

## **ANNUAL REPORT 2008**

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ACTIVITY AND SUSTAINABLE DEVELOPMENT REVIEW  
FINANCIAL REPORT

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**The world's no.1**  
operator of tramway networks

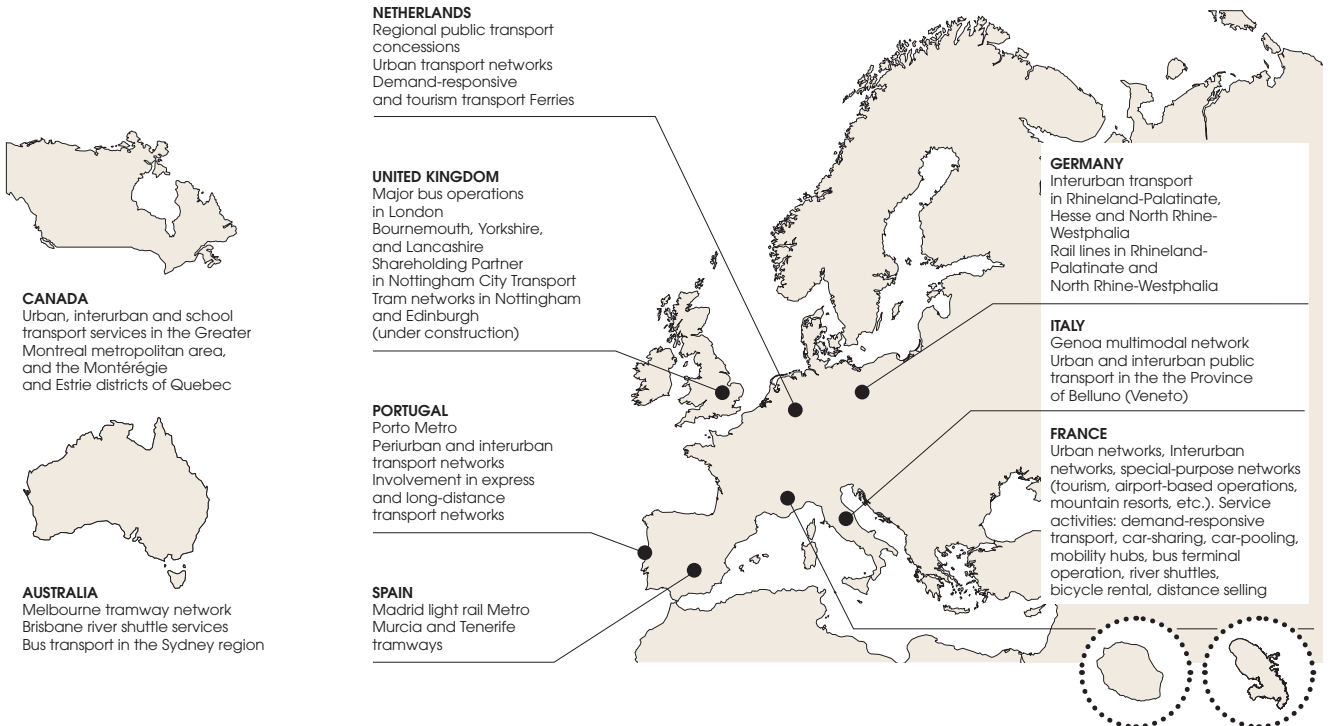
**European leader**  
in demand-responsive transport

**No.4**  
private operator of public transport networks in Europe

**2 billion**  
passengers in 2008

Present in **9 countries**

**More than 46,000**  
employees, including 18,200 in France and 14,700 in the Netherlands





# COMPANY PROFILE

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**“Because we must protect** our planet and hand it on in good condition to future generations.”

**“Because harmonious regional development** is essential to the stability and cohesion of our societies.”

**“Because we need sustainable travel** policies to enhance city life and life in general, to give the right to mobility for all and manage economic growth, the Transdev Group designs and implements public transport solutions to bring people closer together while preserving their environment.”

**For Transdev**, serving cities and their citizens means developing effective public transport systems. This vision entails anticipating new travel needs and investing alongside local communities, working with them to build global mobility offerings accessible to all. As an international group, Transdev is present today in nine countries. As the world leader in tramway systems and Europe’s leader in demand-responsive transport, Transdev is determined to work with these countries as a key operator in their local transport ecosystems. It is committed to acting as a responsible player in building a more accessible world where the community plays the key role. Transdev is a subsidiary of the Caisse des Dépôts.



Public Transport Observatory

# AN OPPORTUNITY FOR OUR PLANET

## 1 - TACKLING THE CHALLENGE OF CLIMATE CHANGE

Our planet is growing warmer. According to the IPCC\*, we need to divide global greenhouse gas emissions by a factor of 2 between now and midcentury if we are to limit the average rise in temperatures to 2°C; and by a factor of 4 in the industrialized

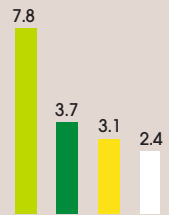
countries. Transport is the primary source of emissions, accounting for 23% of global emissions worldwide, ahead of buildings, energy generation, farming, and industry. Without a massive change in our habits, the volume of CO<sub>2</sub> attributable to the transport sector could rise by a factor 2.5 by 2050.

\* International Panel on Climate Change

**5 billion** people will be living in urban areas in 2030.

**26%** of aggregate CO<sub>2</sub> emissions in France are due to transport.

**ROAD TRANSPORT AND CO<sub>2</sub>** (in metric tons)



Americans  
French  
British  
German

More than **800** million road vehicles on the world's roads today, versus less than 50 million in 1950. The figure could rise to nearly 2 billion in 2050.

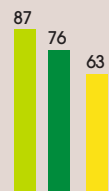
## 2 - "ALL AUTOMOBILE"—TIME FOR A PARADIGM SHIFT

The No.1 cause is the worldwide growth in car traffic. We are traveling more and more by private car, with an ever-expanding number of fossil fuel-burning individual vehicles. In fact the share of road transport is underestimated, because in addition to exhaust gases,

there are those emitted by the "transport system", with fuel production, vehicle manufacturing, infrastructure building and maintenance, etc. Other impacts to be taken into account include air pollution, consumption, noise, traffic jams, accidents, financial costs – all these impair our quality of life.

**43 km** is the daily distance traveled by each European, three times further than in 1960.

**SHARE OF CARS IN TOTAL PASSENGER KILOMETERS TRAVELED** (in %)



Cars

United States  
European Union  
Japan

**CO<sub>2</sub>**

Road traffic in Paris has declined by 15% in 5 years (2002-2007). CO<sub>2</sub> emissions are down 9%, and nitrogen oxide (NOX) emissions down 32%.

**3 - WORKING FOR SUSTAINABLE TRANSPORT**

And yet there are alternatives to the "all automobile" model. Starting with public transport systems (bus, coach, metro or subway, tramways, trains), that consume far less energy and are far less polluting, per person transported, than cars. Especially

when they use green energy. The same goes for car sharing and car pooling. "Soft" transport modes such as cycling and walking, meanwhile, emit no CO<sub>2</sub> at all. Until now, though, the car has been the symbol of individual freedom and has thwarted all efforts to rebalance the transport mix.

**59%**

of French people say they are willing to use a form of travel other than the car regularly.

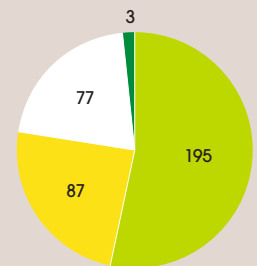
**Car equivalents**

A bus can carry as many passengers as 40 or 50 cars. A single tram set can carry as many passengers as 170 cars.

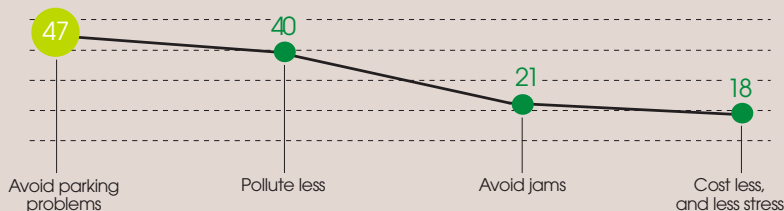
**4 - INTEGRATING THE DIFFERENT TRANSPORT MODES**

The trend has gone into reverse in the developed countries in recent years. Public transport use is up significantly, while car use in large cities is declining. Why? First, local authorities have invested heavily over the past decade in improving their urban and interurban transport systems, raising the quality of service, and sharing road space

more efficiently between cars, pedestrians, cycles and public transport. This investment is starting to pay off. Second, the drawbacks of car use, e.g. cost of fuel, traffic jams, parking, radar, etc., plus growing awareness of environmental concerns, are encouraging users to alter their habits. They have not abandoned cars entirely, but they are learning to combine the different modes of transport better as the key to sustainable mobility.

**GREENHOUSE GAS EMISSIONS (in grams)**

- Midsize car (air conditioned)
- Motorcycle (midsize engine)
- Bus
- Metro, tramway, regional express, cycle, roller skates, foot-propelled scooter, walking

**REASONS FOR USING PUBLIC TRANSPORT (% of replies given by users in France)**

(Sources: Comment se déplacer sans polluer? (Spécifique éditions, 2008), IEA, Ademe, MEEDDAT, OCDE, OMS, Réseau Action Climat France, SNCF IFF, TNS Sofres 2006 et 2007, Macif Opinion Way 2007.)

**Historical perspective**

**13th Century.** Litter chairs for hire were the forerunners of public transport in France.

**15th Century.** Inauguration of French royal mail service, whose coaches and later diligences carried mail and passengers. Inland waterways opened up to passenger transport with the advent of the "passage boat".

**17th Century.** The mathematician and philosopher Blaise Pascal "invented" city mass transit when he founded a public coach company in Paris, charging a fare of five "sols".

**19th Century.** Stanislas Baudry started a horse drawn ("hippomobile") omnibus service in Nantes, in 1825. The first rail-mounted omnibus entered service in New York in 1832. Europeans called them "American

rail roads". Cities with navigable waterways tried to adapt river transport to the needs of urban travel. The first "bateaux omnibus" line opened in Lyon in 1862.

The first electric-driven railway entered service in Berlin in 1879. By the end of the century, tramways were gradually abandoning animal power for mechanical or electric propulsion in all of the major cities in the United States and Europe. Branch

lines sprang up in addition to trunk lines, in the late-19th century, to serve rural areas and small towns, and before long industrial suburbs as well.

**20th Century.** After London (1863) and New York (1868), Paris inaugurated its "Metropolitan railway" in 1900. Self-powered omnibuses, or "autobuses", entered service in Berlin as early as 1895, London in 1900, Paris in 1905. In the 1920s,

Public Transport Observatory

# NEW FORMS OF MOBILITY FOR A LIGHTER CITY

## Budget

Transport is the second-largest item in a French household's budget (up to 20% of the income of a person on the minimum wage), after housing but ahead of food. In 2008, line managers traveled 18 km on average between home and workplace, versus 28 km for a front-line worker.

## 1 - MANAGING URBAN GROWTH

Humanity reached a turning point in its history in 2008, with more than half the world's population, 3.3 billion people, now living in cities. In 2030, three out of four of the planet's inhabitants will be city dwellers. This growing urbanization is creating social, economic and environmental challenges. Organizing transport is one

of the crucial issues determining the structure of our cities tomorrow, and this poses an eminently political and strategic question for local authorities. How can we manage these flows while preserving pleasant surroundings for all? How can we reconcile urban growth and share space equitably? How can we plan this growth so as to harmonize the different means of transport effectively?

## Cost

For 56% of French employees, the cost of transport and commuting time are more important than wages when looking for a new job.

## Cycle

The bicycle can be the fastest way to travel up to 5 km in town. The German Ministry of Transport wants a third of all short urban car journeys to switch to the bicycle in the next 10 years.

## Metro

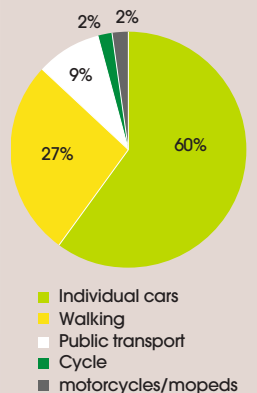
The metro rail system remains the prerogative of the great metropolises. More than 70 cities around the world now have them. From Seoul to Moscow, metro systems account for over half of all journeys.

## 2 - ACCOMPANYING NEW LIFESTYLES

Urban lifestyles are changing too, bringing new demands for urban transport. People's relationship with time has changed, as their timetables become less rigid and lifestyles are more flexible. Their relationship with space has altered too; people live in one place and work in another, they consume and seek entertainment in a third. People have more freedom to choose their social relationships,

nowadays, and social ties have become looser. These trends are converging to transform the way we move around and the distinction between individual and collective transport. People's lives are more autonomous and more mobile, and they want to find that in the way they travel too: initially that benefited the private car, embodying "freedom of choice". At the same time, urban sprawl prevented public transport from adapting to the new constraints of mobility.

URBAN JOURNEYS



**20** times more. That is the ratio of what a car costs over one year, on average, relative to the price of the public transport season ticket.

## Sharing

Under a car-sharing plan, one car replaces 15 private cars on average. 70% of journeys made by this means can be made by car only.

## Bus

Buses are the most commonly used form of public transport worldwide. They generally circulate in the midst of other vehicles, but reserved bus lanes are gaining ground fast.

## 3 - GETTING CITIES MOVING AGAIN

But the relationship between the private car and public transport is shifting.

With too many cars, traffic grinds to a halt. Looking for a parking space accounts for more than 10% of all traffic in Paris. At the same time, city center congestion and unchecked urban sprawl on the edge of cities is spawning new lifestyles and innovative public transport services. To get cities back on the move and return them to their citizens, sustainable transport policies seek to discourage car use by means of pedestrian zones and urban road-use tolls, amongst others.

**350**

is the number of tramway networks currently in service around the world, with a total track length of nearly 30,000 km.

## 4 - REVAMPING THE TRANSPORT SYSTEM

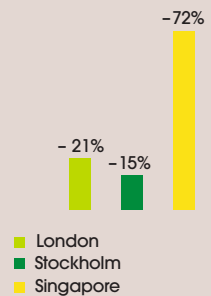
These policies entail revamping the range of public transport options, for example by:

- optimizing the geographic network by opening up new lines along major routes (metro, tramway, urban and interurban buses, river shuttles, regional express trains, etc);
- complementary means of transport. Multimodal transport is well-suited to today's forms of mobility, combining different solutions in an all embracing network in terms of space and time (with harmonized interconnections, well-placed car parks and bike rental stations, one-stop mobility hubs) and in terms of fare structure (single ticket);
- developing new modes of transport such as demand-

responsive transport (shuttles, minibuses, collective taxis), soft mode initiatives such as cycle hire or again car sharing offerings breaking the link between car usage and ownership;

- more generally, passengers unanimously call for improved quality of service (safety, frequency, punctuality, regularity, comfort, real time information, remote ticketing, etc.).

### URBAN TOLL SYSTEMS CUT CAR TRAFFIC



(Sources: Comment se déplacer sans polluer ? (Spécifique éditions, 2008). Ademe; MEEDDAT, CAS/Commissariat au Plan, OSEO/ANVAR, Le Monde, AFP, Journal du développement durable, IPSOS 2008, Salon Transports Publics. [www.enviro2b.com](http://www.enviro2b.com)).

## Historical perspective

>>> buses became a common feature of the urban landscape, alongside tramways less frequented urban lines. The expanding car use terminated the "golden age" of the tramway, accused of snarling up traffic. Paris abolished its city center network in 1937. In London, New York and Chicago too, the tramway gave way to the trolley bus, and above all the bus. In the 1950s and 1960s, the all-conquering car sidelined

public transport. Practically all trolleybus networks in Europe were shut down. The 1973 oil crisis signaled a first turning point, sparking an upturn in public transport traffic, with many cities around the world starting to renovate their fleets and networks. The Marseille Metro was inaugurated in 1977, that of Lyon the following year. From the mid-1980s on, growing awareness of environmental issues and the problems of urban

growth prompted a genuine revival of public transport. The tramway made its triumphant return to the city of Nantes in 1985, and Grenoble in 1987. France is leading the way in the development of modern networks.

### Early 21st-century

In the face of climate change, "clean" transport is the priority. The emphasis is on integrating the different networks,

and integrating them into the cityscape. Public transport is now critical to policies aimed at building social cohesion and improving the quality of life and living conditions.

(Source: AMTUIR-Musée des Transports - transport Museum).

Public Transport Observatory

# REINVENTING THE ECONOMIC MODEL

## 1 - KEY TO A DYNAMIC COMMUNITY

In a fast-changing world, public transport must address growing, increasingly complex demands for mobility.

Transport and communities are interdependent: a community cannot be dynamic without an effective transport system, and conversely there cannot be an efficient public network unless urban or regional policy gives priority to sustainable mobility. The challenges are huge and will determine the future of our societies. Social cohesion

depends on public transport. Without it, how can we offer access to work, education, training, healthcare and leisure for all?

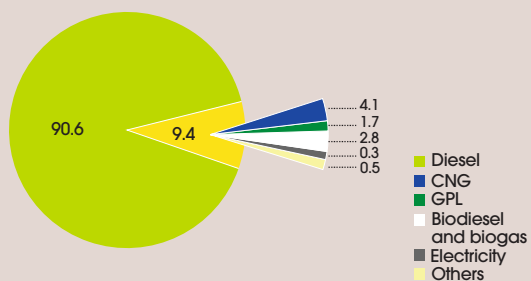
## 2 - INVESTING TO CREATE WEALTH AND JOBS

According to the International Association of Public Transport (UITP), transport sector enterprises in the European Union provide 900,000 jobs directly; and each of these generates another 4 jobs indirectly in other sectors. Public transport helps make regions economically

attractive while reducing their environmental footprint. These are powerful tools for improving the urban environment, helping suffocating cities to breathe. Given the crucial role played by public transport, there is a considerable need for infrastructure.

### ENERGIES USED BY URBAN BUSES

in towns of over 100,000 inhabitants in the EU 27 (in %)\*



**20%**

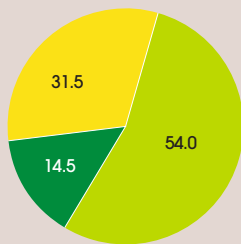
To finance a 20% reduction in greenhouse gas emissions by 2020, France needs to invest €43.5 billion in modernizing its public transport networks.

**\$4.5** billion

Canada invested an additional \$4.5 billion in public transport in 2008, nearly twice the 2006 figure.

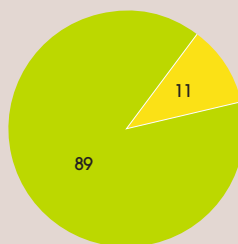


**ACCESS TO URBAN BUSES AND TROLLEY BUSES**  
in the EU 27 (in %)



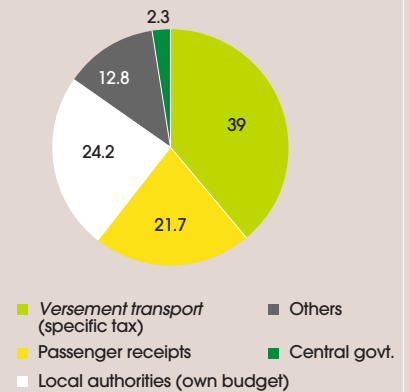
- 100% Low floor
- 100% Partial low floor
- Low floor predating the European directive

**MANAGEMENT MODELS**  
for urban networks in France\*\*  
(excl. Paris region) (in %)



- Direct operation
- Outsourced operation

**SOURCES OF FUNDING**  
for urban transport in France\*\*  
(in %)



- Versement transport (specific tax)
- Local authorities (own budget)
- Passenger receipts
- Others
- Central govt.

**3 - ANSWERING EVERYONE'S NEED FOR MOBILITY**

As new passengers turn to public transport, how can we satisfy their needs? This can be done by expanding capacity, modernizing or upgrading existing networks and diversifying the forms of mobility on offer to include soft modes and demand-responsive transport. Another way is to ensure the needs of all groups are met (e.g. mobility-impaired passengers), raising safety standards, rolling out new services linked to digital technologies and bringing transport modes up to new accessibility and environmental standards. With all these developments, the world of public transport is experiencing far-reaching change.

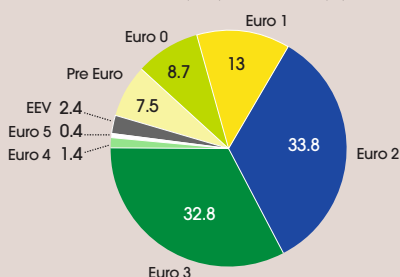
**4 - ANTICIPATING MARKET DEVELOPMENTS**

Our business is changing. Operators are introducing new organizations, new competences and new processes, including technology watch, Research & Development, knowledge management and customer relationship management, so as to satisfy passengers' demands more effectively and anticipate developments. Relations between operators and local governments and authorities are changing too. As many local authorities are stepping back from the day-to-day management of public transport, the regulator's role is growing, and environmental and safety regulations are becoming increasingly tough, in Europe especially. Operators, meanwhile, must be capable of forging public-private partnerships that combine clearly apportioned responsibilities with operational flexibility. The outsourcing of public services provides the most efficient framework for this.

**5 - BUILDING A SUSTAINABLE BUSINESS MODEL**

Public transport is a business in search of an economic model. Some heavily indebted public authorities are in no position to finance unaided the needed investment across the planet; likewise, businesses and passengers. So they will need to work together to find ways to satisfy society's need for mobility, designing the most sustainable and most equitable model for an economically viable transport system. The question is no longer whether to invest in public transport, but to choose the right approach.

**APPLICATION OF EURO ENVIRONMENTAL STANDARDS**  
to urban buses (fuel) in the EU27 (%)



**€15 billion**  
are being spent on urban transport in France\*\*.

\* In 2005. \*\* In 2007.  
(Sources: GART, www.statcan.gc.ca, UITP, CERTU).

# BUILDING A NEW MOBILITY

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**The year 2008 was a year of paradox for public passenger transport.**

As the financial and economic crisis unfolded, a series of events threw normal calculations into disarray and caused uncertainty in the business. Erratic oil price and currency swings, in particular, made it harder for the industry to plan for the future. Yet public transport held up better in the crisis than most other sectors of the economy. Never before has it emerged so clearly as an activity for the future, on the back of underlying ecological, economic and societal trends. The accelerating pace of environmental change, the relentless rise in fuel prices and urban growth are all factors turning urban transport into a growth market. Evidence of this was provided by the steady rise in passenger numbers last year, in all countries and across all networks.

**Against this background, the Transdev Group**

confirmed the quality of its operating performance. Managed revenues rose 39% to €3.3 billion. We maintained our operating profit at €47 million despite a series of one-off events. In addition to fuel prices, the abolition in France of the 20% rebate on the social security contributions of passenger road transport companies, and the national transport strike in the Netherlands, affecting all companies in the sector, all weighed on Group earnings. However, Transdev's solid fundamentals and markets suggest that results will quickly resume their upward path. The financial crisis also underlined the benefits of the stability of our share ownership. Backed by long-term investors, our business model remains undiminished. By generating nearly two-thirds of its revenue outside France in 2008, we joined the select group of international firms in the industry. Connexion is beginning a new stage of its development: with a new management team, the largest Dutch operator has kept its own identity, its brand, and its capacity to operate its own networks in the Netherlands. All this has not

prevented it from working to forge a strong alliance aimed at making Connexion a new springboard for the Group's development. Our agreement with the Portuguese Jodito group was signed in the same spirit. This tie-up gave birth to Portugal's no.2 passenger road transport company, sealing an alliance between two groups that share the same vision of their business, and a common goal of creating long-term value.

**Operationally**, the emphasis has been on upgrading tramway, bus and coach networks (both infrastructures and vehicles), developing value added passenger services and broadening the range of transport offerings in terms of "soft" and demand-responsive transport. In France, the launch of the first BusWay® in a medium-sized town, Maubeuge, and similar projects in the United Kingdom, Australia and Canada, and the acquisition in Paris of Auto Partage Caisse Commune, a car sharing company, signal Transdev's determination to build new form of urban mobility. Transport in tomorrow's cities will be centered on powerful, high-performance urban transport networks consisting of tramways, BusWays® or metros, completed by a wide and flexible array of solutions such as car sharing, shared taxis, or cycle-hire, all closely interconnected with public transport system. Through its 50%-owned subsidiary EuRailCo, Transdev has also moved further into rail transport, launching its first regional rail "main line" in Germany, Europe's largest transport market. As we move towards multimodal transport and with the opening up of Europe's markets, the Mittelrhein-Bahn line charts a new and important way forward for the Group.

**As a historic player in the mixed-equity model for local transport in France.**

Transdev has adapted to the changing face of this market by planning for the local authorities' growing demands for both local

€**3.3** billion  
managed revenues.

More than  
**46,000** employees.

Present in **9**  
countries on three  
continents.

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“Despite difficult global conditions in 2008, last year confirmed the strength of Transdev’s fundamentals and its stature as an international operator, enabling us to look to 2009 with confidence and determination.”

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Joël Lebreton  
Chairman  
and Chief Executive Officer

François-Xavier Perin  
Managing Director

service and innovation. In the first place they want to enrich the range of transport on offer. Thanks to the size of our Group, its geographical and cultural diversity, and the variety of its activities, it can draw on an unrivalled wealth of know-how. Transdev can then leverage this know-how locally via custom-designed solutions. Increasingly, contract packages are required to combine global and local engineering capabilities. Just when the demand for additional capacity, the challenges of providing mobility for all and the call for zero-environmental impact are creating hefty new investment needs, many local authorities’ finances are under pressure.

They are currently seeking new channels to finance the expansion of their public transport systems. Transdev has restated its readiness to work with them through the proven framework of delegated public service contracts, an area in which

the Group enjoys unmatched experience. Public-private partnerships can give powerful impetus to projects, but the model is by no means a rigid one. It needs to be enriched continuously and adapted to changing circumstances. As an architect and builder of “mobility networks”, Transdev is increasingly innovative in this area, working with its partners to meet all the different demands converging on public transport.

# CORPORATE GOVERNANCE

## Responsibility, professionalism, performance.

Joël Lebreton was appointed Chairman and Chief Executive Officer of the Transdev Group on 9 October 2008, replacing Philippe Segretain at the expiration of his term. This handover will ensure the strategic continuity of the Group's corporate governance, while opening it up to tackle new challenges.

**Transdev gives corporate governance a top priority.** Its rules of governance are consistent with commitments given by the Caisse des Dépôts, its lead shareholder. These rules respect the Group's "multi-local" identity, safeguarding its coherence and its values, while building on its role as an investor with local authorities. Eschewing cultural uniformity, Transdev puts its trust in mutual enrichment by capitalising on and sharing the know-how forged in the countries where the Group operates.

Transdev continued to pursue its international expansion in 2008, based on the decentralised organisation put in place the previous year. Each geographical entity now possesses its own autonomous executive management, responsible for its operations, financial management and development policy. Local authorities deal with genuine decision-makers committed to making a success of challenging, innovative partnerships. In strategic terms, the Transdev Group is steered by a transnational Executive Committee, which continuously maintains a clear view of its risk portfolio. This body sets overall policy and decides on major issues. The Vision 2012 corporate plan was implemented via a profusion of local initiatives in

the course of 2008. Through its 3-pronged strategy, focused on the customer, the local authorities, and the community, this plan will allow the Group to combine the pillars of Transdev's culture more effectively in practice, namely social and environmental responsibility, professionalism, and performance. Several Vision 2012 initiatives concern governance. The opening of the Transdev School of Management will strengthen the multicultural dimension of a company that places a high premium on executives capable of blending international vision with an ability to listen to local needs. The deployment of a new Group-wide reporting procedure will facilitate analysis, foresight and empowerment in all of its operating divisions. The publication of an Internal Control Charter has formalised a shared vision of risk management applicable to all our activities, in keeping with best international practices. With the creation of a knowledge management function, Transdev can now systematically capitalise its business know-how, designing custom transport offerings based on the Group's best practices. Also, in 2008, the Ethics Code was updated to embody the Vision 2012 project.

## BOARD OF DIRECTORS

### Joël Lebreton

Chairman and Chief Executive Officer,  
Transdev

### Financière Transdev, represented by Alain Guinet

Director of Finance and Strategy,  
Caisse des Dépôts

### Caisse des Dépôts, represented by Agnès Pannier-Runacher

Deputy Director of Finance and Strategy,  
Caisse des Dépôts

### Compagnie des Alpes, represented by Jean-Pierre Sonois

Equifer, represented  
by Carla Ferrari  
Executive Director

Alain Le Duc,  
Chief Financial Officer, RATP

Jean-Marc Janailiac,  
Director, Group Development,  
RATP

Pierre Mongin,  
Chairman and Chief Executive Officer,  
RATP

Michel Blangy,  
Director

Philippe Segretain,  
Director

**10**

nationalities present in the Strategic Committee, a body comprising the Group's 100 top executives.

**114**

initiatives under the Vision 2012 corporate plan.

The Group's management format is consistent with its international reach, built around country entities responsible for operations within their respective perimeters. This organisation consolidates Transdev's roots while fostering cooperation with local authorities in the 9 countries where it operates.

Three key central corporate functions: Finance, Corporate Services and Human Resources, and Innovation and Development, ensure the Group's coherence.

**OWNERSHIP STRUCTURE**

- Financière TRANSDEV (Caisse des Dépôts, RATP): 51.3%
- CAISSE DES DÉPÔTS: 43.9%
- Equiter (San Paolo IMI): 4.8%

**PERCENTAGE INTEREST HELD**

- CDC: 69.6%
- RATP: 25.6%
- San Paolo IMI: 4.8%



**Pierre-François Gouiffès**  
Group Deputy Managing Director,  
Finance

"Transdev maintained its key ratios in 2008 despite labour disputes in the Netherlands, the global and economic financial crisis, volatile energy costs and pressures on local authorities' investment capabilities. Consolidated revenue was up 63%, including like-for-like organic growth of 6%, while EBITDA was up 53%. In addition, we pursued our proactive policy of qualitative external growth and acquisitions, reaching out from existing locations."



**Jean-Pierre Gouteyron**  
Secretary-General  
& Human Resources Director

"With 6,000 new employees in a year, Transdev is one of the groups still investing in human capital and collective competencies. Since its origins, the company has striven to forge lasting bonds with its employees, encouraging openness to cultural differences, professional advancement, and promoting younger generations. Through its internal policies respecting social diversity and local cultures, Transdev is closely attuned to its human environment."



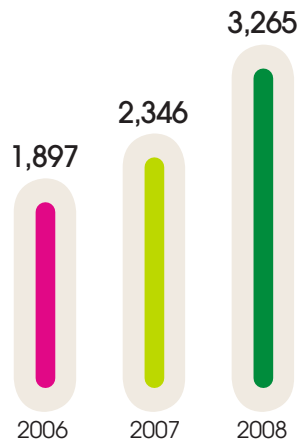
**Stéphane Lapujolade,**  
Innovation  
& Development Director

"Transdev is continuously innovating and reinventing its business by listening to its partners and clients. Twenty years ago, the Group pioneered the revival of tramways in France, working with city planners and makers of rolling stock. Today, innovation springs, among others, from coming into contact with new partners such as the initiators of *Auto Partage* (car sharing), energy specialists and mobile phone companies. These value-creating alliances lie at the heart of the Vision 2012 project."

# KEY FIGURES

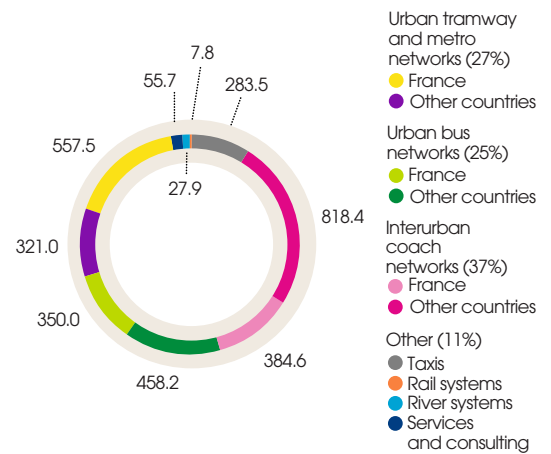
**Thanks to its solid fundamentals,** Transdev continued to grow in 2008, with managed revenue rising 39%. Despite a difficult environment, the Group again confirmed its mission as a long-term partner working with local authorities.

## BUSINESS UNDER MANAGEMENT MANAGED REVENUE (IN €M)

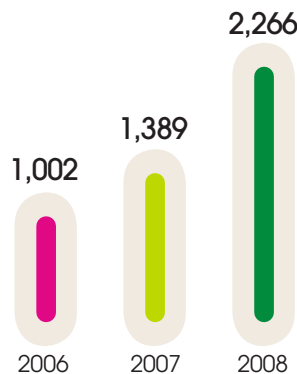


Managed revenue was up 39% in 2008.

## 2008 MANAGED REVENUE BY BUSINESS (IN €M)

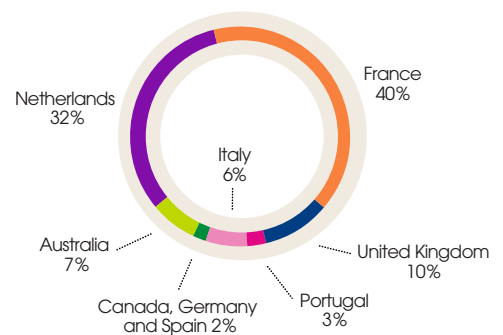


## CONSOLIDATED COMPANIES CONSOLIDATED REVENUE (IN €M)



Consolidated revenue was up 63% in 2008, due to the full-year consolidation of Connexion (versus 3 months in 2007), the impact of acquisitions in the year, and estimated 6% organic growth.

## 2008 REVENUE BY GEOGRAPHIC AREA



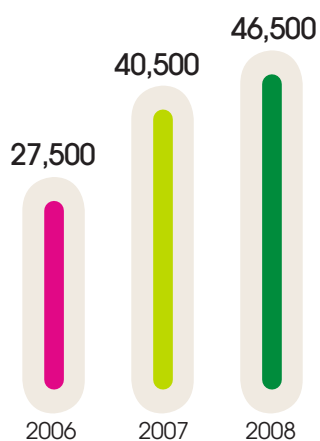
Transdev has strong positions in France and the Netherlands.

**€186 million**  
invested in fixed assets.

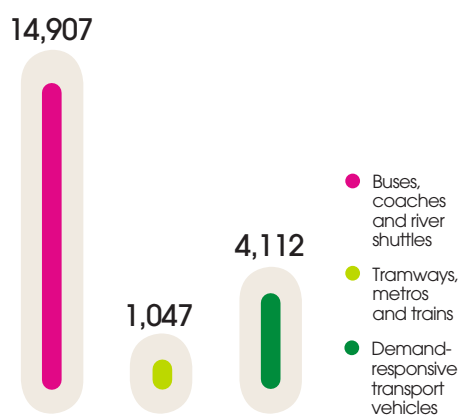
**€75 million**  
invested in external growth  
operations.

**6,000**  
new employees joined  
the Group in 2008.

#### NUMBER OF EMPLOYEES (MANAGED WORKFORCE)

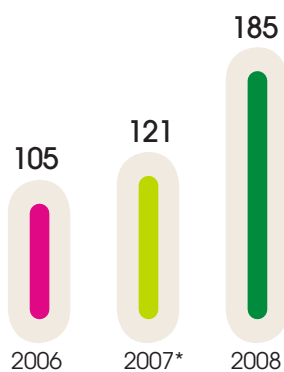


#### MANAGED FLEETS



The Group manages a fleet of 20,066 vehicles overall.

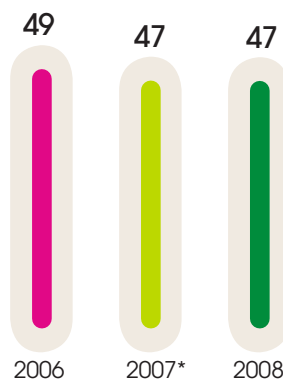
#### EBITDA UP (IN €M)



EBITDA rose 53% in 2008.

\* Data revised following definitive purchase price allocation of Connexion.

#### CONSOLIDATED OPERATING PROFIT STABLE (IN €M)



Group profitability was unchanged despite difficult economic conditions in 2008.

\* Data revised following definitive purchase price allocation of Connexion.



# STRATEGIC VISION

—

**Transdev deploys its know-how** as an architect and systems builder as well as an operator of passenger transport networks, planning for market developments, listening to the needs of passengers and local authorities, working today to build tomorrow's public transport service.





**2 billion**  
passengers in 2008.

**No.1**  
Demand-responsive transport  
provider in Europe.



# A TRUSTED PARTNER

**The public-private partnerships forged** by Transdev worldwide have shown this to be an effective operating format in developing coherent, properly managed mobility policies that truly respond to the needs of the community.



**1 - Planners meet**  
in Montpellier (France).

**2 - The Navibus**  
river shuttle service  
Nantes (France).



**Transdev is more than a transport systems operator** — though it is highly effective in its core business. The Group also assists local authorities in designing and building the city of tomorrow, one that respects the environment, enriches the community and brings people together. This implies working with local authorities to implement a comprehensive mobility policy capable of:

- responding to all citizens' transport needs;
- enabling the different modes of transport to work together fluidly and harmoniously;
- establishing a hierarchy of transport offerings depending on the intensity of the need, with major lines connecting efficiently with secondary

lines, together with "soft" modes and demand-responsive transport;

- experimenting with innovative sustainable mobility solutions that embrace means of transport, inter-modal "building blocks", and services to passengers. By definition, these public transport policies need to be designed at the local level. Transdev representatives in each country accordingly enjoy considerable autonomy to make their own strategic and operational decisions. Although they share a single philosophy and vision of their business, the Group's teams are Dutch in the Netherlands, Italian in Italy, and Australian in Australia. Which helps to account for Transdev's success in very different countries.

**28**semi-public companies  
in the Group.**200**More than  
subsidiaries worldwide.**300**Nearly  
participants attended  
Trans.Cité events in 2008.

### THE VIRTUES OF THE PUBLIC-PRIVATE ECONOMY

Another of the Group's competitive advantages is its unmatched experience with public-private partnerships. "Being the Trusted Partner" is our prime ambition. It sums up the Group's determination to harness its human, technological and financial resources durably in the service of local authorities wishing to plan for the future of their community. Transdev believes in the virtues of the mixed economy in order to proceed with ambitious projects and modern transport policies. And it proves this daily via a wide variety of delegated public service or outsourcing formats. The Group initially made its reputation in France as a shareholder and operational manager of public corporations with private capital, i.e. semi-public companies. It also works through public-private partnerships managed by its subsidiaries, via guaranteed flat-fee or flat-rate financial contribution operating contracts, cost-plus basis or third-party management contracts, PPP/PFI (Private Finance Initiative), concessions, and so on. Transdev works on some projects with its lead shareholder, the Caisse des Dépôts, which helps finance infrastructure as an investor.

### PROJECT TO SHAPE THE FUTURE

**Whichever form the contract takes,** these custom-designed partnerships entail stringent commitments vis-à-vis the local authority in terms of quality of services, financial viability, operational transparency, risk sharing, and respect for the prerogatives and responsibilities of each of the parties. Given the scale of present and future investment needs, Transdev also plans to work with local authorities as transport business models evolve. To further this ambition, as stated in its Vision 2012 Strategic Vision, the Group has embarked on a series of projects it sees as crucial for the future. For example, it is

exploring possible alliances with new players such as civil engineering contractors, vehicle manufacturers, telecom carriers, etc. It is also developing new ideas in a range of areas, including legal, financial and risk management, along with monitoring economic developments via a "Mobility Observatory".

### TRANS.CITÉ

**The Trans.Cité association was set up to exchange experience, know-how and cultures.** Its

membership comprises elected representatives and public transport experts associated with the Transdev Group. This laboratory for ideas and projects lets members study complex situations in a spirit of sharing and informality. Sustainable development and new forms of mobility were the underlying

themes of the two events held by association in 2008. At the "Demand-Responsive Transport: a Customer Service" seminar in Amsterdam, the Dutch experience showed how the system can be scaled up, illustrating how demand-responsive transport has a genuine place in the array of transport offerings. The annual convention held in Seville took as its theme: "Cities, Transport, Energy: Changing

Our Behaviours.

"At the end of the convention, Marc Baietto, Chairman of the Grenoble Urban Community Transport Authority (SMTC) and new Chairman of the Trans.Cité Association, emphasised: "public transport today is central to public policy, obliging us to enter into a dialogue with our partners and tap into our collective intelligence, for we are set to become a driving force in the construction of tomorrow's cities."



# EXPERTISE, CREATIVITY, QUALITY

**In public transport,** our role as architect and systems builder, our capacity to take risks through innovative approaches and service excellence, are the hallmarks of Transdev.



**1 - The Reims tram project** (France) will be completed in 2011.

**2 - In Turin** (Italy), Transdev provides assistance and advice to the automated Metro operator.



**From the operation of demand-responsive transport fleets** in rural areas to managing major transport projects for a large city, via the day-to-day operation of transport systems in medium-sized towns and private charter transport, Transdev has thoroughly mastered every aspect of public transport while serving local authorities.

## TURNKEY SOLUTIONS

**Its role as a full-service player is embodied in the Group's partnership-based approach.** Central to this role are the values of transparency, listening and dialogue, plus understanding of the general interest and the highest professional standards. This forges the mutual confidence that explains why Transdev is frequently involved in projects at an

early stage in their conception, delivering added value. In the same way as it "horizontally" incorporates a full array of public transport means and modes, and the Group "vertically" integrates the entire mobility chain from upstream (the design and structuring of projects) to the downstream aspect, namely passenger services. As project manager, operator and administrator, it acts as a full-service transport architect and systems builder, proposing innovative, cost-effective, turnkey solutions.

An original illustration of this capacity to stay one step ahead was Transdev's response to growing passenger numbers on Melbourne's tramway network in Australia, in 2008, when it proposed to lease five tramsets from Mulhouse in France.

**6**

That is the number of countries in which Transamo was active in 2008 (Australia, Belgium, France, Italy, Luxembourg and the Netherlands).

**100%**

of networks<sup>(1)</sup> carry the Transdev Quality label.

**3**

Light Rail Awards for the Porto Metro, and the Nottingham and Melbourne tram networks.



For the city of Mulhouse, this courtesy offer of vehicles—purchased as part of a bulk order to save costs—was a means to reduce its outgoings and improve the return on its fleet. For Melbourne, it was an ingenious way to improve service pending the order of new rolling stock. Transdev and its subsidiary Transamo brokered the arrangement, handling all administrative, technical and financial aspects. Encouraged by the success of this world first, the Group is considering creating a “mobile tram fleet” in partnership with rolling stock manufacturers and banks.

**QUALITY WITHOUT BORDERS**

**Because confidence has to be earned,** quality is another of Transdev’s core values. Public transport’s appeal vis-à-vis competing modes of transport depends on its ability to provide the highest standard of service. As a management system, quality is a precondition of a sustainable public transport system. The Group has devised a unique mechanism, the Transdev Quality label, to guarantee first-class service for all its clients, including passengers, local authorities and businesses. This label covers all of the Group’s transport activities (urban and interurban transport, private transport, etc.) world-wide. Complementing the various national and international quality certifications (e.g. ISO), this label distinguishes networks that commit to three key dimensions, namely compliance with the operating contract’s quality aspects, the level of service provided to passengers (punctuality and regularity, information, cleanliness, friendly service, complaints handling, etc.), and customer satisfaction.

Also worth noting, since 2005 the label awarding process itself has been ISO 9001 certified by Bureau Veritas Certification, a genuine management innovation. The goal of securing the “Transdev Quality”

label for all networks within the Transdev perimeter at the end of 2007 is now well on the way to being achieved, putting this concept right at the heart of the Group’s activities. In addition, the number of ISO 9001 certified Group networks or companies has continued to grow, as for example with certification of the entire road transport operation in Portugal. Year after year, the many awards distinguishing the Group’s networks in all countries, especially in the United Kingdom and Australia, are further proof of Transdev’s commitment to quality.

(1) Forming part of the Group’s consolidation scope in 2007.

**TRANSAMO**

**Through Transamo,** the Transdev Group deploys its expertise at the point where building and operating meet. This subsidiary specialising in support for public transport projects involving dedicated lanes (tram, metro, bus) provides comprehensive oversight of programmes, from design and definition to execution, guaranteeing costs, delivery times and quality. It also provides technical assistance. In 2008, Transamo signed

several significant contracts including a mandate to manage construction of the first tram line for the Tours urban community in France; oversight of the design and construction of tramsets for Toulouse (France); studies and management of the construction of a tram depot for 100 tramsets in Brussels, Belgium; management of the preparatory studies for a potential future tram or BusWay® in Genoa (Italy)

in partnership with AMT. In addition, an observatory of tram safety has been set up, the initial version being based on the French networks, although this will subsequently be extended throughout the Group in 2009. Transamo is also working with Connexion on the RijnGouwelijn tram-train project in the Netherlands, for which the Group was prequalified within the framework of the concession tender offer process.

# AN ATTRACTIVE, RESPONSIBLE EMPLOYER



**Since the origins of the Group, Transdev's management** has consistently sought to fulfil its social responsibilities, firmly convinced that the men and women who work for the Group are its key asset.



The Transdev School of Management opened in June 2008 to expand the capabilities of its executives.

**Transdev has successfully blended exacting professional standards** with its founding values as it has grown. These values embrace a determination to nurture its human capital beyond the strict requirements of labour law in its host countries. The quality of its labour relations has been a distinguishing feature of the company's growth, with employees fully supportive of the Group's management style and goals. Industrial relations play a vital role in determining the quality and cost of a public transport service, which is why Transdev strives continuously to improve its performance in this area. This aspect is one of the first to be considered whenever the Group takes over or renews a local transport contract. Constant contact with drivers and permanent dia-

logue with trade unions play major role in shaping Transdev's healthy labour climate. All management lines are involved in implementing labour policy, preserving the autonomy of each entity while evolving in step with the Group, as exemplified by the existence of both a French and European works councils.

The Group's human resources policy seeks to foster durable ties with employees, providing channels for them to advance their careers while at the same time ensuring the renewal of employee skills. Transdev devotes a substantial portion of its wage bill to training, with an emphasis on sharing the Group's best practices while adapting to local needs. The "Transdev Training" Economic Interest Grouping has developed a pooled offer-

**3,413**

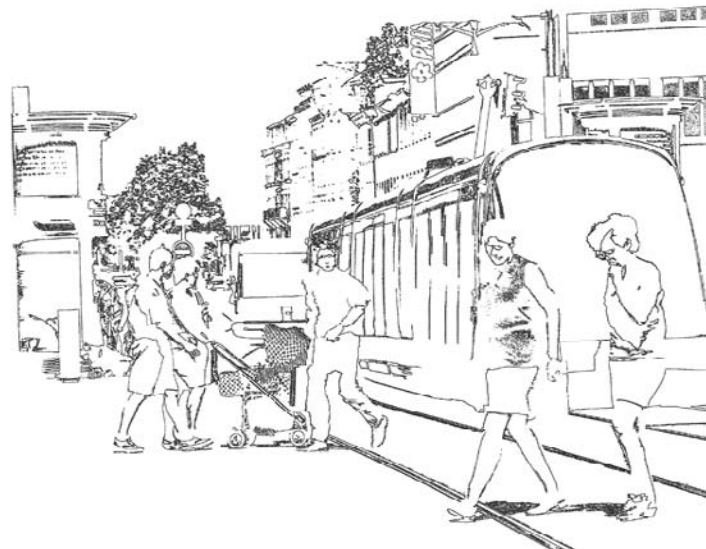
people trained by Transdev Training Department in 2008; 496 courses held at head office or in the 11 regional training centres.

**3**

meetings held by the European Works Council.

**20%**

Nearly 20% of Transdev's drivers are women.



ing of 120 training courses open to employees from subsidiaries throughout the Group.

This instance, which operates out of the regional training centres, works closely with the companies concerned to dispense training geared to specific local needs. It is an approved compulsory continuous training organisation for road transport drivers, in keeping with the new European legislation. While each entity designs and oversees its own training programme, one common priority both in France and elsewhere is to consolidate the core business. Consequently, a Groupwide training process internal to the tram businesses was set up last year, in association with Transamo. In addition, training programmes take full account of ongoing trends transforming the transport businesses, including sustainable development, new market constraints, the changing face of mobility, etc. in keeping with the Vision 2012 project.

**Hiring new recruits plays a vital role** in keeping pace with the demands of international growth. Transdev seeks to address this by diversifying both careers and its sources of recruitment, aimed at building a multifaceted company reflecting its environment. Most Group companies achieved further progress in terms of gender parity (with particular emphasis on hiring more women drivers) and social diversity, for managers, clerical workers, technicians and drivers alike. As part of the Group's policy of putting down local roots, emphasis is also placed on hiring local drivers, technicians and engineers wherever Transdev operates. At the same time, a vocational training programme has been opened for management. Comprising both vocational contents and others centred on personal development, these courses are designed for new executives as well as for managers transferring within the Group or wishing to move to operational management functions

in local companies. Comparable programmes have been put together in Spain, and others are currently under development in Portugal and the United Kingdom.

The opening in June 2008 of the Transdev School of Management (TSM) also addresses this need to develop management's competences. With an eye to the medium and long term, this company campus allows managers from different nationalities and backgrounds to meet together and broaden their horizons, to enhance their management skills, and to forge a sense of belonging to the Group and commitment to its values. And, needless to say, it serves to prepare the Group's future top managers, regardless of their present position. The themes of the first cross-cultural seminars centred around innovation: "The Innovative Manager", "Managing Complexity", and "Exchanging Managerial Practices". These reflect the Transdev Management School's goal of promoting knowledge sharing and forging a powerful international team of Transdev executives with a sense of responsibility and solidarity, consolidating its added value as a global transport operator.

Key employee figures	2008	2007
Employees under management at 31 December*	46,554	40,580
Managers	2,327	2,077
Other employees under permanent contracts	40,472	36,624
Other employees under temporary contracts	3,755	1,879

\*Employees of Transdev-managed companies.



# A KEY PLAYER IN THE LIFE OF THE COMMUNITY

**Getting around is a fundamental right**, on a par with the right to health or education. As a cosignatory of the United Nations Global Compact, Transdev believes its contribution to social inclusion begins in the local community.



**Helping people travel to and from their work easily;** enabling the elderly or people with disabilities to move around with ease; getting children to and from school safely, as well as enabling young people to get out and about; allowing parents with children to access leisure amenities; or enabling people to share their city more fruitfully while reducing social exclusion and antisocial behaviour, etc.—all these are common concerns to all local authorities wishing to make life better for their communities. As a public transport provider, Transdev shares these concerns too, because its business is to weave the network of links that binds communities together. In its role as an enabler in the service of the city and its citizens, its first concern is to make public

transport as accessible as possible, especially for mobility-impaired passengers. Transdev Group has accordingly made accessibility a priority in all its networks. All its road and rail vehicles now entering service are systematically equipped with low platforms, mechanisms to help people board and alight from vehicles, and special areas for people in wheelchairs or with pushchairs. Similarly, all new stations are designed to permit universal access. On older networks, fleet renewals serve as an occasion to upgrade access amenities. Following the example of Transdev Australia's Melbourne tram network, the Group is also working with local authorities to modernise infrastructures. Passenger information is another focus of activity, as networks progressively unveil



**30%**

fewer acts of anti-social behaviour in six months in Blazefield (United Kingdom) thanks to the "Space Bus".

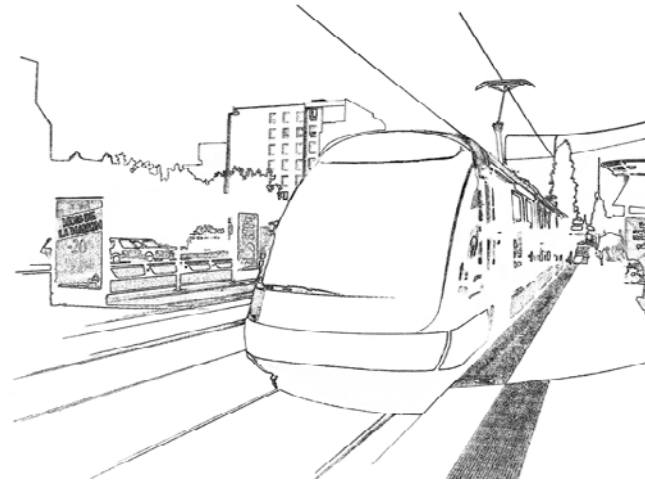
**3**

That is the number of countries in which the Transdev Foundation is present in Europe.

**1 - In the Seine-et-Marne** (France), a transport service geared to the needs of mobility-impaired passengers.

**2 - The Transdev Foundation** supports initiatives shaping a more user-friendly world.

**3 - The "Carbon Stoppers"** campaign in Bournemouth (United Kingdom) is promoting respect for the environment.



more secure. The aim is to give passengers and employees alike the right to travel and work in a secure environment, and not to ignore "minor" incidents. This is being achieved through training for operating personnel, deterrence, punishing the perpetrators of violations, and providing support for victims. The growing spread of security cameras, now also being deployed in medium-sized towns, is part of the toolkit of effective measures.

#### ACTIVE PREVENTIVE MEASURES

**In the Grand Chalon urban network in France,** the presence of staff dedicated to ensuring passenger safety has cut the number of anti-social acts recorded by a factor of four relative to 2005. Other networks have chosen to reach out to young people in deprived neighbourhoods, as in Nantes with its "T an'Attitude" campaign. With its "Space Bus", Transdev Blazefield in Lancashire (UK) is engaged in a prevention programme in association with the local police.

#### Transdev's commitment to community life does

**not end there.** In France, for example, the Orléans urban network was the first to install heart defibrillators (in two stations and a bus depot), with the Red Cross providing First Aid training for personnel. Other socially responsible initiatives have included gifts of vehicles to charities for people with disabilities, as in Orléans, or to humanitarian organisations. In Italy, for instance, the gift of a bus to the Music for Peace charity earned the Genoa network the Innovative Social Experiment Award for 2008. Finally, a number of communications campaigns, such as "Carbon Stoppers" in Bournemouth, and "Wind Trams" in Melbourne, have urged people to do more to respect the environment.

new services, including websites, traffic updates via telephone, voice announcements, and information in Braille to assist people with impaired hearing or vision.

Finally, following the example of Connexion, which is a trailblazer in this type of service, Transdev now provides demand-responsive transport for mobility-impaired people in a growing number of networks. An Accessibility Mission was set up in 2008 designed to pursue these different initiatives further, as well as to train staff.

Preventing assaults and anti-social behaviour is another of Transdev's major commitments. The Group has been working proactively for several years now in all countries to make its networks

### THE TRANSDEV FOUNDATION

**The Transdev Foundation** plays a central role in the Group's community activities, embodying its commitment to corporate citizenship in its relations with local authorities. Like the company itself, the Foundation is engaged in a wide variety of projects embedded in the life of the community. In 2008, it supported 17 not-for-profit projects relating to employment, solidarity, citizenship, sustainable development and diversity. Examples include fighting social exclusion and over-indebtedness in Biarritz (through the "Point d'accueil jour BAB" association), combating illiteracy in the Nord-Pas-de-Calais department (through the "Mats et Merveilles" association), building children's awareness of the need to prevent climate change in Orléans (through the "Les Petits Débrouillards" association). In Belluno, in Italy, a project with the AICS association seeks to help young people get around better by reducing accidents due to risky behaviour. Finally, at the instigation of the Iberia Division Director, the Transdev Foundation Portugal foreshadows the expansion of the Foundation's reach in Europe.

# ENVIRONMENTAL STEWARDSHIP

**By providing clean, attractive public transport,** Transdev is helping to curb humanity's environmental footprint and gearing up to fight climate change.

**1 - In September 2008,** Metropolitano de Tenerife (MTSA) inaugurated a solar power plant, producing 16% of the operator's energy requirement from a clean source.

**2 - Transdev** was designated official transporter to the World Ski Championship at Val-d'Isère, thus avoiding the use of 20,000 individual vehicles in 15 days.



**Merely by avoiding the use of individual vehicles,** public transport is helping to curb greenhouse gas emissions and other impacts such as pollution, energy consumption, space taken up by vehicles, and accidents. But the Transdev Group's commitment goes further. It is working proactively to promote mobility consistent with the goals of local authorities and its own Vision 2012 strategic project. In its core business, namely trams, coaches and buses, it is investing alongside public bodies to improve transport quality in terms of diversity, accessibility, frequency, speed, safety, security, and comfort. By also promoting "soft" modes of transport, it is enriching the array of solutions available and advising local authorities on how to create fleets of low carbon

vehicles. Transdev is adopting clean technologies in all its activities. For example, particle filters are progressively being fitted to buses and coaches now in operation.

## HYBRID VEHICLES

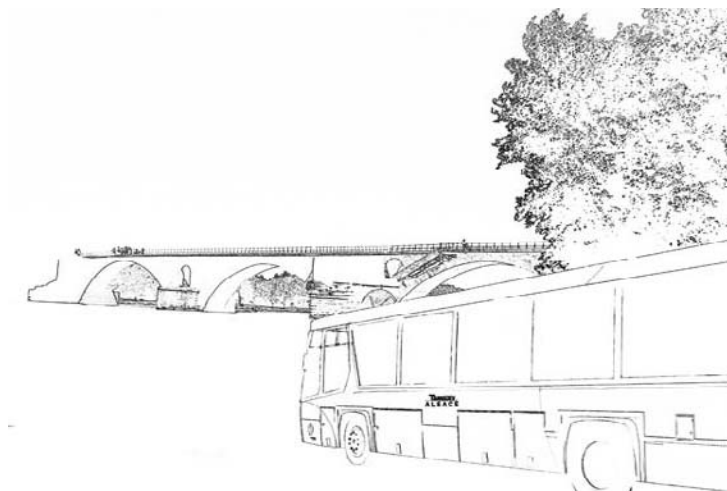
**The pace of fleet renewal is being speeded up,** as vehicles compliant with the toughest European standards, e.g. Euro 4, and Euro 5 (which becomes compulsory from October 2009), or EEV, enter service. A growing proportion of the fleet runs on natural gas or electricity. Also in 2008, Transdev played a key role in the launch of hybrid buses in France, the Netherlands and the United Kingdom. A task force to develop this type of vehicle has been set up in close conjunction with vehicle

**100%**

of new London buses will be hybrid as from 2012.

**4,660 m<sup>2</sup>**

surface area for the new solar power plant in Tenerife.



manufacturers. The experience of London will be invaluable here, since it is envisaged that all new buses coming into service in Transdev will be hybrid from 2012. Other sectors of the Group are also working on these projects and testing vehicles in operating conditions. In the Netherlands, Connexion plans to experiment with two buses, one hybrid, the other with a fuel-cell engine. To offset the volatility of energy prices, Transdev has forged links with Tereos, one of the world's leading producers of ethanol. In Australia, meanwhile, for the past year wind has been generating the electricity needed to power three tramsets on Melbourne's Yarra Trams network.

#### LEARNING TO DRIVE RESPONSIBLY

**Reducing transport's impact** also means building staff awareness of the need to respect the environment, which includes training drivers in eco-friendly driving techniques. Responsible driving training sessions held in the Paris Region have cut fuel consumption by 10% and reduced brake use by a third. Ongoing modernisation of vehicle depots is another aspect of the same policy. Like the Green Depots in Australia, which are equipped with solar panels and rainwater recovery systems, plans for new depots incorporate the best environmental standards, adapted to local conditions. More generally, the Group is working to develop a "green depot" concept capable of being implemented in all its different locations. In Germany, the servicing facility built by EuRailCo for the new MittelrheinBahn railway illustrates how Transdev's networks are mobilising to protect the environment: among other measures, everything has been done to safeguard protected flora and fauna at these sites. At the same time, the Group is actively involved in framing strategies for fighting climate change, at industry level and in public policymaking. In France, Transdev played an

active part in implementing the guidelines that emerged from the "Grenelle de l'environnement" (environment round table), and in particular the chapter devoted to urban and peri-urban transport (COMOP 7). It acted as a spokesperson for the concerns of both large urban communities as well as medium-sized towns, which are less widely known. In the United Kingdom, with the backing of the "Carbon Trust" and in close conjunction with it, the Group has committed to a programme to cut its CO<sub>2</sub> emissions coupled with quantified targets for the reduction of its carbon footprint. In Genoa, Transdev Italia initiated the first *Bilan Carbone*<sup>®</sup> (carbon assessment) ever performed in Italy, applying the rigorous methods promoted by the ADEME<sup>(1)</sup> in France.

In addition, the number of ISO 14001 certified Group networks or companies continues to grow, with the certification of the Limoges network, among others.

(1) French Environment and Energy Management Agency.

#### POLLUTING EMISSIONS IN GRAMS PER KILOMETER

Indicators	2007	2008 Excl. Connexion	2008 Incl. Connexion
NOx	28.97	27.914	20.984
CO	16.97	15.855	11.692
HC	4.45	4.153	3.067
Particulates	0.79	0.668	0.477



# A ROLE FOR EVERY FORM OF MOBILITY

**Answering passengers' travel needs,** Transdev has developed a comprehensive array of sustainable transport modes for a complete mobility offering.

## NEW LINE

**Tramway, metro, bus, coach, "soft" modes, and now trains:** the inauguration of the new MittelrheinBahn line in Germany at the end of 2008, serving the left bank of the Rhine with latest-generation rolling stock, marks a major step forward for Transdev. As the regional rail transport market progressively opens up to competition, through its subsidiary EuRailCo Transdev is emerging as a recognised player in this sector, combining reliability with a low environmental impact.



1



2

**At every level, from town, to conurbation, to urban district community or region,** Transdev is building mobility solutions with a place for every form of transport.

### FROM TRAMWAY TO BUSWAY®

**Over twenty years ago, Transdev was the first to understand the role of trams** as part of a new way sharing the city's roads. As a leading partner of local authorities interested in developing this modern, fast, comfortable, open, environmentally friendly form of transport, today it is the world's no.1 in this market. With BusWay®, Transdev has devised and obtained a seal of approval for its "Tramway Quality Bus". This is a highly effective solution for towns already equipped with a tramway or want-

ing to optimise their urban network. Not quite a bus, nor quite a tram, this mode of public transport using dedicated lanes offers a high level of service, combining the qualities of both bus and tram. In France, the "Grenelle" round table designated it as one of its priorities. Coming after Nantes, Maubeuge inaugurated its BusWay®, the first in a medium-sized town, at the end of 2008. Other projects are under consideration in France, the United Kingdom, Canada and Australia.

Generally, more and more urban communities, including medium-sized ones, are showing interest in the concept of a hierarchy of networks around a number of major routes.

Several public transport projects in dedicated lanes, including rail-based (tram or tram-train), or

12

tram networks, 2 new networks under construction and 2 metro systems in operation

650

towns worldwide, at least, offer car sharing services

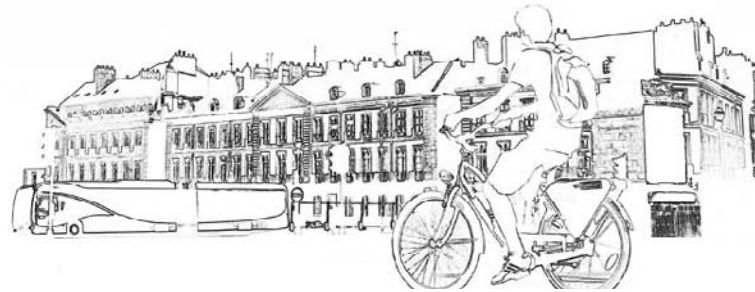
5

river or port shuttle services in service in the Group, i.e. the Netherlands, Australia (Brisbane), France (Paris region, Nantes), Italy (Genoa).

**1 - In Maubeuge** (France), the new BusWay® is fully accessible.

**2 - By travelling** in a dedicated lane, the Nantes BusWay® (France) is helping to improve the quality of life.

**3 - In Genoa** (Italy), the funicular is part of the multimodal network.



complementing public transport for short distances. Drawing on its experience of cities that have long used this “soft” form of transport, in the Netherlands, Germany and France (Grenoble, Montpellier and Strasbourg), Transdev now provides an extensive array of bike services, including self-service bicycle fleets, short and long-term rental through agencies, and secure parking for bicycles in park-and-ride sites. Thanks to their flexibility, these formulas can be extended beyond city centres to satisfy the travel needs of people living in less densely populated suburbs.

#### SELF-SERVICE TRANSPORT

**Transdev was also the first public transport operator** to commit wholeheartedly to car sharing. The ability to use a car on a self-service basis is the missing link between public transport, taxis and traditional car hire, being suitable for daily use for distances of between 5 and 80 km. Subscribers to service have the use of a car exclusively for the duration of their journey, letting others use it the rest of the time. Transdev adopted a new position regarding cars in the late-1990s, pioneering car sharing in Strasbourg in 1999. In doing so, the Group opted to share its operator’s expertise with that of the non-profit associations or companies that had originated this innovative type of transport. In Australia, Yarra Trams has partnered GoGet and Flexicar. In Paris, the Group is now a leader in this emerging market following the acquisition in 2008 of Caisse Commune, which pioneered car sharing in France (with 50 pick-up points, 150 vehicles and 3,000 subscribers), and the tie up with Europcar for Marguerite, in Nantes. Other agreements signed with car sharing or car-pooling operators in Montpellier, Grenoble and Strasbourg will allow Transdev to make similar offerings available both in France and in other countries.

bus (BusWay®) systems, made headway in 2008. Most of these are part of a multimodal architecture comprising park and ride facilities, access to “soft” modes of urban travel such as bicycles, walking, car sharing and car pooling, optimised connections with peri-urban lines and regional railways or roads. Each mode of transport has a role to play in a comprehensive mobility policy. When combined with public transport, “soft” or shared modes offer credible alternatives to the use of the private car in town. Electric shuttles are a good illustration, serving city centre streets, linking centres to outlying areas, or serving tourist resorts. An ever-growing number of local authorities are making this an integral part of their mobility offering. Bicycles too are an individual mode



# FACILITATING ACCESS TO THE MULTIMODAL NETWORK

**Serving passengers also implies** making it easier for them to use transport in their daily lives. Transdev is developing an array of innovative services to help them easily switch from one mode of transport to another.

## DEMAND-RESPONSIVE TRANSPORT DEMANDS QUALITY

Customers must be sure of a high quality service in all circumstances. The Transdev Group is benefiting from the experience of Connexion in this area, thanks to its industrial scale offering adaptable to all types of demand, backed by powerful and reliable logistics. In France, 40 networks already offer demand-responsive transport services, more than half of them including services adapted to the needs of mobility-impaired passengers.



**The architecture of a multimodal network is complex**, yet it must be easily comprehensible to its users. It needs to be transparent, fluid and efficient. This implies providing information to passengers in real time, and making it accessible thanks to technology and digital networks. Here too, Transdev has shown the way. Its VISIOTRANS solution combines a geopositioning system and a computer-aided operating system (both invisible to the passenger) with a passenger information system displaying waiting times or traffic information at each stop. Passengers can access to this information directly via the Internet on their cellphone or PDA, as in Australia for example, where a solution similar to MOBTrans® is now in use. In Melbourne, thanks to Yarra Trams' Tram-

Tracker, passengers can see how long they will have to wait before the next tram arrives. Tram-Tracker logged more than 1 million calls in 2008, reflecting the success of this solution. The Group is developing similar projects in other countries. Transdev Italia, for instance, launched an SMS-based information service in Genoa in 2008.

**Remote reservation and ticketing** are also simplifying the use of public transport. For several years now, websites in many countries have graduated from being a simple commercial showcase to a transactional tool. Transdev has expanded its range of services to include mobile ticketing for fare payment, and has now also developed the process, dispensing with the



**100,000**

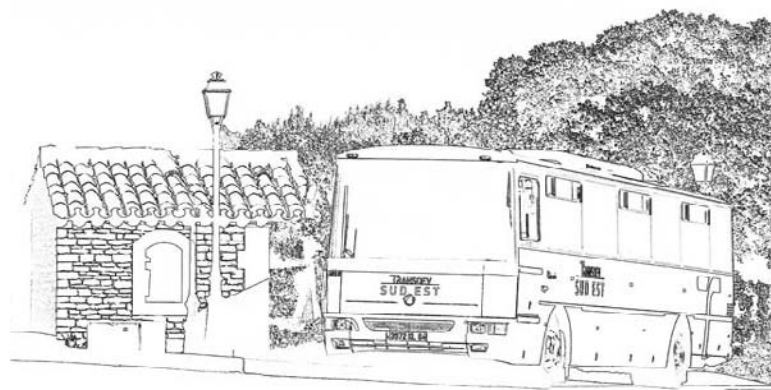
connections a month for TramTracker, in Melbourne.

**4,000**

vehicles, and 25 million passengers a year make Transdev + Connexion the European leader in demand-responsive transport.

**5**

million calls a year received by the Connexion mobility hub in the Netherlands.



**1 - In the Paris region** (France), passengers can order their tickets on the Internet.

**2 - In Melbourne** (Australia), passengers can find out when the next tramway is coming thanks to the TramTracker.

ticket altogether. In the Paris region, for example, VEA has rolled out a web enabled e-ticketing service.

**Demand-responsive transport** is increasingly seen as a natural complement to the regular network within the overall transport offering. For one thing, it answers a genuine passenger need. For another, it represents a sensible and rational means of transport for serving less densely populated urban areas, rural or remote areas, or again for off-peak transport. This flexible and adaptable service helps bind communities together by contributing to the provision of transport for all. It is suitable, among others, for certain specific types of service such as transport for mobility-impaired passengers, school buses, business transport, or car sharing.

#### THE DUTCH EXPERIENCE

##### **At the heart of the system lies the mobility hub.**

In the Netherlands, Connexion operates 4,000 demand-responsive transport vehicles via an integrated service covering all of its networks. The hub received 5 million calls and handled 25 million passengers in 2008. This mobility hub comprises a 24-hour, seven-day a week call centre, dispatching platforms at strategic locations, and a real time telecom system linking everyone involved, including drivers and customers. Agilis, Transdev's

version in France, is spreading fast. It received 40,000 calls and handled 76,000 journeys in 2008. The complete solution consists of several mobility "building blocks" that can be added depending on the customers' needs. These include reservation management, optimisation of demand-responsive transport means, an information centre, and a website to assist people with their mobility, along with access to additional offers such as car sharing, car pooling, bike hire, etc. Various technical developments are supporting the deployment of Agilis, with the widespread introduction of automated booking via an interactive voice server and a website, together with automated search for sub-contractors, scheduled to be operational in 2009. Dryade, a company specialising in the design of the core components of mobility hubs, joined Transdev in 2008, consolidating the Group's expertise and image in this highly promising area of activity.

## MAKING MOBILITY HAPPEN

### **The Department of Saône-et-Loire** (France)

is applying its mobility offering on a large scale. The departmental authority has contracted with Transdev to set up a mobility hub. Agilis manages all of the transport information customers need throughout the departmental network, as well as to make bookings on the demand-responsive routes. On regular lines It guarantees the availability of appropriate vehicles at the time requested for mobility-impaired people.

A car pooling service has also been put in place for the departmental authority. Through this type of service, Transdev is emerging as the complete mobility operator in one of its historical operating communities.

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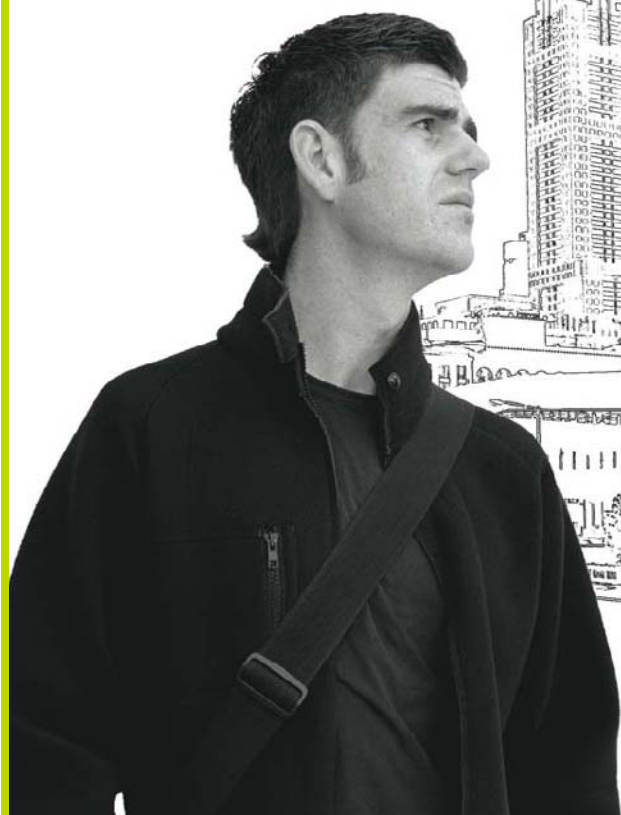
"Demand-responsive transport, transport for mobility-impaired people, car sharing, etc. All these different components of the mobility chain take on their full significance when integrated into a travel policy centred around public transport, providing it with the necessary coherence and resources." // Joël Lebreton, *Trans.Cité 2008*

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# OPERATIONS REVIEW

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**€3.3 billion of managed revenue in 2008**, 60% of it generated outside France. In all its markets, Transdev's local partners benefit from its experience and power as an international transport group.





**4<sup>th</sup>** largest private operator of local public transport systems in Europe.

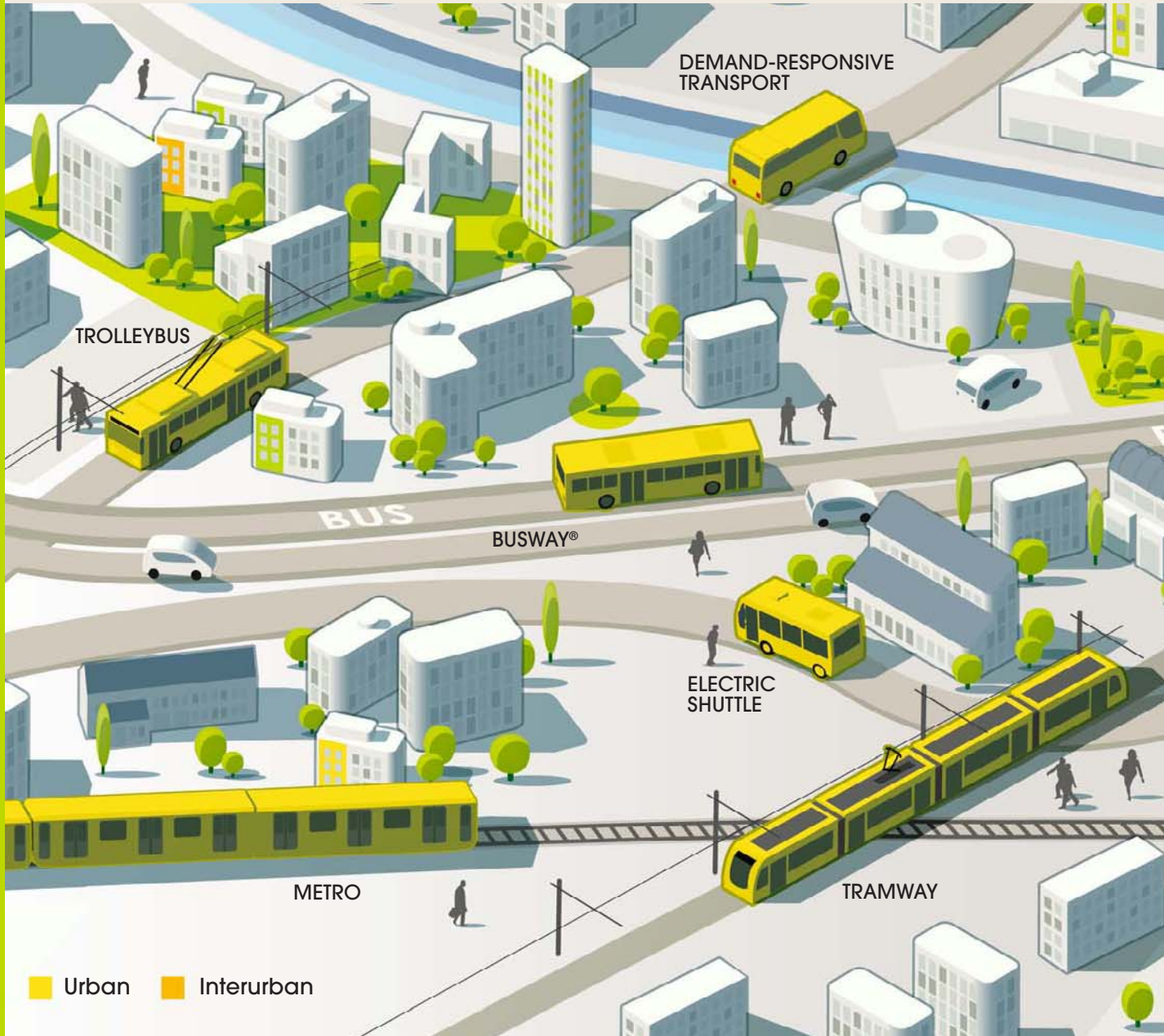
**60%** of managed revenue generated outside France.

More than **46,000** employees in nine countries.

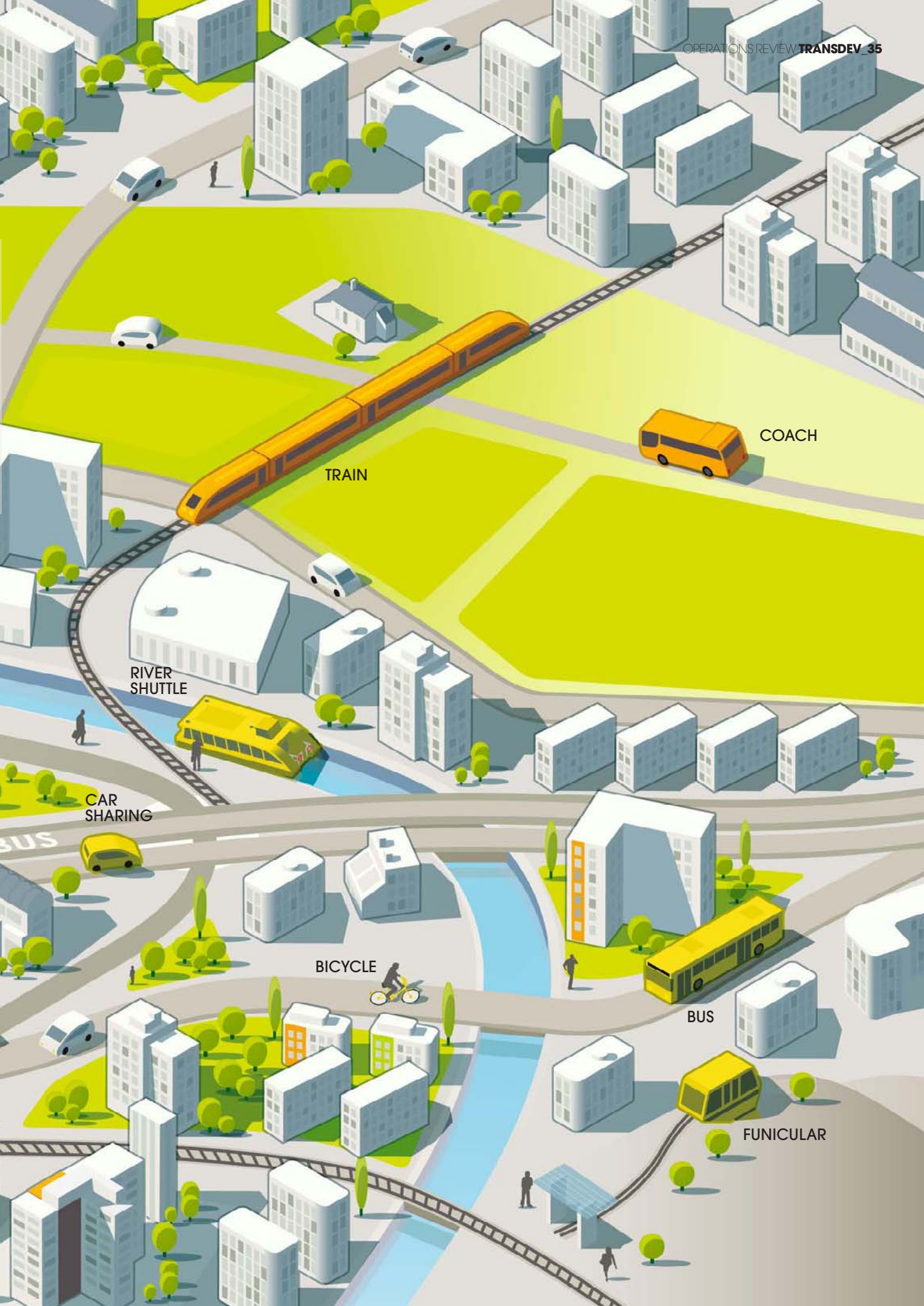


# A PUBLIC TRANSPORT ARCHITECT

As a specialist in urban, interurban, and regional passenger transport, the Transdev Group embraces the full spectrum of transport modes in building custom solutions designed to bring people together while preserving their environment.







TRAIN

COACH

RIVER SHUTTLE

CAR SHARING

BICYCLE

BUS

FUNICULAR

# FRANCE

**Transport for every need.** Economic and regulatory constraints made conditions tougher in the French market, even though demand for public transport is greater than ever. Transdev continued to grow, placing increasing emphasis on quality.



## PERSONAL VIEW

**Francis Chaput,**  
Director,  
France Nord Division

“There is a growing gap between society’s demand for public transport—which is still more intense since the “Grenelle” round table—and local authorities’ diminished financial resources. Our priority, in the face of this situation, is to seek out innovative forms of financing for essential investments.”



**Two events stood out in the French provinces** in 2008. On 1 January, Transdev became the new operator of the Reims urban communities network under a 33-year contract. The 163-bus fleet is currently being modernised with 100% accessible vehicles compliant with the Euro 5 standard. At the same time, Transdev is working to launch a multi-modal urban network in 2011, built around a tram system and a reorganised bus service, coupled with a demand-responsive offering and shared transport (car pooling and bicycles). In December, Maubeuge was in the news with the inauguration of its BusWay®. This high quality service, operating in dedicated lanes—a first for a medium-sized town in France—has brought Maubeuge’s neighbourhoods closer together while linking up with

“soft” transport modes such as bikes and walking. Around twenty other medium-sized towns are currently working on BusWay® or tram and tram-train type public transport projects involving dedicated lanes. Transdev consolidated its activities in Alsace by turning Soléa in Mulhouse into a subsidiary. This semi-public company operates the famous “Yellow Tram”, now the city’s emblem. In Strasbourg, a joint subsidiary (CTBR) has been formed with CTS, the local semi-public urban transport company, enabling the Group to broaden its reach to include interurban transport. The Upper Rhine inter-city coach company Martinken is now also part of Transdev Alsace. The Provence-Alpes-Côte d’Azur (PACA) region provides other examples of how Transdev is expanding from its existing geographi-

## PROFILE

**Transdev France**  
**€1.31 billion** in managed revenue in 2008  
**18,200** employees  
**7,787** vehicles  
**70** networks  
**700** million passengers a year



**150**

SMEs are involved in the "Companies Transport Plan" signed in Valenciennes.

**125,000**

inhabitants and 28 municipalities in the Val de Sambre urban community are served by 20 BusWays® in Maubeuge.

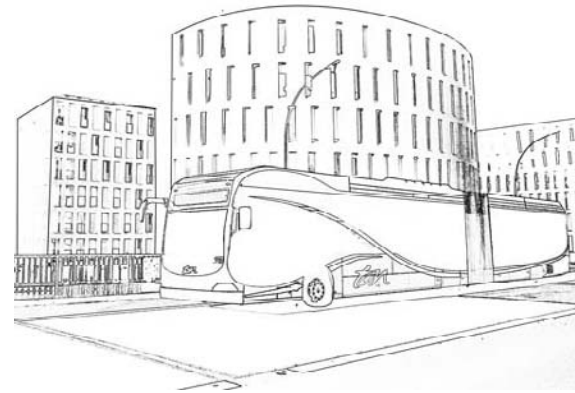
**61%**

of Montpellier's buses run on natural gas.

**1 - The Mulhouse tram** (France), now the city's emblem.

**2 - Montpellier's intermodal network** (France).

**3 - The VilaVil** cross-border Express line was opened in 2008.



cal bases, with the takeover of Société des Autocars Brémond, giving Transdev a foothold in the Var and Alpes-de-Haute-Provence Departments. Transdev also won the contract to operate the Arles-Avignon regional TGV (high speed) line. In the Aquitaine region, it was awarded a contract to operate the Villeneuve-sur-Lot Interval bus network, which has been reorganised around 5 main routes and 6 demand-responsive routes, and it also became the operator for the Landes departmental authority.

**Other highlights of the year included the inauguration of the VilaVil cross-border Express line**, linking the Thionville area in Lorraine to Luxembourg, and the opening of the Regional Express link between Chalon-sur-Saône, Le Creusot and Montceau-les-

Mines in Burgundy; the launch of several network restructuring projects, including Chartres and Saint-Brieuc; and also the thorough renovation of the POMA, the cable-car/funicular at Laon.

Where its tram networks are concerned, the Group prepared in 2008 for the many contract renewal tenders scheduled for 2009.

#### THE SUCCESS OF SELF-SERVICE

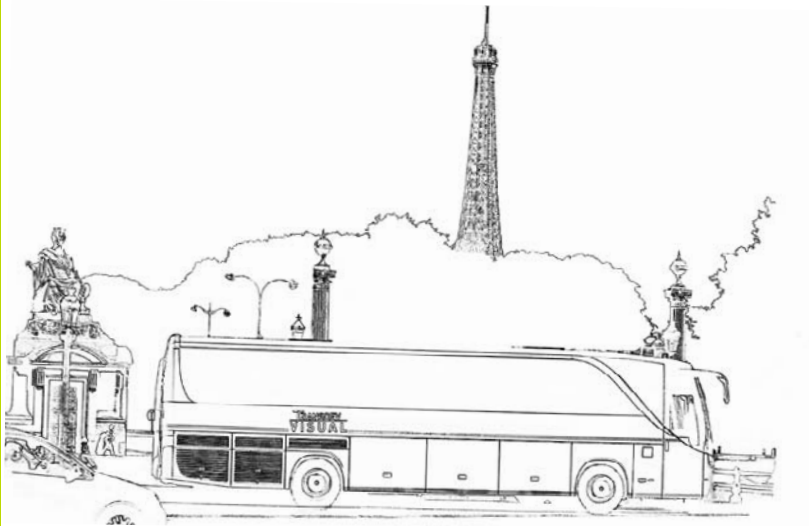
Among "light" transport modes, more towns have introduced city-centre shuttles and electric vehicles (Maubeuge, Valenciennes, Chartres, Hendaye, Ciboure, Bidart and Biarritz) as well as bicycle services, with the development of the Réflex bike rental service at Chalon-sur-Saône, the phasing in of Montpellier's self-service bicycles, and the development of an offering for roll-out in Avignon in 2009. In Nantes, Transdev launched Marguerite in partnership with Sepamat (Europcar Loire-Atlantique). This car sharing service now offers 28 self-service cars at 11 pick-up points around the city centre. Other agreements with car sharing operators have been signed in Montpellier, Grenoble and Strasbourg. Where passenger services are concerned, the Group has opened new mobility hubs, in the Department of Saône-et-Loire, and in the Rhône-Alpes Department. It also developed its demand-responsive transport offering accessible to mobility-impaired people in the Department of Loiret. Work continued on equipping networks with passenger information systems at Chalon-sur-Saône and Vienne. The ConfOR passenger loyalty programme was tested and then deployed in Saint-Quentin, Laon and Chartres. This concept can be duplicated in other towns. Finally, in all of Transdev's fleets, an increasing number of vehicles are being fitted with catalytic converters, run on natural gas, or have highly efficient engines to the latest European standards.



#### PERSONAL VIEW

**Jean-Luc Frizot**,  
Director,  
France Sud Division

"Local authorities are responsible for framing a comprehensive local transport policy. Our task is to strive for excellence in design and coordination, selecting the most appropriate 'building blocks' for each market segment. That will allow us to maintain our competitive advantage."



**At the beginning of June 2008, the Espaces group, founded by the Bernini family in 1931, came under the Transdev banner.** This tie-up by mutual agreement sealed Transdev's links with a leading firm in the Department of Seine-et-Marne, around a shared vision of market developments and operating arrangements. Espaces has thus joined the Group's regional public and private transport companies, built around a solid organisation and strong local brands such as Marne et Morin, Darche Gros, and Chambon Gros), all of which enjoy a first-class reputation in the Paris Region. This acquisition strengthens Transdev's positions in its core business of public passenger transport in the outlying departments of the Paris Region. Meanwhile, a major institutional change

is afoot in this region, with the introduction, in ten years' time, of a Public Service Obligation, opening up the Paris Region's public transport to competition. Transdev is actively preparing for this in the framework of the network operating contracts signed in 2007 with the Syndicat des Transports d'Île-de-France (STIF). The multi-year programme launched in 2008 seeks to harmonise the business processes, products and services offered by Group companies in the Paris Region, with a view to offering a uniform standard of services everywhere, satisfying both the STIF's specifications and the demands expressed by the local authorities. At the same time, Transdev continued to expand its array of mobility solutions with the acquisition of Caisse Commune, a car sharing pioneer in France.

**50** Caisse Commune pick-up points in Paris in 2008.

**2<sup>nd</sup>** largest operator in the Paris Region. With the Espaces group, Transdev's market share in the Paris region "outer ring" has gone from 11% to 20%.

**€67 M** That's the Espaces group's revenue (900 employees and 550 vehicles).

**1 - Transdev** has reinforced its positions in public passenger transport in the Paris region "outer ring" (Seine-et-Marne).

**2 - On 21 July 2008**, 16 Transdev Visual vehicles carried France's 907 Deputies and Senators to the Congress of Versailles to vote on the Constitutional revision.

**3 - Caisse Commune**, car sharing in Paris with more than 3,000 subscribers and 140 cars.



Founded in 1999, this firm operates a fleet of 140 cars in Paris, spread between 50 pick-up points, with more than 3,000 subscribers already. The progressive expansion of the Caisse Commune offering is part of Transdev's Vision 2012 project.

### **TRANSDEV, A PARTNER OF CHOICE**

**In private operations, Transdev has confirmed its position as a partner** of choice for major clients such as Air France, Aéroports de Paris, Cityrama and Disneyland Paris. In the tourist market, the start-up on 1 January 2008 of the new contract with Paris-Vision and the renewal of the Cityrama contract have made Transdev Visual a central player in the Paris excursion market and consolidated its position as a provider of private transport

in and around the French capital. Flexicité, a subsidiary of Transdev and RATP Développement, operates in two new departments, Seine-et-Marne and Essonne, and is meeting the growing need for demand-responsive transport for mobility-impaired passengers.

**Diversifying energy sources is another key priority for Transdev**, and the Group now operates the Paris region's second-largest natural gas-powered fleet. The Caisse Commune fleet is to be equipped with hybrid cars and electric vehicles will also be acquired. Transdev was also picked to build a "high environmental quality" (HEQ) building for a vehicle maintenance centre inside the Disneyland Paris development site.

### **DEVELOPMENTS IN THE OVERSEAS DEPARTMENTS**

**Transdev operates three main urban networks on Reunion Island**, where a regional training centre was opened in November. The "Petit Train des Plages" (beach train), launched by Transdev Océan Indien, runs on the former Reunion railway track, in a nod to the tram-train project for which Transdev is gearing up as part of a consortium. Here, as in Martinique, the Group is actively exploring possibilities for the development of "soft" modes complementing conventional public transport offerings.



### **PERSONAL VIEW**

**Bernard Stumpf**,  
Director, Île-de-France  
and Overseas Division

"Today, the Transdev Group is playing a recognised role in the reconfiguration of the overall mobility system in the Paris region. With our experience in high service quality transport in dedicated lanes, we are well placed to assist the STIF and local authorities in modernising or creating major routes. Both here and in the French Overseas Departments, there is considerable potential to diversify transport modes. Transdev demonstrates daily its know-how in these areas, from Bus Rapid Transit to electric-powered vehicles, river shuttles, and car sharing."



# NETHERLANDS

**Nurturing the alliance.** A major public transport operator in Europe has grown out of the tie-up between Connexxion and Transdev in 2007. Moulding this tie-up into an effective alliance was the prime focus in 2008.

## PROFILE

### Connexxion

Joined the Transdev Group in 2007  
 Revenues topped **€1 billion** in 2008  
**14,700** employees  
**32** concessions  
 More than **7,000** vehicles, of which 3,600 dedicated to demand-responsive transport  
 More than **300** million passengers



### A SHARED VISION

United by a shared vision of public transport and complementing each other in terms of their organisation and culture, Connexxion and Transdev began with a phase of getting to know and understand each other. Their respective employees spent time in 2008 learning to work together. Twelve Connexxion/Transdev task forces were formed at the beginning of the year, in order to identify common themes for action and to launch projects. Several of these have made good progress or have now been completed. Operational financial reporting and cash pooling procedures have been introduced. The architecture for a shared knowledge management system has been put in place, and procurement syner-

gies (energy, buying new or secondhand vehicles) have been identified.

**Business development discussions focused on adapting the Dutch demand-responsive transport business model** to France and the BusWay® label to the Netherlands. Transamo's staff provided assistance to Connexxion in bidding for the Rijn Gouwelijn contract, a new tram-train line linking the town of Gouda to the sea. Operational oversight of Transdev SZ (Germany) has been transferred to Connexxion. Integration will be progressed further in 2009 for the other projects (audit, legal affairs, innovation, human resources, communication, etc.). On the managerial side, a new management was appointed



**No.1** public transport operator in the Netherlands with 55% of the market. A major demand-responsive transport operator, with around 30% of the market.

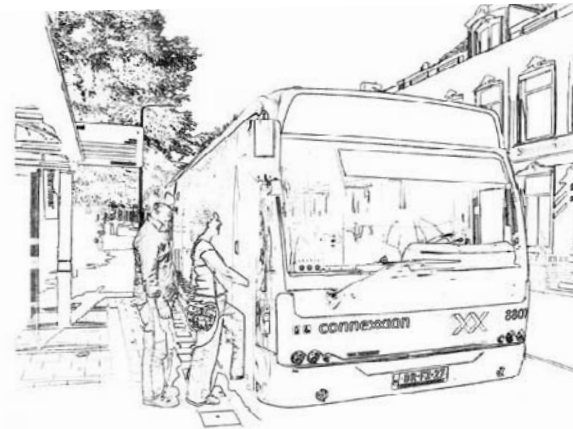
**6** million passengers carried by 28 river shuttles.

**589** journeys daily, with 46 buses operating 24 hours a day on the Zuidtangent route, in a 40-km dedicated lane serving Amsterdam, the airport, and Haarlem.

**1 - New hybrid vehicles** being tested by Connexxion.

**2 - Ambulances** are an essential component of demand-responsive transport.

**3 - The tyre-mounted tram** in Eindhoven is operated by Connexxion.



With its subsidiary Hermes, it won an extension for the operation of the Eindhoven conurbation network (725,000 inhabitants), which included a concession previously held by another operator. Winning yet another new concession, it won a contract from the Province of Utrecht to manage all of its public transport. The bid centred on a highly reliable public transport offering, with EEV-compliant buses, transfer points to the rail network, and a real-time passenger information system. Against heavy competition, Connexxion also won concessions in the north of North Holland (Noord-Holland Noord) and central Zeeland (Midden Zeeland), each comprising urban networks and the entire regional transport system. In both cases, the differentiating factor was the proposal to install dynamic passenger information systems and new, easily accessible, clean EEV compliant buses, or vehicles running on LPG.

**Demand-responsive transport activities** were further bolstered with the acquisition of two ambulance companies, which have now been integrated into Connexxion Ambulancezorg. In addition, OV Magazine, the leading magazine devoted to city planning and transport, ranked Connexxion and its subsidiary Novio as the best Dutch transport operators. Connexxion was cited nine times among the top 10 concessions.



## PERSONAL VIEW

**Hubert Guyot,**  
CEO Connexxion

"I learned in Melbourne, Genoa and Grenoble that the success of a business depends on its vital forces —its employees. Now I'm running Connexxion, I take my inspiration from this principle to leverage fully the synergies within the Transdev Group in working to provide a high quality transport offering. Connexxion has made a fresh start. All of management's energy is now devoted to consolidating our fundamentals, in order to put our finances back on an even keel."

at the end of the year to take the company to the next stage in its development.

The Dutch transport sector experienced the longest national strike in its history, lasting 32 days, in May and June 2008. This dispute, which had its roots in inter-industry wage negotiations, ended satisfactorily where labour relations are concerned. It nevertheless left its mark on Connexxion's balance sheet and on the Transdev Group's results. It also showed that a transport sector without a sound economic regulatory framework is unsustainable. Prices in this market are unduly low and need to revert to more reasonable levels to allow the continuation of high quality transport provision.

Within its operating perimeter, Connexxion nevertheless confirmed or won key contracts.

# GERMANY

**Road and rail.** Transdev SZ, EuRailco and TransRegio all took strategic positions in Europe's no.1 public transport market.

Transdev is expanding in rail transport in Germany.



transport activities and the rail transport activities of TransRegio in Germany.

## AN EXEMPLARY RAIL LINE

**Transregio, meanwhile, underwent a change of dimension in the regional rail transport market,** with the opening of the new MittelrheinBahn line in December, a major contract for this subsidiary of EuRailco\*. This emblematic line running along the banks of the Rhine, in scenery classified as part of the world heritage by UNESCO, is also one of the country's busiest. Just two years in the planning, with six months to build a high environmental quality maintenance workshop and associated equipment, 17 latest-generation electric powered self-propelled trains consuming 30% less energy than a conventional train, silent, totally accessible and equipped with a modern passenger information system... the MittelrheinBahn stands as a model from every point of view, demonstrating EuRailco and Transdev's know-how in the "heavy" rail business.

## PROFILE

### Transdev SZ

1<sup>st</sup> service inaugurated 2006  
**€22 M** revenue in 2008  
**364** employees  
**260** vehicles

### Transregio

1<sup>st</sup> service inaugurated 2004  
**€15 M** revenue in 2008  
**140** employees

### MittelrheinBahn

a contract worth nearly **€550 M** over 15 years  
**43** stations for a 185-km line; **7.5** million passengers a year; equivalent of **€100 M** invested

**For Transdev SZ,** the priorities in 2008 were integrating its employees into the Group and consolidating links with the transport organising authorities. This urban and regional road transport company operates in western Germany and succeeded in extending all of its concessions up for renewal. In May, its activities were transferred to the responsibility of Connexion in the Netherlands. The first operational outcome of this tie-up was the purchase of 30 Dutch buses to renew the existing fleet. In addition, nine vehicles complying with the Euro 5 environmental standard were also purchased.

Transdev SZ also launched an ambitious demand-responsive transport project intended to form its future core activity, as well as inaugurating a mobility hub covering both Transdev SZ's road

\* EuRailco is a 50-50 subsidiary of Transdev and RATP Développement.

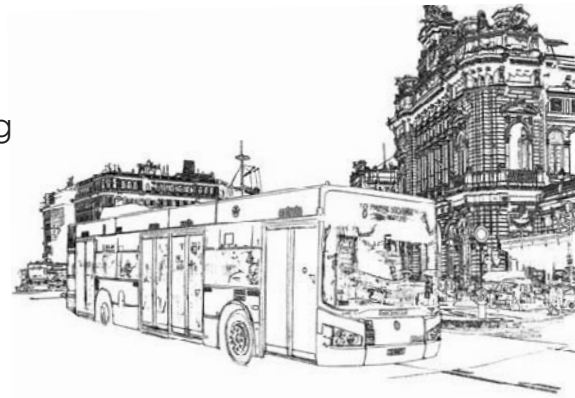
## PERSONAL VIEW

**François-Xavier Perin,**  
 Chairman of EuRailco

"EuRailco intends to build on the success of TransRegio to consolidate its image and pursue its development in Germany and other European rail markets now opening up to competition."

# ITALY

**A year of redeployment.** Transdev consolidated its status as a global operator in Genoa, while reorganising its perimeter of activities in Northern Italy.



**A bus driver in Genoa:**  
20% of the Group's bus drivers are women.

**Transdev operates the whole of Genoa's** multi-modal urban network, in this city of 612,000 inhabitants, in partnership with the city authority, via AMT. Work continued on modernising the city's mobility offering. One year after the reintroduction of trolleybuses, 18 new sets entered service. In December, the TSCP FITU (meaning "quick" in Genoese dialect) project, overseen by a joint AMT/Transdev team, was presented to the municipality. A first stage of this major bus or tram project using dedicated lanes, aimed at tackling traffic congestion in the city centre, could be inaugurated at the end of 2011. Where passenger services are concerned, customers travelling on the Genoese network now have access to a new real-time information system by SMS, as well as to an enhanced on-line season-ticket offering. At the same time, the sales agencies have been completely renovated.



## NEW PERSPECTIVES

**In the north of Italy,** Transdev developed its strategy further when it sold its shareholding in AGI in Milan. In exchange, the group became a 39.5% partner in a semi-public company, Dolomiti Bus, in the province of Belluno.

This redeployment opens up fresh perspectives in the Veneto region, on the inter-city market and the market serving Alpine resorts. In the Lombardy region, Transamo was contracted in September to conduct a study for the construction of Tram Line 3 in Bergamo, running through the heart of the city. In Piedmont, meanwhile, Transdev's development support contract with GTT, for the VAL automated metro line in Turin, was extended for a further 18 months.



## PERSONAL VIEW

**Franck-Olivier Rossignolle,**  
Director, Italia Division

"The purchase of Euro 5 coaches by Dolomiti Bus; an order placed for 55 EEV vehicles for the Genoese network, now fully operating under the "Destinazione Verde" label; Italy's first ever carbon assessment... All these Vision 2012 initiatives reflect one of our company's paramount values, namely respecting the environment. This is a key to our position in Italy's public transport market."

## PROFILE

**Transdev Italia**  
1<sup>st</sup> service inaugurated 2005  
€200 M fare revenue 2008  
2,700 employees  
2 urban networks  
1 inter-urban network  
940 buses/coaches  
34 trolleybuses  
18 metro sets  
10 funiculars  
10 public lifts  
1 ferry  
170 million passengers carried



# UNITED KINGDOM

**Leveraging our brand image.** Transdev did better than hold onto its positions in this tough, highly competitive market, continuously evolving.

## PROFILE

**Transdev United Kingdom**  
 1<sup>st</sup> service inaugurated 1997  
**£215 M** (€270 M) revenues 2008 (+8%)  
**4,130** employees  
**11** networks  
**1,309** vehicles  
**236** million passengers carried (+8%)

**1 - The Nottingham tram.**

**2 - In Bournemouth,** the new vehicles emphasize passenger comfort.

**3 - The London double decker,** symbol of the capital.



**Transdev London operates 73 bus routes in Greater London's regulated market,** each line covered by a separate operating contract. The 14 contracts up for renewal in 2008 were retained, against a background of fierce competition and falling prices, while Transdev added a new route to its portfolio. Among innovations during the year, 700 buses were fitted with the iBus on-bus passenger information display and announcement system being promoted by Transport for London (TfL), the capital's transport regulator. The first hybrid double-decker buses entered service in December and these are scheduled to enter general use by 2012. TfL rated Transdev London one of its best operators. In the deregulated sector outside London, Transdev operated success-

fully in the regional road transport market in the face of strong competition. It is one of the main operators in Yorkshire and Lancashire, in the North of England, with Transdev Blazefield. Transdev's "Yellow Buses" in the Bournemouth area beat their growth forecasts in terms of both passenger numbers and revenue. In Bournemouth, Transdev has introduced a new fleet that emphasises passenger comfort, further enhancing the appeal of public transport. In July, the Traffic Commissioner singled out the Yellow Buses for their punctuality. Also in 2008, the Passenger Transport Executive (PTE) highlighted Transdev Blazefield for the quality of its school bus service, and the Keighley school transport contract was renewed.

## Seven Major Awards

were won by Transdev's networks and employees in the United Kingdom in 2008.

### UK Bus Awards 2008 :

- City Operator of the Year - Transdev Keighley & District

- Top London Bus Driver - Nello Roberto-Goncalves, Transdev London United
- Total Integration Award - Nottingham City Transport in partnership with Nottingham Unilink

### UK Light Rail Awards 2008:

- Team of the Year - Nottingham Tram

### Passenger Transport Management Awards 2008:

- Team Manager of the Year - Jeff Smith, Transdev Keighley & District

### Bournemouth Tourism Awards:

- Winner - Sustainable Tourism, Transdev Yellow Buses

### Transdev International Prix Marketing 2008:

- Bournemouth Transport Ltd



### PERSONAL VIEW

**Charlie Beaumont,**  
Director, United Kingdom Division, appointed Chief Executive Officer - Transdev International Divisions in January 2009

"The new Transport Bill introduces changes to quality contracts and quality partnerships. This context should be favourable to Transdev, as a recognised quality operator that has made partnership and innovation the pillars of its strategy. The future is promising, offering clear opportunities to leverage the Group's expertise in the areas of rapid transit buses and through its innovations such as BusWay®, for example."

Transdev UK pursued its "Space Bus" community-centred campaign, part of its Vision 2012 project, in 2008. Growth opportunities are to be found in niche markets and in alternative transport solutions. Transdev is counting on its flexibility as a local operator combined with an international brand with a reputation for quality to seize these opportunities.

In Nottingham, Transdev operates and maintains the Nottingham Tram Consortium (NTC) tram network in partnership with Nottingham City Transport (NCT), the city's majority-held company. NTC is able to offer the local population a high quality service thanks to the combined know-how of Transdev and NCT. This measurable quality—NCT obtained the Transdev Quality Label in May—is also central

to the Edinburgh tram project in Scotland, now under construction with Transport Initiatives Edinburgh (TIE). In addition, measurable quality is a key feature of Transdev's bid in the competition to build and operate the tram system in Dublin (Ireland), in a joint venture with RATP Développement.

**Among the Vision 2012 cross-company campaigns,** a Health and Safety task force has been set up to promote a "zero risk" policy across all networks. Transdev is working in partnership with the "Carbon Trust" to develop a Carbon Management Plan. This Plan will help Transdev to deliver quantified CO<sub>2</sub> emissions reductions in the United Kingdom by 2012.

# SPAIN AND PORTUGAL

**Transdev Iberia is growing.** With trams in Spain, and with metro systems and road transport in Portugal, Transdev is becoming an established public transport player in these two countries.

## PROFILE

### Transdev Iberia

**2** markets:  
Spain and Portugal  
**1<sup>st</sup>** service inaugurated  
1997  
**€90 M** revenues 2008,  
**€213 M** forecast for  
2010  
**2,300** employees  
at end-2008  
**1,280** vehicles



**In the space of a few years, Transdev has become a leading player in Portugal and Spain, in both buses and trams.** The Tenerife tram network registered record passenger numbers in 2008, topping forecasts by 15%. Its success has prompted the local government to begin to work on building a second light metro line. Through its involvement in MTSA, the semi-public company formed to build and operate the Tenerife metro, Transdev has been contracted to build this T2, scheduled to open in June 2009. Nearly thirty other tram networks are currently being planned across Spain.

### No.2 PASSENGER TRANSPORT GROUP

**In Portugal, road transport was the focus of attention in 2008.** Already well-established in

the north and centre of the country, this division underwent a change of scale in November, with the merger of Transdev's activities with those of Joalto, a road transport group with approximately 500 vehicles.

**With the formation of the Joalto Transdev holding company (HJT),** Transdev Iberia has doubled in size to become the no.2 private public transport operator in Portugal, with around 14% of the market. The combination will give it the scale to continue to grow in the regular express transport, inter-city and long haul markets.

The Porto metro, one of the largest European transport projects of recent years, won the UITP's Light Rail Award in June, distinguished as an exemplary



More than **1** million additional passengers used the Porto metro in 2008.

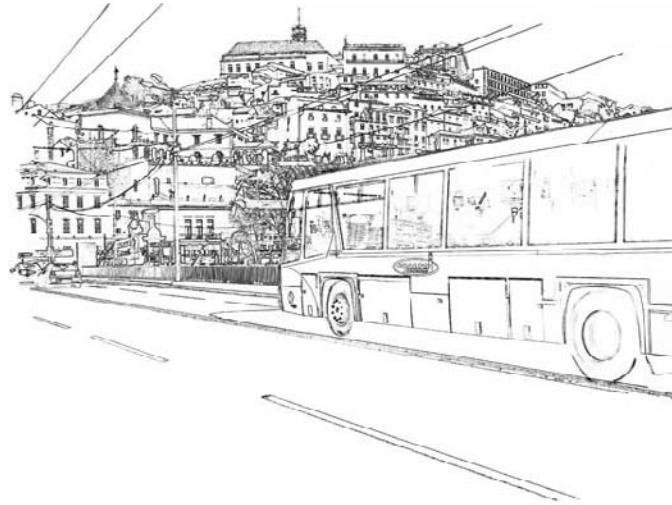
**28** tram projects are currently being planned in Spain.

**2<sup>nd</sup>** largest passenger transport group in Portugal. Transdev operates nearly 40 bus terminals.

**1 - The Tenerife tram** registered record passenger numbers in 2008.

**2 - The Porto metro** was distinguished in the Light Rail Awards.

**3 - The Joalito-Transdev joint-venture** was formed in 2008.



### PERSONAL VIEW

**Dominique Gauthier**,  
Director,  
Iberia Division

"The alliance with Joalito in road transport cements the tie-up between two groups that form a good strategic fit, sharing a common focus on providing a high quality of service to passengers. It will bolster Transdev's position in the road transport business, including in international transport in Europe. It will also yield extensive economies of scale and synergies. Above all, both Transdev and Joalito have strong local roots. This is what makes the merger truly meaningful, further underpinning our strategy of forging strong local partnerships.

light metro project. Among other criteria, Metro do Porto was selected for its positive impact on citizens' mobility and quality of life.

**Transdev Iberia concluded its "One team, one future" project**, part of Vision 2012. Over nearly three years, all managers, from depot manager to the Division Director, undertook this personalised training programme in "new management" methods, culminating in a diploma ceremony in June. Commitments in the field of sustainable development are also being fulfilled. All vehicle washing stations now recycle their waste water. Plans are being considered to install photovoltaic energy systems in all depots. In Portugal, a new HEQ-type building now houses the Transdev work-

shop at Oliveira de Azémeis. At the end of the year, all eight road haulage companies were ISO 9001 certified. An Innovation Department, set up in 2008, is expected to give a further boost to this network modernisation drive.



# CANADA

**Quality of service, first and last.** Transdev Limocar is forging its brand image around first-class service in interurban and urban transport alike.

Four million passengers carried by Transdev Limocar.

## PROFILE

**Transdev Limocar**  
 1<sup>st</sup> service inaugurated 2007  
 Nearly **€35 M** (€22 M) revenue 2008 (+12%)  
**435** employees  
**3** urban transport networks and **1** interurban transport network  
**320** vehicles  
**4** million passengers carried (up 14.5% from 2007)



**Transdev has been present in Canada since 2007**, when it acquired Limocar. It has opted to focus initially on growing in the Greater Montreal region in Quebec. Transdev Limocar operates a coach service along the 160-km inter-city corridor between Montreal and Sherbrooke. The service along this route, calling at 15 or so towns along the way, was revamped in the summer of 2008 to turn it into a showcase for the Group's quality standards. More coaches have been introduced, along with a simplified fare structure and season tickets, the possibility of purchasing tickets by phone or on the Internet, and onboard WiFi Internet access. Other innovations included the opening of a park-and-ride car park in August (a first for the private sector in Quebec) and local express links to facilitate access to the regional line. A demand-

responsive service has been introduced for mobility-impaired passengers, with 100% accessible vehicles. In the Montreal Metropolitan area, three of the 11 inter-municipal public transit organisations (Laurentides, Richelieu Valley and Roussillon, representing 40 communes in all) have placed their confidence in Transdev Limocar to operate their urban networks. Here again, every effort is being made to satisfy the demands of customers and local authorities alike, in line with the goals of Vision 2012. \$6 million (€3.75 million) were invested in the purchase of new air-conditioned vehicles, rationalising routes and optimising schedules, for the start-up of the new contract signed with the Roussillon CIT, in July 2008. By autumn, passenger numbers on coaches running under the new Transdev Limocar colours had risen by 34%.

# AUSTRALIA



**The keys to our success:** high quality customer service, a commitment to the environment, and innovative partnership are the hallmarks of Transdev in Australia.

**Passenger numbers** on the Melbourne tram are up 17% in three years.



**Passenger numbers were up 8.9% for Yarra Trams in Melbourne, in 2008, with a rise of nearly 17% over the last three years...** The local authorities were seeking ways to finance new capacity to cope with the rising number of people using the trams. Transdev proposed, then implemented, a highly original temporary solution in which the city of Melbourne leased five Citadis tram sets from the city of Mulhouse in France. Teams from Soléa in Mulhouse, from Yarra Trams, as well as from Transdev and Transamo, all helped implement this unprecedented plan. Each of these low-platform trams, renamed Bumblebees, can carry up to 240 passengers. Meanwhile, work continued on upgrading the tramway infrastructure. The installation of 100% accessible platforms at tram stops,

with 54 new stations delivered in 2008, earned Yarra Trams an UITP award. Work is now in progress on a vast programme to renovate track and stations at critical points along the network. Overseen by Yarra Trams, this large-scale undertaking began with the total remodelling of two stations at high profile city-centre locations.

## NETWORKS EARN QUALITY LABEL

Melbourne also inaugurated three Wind Trams powered by wind-generated electricity, in 2008. Supporting the deployment of these 100% green energy trams was an educational campaign on tramcar sides and inside displaying messages on climate change and clean energy. In July, the Sydney bus service, Shorelink, was honoured to transport Pope Benedict XVI on his visit to World Youth Day. This urban network, like Brisbane Ferries, has seen rising passenger numbers. Fleets have been expanded with the introduction of four new Scania buses in Sydney, and the arrival of three new CityCat catamarans in Brisbane, bringing the total number of boats in operation to 13. Also in 2008, the two networks obtained the Transdev Quality label. Brisbane Ferries, meanwhile, won three national awards for the professionalism of its management and customer service excellence.

**99%**  
punctuality  
for Brisbane Ferries.



## PERSONAL VIEW

**Dennis Cliche,**  
Director,  
Australia Division

"In 2008, Transdev TSL prepared its bid for the renewal of the Melbourne tram operating contract, to be adjudicated in mid-2009. This was an occasion for the Group to state its vision for the coming decade concerning one of the oldest and largest networks in the world. The upgrading of infrastructures and the rental of trams from Mulhouse highlight the Group's added value."

## PROFILE

**Transdev Australia**  
**1<sup>st</sup>** service  
inaugurated 1999  
**AUS \$400 M**  
(€230 M) in managed  
revenues  
**2,170** employees  
**597** vehicles  
**180.5** million passengers  
carried (+9.09%)

# SUBSIDIARIES, NETWORKS AND OPERATIONS

## GERMANY

### Interurban networks

Transdev SZ GmbH & Co.KG (Hesse, North Rhine- Westphalia, Rhineland Palatinate).

### Rail network

**EuRailCo\*\***: TransRegio (North Rhine-Westphalia, Rhineland Palatinate).

## AUSTRALIA

### Urban networks

Brisbane Ferries (Brisbane), Shorelink (Sydney), Yarra Trams (Melbourne).

### Consulting for local authorities

Transamo (Melbourne).

## CANADA

### Urban networks

Limocar Basses-Laurentides (CIT\*\*\* Laurentides), Limocar de la Vallée (CIT\*\*\* Vallée du Richelieu), Limocar Rive-Sud (CIT\*\*\* Roussillon).

### Interurban networks

Autobus de l'Estrie (Sherbrooke), Autobus la Sapinière (East Angus), Limocar Estrie (Montreal/Sherbrooke), Limocar Roussillon (Saint-Philippe).

## SPAIN

### Urban networks

Metro Ligero Oeste (Madrid), Metropolitano de Murcia (Murcia), Metropolitano de Tenerife (Tenerife).

## FRANCE

### Urban networks

**Urban communities with more than 300,000 inhabitants:** Cts (Strasbourg), Semitag (Grenoble), Semitan (Nantes) Tam (Montpellier), Transvilles (Valenciennes).

**Urban communities with 100,000 to 300,000 inhabitants:**

Amv (Marne-la-Vallée), Cftu (Fort-de-France), Paladin (Antony), Saint-Brieuc Mobilités (Saint-Brieuc), Semitib (Maubeuge), Semtan\* (Niort), Setao (Orléans), Sodiparc (Saint-Denis-de-La-Réunion), Solea\* (Mulhouse), Stab (Bayonne), Stac (Chalon-sur-Saône), Stcl (Limoges), Tcra (Avignon), Tcrm (Metz), Trans Fensch\* (Thionville), Transdev Reims (Reims).

**Urban communities with 20,000 to 100,000 inhabitants:**

As Réseau (Sens), Cars d'Orsay (Les Ulis), Ceat (Sainte-Geneviève-des-Bois), Chartres Mobilités (Chartres), Citébus des 2 Rives (Bourg-de-Péage and Romans-sur-Isère), Ctc (Le Creusot-Montceau-les-Mines), Distribus\* (Communauté de communes des Trois-Frontières), Interval (Montereau), Laon Mobilités (Laon), Mâcon Bus (Mâcon), Mont-Blanc Bus (Chamonix), Moulins Mobilités (Moulins), N'4 Mobilités (Pontault-Combault), Saint-Quentin Mobilités

(Saint-Quentin), Semittel (Saint-Pierre-de-La-Réunion), Semitul (Longwy), Semto (Saint-Paul-de-La-Réunion), Snaa (Ajaccio), Stbc (Chelles), Stabus (Aurillac), Transcove (Carpentras), Tcvo (Orange), Transports Marne et Morin (Meaux), Transports Montalbanaïs (Montauban), Vienne Mobilités (Vienne), Villeneuve Mobilités (Villeneuve-sur-Lot), Vivacité (Auxerre).

**Urban communities with fewer than 20,000 inhabitants:**

Darche Gros (Coulommiers), Interval (Barbey, Cannes-Ecluse, Esmans, Forges, La Brosse-Montceaux, La Grande Paroisse, Laval-en-Brie, Marolles-sur-Seine, Misy-sur-Yonne, Montereau-Fault-Yonne, Saint-Germain Laval, Varennes-sur-Seine), Les Cars de Château Thierry (Château-Thierry), N'4 Mobilités (Tourman), Rapides de Bourgogne (Joigny), Rapides de Saône-et-Loire (Autun), Rapides du Val-de-Loire (Gien), Stb (Briançon), Sud-Est Mobilités (Bollène), Transavoie (Albertville), Transdev Sud-Ouest (Hendaye, Saint-Jean-de-Luz).

### Seasonal networks

Autocars Martin (Les Arcs), Mont-Blanc Bus (Flaine, Les Carroz, Les Contamines, La Clusaz, Le Grand-Bornand, Manigod, Saint-Gervais), Transavoie (Aussois, Communauté de communes de Haute-Maurienne, Courchevel, Les Ménuires, Val-Cenis, Valloire, Valmeinier, Val-Thorens), Transports Bérard (Aime-la Plagne), Transdev Sud-Ouest (Bidart, Ciboure).

### Interurban networks

Alpbus Fournier (Ain, Haute-Savoie), Autocars Brémond (Alpes de Haute-Provence, Var), Amv (Seine-et-Marne), Autocars Martin (Rhône, Savoie), Autocars Martinken (Haut-Rhin), Bièvre Bus Mobilités (Essonne, Hauts-de-Seine, Val-de-Marne), Cars d'Orsay (Essonne, Yvelines), Chambon Gros (Val-de-Marne), Champagne Mobilités (Aisne, Ardennes, Aube, Haute-Marne, Marne, Meuse), Ceat (Essonne, Seine-et-Marne, Val-de-Marne), Compagnie des Autocars de Provence (Bouches-du-Rhône), Courriers de l'Aube (Aube, Haute-Marne, Marne, Seine-et-Marne, Yonne), Darche Gros (Seine-et-Marne), Les Cars de Château Thierry (Aisne), Les Cars Mariette (Seine-et-Marne), Les Cars du Pays de Valois (Oise), Mont-Blanc Bus (Haute-Savoie), N'4 Mobilités (Seine-et-Marne, Val-de-Marne), Pays d'Oc Mobilités (Gard, Hérault), Rapides de Bourgogne (Côte-d'Or, Nièvre, Yonne), Rapides de Saône-et-Loire (Ain, Allier, Côte-d'Or, Saône-et-Loire), Rapides du Val de Loire (Eure-et-Loir, Loiret, Loir-et-Cher), Sotrader\* (La Réunion), Sud-Est Mobilités (Ardèche, Bouches-du-Rhône, Drôme, Gard, Vaucluse), Trans'L (Meurthe-et-Moselle, Meuse, Moselle), Transdev Alsace (Bas-Rhin, Haut-Rhin), Transdev Dauphiné (Isère), Transports Marne et Morin (Seine-et-Marne), Transdev Pays d'Or (Côte-d'Or, Haute-Saône, Yonne), Transdev Sud-Ouest (Landes, Pyrénées-Atlantiques), Transavoie (Rhône, Savoie), Transports Bérard (Savoie), Tga (Gard, Vaucluse), Vea (Seine-et-Marne, Val-d'Oise, Val-de-Marne), Voyages Crolard (Haute-Savoie), Voyages Dunand (Haute-Savoie), Voyages Guichard (Haute-Savoie).

### Airport services

Aéropass (Roissy), Aircar (Orly, Roissy), R'Orly (Orly).

**Demand-responsive transport**

Agilis.TAD (Angleterre, Apt, Aurillac, Bayonne, Le Creusot Montceau-les-Mines, Département de l'Yonne, Mâcon, Département du Loiret, Niort, Romans-Bourg-de-Péage, Saint-Gervais, Saint-Pierre d'Irube, Saint-Quentin, Sens, Vienne, Villeneuve-sur-Loir), Distrinavette (Saverne), FlexCité 77\*\* (Seine-et-Marne), FlexCité 78\*\* (Yvelines), FlexCité 91\*\* (Essonne), FlexCité 93\*\* (Seine-Saint-Denis), FlexCité 94\*\* (Val-de-Marne), Handi'Lib (Communauté urbaine de Marseille, Conseil Général des Bouches-du-Rhône, Martignes), Transdev Pays d'Or (Communauté de Communes de La Plaine Dijonnaise).

**Tourist networks**

Visual (Île-de-France, Paris), Progétours (Île-de-France, Paris).

**Project management support**

Transamo (Angers, Avignon, Grenoble, Le Mans, Maubeuge, Montpellier, Mulhouse, Nantes, Orléans, Orsay, Reims, Rennes, Saint-Louis, Strasbourg, Toulouse, Tours).

**Mobility hubs, information centres, ticketing, etc.**

Agilis - Mobility Hub (Conseil général de Saône-et-Loire), Altibus (Hautes-Alpes, Haute-Savoie, Isère, Savoie), Équival\*\* (Haute-Vienne, Ille-et-Vilaine), Segar (Seine-et-Marne).

**Car Sharing**

Caisse Commune (Île-de-France), Marguerite (Nantes).

**ITALY****Urban networks**

AMT S.p.A (Genoa), Dolomiti Bus (Belluno).

**Interurban networks**

Dolomiti Bus (Veneto-Province of Belluno).

**Project management support**

Transamo (Belluno, Bergamo, Genoa, Turin).

**NETHERLANDS****Urban networks**

Bru Sneltram, Delft & Zoetermeer, Gooi-en Vechtstreek & Hilversum, Stadsvervoer Lelystad, Stadsvervoer Almere Stadsvervoer Leeuwarden, Stadsvervoer Alkmaar, Stadsvervoer Zwolle, Stadsvervoer Almelo, Hengelo & Enschede, Stadsvervoer Amersfoort, Zuidwest Utrecht.

**Interurban networks**

Amstelland Meerlanden, Bru Heuvelrug, Bru Zuid, Duin en Bollenstreek & Leiden, Flevoland, IJsselmond, Gooi en Vechtstreek & Hilversum, Noord en Zuidwest Fryslan, Haarlem IJmond, KAN Noord, Midden Zeeland, Noord-Holland-Noord, Noordoost Overijssel, Noord Zeeland, Qline 315, Overijssel, IJsselmond, Rijnstreek/Midden-Holland, Salland, SRR Connexion, Sternet Schiphol, Streekdienst Haaglanden, Streekvervoer Almere, Streekvervoer Twente, Voorne-Puffen, Zaanstreek, Zuidoost Drenthe, Zuidwest Drenthe, Zuidtangent.

**Rail networks**

Trein Almelo Mariënberg, Trein Ede - Amersfoort.

**River networks**

Pont Maassluis, Veerdienst Amsterdam - Velsen, Veerdienst Dordrecht - Rotterdam.

**Mobility hubs**

Connexion Klantenservice, National Contact Center.

**PORTUGAL****Urban networks**

Metro do Porto (Porto).

**Interurban networks**

Joalito-Transdev (Região Minho e Interior): Beira Douro, EAVT, Express, Guedes, Joalito, Linhares, Minho Bus, Mondinense, RBL, REDM, Transcovilhã, Transcovizela, TUF, TUST, Viúva Caneiro. Joalito-Transdev (Região Porto e Beira Litoral): Almeida&Filhos, Aveirense, Caima, Calçada, Charline ETAC, INTERS et TEJO, JRFontes, JVPinto, RBL, Soares de Oliveira, STC, Trisan.

**Motorway express networks**

Express Joalito, Rede Expressos, Renex.

**International lines**

Internorte, Intercentro.

**UNITED KINGDOM****Urban networks**

Bournemouth (Bournemouth Transport Ltd), Nottingham Tram Consortium (Nottingham), Transdev Burnley & Pendle (Burnley), Transdev Harrogate & District (Harrogate), Transdev Keighley & District (Keighley), Transdev Lancashire United (Blackburn), Transdev London (London).

**Interurban networks (Yorkshire, Lancashire),**

Transdev Burnley & Pendle (The Witch Way), Transdev Harrogate & District (Route 36), Transdev Lancashire United (The Lancashire Way), Transdev Yorkshire (Yorkshire Coastliner).

**Consulting**

Transdev Scotland (Edinburgh), Transamo (Manchester).

**OTHER COUNTRIES****Project management support:**

Transamo (Belgium, Luxembourg).

\* Consulting for local authorities, network consulting and other services.

\*\* In partnership with RATP.

\*\*\* Inter-municipal transport councils.





## **FINANCIAL REPORT 2008**



# TRANSDEV

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**SOCIÉTÉ ANONYME, SHARE CAPITAL: €175,908,040  
REGISTERED IN NANTERRE UNDER NO. RCS 542104377**

## Ownership structure at 31 December 2008

Financière Transdev .....	51.3%
Caisse des Dépôts .....	43.9%
Equiter .....	4.8%

## Board of Directors

### Joël Lebreton

Chairman and Chief Executive Officer, Transdev

### Financière Transdev, represented by Alain Guinet

Director of Finance and Strategy, Caisse des Dépôts

### Caisse des Dépôts, represented by Agnès Pannier-Runacher

Deputy Director of Finance and Strategy, Caisse des Dépôts

### Compagnie des Alpes, represented by Jean-Pierre Sonois

### Equiter, represented by Carla Ferrari

Executive Director

### Alain Leduc

Chief Financial Officer, RATP

### Jean-Marc Janailiac

Director, Group Development, RATP

### Pierre Mongin

Chairman and Chief Executive Officer, RATP

### Michel Blangy

Director

### Philippe Segretain

Director

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# 1. MANAGEMENT REPORT



## 1.1 ECONOMIC AND TRADING ENVIRONMENT

Transdev's trading environment was extremely unsettled in 2008. Yet despite the year's rapidly worsening economic conditions, particularly in the United Kingdom, Italy, Spain and Germany, revenue increased by 6% on an organic basis, led by sustained increases in ridership and demand for more environmentally-friendly travel. Growth was also driven by successful bids on the wide variety of tenders issued during the year in all our markets, with a high retention rate and additional business secured in a number of cases.

The year was also marked by four significant changes to our scope of operations:

- Start-up of the Reims network as part of the tram concession agreement.
- Acquisition of the Espaces group in the early part of the second half, which will increase full-year revenue in the Greater Paris area by nearly €60 m.
- Creation of a joint-venture with the Jodito Group in October 2008, which propelled Transdev to the number two spot in Portugal with full-year revenue of close to €170 m.
- Launch of the Mittelrheinbahn railway franchise in Germany, in partnership with the RATP, which is expected to generate total revenue of around €40 m in 2009.

One of our key priorities during 2008 was to ensure that these new operations were smoothly integrated into the Group.

The spike in oil prices at the beginning of the year drove a sharp rise in costs, the majority of which we were unable to pass on in rates. This weighed on operating results as did other adverse factors, such as further squeezes on margins in the London area and the elimination of the 20% payroll tax allowance that was previously applicable to salaries of public transport drivers in France. We responded promptly to these challenges by rolling out several cost-savings plans and hedging almost all of the fuel contracts that do not contain specific price indexation clauses.

The overall impact of the global financial crisis on consolidated results was contained, with the most tangible effect arising from the sharp fall in sterling and the Australian dollar, which dampened the UK and Australia's contribution to operating profit.

### France

Business held up relatively well against the economic headwinds and the considerable negative impact resulting from the elimination of the above-mentioned 20% payroll tax allowance was largely offset by other factors.

The last few months of the year saw numerous new contract wins stemming from tenders issued in early 2008, which enabled us to retain or strengthen most of our positions.

The acquisition of the Espaces group went extremely smoothly thanks to a careful and lengthy preparation process. Based in the east of Paris, Espaces has around €60 m in annual revenue.

### Netherlands

2008 was a particularly difficult year for our Dutch operations due to a 32-day national transit strike, which arose from the annual salary negotiations in the regional public transport sector and grew to vast proportions. In the end the State had to step in to arbitrate as it plays a direct role in the amounts received by operators, which affects any potential salary increases. A three-way agreement was finally reached between the professional body of public transport operators, the local authorities and the State. This national agreement is being rolled down on a contract-by-contract basis with the local authorities, based on conditions that have been under negotiation for the past eight months.

### United Kingdom

Action plans put in place by the UK subsidiaries during the year partially offset the impact of spiralling fuel prices, whose effect was amplified by the local tax system. In tandem, substantial rises in ridership despite

steep price increases helped the deregulated transport sector hold firm against the recession that has gripped the UK economy.

### **Portugal and Spain**

Following the early October finalisation of agreements with Joalito, the integration process was launched and is now proceeding smoothly. The venture has strengthened our control of the international lines business.

The effects of the economic crisis began to be felt in the second half, when ridership levels fell on scheduled routes. For the year as a whole, however, the results of the road passenger business were extremely satisfactory.

### **Germany and Scandinavia**

Transdev SZ has now been effectively transferred to Connexion. During the year, the company signed a transition agreement with the local authorities on changes to the principal transport subsidies. A large portion of these adjustments were made towards the end of the year and the related benefits will be reaped in 2009.

To sector-wide acclaim, EuRailCo successfully started up operation of the Mittelrheinbahn line in Germany on 14 December 2008 as scheduled, despite the fact that the initial timeframe for the project was cut by six months. The depot and the vehicles all operated satisfactorily, smoothly integrating one of the country's most widely used lines, which runs along the Rhine and was formerly operated by Deutsche Bahn. The full twelve months of 2009 will be needed to obtain a clear picture of the operating and financial results, but the initial signs – particularly in terms of ridership – are positive. At the same time, the experience curve and reputation that we are building up on this line should pave the way for other successful projects in the region.

### **Italy**

In 2008, the shares held in AGI were exchanged for a 40% stake in Dolomiti Bus. The other significant news in Italy concerned AMT – a subsidiary jointly controlled with the Genoa city council. During the year, AMT put forward numerous initiatives to improve the city's public transport, such as a maritime shuttle service and proposals for the FITU segregated-lane bus line – a major project that the city council wants to set up in 2011. In addition, during the year AMT provided an effective response to the city council on the issue of AMI's maintenance services, which are in the final phase of being integrated into AMT.

### **Australia**

The Melbourne tram operations saw further increases in ridership and reported sustained revenue growth. At the same time, these increases point up the capacity problems that the government of Victoria will have to address in the coming years.

During 2008, Transdev gave the network a significant boost by organising a loan of five tram cars from the city of Mulhouse in France. Known as "Bumblebees" the cars were gradually brought into service from the beginning of the year and have proven highly popular. Discussions are currently underway to carry out the same type of project in Australia and Europe, which should help to bolster our leadership in the tram sector.

Operations in Brisbane were satisfactory, with a 3% increase in ridership despite difficult weather conditions.

### **Canada**

Business was satisfactory in Canada, with new contract wins towards the end of the year that have given the Group a solid outlook for the future.

## 1.2 FINANCIAL REVIEW

Netherlands-based Connexion, acquired by the Group in October 2007, contributed a full twelve months of results to the consolidated income statement in 2008 compared with three months in the year ended 31 December 2007.

The main acquisitions carried out in 2008 and 2007 were the following:

2008	2007
Joalto group – Portugal (2 months' contribution)*	Connexion – Netherlands (3 months' contribution)
Espaces group – France (7 months' contribution)	Limocar – Canada (6 months' contribution)

\* The income statement impact of this contribution was, however, offset by the change in the method used to consolidate the former road passenger transport business in Portugal (from full to proportionate).

The data for 2007 have been adjusted to reflect the completion of the initial accounting for the Connexion acquisition as explained in Note 2.6.3.

### 1.2.1 SUMMARY INCOME STATEMENT – YEAR-ON-YEAR COMPARISON

In €m	2008	2007 (pro forma)
Revenue	2,266,197	1,388,550
Other operating income	5,283	7,075
<b>Total operating income</b>	<b>2,271,480</b>	<b>1,395,625</b>
Purchases	(338,284)	(164,135)
External services	(441,542)	(322,375)
Taxes other than on income	(20,431)	(16,111)
Employee benefits expense	(1,236,302)	(732,664)
Other operating expenses, net	(49,895)	(39,373)
<b>Total operating expenses</b>	<b>(2,086,454)</b>	<b>(1,274,658)</b>
<b>EBITDA</b>	<b>185,026</b>	<b>120,967</b>
Depreciation, amortisation and provisions for impairment of non-current assets, net of government grants written back to profit	(139,736)	(75,896)
Impairment of goodwill and intangible assets	2,187	-
Net gains (losses) on sales of shares	(904)	2,088
<b>OPERATING PROFIT</b>	<b>46,573</b>	<b>47,159</b>
<b>NET FINANCIAL EXPENSE</b>	<b>(25,395)</b>	<b>(11,930)</b>
Share of profits and losses of associates	(1,847)	(2,557)
<b>PROFIT BEFORE TAX</b>	<b>19,331</b>	<b>32,672</b>
Income tax expense	(14,495)	(7,732)
<b>NET PROFIT</b>	<b>4,836</b>	<b>24,940</b>
<b>NET PROFIT ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>13,094</b>	<b>27,425</b>

## Revenue

Total revenue rose 63.2% to €2,266.2 m in 2008 from €1,388.6 m in 2007. Excluding the Connexion acquisition, the increase was €103.9 m, or 9.3%, from €1,117.9 m to €1,221.8 m.

France was the main growth driver, reporting revenue of €614.7 m, up €107.0 m or 21.1% on the 2007 figure of €507.7 m. The rise was spurred by the acquisition of the Espaces group in June 2008 and the effect of the first full-year contribution of the Reims contract (accounting for €39 m and €38 m of the increase respectively), as well as by organic growth.

Excluding Connexion, revenue generated by the Group's international operations edged back 0.5% from €610.2 m to €607.1 m, reflecting the significant €53.0 m adverse currency impact. Based on constant exchange rates, however, the international revenue figure was €660.1 m, representing an 8.2% increase.

Connexion's revenue came to €1,044.4 m for the full twelve months of 2008, versus €270.7 m for three months of 2007. On a comparable twelve-month basis, revenue for Connexion was down by just 0.5% versus the €1,050.0 m posted for full-year 2007, despite the 32-day national strike that took place in the passenger transport sector in the Netherlands.

The Group's organic growth came to around 6%.

## EBITDA

EBITDA surged 52.9% to €185.0 m in 2008 from €121.0 m the previous year.

## Operating profit

The year-on-year decrease in operating profit, from €47.2 m in 2007 to €46.6 m in 2008, was primarily attributable to the negative impact of the 32-day strike in the Netherlands. However, following the strike the local authorities responsible for the transport networks involved agreed in principle to make a compensation payment, notably with respect to fuel, as a result of the incorrect indexation clauses applicable for the 2007-2009 period, along with the implementation of a new price indexation system.

A number of other factors also adversely impacted operating profit during the year, albeit to a lesser degree. These included highly volatile oil prices, the elimination of the 20% special payroll tax allowance for transport industry players in France, a strong euro compared with pound sterling, and tougher market conditions in general.

## Financial income and expense

The Group ended the year with net financial expense of €25.4 m compared with €11.9 m in 2007. The increase reflects both the consolidation of Connexion in the fourth quarter of 2007 and a €5.6 m impairment charge on financial assets.

## Income tax expense

The Group's tax charge includes some €5 m in unrecognised tax loss carryforwards as well as €2.1 m in additional tax in the UK due to the elimination of industrial building allowances.

## Net profit attributable to shareholders

Net profit attributable to shareholders came in at €13.1 m in 2008 versus €27.4 m in 2007.



**1.2.2 SUMMARY CASH FLOW STATEMENT – YEAR-ON-YEAR COMPARISON**

In €m	2008	2007
Net cash provided by operating activities	139.5	132.8
Net cash used in investing activities	(81.1)	(294.3)
Net cash (used in) provided by financing activities	(92.1)	222.8
<b>Change in cash and cash equivalents</b>	<b>(33.7)</b>	<b>61.3</b>
Other movements	(0.8)	1.3
<b>Net change in cash and cash equivalents</b>	<b>(34.5)</b>	<b>62.6</b>

Net cash provided by operating activities was €6.7 m higher than in 2007. The €20 m decrease in net profit for the year was partly offset by a €27 m improvement in working capital.

Investing activities represented a net cash outflow of €81.1 m versus €294.3 m in 2007, reflecting a decrease in purchases of tangible and intangible assets (€33.1 m against €95.7 m in 2007) as a result of lower capital expenditure and better credit facilities granted by equipment makers. The Group's financial investments were also lower year-on-year, with purchases of investments in consolidated companies (primarily the Joalto and Espace groups) totalling €74.8 m against €261.1 m in 2007.

Net cash used in financing activities came to €92.1 m, corresponding to the funding of acquisitions. In 2007, the Group reported a net cash inflow of €222.8 m primarily due to €249.8 m in proceeds received from a share issue.

Taking into account these movements, cash and cash equivalents decreased by a net €34.5 m in 2008.

### 1.2.3 SUMMARY CONSOLIDATED BALANCE SHEET – YEAR-ON-YEAR COMPARISON

The Group's main balance sheet items are as follows:

In €m	31 December 2008	31 December 2007 (pro forma)	Change
Non-current assets	1,426.5	1,342.1	84.4
Operating working capital	(148.6)	(89.9)	(58.7)
Provisions	(164.5)	(187.4)	22.9
Non-operating working capital	(185.7)	(124.1)	(61.6)
<b>TOTAL ASSETS</b>	<b>927.7</b>	<b>940.7</b>	<b>(13.0)</b>

In €m	31 December 2008	31 December 2007 (pro forma)	Change
Share capital	175.9	175.9	-
Retained earnings	273.7	315.5	(41.8)
Net profit attributable to shareholders	13.1	27.4	(14.3)
Equity attributable to minority interests	50.3	63.0	(12.7)
Net debt	414.7	358.9	55.8
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>927.7</b>	<b>940.7</b>	<b>(13.0)</b>

Non-current assets were €84.4 m higher year-on-year, reflecting €54.9 m and €37.9 m increases in goodwill and tangible assets respectively as a result of acquisitions carried out during the year.

At a negative €148.6 m, operating working capital decreased by €58.7 m, reflecting measures put in place Group-wide.

Provisions were €22.9 m lower than at 31 December 2007, representing €164.5 m. The reduction mainly reflects €14.6 m in reversals of provisions for liabilities relating to concession agreements.

Non-operating working capital was a negative €185.7 m, with the €61.6 m year-on-year change chiefly resulting from a €54.5 m decrease in the net position of hedging instruments.

Retained earnings were down €41.8 m at year-end 2008 compared with one year earlier, due to (i) dividend payments, (ii) an unfavourable €17.4 m currency impact on the translation reserve and (iii) a €35.9 m decrease in other income and expenses recognised directly in equity (which was the principal impact of the decrease in the net position of hedging instruments).

Net debt rose €55.8 m to €414.7 m, primarily as a result of borrowings taken on by the Group to finance its main acquisitions for the year.

#### 1.2.4 INVESTMENTS

##### Capital expenditure (including finance leases)

Acquisitions of tangible and intangible assets, net of grants, totalled €186.6 m versus €146.7 m in 2007.

In France, capital expenditure increased significantly in the Greater Paris area, due to interurban operations and the consolidation of the companies making up the Espaces group.

The €24.2 m rise in international capital expenditure was due to Connexion, which reported an increase in this item from €66.0 m to €83.2 m.

##### Financial investments

Financial investments amounted to €74.8 m in 2008 compared with €261.1 m in 2007. They can be analysed as follows:

In €m	2008
Investments in related companies	
– Joalto	26.8
– Espaces	41.5
– Other	6.5
<b>TOTAL</b>	<b>74.8</b>

#### 1.2.5 KEY FINANCIAL RATIOS – YEAR-ON-YEAR COMPARISON

	2008	2007 (pro forma)
ROE	2.8%	7.5%
ROCE	2.7%	4.1%
Gearing	0.8	0.6
Free cash flow (€m)	13.7	(12.2)

Return on equity (ROE) corresponds to net profit attributable to shareholders divided by equity attributable to shareholders calculated as an average for the year (excluding profit).

Return on capital employed (ROCE) corresponds to normative profit (defined as operating profit before impairment losses on intangible assets and after disposal gains or losses, taxed at the standard rate applicable in each country, less the Group's share of profits and losses of associates) divided by average capital employed for the year (defined as the sum of non-current assets less operating working capital and provisions).

The gearing ratio corresponds to net debt (defined as the sum of borrowings and short-term financial liabilities less cash and cash equivalents) divided by consolidated equity.

Free cash flow corresponds to the sum of (i) normative operating profit (defined as the sum of operating profit and goodwill impairment less disposal gains and losses, taxed at the standard rate applicable in each country), (ii) net additions to provisions, (iii) disposal gains and losses, (iv) changes in operating working capital and (v) proceeds from the sale of divested tangible and intangible assets, less government grants written back to profit and purchases of tangible and intangible assets.

##### ROE and ROCE

Ratios declined during the year, mainly due to the earnings figures reported by Connexion. Excluding Connexion, the Group's ROE and ROCE figures were stronger.

Gearing stood at 0.8 at the end of 2008. The change compared with 2007 stemmed from the €42 m and €27 m in financing set up for the acquisitions of the Espaces and Joalto groups respectively.

##### Free cash flow and gearing

The year-on-year increase in free cash flow reflects the Group's drive to rein in operating working capital.

### 1.3 EMPLOYEES AND MANAGED FLEET

The information presented below corresponds to all of the employees and vehicle fleets of fully – and proportionately – consolidated companies at 31 December 2008. The employees and vehicle fleets of companies accounted for by the equity method and other related companies have not been included in the analysis.

#### Number of employees at 31 December 2008

The number of full-time equivalent employees of fully – and proportionately – consolidated companies was 32,415 at 31 December 2008. The data below include the impact of the two main acquisitions made in 2008 (the Espaces and Joalto groups).

Number of employees	2008	2007
France	8,898	7,025
International		
– Netherlands	11,647	11,424
– United Kingdom	4,173	4,030
– Italy	2,418	2,651
– Portugal	2,192	1,186
– Australia	2,173	2,159
– Canada	466	443
– Germany	448	428
<b>GROUP TOTAL</b>	<b>32,415</b>	<b>29,346</b>

The 10% year-on-year increase in total employee numbers was driven mainly by France and Portugal, which reported rises of 1,873 and 1,006 respectively as a result of the Espaces group and Joalto acquisitions. The overall 233-person decrease in Italy reflects the negative impact of the sale of AGI, which was partly offset by the integration of AMI into AMT.

#### Managed fleet at 31 December 2008

The total fleet managed by fully – and proportionately – consolidated companies represented 16,988 vehicles at year-end 2008. The data below include the impact of the two main acquisitions made in 2008 (the Espaces and Joalto groups) and can be analysed as follows:

Vehicles at 31 December	2008	2007
France	5,038	4,106
International		
– Netherlands	6,844	7,506
– Portugal and Spain	1,514	665
– United Kingdom	1,454	1,386
– Italy	979	1,474
– Australia	596	586
– Canada	290	305
– Germany	273	273
<b>GROUP TOTAL</b>	<b>16,988</b>	<b>16,301</b>

The year-on-year rise in the Group's managed fleet primarily concerned (i) France which reported 932 additional vehicles, of which 533 resulted from the consolidation of the Espaces group and 168 related to the Reims contract and (ii) Portugal, reflecting the additional 849 vehicles from the Joalto acquisition. However, these increases were offset by reductions of (i) 662 vehicles in the Netherlands following market share losses and (ii) 495 vehicles in Italy due to the sale of AGI.

### 1.4 OUTLOOK AND EVENTS AFTER THE BALANCE SHEET DATE

Transdev expects to report higher profitability levels in 2009 than in 2008.

The main events after the balance sheet date concerned the new financing arrangement set up by Connexion and the acquisition of SWS Siegen. On 13 March 2009, Connexion signed a new syndicated loan agreement – providing for €235 m in general

financing and a €90 m credit line to cover operating leases – to replace its previous syndicated facility. The new facility does not include any specific guarantees from Transdev or Connexion's other shareholders.

The agreement to acquire SWS Siegen was signed by Transdev on 27 February 2009 and came into effect in late March following approval of the deal by the relevant local authorities.



## 1.5 CHANGES IN ACCOUNTING METHODS

The accounting methods used in the 2008 consolidated financial statements are unchanged from those used in 2007 as the new IFRS standards and

IFRIC interpretations whose application was compulsory in 2008 did not have an impact on the Group's accounts.

## 1.6 BENCHMARK ECONOMIC INDICATORS

	2008	2007
GBP average exchange rate	1.26	1.46
GBP closing exchange rate	1.05	1.36
AUD average exchange rate	0.57	0.61
AUD closing exchange rate	0.49	0.60
CAD average exchange rate	0.64	0.68
CAD closing exchange rate	0.59	0.69
Inflation rate – France	3.2%	1.5%
Inflation rate – Germany	2.8%	2.8%
Inflation rate – Australia	2.4%	3.8%
Inflation rate – Canada	0.8%	2.4%
Inflation rate – Spain	1.1%	4.2%
Inflation rate – UK	3.6%	3.0%
Inflation rate – Netherlands	2.2%	1.6%
Inflation rate – Portugal	2.6%	2.5%
Price of Brent crude (in USD)	96.99	72.67
1-month Euribor	4.3%	4.1%
3-month Euribor	4.6%	4.3%
3-month Libor (GBP)	5.5%	6.0%
6-month Libor (GBP)	5.6%	6.0%
GBP base rate	4.6%	5.5%

# 2. CONSOLIDATED FINANCIAL STATEMENTS

## 2.1 CONSOLIDATED INCOME STATEMENT

In €m		2008	2007 (pro forma) <sup>(1)</sup>
<b>Operating income</b>			
Revenue	Note 2.8	2,266,197	1,388,550
Other operating income		5,283	7,075
<b>Total operating income</b>		<b>2,271,480</b>	<b>1,395,625</b>
<b>Operating expenses</b>			
Purchases		(338,284)	(164,135)
External services		(441,542)	(322,375)
Taxes other than on income		(20,431)	(16,111)
Employee benefits expense	Note 2.9.1	(1,236,302)	(732,664)
Other operating expenses, net	Note 2.9.2	(49,895)	(39,373)
<b>Total operating expenses</b>		<b>(2,086,454)</b>	<b>(1,274,658)</b>
<b>EBITDA</b>		<b>185,026</b>	<b>120,967</b>
Depreciation, amortisation and provisions for impairment of non-current assets, net of government grants written back to profit	Note 2.10	(139,736)	(75,896)
Impairment of goodwill and intangible assets	Note 2.11	2,187	-
Net gains (losses) on sales of shares	Note 2.12	(904)	2,088
<b>OPERATING PROFIT</b>		<b>46,573</b>	<b>47,159</b>
<b>NET FINANCIAL EXPENSE</b>	Note 2.13	<b>(25,395)</b>	<b>(11,930)</b>
Share of profits and losses of associates	Note 2.21	(1,847)	(2,557)
<b>PROFIT BEFORE TAX</b>		<b>19,331</b>	<b>32,672</b>
Income tax expense	Note 2.14	(14,495)	(7,732)
<b>NET PROFIT</b>		<b>4,836</b>	<b>24,940</b>
Minority interests		(8,257)	(2,485)
<b>Net profit attributable to shareholders</b>		<b>13,094</b>	<b>27,425</b>
<b>EARNINGS PER SHARE (IN EUROS)</b>		<b>10.42</b>	<b>21.83</b>

(1) Pro forma figures have been prepared for 2007 to reflect adjustments to the provisional values assigned to Connexion's assets, liabilities and contingent liabilities made within the twelve-month period allowed for under IFRS 3. See Note 2.6.3 for further details.

The notes form an integral part of the consolidated financial statements.

## 2.2 CONSOLIDATED BALANCE SHEET - ASSETS

In €m		31 December 2008	31 December 2007 (pro forma) <sup>(1)</sup>
<b>Non-current assets</b>			
Issued uncalled capital	Note 2.15	42,042	41,542
Intangible assets	Note 2.17	61,117	51,694
Goodwill	Note 2.18	387,260	347,114
Tangible assets	Note 2.19	875,504	836,404
Investments in related companies	Note 2.20	29,007	36,141
Investments in associates	Note 2.21	1,502	1,823
Other non-current financial assets	Note 2.22	30,882	29,424
Deferred tax assets	Note 2.23	61,990	73,328
<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,489,304</b>	<b>1,417,470</b>
<b>Current assets</b>			
Inventories and work in progress		25,515	23,887
Operating receivables	Note 2.24	358,768	277,322
Other receivables	Note 2.25	58,047	101,118
Tax receivables		11,789	9,916
Other current financial assets	Note 2.26	1,415	7,659
Derivatives	Note 2.32	-	13,900
Cash and cash equivalents	Note 2.27	139,967	183,364
<b>TOTAL CURRENT ASSETS</b>		<b>595,501</b>	<b>617,166</b>
Assets held for sale	Note 2.19	25,098	-
<b>TOTAL ASSETS</b>		<b>2,109,903</b>	<b>2,034,636</b>

(1) Pro forma figures have been prepared for 2007 to reflect adjustments to the provisional values assigned to Connexion's assets, liabilities and contingent liabilities made within the twelve-month period allowed for under IFRS 3. See Note 2.6.3 for further details.

The notes form an integral part of the consolidated financial statements.

## 2.3 CONSOLIDATED BALANCE SHEET - EQUITY AND LIABILITIES

In €m		31 December 2008	31 December 2007 (pro forma) <sup>(1)</sup>
<b>Equity</b>			
Share capital	Note 2.15	175,908	175,908
Retained earnings	Note 2.16	273,739	315,494
Net profit attributable to shareholders	Note 2.16	13,094	27,425
<b>Equity attributable to shareholders</b>		<b>462,741</b>	<b>518,827</b>
Minority interests in profit	Note 2.16	(8,257)	(2,485)
Minority interests in retained earnings	Note 2.16	58,553	65,507
<b>Equity attributable to minority interests</b>		<b>50,296</b>	<b>63,022</b>
<b>TOTAL EQUITY</b>		<b>513,037</b>	<b>581,849</b>
<b>Non-current liabilities</b>			
Provisions non-current part	Note 2.28	96,264	107,201
Non-current financial liabilities	Note 2.29	285,565	216,480
Deferred tax liabilities	Note 2.23	41,500	51,643
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>423,329</b>	<b>375,324</b>
<b>Current liabilities</b>			
Provisions current part	Note 2.28	68,252	80,165
Current financial liabilities	Note 2.29	269,073	325,754
Derivatives	Note 2.32	40,609	-
Tax liabilities		6,433	9,823
Operating payables	Note 2.30	538,230	361,131
Accruals and other liabilities	Note 2.31	250,940	300,590
<b>TOTAL CURRENT LIABILITIES</b>		<b>1,173,536</b>	<b>1,077,463</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,109,903</b>	<b>2,034,636</b>

(1) Pro forma figures have been prepared for 2007 to reflect adjustments to the provisional values assigned to Connexion's assets, liabilities and contingent liabilities made within the twelve-month period allowed for under IFRS 3. See Note 2.6.3 for further details.

The notes form an integral part of the consolidated financial statements.



**2.4 CONSOLIDATED CASH FLOW STATEMENT**

In €m	2008	2007 (pro forma) <sup>(1)</sup>
Net profit attributable to shareholders	13,094	27,425
Minority interests	(8,257)	(2,485)
Share of profits and losses of associates, net of dividends received	1,847	2,557
Depreciation, amortisation and provisions, net	106,343	86,922
Gains and losses on asset disposals	(23,583)	(2,345)
Dilution gains and losses	-	(2,211)
Other	1,985	320
<b>Operating cash flow after finance costs</b>	<b>91,429</b>	<b>110,183</b>
Change in cash flow timing differences and elimination of non-operating cash flows	48,060	22,572
<b>Net cash provided by operating activities</b>	<b>139,489</b>	<b>132,755</b>
Purchases of intangible and tangible assets	(33,041)	(95,674)
Purchases of investments in consolidated companies	(74,774)	(261,105)
Purchases of other non-current financial assets	7,756	(6,042)
Effect of changes in scope of consolidation	19,008	68,532
<b>Net cash used in investing activities</b>	<b>(81,051)</b>	<b>(294,289)</b>
Proceeds from the issue of shares	-	249,835
Net (decrease) increase in debt	(70,841)	17,159
Change in other receivables and payables	(4,096)	(5,583)
Dividends paid	(17,113)	(38,555)
<b>Net cash (used in) provided by financing activities</b>	<b>(92,050)</b>	<b>222,856</b>
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(33,612)</b>	<b>61,322</b>
Other movements	(834)	1,290
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(34,446)</b>	<b>62,612</b>
<b>Cash and cash equivalents at 1 January</b>	<b>154,616</b>	<b>92,004</b>
Cash and cash equivalents	179,557	98,412
Bank overdrafts	(24,941)	(6,408)
<b>Cash and cash equivalents at 31 December</b>	<b>120,170</b>	<b>154,616</b>
Cash and cash equivalents	136,250	179,557
Bank overdrafts	(16,080)	(24,941)
<b>Year-on-year change</b>	<b>(34,446)</b>	<b>62,612</b>

(1) Pro forma figures have been prepared for 2007 to reflect adjustments to the provisional values assigned to Connexion's assets, liabilities and contingent liabilities made within the twelve-month period allowed for under IFRS 3. See Note 2.6.3 for further details.

## 2.5 STATEMENT OF RECOGNISED INCOME AND EXPENSE

In €m	2008	2007 (pro forma) <sup>(1)</sup>
Actuarial gains and losses recognised in equity, net of tax	(4,163)	7,999
Fair value gains and losses, net of tax:		
– Currency and interest rate hedges	(2,687)	6,753
– Fuel hedges	(42,892)	365
– Investments in related companies	(1,412)	(378)
Other movements	(135)	180
Currency translation differences recognised in equity	(17,359)	(6,903)
<b>Net income (expense) recognised directly in equity</b>	<b>(68,648)</b>	<b>8,016</b>
<b>Net profit for the year</b>	<b>4,836</b>	<b>24,940</b>
<b>Total recognised income (expense) for the year</b>	<b>(63,812)</b>	<b>32,956</b>
Attributable to shareholders	(40,145)	31,840
Attributable to minority interests	(23,670)	1,116

(1) Pro forma figures have been prepared for 2007 to reflect adjustments to the provisional values assigned to Connexion's assets, liabilities and contingent liabilities made within the twelve-month period allowed for under IFRS 3. See Note 2.6.3 for further details.

## 2.6. ACCOUNTING PRINCIPLES AND POLICIES

### 2.6.1 GENERAL INFORMATION

Transdev S.A. – the “Company” – together with its subsidiaries (“the Group” or “Transdev”) is an international transport operator managing urban transport networks in France, the Netherlands and other European countries, as well as in Canada and Australia. It is also a European leader in public transport systems.

The consolidated financial statements for the year ended 31 December 2008 were authorised for issue by the Board of Directors on 24 March 2009.

The Company is a joint-stock corporation (*société anonyme*) governed by French law whose registered office is at 9 rue Maurice Mallet, 92130 Issy les Moulineaux, France. The Company's majority shareholder is Caisse des Dépôts.

### 2.6.2 BASIS OF PREPARATION

The consolidated financial statements for the year ended 31 December 2008 have been prepared in accordance with the International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB) and adopted by the European Union at 31 December 2008, including the interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC) and its predecessor the Standing Interpretations Committee (SIC).

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial assets and liabilities (including derivatives), which have been measured at fair value.

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are as follows:

- impairment testing of intangible assets and goodwill
- provisions for length-of-service awards on retirement and other post-employment benefit obligations
- recognition of deferred tax assets in the balance sheet.

In its 2008 consolidated financial statements Transdev has applied the following IFRIC interpretations and amendments to existing standards, as adopted by the European Union and applicable for accounting periods beginning on or after 1 January 2008:

- IFRIC 11 – Group and Treasury Share Transactions
- IFRIC 14 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IAS 39 & IFRS 7 (Amendments) – Reclassification of Financial Assets, which permits non-derivative financial assets to be reclassified out of the “available-for-sale” category in some circumstances.

These new standards and interpretations did not significantly affect the Group's measurement and presentation methods and therefore had no impact on the 2008 consolidated financial statements.

The Group elected not to early adopt the following new standards, interpretations and amendments to existing standards issued by the IASB which have been endorsed by the European Union and are effective for accounting periods beginning on or after 1 July 2008:

- \_ IAS 1 (Revised), Presentation of Financial Statements
- \_ IAS 23 (Amendment), Borrowing Costs
- \_ IFRS 2 (Amendment), Share-based Payment
- \_ IFRIC 13, Customer Loyalty Programmes
- \_ Improvements to IFRSs

The following standards, interpretations and amendments to existing standards may have an impact on the Group and could have been early adopted in 2008 but have not yet been endorsed by the European Union:

- \_ IFRS 3 (Revised), Business Combinations
- \_ IAS 27 (Revised), Consolidated and Separate Financial Statements
- \_ IFRIC 12, Service Concession Arrangements
- \_ IFRIC 16, Hedges of a Net Investment in a Foreign Operation

Management has begun to examine these interpretations and amendments that have not yet been endorsed by the European Union in order to determine the effect they will have on the Group's financial statements. IFRIC 12 is not expected to have a significant impact on the Group's accounting treatment for concession arrangements.

The consolidated financial statements are presented in thousands of euros, unless otherwise specified.

### **Changes in accounting methods**

As the IFRS amendments and IFRIC interpretations whose application was compulsory in 2008 did not have an impact on the Group's accounts, the accounting policies applied in the consolidated financial statements for the year ended 31 December 2008 are the same as those applied in 2007.

### **Consolidation**

The consolidated financial statements for the year ended 31 December 2008 include the financial statements of Transdev S.A. and its subsidiaries. The accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally in conjunction with ownership of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

Inter-company transactions and balances and unrealised gains on transactions between Group companies are eliminated in consolidation. Unrealised losses are also eliminated but considered an impairment indicator of the transferred asset.

### **Transactions with minority interests**

Transactions with minority interests are treated as transactions with external parties. Disposals to minority interests result in gains and losses that are recorded in the income statement. Purchases from minority interests result in goodwill, representing the difference between any consideration paid and the relevant share of the carrying amount of net assets of the subsidiary.

### **Joint ventures**

Interests in jointly controlled entities are accounted for by proportionate consolidation in accordance with the option available under IAS 31, Interests in Joint Ventures. The Group combines its share of the joint venture's individual income and expenses, assets and liabilities and cash flows on a line-by-line basis with similar items in the financial statements.

### **Associates**

Associates are all entities over which the Group has significant influence but not control, generally in conjunction with ownership of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method and are initially recognised at cost. They include goodwill identified on acquisition, net of any accumulated impairment losses.

### Changes in the scope of consolidation

Changes in the scope of consolidation in 2008 were as follows:

#### • Newly-consolidated companies

France

- \_ Villeneuve Mobilités (fully consolidated from 1 January 2008)
- \_ Autocars Bonnafox Bremond (fully consolidated from 1 May 2008)
- \_ Caisse Commune (fully consolidated from 15 July 2008)
- \_ Espaces group (fully consolidated from 1 June 2008)

International

- \_ Gerbr. Zoet Ambulance (fully consolidated from 1 January 2008)
- \_ RATP Project UK (proportionately consolidated from 1 January 2008)
- \_ Top Line Travel (fully consolidated from 1 July 2008)
- \_ Ambulancezorg Noord (fully consolidated from 1 October 2008)
- \_ Joalto group (proportionately consolidated from 1 November 2008)

Information on the companies making up the Espaces and Joalto groups is provided in the list of consolidated companies in Note 2.36.

#### • Deconsolidated companies

Aircar and the companies making up the AGI group (AGI, Girobus, Ala Viaggi, Beta Viaggi, Ala Mobilita, Crema Mobilita, Adda Transporti and Autolinee Dell'Emilia) were deconsolidated in 2008.

#### • Changes in consolidation method

On 1 November 2008, the Group transferred the companies making up its former road passenger transport business in Portugal to the joint venture set up between Transdev and Joalto. Since that date, these companies as well as the entities transferred to the joint venture by Joalto have been proportionately consolidated by the Group on a 50% basis.

Germany-based MVB was fully consolidated in 2008 whereas it was proportionately consolidated in 2007.

#### • Material changes in percentage interests

During the year the Group raised its interests in the following companies: Dolomiti Bus (from 16% to 39.5%); TAG (from 97% to 100%); V.E.A (from 84.61% to 100%); N°4 Mobilité (from 90% to 96.67%); and A.M.V (from 90.15% to 100%).

#### • Other information

The following companies changed their name in 2008: A.T.C.R.B. to Transdev Sud Ouest; Cofitrec to Transdev Finance; Top Line Travel to Transdev York; and SCI Orsonville to SCI La Mare Moureuse.

### Year end

With the exception of London United 1994 Ltd, London United Busways Ltd, Stanwell Buses Ltd and London Sovereign Ltd, whose financial years end on 7 November, all consolidated companies have a 31 December year end or are consolidated based on financial statements for the twelve months ended at that date.

### Segment information

The Group is not required to present segment information in accordance with IAS 14, Segment Reporting, and will not apply IFRS 8 from 1 January 2009.

### Foreign currency translation

Items included in the financial statements of each entity are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in euros, which is the Group's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are translated at the closing rate and the resulting exchange differences are recognised in the income statement.

The balance sheets of foreign subsidiaries whose functional currency is not the euro are translated into euros at the closing exchange rate and income statement and cash flow items are translated at the average rate for the year. Exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are recorded in the translation reserve under equity. When a foreign operation is divested, exchange differences that were recorded in equity are recognised in the income statement as part of the gain or loss on sale. Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Translation differences on current account advances and loans to subsidiaries that are equivalent to equity are recognised in equity and have no impact on profit for the year.



## Summary of significant accounting policies

### Intangible assets

Intangible assets are stated at cost less accumulated amortisation and impairment losses. Intangible assets acquired as part of a business combination are measured at fair value at the acquisition date.

Intangible assets and other asset utilisation rights whose lives are directly related to the existence of a concession or lease arrangement are amortised over the term of the respective contractual arrangements. This particularly concerns concession rights acquired in connection with business combinations.

Trademarks are classified as having an indefinite useful life when the Group believes that they will contribute indefinitely to future consolidated cash flows or because it plans to continue using them for an indefinite period. The Connexion trademark recognised on acquisition of the sub-group has been included in this category. Consequently it is not being amortised but instead is tested for impairment at least once a year or more often when there is an indication that it may be impaired.

Computer software is amortised over periods ranging from one to eight years.

Intangible assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable.

### Bid costs and foreign market entry costs

The costs incurred in preparing successful bids are generally recorded as expenses. However, in rare circumstances they may meet asset recognition criteria, in which case they are amortised over the life of the related contract.

Foreign market entry costs are reclassified to current assets and amortised over the length of the first concession agreement entered into in the country concerned.

### Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets of the acquired entity at the date of acquisition.

Goodwill on acquisitions of subsidiaries is included in assets. It is not amortised but is allocated to cash-generating units (CGUs) and tested for impairment at least once a year. Impairment is primarily tested by comparing each CGU's recoverable amount with its carrying

amount (including goodwill). Recoverable amount is determined mainly by the discounted cash flows method, based on five-year projections and a terminal value discounted at a rate corresponding to the Company's cost of capital. Impairment losses are deducted from operating profit. Goodwill impairment losses are irreversible.

Negative goodwill is written off to profit in the year of the acquisition.

### Put options granted to minority shareholders of fully-consolidated subsidiaries

In accordance with IAS 32, Financial Instruments: Presentation, variable price put options granted by the Group to minority shareholders of fully-consolidated subsidiaries are recognised in "Accruals and other liabilities". The difference between the recognised liability and the minority interests covered by the put is recognised in goodwill. The liability is measured based on the business plans of the companies whose shares are covered by the puts or any applicable contractual terms and conditions. Subsequent changes in the carrying amount of the liability are recorded as follows:

- Adjustments to the estimated exercise price of the puts are recognised in goodwill.
- Changes arising from discounting adjustments made when the liability is long-term in order to reflect the passage of time are recognised as a financial expense.

### Tangible assets

Tangible assets are stated at acquisition cost or production cost, less any accumulated depreciation and impairment losses. Depreciation is calculated based on the cost of the assets net of any residual value. Except in special cases, tangible assets held by the Group do not have any residual value.

Assets acquired under finance lease agreements that transfer substantially all the risks and rewards of ownership to the Group are capitalised on the basis of the present value of future minimum lease payments and are depreciated over the shorter of the lease term and the asset's useful life.

Tangible assets are depreciated on a straight-line basis over their estimated useful lives as follows:

- Buildings ..... 20 to 50 years
- Plant and equipment ..... 5 to 10 years
- New rolling stock ..... 3 to 30 years
- Used rolling stock ..... 2 to 11 years
- Other ..... 1 to 20 years

The components method, which allows for depreciation of the separate components of individual tangible assets over their respective useful lives, is used for certain major components of buildings. However, this method is not

used for lightweight structures. The Group has not identified any components of tangible assets other than buildings that can be depreciated separately.

Depreciation periods are reviewed on a yearly basis and further reviews are conducted if circumstances or events indicate impairment of the assets concerned. No adjustments were made following the review carried out in 2008.

Grants received are recorded as a deduction from the carrying amount of the assets financed by the grants and taken to income over the assets' useful lives.

Tangible assets are derecognised on retirement or disposal. The gain or loss arising from the derecognition of a tangible asset (determined as the difference between the net disposal proceeds and the carrying amount of the asset at the date of retirement or disposal) is recorded in profit when the asset is derecognised.

#### **Impairment testing of goodwill and other intangible assets**

In accordance with IAS 36, goodwill and other intangible assets with indefinite useful lives are not amortised but are tested for impairment on an annual basis or more frequently if there is an indication they may be impaired.

Impairment testing is performed on all of the Group's cash-generating units (CGUs) by comparing their carrying amount with their recoverable amount, which corresponds to the higher of fair value less costs to sell and value in use. The Group defines CGUs based on its internal operating and management structures.

The value in use of each CGU is determined by the discounted cash flows method, based on business plan projections for the next five years. Beyond this timeframe a terminal value is used, determined by reference to the earnings outlook and long-term growth prospects of each CGU. The discount rates applied are based on the financing conditions (such as interest rates and risk premiums) and tax laws of each country in which the CGU operates.

Goodwill impairment testing was performed in all CGUs in 2008. No impairment losses were recognised following the tests conducted in 2008 or in 2007.

Long-term growth rates used for goodwill impairment testing in 2008 varied between 2.1% and 2.7% depending on the country (between 1.7% and 2.6% in 2007), in line with the inflation rate. The discount rates used varied between 6.3% and 7.9% depending on the country (between 7.3% and 9.1% in 2007).

#### **Investments in related companies**

These assets consist mainly of shares in public-private partnerships and non-trading property companies (SCIs). Investments in public-private partnerships are measured on the basis of the Group's equity in the underlying net assets. This valuation method is generally applied for transaction pricing purposes and complies with the provisions of IAS 39 concerning available-for-sale financial assets.

Certain investments whose fair value cannot be reliably determined are measured at historical cost.

The TRP sub-group's interests in non-trading property companies are measured at resale value.

Changes in fair value are recognised directly in equity net of tax, except for impairment losses recognised as a result of an objective indication of impairment, which are recognised in the income statement.

#### **Share acquisition costs**

The cost of shares in consolidated companies includes the related transaction costs.

#### **Measurement of financial instruments**

Financial instruments are used to hedge (i) interest rate risk on current and future borrowings, (ii) currency risks on transactions denominated in foreign currencies, and (iii) fluctuations in fuel prices.

These financial instruments are classified as cash flow hedges for which the Group applies hedge accounting when they meet the following conditions:

- At the inception of the hedge there is formal designation and documentation of the hedging relationship and the Group's risk management objective and strategy for undertaking the hedge. That documentation must include identification of the hedging instrument, the hedged item or transaction, as well as the nature of the risk being hedged.
- The hedge must be expected to be highly effective, based on evaluations of future effectiveness (prospective tests) and actual effectiveness (retrospective tests).

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised directly in equity net of taxes and the gain or loss relating to the ineffective portion is recognised in the income statement. Amounts accumulated in equity are recycled to the income statement in the periods when the hedged item affects profit.

When a hedging instrument expires, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement.

The fair value measurement of these hedges at 31 December 2008 reduced equity by €45,579 K and reduced profit by €145 K.

#### Cash and cash equivalents

Cash and cash equivalents include cash in hand, short-term deposits and other financial assets that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

Bank overdrafts are considered to be a form of financing and are therefore included in current financial liabilities.

#### Provisions

Since 2007, the Group has elected to apply the option available under IAS 19 whereby all actuarial gains and losses arising due to experience adjustments and changes in actuarial assumptions can be recognised directly in equity. These gains and losses are presented in the statement of recognised income and expense for the year.

##### • Provisions for length-of-service awards payable to employees of French companies on retirement

The obligations of the Group's French companies concerning the payment of length-of-service awards to employees on retirement are determined on an actuarial basis. The estimates take into account mortality rates, a voluntary retirement age of between 60 and 62, a discount rate of between 4.41% and 4.73% (2007: 4.50%), future salary levels based on an average annual increase of 0.50% to 1.50% (2007: 0.50% to 1.80%), and a payroll tax rate of 42% to 47%, unchanged from 2007.

The discount rates used correspond to the yield on French government bonds with the same maturities as the underlying obligations.

A deferred tax asset is recognised in the consolidated financial statements in relation to these obligations.

The portion of the provision for unfunded obligations of urban network operators corresponding to the period beyond the end of the current contract is neutralised.

##### • Provisions for length-of-service awards payable to employees of non-French companies on retirement

The obligations of Connexion for the payment of length-of-service awards to employees on retirement correspond to a defined benefit multi-employer plan. As the Group does not have sufficient information to use defined benefit accounting for this multi-employer plan it is accounted for as if it were a defined contribution plan in accordance with paragraph 30 of IAS 19.

##### • Other post-employment benefit obligations

Provisions for the supplementary pension obligations of former state-owned companies in Portugal are determined on an actuarial basis in accordance with IAS 19.

##### • UK pension funds

The pension obligations of the Group's UK companies are funded through pension funds.

The main actuarial assumptions used to determine UK pension obligations were as follows in 2008:

- Discount rate: 6.2% (2007: 5.7%)
- Expected return on plan assets: 6.4% to 7.2% (2007: 6.4% to 6.7%)
- Rate of future salary increases: 3.5% to 3.9% (2007: 3.3% to 4.2%)
- Inflation rate: 2.8% (2007: 3.0%).

##### • Provisions for long-term contract losses

A provision is recorded for contracts that are incurring significant losses where the contract cannot be terminated in advance and the Group is unable to negotiate a review of the contract pricing. The amount of the provision corresponds to the discounted present value of estimated losses over the remaining life of the contract.

#### Non-current financial liabilities

Non-current financial liabilities are measured at amortised cost.

## Revenue

Transdev provides passenger transport services, notably for local, regional and national authorities as well as for tourists. Some of the Group's services in both France and abroad are provided under long-term public-to-private service concession arrangements.

Revenue on certain contracts is recognised by the percentage of completion method, determined by reference to the proportion of the total contract costs incurred up to the balance sheet date. The costs underlying unrecognised revenue are recorded in non-current assets.

## Income taxes

Income tax expense includes:

- Current taxes payable on profit for the year
- Deferred taxes arising from:
  - \_ Timing differences between the recognition of income and expenses for financial reporting and tax purposes, including consolidation adjustments and entries.
  - \_ Tax loss carryforwards, when it is probable that they will be set off against future taxable profits.

On 27 December 2001 Transdev S.A. opted for group relief. The French tax group comprises 59 companies. All subsidiaries in the UK, the Netherlands, Australia and Canada also qualify for group relief.

## Earnings per share

Basic earnings per share are calculated by dividing net profit attributable to shareholders by the average number of ordinary shares outstanding during the period.

There are no outstanding potentially dilutive shares.

## 2.6.3 COMPLETION OF THE CONNEXION PURCHASE PRICE ALLOCATION

Following a tender process launched by the Dutch state, on 12 October 2007 TBC Holding acquired a 66.67% stake in Connexion, the leading passenger transport operator in the Netherlands. TBC Holding is 75%-owned by Transdev and 25%-owned by BNG, a Dutch bank that is owned by and lends to local authorities. The companies included in the Connexion subgroup are listed in Note 2.36.

In accordance with IFRS 3, the fair values of the identifiable assets, liabilities and contingent liabilities of Connexion as presented in the 2007 financial statements were determined on a provisional basis at the acquisition date of 12 October 2007 due to the size and complexity of the transaction.

In 2008 the initial accounting for the acquisition was completed within the 12-month period permitted under IFRS, with certain adjustments made based on additional information received during the year.



The final fair values allocated to the identifiable assets, liabilities and contingent liabilities of Connexion as well as the related adjustments are set out in the table below.

In €m	31 December 2007 (pro forma)	31 December 2007 (reported)	Fair value adjustments
Issued uncalled capital	41,542	41,542	-
Intangible assets	51,694	38,794	12,900
Goodwill	347,114	332,362	14,752
Tangible assets	836,404	837,904	(1,500)
Investments in related companies	36,141	36,141	-
Investments in associates	1,823	1,823	-
Other non-current financial assets	29,424	29,424	-
Deferred tax assets	73,328	62,873	10,455
<b>TOTAL NON-CURRENT ASSETS</b>	<b>1,417,469</b>	<b>1,380,862</b>	<b>36,607</b>
Inventories and work in progress	23,887	23,887	-
Operating receivables	277,322	277,322	-
Other receivables	101,118	101,118	-
Tax receivables	9,916	9,916	-
Other current financial assets	7,659	21,559	(13,900)
Derivatives	13,900	-	13,900
Cash and cash equivalents	183,364	183,364	-
<b>TOTAL CURRENT ASSETS</b>	<b>617,167</b>	<b>617,167</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>2,034,636</b>	<b>1,998,029</b>	<b>36,607</b>

In €m	31 December 2007 (pro forma)	31 December 2007 (reported)	Fair value adjustments
Share capital	175,908	175,908	-
Retained earnings	315,494	315,494	-
Net profit attributable to shareholders	27,425	31,075	(3,650)
Minority interests in profit	(2,485)	1,166	(3,651)
Minority interests in retained earnings	65,507	65,507	-
<b>TOTAL EQUITY</b>	<b>581,849</b>	<b>589,150</b>	<b>(7,301)</b>
Provisions non-current part	107,201	80,775	26,426
Non-current financial liabilities	216,480	536,350	(319,870)
Deferred tax liabilities	51,643	48,735	2,908
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>375,324</b>	<b>665,861</b>	<b>(290,537)</b>
Provisions current part	80,165	65,591	14,574
Current financial liabilities	325,754	120,008	205,746
Tax liabilities	9,822	9,822	-
Operating payables	361,131	361,131	-
Accruals and other liabilities	300,590	186,466	114,124
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,077,463</b>	<b>743,018</b>	<b>334,445</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,034,636</b>	<b>1,998,029</b>	<b>36,607</b>

The balance-sheet adjustments break down as follows:

- €12,900 K worth of trademarks acquired, recognised as intangible assets with indefinite useful lives.
- A total fair value adjustment of €1,500 K for tangible assets.
- A €31,200 K liability relating to loss-making concession agreements.
- A total net amount of €5,048 K recognised under deferred taxes, relating to trademarks, concession agreements and fair value adjustments on tangible assets.

These fair value adjustments led to a €14,752 K increase in the goodwill recognised on the Connexion acquisition.

In addition, the following adjustments were recorded in the 2007 income statement:

- An additional €9,800 K recorded under "Other operating expenses" relating to (i) losses on concession agreements and (ii) a recycling to the income statement of a portion of the liabilities identified on certain concession agreements.
- An ensuing €2,499 K reduction recorded in "Income tax expense".

The Connexion minority put options have been reclassified under "Accruals and other liabilities" and a portion of Connexion's debt amounting to €205,746 K has been reclassified under "Current financial liabilities".

All of the 2007 data in the notes to the consolidated financial statements have been adjusted for the above-mentioned items.

## 2.7 CHANGES IN THE SCOPE OF CONSOLIDATION

### Additions to the scope of consolidation during the period

The table below has been prepared by aggregating consolidated data, corresponding to the contribution of significant newly consolidated companies in 2008. It does not take into account the companies making up the new joint venture with Joalto, as the impact of the joint-venture formation was virtually neutral in view of the change in method used to consolidate the Group's former road passenger transport business in Portugal.

Assets	In €m	Equity and liabilities	In €m
Non-current assets <sup>(1)</sup>	60,384	Equity	1,576
Current assets <sup>(2)</sup>	35,359	Non-current liabilities <sup>(1)</sup>	54,105
		Current liabilities <sup>(2)</sup>	40,062
<b>TOTAL ASSETS</b>	<b>95,743</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>95,743</b>

(1) Including goodwill and after eliminating investments in related companies.

(2) Including €13,160 K in cash and cash equivalents.

(1) Including €41,718 K in non-current financial liabilities.

(2) Including €3,771 K in current financial liabilities.

### Impact on the consolidated income statement

	In €m
Operating income	54,611
Operating expenses	(45,537)
Depreciation, amortisation and provision expense	(5,910)
Operating profit	3,164
Profit before tax	2,458
Income tax expense	(882)
Net profit	1,576

The impact of additions to the scope of consolidation mainly relates to Espaces group companies, Zoet Ambulance, Transdev York Limited, Caisse Commune and Bremond.

### Deconsolidated company

Further details on the impact of the deconsolidation of AGI are provided in Note 2.12.

## 2.8 REVENUE

Year-on-year changes in revenue can be analysed as follows:

In €m	2008	2007	Change	% change
Interurban public transport (scheduled services and school buses)	999,729	514,471	485,258	94%
Urban public transport (including urban charters)	781,634	689,648	91,986	13%
Taxi services	271,000	65,668	205,332	313%
Privately-contracted transport (employee transport, tourism and unscheduled services)	129,998	60,913	69,085	113%
Services	33,775	28,257	5,518	20%
Other	50,061	29,593	20,468	69%
<b>TOTAL</b>	<b>2,266,197</b>	<b>1,388,550</b>	<b>877,647</b>	<b>63%</b>

In €m	2008	2007	Change	% change
France	614,727	507,741	106,986	21%
Other European Union countries:				
_ Netherlands	1,044,419	270,662	773,757	286%
_ United Kingdom	269,656	289,152	(19,496)	(7%)
_ Portugal	90,126	86,411	3,715	4%
_ Italy	81,993	85,209	(3,216)	(4%)
_ Germany	25,145	24,884	261	1%
_ Spain	2,293	1,707	586	34%
Australia	115,416	112,532	2,884	3%
Canada	22,422	10,252	12,170	119%
<b>TOTAL</b>	<b>2,266,197</b>	<b>1,388,550</b>	<b>877,647</b>	<b>63%</b>

## 2.9 OPERATING EXPENSES

### 2.9.1 EMPLOYEE BENEFITS EXPENSE

Employee benefits expense breaks down as follows:

In €m	2008	2007
Wages and salaries	(1,216,901)	(708,399)
Payroll taxes	(13,161)	(10,361)
Other employee benefits expense <sup>(1)</sup>	(6,240)	(13,904)
<b>TOTAL</b>	<b>(1,236,302)</b>	<b>(732,664)</b>

(1) "Other employee benefits expense" includes payments under compulsory and discretionary profit-sharing schemes as well as retirement benefit expenses.

The average number of Group employees in 2008 was 28,830 compared with 26,706 in 2007 (see Note 2.35).

## 2.9.2 OTHER OPERATING INCOME AND EXPENSES

In €m	2008	2007	Change
Other operating expenses	(86,248)	(27,239)	(59,009)
Other operating income	32,652	5,882	26,770
Administrative expenses and other	3,701	(18,016)	21,717
<b>TOTAL OTHER OPERATING EXPENSES, NET</b>	<b>(49,895)</b>	<b>(39,373)</b>	<b>(10,522)</b>

The year-on-year change in this item reflects the impact of the acquisitions carried out in 2007 and 2008 as well as disposal gains relating to Connexion (€18 m in 2008 versus €1 m in 2007).

## 2.10 DEPRECIATION, AMORTISATION AND PROVISIONS FOR IMPAIRMENT OF NON-CURRENT ASSETS, NET OF GOVERNMENT GRANTS WRITTEN BACK TO PROFIT

In €m	2008	2007	Change
Depreciation and amortisation expense	(148,165)	(82,565)	(65,600)
Additions to/reversals of provisions for impairment of non-current assets	40	145	(106)
Government grants	8,390	6,524	1,866
<b>TOTAL</b>	<b>(139,736)</b>	<b>(75,896)</b>	<b>(63,840)</b>

## 2.11 IMPAIRMENT LOSSES ON GOODWILL AND OTHER INTANGIBLE ASSETS

No impairment losses were recognised on goodwill and other intangible assets in 2007 or 2008.

The main assumptions used in the impairment tests carried out in 2008 were as follows:

CGU	Method used to calculate recoverable amount	Carrying amount of goodwill	Carrying amount of trademarks with indefinite useful lives	Key assumptions applied to calculate value in use		
				Discount rate	Perpetual growth rate	Term of projections used
Connexion CGU (Public transport)	Value in use	96,102	9,900	7.5%	2.7%	5 years
Connexion CGU (Taxi services)		92,400	3,000	7.5%	2.7%	5 years
UK North CGU		49,868		7.0%	2.0%	5 years
Bus Portugal CGU		43,871		7.3%	2.5%	5 years
UK South CGU		29,958		7.0%	2.0%	5 years
Other CGUs		75,061		6.3% – 7.9%	2.1%	5 years
<b>TOTAL</b>		<b>387,260</b>	<b>12,900</b>			

Badwill in an amount of €2,187 K was recognised in the 2008 income statement on the purchase of minority interests in Dolomiti Bus.

## 2.12 NET GAINS (LOSSES) ON SALES OF SHARES

In €m	2008	2007	Change
Gains and losses on the disposal of investments in related companies	(904)	2,312	(3,216)
Dilution gains and losses	-	(224)	224
<b>NET GAINS (LOSSES) ON SALES OF SHARES</b>	<b>(904)</b>	<b>2,088</b>	<b>(2,992)</b>

In 2008 this item included a €1,111 K loss on the disposal of the Group's interest in AGI (versus a €2,312 K gain in 2007, chiefly arising on the reduction of the Group's stake in RATP Développement). In order to assess the overall financial impact of this operation, this disposal loss should be considered in parallel with the related recognition of €2,187 K in badwill (see Note 2.11) which took place simultaneously.

## 2.13 FINANCIAL INCOME AND EXPENSES

In €m	2008	2007	Change
Finance costs	(21,549)	(12,237)	(9,312)
Income from cash and cash equivalents	1,086	582	504
<b>Finance costs, net</b>	<b>(20,463)</b>	<b>(11,655)</b>	<b>(8,808)</b>
Movements in provisions for impairment <sup>(1)</sup>	(5,390)	(804)	(4,586)
Dividends and partnership income	458	529	(71)
<b>Other financial income and expenses</b>	<b>(4,932)</b>	<b>(275)</b>	<b>(4,657)</b>
<b>NET FINANCIAL EXPENSE</b>	<b>(25,395)</b>	<b>(11,930)</b>	<b>(13,465)</b>

(1) This item includes a €5,600 K write-down of investments held by Connexion.

## 2.14 INCOME TAX EXPENSE

Income tax expense recorded in the income statement can be analysed as follows:

In €m	2008	2007
Current taxes	(19,771)	(13,536)
Deferred taxes	5,276	5,804
<b>TOTAL</b>	<b>(14,495)</b>	<b>(7,732)</b>

The following table provides a reconciliation between the Group's reported income tax expense and the tax charge calculated at the standard French tax rate:

In €m	2008	2007
Consolidated profit before tax	19 331	32 672
<b>Theoretical tax charge (33.33%)</b>	<b>(6 444)</b>	<b>(10 891)</b>
Share of profits and losses of associates	(616)	852
Impact of loss-making companies <sup>(1)</sup>	(3 628)	2 280
Impact of different tax rates <sup>(2)</sup>	(2 099)	1 106
Impact of permanent differences	(626)	922
Other <sup>(3)</sup>	(1 082)	(2 001)
<b>REPORTED INCOME TAX EXPENSE</b>	<b>(14 495)</b>	<b>(7 732)</b>

(1) Primarily corresponding to unrecognised tax loss carryforwards concerning Connexion.

(2) Reflecting the phasing out of the industrial building allowance in the United Kingdom since 1 April 2008.

(3) Mainly comprising a €1,165 K dividend withholding tax relating to Transdev Australia in 2007 and 2008 and a €737 K dilution gain in 2007.



## 2.15 SHARE CAPITAL AND ISSUED UNCALLED CAPITAL

At 31 December 2008 the Company's share capital amounted to €175,908,040, divided into 1,256,486 shares with a par value of €140 each.

Issued uncalled capital corresponds to the unpaid portion of the 2007 capital increase, which is payable within five years.

## 2.16 CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

In €m	Share capital	Share premiums	Other items recognised directly in equity	Other recognised income and expense	Retained earnings	Equity attributable to shareholders	Minority interests
<b>At 31 December 2006</b>	<b>120,518</b>	<b>87,173</b>	<b>5,465</b>	<b>507</b>	<b>52,058</b>	<b>265,721</b>	<b>3,985</b>
Income and expenses recognised directly in equity			11,566			11,566	3,353
Issue of shares	55,390	178,040				233,430	57,947
Dividends paid					(12,422)	(12,422)	(1,257)
Exchange differences on translating foreign operations			(6,903)			(6,903)	
Other				10		10	
Changes in scope of consolidation						-	1,479
Profit for the year					27,425	27,425	(2,485)
<b>At 31 December 2007</b>	<b>175,908</b>	<b>265,213</b>	<b>10,128</b>	<b>517</b>	<b>67,061</b>	<b>518,827</b>	<b>63,022</b>
Income and expenses recognise directly in equity			(35,882)			(35,882)	(15,413)
Minority puts							15,261
Issue of shares						-	
Dividends paid					(15,939)	(15,939)	(825)
Exchange differences on translating foreign operations			(17,359)			(17,359)	
Other							644
Changes in scope of consolidation						-	(4,136)
Profit for the year					13,094	13,094	(8,257)
<b>At 31 December 2008</b>	<b>175,908</b>	<b>265,213</b>	<b>(43,113)</b>	<b>517</b>	<b>64,216</b>	<b>462,741</b>	<b>50,296</b>

## 2.17 INTANGIBLE ASSETS

Movements in intangible assets were as follows in 2008:

<b>COST</b> In €m	<b>31 December</b> <b>2007</b>	<b>Increase</b>	<b>Decrease</b>	<b>Other</b> <b>movements</b>	<b>31 December</b> <b>2008</b>	<b>Change</b>
Software	16,538	2,942	(50)	(586)	18,844	2,306
Concessions – patents	34,568	319	-	4,005	38,892	4,324
Trademarks with indefinite useful lives	12,900	-	-	-	12,900	-
Purchased goodwill and lease premiums	6,083	350	(194)	10,128	16,367	10,284
Other	5,323	1,576	23	463	7,385	2,062
<b>TOTAL COST</b>	<b>75,412</b>	<b>5,187</b>	<b>(221)</b>	<b>14,010</b>	<b>94,388</b>	<b>18,976</b>

<b>AMORTISATION</b> <b>AND IMPAIRMENT</b> In €m	<b>31 December</b> <b>2007</b>	<b>Increase</b>	<b>Decrease</b>	<b>Other</b> <b>movements</b>	<b>31 December</b> <b>2008</b>	<b>Change</b>
Software	(10,728)	(1,934)	50	108	(12,504)	(1,776)
Concessions – patents	(9,391)	(7,485)	-	(218)	(17,094)	(7,703)
Trademarks with indefinite useful lives	-	-	-	-	-	-
Purchased goodwill and lease premiums	(1,572)	(270)	-	219	(1,623)	(51)
Other	(2,027)	(302)	-	279	(2,050)	(23)
<b>TOTAL AMORTISATION</b> <b>AND IMPAIRMENT</b>	<b>(23,718)</b>	<b>(9,991)</b>	<b>50</b>	<b>388</b>	<b>(33,271)</b>	<b>(9,553)</b>

<b>CARRYING AMOUNT</b> In €m	<b>31 December</b> <b>2007</b>	<b>Increase</b>	<b>Decrease</b>	<b>Other</b> <b>movements</b>	<b>31 December</b> <b>2008</b>	<b>Change</b>
Software	5,810	1,008	-	(478)	6,340	530
Concessions – patents	25,178	(7,166)	-	3,787	21,799	(3,379)
Trademarks with indefinite useful lives	12,900	-	-	-	12,900	-
Purchased goodwill and lease premiums	4,511	80	(194)	10,347	14,744	10,233
Other	3,295	1,274	23	742	5,334	2,039
<b>TOTAL CARRYING AMOUNT</b>	<b>51,694</b>	<b>(4,804)</b>	<b>(171)</b>	<b>14,398</b>	<b>61,117</b>	<b>9,423</b>

The €12,900 K recorded under trademarks with indefinite useful lives correspond to trademarks acquired on the purchase of Connexion.

Other movements in concessions and purchased goodwill chiefly relate to the acquisitions of Zoet Ambulance and the Espaces group respectively (line operating licences).

## 2.18 GOODWILL

The table below provides an analysis of goodwill by CGU. The recoverable amount of each CGU has been calculated based on its value in use determined using the discounted cash flows method.

The assumptions and rates used to calculate these values are described above in the section entitled "Accounting principles and policies" and "Impairment losses on goodwill and other intangible assets".

In €m	31 Dec. 2008 Carrying amount	31 Dec. 2007 Carrying amount	Change
Connexion CGU (Taxi services)	96,102	-	96,102
Connexion CGU (Public transport)	92,400	-	92,400
Connexion CGU (provisional allocation)	-	162,545	(162,545)
UK South CGU	49,868	60,372	(10,504)
Bus Portugal CGU	43,871	22,956	20,915
UK North CGU	29,958	29,875	83
Canada CGU	16,714	16,714	-
Germany CGU	15,689	15,689	-
Transdev Paris East CGU	9,830	8,079	1,751
Alps CGU	6,571	6,560	11
Interurban Italy (AGI) CGU	-	2,739	(2,739)
AMT CGU	8,871	8,871	-
Transdev Paris South CGU	4,850	4,850	-
Espaces CGU	4,181	-	4,181
Other CGUs	8,355	7,864	491
<b>TOTAL NET</b>	<b>387,260</b>	<b>347,114</b>	<b>40,146</b>

At 31 December 2008 goodwill relating to Connexion included €80,971 K in provisionally-allocated goodwill corresponding to minority puts.

The year-on-year increase in the total carrying amount of goodwill can be analysed as follows:

In €m	2008 Carrying amount	2007 Carrying amount
<b>Goodwill at 1 January</b>	<b>347,114</b>	<b>159,279</b>
Adjustments to provisionally allocated goodwill	26,110	5,898
Acquisitions (provisional amounts)	39,528	186,328
Disposals	(14,217)	-
Other movements	(11,275)	(4,391)
<b>Goodwill at 31 December</b>	<b>387,260</b>	<b>347,114</b>

Adjustments to provisionally-allocated goodwill chiefly relate to the Connexion minority put options.

Goodwill arising on acquisitions primarily concerns the Joalto group, the Espaces group, Caisse Commune, Top Line Travel (renamed Transdev York) and Bremond.

Disposals relate to the deconsolidation of the AGI group and the impact of changing from the full to proportionate method used for consolidating companies contributed to the joint venture set up with Joalto.

Other movements mainly reflect the impact of changes in the sterling exchange rate.

#### Information on acquisitions

##### • Information on acquisitions for which fair values have been determined on a provisional basis

At 31 December 2008, the fair values of the identifiable assets, liabilities and contingent liabilities of acquisitions carried out during the year were determined on a provisional basis. These provisional fair values and the related carrying amounts are as follows:

In €m	Fair value	Carrying amount
Non-current assets	114,221	106,229
Other assets	31,603	31,603
Cash and cash equivalents	15,736	15,736
Liabilities	110,459	113,821
<b>NET ASSETS</b>	<b>51,101</b>	<b>39,747</b>
Goodwill	39,528	
Acquisition price	90,629	

Adjustments to these provisional values will be made within twelve months of the relevant acquisition dates, on completion of the initial accounting for the transactions.

##### • Information on acquisitions for which the initial accounting has been completed

In accordance with IFRS 3, the fair values of the identifiable assets, liabilities and contingent liabilities of Connexion as presented in the 2007 financial statements were determined on a provisional basis at the acquisition date of 12 October 2007. In 2008 a number of fair value adjustments were made following the completion of the initial accounting for the acquisition. The table below shows the adjusted fair values of Connexion's assets and liabilities at 31 December 2007.

In €m	Final fair value	Provisional fair value	Carrying amount
Non-current assets	527,252	507,896	504,137
Other assets	163,998	163,998	163,998
Cash and cash equivalents	78,838	78,838	78,838
Liabilities	592,745	558,637	558,637
<b>NET ASSETS</b>	<b>177,343</b>	<b>192,095</b>	<b>188,336</b>
Goodwill	158,666	143,914	
Acquisition price based on a 66.67% interest	221,885	221,885	
Call option on 33.33%	114,124	114,124	

TBC Holding BV paid €221,885 K for the 66.67% interest in Connexion, including €3,519 K in transaction costs.

The put option on the remaining 33.33% of the company's capital was valued at €114,124 K at 31 December 2007 and revised upwards to €124,818 K at 31 December 2008.

The difference between the fair value and the carrying amount of Connexion's net assets corresponds to (i) loss-making concessions with a fair value of €31,200 K less than their carrying amount; (ii) trademarks with indefinite useful lives with a fair value of €12,900 K more than their carrying amount; (iii) property with a fair value of €23,545 K more than its carrying amount; and (iv) a €20,000 K impairment loss recognised on rolling stock.

## 2.19 TANGIBLE ASSETS

Movements in tangible assets were as follows in 2008:

<b>COST</b> In €m	<b>31 December</b> <b>2007</b>	<b>Increase</b>	<b>Decrease</b>	<b>Other</b> <b>movements</b>	<b>31 December</b> <b>2008</b>	<b>Change</b>
Land and buildings	172,565	9,106	(5,487)	(14,819)	161,364	(11,201)
Plant and equipment	37,243	4,553	(863)	67	41,000	3,757
Rolling stock	1,214,421	131,567	(50,096)	53,229	1,349,121	134,700
Other	180,213	36,438	(17,723)	(5,602)	193,325	13,112
<b>TOTAL COST</b>	<b>1,604,442</b>	<b>181,664</b>	<b>(74,169)</b>	<b>32,873</b>	<b>1,744,811</b>	<b>140,369</b>

<b>DEPRECIATION AND</b> <b>IMPAIRMENT</b> In €m	<b>31 December</b> <b>2007</b>	<b>Increase</b>	<b>Decrease</b>	<b>Other</b> <b>movements</b>	<b>31 December</b> <b>2008</b>	<b>Change</b>
Land and buildings	(49,610)	(5,756)	1,878	5,559	(47,929)	1,681
Plant and equipment	(24,014)	(3,696)	665	742	(26,303)	(2,289)
Rolling stock	(595,636)	(116,209)	50,454	(34,764)	(696,154)	(100,518)
Other	(98,778)	(13,873)	11,499	2,232	(98,920)	(142)
<b>TOTAL</b> <b>DEPRECIATION AND</b> <b>IMPAIRMENT</b>	<b>(768,038)</b>	<b>(139,534)</b>	<b>64,496</b>	<b>(26,231)</b>	<b>(869,307)</b>	<b>(101,269)</b>

<b>CARRYING AMOUNT</b> In €m	<b>31 December</b> <b>2007</b>	<b>Increase</b>	<b>Decrease</b>	<b>Other</b> <b>movements</b>	<b>31 December</b> <b>2008</b>	<b>Change</b>
Land and buildings	122,955	3,350	(3,609)	(9,261)	113,435	(9,520)
Plant and equipment	13,229	857	(198)	809	14,697	1,467
Rolling stock	618,785	15,359	358	18,465	652,967	34,182
Other	81,435	22,565	(6,224)	(3,371)	94,405	12,970
<b>TOTAL CARRYING</b> <b>AMOUNT</b>	<b>836,404</b>	<b>42,130</b>	<b>(9,672)</b>	<b>6,642</b>	<b>875,504</b>	<b>39,100</b>

Other movements in tangible assets primarily relate to acquisitions, translation differences amounting to a negative €23,332 K and Connexion's property disposal programme.



Of which tangible assets acquired under finance leases:

<b>COST</b> In €m	<b>31 December</b> <b>2007</b>	<b>Increase</b>	<b>Decrease</b>	<b>Other</b> <b>movements</b>	<b>31 December</b> <b>2008</b>	<b>Change</b>
Land	2,087	1,452	-	-	3,539	1,452
Buildings	2,283	-	-	-	2,283	-
Rolling stock	236,036	39,766	(1,497)	29,204	303,509	67,473
<b>TOTAL COST</b>	<b>240,406</b>	<b>41,218</b>	<b>(1,497)</b>	<b>29,204</b>	<b>309,331</b>	<b>68,925</b>

<b>DEPRECIATION</b> <b>AND IMPAIRMENT</b> In €m	<b>31 December</b> <b>2007</b>	<b>Increase</b>	<b>Decrease</b>	<b>Other</b> <b>movements</b>	<b>31 December</b> <b>2008</b>	<b>Change</b>
Buildings	(1,576)	-	-	-	(1,576)	-
Rolling stock	(77,880)	(27,513)	1,774	(10,021)	(113,640)	(35,760)
<b>TOTAL</b> <b>DEPRECIATION AND</b> <b>IMPAIRMENT</b>	<b>(79,456)</b>	<b>(27,513)</b>	<b>1,774</b>	<b>(10,021)</b>	<b>(115,216)</b>	<b>(35,760)</b>

<b>TOTAL CARRYING</b> <b>AMOUNT</b>	<b>160,950</b>	<b>13,705</b>	<b>277</b>	<b>19,183</b>	<b>194,115</b>	<b>33,165</b>
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Assets held for sale break down as follows:

<b>In €m</b>	<b>31 December</b> <b>2008</b>	<b>31 December</b> <b>2007</b>	<b>Change</b>
Tangible assets held for sale	25,098	-	(25,098)
<b>TOTAL</b>	<b>25,098</b>	<b>-</b>	<b>(25,098)</b>

These assets primarily correspond to buildings owned by Connexion which are scheduled to be sold in 2009.

## 2.20 INVESTMENTS IN RELATED COMPANIES

Investments in related companies break down as follows:

<b>In €m</b>	<b>31 December</b> <b>2007</b>	<b>Acquisitions</b>	<b>Increase</b>	<b>Decrease</b>	<b>Other</b> <b>movements</b>	<b>31 December</b> <b>2008</b>
Public-private partnerships	19,009	-	-	-	(2,572)	16,437
Other	17,132	-	292	(1,684)	(3,170)	12,570
<b>TOTAL CARRYING</b> <b>AMOUNT</b>	<b>36,141</b>	<b>-</b>	<b>292</b>	<b>(1,684)</b>	<b>(5,742)</b>	<b>29,007</b>

Other movements essentially correspond to the impact of the sale of the AGI group as well as the change in the method used to consolidate the companies in the Portuguese road passenger transport companies that were contributed to the joint venture set up with Joalto.

The Group's main investments in related companies in terms of carrying amounts were as follows:

In €m	31 December 2007	Acquisitions	Increase	Decrease	Other movements	31 December 2008
Méto de Tenerife SA	7,292	-	-	-	(1,533)	5,759
Nottingham City Transport	5,212	-	-	-	(447)	4,765
RATP Développement	4,011	-	-	-	-	4,011
RMV	2,362	-	-	-	-	2,362
Other	17,264	-	292	(1,684)	(3,762)	12,110
<b>TOTAL CARRYING AMOUNT</b>	<b>36,141</b>	<b>-</b>	<b>292</b>	<b>(1,684)</b>	<b>(5,742)</b>	<b>29,007</b>

## 2.21 INVESTMENTS IN ASSOCIATES

Investments in associates can be analysed as follows:

In €m	31 December 2007	Acquisitions	Profit (loss)	Deconsolidations	Other movements	31 December 2008
Connexion	1,648	-	(1,822)	(1,679)	3,205	1,352
TCRM	175	-	(25)	-	-	150
<b>TOTAL INVESTMENTS IN ASSOCIATES</b>	<b>1,823</b>	<b>-</b>	<b>(1,847)</b>	<b>(1,679)</b>	<b>3,205</b>	<b>1,502</b>

The "Deconsolidations" column corresponds to Delta Expo Beheer BV and Trans Link Systems BV, both of which were formerly owned by Connexion.

Other movements reflect a recapitalisation operation.

## 2.22 OTHER NON-CURRENT FINANCIAL ASSETS

Other non-current financial assets break down as follows:

In €m	31 December 2008 Gross	Impairment	31 December 2008 Net	31 December 2007 Net	Change
Long- and medium-term advances to associates	1,375	-	1,375	4,993	(3,618)
Long- and medium-term loans	7,570	(135)	7,435	8,000	(565)
Deposits and bonds	2,021	(28)	1,993	1,729	264
Other non-current financial assets (including accrued interest)	20,079	-	20,079	14,702	5,377
<b>TOTAL</b>	<b>31,045</b>	<b>(163)</b>	<b>30,882</b>	<b>29,424</b>	<b>1,458</b>

## 2.23 DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities can be analysed as follows by source:

In €m	Long-term	Short-term	31 December 2008	31 December 2007	Change
<b>Deferred tax assets</b>					
<b>Movements recognised in the income statement:</b>					
Finance leases	4,458	-	4,458	5,487	(1,029)
Pension and other post-employment benefit obligations	18,767	-	18,767	16,352	2,415
Recognition of tax loss carryforwards	10,633	-	10,633	32,631	(21,998)
Consolidation adjustments	9,934	1,335	11,269	12,418	(1,149)
Temporary differences	3,850	2,502	6,352	7,233	(881)
<b>Movements recognised in equity:</b>					
Available-for-sale financial assets	-	-	-	-	-
Cash flow hedges	-	12,251	12,251	2,635	9,616
Pension and other post-employment benefit obligations	(1,740)	-	(1,740)	(3,428)	1,688
<b>Total deferred tax assets</b>	<b>45,902</b>	<b>16,088</b>	<b>61,990</b>	<b>73,328</b>	<b>(11,338)</b>
<b>Deferred tax liabilities</b>					
<b>Movements recognised in the income statement:</b>					
Finance leases	(7,517)	-	(7,517)	(865)	(6,652)
Untaxed provisions	(22,352)	-	(22,352)	(14,747)	(7,605)
Consolidation adjustments	(2,876)	-	(2,876)	(8,415)	5,539
Temporary differences	(7,842)	(901)	(8,743)	(27,448)	18,705
<b>Movements recognised in equity:</b>					
Available-for-sale financial assets	(9)	-	(9)	(120)	111
Cash flow hedges	(3)	-	(3)	(48)	45
Pension and other post-employment benefit obligations	-	-	-	-	-
<b>Total deferred tax liabilities</b>	<b>(40,599)</b>	<b>(901)</b>	<b>(41,500)</b>	<b>(51,643)</b>	<b>10,143</b>
<b>NET DEFERRED TAX ASSET (LIABILITY)</b>	<b>5,303</b>	<b>15,187</b>	<b>20,490</b>	<b>21,685</b>	<b>(1,195)</b>

The decrease in deferred tax assets arising on tax loss carryforwards mainly relates to Connexion.

The year-on-year change in deferred tax liabilities primarily concerns the Connexion sub-group and the impact of consolidating the Espaces group.

The following table shows future tax savings to be derived from the use of tax loss carryforwards for which no deferred tax asset has been recognised:

In €m	31 December 2008		
	Less than 1 year	1 to 5 years	More than 5 years
France	-	1,344	-
International	-	-	11,754
<b>TOTAL</b>	<b>-</b>	<b>1,344</b>	<b>11,754</b>

Tax loss carryforwards at 31 December 2008 related to companies that are not members of a tax group and to international operations. No deferred tax assets have been recognised as the probability of these companies

generating sufficient profits in the foreseeable future against which the tax losses could be set off is not considered sufficiently high.

Italy accounted for €23.4 m of the total tax losses related to international operations, representing a potential tax saving of €7.8 m. This amount may be reduced due to the Italian tax administration's interpretation of the rules governing the tax treatment of government grants.

## 2.24 OPERATING RECEIVABLES

This item breaks down as follows:

In €m	31 December 2008 Gross	Provisions	31 December 2008 Net	31 December 2007 Net	Change
Trade receivables	207,586	(7,768)	199,818	183,780	16,038
Other operating receivables	159,752	(802)	158,950	93,542	65,408
<b>TOTAL</b>	<b>367,338</b>	<b>(8,570)</b>	<b>358,768</b>	<b>277,322</b>	<b>81,446</b>

The year-on-year change in operating receivables mainly arose from reclassifications between "Other receivables" and "Other operating receivables" (see Note 2.25).

## 2.25 OTHER RECEIVABLES

This item can be analysed as follows:

In €m	31 December 2008 Gross	Provisions	31 December 2008 Net	31 December 2007 Net	Change
Government grants receivable	11,433	-	11,433	6,047	5,386
Dividends receivable	3,001	-	3,001	3,208	(207)
Receivables on disposals of non-current assets	3,529	-	3,529	5,654	(2,125)
Prepaid expenses	11,539	-	11,539	18,428	(6,889)
Payments made on behalf of a third party	21,694	-	21,694	4,641	17,053
Other	7,212	(362)	6,851	63,140	(56,289)
<b>TOTAL</b>	<b>58,408</b>	<b>(362)</b>	<b>58,047</b>	<b>101,118</b>	<b>(43,071)</b>

"Payments made on behalf of a third party" relate to receivables due under the Group's Reims contract. A corresponding amount has been recognised under "Other liabilities" (see Note 2.31).

The year-on-year change in this item mainly arose from reclassifications between "Other receivables" and "Other operating receivables" (see Note 2.24).

## 2.26 OTHER CURRENT FINANCIAL ASSETS

Other current financial assets break down as follows:

In €m	31 December 2008 Gross	Provisions	31 December 2008 Net	31 December 2007 Net	Change
Short-term loans and deposits	567	-	567	613	(46)
Current portion of long-term receivables	218	(1)	217	4,491	(4,274)
Other current financial assets	631	-	631	2,555	(1,924)
<b>TOTAL</b>	<b>1,416</b>	<b>(1)</b>	<b>1,415</b>	<b>7,659</b>	<b>(6,244)</b>

## 2.27 CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise the following:

In €m	31 December 2008 Gross	Impairment	31 December 2008 Net	31 December 2007 Net	Change
Short-term deposits	12,131	-	12,131	6,978	5,153
Short-term investments	26,248	-	26,248	50,241	(23,993)
Cash at bank and in hand	101,588	-	101,588	126,145	(24,557)
<b>TOTAL</b>	<b>139,967</b>	<b>-</b>	<b>139,967</b>	<b>183,364</b>	<b>(43,397)</b>

## 2.28 PROVISIONS

Movements in provisions were as follows in 2008:

In €m	31 December 2007	Increases	Decreases	Other movements	31 December 2008
Long-term provisions	107,201	3,714	(13,609)	(1,042)	96,264
Short-term provisions	80,165	38,047	(60,347)	10,387	68,252
<b>TOTAL</b>	<b>187,366</b>	<b>41,761</b>	<b>(73,956)</b>	<b>9,345</b>	<b>164,516</b>

Provisions break down as follows by nature:

In €m	31 December 2007	Increases	Decreases	Other movements	31 December 2008
Pension and other post-employment benefit obligations	71,405	2,229	(10,039)	12,525	76,120
Provisions for financial risks and long-term contract losses	49,669	773	(20,682)	-	29,760
Provisions for claims and litigation	66,292	38,759	(43,235)	(3,180)	58,636
<b>TOTAL</b>	<b>187,366</b>	<b>41,761</b>	<b>(73,956)</b>	<b>9,345</b>	<b>164,516</b>

Movements in provisions for pension and other post-employment benefit obligations essentially relate to Connexion, corresponding to a net decrease of €4,430 K. Other movements in this item mainly stemmed from (i) the impact of acquisitions (including €13,101 K relating to Zoet Ambulance), and (ii) actuarial gains and losses recognised directly in equity.

The year-on-year decrease in provisions for financial risks and long-term contract losses reflects (i) a €14,539 K reversal concerning concession-related liabilities and (ii) a €5,370 K adjustment to provisions for long-term contract losses.

Movements in provisions for claims and litigation chiefly concerned various customer and environmental risks as well as employment tribunal proceedings. The other movements in this item were primarily due to the impact of changes in exchange rates.



## 2.29 FINANCIAL LIABILITIES

Financial liabilities can be analysed as follows by maturity:

In €m	Total 2008	Total 2007	2008 breakdown		
			Less than 1 year	1 to 5 years	More than 5 years
Bank borrowings	151,183	122,304	-	113,165	38,018
Joalto SGPS bonds	1,375	-	-	1,375	-
Finance lease liabilities	130,131	92,379	-	78,667	51,464
Other long-term debt	2,876	1,797	-	2,485	391
<b>Sub-total: non-current financial liabilities</b>	<b>285,565</b>	<b>216,480</b>	<b>-</b>	<b>195,692</b>	<b>89,873</b>
Bank borrowings	175,808	217,488	175,808	-	-
Transdev plc bonds	2,294	5,920	2,294	-	-
Finance lease liabilities	71,099	73,442	71,099	-	-
Other short-term debt	86	193	86	-	-
Current account advances	3,706	3,770	3,706	-	-
Bank overdrafts	16,080	24,941	16,080	-	-
<b>Sub-total: current financial liabilities</b>	<b>269,073</b>	<b>325,754</b>	<b>269,073</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>554,638</b>	<b>542,234</b>	<b>269,073</b>	<b>195,692</b>	<b>89,873</b>
of which:					
Debt in euros	517,705				
Debt in sterling	19,620				
Debt in other currencies	17,313				
Debt secured by collateral (rolling stock)	19,120				
Debt subject to covenants	296,941				
Fixed-rate borrowings	238,208				
Variable-rate borrowings	316,430				

At 31 December 2008 the Group had drawn down €180 m under a €275 m syndicated bank loan. This loan bears interest at a variable rate corresponding to the 3-month Euribor plus 250 basis points and is repayable at term in September 2011. At end-December 2008 the Group had also set up several bilateral credit lines with a number of banks totalling €147 m. These credit lines have different maturity dates and the majority of them bear interest at a variable rate.

The total available amount under the Group's undrawn credit facilities was €51 m at 31 December 2008, including €41 m available for Connexion.

As part of its strategy for managing interest rate risks, during the year the Group continued its policy of swapping variable interest rates on its borrowings for fixed rates (see Note 2.32 c/).

As the majority of the Group's borrowings are at variable rates, the market value of debt presented under non-current financial liabilities is deemed to approximate its amortised cost as carried in the balance sheet.

The carrying amount of current financial liabilities approximates fair value in view of the short-term maturities of the related instruments.

## 2.30 OPERATING PAYABLES

This item breaks down as follows:

In €m	31 December 2008	31 December 2007	Change
Trade payables	201,117	171,035	30,082
Other operating payables	337,113	190,096	147,017
<b>TOTAL</b>	<b>538,230</b>	<b>361,131</b>	<b>177,099</b>

The year-on-year change in this item arises mainly from reclassifications between "Other payables" and "Other operating payables" (see Note 2.31).

## 2.31 ACCRUALS AND OTHER LIABILITIES

Accruals and other liabilities can be analysed as follows:

In €m	31 December 2008	31 December 2007	Change
Balances due on securities purchases	790	2,058	(1,269)
Liability related to minority puts	124,818	114,124	10,694
Amounts due to suppliers of non-current assets	71,888	14,598	57,290
Dividends payable	1,107	1,667	(560)
Payments made on behalf of a third party	21,694	4,641	17,053
Other payables	17,429	106,753	(89,324)
Deferred income	13,214	56,749	(43,535)
<b>TOTAL</b>	<b>250,940</b>	<b>300,590</b>	<b>(49,650)</b>

The liability related to minority puts corresponds to the Connexion put options.

The year-on-year change in this item arises mainly from reclassifications between "Other payables" and "Other operating payables" (see Note 2.30).

## 2.32 FINANCIAL RISK MANAGEMENT

### a/ Credit risk

Credit risk exposure principally depends on the specific characteristics of the Group's customers and notably their default risk. The Group has no specific exposure to credit risk, as its customers are primarily local authorities.

Each entity is responsible for managing its credit risk and debt recovery and a provision for impairment is recognised when any credit risk is identified.

### Overall exposure to credit risk

In €m	Sound financial assets	Renegotiated financial assets	Distressed financial assets maintained at cost	Financial assets covered by provisions	Total financial assets
Available-for-sale financial assets (interest rate instruments)	-	-	-	-	-
Other non-current financial assets and derivatives	30,842	40	-	163	31,045
Trade receivables	196,289	3,413	116	7,768	207,586
Other operating receivables	158,950	-	-	802	159,752
Other receivables	57,972	75	-	362	58,409
Other current financial assets and derivatives	1,413	2	-	1	1,416
Cash and cash equivalents	139,967	-	-	-	139,967
<b>TOTAL FINANCIAL ASSETS - 2008</b>	<b>585,433</b>	<b>3,530</b>	<b>116</b>	<b>9,096</b>	<b>598,175</b>
Total financial assets - 2007	534,414	-	692	5,801	540,907
Year-on-year change	51,019	-	(576)	3,295	57,268

### Sound financial assets by counterparty

In €m	Total sound financial assets - 2007	Sound AFS financial assets (interest rate instruments)	Sound other non-current financial assets and derivatives	Sound trade receivables	Sound other operating receivables	Sound other receivables	Sound other current financial assets and derivatives	Sound cash and cash equivalents	Total sound financial assets - 2008	Change
Financial companies - not rated	203,801	-	30,842	-	-	-	1,413	139,967	172,222	(31,579)
Local authorities and other	330,613	-	-	196,289	158,950	57,972	-	-	413,211	82,598
<b>TOTAL</b>	<b>534,414</b>	<b>-</b>	<b>30,842</b>	<b>196,289</b>	<b>158,950</b>	<b>57,972</b>	<b>1,413</b>	<b>139,967</b>	<b>585,433</b>	<b>51,019</b>

**Sound and distressed financial assets by country**

In €m	Total financial assets – 2007	AFS financial assets (interest rate instruments)	Other non-current financial assets and derivatives	Trade receivables	Other operating receivables	Other receivables	Other current financial assets and derivatives	Cash and cash equivalents	Total financial assets – 2008	Change
Netherlands	245,642	-	19,623	65,693	71,483	2,435	-	60,677	219,911	(25,731)
France	164,572	-	6,915	93,581	32,413	42,712	665	14,210	190,496	25,925
Other countries	208,765	-	4,507	48,312	55,856	13,262	751	65,080	187,768	(20,997)
<b>TOTAL</b>	<b>618,979</b>	<b>-</b>	<b>31,045</b>	<b>207,586</b>	<b>159,752</b>	<b>58,409</b>	<b>1,416</b>	<b>139,967</b>	<b>598,175</b>	<b>(20,804)</b>

**Provisions for credit risks**

In €m	2007	Increases	Reversals (utilised provisions)	Reversals (surplus provisions)	Other movements	2008	Change
Provisions for other non-current financial assets	153	11	-	-	(1)	163	10
Provisions for trade receivables	5,607	661	(498)	(77)	2,075 <sup>(1)</sup>	7,768	2,161
Provisions for other operating receivables	415	579	(2)	-	(190)	802	387
Provisions for other receivables	33	-	-	(7)	336	362	329
Provisions for other current financial assets and derivatives	7	-	(7)	-	1	1	(6)
<b>Provisions recorded as a deduction from financial assets</b>	<b>6,215</b>	<b>1,251</b>	<b>(507)</b>	<b>(84)</b>	<b>2,221</b>	<b>9,096</b>	<b>2,881</b>
Provisions for customer risks	11,300	5,234	(3,344)	(238)	(2,864)	10,088	(1,212)
<b>Provisions for counterparty risks (liabilities)</b>	<b>11,300</b>	<b>5,234</b>	<b>(3,344)</b>	<b>(238)</b>	<b>(2,864)</b>	<b>10,088</b>	<b>(1,212)</b>
<b>Total provisions for credit risks</b>	<b>17,515</b>	<b>6,485</b>	<b>(3,851)</b>	<b>(322)</b>	<b>(643)</b>	<b>19,184</b>	<b>1,669</b>

(1) Including €1,215 K relating to newly-consolidated companies, a negative €1,676 K for deconsolidations and a €3,400 K reclassification concerning Connexion.

**b/ Liquidity risk**

As described in Note 2.29 the Group has taken out a syndicated loan. The loan agreement contains covenants relating to compliance with three financial ratios contractually defined based on the former Connexion scope of consolidation. These covenants concern (i) EBIT/net finance costs (ii) net debt/EBITDA and (iii) a minimum level of total equity.

The agreement also contains a change of control clause.

The bilateral credit lines set up by the Group are also subject to covenants based on financial ratios which have been contractually defined with the financial institutions concerned by reference to the Group's consolidated financial statements. These covenants relate to (i) net debt/EBITDA and (ii) net debt/equity.

At 31 December 2008, the Group was in breach of certain of the covenants contained in the syndicated loan agreement. Consequently, the full amount of the loan was classified as short-term debt. On 13 March 2009, Connexion signed a new syndicated bank loan to replace the previous one.

### Maturity of financial liabilities

In €m	Demand	1 to 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
Non-current financial liabilities	-	-	-	195,692	89,873	285,565
Current financial liabilities (interest rate instruments)	4,891	220,059	44,123	-	-	269,073
Trade payables	86,328	99,342	15,446	-	-	201,117
Other operating payables	180,719	156,394	-	-	-	337,113
Other liabilities <sup>(1)</sup>	16,080	97,780	12,262	124,818	-	250,940
Other current financial liabilities and derivatives	1,022	28,609	10,977	-	-	40,609
<b>TOTAL FINANCIAL LIABILITIES – 2008</b>	<b>289,039</b>	<b>602,185</b>	<b>82,809</b>	<b>320,510</b>	<b>89,873</b>	<b>1,384,417</b>
Total financial liabilities – 2007	38,636	411,766	85,153	472,362	63,989	1,071,906
Year-on-year change	250,404	190,419	(2,344)	(151,852)	25,884	312,511

(1) The Connexion minority puts have been classified under other liabilities due in 1 to 5 years, representing an amount of €124,818 K.

### c/ Interest rate risk

Transdev's exposure to interest rate risk mainly arises on debt. In 2008 the Group pursued its prudent debt management policy by setting up fixed-rate financing arrangements and hedges such as swaps and zero premium tunnels enabling it to fix its interest rates.

The Connexion sub-group primarily finances its operations through variable-rate borrowings which totalled €209 m at 31 December 2008. During the year, Connexion put in place a hedging programme in order to reduce its interest rate risk by using swaps to convert the interest on a portion of its borrowings from variable rates to fixed rates.

Where possible the Group classifies its hedging instruments as cash flow hedges within the meaning of IFRS in order to limit the impact on profit of changes in their fair values.

At 31 December 2008 the fair value of interest rate hedging instruments recognised in the balance sheet was as follows:

In €m	31 December 2008 Fair value	31 December 2007 Fair value
Other current financial assets	9	258
Other current financial liabilities	(2,284)	-

Excluding the effect of hedges, a 1% increase or decrease in interest rates on the Group's variable rate debt would have had a €3.2 m impact on the income statement.



**d/ Currency risk**

As shown in the tables below, the Group primarily operates in the Euro zone. However it is exposed to currency risk in relation to its operations in the United Kingdom, Australia and Canada.

The Group's financial assets break down as follows by currency:

In €m (NET)	EUR	GBP	CAD	AUD	Total
AFS financial assets (interest rate instruments)	-	-	-	-	-
Other non-current financial assets and derivatives	27,337	3,593	-	115	31,045
Trade receivables	194,545	9,598	1,832	1,611	207,586
Other operating receivables	136,497	2,215	-	21,040	159,752
Other receivables	51,287	2,625	325	4,172	58,409
Other current financial assets and derivatives	886	462	-	68	1,416
Cash and cash equivalents	113,539	8,748	303	17,377	139,967
<b>TOTAL FINANCIAL ASSETS – 2008</b>	<b>524,091</b>	<b>27,241</b>	<b>2,460</b>	<b>44,383</b>	<b>598,175</b>
<b>Total financial assets – 2007</b>	<b>518,104</b>	<b>39,115</b>	<b>3,366</b>	<b>44,667</b>	<b>605,252</b>
Year-on-year change	5,987	(11,874)	(906)	(284)	(7,077)

Financial liabilities break down as follows by currency:

In €m	EUR	GBP	CAD	AUD	Total
Non-current financial liabilities	259,923	11,599	13,221	822	285,565
Current financial liabilities (interest rate instruments) – liquidity	257,583	8,021	3,006	463	269,073
Trade payables – liquidity	168,580	18,031	2,211	12,295	201,117
Other operating payables	303,442	11,538	749	21,384	337,113
Other liabilities	249,344	26	-	1,570	250,940
Other current financial liabilities and derivatives – liquidity	32,450	8,159	-	-	40,609
<b>TOTAL FINANCIAL LIABILITIES – 2008</b>	<b>1,271,322</b>	<b>57,374</b>	<b>19,187</b>	<b>36,534</b>	<b>1,384,417</b>
<b>Total financial liabilities – 2007</b>	<b>955,024</b>	<b>81,723</b>	<b>19,264</b>	<b>15,895</b>	<b>1,071,906</b>
Year-on-year change	316,298	(24,349)	(77)	20,639	312,511

In order to limit its exposure to currency risk the Group has set up hedges through forward purchases and sales of foreign currencies as well as currency options.

At 31 December 2008 the fair value of currency hedging instruments recognised in the balance sheet was as follows:

In €m	31 December 2008		31 December 2007	
	Nominal amount (in 000's of currency units)	Fair value (in €000's)	Nominal amount (in 000's of currency units)	Fair value (in €000's)
<b>Other current financial assets</b>				
GBP	4,000	362	-	-
AUD	4,297	260	-	-
<b>Other current financial liabilities</b>				
AUD	12,011	(1,103)	12,077	(70)
USD	17,661	(1,257)	25,000	(83)

These hedges comply with the hedge accounting criteria in IAS 39 and are therefore accounted for as cash flow hedges with the effective portion of changes in fair value recognised directly in equity.

Excluding the effect of hedges, at 31 December 2008 a 10% increase in the euro exchange rate against other currencies would have led to decreases of €37.1 m and €3.2 m in revenue and EBITDA respectively.

### e/ Commodity price risk

Transdev's principal exposure to commodity price risk arises on purchases of fuel.

In 2008 the Group set up forwards and options for limited amounts and terms in order to hedge a portion of its risk relating to unfavourable changes in fuel prices.

The Group considers that the majority of its commodity price risk is covered for 2009 either through the hedges it has put in place or by way of price indexation clauses included in the contracts signed with local authorities. These hedges comply with the hedge accounting criteria in IAS 39 and are therefore accounted for as cash flow hedges with the effective portion of changes in fair value recognised directly in equity.

At 31 December 2008 the fair value of commodity hedging instruments recognised in the balance sheet was as follows:

In €m	31 December 2008 Fair value	31 December 2007 Fair value
Other current financial assets	-	13,900
Other current financial liabilities	(36,314)	-

Before the effect of hedges and contractual price indexation clauses, a €0.01 increase in the price of fuel at the pump would have resulted in a decrease in EBITDA of around €2 m.

### 2.33 OTHER OFF-BALANCE SHEET COMMITMENTS

The Group's off-balance commitments can be analysed as follows:

In €m	31 December 2008	31 December 2007	Change
<b>COMMITMENTS GIVEN</b>			
Guarantees	378,923	375,286	3,637
Securities pledged as collateral for operating liabilities	10,223	10,993	(770)
Pledges given on borrowings recorded in the balance sheet <sup>(1)</sup>	85,048	6,072	78,976
Other <sup>(1)</sup>	49,119	18,609	30,510
<b>TOTAL</b>	<b>523,313</b>	<b>410,960</b>	<b>112,353</b>
<b>COMMITMENTS RECEIVED</b>			
Guarantees	517	509	8
Other	7,055	3,285	3,770
Put and call option <sup>(2)</sup>	22,545	22,545	-
<b>TOTAL</b>	<b>30,117</b>	<b>26,339</b>	<b>3,778</b>

(1) Changes in this item mainly relate to the Connexion sub-group.

(2) This option concerns the Group's interest in the Genoa network and is exercisable in November 2011. AMT has given a call option on certain property assets to AMI, which is exercisable at the properties' market value. Market value is defined in the option contract as being equal to the properties' carrying amount in the accounts of AMT on the option exercise date. This value was €22,545 K at 31 December 2008.

In addition, Transdev was given seller's warranties when it acquired the Connexion, Espaces and Joalto groups.

Future minimum lease payments under rolling stock operating leases break down as follows (excluding leases where the amount due is offset by amounts receivable under a sub-lease):

In €m	Less than 1 year	1 to 5 years	More than 5 years	Outstanding amount
France	5,212	9,417	513	15,142
International	22,960	34,071	6,870	63,901
<b>TOTAL</b>	<b>28,172</b>	<b>43,488</b>	<b>7,383</b>	<b>79,043</b>

Future minimum lease payments on operating leases for assets other than rolling stock are as follows:

In €m	Less than 1 year	1 to 5 years	More than 5 years	Outstanding amount
France	3,504	11,888	6,094	21,486
International	23,300	50,800	14,100	88,200
<b>TOTAL</b>	<b>26,804</b>	<b>62,688</b>	<b>20,194</b>	<b>109,686</b>

Minimum lease payments receivable under tax-advantaged contracts in the French overseas departments and territories are as follows:

In €m	Less than 1 year	1 to 5 years	More than 5 years	Outstanding amount
<b>TOTAL</b>	<b>394</b>	<b>446</b>	<b>-</b>	<b>840</b>

## 2.34 EVENTS AFTER THE BALANCE SHEET DATE

On 13 March 2009 Connexion signed a new syndicated bank loan set up to replace the previous €275 m syndicated bank loan in effect at 31 December 2008.

## 2.35 NUMBER OF EMPLOYEES

The average number of full-time equivalent employees in fully – and proportionately – consolidated companies was as follows in 2008 and 2007:

By category	2008	2007
Management	1,930	1,805
Other	26,900	24,901
<b>TOTAL</b>	<b>28,830</b>	<b>26,706</b>
By business segment	2008	2007
Service companies	471	434
Passenger transport companies	28,359	26,272
<b>TOTAL</b>	<b>28,830</b>	<b>26,706</b>
By geographic area	2008	2007
France	8,898	7,025
Other European Union countries:		
_ Netherlands	11,647	11,424
_ United Kingdom	4,079	3,937
_ Portugal	1,292	1,186
_ Italy	993	1,220
_ Germany	368	387
Australia	1,089	1,084
Canada	466	443
<b>TOTAL</b>	<b>28,830</b>	<b>26,706</b>
Full-time equivalent employees adjusted for the impact of newly-consolidated companies and deconsolidations and the ensuing changes in business levels	28,398	17,916

The number of employees on the payroll at the year-end (excluding companies accounted for by the equity method) was as follows at 31 December 2008 and 2007:

Employees on the payroll at year-end	31 December 2008	31 December 2007
France	9,030	7,476
International	27,194	23,898
<b>TOTAL</b>	<b>36,223</b>	<b>31,374</b>

## 2.36 CONSOLIDATED COMPANIES AT 31 DECEMBER 2008

Company	Legal form	Registration number	Post code	Headquarters	2008		2007		Consolidation method
					% control	% interest	% control	% interest	
TRANSDEV	S.A.	542.104.377	92445	ISSY-LES-MOULINEAUX			PARENT	PARENT	
FRANCE									
AÉROPASS	S.A.S.	432.683.456	95700	ROISSY EN FRANCE	100.00	100.00	100.00	100.00	Full
AIRCAR	S.A.S.	335.050.233	95700	ROISSY EN FRANCE	99.99	99.99	100.00	99.99	Full
ALBUS FOURNIER	S.A.R.L.	320.075.195	74800	SAINT PIERRE EN FAUCIGNY	100.00	100.00	100.00	100.00	Full
ALTIBUS.COM	S.A.R.L.	440.794.371	73000	CHAMBÉRY	100.00	65.97	100.00	65.97	Full
AMV	S.A.S.	334.571.379	77400	LAGNY S/MARNE	100.00	100.00	100.00	90.15	Full
AUOCARS BONNAFOUX BREMOND	A S.A.R.L.	323.276.097	05600	RISOUL	41.50	41.50	-	-	Full
AUOCARS CHAMBON-GROS	A S.A.S.	313.242.117	92230	GÉNEVILLIERS	100.00	100.00	-	-	Full
AUOCARS DARCHE-GROS	A S.A.S.	301.272.035	77120	COULOMMIERS	100.00	100.00	-	-	Full
AUOCARS MARTIN	S.A.S.	075.920.058	73700	BOURG ST MAURICE	100.00	100.00	100.00	100.00	Full
BIÈVRE BUS MOBILITÉS	S.A.	622.006.223	91320	WISSOUS	100.00	100.00	100.00	100.00	Full
CAISSE COMMUNE	A S.A.S.	422.711.523	75011	PARIS	100.00	100.00	-	-	Full
CARS DE CHÂTEAU-THIERRY	A S.A.R.L.	327.232.518	02400	CHÂTEAU-THIERRY	100.00	100.00	-	-	Full
CARS DU PAYS DE VALOIS	A S.A.R.L.	428.827.158	60330	SILLY LE LONG	100.00	100.00	-	-	Full
C.E.A.T.	S.A.S.	335.041.745	91700	STE GENEVIÈVE DES BOIS	100.00	100.00	100.00	100.00	Full
C.T.C.	S.N.C.	341.825.230	71210	MONCHANIN	100.00	80.00	100.00	80.00	Full
CAP	S.A.S.	611.620.447	13100	AIX EN PROVENCE	100.00	100.00	100.00	100.00	Full
CARS D'ORSAY	S.A.S.	579.807.041	91462	MARCOUSSIS	100.00	100.00	100.00	100.00	Full
CHAMPAGNE MOBILITÉS	S.A.S.	423.811.595	54840	GONDREVILLE	100.00	100.00	100.00	100.00	Full
CHARTRES MOBILITÉ	S.A.S.	490.715.158	28111	LUCE	100.00	100.00	100.00	100.00	Full
CITÉBUS 2 RIVES	S.A.R.L.	324.074.954	26100	ROMANS	100.00	100.00	100.00	100.00	Full
COURRIERS DE L'AUBE	S.C.S.	335.050.233	10000	TROYES	100.00	91.47	100.00	91.47	Full
DRYADE	S.A.S.	430.406.553	69003	LYON	100.00	71.55	100.00	70.00	Full
ÉQUIVAL	S.A.S.	453.975.534	75012	PARIS	50.00	50.00	50.00	50.00	Proportionate
ESPACES	A S.A.	745.751.677	77100	MEAUX	100.00	100.00	-	-	Full
EURAILCO	S.A.S.	491.126.124	75013	PARIS	50.00	50.00	50.00	50.00	Proportionate
EUROPE AUOCARS	S.A.S.	745.550.913	77400	LAGNY S/MARNE	100.00	99.97	100.00	99.97	Full
HANDILIB	S.A.S.	489.916.890	13011	MARSEILLE	100.00	100.00	100.00	100.00	Full
INTERVAL	S.A.S.	906.250.253	77130	MONTEREAU	100.00	99.93	100.00	99.93	Full
LAON MOBILITÉ	S.A.S.	480.052.208	02000	LAON	100.00	100.00	100.00	100.00	Full
LES CARS MARIETTE	A S.A.	775.702.657	77500	CHELLES	100.00	100.00	-	-	Full
MACON BUS	S.A.S.	340.966.233	71000	MACON	100.00	100.00	100.00	100.00	Full
MONTBLANC BUS	S.A.R.L.	378.493.555	74400	CHAMONIX	100.00	74.90	100.00	74.90	Full
MOULINS MOBILITÉ	S.A.S.	490.982.691	3400	YZEURE	100.00	100.00	100.00	100.00	Full
N° 4 MOBILITÉS	S.A.	301.027.066	77540	ROZAY-EN-BRIE	100.00	96.67	100.00	90.00	Full
OPTIMUM	S.A.R.L.	418.576.203	75015	PARIS	100.00	100.00	100.00	100.00	Full
PAYS D'OC MOBILITÉS	S.A.	351.087.192	34000	MONTPELLIER	100.00	100.00	100.00	100.00	Full



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POLE IDF IMMOBILIER AND FACILITIES	S.A.S.	595.025.480	91940	LES ULIS	100.00	100.00	100.00	100.00	Full
PROGETOURS	S.A.R.L.	353.032.352	75002	PARIS	100.00	100.00	100.00	100.00	Full
RAPIDES DE BOURGOGNE	S.A.S.	315.350.199	89000	AUXERRE	100.00	100.00	100.00	100.00	Full
RAPIDES DE SAONE ET LOIRE	S.A.	339.133.936	71110	CHALON S/SAONE	100.00	100.00	100.00	100.00	Full
RAPIDES DU VAL DE LOIRE	S.A.S.	085.781.938	45000	ORLÉANS	100.00	100.00	100.00	100.00	Full
R'ORLY	S.A.S.	482.176.609	95700	ROISSY EN FRANCE	100.00	100.00	100.00	100.00	Full
S.E.G.A.R.	A S.A.R.L.	399.850.247	77100	MEAUX	100.00	100.00	-	-	Full
S.N.A.A.	S.A.S.	330.275.637	20000	AJACCIO	100.00	100.00	100.00	100.00	Full
HOTELIERE MELDOISE	A S.A.R.L.	332.414.762	77100	MEAUX	100.00	100.00	-	-	Full
S.T.B.	S.A.R.L.	408.973.154	5100	BRIANCON	100.00	51.00	100.00	51.00	Full
S.T.A.B.	S.A.	314.869.751	64100	BAYONNE	100.00	100.00	100.00	100.00	Full
S.T.A.C.	S.A.R.L.	342.311.206	71110	CHALON S/SAONE	100.00	80.00	100.00	80.00	Full
S.T.B.C.	S.A.	303.952.675	77500	CHELLES	100.00	85.02	100.00	85.02	Full
SAINT BRIEUC MOBILITES	S.A.S.U.	478.468.028	22000	ST BRIEUC	100.00	100.00	100.00	100.00	Full
SAINT QUENTIN MOBILITE	S.A.S.U.	478.468.068	2100	SAINT QUENTIN	100.00	100.00	100.00	100.00	Full
SCI 19 RUE DES SOURCES	A S.C.I.	349.914.523	77500	CHELLES	100.00	100.00	-	-	Full
SCI LA MARE MOUREUSE (formerly SCI Orsonville)	S.C.I.	492.944.996	77465	LAGNY SUR MARNE	100.00	100.00	100.00	100.00	Full
SCI LA TRENTAINE	S.C.I.	491.299.863	77465	LAGNY SUR MARNE	100.00	100.00	100.00	100.00	Full
SCI LE LUREAU	A S.C.I.	322.098.211	77120	COULOMMIERS	100.00	100.00	-	-	Full
SCI LE PRE BOUDROT	A S.C.I.	410.387.419	77370	NANGIS	49.00	49.00	-	-	Proportionate
SCI MARAIS DE BELLENE	S.C.I.	379.945.413	74330	SILLINGY	100.00	100.00	100.00	100.00	Full
SETAO	S.N.C.	442.068.599	45800	SAINT JEAN DE BRAYE	100.00	99.99	100.00	99.99	Full
SUD EST MOBILITES	S.A.S.	706.220.571	84000	AVIGNON	100.00	100.00	100.00	100.00	Full
T.C.R.A.	S.A.S.	315.230.169	84000	AVIGNON	100.00	100.00	100.00	100.00	Full
T.C.R.M.	S.A.E.M.	384.199.725	57000	METZ	39.84	39.84	39.84	39.84	Equity
T.C.VO.	S.A.R.L.	379.927.981	84100	ORANGE	100.00	51.00	100.00	51.00	Full
T.I.P.S.	S.A.S.	380.289.850	91460	MARCOUSSIS	100.00	91.00	100.00	91.00	Full
TRANSAMO	S.A.	399.663.905	92652	BOULOGNE	100.00	89.80	100.00	89.80	Full
TRANSOVOIE	S.A.	379.442.890	73000	CHAMBERY	100.00	99.50	100.00	99.50	Full
TRANSDATA	S.N.C.	419.566.450	92652	BOULOGNE	100.00	100.00	100.00	100.00	Full
TRANSDEV AEROPORT SERVICES	S.A.	389.888.470	95700	ROISSY EN FRANCE	100.00	100.00	100.00	100.00	Full
TRANSDEV ALPES	S.A.S.	350.701.800	73000	CHAMBERY	100.00	100.00	100.00	100.00	Full
TRANSDEV ALSACE	S.A.S.	487.917.528	67403	ILLKIRCH GRAFFENSTADEN	100.00	100.00	100.00	100.00	Full
TRANSDEV DAUPHINE	S.A.S.	451.304.117	38340	VOREPPE	100.00	100.00	100.00	100.00	Full
TRANSDEV EST	S.A.S.	786.150.532	21160	MARSANNAY LA COTE	100.00	100.00	100.00	100.00	Full
TRANSDEV FINANCE (formerly COFITREC)	S.N.C.	341.859.916	92652	BOULOGNE	100.00	100.00	100.00	100.00	Full
TRANSDEV FORMATION	G.I.E.	490.253.788	92445	ISSY LES MOULINEAUX	100.00	100.00	100.00	100.00	Full
TRANSDEV NORD EST	S.A.S.	485.244.198	54840	GONDREVILLE	100.00	100.00	100.00	100.00	Full
TRANSDEV OCÉAN INDIEN	S.A.S.	500.168.067	97490	STE CLOTILDE - LA RÉUNION	100.00	100.00	100.00	100.00	Full

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TRANSDEV ORLÉANS	S.N.C.	447.691.668	45800	SAINT JEAN DE BRAYE	100.00	100.00	100.00	100.00	Full
TRANSDEV PARIS EST	S.A.S.	673.650.073	92652	BOULOGNE	100.00	100.00	100.00	100.00	Full
TRANSDEV PARIS SUD	S.A.S.	378.962.211	91462	MARCOUSSIS	100.00	100.00	100.00	100.00	Full
TRANSDEV PAYS D'OR	S.A.S.	389.589.755	21060	DIJON	100.00	100.00	100.00	100.00	Full
TRANSDEV REIMS	S.A.S.	501.018.279	51000	REIMS	100.00	100.00	100.00	100.00	Full
TRANSDEV SUD	S.A.S.	782.674.329	13100	AIX EN PROVENCE	100.00	100.00	100.00	100.00	Full
TRANSDEV SUD OUEST (formerly ATCRB)	S.A.S.	347.693.756	64500	SAINT JEAN DE LUZ	100.00	100.00	100.00	100.00	Full
TRANS'L	S.A.R.L.	301.642.542	54920	VILLIERS LA MONTAGNE	100.00	99.99	100.00	99.95	Full
TRANSPART	S.N.C.	403.636.160	92652	BOULOGNE	100.00	100.00	100.00	100.00	Full
TRANSPORT BERARD	S.A.S.	077.020.675	73212	AIME	100.00	100.00	100.00	100.00	Full
TRANSPORTS MARNE ET MORIN	A S.A.S.	419.280.151	77100	MEAUX	100.00	100.00	-	-	Full
V.E.A.	S.A.S.	384.920.518	92652	BOULOGNE	100.00	100.00	100.00	84.61	Full
VIENNE MOBILITÉS	S.A.S.	501.278.410	38780	PONT-ÉVÊQUE	100.00	100.00	100.00	100.00	Full
VILLENEUVE MOBILITÉS	A S.A.	340.085.075	47300	VILLENEUVE SUR LOT	100.00	100.00	-	-	Full
VISUAL	S.N.C.	424.347.516	84200	CARPENTRAS	100.00	100.00	100.00	100.00	Full
VOYAGES CROLARD	S.A.S.	325.720.159	74600	SEYNOD	100.00	100.00	100.00	100.00	Full
VOYAGES DUNAND	S.A.R.L.	390.627.461	74330	SILLINGY	100.00	100.00	100.00	100.00	Full
VOYAGES GUICHARD	S.A.R.L.	797.280.476	74600	SEYNOD	100.00	100.00	100.00	100.00	Full

## International

### AUSTRALIA

BRISBANE FERRIES	Partnership	Australia	4171	BRISBANE	50.00	50.00	50.00	50.00	Proportionate
METROLINK VICTORIA	Pty Ltd	Australia	3000	MELBOURNE	50.00	50.00	50.00	50.00	Proportionate
TRANSDEV AUSTRALIA	Pty Ltd	Australia	3000	MELBOURNE	100.00	100.00	100.00	100.00	Full
TRANSDEV NSW	Pty Ltd	Australia	3000	MELBOURNE	50.00	50.00	50.00	50.00	Proportionate
TRANSDEV QUEENSLAND	Pty Ltd	Australia	3000	MELBOURNE	100.00	100.00	100.00	100.00	Full
TRANSDEV TSL	Pty Ltd	Australia	3000	MELBOURNE	50.00	50.00	50.00	50.00	Proportionate
TRANSDEV VICTORIA	Pty Ltd	Australia	3000	MELBOURNE	100.00	100.00	100.00	100.00	Full

### CANADA

2755 4609 QUEBEC	Inc	Canada	J7H 1N3	BOISBRIAND - QUEBEC	100.00	100.00	100.00	100.00	Full
LIMOCAR ESTRIE	Inc	Canada	J7H 1N3	BOISBRIAND - QUEBEC	100.00	100.00	100.00	100.00	Full
LIMOCAR	Inc	Canada	J7H 1N3	BOISBRIAND - QUEBEC	100.00	100.00	100.00	100.00	Full
LIMOCAR ROUSSILLON	Inc	Canada	J7H 1N3	BOISBRIAND - QUEBEC	100.00	100.00	100.00	100.00	Full
TRANSDEV CANADA	Inc	Canada	H2Y 2W8	MONTREAL - QUEBEC	100.00	100.00	100.00	100.00	Full

### GERMANY

AV	GMBH	Germany	56654	BROHL-LÜTZING	100.00	100.00	100.00	100.00	Full
AWV	GMBH & Co.KG	Germany	56654	BROHL-LÜTZING	100.00	100.00	100.00	100.00	Full
DILLS REISEN	GMBH	Germany	56305	PUDERBACH	100.00	100.00	100.00	100.00	Full
EURAILCO	GMBH	Germany	67655	KAISERSLAUTERN	50.00	50.000	50.00	50.00	Proportionate

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MVB	B	GMBH	Germany	56566	NEUWIED	100.00	90.00	51.00	51.00	Full
RMVB		GMBH	Germany	56070	KOBLENZ	50.00	50.00	50.00	50.00	Proportionate
SZ KFZ SERVICE		GMBH	Germany	56269	DIERDOF	100.00	100.00	100.00	100.00	Full
TRANSDEV SZ		GMBH & Co.KG	Germany	56564	NEUWIED	100.00	100.00	100.00	100.00	Full
TRANSREGIO		GMBH	Germany	67655	KAISERSLAUTERN	50.00	37.50	50.00	37.50	Proportionate
VLD		GMBH	Germany	65549	LIMBURG	100.00	100.00	100.00	100.00	Full
VREA		GMBH	Germany	56654	BROHL-LÜTZING	100.00	100.00	100.00	100.00	Full
VREM		GMBH	Germany	56727	MAYEN	100.00	100.00	100.00	100.00	Full
VRL		GMBH	Germany	56355	NASTÄTTEN	100.00	100.00	100.00	100.00	Full
VRW		GMBH	Germany	56305	PUDERBACH	100.00	100.00	100.00	100.00	Full
<b>ITALY</b>										
ADDA TRASPORTI	D	S.C.A.R.L.	Italy	20138	MILAN	-	-	40.00	35.60	-
AGI (Auto Guidovie Italiane)	D	S.P.A.	Italy	20138	MILAN	-	-	40.00	40.00	-
ALA MOBILITA	D	S.R.L.	Italy	20138	MILAN	-	-	40.00	30.80	-
ALA VIAGGI	D	S.R.L.	Italy	20138	MILAN	-	-	40.00	40.00	-
AMT		S.P.A.	Italy	16137	GENOA	41.00	41.00	41.00	41.00	Proportionate
BETA VIAGGI	D	S.R.L.	Italy	20138	MILAN	-	-	40.00	40.00	-
CREMA MOBILITA'	D	S.P.A.	Italy	20138	MILAN	-	-	40.00	25.60	-
DOLOMITI BUS		S.P.A.	Italy	32100	BELLUNO	39.50	39.50	40.00	15.80	Proportionate
GIROBUS VIAGGI	D	S.R.L.	Italy	20138	MILAN	-	-	40.00	40.00	-
TAG		S.R.L.	Italy	20138	MILAN	100.00	100.00	100.00	97.00	Full
TRANSDEV ITALIA		S.R.L.	Italy	20123	MILAN	100.00	100.00	100.00	100.00	Full
<b>NETHERLANDS</b>										
AMBULANCEDIENST KENNEMERLAND		BV	Netherlands	1823 DL	IJSSELMUIDEN	100.00	50.00	100.00	50.00	Full
AMBULANCEZORG NOORD OOSTGELDERLAND	A	BV	Netherlands	7200 AA	ZUTPHEN	100.00	50.00	-	-	Full
BESLOTEN VERVOER UTRECHT		BV	Netherlands	3511 CK	UTRECHT	100.00	50.00	100.00	50.00	Full
CARMAR SCHADEHERSTEL		BV	Netherlands	3225 LL	WADINXVEEN	100.00	50.00	100.00	50.00	Full
CITAX		BV	Netherlands	6001 GT	WEERT	100.00	50.00	100.00	50.00	Full
CONNEXION AMBULANCEDIENSTEN		BV	Netherlands	1823 DL	IJSSELMUIDEN	100.00	50.00	100.00	50.00	Full
CONNEXION FACILITAIR BEDRIJF		BV	Netherlands	1213 PK	HILVERSUM	100.00	50.00	100.00	50.00	Full
CONNEXION FINANCE		BV	Netherlands	1213 PK	HILVERSUM	100.00	50.00	100.00	50.00	Full
CONNEXION HOLDING		NV	Netherlands	1213 PK	HILVERSUM	100.00	50.00	100.00	50.00	Full
CONNEXION INTERNATIONAL		NV	Netherlands	1213 PK	HILVERSUM	100.00	50.00	100.00	50.00	Full
CONNEXION NEDERLAND		NV	Netherlands	1213 VB	HILVERSUM	100.00	50.00	100.00	50.00	Full
CONNEXION OPENBAARVERVOER (PT)		NV	Netherlands	1213 VB	HILVERSUM	100.00	50.00	100.00	50.00	Full
CONNEXION PARTICIPATIES		BV	Netherlands	1213 PK	HILVERSUM	100.00	50.00	100.00	50.00	Full
CONNEXION PERSONENVERVOER		BV	Netherlands	6541 TW	NIJMEGEN	100.00	50.00	100.00	50.00	Full
CONNEXION TAXI SERVICES		BV	Netherlands	8271 ES	IJSSELMUIDEN	100.00	50.00	100.00	50.00	Full

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CONNEXION TOURS	BV	Netherlands	8271 ES	IJSSELMUIDEN	100.00	50.00	100.00	50.00	Full	
CONNEXION VASTGOED	BV	Netherlands	1213 PK	HILVERSUM	100.00	50.00	100.00	50.00	Full	
CONNEXION VLOOT	BV	Netherlands	1213 PK	HILVERSUM	100.00	50.00	100.00	50.00	Full	
CV ACTVA WEERT	CV	Netherlands	6001 GT	WEERT	99.00	49.50	99.00	49.50	Full	
DELFTLAND BEDRIJFSDIENSTEN	BV	Netherlands	2517 HN	DEN HAAG	100.00	50.00	100.00	50.00	Full	
FUTURE TECHNOLOGY NEDERLAND	BV	Netherlands	1213 PK	IJSSELMUIDEN	100.00	50.00	100.00	50.00	Full	
GEBR. ZOET AMBULANCE	A	BV	Netherlands	8081 PX	ELBURG	100.00	50.00	-	-	Full
GVU	NV	Netherlands	3511 CK	UTRECHT	100.00	50.00	100.00	50.00	Full	
HERMES GROEP	NV	Netherlands	6001 GT	WEERT	100.00	50.00	100.00	50.00	Full	
HERMES OPENBAAR VERVOER	BV	Netherlands	6001 GT	WEERT	100.00	50.00	100.00	50.00	Full	
HERMES ROL- EN VASTGOED	BV	Netherlands	6001 GT	WEERT	100.00	50.00	100.00	50.00	Full	
LIMLINK	BV	Netherlands	6222 NL	MAASTRICHT	100.00	50.00	100.00	50.00	Full	
MOBINET UTRECHT	BV	Netherlands	8271 ES	YSSELMUIDEM	100.00	50.00	100.00	50.00	Full	
NEDERLANDSE BUURTBUSVERVOER MAATSCHAPPIJ	NV	Netherlands	3705 LZ	ZEIST	100.00	50.00	100.00	50.00	Full	
NEDERLANDSE SAMENWERKENDE TAXIBEDRIJVEN	BV	Netherlands	8271 ES	IJSSELMUIDEN	100.00	50.00	100.00	50.00	Full	
NOVIO	NV	Netherlands	6500 TW	NIJMEGEN	100.00	50.00	100.00	50.00	Full	
NOVIO EXPRESS	BV	Netherlands	6500 TW	NIJMEGEN	100.00	50.00	100.00	50.00	Full	
NOVIO NET	BV	Netherlands	6500 TW	NIJMEGEN	100.00	50.00	100.00	50.00	Full	
NOVIO STEBO	BV	Netherlands	6833 KA	ARNHEM	100.00	50.00	100.00	50.00	Full	
NOVIO TECHNIEK	BV	Netherlands	6500 TW	NIJMEGEN	100.00	50.00	100.00	50.00	Full	
P.G.W. JANSEN HOLDING	BV	Netherlands	2517 HN	DEN HAAG	100.00	50.00	100.00	50.00	Full	
REDERIJ NACO	BV	Netherlands	1011 AA	HELLEVOETSTUIS	100.00	50.00	100.00	50.00	Full	
REISINFORAMTIEGROEP	BV	Netherlands	3511 DT	UTRECHT	32.80	16.40	32.80	16.40	Equity	
ROLINE	BV	Netherlands	3411 MG	LOPIK	100.00	50.00	100.00	50.00	Full	
SCHIPHOL TRAVEL TAXI	BV	Netherlands	8271 ES	IJSSELMUIDEN	50.00	25.00	50.00	25.00	Equity	
SPEEDWELL REISBUREAUX	BV	Netherlands	2517 HN	DEN HAAG	100.00	50.00	100.00	50.00	Full	
TAXI HARDERWIJK	BV	Netherlands	3851 SE	ERMELO	100.00	50.00	100.00	50.00	Full	
TBC HOLDING	BV	Netherlands	2514 AA	DEN HAAG	100.00	75.00	100.00	75.00	Full	
TECHNO SERVICE NEDERLAND	NV	Netherlands	2741 GC	WADDINXWEEN	100.00	50.00	100.00	50.00	Full	
TRANS LINK SYSTEMS	D	BV	Netherlands	3818 LE	AMERSFOORT	-	-	20.00	10.00	-
TSN DEUTSCHLAND	GmbH	Germany	46238	BOTROP	100.00	50.00	100.00	50.00	Full	
WATERBUS	BV	Netherlands	3311 TH	DORDRECHT	65.50	32.75	65.50	32.75	Full	
WIO OPLEIDINGEN EN TRAININGEN	BV	Netherlands	2741 GC	WADINXVEEN	100.00	50.00	100.00	50.00	Full	
<b>PORTUGAL</b>										
ALPENDURADA, VIAGENS E TURISMO	A	Lda	Portugal	4000-053	PORTO	50.00	50.00	-	-	Proportionate
ANTONIO DA CRUZ E JOAO DIAS NEVES	A	Lda	Portugal	3830-003	ILHAVO	50.00	50.00	-	-	Proportionate
ASDOURO - TRANSPORTES RODAVIARIOS DO DOURO	A	S.A.	Portugal	4640-137	BAIAO	50.00	50.00	-	-	Proportionate
AUTO MONDINENSE	A	S.A.	Portugal	4810-286	GUIMARAES	50.00	50.00	-	-	Proportionate

Company	Legal form	Registration number	Post code	Headquarters	2008		2007		Consolidation method	
					% control	% interest	% control	% interest		
AUTO VIACA AVEIRENSE	A	S.A.	Portugal	3810-085	AVEIRO	50.00	50.00	-	-	Proportionate
AUTO VIACA ALMEIDA E FILHOS	A	S.A.	Portugal	4000-053	PORTO	50.00	50.00	-	-	Proportionate
CAIMA	B	S.A.	Portugal	3721-909	AVEIRO	50.00	50.00	100.00	100.00	Proportionate
CALCADA	B	Lda	Portugal	4540-202	AROUCA	50.00	50.00	100.00	100.00	Proportionate
CHARLINE	B	Lda	Portugal	3721-909	AVEIRO	50.00	50.00	100.00	100.00	Proportionate
MINHOS BUS (formerly DOMINGOS)	B	Lda	Portugal	4704-510	BRAGA	50.00	50.00	100.00	100.00	Proportionate
EMPRESA AUTOMOBILISTICA DE VIACAO E TURISMO	A	Lda	Portugal	5100-048	LAMEGO	50.00	50.00	-	-	Proportionate
EMPRESA DE VIACAO BEIRA DOURO	A	Lda	Portugal	3510-043	VEISEU	50.00	50.00	-	-	Proportionate
EMRESA DE TRANSMORTES ANTONIO CUNHA	A	S.A.	Portugal	3000-029	COIMBRA	50.00	50.00	-	-	Proportionate
HOLDING JOALTO TRANSDEV SGPS	A	S.A.	Portugal	1070-067	LISBON	50.00	50.00	-	-	Proportionate
JOALGEST. PRESTACAO E SERVICOS. GESTAO E PARTICIPACOES	A	S.A.	Portugal	6300-832	GUARDA	50.00	50.00	-	-	Proportionate
JOALTO PARTICIPACOES SGPS	A	S.A.	Portugal	1070-067	LISBON	50.00	50.00	-	-	Proportionate
JOALTO, RODOVIARIA DAS BEIRAS	A	S.A.	Portugal	6300-832	GUARDA	50.00	50.00	-	-	Proportionate
JOAQUIM GUEDES, FILHO E GENROS	A	S.A.	Portugal	3600-203	CASTRO DAIRE	50.00	50.00	-	-	Proportionate
JOSE RODRIGUES FONTES E LOURENCO SILVA GRANJA	A	Lda	Portugal	4000-053	PORTO	50.00	50.00	-	-	Proportionate
JOSE VIEIRA PINTO, MENDES, PAIVA E CORREIA	A	S.A.	Portugal	4000-053	PORTO	50.00	50.00	-	-	Proportionate
RODOVIARIA DA BEIRA INTERIOR	A	S.A.	Portugal	99-6000	CASTELO BRANCO	50.00	50.00	-	-	Proportionate
RODOVIARIA DA BEIRA LITORAL	B	S.A.	Portugal	3001-964	COIMBRA	50.00	50.00	100.00	94.48	Proportionate
RODOVIARIA D'ENTRE DOURO E MINHO	B	S.A.	Portugal	4704-510	BRAGA	50.00	50.00	100.00	96.65	Proportionate
S2M		S.A.	Portugal	4460-020	MATOSINHOS	100.00	60.00	100.00	60.00	Full
SOARES OLIVEIRA	A	S.A.	Portugal	4000-053	PORTO	50.00	50.00	-	-	Proportionate
SOCIEDADE DE TRANSPORTES DO CARAMULO	B	Lda	Portugal	3001-964	COIMBRA	50.00	50.00	100.00	94.48	Proportionate
TRANSCOVILHA – EMPRESA DE TRANSPORTES URBANOS DA COVILHA	A	Lda	Portugal	6200-053	COVILHA	50.00	50.00	-	-	Proportionate
TRANSCOVIZELA, TRANSPORTES PUBLICOS	A	S.A.	Portugal	4810-286	GUIMARAES	50.00	50.00	-	-	Proportionate
TRANSDEV MOBILIDADE		S.A.	Portugal	4450-013	MATOSINHOS	100.00	100.00	100.00	100.00	Full
TRANSDEV PARTICIPACOES SGPS		Lda	Portugal	4450-013	MATOSINHOS	100.00	100.00	100.00	100.00	Full
TRANSDEV PORTUGAL TRANSPORTES		Lda	Portugal	4460-020	MATOSINHOS	100.00	100.00	100.00	100.00	Full
UNIDADE MECANICA JOALTO	A	Lda	Portugal	6300-832	GUARDA	50.00	50.00	-	-	Proportionate
VIUVA CARNEIRO E FILHOS	A	Lda	Portugal	6430-187	MEDA	50.00	50.00	-	-	Proportionate
<b>SPAIN</b>										
TENEMETRO		SL	Spain	38108	SANTA CRUZ DE TENERIFE	100.00	60.00	100.00	60.00	Full
TRANSDEV ESPANA		SL	Spain	28002	MADRID	100.00	100.00	100.00	100.00	Full
<b>UNITED KINGDOM</b>										
BLACKBURN BOROUGH TRANSPORT		Ltd	United Kingdom	BB1 3JD	BLACKBURN	100.00	100.00	100.00	100.00	Full
BLACKBURN WITH DARWEN TRANSPORT		Ltd	United Kingdom	BB1 3JD	BLACKBURN	100.00	100.00	100.00	100.00	Full



Company	Legal form	Registration number	Post code	Headquarters	2008		2007		Consolidation method	
					% control	% interest	% control	% interest		
BLAZEFIELD BUSES	Ltd	United Kingdom	HG2 7NY	HARROGATE	100.00	100.00	100.00	100.00	Full	
BLAZEFIELD HOLDINGS	Ltd	United Kingdom	HG2 7NY	HARROGATE	100.00	100.00	100.00	100.00	Full	
BLAZEFIELD INVESTMENTS	Ltd	United Kingdom	HG2 7NY	HARROGATE	100.00	100.00	100.00	100.00	Full	
BLAZEFIELD TRAVEL GROUP	Ltd	United Kingdom	HG2 7NY	HARROGATE	100.00	100.00	100.00	100.00	Full	
BOURNEMOUTH TRANSPORT	Ltd	United Kingdom	BH23 8BJ	BOURNEMOUTH	100.00	100.00	100.00	100.00	Full	
BURNLEY & PENDLE TRAVEL	Ltd	United Kingdom	HG2 7NY	HARROGATE	100.00	100.00	100.00	100.00	Full	
BURNLEY AND PENDLE TRANSPORT COMPANY	Ltd	United Kingdom	HG2 7NY	HARROGATE	100.00	100.00	100.00	100.00	Full	
EURAILCO UK	Plc	United Kingdom	W4 1SY	LONDON	50.00	50.00	50.00	50.00	Proportionate	
HARROGATE & DISTRICT TRAVEL	Ltd	United Kingdom	HG2 7NY	HARROGATE	100.00	100.00	100.00	100.00	Full	
HEATHROW COACH SERVICES	Ltd	United Kingdom	HG2 7NY	HARROGATE	100.00	100.00	100.00	100.00	Full	
KEIGHLEY & DISTRICT TRAVEL	Ltd	United Kingdom	BD21 2JX	KEIGHLEY	100.00	100.00	100.00	100.00	Full	
LANCASHIRE COUNTY TRANSPORT	Ltd	United Kingdom	HG2 7NY	HARROGATE	100.00	100.00	100.00	100.00	Full	
LANCASHIRE UNITED	Ltd	United Kingdom	HG2 7NY	HARROGATE	100.00	100.00	100.00	100.00	Full	
LONDON UNITED	Ltd	United Kingdom	TW2 5NX	TWICKENHAM	100.00	100.00	100.00	100.00	Full	
LONDON UNITED BUSWAYS	Ltd	United Kingdom	TW2 5NX	TWICKENHAM	100.00	100.00	100.00	100.00	Full	
NOTTINGHAM TRAM CONSORTIUM	JV	United Kingdom	NG1 GG	NOTTINGHAM	50.00	50.00	50.00	50.00	Proportionate	
LONDON SOVEREIGN	Ltd	United Kingdom	TW2 5NX	TWICKENHAM	100.00	100.00	100.00	100.00	Full	
RATP PROJECT UK	A	Ltd	United Kingdom	W4 1SY	LONDON	50.00	50.00	-	-	Proportionate
SOVEREIGN BUS & COACH COMPANY Ltd	Ltd	United Kingdom	HG2 7NY	HARROGATE	100.00	100.00	100.00	100.00	Full	
STANWELL BUSES	Ltd	United Kingdom	TW2 5NX	TWICKENHAM	100.00	100.00	100.00	100.00	Full	
TRANSDEV CLAIMS INVESTIGATIONS (formerly Bus & Coach Claims Investigation)	Ltd	United Kingdom	HG2 7NY	HARROGATE	100.00	100.00	100.00	100.00	Full	
TRANSDEV EDINBURGH TRAM	Ltd	United Kingdom	EH12 5BH	EDINBURGH	100.00	100.00	100.00	100.00	Full	
TRANSDEV PLC	Plc	United Kingdom	W1X 6NX	LONDON	100.00	100.00	100.00	100.00	Full	
TRANSDEV TRAM UK	Ltd	United Kingdom	W1X 6NX	LONDON	100.00	100.00	100.00	100.00	Full	
TRANSDEV YORK	A	Ltd	United Kingdom	HG2 7NY	HARROGATE	100.00	100.00	-	-	Full
TRAVELSPEED Ltd	Ltd	United Kingdom	HG2 7NY	HARROGATE	100.00	100.00	100.00	100.00	Full	
WELWYN & HATFIELD LINE BUS COMPANY	Ltd	United Kingdom	HG2 7NY	HARROGATE	100.00	100.00	100.00	100.00	Full	
YORKSHIRE COASTLINER	Ltd	United Kingdom	HG2 7NY	HARROGATE	100.00	100.00	100.00	100.00	Full	

A: Consolidated for the first time

D: Deconsolidated

B: Change in consolidation method

# 3. STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2008

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"This is a free translation into English of the statutory auditors' report issued in French and is provided solely for the convenience of English speaking users. The statutory auditors' report includes information specifically required by French law in such reports, whether modified or not. This information is presented below the opinion on the consolidated financial statements and includes an explanatory paragraph discussing the auditors' assessments of certain significant accounting and auditing matters. These assessments were considered for the purpose of issuing an audit opinion on the consolidated financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the consolidated financial statements.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France."

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Meeting, we hereby report to you, for the year ended December 31, 2008 on:

- \_ the audit of the accompanying consolidated financial statements of Transdev S.A.;
- \_ the justification of our assessments;
- \_ the specific verification required by law.

These consolidated financial statements have been approved by the Board of Directors. Our role is to express an opinion on these consolidated financial statements based on our audit.

## **I - OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS**

We conducted our audit in accordance with the professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. An audit involves performing procedures, on a test basis or by selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and

of the financial position of the Group as at December 31, 2008 and of the results of its operations for the year then ended in accordance with IFRS as adopted by the European Union.

## **II - JUSTIFICATION OF OUR ASSESSMENTS**

The accounting estimates used to prepare the consolidated financial statements for the year ended December 31, 2008 have been made in the contexts of extreme market volatility which has made it difficult to assess the economic outlook. Within this context and in accordance with the requirements of article L.823-9 of the French Commercial Code (*Code de Commerce*), we draw your attention to the following matters:

### **• Impairment tests**

At each year-end, the Company performs impairment tests on goodwill and assets with an indefinite useful life and assesses whether there is any indication that the value of non-current assets may be impaired, using the method described in Note 2.6.2 to the consolidated financial statements. We verified the impairment testing method used and the underlying cash flows and assumptions, and checked that the disclosures in Notes 2.6.2 and 2.11 to the consolidated financial statements are appropriate.

### **• Acquisition of Connexion**

As explained in Note 2.6.3 to the consolidated financial statements, the fair values of the identifiable assets, liabilities and contingent liabilities acquired as part of the October 12, 2007 business combination with Connexion were determined on a provisional basis at

December 31, 2007. In 2008 we verified the Company's allocation of the final fair values.

These assessments were made in the context of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

### III - SPECIFIC VERIFICATION

As required by law, we have also verified the information given in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Courbevoie and Neuilly-sur-Seine, March 24 2009,

The Statutory Auditors

**PricewaterhouseCoopers Audit**

Bruno Tesnière

**Mazars**

Philippe Bouillet  
Jean-Paul Stévenard

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