

ALSA (SPAIN)



REVENUE (£m)

06 249.3

NORMALISED OPERATING PROFIT (£m)

06 44.3

TOTAL NUMBER OF EMPLOYEES

06 3,720

ALSA'S SPANISH LONG DISTANCE COACH NETWORK



ALSA'S SPANISH COACH BRAND AND SERVICES

ALSA IS SPAIN'S LEADING PRIVATE OPERATOR OF COACH AND BUS SERVICES OPERATING 64 COACH AND 19 BUS CONCESSIONS WITHIN THE SPANISH MARKET. THE DIVISION PROVIDES NEARLY 62 MILLION PASSENGER JOURNEYS PER ANNUM AND EMPLOYS OVER 3,500 PEOPLE.

ALSA



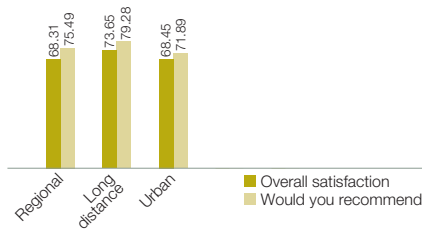
Operates coach and bus services throughout Spain with operations also in Portugal and Morocco.
www.alsa.es



PASSENGER NUMBERS ('000)



CUSTOMER SATISFACTION (%)



COACH SALES BY INTERNET (%)



Alsa joined the Group in December 2005. It is Spain's leading private operator of coach and bus services, with 64 coach and 19 bus concessions. The division provides nearly 62 million passenger journeys per annum and employs over 3,500 people.

With Spain's extensive motorway network and low coverage national railway, the coach is a key transport mode for travellers in Spain. To accommodate the wide range of coach travellers, Alsa has differentiated its coach product providing three levels of customer offering:

- Standard, which provides a network of pick up points;
- Clase Eurobus, with enhanced facilities such as waiting rooms, including refreshments and quality on-board facilities; and
- Clase Supra, providing point-to-point non-stop trips, leather seats, a meal service and laptop connection at every seat.

In addition Alsa provides urban bus services in a number of key regions such as Asturias, Leon and Cantabria. The division also operates 140 buses in the city of Marrakech (Morocco).

Alsa prides itself on taking the lead in the Spanish transportation market. Its goal is to provide quality services by listening to feedback from its customers and to take the lead through the use of technology. For example, through its customer surveys Alsa learnt that customers wanted better on-board entertainment. Armed with this information, Alsa started researching a system that could improve the quality of its on-board entertainment provision. Through the use of digital and WIFI technology the Ociobus project was born. By the end of 2006, Ociobus had completed its one year trial.

The system provides automated on-board entertainment in the form of a bespoke channel, similar in concept to a themed TV channel. Additionally, it provides a new marketing tool to manage the product offering and to communicate with customers, as well as being a potential advertising medium.



ALTERNATIVE FUEL TRIALS

Alsa is committed to assessing the benefit of alternative fuels. In March Alsa's Bus division commenced a biodiesel trial. Biodiesel has the potential to reduce the emission of greenhouse gases. Working with the City Council of Oviedo (Asturias) Alsa used a 10% biodiesel blend (90% diesel and 10% biodiesel) in 11 vehicles.

The trial required the installation of special pumps and mixing facilities at our depot. During the trial we have tracked fuel consumption and maintenance costs so we can compare this to vehicles using normal diesel.

During the first stage of the project key performance indicators such as fuel consumption, distance travelled and maintenance costs were compared to vehicles using normal diesel.

Alsa has been pleased with the trial and plans to extend the pilot in the near future to bus and long distance coach services.



Alsa also prides itself on its quality of driver training. Back in 1986 the Alsa team started to look at ways to use technology and specifically simulation with the introduction of the first truck driving simulators. The simulator provides drivers with bespoke driving experiences, and collects data which complements other research into the human aspects which affect driving performance. In January 2005 the facility was opened in El Espinar (Segovia-Spain) in co-operation with the CEIT Centre for Industrial Experiments of the University of Navarra and the Robotics department of the University of Valencia. Use of the facility has led to improved driving quality, better handling of vehicles and an enhanced focus on safety.



BELTING UP

Alsa's commitment to safety is demonstrated by stringent safety levels above and beyond current legislative requirements. In the European Union, the law requires seat belts to be fitted to coaches registered after October 2007. Legally, the whole Alsa fleet does not require seat belts fitted until 2011. However in 2006, we worked in collaboration with the University Vehicle Research Institute (INSIA) at the Madrid Polytechnic University, which assesses compliance in transport, on the roll-out of seat belt installation on all our long distance vehicles. Last year, with belts fitted to just under half the seats on our long distance scheduled fleet, we decided to retro-fit belts to the rest of our long distance fleet. The work was completed last year. Implementation of this programme puts Alsa five years ahead of legislative requirements.

USING TECHNOLOGY TO IMPROVE OUR OFFERING

Keeping mobile and geographically disperse employees aware of developments is always a challenge. Alsa's Driver Information Project (PIC) has helped address this problem.

The PIC provides:

- a new communication tool between the driver and the company;
- improved internal communication between the company and the driving personnel;
- driver benefits, as it enables them to find information and carry out some operations relating to their daily activities; and
- details of accessibility at bus stations and depots.

The Ociobus system provides automated on-board entertainment, enabling the passenger to enjoy new possibilities by developing a channel of our own, similar to a TV theme channel. In addition the entertainment channel provides a new marketing tool to manage the supply, the product and the communication with customers whilst also being a potential advertising medium.

The new system provides:

- automatic quality on-board broadcasts;
- customised contents for each bus, according to the itinerary and timetable;
- a new channel of communication between the company and its customers.



PARTICIPATING IN THE COMMUNITY

Recognising of the role that public transport can play in helping the environment, we have worked with the administration of the Principado de Asturias to develop a Public Transport Access Plan to the Covadonga Lakes, a protected area of natural beauty in the Picos de Europa National Park (Asturias, Spain).

The increasing popularity of the Lakes had caused traffic congestion to become a major issue during peak periods, with visitors taking three hours to travel the 11km from the nearby town of Covadonga to the Lakes. Working with the Regional Transport Consortium (CRT) we designed a Public Transport Access Plan to manage high levels of private vehicle traffic both to Covadonga and to the Lakes and prevented traffic delays whilst improving tourists' perceptions of the National Park.

We devised a shuttle service to the Lakes during the busy peak periods with over 40 buses operating a service with departures every 15 minutes. On-board customers are shown a video about the Lakes and educated on the key environmental considerations whilst visiting the Park.

Regulating the access to Covadonga-Lakes and the modal shift from private vehicle to public transport has had a very positive environmental impact.