

Communiqué de presse - Le 29 septembre 2005

The TRANSDEV Group pursues expansion in Europe and confirms its position as the preferred partner of local authorities

In line with the annual growth target of 15%, TRANSDEV has ensured its expansion in Europe with 1 major new contract and 2 key acquisitions, breaking into the Italian market (Milan and Genoa) and strengthening its presence in the UK (Bournemouth).

Italy

Genoa. In a groundbreaking move, an Italian city has entrusted the management of its transport network (bus, Metro, etc.) to a private partner for the first time via an open tendering process.

TRANSDEV has acquired a 41% shareholding in the company, AMT S.p.A. (Azienda Mobilità e Trasporti), the Genoa transport network's operating company, which generates an annual turnover of around €150M. Via a strategic partnership with the City Council of Genoa, TRANSDEV will manage the urban transport network for a six-year period, making the total value of the contract €900M.

Milan. TRANSDEV is pursuing the progressive acquisition of the AGI Group, Italy's third largest private inter-urban and suburban transport group in terms of turnover (€30M).

This period of growth reflects the partnership model that underlies TRANSDEV's expansion strategy in the Italian market. AGI has operations in many Italian regions, with a presence in Lombardy through the activities of its subsidiaries, as well as Venetia and Emilia Romagna through public-private partnerships.

TRANSDEV is becoming a key player in Italy, establishing a secure position in the country's urban and inter-urban transport markets.

"TRANSDEV's growth in Italy is structured around two core initiatives. The first consists of acquiring interests in municipal urban transport companies within the framework of private-public partnerships with local authorities, as we've done in Genoa. The second is the acquisition of a private transport operator such as the AGI Group which serves the outskirts of large agglomeration", explains Philippe Segretain, Group Chairman.

The UK

Bournemouth. Transdev are currently entering exclusive negotiations, following a competitive procedure, for the take-over of the Yellow Buses bus network via the acquisition of 100% of the share capital of the company, Bournemouth Transport Ltd. (BTL).

The acquisition of BTL, which achieves turnover of €18M, will complement TRANSDEV's activities in London, where it owns more than 750 vehicles and represents almost 10% of the capital's market. BTL also represents a landmark in the Group's growth, as an entry into the deregulated passenger transport market, the other side of the British bus market.

"Bearing in mind our objective of maintaining a strong relationship with local authorities, we suggested to Bournemouth Council that it buy back 10% of the shares in the bus company, so that it would remain a shareholder and director", says Philippe Segretain.

TRANSDEV's external growth policy should lead to the value of business operated by the Group increasing to €1.6 billion with a consolidated turnover of €1 billion by the end of 2006.

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TRANSDEV in brief

A subsidiary of the state owned institution, Caisse des Dépôts, with activities in several major cities (London, Melbourne, Porto, Genoa, the Paris region, etc.), 81 urban networks and 43 inter-urban networks in France, the UK, Portugal, Italy and Australia, TRANSDEV serves the transport needs of a billion passengers a year. With 2 Metro systems (Porto and Genoa) and 7 tram networks (Grenoble, Melbourne, Montpellier, Nantes, Nottingham, Orléans, Strasbourg) in operation and 4 new tram networks under construction (Edinburgh, Mulhouse, Tenerife and Valenciennes), TRANSDEV is a world leader in its field.

TRANSDEV manages a fleet of more than 8,000 coaches and buses, 710 trams and 58 Metro vehicles, and has 21,600 employees, 6,900 of which work outside of France.

In 2004, the value of business under TRANSDEV management was 1.3 billion euros. A global operator, TRANSDEV's activities include: management of complex multimodal networks, management of specific transport networks (airports, mountain resorts, etc.), passenger services (ticketing, online ticket sales, travel information), development of fixed track public transport, setting-up and supervising large projects, advising local authorities and assisting with project implementation.

AGI (AUTO Guidovie Italiane S.p.A.) in Milan

Private inter-urban and suburban transport group

- 336 employees
- 280 vehicles
- Consolidated turnover of approximately €30M
- Operation of 35 routes covering almost 11 million km
- 10.7 million passengers a year

The Group is active in many regions, including:

- Lombardy, Italy's second region in terms of public transport, which serves the provinces of Milan, Cremona, Bergamo and Brescia,
- Venetia, in the provinces of Venice and Belluno,
- Emilia Romagna, in the provinces of Reggio Emilia and Modena.

A multi-service group that provides:

- Public transport services (suburban and inter-urban),
- Tourism and one-off transport services,
- Technological solutions, such as designing software and information systems dedicated to public transport.

AMT (Azienda Mobilità de Transporti S.p.A.), the Genoa network operating company

- 2,200 employees
- Turnover of €150M
- 30 million km covered per year
- 860 vehicles
- 18 Metro vehicles
- 20 trolleybuses
- 2 funiculars

Ridership: 149 million journeys,
a daily average of 408,200 journeys – 239 journeys/year/inhabitant

The network of the city of Genoa (population 610,000) is Italy's 5th largest urban transport network, operated by the country's 9th largest road transport company.

TRANSDEV in Italy

Turin. TRANSDEV is providing consultancy and supervisory support to the project sponsor, which is also the city's transport network operator. This project, for the construction of the first automatic Metro system in Italy, is due to be completed in time for the 2006 Winter Olympics.

Savona. TRANSDEV has acquired an 11% interest in the company that operates the urban and inter-urban network.

Rome. As part of a consortium, TRANSDEV is operating a network of 26 million km under a chartering arrangement, on behalf of the public operating company.

Genoa. The management of Italy's 5th largest transport network has just been entrusted to TRANSDEV for a six-year period (see enclosed press release of 5 July 2005).

Milan. TRANSDEV is gradually buying out the inter-urban and suburban transport operator, AGI Group, with the target of achieving 100% ownership by 2014.

The Italian banking group San Paolo IMI owns 7% of TRANSDEV's capital.

BTL (Bournemouth Transport Ltd.)

Operator of the bus network (Yellow Buses) of the coastal town of Bournemouth:

- 336 employees
- 123 vehicles
- Turnover of £12.1M

BTL operates:

- Commercial urban routes in Bournemouth and the neighbouring districts, which account for two-thirds of its turnover,
- School and university services,
- Scheduled long-distance services, under a contract with National Express.

TRANSDEV in the UK

TRANSDEV has been present in the UK since 1997, through its subsidiary London United, which has a turnover of £100M (€138M), 2,010 employees and a fleet of 625 vehicles.

These core bus operations in London are complemented by London Sovereign, acquired in November 2002, which generates additional turnover of £18.1M (€25.1M).

TRANSDEV is also active in the tram sector; its network in Nottingham has been operational since March 2004 and the Edinburgh tram system is due to open in 2009. These two activities generate a total turnover of £7.5M.

Market deregulation in the UK

The road passenger transport market has been deregulated throughout the UK, with the exception of London. There is constant competition, open to all operators, provided that they comply with the usual requirements in terms of safety and commercial honesty.

Transport for London (TfL) is responsible for organising the capital's transport system, and is the body that contracts and regulates the various operators. Whatever the scope of the risks assumed by operators (revenue risks, for example), they are offered legal protection that prevents competition outside the context of formally structured tendering processes.