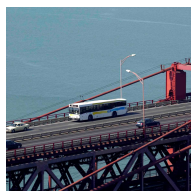
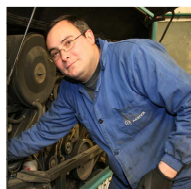


in brief

October 2010

Arriva is the third largest bus operator in Portugal, running bus services in the north and to the south of Lisbon.

It also has a stake in the largest bus and rail operator in Portugal, Barraqueiro.



History

Arriva entered the Portuguese bus market in 2000 when it acquired AMI Transportes, Joao Carlos Soares and Abilio da Costa Moreira, three family-owned companies running inter-urban services in the north west of Portugal.

In addition Arriva became majority share holder in TUG (Transporte Urbano Guimaraes), and shareholders of TUF (Transportes Urbanos Familiaes) and TUST (Transporte Urbano Santo Tirso).

In June 2002 it acquired 51 per cent of Transportes Sul do Tejo (TST) from the Barraqueiro Group (Barraqueiro) and exercised its option to purchase the remaining 49 per cent in September 2003.

In 2006, Arriva acquired a stake in Barraqueiro, increasing its stake in 2008.

The market

The **bus market** in Portugal operates as a commercial market under licence, providing 10-30 year concessions with exclusive rights. There is no competitive tendering. Municipalities are responsible for allocating routes by awarding licences to independent operators, or by delivering services directly. Fare increases are set by the government.

The **rail market** is yet to liberalise. There has only been one instance of a concession awarded to a private operating company to date, to Barraqueiro (which is 31.5 per cent owned by Arriva).

Bus

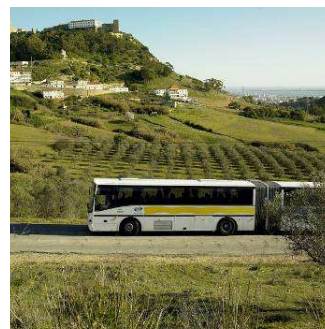
Arriva Portugal – Transportes LDA

In the north of the country, around Oporto, Arriva's Transportes LDA, runs urban and inter-urban bus services.



Transportes Sul do Tejo (TST)

TST is a major operator of scheduled bus and coach services in the growing commuter region to the south of Lisbon, an area of some 600 square miles. It also operates schools and commercial business contracts in the region.



In 2006, Arriva acquired 21.5 per cent of Barraqueiro, the leading Portuguese public transport operator. Barraqueiro runs urban, inter-urban and long-distance bus services, and is the only private company to hold a rail concession. Arriva acquired a further 10 per cent interest, increasing its stake to 31.5 per cent, in 2008.

Barraqueiro also has a 34 per cent investment in the Metro Sul do Tejo tram operation, to the south of Lisbon.

In 2010, as part of a consortium in which we have an effective economic stake of 35 per cent, Arriva began a five year contract to operate and maintain the Metro do Porto, the city of Porto's tram network.

Arriva in Portugal

Arriva's combined businesses in Portugal, including share of associates, operate 1,550 buses and employ 3,100 people. Through Barraqueiro we also have an interest in six train sets and 24 trams.

Related website (in Portuguese and English):

www.tsuldotejo.pt

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