



OUTSTANDING
**PUBLIC
TRANSPORT
SYSTEM**
2010



2010
ACTIVITIES REPORT

SOCIETY IN MOTION



MOVED BY PRIDE

In 2010, for excellence in efficiency and effectiveness, the Société de transport de Montréal (STM) won an Outstanding Public Transportation System Achievement Award from the American Public Transportation Association (APTA), which honours the best public transportation systems in North America. Awarded to only the best of the 1,500 public and private member organizations, APTA awards are the true benchmark in public transportation circles.

"It's a big day for the STM, its employees and the Montréal public it serves. Winning this award of excellence is tantamount to taking home the Stanley Cup. It is something to be very proud of, and it is proof positive that many, many people have worked very hard over a long period."

William Millar, APTA President, October 27, 2010

TO ALL OUR CUSTOMERS AND EMPLOYEES, THANK YOU!



WHY DID APTA CHOOSE THE STM?

BECAUSE BETWEEN 2006 AND 2009:

- The STM expanded its service offering by 18.5%
- The number of bus and Métro trips increased 5.4%
- The number of paratransit trips climbed 16%
- Overall customer satisfaction rose from 84% to 86%
- The Society in Motion campaign garnered accolades survey after survey
- All buses run on biodiesel, and drivers have adopted green driving habits
- Métro system security and safety increased following the installation of an additional 1,800 smart cameras
- The STM's workforce grew by 30%
- The number of women bus and Métro drivers hit the 1,000 mark in 2009





AN EXCEPTIONAL YEAR

In 2010, the STM won a prestigious Outstanding Public Transportation System Achievement Award from the **American Public Transportation Association (APTA)**, which voted the STM the best public transportation in North America in its category.

The STM also took home 16 other coveted awards:

- Four **Infopresse** Grafika awards:
 - 2010 Grand Prize, all categories combined, for brand positioning
 - “Motion design” Grand Prize: animation in movie theatres and on the Web
 - Grand Prize in the “Visual Identity Program”: chevrons and their multiple variations
- Award in the “Typographic creation” category
- The Special Merit Award for Commitment to the Environment at **Metrorail** London
- The Sustainable Community Award from the **Canadian Federation of Municipalities** for the Urban Transportation Showcase (hybrid buses)
- The 2010 **Association québécoise du transport et des routes (AQTR)** award of excellence in transportation, in the “Public” category, for brand positioning
- The Grand Prize in the **Infopresse** 2010 Prix Média awards, in the “Unique interactive media approaches” category, for the cultural outings planner
- The **Canadian Urban Transit Association (CUTA)** Award in the “Innovation” category, for brand positioning

- The **Canadian Urban Transit Association (CUTA)** Award in the “Exceptional Performance” category, for Métro performance
- The **Government Finance Officers Association’s** Distinguished Budget Presentation Award
- The **Canadian Institute of Steel Construction’s** Award of Excellence in steel construction, in the “Sustainable Development” category
- An Adwheel Award from the **American Public Transportation Association (APTA)**, in the “Print Media: Illustrated Vehicle” category, for the Funambus
- Recognition award from the **Association du transport urbain du Québec (ATUQ)**, for the Sécuribus project
- The 2010 Award of Merit from the **Canadian Society of Value Analysis**, for the municipal public sector
- The LUX award presented by **Infopresse** to the creator of the stop-motion animation for the Society in Motion video shown in movie theatres

Moreover, four STM employees earned the following distinctions:

- The **Association des manufacturiers d’équipements de transport et de véhicules spéciaux (AMETVS)** recognition award, presented to Gérard Brichau at the Gala Améthyste
- **Strategy Marketing** magazine named **Denise Vaillancourt** as one of Canada’s five best marketers
- The **Canadian Urban Transit Association (CUTA)** recognition award, presented to **Daniel Brault** and **Sylvain Thibault** for their volunteer work on Christmas baskets in Little Burgundy

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A WORD FROM THE CHAIRMAN OF THE BOARD AND THE CHIEF EXECUTIVE OFFICER

Making public transit in Greater Montréal an even bigger success: that, in a nutshell, is what motivates our daily efforts to increase ridership. For all of us at the STM, 2010 was an exceptional year, both in terms of the major projects we carried out and the recognition we earned. In 2010, the STM's ridership levels reached an all-time high, as we recorded some 388.6 million trips, an increase of 1.5% over 2009. Moreover, customer satisfaction has risen to historic heights, with the average annual satisfaction rate having climbed steadily from 84% in 2006 to 87% in 2010.

This growth in customer satisfaction is directly attributable to the STM's Public Transit Service Improvement Program (PASTEC), which was financed in equal proportions by the Québec Department of Transport (MTQ) and the Montréal urban agglomeration (aka, the "agglomeration"). The investments made through the program enabled us to increase our bus service offering by 4.9%. Other contributing factors include the launching of the 10 Minutes Max network, the 747 Express Bus linking downtown Montréal to Trudeau International Airport, and the addition of three new routes to the Navette Or shuttle bus service for seniors.

The STM is proud to have won an Outstanding Public Transportation System Achievement Award from the APTA, which honours the best public transportation systems in North America, for achieving excellent results in terms of both efficiency and effectiveness. And to top it all off, this year was marked by yet another record, as the STM received 20 awards and distinctions!

Speaking of resounding successes, we would also like to mention the contract the STM signed with the Bombardier-Alstom Consortium for the purchase of 468 MPM-10 Métro cars, one of the largest contracts awarded in Québec in 2010. This contract is excellent news for our customers, as the gradual introduction of the MPM-10s starting in 2014 is a key component of our 2020 Strategic Plan, which seeks to modernize the network and increase both reliability and capacity. The year was also marked by our efforts to replace or refurbish stationary Métro equipment and renovate a number of stations with the aim of improving customer accessibility. We also implemented transit priority measures for buses and launched the iBus project, our vehicle scheduling and real-time passenger information system, which is scheduled for a 2014 roll-out. These investments are essential to maintaining operations and developing new services. They also have a positive impact on job creation and the economy in Québec.

When it was putting together its 2007-2011 Business Plan, the STM received positive support from the Government of Québec, which had just enacted the province's first public transit policy, and from the City of Montréal, which was then unveiling its Transportation Plan. Nearly five years later, the situation is as favourable as ever to the implementation of our 2020 Strategic Plan. Published last December, the plan sets forth a service development objective that would see the STM handling 540 million trips a year by 2020. The STM is also committed to gradually electrifying its network, to the extent that all new vehicles will be electrically powered as of 2025.

The 2020 Strategic Plan is a major challenge, one that calls for investments of \$11.9 billion. For this to become reality, we are counting on the continued support of our financial partners and on securing new, indexed and recurrent financing sources dedicated to public transit. It is now a widely recognized fact that investing in public transit is both sustainable and profitable. The study released by the Board of Trade of Metropolitan Montreal in November 2010, entitled "Public transit: At the heart of Montréal's economic development," further demonstrates that public transit serves as a major driver of the economy.

In 2010, the STM adopted a company-wide sustainable development policy and made a commitment as a signatory to the International Association of Public Transport (UITP) Charter on Sustainable Development. These efforts confirm not only the STM's role as a top-tier socioeconomic player, but also its conviction that we can always do more.

The Board of Directors recently passed a resolution seeking to underscore the exceptional work of the entire STM team. On behalf of all members of the Board of Directors, we would like to express our sincere appreciation to all employees, whose contribution to the Society in Motion movement is vital to the achievement of our ambitious goals. We also salute our many partners, who are involved either directly or indirectly in developing sustainable mobility in Montréal.



Yves Devin
Chief Executive Officer



Michel Labrecque
Chairman of the Board
of Directors



THE STM AT A GLANCE

The STM is a key driver of economic development in the Montréal area, and contributes to sustainable development and overall quality of life. The STM is tasked with developing and operating an integrated Métro and bus system, as well as a paratransit network, in order to enable people to get around reliably, quickly, safely and comfortably. The STM's riders and employees, not to mention its institutional and business partners, are all proud to be associated with the company, which is well known as a provider of high quality service at a fair price.

A few figures

Québec's

14th

largest company

8,680
permanent
employees

An annual
budget
of **\$1.091**
billion

An asset
replacement
value of
\$14.5
billion

388.6 million trips handled in 2010

80% of public transit trips in the Montréal area and
70% of those in the province



Métro system

The Montréal Métro has been 100% electric since it was launched in 1966. It comprises 68 stations on four lines totalling 71 km. The Métro fleet's 759 cars—336 MR-63s and 423 MR-73s—travelled 76.6 million km in 2010 alone.



Bus network

The STM's bus fleet consists of 1,705 buses, a number that includes eight hybrids and 140 articulated buses. The network covers the nearly 500 km² Island of Montréal territory. The STM has 209 bus routes, 156 of which are wheelchair-accessible and 20 dedicated to night service. Also, the STM has 101.4 km of reserved bus lanes to shorten trip length. In 2010, buses travelled 81.1 million km. The STM also operates 10 taxi-based public transit routes.



Paratransit

The STM provides door-to-door paratransit service for people with functional limitations. As a result, over 21,000 customers make use of the STM's minibuses and the services of 16 regular and wheelchair-accessible taxis to travel over 2.7 million km in the Greater Montréal Area each year.

A commitment to society

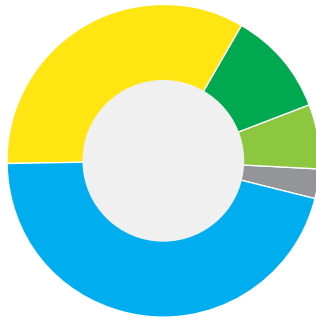
Events held as part of the 2010 generosity campaign carried out by STM employees and retirees helped to raise \$932,931 for a range of charitable organizations:

➤ \$358,601 for Réchaud-bus, an initiative by current and retired employees that uses a bus transformed into a mobile canteen to deliver meals to children in need, whether at daycare, at school, or at their neighbourhood youth centre ➤ \$180,806 for Centraide ➤ \$160,673 for the Canadian Red Cross ➤ \$141,351 for Partenairesanté-Québec ➤ \$16,000 for Hôpital Rivière-des-Prairies' Fondation les petits trésors ➤ \$50,000 for Garde-manger pour tous ➤ \$25,500 for the Red Cross's humanitarian relief efforts in Haiti

Furthermore, our employees and customers donated \$75,000 during the STM's Christmas basket campaign, which provided food baskets to a large number of underprivileged families identified with the help of local organizations.

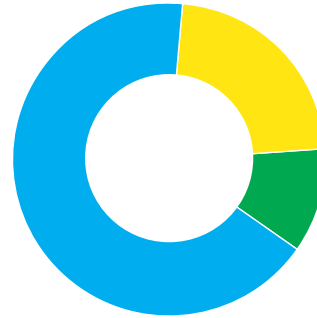


Revenue distribution



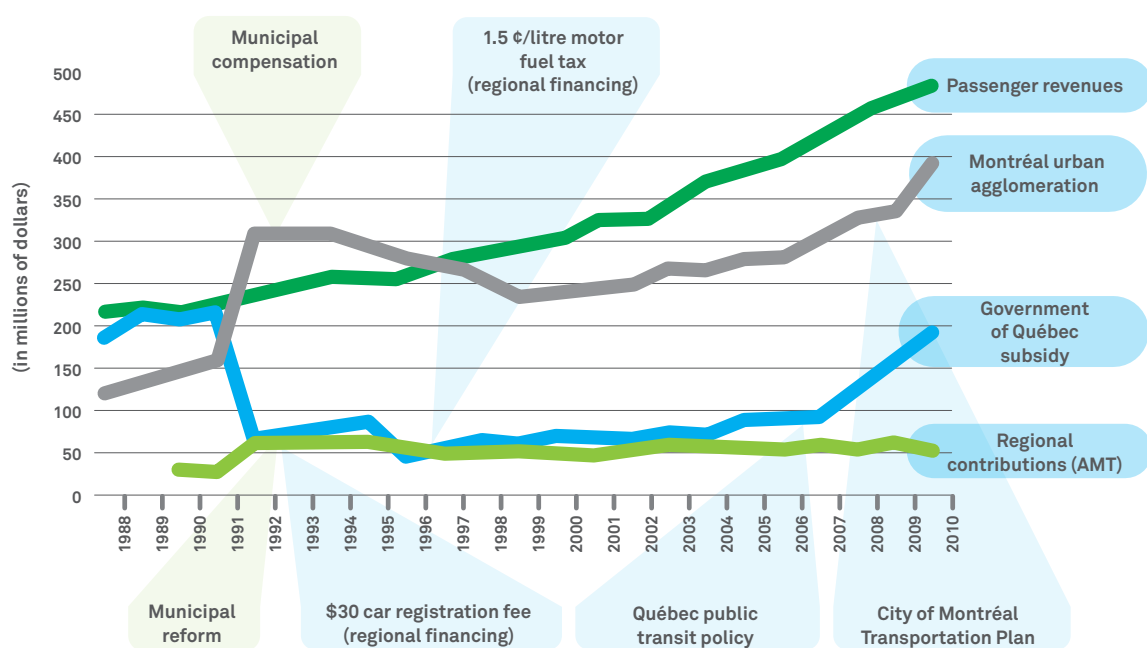
(In %)		(in thousands of dollars)
45.9	Passenger revenues	487,670
33.8	Contribution from the Montréal urban agglomeration	359,400
10.7	Subsidies	113,236
6.7	Contributions from the regions and municipalities outside the agglomeration	71,133
2.9	Other revenues	31,120
100	TOTAL	1,062,559

Expense distribution



(In %)		(in thousands of dollars)
66.7	Remuneration	707,171
22.7	Goods and services	239,903
10.6	Debt servicing and financing costs	112,489
100	TOTAL	1,059,563

Financing sources from 1988 to 2010



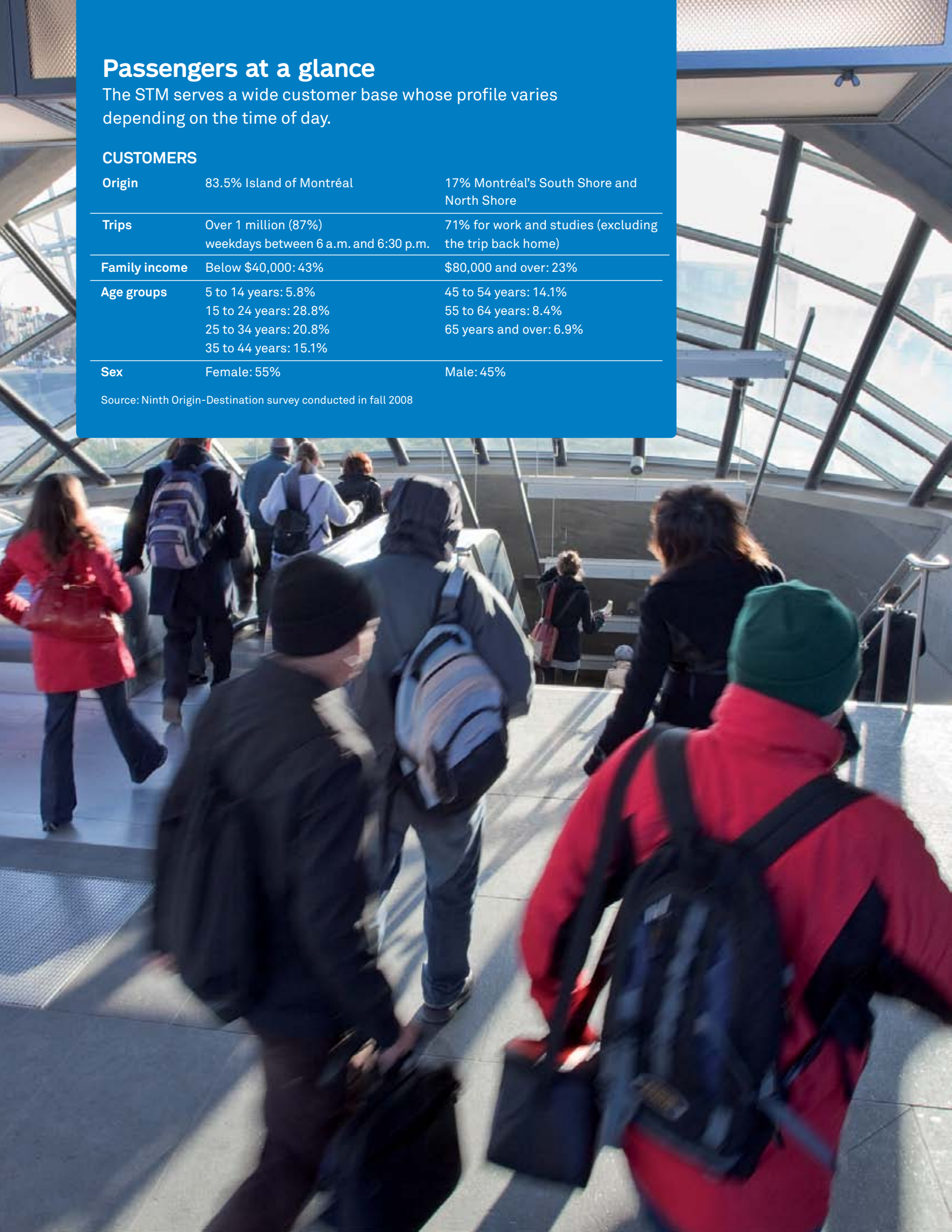
Passengers at a glance

The STM serves a wide customer base whose profile varies depending on the time of day.

CUSTOMERS

Origin	83.5% Island of Montréal	17% Montréal's South Shore and North Shore
Trips	Over 1 million (87%) weekdays between 6 a.m. and 6:30 p.m.	71% for work and studies (excluding the trip back home)
Family income	Below \$40,000: 43%	\$80,000 and over: 23%
Age groups	5 to 14 years: 5.8% 15 to 24 years: 28.8% 25 to 34 years: 20.8% 35 to 44 years: 15.1%	45 to 54 years: 14.1% 55 to 64 years: 8.4% 65 years and over: 6.9%
Sex	Female: 55%	Male: 45%

Source: Ninth Origin-Destination survey conducted in fall 2008



RIDERSHIP

Public transit gains ground

The findings of the ninth Origin-Destination survey, which was conducted in fall 2008 and unveiled in 2010, showed that with a 16% rise in morning rush-hour ridership over five years, public transit's share of the Montréal-bound transportation mix jumped 37%, and that for the first time in 40 years, the number of trips by car declined, by 6.5%. Public transit's modal share for trips into the city's downtown gained 10 percentage points, increasing from 58% to 68%... A North American first!

Nearly 600,000 people, 83.5% of whom are agglomeration residents, use the STM network every day and account for 1.2 million trips on a typical weekday. Around one third of these trips combine both the bus and the Métro. Overall, the number of morning rush-hour trips onto the Island of Montréal with the STM was up 13%.

This trend reversal is proof positive that the efforts put into improving service quality and frequency, combined with more dynamic marketing efforts, have indeed paid off. It also justifies public transit investments aimed at improving efficiency.

Ridership in 2010

- **388.6 million trips by bus and Métro, an increase of 1.5% compared with 2009**
- **2.7 million paratransit trips, an increase of 10.1% compared with 2009**

Since 2006, ridership has increased 7% (25 million additional trips). The number of paratransit trips increased by 717,800 trips—that's a 36.5% jump!



CÔTE-VERTU

MAJOR PROJECTS



New Métro cars

On October 7, 2010, Québec's legislative assembly voted unanimously to adopt a special bylaw allowing the STM to award a contract to a consortium for the production and delivery of 468 Métro cars. On October 18, the STM's Board of Directors approved a loan bylaw for \$2.4744 billion to cover the estimated cost of the vehicles (\$1.2355 billion), procurement expenditures (\$970.9 million), and the costs associated with the Métro shop and equipment modifications (\$268.0 million) that will be needed to accommodate these new vehicles.

On October 22, the consortium and the STM signed a contract for the purchase of these 468 Métro cars at a unit price, set in December 2009, of \$2.64 million per car, pending approval of the loan bylaw by the various government instances and confirmation of the pledge made by the Québec Department of Transport (MTQ) to cover 75% of the acquisition costs.

Once all conditions were met, the STM's Board of Directors held a special meeting on November 15, 2010, at which a resolution was passed, confirming that the contract (\$1.8116 billion) would go into effect on November 16, 2010, and that the final purchase price of each Métro car would be set at \$2.54 million. However, the contract called for a revision of this price in order to adjust the (40%) portion of the price that is subject to foreign currency (EURO and USD) variations. Meanwhile, by means of a hedge

strategy, the STM had protected itself against foreign currency fluctuations, which worked in the STM's favour between the date (December 2009) on which the original vehicle unit price had been set at \$2.64 million and the date on which the loan bylaw had been adopted.

Hence, as a result of the STM's intense negotiations as part of this major capital project, and of the company's proactive management of the associated financial risks, the STM was able to reduce its total project budget by \$50.4 million from initial forecasts.

Allocation of the 468 MPM-10 (Matériel pneumatique Montréal 2010) Métro cars

Replacement of the MR-63s	342 cars (38 trains)
Increase in overall service	63 cars (7 trains)
Announced Métro extensions	63 cars (7 trains)

The renewal and growth of the Métro fleet are an essential part of the STM's 2020 Strategic Plan, whose objective is to increase ridership, while improving Métro service reliability and passenger comfort.

Delivery schedule

- 63 cars in 2014
- 108 cars in 2015
- 108 cars in 2016
- 108 cars in 2017
- 81 cars in 2018



PASTEC

As part of the Public Transit Service Improvement Program (PASTEC), the STM increased overall service by 2.7%. Achieving this meant implementing a series of measures, mostly in the bus and Métro networks, which were already operating at peak capacity during rush hours:

- The launch of the 10 Minutes Max network, designed to cut waiting times for some 568,000 passengers by offering 10-minute-or-less service on the 31 most heavily travelled routes, weekdays between 6 a.m. and 9 p.m. in the busiest direction.
- The creation of two new express routes: the 747 Express bus (2,900 trips per typical weekday) linking downtown to Montréal's Trudeau International Airport, and the 427 Express Saint-Joseph (1,900 trips per typical weekday) linking the Rosemont–La Petite-Patrie and Plateau Mont-Royal boroughs to downtown.
- The addition of three new routes to the Navette Or shuttle bus service for seniors in the Anjou and Bordeaux-Cartierville boroughs and in the City of Côte-Saint-Luc.
- The creation of a new shared taxi service in Baie-D'Urfé and enhancements to existing service on Île-Bizard.
- The creation of the 120 Lachine/LaSalle route.
- The improvement of service on the 470 Express Pierrefonds and 196 Parc industriel Lachine routes.
- In order to better synchronize buses with commuter trains, the first phase of the train/bus synchronization program was launched in conjunction with service enhancements on five bus routes (200 Sainte-Anne-de-Bellevue, 217 Anse-à-l'Orme, 261 Trainbus Saint-Charles, 265 Trainbus Île-Bizard and 268 Trainbus Pierrefonds) serving the Beaconsfield and Roxboro-Pierrefonds train stations.

Growth in overall service since 2006: 21.6%. Twenty new bus routes were launched, as were two new shared taxi routes serving low-density areas.



Réno Métro

Grouped under the Réno Métro umbrella, phase II of the Réno-Systèmes and Réno-Stations programs, as well as the new Embelli-Stations program, has enabled modernization work on the Métro system to continue, with the ultimate goal of improving stationary equipment and infrastructures, and keeping them in good condition. This year, the STM either started or completed a number of projects, primarily in stations or tunnels: replacing 25 escalators; replacing the public address equipment at 18 stations; repairing seven stations' vaulted ceilings and replacing their drainage systems; and conducting major refurbishment work on five stations—Assomption, Place-Saint-Henri, Côte-Sainte-Catherine, Du Collège and Côte-Vertu. The work also includes the refurbishment of four auxiliary structures, the buildings connected to the Métro tunnels which house operations equipment; and improvements to the overall appearance of a number of stations by adding bike stands, improving lighting, modernizing fenestration and adding landscaping details.

Universal accessibility

The STM finished installing elevators at three stations—Berri-UQAM (Saint-Denis entrance building), Henri-Bourassa and Côte-Vertu—bringing to eight the number of stations on the Orange line with elevators. With an eye to improving safety within the Métro system, the STM also installed warning tiles on the platforms and yellow warning strips on 69 staircases at stations on the Green and Orange lines.

Modernization of the Control and Communications Centre

The modernization of the Control and Communications Centre followed its course in 2010. The much-needed updating of the Control Centre's operating systems, the Métro's nerve centre, received a great deal of attention from the STM's executive and Board of Directors throughout the year. This highly complex project, which had an initial budget of \$50 million, was launched in 2003 and taken over by the STM on a cost plus basis in March 2010. To date, the project is proceeding smoothly and within the constraints of the new management framework, revised roll-out schedule and budget envelope that were adopted.

In fall 2010, conclusive performance testing confirmed the feasibility of the roll-out schedule and Métro operations switchover plan. All signs indicate that the new Control and Communications Centre will be fully operational by the end of 2012.

At December 31, 2010, costs were \$147.3 million and are expected to reach \$207.9 million by the end of this major project. These costs are eligible for a 75% subsidy under the terms of the Governmental public transit assistance program (Programme d'aide gouvernementale au transport collectif des personnes).

Renovation of Berri-UQAM station

First put into service over 44 years ago, the system's busiest station—it recorded 12.7 million passenger entries at the turnstiles in 2010—is well overdue for a major overhaul. Consequently, the STM has launched substantial renovations, namely involving the removal and stabilization of most of the cinder block walls, the various types of architectural siding, and some of the ceilings in the public areas. The grey, lozenge-shaped wall tiles that have adorned this central Métro station since its 1966 inauguration will gradually disappear, giving way to a temporary finish. Following this first step in the renewal process, the STM will refurbish most of the station's mechanical, electrical and architectural components.

All of the indoor work (phase I), which will require investments totalling \$90.2 million, will be carried out over an eight-year span, from 2010 to 2018, and will place particular emphasis on the STM's signage and brand image, while respecting the station's heritage value.

Moreover, revitalization work dealing with the station's waterproofing membrane and the areas surrounding the station will be carried out as part of the Réno-Infrastructures program. According to estimates, this work will cost \$49 million, bringing the project's total cost to \$139.2 million.



A large industrial building, identified as the Frontenac bus garage, is shown in the process of being refurbished. The interior is a vast space with a high ceiling supported by a complex network of steel beams. Several large, industrial-style pendant lights hang from the ceiling. In the center, an orange excavator is positioned on a raised platform. The floor is uneven and covered with dirt and construction debris. In the foreground, two construction workers wearing hard hats and safety gear are working on a concrete foundation. They are surrounded by wooden formwork and a grid of rebar, indicating the preparation for a new concrete pour. The overall scene depicts a major construction project in progress.

Refurbishment of the Frontenac bus garage

Built in 1956, the Frontenac bus garage is currently undergoing major work focused on making improvements, maintaining assets and bringing facilities up to current standards, all of which will enable the STM to operate efficiently for decades to come. The renovation of a number of rooms, offices and workshops will also provide a more pleasant work environment for employees.

This project, worth some \$30 million, includes work to both the inside and outside of the garage. The repair and replacement work will also involve a number of architectural, structural, mechanical and electrical components, as well as maintenance equipment.

Problems beyond the STM's control led to a delay in the work, which was originally scheduled for late 2010. The STM is now determined to have the work completed by mid-2011.



PRIORITIES OF THE
2020 STRATEGIC PLAN



PRIORITY 1

Expand services



PRIORITY 2

Improve the customer
experience and our
marketing efforts



PRIORITY 3

Attract, develop and
mobilize talent



PRIORITY 4

Optimize investment
management



PRIORITY 5

Further improve
performance



PRIORITY 6

Place sustainable
development at the
centre of all our
decisions

To find out more, visit www.stm.info or
www.mouvementcollectif.org/en

2020 Strategic Plan

In developing its 2020 Strategic Plan, the STM engaged in a major effort to meet with all stakeholders over the course of 2010. In all, 35 meetings were held with players in the health, education, business and cultural sectors, during which the STM laid out its strategy and objectives.

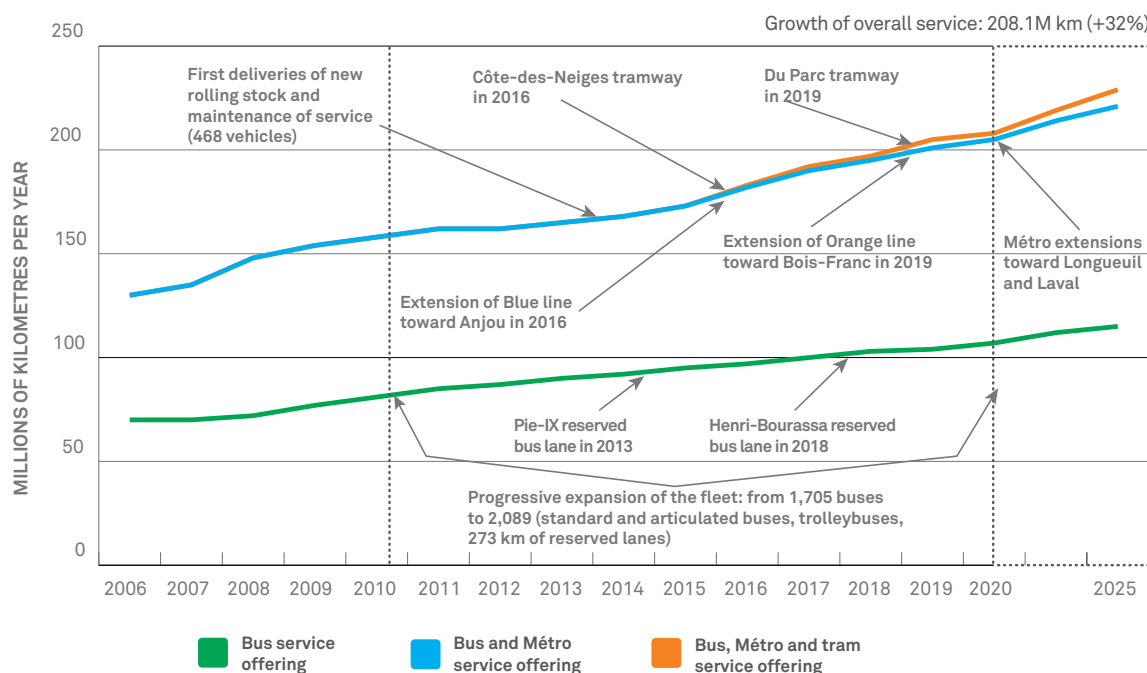
Taking into account the City of Montréal's Transportation Plan and the 20% and 30% greenhouse gas reduction targets (based on 1990 levels) that the Government of Québec and the City of Montréal had set for themselves, respectively, the STM assessed the extent to which it, as a company, and public transit, as a whole, could contribute to a greener city. At the end of 2010, the STM unveiled its 2020 Strategic Plan. In order to reach its objective of 540 million trips by 2020, the STM plans to bolster its service offering by 32% and generate a 5% modal shift from single-occupancy vehicles to public transit.

The strategic plan is based to a large extent on the maintenance and development of electrically powered mass transit infrastructures. In concrete terms, the STM is preparing for the arrival of 468 new

Métro cars, the extension of the Métro network, and the creation of the city's first modern-day tramway system along the Downtown/Côte-des-Neiges corridor. The STM is also banking on the development of its bus network to attract new riders, for example by launching express bus service on Pie-IX and Henri-Bourassa boulevards, adding over 400 buses to the active fleet, and setting up nearly 300 kilometres of additional reserved bus lanes to bring the total to 350 kilometres.

Major efforts will also be put into improving reliability and punctuality, as well as customer information, security and comfort. To achieve these goals, the STM plans to install the iBus vehicle scheduling and passenger information system, add over 850 new bus shelters, and set up wireless communication technology throughout the Métro system. The STM also plans to increase bus service frequency, and to innovate by launching a loyalty program and introducing fare products that are more flexible and better suited to the needs of its varied customer base.

Evolution of the service offering (2006-2020)



PERFORMANCE



Métro indicators

Kilometres covered

76.6 million car-km, compared with 76.3 million in 2009

Planned service delivery rate

99.7% in 2009 and 99.8% in 2010

Reliability

97.9% of passengers arrive on time (less than five minutes late)

Busiest stations

(passenger entries)

STATION	RIDERSHIP
1 Berri-UQAM	12,737,337
2 McGill	11,422,671
3 Guy-Concordia	7,975,146
4 Longueuil—Université-de-Sherbrooke	7,743,782
5 Bonaventure	7,435,734

Number of trips delayed by five or more minutes

Causes	2009	2010
➤ Misconduct, passengers taking ill	1,971,345	2,133,295
➤ Rolling stock	1,309,846	1,298,464
➤ Train operation	357,650	304,370
➤ Stationary equipment	356,459	356,343
➤ External causes	85,204	84,042
➤ Miscellaneous	285,896	245,333
TOTAL	4,366,400	4,421,847

Note: This table must be read keeping in mind that the Métro handled 239.3 million trips in 2010, compared with 235.2 million in 2009. As such, 1.85% of trips were delayed by five or more minutes in 2010, compared with 1.86% in 2009.

Number of incidents lasting five or more minutes

Causes	2009	2010
➤ Misconduct, passengers taking ill	438	457
➤ Rolling stock	223	215
➤ Train operation	79	81
➤ Stationary equipment	75	80
➤ External causes	11	13
➤ Miscellaneous	39	45
TOTAL	865	891

Note: This table must be read keeping in mind that Métro trains travelled 300,000 additional km in 2010 as a result of a 0.4% increase in service. In 2010, 50% of incidents lasting five or more minutes were caused by misconduct or passengers who had taken ill.



According to the 2009 and 2010 international benchmarking exercises conducted by Imperial College London, the Montréal Métro is the world's most productive subway system. In terms of car-km, the STM's Métro employees are the most productive, and its operating costs among the lowest.

PERFORMANCE



Bus indicators

Kilometres covered (actual)

81.1 million km, compared with 77.3 million in 2009

Planned service delivery rate

2009	2010
98.9%	99.1%

Bus punctuality (objective 84%)

2009	2010
83.6%	83.3%

Busiest routes

		Typical weekday ridership	Annual ridership
1	Du Parc/René-Lévesque/ Côte-des-Neiges corridor 80 - Avenue du Parc 165 - Côte-des-Neiges 535 - Voies réservées Du Parc/Côte-des-Neiges	64,199	19,487,583
2	Pie-IX corridor 139 - Pie-IX 505 - Voie réservée Pie-IX	41,535	12,524,061
3	Saint-Michel corridor 67 - Saint-Michel 467 - Express Saint-Michel	41,333	12,182,333
4	121 - Sauvé/Côte-Vertu	35,634	10,596,993
5	141 - Jean-Talon Est	29,285	8,890,350

Door-to-door paratransit trips

2009	2010
2,438,722	2,684,717

Overall **paratransit user satisfaction**
peaked in 2010 at **94%**, up 8 points compared with 2007.

Bus maintenance indicators

With the arrival of the first generation of low-floor (APS1) buses acquired in 1996, 1997 and 1998, optimizing maintenance performance continued to be a sizeable challenge. These buses suffered from serious reliability issues, mainly due to defects in design. Although the buses acquired as of 1999 were more reliable, the APS1 buses continued to cause problems on the bus network, despite all efforts to the contrary.

Determined to provide quality service to its passengers, the STM changed course to rectify the situation. At the end of 2008, the STM got the green light from the Government of Québec to replace the APS1 buses before they reached the end of their useful lifespan. The arrival of new buses beginning in 2009 was central to improving performance, as it enabled the STM to completely revise its work organization, with a stronger focus on planning. Thanks to the commitment and cooperation of its maintenance employees and support staff, the STM was able to meet that challenge and achieve excellent results, as the following indicators attest:

Rush hour availability (average)		Disabled vehicle rate (% of fleet undergoing repairs)	
2009	2010	2009	2010
1,327 buses	1,381 buses	20.4%	17.5%
		Reliability (average distance travelled between breakdowns)	
		2009	2010
		3,494 km	4,023 km

Since 2006, average bus reliability
has grown by 18.3%.

CUSTOMER EXPERIENCE

Passenger satisfaction: historic heights

With an average rate of 87% in 2010, overall customer satisfaction with STM services as a whole reached a record 89% during the summer. This satisfaction rate was maintained into the fall, which is quite an accomplishment considering that services are under the most pressure at that time of year.

The satisfaction rate jumped sharply with respect to the courtesy demonstrated by Métro ticket booth attendants, rush hour bus and train frequency, waiting time for the telephone information service, and cleanliness in the area around Métro stations and inside buses. Moreover, customer satisfaction with a number of other aspects remained very high: the Métro system in general, bus driver courtesy, Métro security at all hours of the day, the courtesy of phone service agents, and information on the STM's Web site.

On the paratransit front, the customer satisfaction rate was at an all-time high of 94%.



Bus shelters of the 21st century

Created as part of a bus shelter design contest run by the City of Montréal's Bureau du Design, with the participation of the STM, three bus shelter prototypes made their début in the city's landscape in 2010.

Combining elements of universal accessibility, these prototypes took into account a variety of size configurations according to passenger traffic at different stops and their location. The selected concept will be modular and expandable, offering the possibility of connecting several units. The sun will also lend a hand, as shelters located in off-grid locations are equipped with solar energy systems to provide lighting at night.

In 2011, the STM will conduct surveys of its regular riders and groups with specific needs to gauge their opinion of the shelters. We will also evaluate the prototypes from a maintenance perspective. Next spring, the STM will launch a public call for tenders for the manufacture of 400 bus shelters for its entire

bus network. In so doing, it will progressively enhance and replace its current shelter population in order to meet the needs of today's passengers, with a focus on comfort, cleanliness, accessibility and security.



Universal accessibility

The STM is intent on factoring the concept of universal accessibility into all its projects, and on doing so within the limits of available resources. In 2010, the company continued to strive to reach its objective of improving accessibility on its bus network, as called for in its 2007-2011 Business Plan.

The STM has been working closely with associations representing people with functional limitations. In October, the company organized the Accessibilité universelle 2020 forum in order to learn about these associations' expectations with respect to accessibility. In partnership with these associations, the STM also launched a customer information improvement project on the 467 – Express Saint-Michel route, namely by adding information screens and audio announcements of the next stops; the company also modified the MR-63 Métro car passenger compartments in order to increase passenger capacity and the number of seats reserved for people with limited mobility, and to make grab bars more visible.

Moreover, the MPM-10 Métro cars that will be introduced gradually starting in 2014 represent yet another major step toward achieving the STM's universal accessibility objectives, thanks mainly to the interior layout of the new cars, passengers' ability to move between cars, and the project to modify platforms to provide access to people in wheelchairs. At each step of the project, the above-mentioned associations will be consulted and their concerns about universal accessibility taken into account.



The free 24 heures daily in the Métro

Following a call for proposals, the STM, through subsidiary Collectif Média, signed a deal in December with Sun Media Corporation for the exclusive weekday distribution of the free daily newspaper *24 heures* in the Métro as of January 2011. The agreement will be in effect for five years and, under the terms of the contract, may be extended.

In addition to generating substantial revenues for the STM, this agreement will enable the company to optimize its communications, as it will have access to its partner's various media platforms to promote STM services and encourage greater numbers of people to use public transit. Of course, the STM will continue to enjoy a full page in the paper, in order to communicate with passengers on a daily basis.



In four years, the public's satisfaction with **Métro security** at all hours of the day rose from 87% to 93%.



CUSTOMER SERVICE

The A-U-T-O-B-U-S information hotline provides bus schedules, while STM.INFO offers pre-recorded messages about the STM and access to the call centre.

	2009	2010	Difference
Number of calls			
A-U-T-O-B-U-S	9,727,175	8,660,985	- 11%
STM.INFO	713,799	600,120	- 17%
Total	10,440,974	9 261,105	- 11%

Numbers of visitors

www.stm.info Web site	16,689,013	17,526,298	5%
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Note: We have noted that telephone calls to the hotlines are on the decline. This situation is mainly the result of the popularity of e-mail since 2008 and the implementation of new information services, such as the ability to obtain schedules and information about service-related events by text message, the use of which is constantly rising.

Comments and complaints

27,726, broken down into 24,282 complaints and 3,444 comments (suggestions, compliments, other)

15,561 by phone and 11,830 by e-mail

17,026 regarding the bus network and 3,021 about the Métro system

Note: Despite a 1.5% increase in ridership since 2009, the number of complaints has remained stable in 2010 (at 6.2 complaints per 100,000 trips)

Complaints, by category

Service delivered	9,092
Employees	7,815
Equipment	3,132
Customer information	1,507
Other	2,736

Since 2006, traffic on www.stm.info has increased by over 25%, the equivalent of 3.6 million additional visits.

THE STM'S FIRST FORAY INTO WEB 2.0

To communicate with passengers through new communication channels, the STM has been using Web 2.0 tools since March. Hence, the company has entered the Twitterverse, where it broadcasts information on Métro service interruptions of over 20 minutes. It uses Facebook to dialogue with customers and discuss services, the STM's vision for public transit, societal involvement and the environment. The STM's Facebook friends have been reacting, commenting and expressing their views on the impact public transit has had on their lives.

Always with an eye to keeping discussions lively and interesting, the STM is more active than ever on its Society in Motion blog (www.mouvementcollectif.org/en), where it talks about its environmental actions and major projects, while providing readers with an opportunity to comment and ask questions.

On YouTube, the STM has been posting videos on a range of topics. The Chairman of the Board of Directors, Michel Labrecque, often uses YouTube to address public transit users and partners.

Surprising results in 2010!

5,000 people were already following the STM on Twitter

The STM's Facebook page had nearly 4,000 "friends" who post an average of 1,680 comments and questions a month

The Society in Motion blog recorded over 165,000 visits and nearly 1,200 visitor comments

On YouTube, the STM posted around 40 videos that have been viewed a total of about 43,000 times

With over 197,000 visits in 2010, the STM's new m.stm.info mobile site (made for browsing on mobile devices) continues to gain popularity. The function that allows passengers to obtain bus schedules and information on events affecting bus service via text message is also hugely popular, registering over a million requests, a number likely to triple in 2011.

THE SOCIETY IN MOTION BLOG

The screenshot shows the STM Society in Motion blog interface. At the top, there's a navigation bar with links: "Suggest an idea | Contact-us | Français". Below this is a secondary navigation bar: "Home | About | Future Projects | FAQ". The main content area features a header with the "SOCIETY IN MOTION" logo and the STM logo. A row of four icons represents different categories: "All article", "Green action", "Major projects", and "Chairman says". The featured article, dated "October 14th, 2010", is titled "ANTI-SPILL SYSTEM FOR BUSES" and includes a green plant icon. The article text discusses the STM's anti-spill fuel system, its benefits for the environment, and mentions that 1,000 buses are equipped with it. A small image shows a fuel nozzle. At the bottom of the article are buttons for "ADD A COMMENT" and "SHARE THIS LINK". To the right of the article is a search bar and a section titled "EVERY PASSENGER COUNTS FOR THE PLANET" with a link to "BEYOND THE CAMPOUSE". Below that is a "Society in motion" section with a paragraph about STM's commitment to sustainable mobility. At the bottom right is a Facebook widget for "STM - Mouvement collectif" showing 5,610 likes and a grid of user avatars.

twitter

facebook

You Tube



In March 2010, *Marketing Québec* referred to the STM as one of 10 Québec brands making a mark for itself on the Web and through social media.

HUMAN RESOURCES

2010 in numbers:

1,044
new hires
(permanent, temporary
and student positions)

45,623
applications
received online

245,100
hours
of training

Attracting and developing talent



CHAUFFEUR DE BUS <ul style="list-style-type: none"> Service à la clientèle Candidature en ligne Participation à des projets d'innovation Possibilité d'accéder à des postes de chauffeur permanent ou temporaire, selon les besoins de la ville d'Orléans 	EMPLOIS DE L'INGÉNÉRIE <ul style="list-style-type: none"> Participation à des projets d'innovation et d'urgence Membre d'une équipe qui peut évoluer dans le développement durable 	INSPECTEUR <ul style="list-style-type: none"> Assurer la sécurité de la clientèle et du personnel Service à la clientèle Traiter les plaintes Participation à des projets d'innovation et d'urgence Participation à des projets d'innovation et d'urgence 	SECRÉTAIRE <ul style="list-style-type: none"> Site internet dédié de la gestion Mettre en pratique ses connaissances Participation à des projets d'innovation et d'urgence
SURINTENDANT, CONTREMAÎTRE ET CHEF D'OPÉRATIONS <ul style="list-style-type: none"> Travailler de nuit Maintenance des équipements Organisation du travail Supervision des équipes 	PRÉPOSÉ À L'ENTRETIEN <ul style="list-style-type: none"> Traiter les plaintes Traiter les plaintes Participation à des projets d'innovation et d'urgence Participation à des projets d'innovation et d'urgence 	CONSEILLER <ul style="list-style-type: none"> Site internet dédié de la gestion Participation à des projets d'innovation et d'urgence Participation à des projets d'innovation et d'urgence Participation à des projets d'innovation et d'urgence 	EMPLOIS DES TECHNOLOGIES DE L'INFORMATION <ul style="list-style-type: none"> Plusieurs programmes technologiques à la STM Le développement de nouveaux outils L'entretien du matériel de tous les réseaux informatiques
LES MÉTIERS QUALIFIÉS <ul style="list-style-type: none"> Plus de 200 métiers qualifiés de la clientèle, de la sécurité et de la qualité de service Plus de 200 métiers qualifiés de la clientèle, de la sécurité et de la qualité de service Plus de 200 métiers qualifiés de la clientèle, de la sécurité et de la qualité de service Plus de 200 métiers qualifiés de la clientèle, de la sécurité et de la qualité de service 			FAITES PARTIE DE L'ÉQUIPE! <p>Pour connaître la liste, les conditions et le profil des candidats recherchés pour chaque type d'emploi, consultez le site www.stm.info dans la section « Carrière ».</p>

The STM is going through a period of growth and, as such, is putting a great deal of effort into providing employees with a stimulating work environment where everyone's skills and expertise can be drawn upon. In 2010, the STM developed a number of new tools for communicating with employees and candidates. On the staffing front, the company implemented a new strategy for recruiting top talent and has been using social media sites like Facebook and communication sites like Zoom Media to get the message out.

The STM offers hundreds of types of positions—drivers, environmental technicians, lawyers, trackmen, Métro drivers, electricians, nurses, network management consultants, machinists, buyers, tire inspectors... The list goes on. Consequently, it is in the STM's interest to make its employment opportunities known.

Moreover, communication, involvement and recognition are central to the strategy adopted by the STM to fully mobilize all its employees. Good deeds and hard work by STM employees are highlighted in a number of ways, such as through articles in the employee newsletter and various events aimed at honouring outstanding members of the company's workforce.

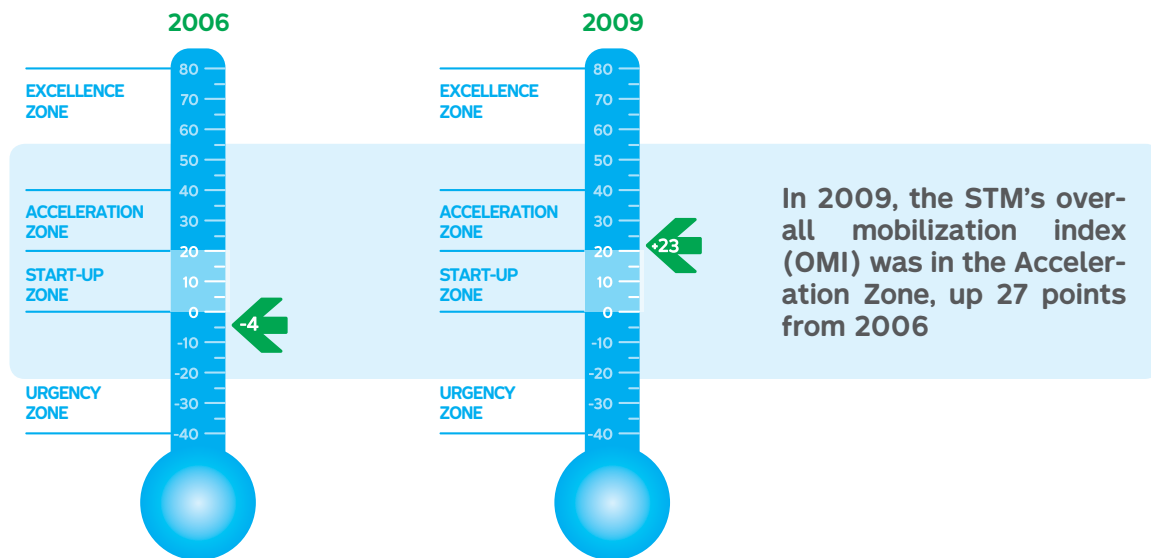
Growth of the employee mobilization rate

Employee mobilization is vital to the STM's achieving its objectives. In June 2010, strategic consulting firm SECOR submitted the results of the second Organizational Mobilization Index (OMI) survey to the STM's senior management. Conducted every three years, this survey measures the state of the work climate (the barometer) and the level of employees' commitment to the organization's objectives (Overall OMI).

According to SECOR, the STM has made huge advances since 2006:

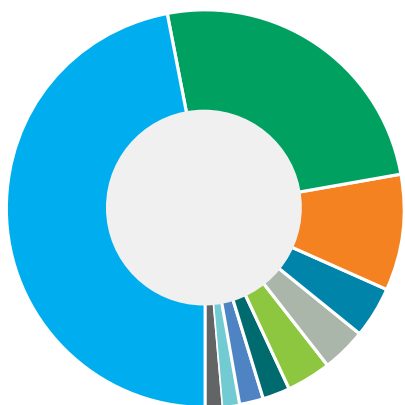
► 4,693 employees completed the survey in 2009, representing a 55% response rate (17% higher than in 2006) ► The results show that the work-climate index (+59) is even more conducive to mobilization than in 2006 (+41), which bodes well for employee commitment to the organization ► The most noteworthy observation is the rise in employee's confidence in the future, which increased from +9 to +61

In 2009, the Global OMI reached what is referred to as the Acceleration Zone, the point at which a significant proportion of employees start to become very mobilized. Over the coming years, the STM will march on in its efforts to improve and reach the Excellence Zone.



Every year, the STM takes part in some **30 employment fairs** to promote its jobs and attract new talent.

Workforce distribution (Permanent staff at December 31, 2010)



4,088 Drivers and support services employees
Union representing STM bus drivers, Métro drivers and support services employees (CUPE – local 1983)

2,195 Maintenance employees
Montréal transportation union (CSN – maintenance employees)

825 Unionized office employees
Union representing administrative, technical and professional public transit employees (CUPE-2850-FTQ)

363 Operations managers

315 Unionized professionals
Union representing STM professionals

292 Managers

201 Division clerks
Union representing STM workers (CSN)

173 Foremen and forewomen

129 Constables and peace officers
(inspectors)

99 Non-unionized professionals and office employees

8,680 permanent employees

- Representation of women: 23.9%
- Representation of visible and ethnic minorities: 18.8%
- Average age: 44.6 years
- Average years of service: 11.1
- Eligible for retirement: 1,054 employees
- Retiring: 316 employees



FARE TYPES AND COSTS

Fare sales

	Revenue			Quantities sold		
	2010	2009	Change 10/09	2010	2009	Change 10/09
Regular fare						
Monthly CAM	\$173,911,599	\$171,284,892	1.5%	2,484,451	2,500,509	-0.6%
Weekly CAM	\$30,009,060	\$26,918,041	11.5%	1,463,857	1,398,340	4.7%
6 trips ¹	\$32,890,573	\$47,744,319	-31.1%	14,893,845	22,467,915	-33.7%
10 trips ¹	\$39,973,600	\$24,714,930	61.7%	19,035,048	12,357,465	54.0%
Cash (Mtl & Laval)	\$75,133,852	\$66,060,768	13.7%	27,321,401	24,022,097	13.7%
1-day (24 hr) pass	\$4,072,618	\$790,922	414.9%	581,803	87,880	562.0%
3-day pass	\$3,619,661	\$1,383,136	161.7%	258,547	81,361	217.8%
747 cash fare	\$644,696	\$0	--	92,099	0	--
Reduced fare						
Monthly CAM	\$60,133,410	\$58,631,200	2.6%	1,551,830	1,584,627	-2.1%
Weekly CAM	\$1,549,199	\$1,676,575	-7.6%	134,713	152,416	-11.6%
4-month CAM (equivalent in months)	\$1,565,433	\$0	--	42,309	0	--
6 trips ¹	\$2,796,456	\$6,497,423	-5.7%	2,237,165	5,775,487	-61.3%
10 trips ¹	\$8,568,242	\$4,259,005	101.2%	7,140,201	3,961,865	80.2%
Cash (Mtl & Laval)	\$2,583,812	\$3,015,987	-14.3%	1,476,464	1,723,421	-14.3%
Group fare	\$113,740	\$0	--	9,478	0	--
Other fares ²	\$591,778	\$1,302,802	--	--	--	--

¹ Sales of these fare types represent actual consumption (for example, a 6-trip fare counts as 6 sales)

² This category includes revenues associated with all other fare types, such as event-related cards, promotional fares, discounts, etc.

Changes in fare sales and revenues – 2009-2010

While sales of regular CAM monthly passes dropped by 0.6%, sales of the weekly passes climbed 4.7%. To a large extent, this is attributable to the gradual economic recovery that has led to the creation of part-time, rather than full-time, employment. Sales of one- and three-day passes skyrocketed in 2010 (562% and 217.8%, respectively), which is explained mainly by the drop in prices, the fact that these passes can now be purchased at all stations, the upswing in tourism, the creation of the 747 Express bus and the increased flexibility of the daily pass, which became a swipable card valid for 24 hours from the time of first use, rather than a pass valid on a specific calendar day.

Cash sales of regular fares grew 13.7%, in part due to the withdrawal, from the available fare options, of magnetic stripe cards worth six trips. Occasional users without an OPUS card who use the bus network for the first time usually pay their fare in cash. Launched in January 2009, the 10-trip card found a niche among occasional OPUS card users thanks to its lower per-trip cost, while sales of the 6-trip card dropped more than 30% for the regular fare and over 60% for the reduced fare.

Furthermore, the roll-out of the OPUS system for reduced-fare riders was accomplished in the second half of 2009, with major changes to the purchasing procedures, which explains the variations in associated sales and revenues for a number of fares.

Fare schedule

	2009	2010	Discount over regular fare
Regular fare			
CAM (first to last day of the month)	\$68.50	\$70.00	-
Weekly CAM (Monday to Sunday)	\$20.00	\$20.50	-
6 trips	\$12.75	\$13.25	-
10 trips	\$20.00	\$21.00	-
Cash	\$2.75	\$2.75	-
1 day (24 hours)	\$9.00	\$7.00	-
3 days (consecutive)	\$17.00	\$14.00	-
Cash – 747 Express bus	-	\$7.00	-
Reduced fare			
CAM	\$37.00	\$38.75	45%
Weekly CAM	\$11.25	\$11.50	44%
4-month CAM	-	\$148.00	47%
6 trips	\$6.75	\$7.50	43%
10 trips	\$10.75	\$12.00	43%
Cash	\$1.75	\$1.75	36%
Group fare	-	\$12.00	-

Special offers

Family Outings

The Family Outings offer enables any adult with a valid STM fare product to travel with up to five children under 12 at no extra charge on weekends and legal holidays. Furthermore, through www.stm.info, STM customers can obtain exclusive discounts with some 20 partners on activities for the whole family.



Opus à l'année

The STM offers an OPUS card subscription program for regular-fare passengers seeking to avoid line-ups and having to go out to reload the card at the beginning of each month. The OPUS card is replacement-guaranteed and provides cardholders with significant discounts on BIXI and Communauto services.



Group fare

The group fare simplifies the purchasing process, makes it easier to manage transit fares and speeds up the process of boarding the bus or Métro when travelling with a group of children. This special fare enables one regular-fare passenger and up to 10 children aged 13 and under to travel on the bus and Métro on a single pass for the cost of 10 reduced fares. It comes in the form of a magnetic stripe card and was created to offer a simple option for school boards, schools and day camps.

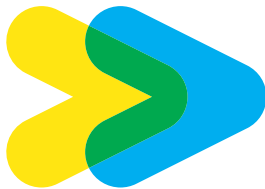


4-month CAM

The 4-month CAM was designed to develop customer loyalty among student passengers eligible for the reduced fare; it is valid for a full academic term and allows users to prepay and load their transit card for four consecutive months. This card also responds to the needs expressed by school children's parents by saving them the trouble of making a special trip each month to reload their child's card. The 4-month CAM minimizes the impacts of fare hikes, as they are sold at the previous year's monthly price.



CAMPAIGNS AND PROMOTIONS



New visual identity

Since May 2010, the STM has been showing off its new visual identity. The STM has integrated into its logo the popular chevrons that were so warmly received when they first made their appearance in communications and on vehicles in 2009.

This initiative seeks to encourage more people to use public transit either regularly or occasionally. Hence, the STM (in blue) and the public (in yellow) commit (the environment in green) to engage in dialogue (the chevrons integrating the three colours). On the one hand, the STM continues to improve its service offering in order to meet the various needs of its passengers, while at the same time applying environmentally-minded measures in its daily activities. On the other hand, the STM invites the public to do its share for the environment by opting for public transit to get around. By making this choice, everyone's quality of life comes out the winner.



A campaign off the beaten path

In order to raise public awareness of the company's many "acts of green", and of public transit's positive impact on the environment, the STM has been displaying new messages throughout Montréal. The equation "TC = geste écolo" (Public transit = an act of green) comes in many variations and appears most notably in campaigns aimed at encouraging occasional riders to use public transit more often, and at publicly expressing the environmental benefits of our passengers' choice.

The STM surprised Montrealers through its use of novel advertising vehicles, including visibility on a number of Web sites, a Society in Motion quiz, bus shelters with grass-covered green roofs, and gigantic balloons installed over the entrance buildings at Place-des-Arts, Jean-Drapeau, Langelier and Namur stations to illustrate the CO₂ avoided through public transit use.

The results of the STM's campaigns exceed advertising industry standards.

In 2010, surveys revealed that the company's ads improved people's opinion of the STM (80%) and encouraged them to use public transit (69%).



Society in Motion gets rolling

Businesses are major allies for the STM. To encourage them to support and promote public transit among their customers, the STM offers them free tools, such as Society in Motion stickers, whose message thanking the public for choosing public transit is a strong show of support. Simply affixing the sticker on their store windows serves as a reminder that taking public transit is a choice that directly impacts quality of life in the city.

The STM also makes an itinerary calculator available to its partners. Business owners need only place this handy button on their Web site to provide potential customers with directions from their starting point to the shop by bus and Métro.

Running errands by bus and Métro pays off!

The STM invited the people of Montréal to take the Métro and bus to do their holiday shopping on the main arteries of the city's busiest neighbourhoods. With the theme « Faire ses courses en métro et en bus rapporte plus » (Running your errands by Métro and bus really pays), the event took place November 25 and involved 285 businesses that displayed the Society in Motion logo in their stores and on their Web site, while offering STM riders a discount on presentation of an OPUS card, STM transit pass or reusable bag distributed for the occasion at various locations within the STM network.



Promoting the 10 Minutes Max network

In fall 2010, the STM launched a promotional campaign aimed at raising awareness of its new 10 Minutes Max network among existing users and the general public. The many communication vehicles used included a map of the 10 Minutes Max network, featuring detailed information on the new service, which was delivered to over half a million homes on the Island of Montréal.

The 10 Minutes Max network was created to cut waiting times for some 568,000 passengers who use the city's 31 busiest routes. The symbol for the service was added to the bus stop signs, specifying the route and hours of operation.

PARTNERSHIPS

When it comes to Montréal's big events, the STM is always there as a dedicated partner intent on contributing to their success. In fact, the growing number of partnerships clearly shows that public transit is key to the success of any event. All of the STM's efforts in this respect follow naturally from the company's eagerness to gain visibility and become top-of-mind among existing and potential customers, in order to promote the use of public transit and better meet the wide-ranging needs of its riders. In 2010, over 77 partnerships were forged, and the resulting visibility is estimated to be worth some \$4.9 million. These partnerships include:

➤ Aires Libres ➤ A Taste of the Caribbean Summer Festival ➤ Cirque du Soleil ➤ Défi sportif ➤ Earth Day ➤ Fantasia ➤ Festival du Monde Arabe de Montréal ➤ Festival du nouveau cinéma ➤ Festival international du film pour enfants de Montréal ➤ Just For Laughs Festival ➤ Fête des neiges ➤ Fête des enfants de Montréal ➤ Grand Prix du Canada ➤ Igloofest ➤ In Town Without My Car ➤ Journées de la culture ➤ Labatt (Night bus network) ➤ Le Montréal du futur (exhibition) ➤ Les FrancoFolies de Montréal ➤ Montréal Alouettes ➤ Montréal Canadiens ➤ Montréal High Lights Festival – Nuit blanche à Montréal ➤ Montréal Human Rights Film Festival ➤ Montréal Museums Day ➤ MUTEK ➤ Nuit Blanche sur Tableau Noir ➤ Osheaga Music Festival ➤ Paradis perdu ➤ Piknic Électronik ➤ Portes ouvertes Design Montréal ➤ Quartier des Spectacles ➤ Salon national de l'environnement ➤ Santa Claus parade ➤ Tall Ships on the Quays (Quays of the Old Port) ➤ Tennis Canada (Rogers Cup) ➤ The Montréal Bike Fest (Tour de l'île) ➤ The National Home Show ➤ World Film Festival

Transportation cocktail

By definition, the transportation cocktail is the interweaving of the various modes of public transit—the Métro, buses, commuter trains, minibuses and shared taxis—and active and private modes of transportation, like cycling, walking, taxis, rental cars, ride-sharing and carpooling. To help improve the urban mobility mix, the STM signed a number of partnership agreements with a variety of sustainable mobility players. For example, thanks to two programs, the DUO auto + bus (with Communauto) and BIXI-bus (with the Société de vélo libre-service, which runs the BIXI program), STM customers pay reduced rates for these services.

Partners:

➤ Communauto ➤ Vélo Québec ➤ BIXI ➤ Opus plus (employer program)
➤ Voyagez Futé ➤ Faites de l'air



TOUT UN SERVICE
DANS LE MÉTRO!

12 AOÛT, MIDI

COUPE
ROGERS
BANQUE NATI

COUPE
ROGERS
BANQUE NATI

ART IN THE MÉTRO

The Montréal Métro is known for the diversified architecture of its various stations, and for its impressive collection of public artworks. One hundred or so murals, stained glass windows and sculptures of every shape and colour adorn just about every one of the network's 68 stations, much to the delight of passengers. Responsibility for maintaining and showcasing the works of art, which are the envy of many of the world's transit systems, falls on the STM.

As a result, the STM invested \$372,000 in 2010 on a number of projects related to maintaining its artistic legacy. One was the restoration of the artworks at a number of stations: Assomption (murals by Guy Montpetit, 1976), Cadillac (murals by Jean Cartier, 1976), Du Collège (stained glass windows by Pierre Osterrath and Lyse Charland Favretti, 1984), and Outremont (mural by Gilbert Poissant, 1988). Another project involved disassembling Square-Victoria station's decorative wrought-iron entrance and restoring it to its original glory. This art work was created by Hector Guimard at the turn of the 20th century and given to the STM as a gift by the Régie autonome des transports parisiens (RATP). Most of the restoration work was carried out with the technical assistance of the Centre de conservation du Québec (CCQ) and with financial assistance from the Ministère de la Culture, des Communications et de la Condition féminine.

The STM also began refurbishing the curtain wall supporting the stained glass window created by Marcelle Ferron at Champ-de-Mars station; the work involved removing the window and placing it in storage for the duration of the refurbishment. Giant banners were installed both inside and outside the station to pay tribute to this remarkable woman, who forever marked the history of art in Québec. The STM also reinstalled the mural by artists Jean Cartier and George Juhasz at Papineau station and the stained glass windows by artists Mario Merola and Pierre Osterrath at Charlevoix station, both of which had been restored in 2009. Furthermore, on completion of the accessibility work in 2010, the sculpture entitled *L'Arbre de vie* at Lionel-Groulx station was moved and a new base that hides the piece's anchors was installed. Also, the murals by Yves Trudeau at Côte-Vertu station were modified and reinstalled.

The STM took part in the *Montréal, ville de verre* 2010 event by inviting the public to discover the many glass artworks in the Métro, such as the stained glass window by Frédéric Back at Place-des-Arts station, and that by Marcelle Ferron at Champ-de-Mars station.

And lastly, as part of a cooperation agreement with the Régie autonome des transports parisiens (RATP), the STM launched a contest in which the winner's work of art would be donated to the Paris métro. Thirty-seven proposals were received and, in the end, the jury selected a work by artist Geneviève Cadieux. Entitled *La Voix lactée*, the piece will be unveiled at Paris's Saint-Lazare station in fall 2011 to commemorate the 150th anniversary of public transit in Montréal and the 50th of the Délégation générale du Québec in Paris.

Métro-Arts

Métro-Arts are partnerships that enable the STM to present quality performances in the Métro for passengers' enjoyment. The performances serve to express the STM's desire to recognize the effervescence of Montréal's artistic minds and to become further entwined with the city's cultural milieu.

Métro-Arts partners

- Orchestre Métropolitain
- Opéra de Montréal
- La Tohu
- Théâtre Jean-Duceppe
- ARTV
- Les Grands Ballets Canadiens



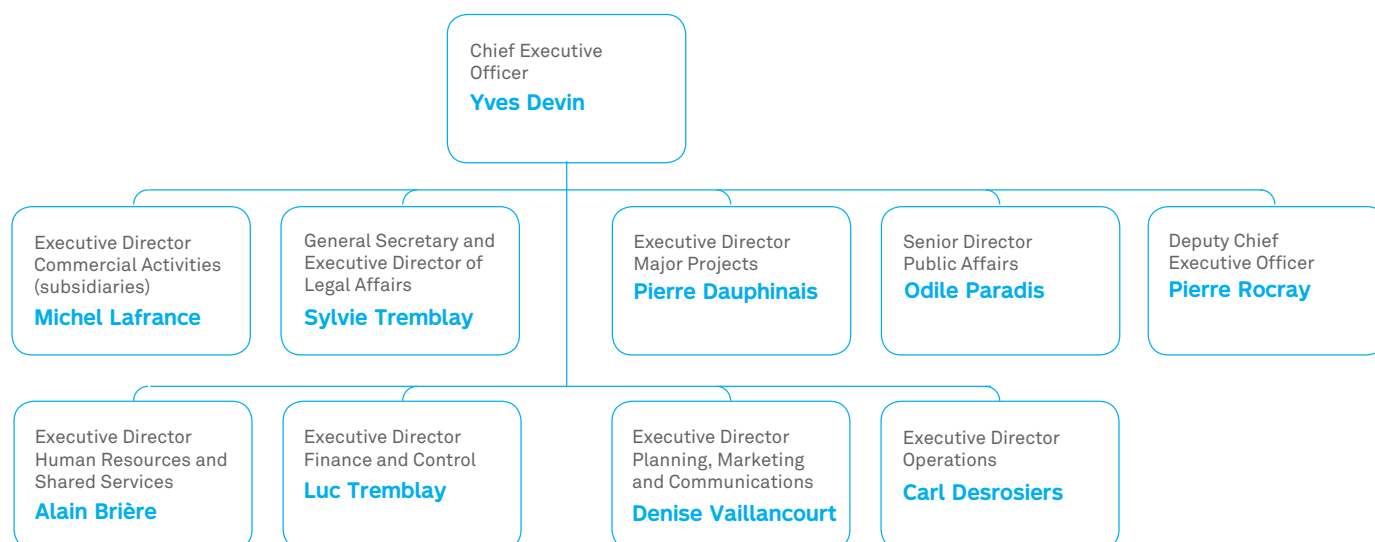


EXECUTIVE COMMITTEE ORGANIZATION CHART

Changes to the STM's management structure

In the wake of the unprecedented growth it experienced over the past few years, the STM carried out some \$2.2 billion in capital expenditures; and now, for the 2011-2013 period alone, the company is expecting to invest a further \$1.9 billion. This is just one reason why the STM must soundly manage its many projects, improve efficiency and continue managing risks, which it can achieve only by allocating the appropriate resources to these tasks. With these objectives in mind, on recommendation of the STM's senior management, the Board of Directors approved changes to the company's organizational structure in July 2010.

The changes include the creation of the Executive Branch – Finance and Control, whose mandate is to protect the company in all matters administrative and financial, and thereby respond to the expectations of administrators seeking to strengthen the management of organizational, operational and financial risks. The Executive Branch – Human Resources has become the Executive Branch – Human Resources and Shared Services. It now brings the Diversity and Respect for Human Dignity, Retirement Plans, Information Technology, Logistics Chain and Human Resources departments under the purview of a single structure. Furthermore, the executive branches in charge of managing major bus and Métro projects were merged in order to streamline them, leading to the creation of the Executive Branch – Commercial Activities (Subsidiaries), whose mandate is to respond to the need to increase non-fare revenues. Lastly, the Public Affairs Branch was created to bring consistency to communications from senior management and the office of the Chairman of the Board, while the office of the Deputy Chief Executive Officer was created to coordinate strategic dossiers.



GOVERNANCE

Board of Directors

The Board of Directors is constituted of members of the agglomeration's management board and of those of other agglomeration municipalities; all Board members are appointed by the Agglomeration Council. Moreover, three members of the Board of Directors are chosen from among agglomeration residents, including two regular public transit users and one paratransit user. The rules governing the appointment of the two public transit users are very specific in that one of them must be under 35 years of age.

The Board of Directors embodies the values of diversity and plurality so strongly promoted by the STM. The Board currently comprises six municipal councillors and two representatives of the customer groups, and consists of three women and five men.

Michel Labrecque

Chairman of the Board of Directors
Public transit users representative

Marvin Rotrand

Vice-chairman
Montréal City Councillor
Côte-des-Neiges–Notre-Dame-de-Grâce borough

Bernard Blanchet

Borough Councillor
City of Montréal
Lachine borough

Jocelyn Ann Campbell

Montréal City Councillor – Saint-Sulpice district
Ahuntsic-Cartierville borough
Member of the Ahuntsic-Cartierville and Ville-Marie borough councils

John W. Meaney

Mayor of Kirkland

Dominic Perri

Montréal City Councillor
Saint-Léonard borough

Monica Ricourt

Borough Councillor – Ovide-Clermont district
Montréal-Nord borough

Marie Turcotte

Paratransit users representative

Note: Members of the Board of Directors at December 31, 2010.

Roles and responsibilities of the Board of Directors

The Board of Directors executes the functions and powers of the STM and sets its major orientations; adopts the strategic plan for the development of public transit on the territory it serves; adopts the budget, the staffing plan and the three-year capital expenditures programs (CEP) on an annual basis; establishes the various fare products and price structure; and approves, abolishes or replaces public transit routes and approves permanent changes to the routes.

- 31 meetings of the Board of Directors
- 58 meetings of the Board of Directors' technical committees
- 406 dossiers handled
- 23 loan bylaws approved (totalling approximately \$1.9 billion)
- 83 contracts for the purchase of goods and services awarded (valued at approximately \$2.2 billion)

Role of the Board of Directors committees

In order to aid in the proper governance of the STM and help it execute its mandates, the Board of Directors formed a number of technical committees, each of which is dedicated to a specific field of endeavour. These committees were formed, mostly between 2006 and 2008, as part of the governance rules review process aimed at helping the STM conduct its activities. The committees are comprised of members of the Board of Directors and independent external members.

The chairman of the board is an ex officio member of all committees. The secretary general attends the meetings and serves as the permanent secretary on all committees, while not actually being a member.

Customer Service Committee

This committee's mandate is to study the needs, means and best possible solutions with respect to issues surrounding the public transit services that the STM provides to its users; the committee then submits its recommendations to the Board of Directors. Two subcommittees were formed to deal more specifically with the accessibility and diversity dossiers. In order to take the pulse of STM customers, the committee organizes public consultations on a yearly basis.

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

Marie Turcotte
Committee member

Jocelyn Ann Campbell
Committee member

Denise Vaillancourt
Executive Director –
Planning, Marketing and Communications
Committee Coordinator

Human Resources Committee

This committee's mandate is to study the needs, means and best possible solutions with respect to issues surrounding human resources management at the STM, and to submit its recommendations to the Board of Directors.

Every year, the committee studies and assesses the Chief Executive Officer's performance vis-à-vis his specific, pre-established personal and corporate objectives, and establishes his annual salary, within the limits set by the Board of Directors. When required, the committee calls on external experts to study the salaries paid to STM executives and bring them into line with those earned by senior managers at Québec's public corporations and at North American public transit companies.

The committee also determines, on recommendation of the Chief Executive Officer, the performance assessments and annual salary of management committee members according to pay scales and internal management rules or, as the case may be, the parameters established by the Board of Directors.

Marie Turcotte
Committee Chair

Monica Ricourt
Committee member

John W. Meaney
Committee member

Gilles Dulude
External member

Linda Gosselin
External member

Alain Brière
Executive Director –
Human Resources and Shared Services
Committee Coordinator

Executive Committee member remuneration

	Title	Annual salary 2010	Reimbursement for expenses incurred
Yves Devin	Chief Executive Officer	\$313,188	\$2,105
Carl Desrosiers	Executive Director - Operations	\$248,292	\$1,137
Denise Vaillancourt	Executive Director - Planning, Marketing and Communications	\$203,409	\$816
Pierre Rocray	Deputy Chief Executive Officer	\$197,359	\$3,284
Alain Brière	Executive Director – Human Resources and Shared Services	\$197,180	\$1,426
Pierre Dauphinais	Executive Director – Major Projects Management	\$192,214	\$2,533
Sylvie Tremblay	Secretary General and Executive Director - Legal Affairs	\$190,176	\$1,598
Luc Tremblay	Executive Director – Finance and Control	\$173,021	\$1,176
Michel Lafrance	Executive Director - Commercial Activities	\$172,000	\$0
Odile Paradis	Senior Director – Public Affairs	\$147,599	\$404

Finance Committee

This committee's mandate is to study the needs, means and best possible solutions with respect to issues surrounding the management of the STM's financial activities, and to submit its recommendations to the Board of Directors.

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

Dominic Perri
Committee member

Jocelyn Ann Campbell
Committee member

Daniel Leclair
External member

Yves Séguin
External member

Luc Tremblay
Executive Director – Finance and Control
Committee Coordinator

Governance and Ethics Committee

This committee's mandate is to study the needs, means and best possible solutions with respect to issues surrounding governance and ethics in the management of the STM's activities, and to submit its recommendations to the Board of Directors.

Michel Labrecque
Chairman of the Board of Directors
Committee Chair

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

Monica Ricourt
Committee member

Diane Girard
External member

Karin Marks
External member

Sylvie Tremblay
Secretary General and Executive Director –
Legal Affairs
Committee Coordinator

Audit Committee

This committee's mandate is to study the needs, means and best possible solutions with respect to ensuring, on behalf of the Board of Directors, that the STM's financial affairs are being conducted effectively and economically, and making available all information required to accurately reflect the company's activities and results.

Michel Labrecque
Chairman of the Board of Directors
Committee Chair

John W. Meaney
Committee Vice-chair

Yves J. Beauchesne
External member

Yves Gauthier
External member

Suzanne Bourque
Auditor General
Committee Coordinator

The STM has had an auditor general since 1982.

Asset Maintenance, Major Projects and Environment Committee

This committee's mandate is to study the needs, means and best possible solutions with respect to the maintenance of STM assets (operating equipment and systems, computer equipment and infrastructures). It is also charged with studying all major projects supporting the implementation of the STM's business plan, and with overseeing the company's environmental policy. It then submits its recommendations to the Board of Directors.

Bernard Blanchet
Committee Chair

Monica Ricourt
Committee member

Marie Turcotte
Committee member

Roland Gagnon
External member

Jean-Guy René
External member

Pierre Dauphinais
Executive Director – Major Projects Management
Committee Coordinator

Operations Committee

This committee's mandate is to study the needs, means and best possible solutions with respect to issues surrounding the management of STM operations, and to submit its recommendations to the Board of Directors.

Bernard Blanchet
Committee Chair

Dominic Perri
Committee member

John W. Meaney
Committee member

Roland Gagnon
External member

Jean-Guy René
External member

Carl Desrosiers
Executive Director – Operations
Committee Coordinator

Arts and Heritage Committee

This committee's mandate is to promote the integration of art into the STM's network and to concern itself with protecting, conserving, exploiting and developing the artistic heritage assets falling under the STM's stewardship, as well as to submit its recommendations to the Board of Directors.

Jocelyn Ann Campbell
Committee Chair

Michel Labrecque
Chairman of the Board of Directors
Committee member

Marie Turcotte
Committee member

France Vanlaethem
External member

Louise Desseault-Letocha
External member

Odile Paradis
Senior Director – Public Affairs
Committee Coordinator

Transgesco S.E.C. (Commercial Activities)

The Board of Transgesco S.E.C. Associates, on which three members of the STM Board of Directors sit, is charged with establishing Transgesco's orientation, adopting its strategic development plan, appointing external auditors and reviewing its financial statements.

Limited partner's representatives

Dominic Perri
President

Bernard Blanchet

Michel Labrecque

General partner's representatives

Yves Devin
Administrator

Sylvie Tremblay
Secretary

Pierre Rocray
Administrator

Denise Vaillancourt
Administrator

Alain Fraser
Treasurer

Alain Gauthier
External consultant

Meetings and main topics discussed by the committees in 2010

Committee name	Number of meetings	Main topics of discussion
Customer service	8	<ul style="list-style-type: none"> ➤ Service improvements made as part of the PASTEC program ➤ 2020 Strategic Plan ➤ Navettes OR shuttle service ➤ Customer satisfaction ➤ Fall 2010 visibility plan ➤ 2010 partnerships
Universal accessibility subcommittee	6	<ul style="list-style-type: none"> ➤ Universal accessibility development plan ➤ 10-year plan for people with functional limitations ➤ Guide for passengers in wheelchairs ➤ 2020 universal accessibility plan ➤ 10-year paratransit plan ➤ Universal accessibility forum
Ethnic and social diversity subcommittee	3	<ul style="list-style-type: none"> ➤ Access to equality plan – people with disabilities segment ➤ Preparation for the 2011 forum
Human Resources	5	<ul style="list-style-type: none"> ➤ Human resources action plan ➤ Recruitment plan ➤ Improvements to maintenance performance
Finance	7	<ul style="list-style-type: none"> ➤ 2011-2020 financial framework ➤ Financial policies ➤ City of Montréal budget process ➤ Financial situation at August 31, 2010, and budget forecasts at December 31, 2010
Auditing	10	<ul style="list-style-type: none"> ➤ Financial statements ➤ External auditor's report ➤ 2007-2011 environmental protection plan ➤ Control Centre operating systems ➤ Leveraging inventory ➤ Warranty management

Meetings and main topics discussed by the committees in 2010

Committee name	Number of meetings	Main topics of discussion
Governance and Ethics	4	<ul style="list-style-type: none"> ➤ Code of ethics ➤ Governance (policies, supervision, delegation) ➤ Process for welcoming external members of technical committees
Asset Maintenance, Major Projects and Environment	9	<ul style="list-style-type: none"> ➤ Sustainable development ➤ Réno-Systèmes – Phases I, II and III ➤ Réno-Infrastructures ➤ Major renovation of Berri-UQAM station ➤ Control Centre operating systems ➤ Major projects – Bus system ➤ MPM-10
Operations	4	<ul style="list-style-type: none"> ➤ New bus propulsion technology action plan ➤ Midibus ➤ Increasing Métro passenger capacity ➤ Embelli-Stations projects ➤ Air conditioning dossier ➤ Purchase of minibuses ➤ Operational indicators ➤ Situation with the new buses
Arts and Heritage	2	<ul style="list-style-type: none"> ➤ Project to donate a work of art to the Paris métro ➤ 150th anniversary of public transit in Montréal

Remuneration of the members of the Board of Directors

The remuneration of all members of the STM's Board of Directors is established in accordance with the provisions of the Act respecting the remuneration of elected municipal officers, the Act respecting Public transit authorities, and STM regulation R-076, Règlement établissant les règles de gouvernance applicables à l'accomplissement de diverses fonctions par les membres du conseil d'administration (the regulation establishing governance rules applicable to the execution of various functions by members of the Board of Directors).

In addition to the annual salary they receive as members of the Board of Directors, they also receive a \$175 director's fee each time they serve on a technical committee. The fee is \$300 when a member also chairs the committee.

Remuneration of the members of the Board of Directors

Name	Annual salary ^(a)	Attendance allowance ^(b)
Michel Labrecque	\$122,196	\$0
Marvin Rotrand	\$26,245	\$4,725
Bernard Blanchet	\$20,996	\$3,950
Jocelyn Ann Campbell	\$20,996	\$3,075
John W. Meaney	\$20,996	\$1,925
Dominic Perri	\$20,996	\$2,350
Monica Ricourt	\$20,996	\$2,975
Marie Turcotte	\$20,996	\$5,150

(a) Amounts received as a member of the Board of Directors

(b) Amounts received for serving on the Board's technical committees

International relations and R&D missions

In order to improve its performance, share its expertise and discuss best practices, the STM maintains its membership in national and international public transit organizations. Representatives of senior management and the Board of Directors therefore sit on various political and technical committees. Over the course of 2010, STM representatives took part in Les entretiens Jacques-Cartier at the symposium hosted by the Association du transport urbain du Québec (ATUQ), the convention and conferences of the Canadian Urban Transit Association (CUTA), and the conventions and technical committees of the American Public Transportation Association (APTA) and the International Association of Public Transport (UITP). The STM also signed the UITP's sustainable development charter in Brussels, and took part in the celebrations commemorating the organization's 125th anniversary. The STM is also a member of Imperial College London, and signed a protocol for cultural and technical exchanges with France's Régie autonome des transports parisiens (RATP) last May.

Technical mission expenditures

Name	Function	Amount
Michel Labrecque	Chairman of the Board of Directors	\$11,601
Marvin Rotrand	Vice-chairman of the Board of Directors	\$4,953
Bernard Blanchet	Member of the Board of Directors	\$9,428
Yves Devin	Chief Executive Officer	\$8,343
Carl Desrosiers	Executive Director – Operations	\$9,022
Denise Vaillancourt	Executive Director – Planning, Marketing and Communications	\$4,715
Pierre Rocray	Deputy Chief Executive Officer	\$6,040
Sylvie Tremblay	Secretary General and Executive Director – Legal Affairs	\$683
Alain Brière	Executive Director – Human Resources and Shared Services	\$2,609
Luc Tremblay	Executive Director – Finance and Control	\$2,016
Odile Paradis	Senior Director – Public Affairs	\$5,060

You can also view the 2010 Sustainable Development Report and the 2010 Financial Report, as well as the 2010 Budget and the 2011-2013 Three-year Capital Expenditures Program (available in French only), at www.stm.info.

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