle security-related issues by playing an important part in crisis management, emergency preparedness and interventions, in order to promote a safe and efficient transportation system.»

Lawrence Cannon, Minister of Transport, Infrastructure and Communities

1

Visit of métro control centre.

Carl Desrosiers, Executive Director - Operations, STM;
Lawrence Cannon, Minister of Transport, Infrastructure
and Communities; Claude Trudel, Chairman of the Board
of Directors, STM; Joël Gauthier, AMT Chief Executive Officer;
and Yves Devin, Director General, STM.



Changing of the guard in the métro

It was the subject of discussion for nearly thirty years, and now, it is a done deal! Under the direction of Inspector Hélène Charron, Head of the public transit division, some **132** police officers have been enforcing métro security since June. This decision is the result of an agreement between Ville de Montréal officials, the Montréal police department and the STM.

Such a transfer of responsibility inevitably raised much concern among the ranks of STM inspectors, some of which had to go through a qualification process in order to be hired by the city police department (SPVM). Although that experience proved difficult for many, employees displayed their professionalism and were careful to ensure a smooth transition.

One hundred and six inspectors are now a part of the STM's surveillance team, assigned to corporate security and fare control activities. Moreover, they contribute to efforts leading to the smooth flow of passengers and enforcing littering by-laws in the transit system.

«We are turning an important page in the history of public transit in Montréal. The permanent presence of police officers in the métro will not only reinforce security but also the sense of security felt by both transit users and the general population. This long-anticipated decision will no doubt improve the quality of life of all citizens. I take great pride in telling all Montrealers that we have fulfilled our commitment to them.»

Gérald Tremblay, Mayor of Montréal



Voyageons en paix

An awareness campaign aimed at counteracting violence against transit employees and clients, themed *Voyageons en paix : nos clients sont importants, nos employés le sont tout autant*, was quite visible throughout the system. Featuring the universal symbol for peace, the campaign caught the attention of the Circle of Peace of Montréal, who acknowledged efforts by the STM to develop a “culture of peace”. Promoting this message, the STM reproduced the peace sign on **1.1** million September CAM cards, as well as on **330 000** Fall Planibus timetables, an action that generated many positive comments.

A year for negotiations

Work contracts for the majority of STM employees ended in January 2007. Although negotiations were initiated by the end of 2006, they continued throughout most of the following year. The stakes were high: because of the current state of public finances, the new collective agreements offer no wage increases for 2007, but rather **2%** increases for the next four years. Union leaders protested against this negotiating framework, by resorting to pressure tactics to express their discontent. The *Syndicat du transport de Montréal* (CSN) even went on strike May 22-25 inclusively during which essential services were maintained at **60%** of normal service levels. The Board of Directors insisted on compensating transit users for their inconvenience during the strike, as they had previously done for the 2003 strike. Discounts of **\$3.50** and **\$2** on the purchase of a September pass were given to clients holding a regular or reduced fare pass.

For their part, métro surveillance inspectors reached an agreement on June 19, the day after the Métro division was integrated into the police force. STM Board of Directors and senior managers greeted the agreement as «historic», in light of the particular context framing its negotiation. It was the only collective agreement signed in 2007.

1

Commencement of service for métro division of Montréal police department (SPVM).

Claude Dauphin, Executive Committee Vice-chairman, responsible for public security, Ville de Montréal;

Mrs. Pascale Voyer, police officer;

Claude Trudel, Chairman of the Board of Directors, STM;

Mayor of Montréal, Gérald Tremblay;

and Mrs. Nadia Santini, police officer.

The two new police officers are the first STM métro constables to have joined the ranks of the SPVM's métro division.

2

Mur de la paix, Berri-UQAM station



Let's keep our space clean: a campaign with results

Cleanliness is an important factor in customer satisfaction. To fulfill such expectations, a two-part awareness campaign for clean transit was conducted. Themed *Gardons notre espace propre*, the campaign targeted clients while promoting the work carried out daily by maintenance workers. Questioned about the campaign's impact, **90%** of transit clients said they understood the message about also having to do their share toward keeping transit vehicles and installations clean. More interestingly, **60%** of respondents who admitted to leaving their newspaper behind or to putting their feet up on seats claimed to have modified their behaviour. Tying in with the *Montréal.net* operation, the campaign was effective, with the number of complaints involving cleanliness dropping by **21%**.

Some of the direct action taken to provide clients with a clean environment include installing ashtrays at métro station entrances (initiated by Ville de Montréal), adding newspaper collection bins inside the métro, washing station exteriors, as well as cleaning and tidying up around auxiliary installations and surrounding bus garages. Maintenance employees made major contributions to these improvement efforts.

The STM invests nearly **\$20 M** each year for all cleanliness-related activities in its transit system and installations.

Driving aces!

As part of its safe driving programme, *Prudence au volant*, the STM honoured **153** bus drivers who had each cumulated **20** to **24** years of driving without any avoidable accidents, and another **51** who had achieved the same results over **25**- and **30**-year periods. The programme serves to highlight the performance of drivers who steer clear of any avoidable accidents during their **1450** hours of driving in a year. In 2006, there were **1323** such bus drivers compared to **1183** in 2005.



Our goodwill index is on the rise

For an 11th consecutive year, active and retired employees showed their overwhelming generosity when they handed over cheques worth **\$577 363.47** to the four organizations for which the fund-raising was held. Centraide in Greater Montréal received **\$120 203.99**, the Canadian Red Cross - Québec chapter received **\$97 571.99**, while Partenairesanté - Québec and Réchaud-Bus each received **\$84 424.31** and **\$275 163.18** respectively. Moreover, the 9th edition of *Les Bonnes œuvres des employés* led to donations totalling **\$92 541.63**, money that went to purchasing food to prepare Christmas baskets as gifts for some **750** underprivileged families in several neighbourhoods around Montréal. A single charity golf tournament successfully raised **\$50 000**.

Through these actions, over **\$669 905** were raised thanks to STM employees, retirees, transit partners and clients.

50 years of service x 2 = a century of service !

On August 17, a celebration marked **50** years of service for métro fare collector James Nickles and bus driver Bernard Charbonneau. The two most senior employees were hired in 1957 as drivers for Provincial Transport, which later became Metropolitan Provincial in 1967, before being integrated into the ranks of the CTCUM in 1980. The event acknowledging them was held at Place-d'Armes métro station, where Mr. Nickles works.

«It is truly exceptional today to be celebrating 50 years of service. Whether it was for Provincial Transport, Metropolitan Provincial, the CTCUM, the STCUM or, finally, for the STM, you will have travelled a long road in those 50 years, marked by time and enjoyment of your work. Bravo! You deserve our congratulations.»

Yves Devin, Director General, STM

1
Marcel Tremblay, Executive Committee member, responsible for cleanliness, Ville de Montréal, and Claude Trudel, Chairman of the Board of Directors, STM, testing the first ashtray installed at the entrance of Verdun métro station, as part of the city's clean campaign.

2
Driving aces.

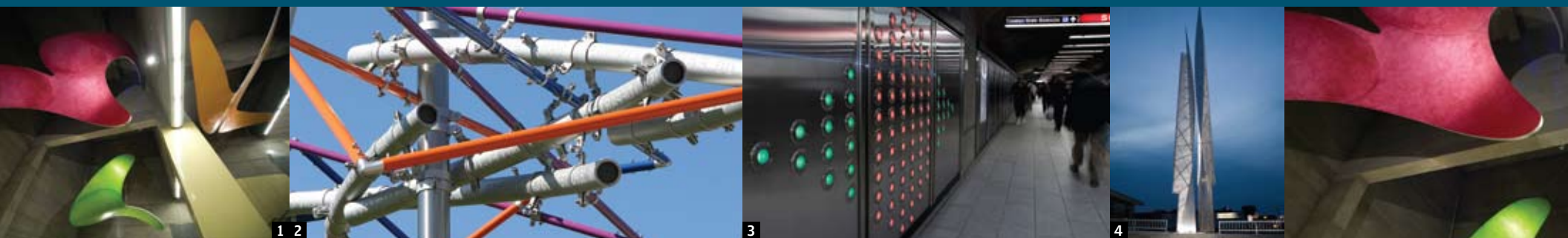
3
STM Director General, Yves Devin, honouring 50 years of service by James Nickles and Bernard Charbonneau.

4
Our heroes for a day.
Bottom row, left to right: Jean Dandurand; Olivier De Busschère; André May; Lina Dufault; Yves Devin, Director General; Jacky Poirier; Patrick Pagé; Jacynthe Denommée.
Top row: Benoît Clairoux; Jacson Nazaire; Michel Morsky-Bélizaire; Michel Lemieux; Luc Coupal; Jason Barlow; Gilles Giroux; Guy-Pascal Arcolette, STM passenger; Jacques Lessard; Liette Bélanger; Marc Paquin; Julie Girard.
Missing: Gilles Dumont, Olivier Rousseau and Alain Roussel.





A GOOD YEAR FOR ART



Creation of an art committee

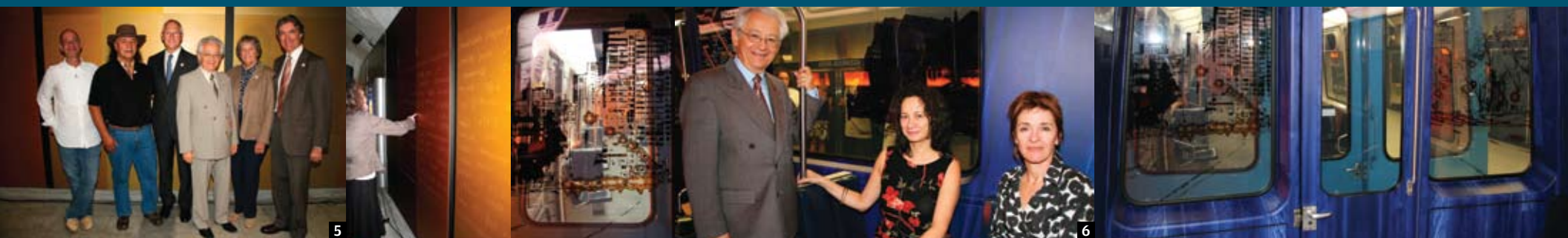
The STM is entrusted with a considerable art gallery and is responsible for ensuring that the hundred or so works of art it features in its métro system are kept in good condition. It is also open to hosting various projects of an artistic and cultural nature. To coordinate such activities and answer the many requests it receives, the STM formed a committee to oversee art in its installations. Committee members are STM employees from various sectors and representatives from Montréal.

A collection made richer by four new artworks

With the opening of three new stations within Laval, four new works of art were added to the métro's collection. It was with much pride that the STM accepted the .98 murals by Axel Morgenthaler for the third platform at Henri-Bourassa station, as well as sculptures entitled *L'homme est un roseau pensant 3*, by Jacek Jarnuszkiewicz, for Cartier station, *Nos allers-retours* by Yves Gendreau for de la Concorde station, and *Les fluides* by Hélène Rochette for Montmorency station. Unveiled in 2007, these works of art were commissioned through the *Politique d'intégration des arts à l'architecture et à l'environnement des bâtiments et des sites gouvernementaux et publics du gouvernement du Québec*.

MAP Project: artwork taking on the Montréal métro

In early September, large and intriguing panels appeared on the walls of the corridor between Square-Victoria station and Tour de la Bourse building. Instead of the usual advertising, clients discovered some twenty works of art by two young and talented Canadian artists, well-known on the international art scene, Étienne Zack and Max Wyse. This original exhibit was part of the MAP Project (Make Art Public), aimed at «bringing art and public culture closer, wherever it goes», according to Manuel Bujold, project founder. This was made possible through a partnership with Métromédia Plus.



Mur de la paix

With the Mayor of Montréal, Gérald Tremblay, and Michèle S. Jean, president of the Canadian Commission for UNESCO, in attendance, the STM unveiled the *Mur de la paix*, at Berri-UQAM métro station on September 21, the International Day of Peace. Measuring **2.4** m by **12** m, the wall features the word “peace” written in the **34** languages representing the most important linguistic communities in Montréal, in terms of population.

Ensemble for the Biennale de Montréal

As part of the 5th edition of the *Biennale de Montréal*, the most important contemporary art event in Canada, the STM produced a special edition of métro transfers bearing the inscription *Ensemble* as envisioned by Beth Derbyshire. Through her work, the British artist explores the concepts of cultural diversity, individual identity and mass communications. This is the artist’s second association with public transportation, the first in 2006, in cooperation with the London Underground.

A work of art, *Point de fuite*, takes the métro

In the hope of promoting the creative potential of *Montréal, métropole culturelle*, the STM showcased a work of art inside a métro car for the first time. The work was created for a temporary, six-month exhibition run, by visual artist Rose-Marie E. Goulet in collaboration with audio artist Chantal Dumas from a photographic process. This urban installation consists mainly in the application of various film coverings, in shades of blue, temporarily dressing up the inside of a métro car. Images are printed on adhesive plastic film which covers most of the car’s interior surfaces. A light shade of pink is added to the interior lighting, enhancing the car’s ambience. Finally, audio equipment plays a sound track. Entitled *Point de fuite*, the work is conducive to escape and provides passengers in the car with a most fanciful experience.

Artworks in the métro

- 1 Montmorency
- 2 de la Concorde
- 3 Henri-Bourassa
- 4 Cartier

5

Mur de la paix unveiling.
Jean Trudel, President, Circle of Peace of Montréal;
T8aminik Rankin, Senator,
National Association of Friendship Centres;
Gérald Tremblay, Mayor of Montréal;
Claude Trudel, Chairman of the Board of Directors, STM;
Mrs. Michèle S. Jean, president of the Canadian
Commission for UNESCO; and Daniel Turp, MNA for Mercier.

6

Claude Trudel, Chairman of the Board of Directors, STM,
Mrs. Chantal Dumas, audio artist,
and Mrs. Rose-Marie E. Goulet, visual artist, aboard the
métro car featuring the work of art, Point de fuite.



Paying tribute to Frédéric Back, an exceptional artist

On December 20, the STM paid tribute to Frédéric Back to mark the **40** years of his stained glass works in Place-des-Arts métro station, the very first work featured in the métro after its inauguration in 1967. The artwork, itself a tribute to the history of music in Montréal, from the early days of Jacques Cartier to contemporary today. Donated by the Steinberg foundation, the stained glass panel occupies a prime location in the métro, which is considered as the largest underground art gallery in the world and even as Montréal's **33rd** museum. The glasswork will be entirely restored in 2008.

Discovering Montréal by métro with *Ulysses*

As a way of getting people to cast a different eye on the city, Ulysses in collaboration with the STM published a city guide, *Montréal en métro*, in September. The guide book reveals the works of art featured in each métro station, including those found in and around the new stations in Laval, and includes a description of each station's distinctive architecture. It also helps readers discover the main attractions located nearby. In addition, exploring each station's surroundings is made simple and easy thanks to the many detailed maps included in the book. A fun and original way of discovering the city's many neighbourhoods.





Jean-Paul Mousseau's artwork makes a return

The oversize mural by Jean-Paul Mousseau illustrating the direction to follow to take the métro was reinstalled in Square-Victoria station and is now protected by tempered glass panels. It had been removed during the construction of a nearby ventilation shaft. As a unique heritage work of art, it has delighted transit passengers since 1976. It is more than likely the artist's last work of art created especially for the transit system.

Keeping artwork in good condition

Concerned with maintaining its public art collection in good condition, the STM entrusted the Centre de conservation du Québec with the restoration of several works using the very best conservation methods, for which **\$150 000** was earmarked in 2007.

Station Pie-IX

Mural by Jordi Bonet

Mural and grillwork sculpture by Marcel Raby

Station Square-Victoria

Entourage Guimard

Station Lionel-Groulx

Murals by Yves Roy

Station de la Savane

Sculpture by Maurice Lemieux

Station Côte-des-Neiges

Glass panels by Claude Bettinger

Sculptures by Bernard Chaudron

Station McGill

Mural by Richard Purdy, Alain Cadieux
and François Hébert

Mural by Murray MacDonald

Station Vendôme

Sculpture by Marcelle Ferron

Station Henri-Bourassa

Murals by André Léonard, Urgence graffiti

Mural by Jacques Huet

Station Jean-Talon

Mural by Judith Klein

1

André Harvey, Assistant to the Chairman, and Claude Trudel, Chairman of the Board of Directors, with artist Frédéric Back marking the 40 years of his stained glass works at Place-des-Arts station.



GOVERNANCE



The Board of Directors

This Board of Directors is a reflection of the values of diversity and plurality advocated by the STM. It is formed by four women and five men, of which three are from cultural communities.

Il performs duties and exercises powers of the Société and establishes the corporation's future direction. Il adopts a strategic plan for developing public transit within its operating area. Il adopts the budget annually, workforce planning and three-year capital works programmes. Il establishes fare categories and sets fare prices. It creates, terminates or changes public transit routes, and approves any permanent modifications to them.



- 1**
Claude Trudel
Chairman
Mayor of Verdun Borough
- 2**
Marvin Rotrand
Vice-chairman
Ville de Montréal Councillor
Côte-des-Neiges-Notre-Dame-de-Grâce Borough
- 3**
Pierre Lapointe
Ville de Montréal Councillor
Ahuntsic-Cartierville Borough
(deceased April 2008)
- 4**
Dominic Perri
Ville de Montréal Councillor
Saint-Léonard Borough
- 5**
Bernard Blanchet
Ville de Montréal Councillor
Lachine Borough
- 6**
Yvette Bissonnet
Ville de Montréal Councillor
Saint-Léonard Borough
(until October 2007)
- 7**
Karin Marks
Mayor of City of Westmount
- 8**
Brenda Paris
Public transit users' representative
- 9**
Marie Turcotte
Paratransit users's representative

19 Board of Directors meetings and **26** technical committee meetings were held in 2007
225 important issues were decided upon
20 loan by-laws totalling **\$568 M** were approved
92 procurement contracts for goods and services were awarded for a total value of **\$279 M**

at December 31, 2007

STM committees and their role

Finance and Human Resources Committee

The mandate of the committee consists of studying the needs, means and preferred solutions in terms of managing human resources and STM financial activities, and of making appropriate recommendations to the Board.

Bernard Blanchet
Member of the Board of Directors

Yvette Bissonnet
Member of the Board of Directors
(until October 2007)

Claude Trudel
Committee Liaison Member, as Chairman
of the Board of Directors

Yves Devin
Director General

Sylvain Gonthier
Executive Director – Shared Services

Sylvie Tremblay
Committee Secretary

Asset Maintenance, Major Projects and Environment Committee

The mandate of the committee consists of studying the needs, means and preferred solutions to ensure maintenance of STM assets (operating equipment and systems, infrastructure and computers), achievement of major projects supporting the corporate business plan, management of STM environmental policy and making appropriate recommendations to the Board.

Bernard Blanchet
Member of the Board of Directors
Committee Chairman

Dominic Perri
Member of the Board of Directors

Pierre Lapointe
Member of the Board of Directors
(deceased in April 2007)

Claude Trudel
Committee Liaison Member, as Chairman
of the Board of Directors

Yves Devin
Director General

Pierre Vézina
Executive Director- Major Métro Projects

Pierre Dauphinais
Executive Director – Major Bus Projects
Committee Coordinator

Christian Portelance
Committee Secretary

Audit Committee

In addition to the legal requirement calling for the audit of STM financial statements, the committee oversees internal audits and systems that identify and manage risk, assesses conformity to legal, regulatory and ethical requirements, in addition to handling special mandates.

Pierre Lapointe
Member of the Board of Directors
Committee Chairman
(deceased April 2007)

Marvin Rotrand
Member of the Board of Directors
Committee Vice-chairman

Michel Bélanger
External committee member

Robert Desforges
External committee member

Claude Trudel
Committee Liaison Member, as Chairman
of the Board of Directors

Yves Devin
Director General

Suzanne Bourque
Auditor General
Committee Coordinator

Christian Portelance
Committee Secretary

Customer Service Committee

The mandate of the committee consists of studying the needs, means and preferred solutions in terms of public transit services provided to clients, as well as making appropriate recommendations to the Board of Directors. Two sub-committees were established to specifically handle issues related to accessibility and diversity. Each year, the committee holds public consultations, giving a voice to its clients.

Marvin Rotrand
Vice-chairman of the Board of Directors
Committee Chairman

Marie Turcotte
Member of the Board of Directors

Brenda Paris
Member of the Board of Directors

Claude Trudel
Committee Liaison Member, as Chairman
of the Board of Directors

Yves Devin
Director General

Denise Vaillancourt
Executive Director – Planning, marketing
and communications
Committee Coordinator

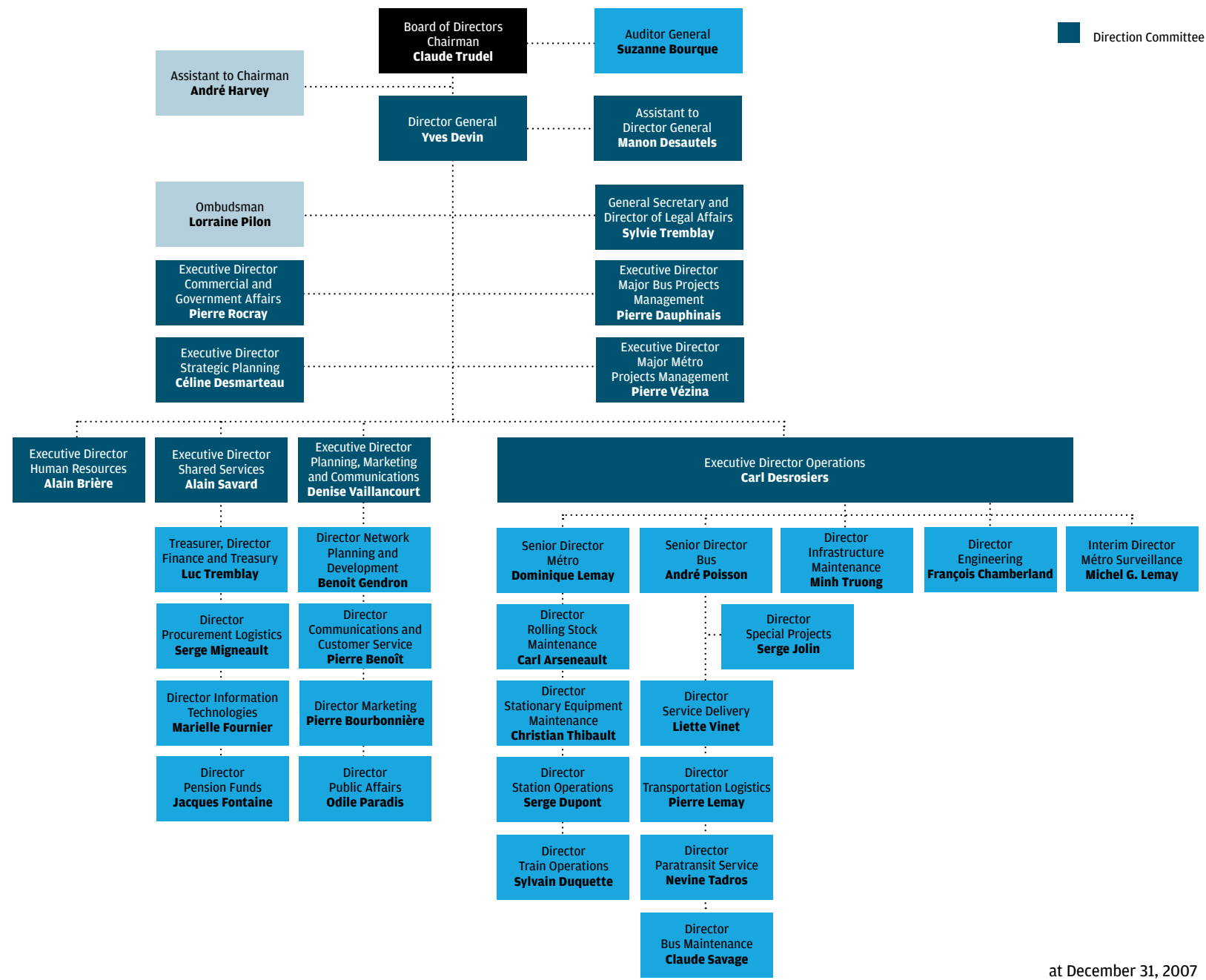
Carl Desrosiers
Executive Director – Operations

Christian Portelance
Committee Secretary

at December 31, 2007



Corporate organizational chart



at December 31, 2007

Since 2001, the STM produces a complete Financial Report. In accordance with its commitment to sustainable development, it has decided this year to not repeat the Financial Statements section usually included in its Annual Report. This decision leads to greater efficiency and lesser paper consumption.

The 2007 Financial Report is available on the internet at this address:
www.stm.info/en-bref/finances.htm

We will also gladly send you a copy. Simply request one:
by telephone: 514 280-5648
by fax: 514 280-5658
by email: affaires.publiques@stm.info

Published by Société de transport de Montréal
Planning, marketing and communications

Legal deposit
Bibliothèque et Archives nationales du Québec
2008

This 2007 Activity Report is available in electronic format
on our website at www.stm.info

Ce rapport est disponible en français

Printed in Québec on paper containing 50% of recycled matter,
including 25% of post-consumer waste.
100% recyclable.



50 %

