



Bus

## Bus

Liberalisation stage: yet to liberalise

- Entered bus market in 2008
- 410 buses
- 950 employees

### Our position

Arriva is the largest private sector bus operator in Hungary as part of a joint venture, VT-Arriva. The market is highly fragmented. Arriva's market share in Budapest is around 18 per cent.

### The market

Contracts with exclusive rights may only be awarded to an operator selected by a tendering procedure. However, the Volan companies, the 24 state-owned regional operators, dominate the market. There are also six municipal operators.

The General Assembly of the Municipality of Budapest appointed the Centre for Budapest Transport in 2010 to introduce a fully-integrated, co-ordinated approach to public transport in the capital, covering infrastructure and integrated transport services.




The national government is responsible for regional public transport, covering suburban and inter-city operations. Services are provided by the Volan companies under contracts which extend until 2016.

Municipalities are responsible for local public transport. Contracts are typically gross cost or cost-plus, and are generally entered into once a year, although this can be longer in some areas.

## Successes

- Arriva, alongside partner Videoton, was awarded two eight-year contracts to operate 150 buses across Budapest. The contracts, from mid-2013, brought an additional 500 employees into the company.
- As part of the contracts passengers are benefiting from an investment in excess of €40 million in 150 new Mercedes Citaro buses, consisting of 12 metre and articulated vehicles. All vehicles feature passenger information systems, air conditioning and infotainment.
- Arriva has developed a strong working relationship with the Budapest city operator, successfully providing sub-contracted services and responding rapidly to changing fleet requirements.

### Key dates

|   |             |   |
|---|-------------|---|
|  | <b>2012</b> | Awarded two eight-year urban bus contracts in Budapest                  |
|  | <b>2009</b> | Acquired remaining 20 per cent of Eurobus                               |
|  | <b>2008</b> | Acquired 80 per cent of Eurobus, a bus operator in Hungary and Slovakia |

## Rail

Liberalisation stage: yet to liberalise

### The market

There is no competitive tendering in the Hungarian rail market as yet. Rail is the responsibility of the national government and is funded by the state.



Bus

## Bus

Liberalisation stage: mid-liberalisation

- Entered bus market in 2008
- 815 buses
- 1,530 employees

### Our position

Arriva is the largest private sector bus operator in Slovakia, with a 60 per cent interest in three of the former Slovak Bus Service operators (SADs).

These are Arriva Nové Zámky and Arriva Nitra in the south west and Arriva Michalovce in the east. Arriva has an established presence in the Nitra region in the south west of the country and city of Nitra, where the core business is scheduled bus services.

### The market

Competitive tendering is underway in this market, with tendering expected to emerge in 2015. Less than 5 per cent of the market has been competitively tendered to date.

The regions are responsible for public transport provision and funding.

Contracts are either cost-plus or gross cost and between one and 10 years in length, with exclusive rights.

The competitive landscape is dominated by 17 SADs, which operate in different regions. All SADs are partially privatised, with public stakes, typically of 40 per cent. There are also five municipal/city-owned operators.

## Successes

- Introduction of the Arriva Express brand to the Slovakian market comprising the Arriva Nové Zámky and Arriva Michalovce long distance domestic and international bus lines.
- Arriva has developed strong relationships with client bodies and has successfully secured contract extensions of up to 10 years. Arriva has a high retention rate of urban contracts achieved throughout the country.

### Key dates

|   |             |   |
|---|-------------|---|
|  | <b>2013</b> | Acquired Veolia Transport Central Europe's bus operations in the Nitra region |
|  | <b>2009</b> | Acquired remaining 20 per cent of Eurobus                                     |
|  | <b>2008</b> | Acquired 80 per cent of Eurobus, a bus operator in Hungary and Slovakia       |

## Rail

Liberalisation stage: yet to liberalise

### The market

Tendering opportunities are expected to arise in future years in regional rail. The central government is responsible for rail provision and funding. Passenger rail services are mainly provided by state-owned Slovak Railway and partly by a private company on the Bratislava-Dunajská Streda-Komárno line.