



GRUPO
CONTINENTAL-AUTO

Transport Services

Mr. Agustín Batuecas

Investor's day - October 4th, 2005

Introduction

Characteristics of the business

Activities

Resources

Organisation

Key financial figures

Future forecasts

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Concession System: Regulated by the Land Transport Law, (LOTT 1987, ROTT Ruling 1990 and Regional Orders)

- Single operator: Public services, allows provision of low traffic line services
- Reduces cost to state treasury of transport system
- More efficient costs per kilometre
- Good coverage and flexibility compared to other modes of transport
- Unique system at the EU level, declared exemplary by the European Commission

> 250,000 Km of concessions connecting 8,000 municipalities

1,452 concessions: 8% state owned, 92% regional authority owned

Importance of new intermodal infrastructure

A consolidated corporate image

1920's: A sector of private and family businesses

1924: Foundation and 1st Regular passenger road transport concession

From 1929: Distributor for "CAMPSA" and currently for "REPSOL"

Late 90's: Company concentration and entrance into the sector of construction companies

1999: ACS acquires 100% of Continental Auto, 100% of Autobuses Madrid Granada, 50% of ANSA and 50% of Galiano Continental

2000: VIAS Y CONSTRUCCIONES, S.A. and CONTINENTAL AUTO, S.L. found CONTINENTAL RAIL, S.A. Concession to operate Avda de América interchange station

2003: CONTINENTAL RAIL, S.A. and RENFE found CONSTRURAIL. Acquisition of Sociudades Autobuses García, S.L., Hijos de Simón Maestra García, S.A., Autedia, and Empresa Navarro, S.L.

2005: Commissioned to operate the Vélez – Málaga tram. Partner in the concessionary consortium for Príncipe Pío and Plaza de Castilla interchange stations

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End of concessions periods

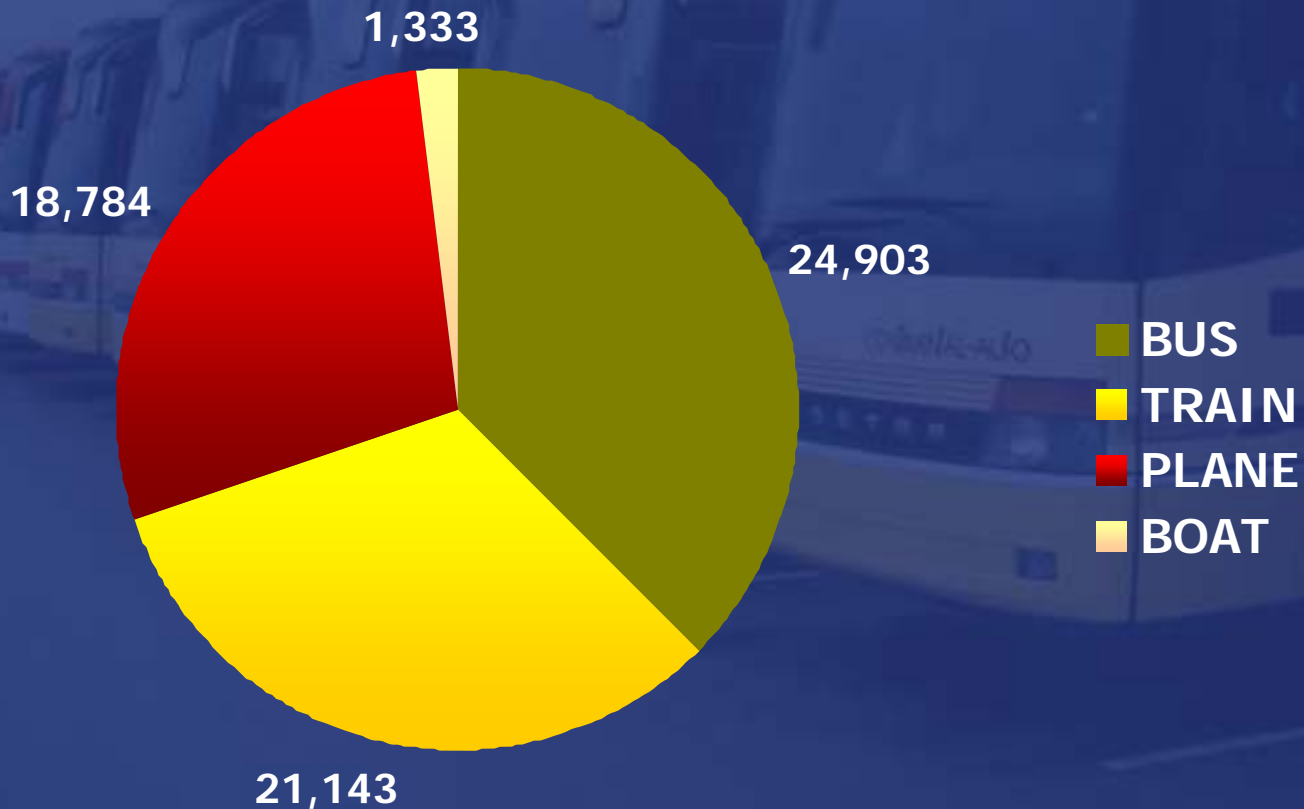
- State concessions end as of 2012
- Regional Authority concessions: between 2008 and 2028

At the State level: Tariff increases are linked to CPI through a polynomial formula and there are new plans to invite tenders

Regional Authority trends: extension of concessions in exchange for innovations and quality promotion

- The sector employs around 56,000 workers and 37,000 buses
- Total turnover is close to € 3,000 mn, of which regular interurban transport represents approximately € 979 mn (€ 347 mn correspond to State concessions and € 632 mn to Regional Authority concessions). (Civil Works Ministry)
- Urban transport, with a turnover of € 970 mn, is currently undergoing gradual privatisation

Number of passengers
(Domestic traffic in 2003 by transport modes)
in millions p/km (CW Ministry)



Public services with constant and growing demand

- Mobility expected to increase according to the EU
- Immigration has a significant influence on demand (substitution effect)
- Competitive in service quality and price against other modes of transport
 - Lower operating costs
 - Accessibility to passengers
- Mature long haul market and constant increase in passenger numbers in metropolitan and commuter areas

Predictable margins

Resource generation capacity

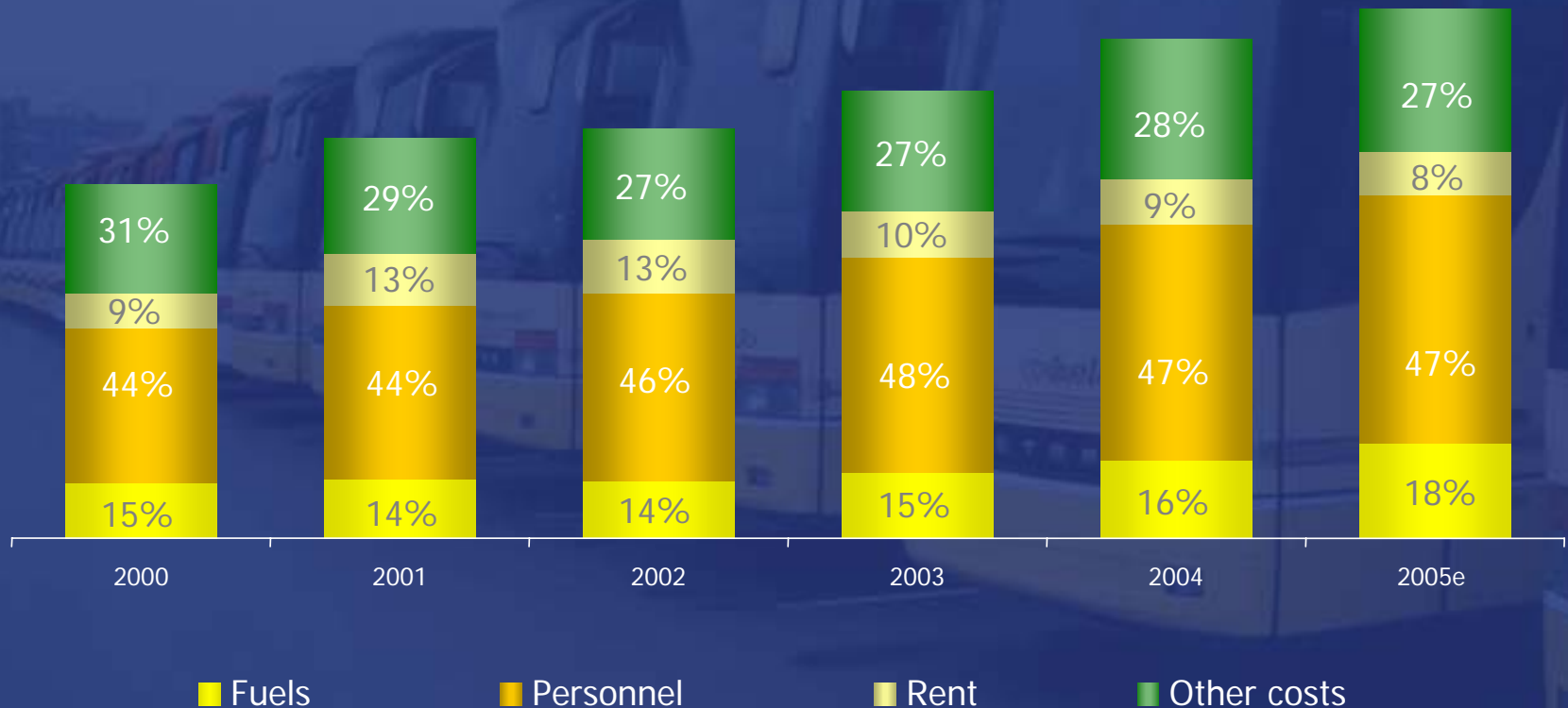
Most important costs

- Personnel: 42%-49% of total
- Fuel: 14%-20% of total

Impact of increasing fuel costs

Continuity of operators for decades

Performance of Continental's costs and structure



Continental's position in the sector

Global terrestrial transport operator: Intermodal transport and new infrastructure

The corporate image of its companies are very well established in their respective territories

- Focus on quality
- Passenger service policy: In 2004: 0.56 complaints/ 10,000 passengers

Positioning in Interchange and regular Stations

Material renovation generates recurrent extraordinary profits

Gross profit from 2nd hand vehicle sales

(€ Mn)



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Passenger transport

Goods transport

Rail transport

Interchange and regular and bus stations

Repair shops and sales

Transport services

Passenger transport

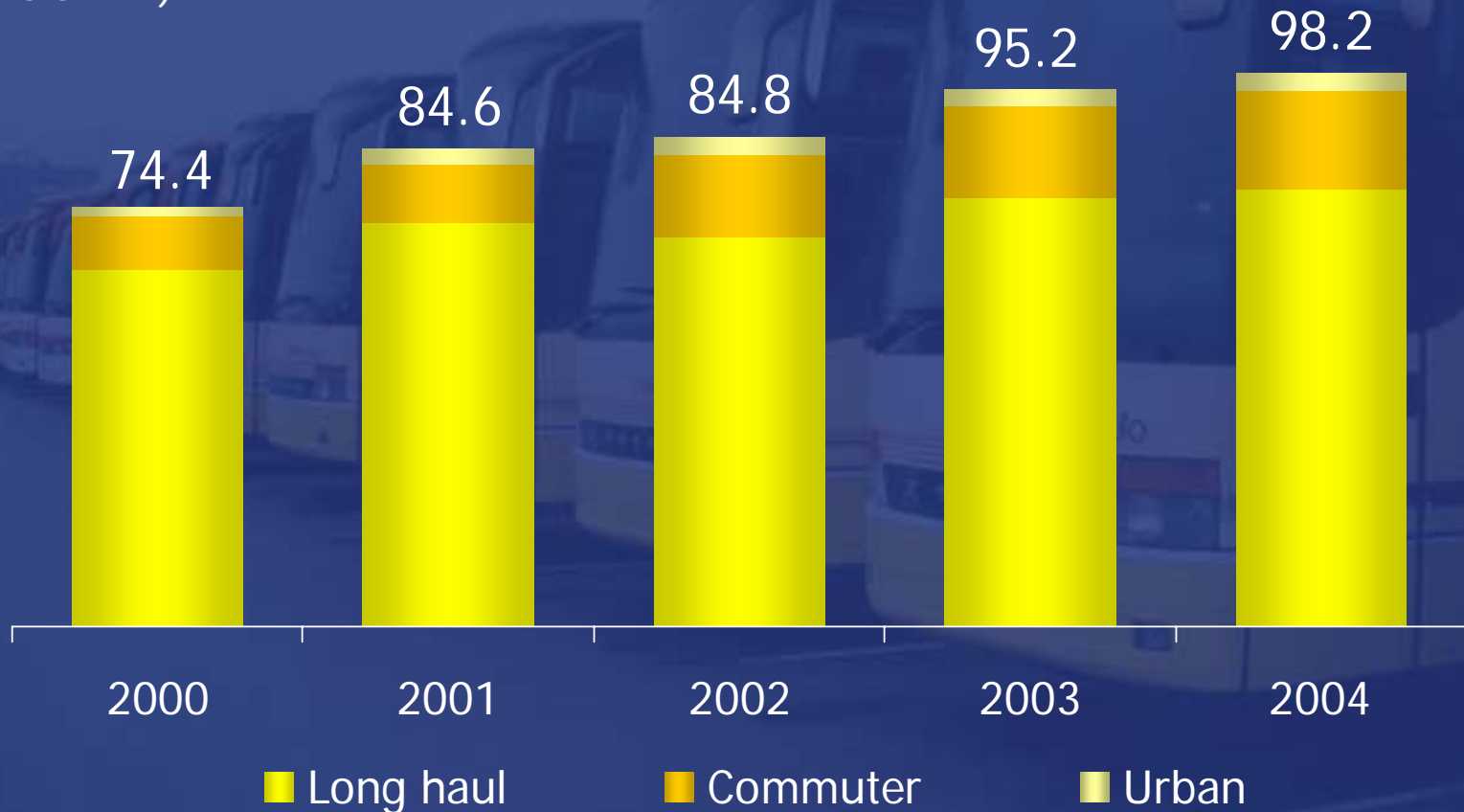
Regular lines and special regular school and factory services

- Companies with a long tradition in the sector
- Management of 60 administrative concessions
- Services in 11 regional authorities, 26 provincial capitals and 2,600 towns



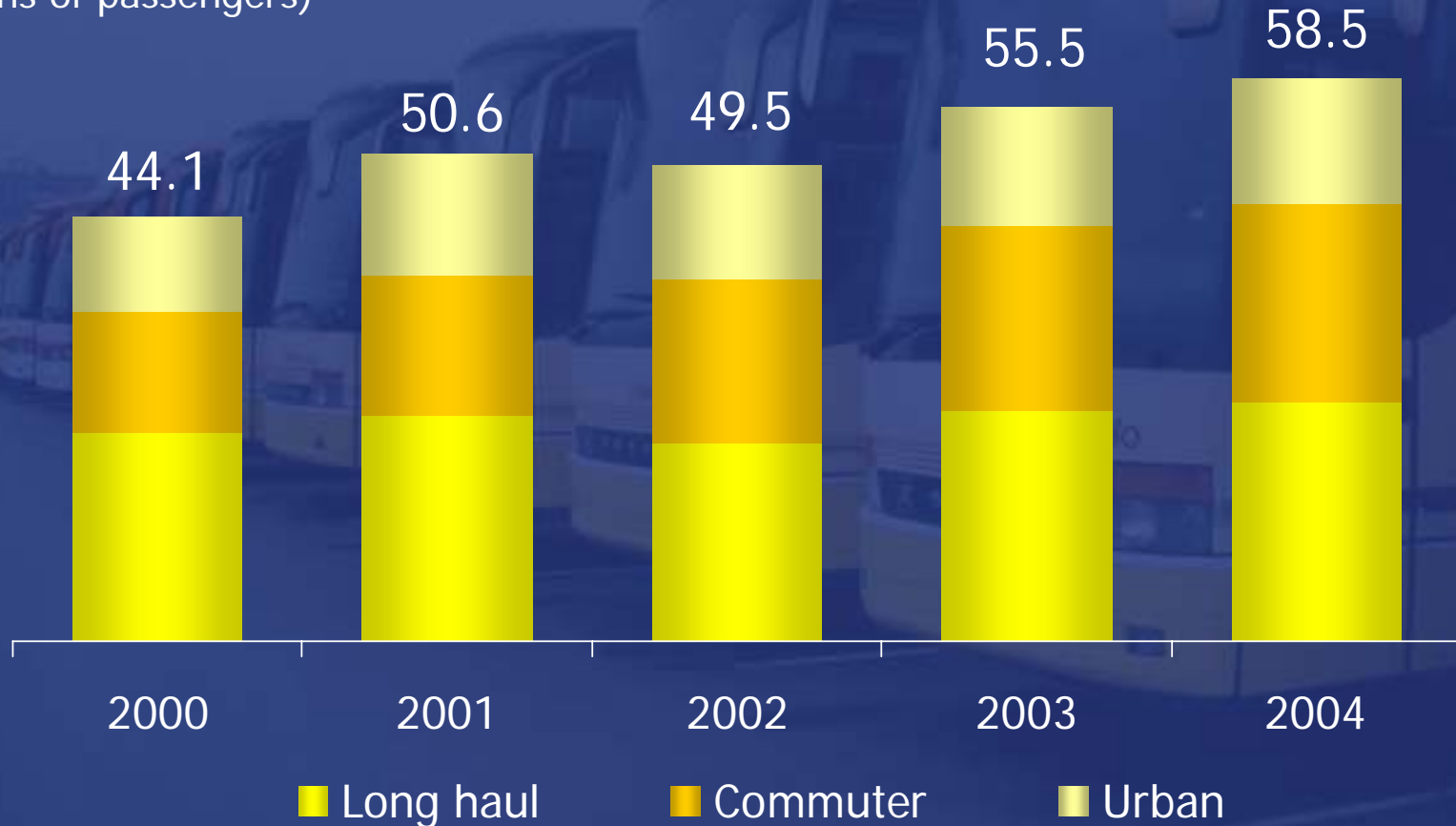
Kilometres travelled

(Millions of Km)

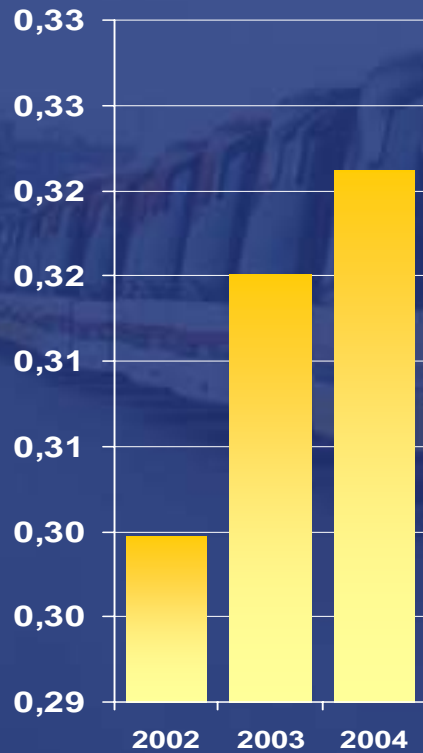


Passengers transported

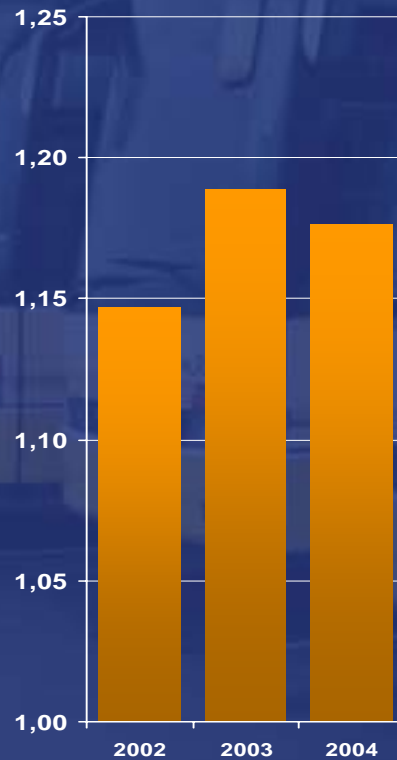
(Millions of passengers)



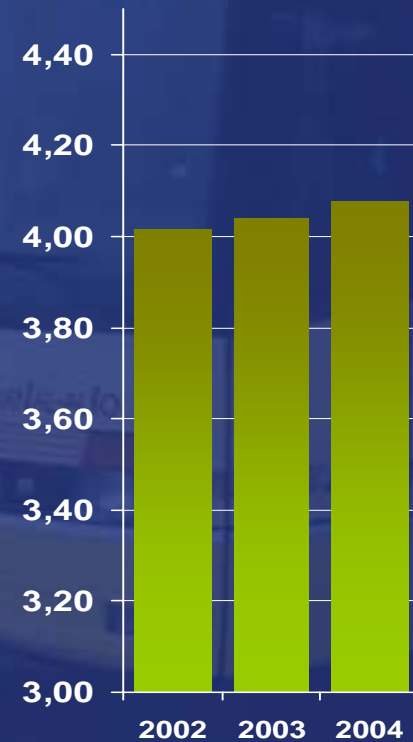
Passengers/Km



LONG HAUL



COMMUTER



URBAN

Transport services

Passenger transport


Main concessions of the Group (I)

		End of concession
	Madrid-Irún with extensions	2016
	Madrid-Guadalajara with extensions	2013
	Madrid-Toledo with extensions	2013
	Madrid-Granada-Almuñécar	2012
	Madrid-Bilbao	2014
	Madrid-Aranda de Duero	2013
	Burgos-Bilbao	2013
	Logroño-Soria-Madrid	2013
	Madrid-Burgo de Osma	2013
	Murcia-Seville via Granada calling at Cartagena, Córdoba and Málaga	2013
	Seville and Granada via Antequera, Córdoba and Málaga	2018
	Siles-Málaga-Almería via Córdoba, Granada and Jaén with extensions	2013
	Cartagena-Totana	2013
	Barcelona-Eth Pont de Rei-Puigcerda	2028
	Barcelona-Lérida with extensions	2028
	Barcelona-Andorra La Vella. (International); Viella-Lérida, calling at Caldes de Boi, Capdella and la Pobla de Segur	2018
	Fraga-Binefar-Lérida-Mequinenza-Huesca	2013

Transport services

Passenger transport

Main concessions of the Group (II)

		End of concession
Autobuses García, S.L.	Reinosa-Torrelavega-Santander	2012
	Torrelavega-Santillana del Mar-Cuevas de Altamira	2012
	Torrelavega-Viérnolos	2012
 Surbus	Urban service in Almería: commissioned in 1998	2018 (+5)
Autedia S.A.	Alicún-Granada via Guadahortuna	2015
	Belicena-Granada with extensions	2013
Hijos de Simón Maestra García S.A.	Puebla de Don Fadrique calling at Ubeda, Castril and Bácor	2013
ADNOR	Lanestosa-Bilbao	2013

Continental Auto Group Affiliates

Company	Stake
Autobuses Consol S.A.	51%
CONDA (Compañía Navarra de Autobuses S.A.)	31.32%
EIX BUS S.A.	33.33%
Unión Alavesa S.L.	50%

Distribution of oil products and package services

- Companies with long tradition in the oil product distribution sector. Contracts with Repsol-YPF

- **CONTINENTAL-AUTO S.L.** : Catalonia and Northern Spain

- **Jiménez Lopera, S.A.** : Andalusia

- Areas of light activity: Burgos, Málaga, Granada, Motril, Córdoba, Sevilla, Cádiz, Almería, Soria.
- Areas of heavy activity: Tarragona, Somorrostro

- Package services: Alsina Express, S.L.

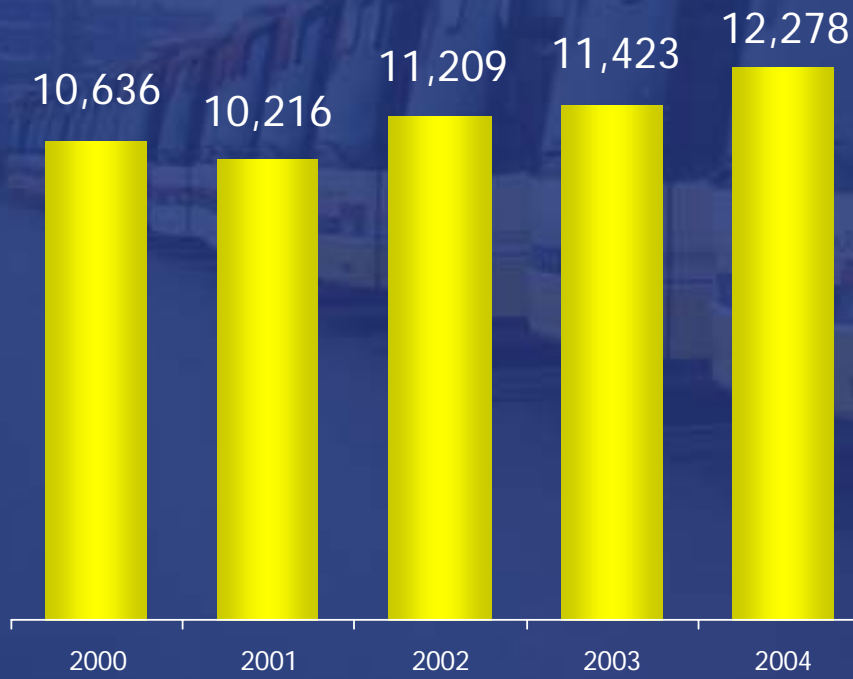


Transport services

Goods transport

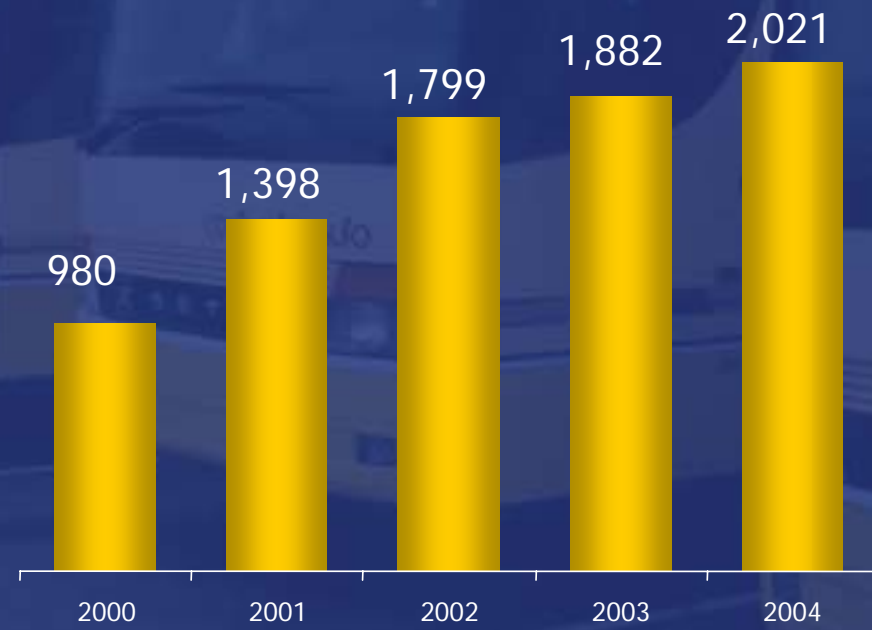
Kilometres travelled

(thousands)



Tonnes transported

(thousands)



Continental Rail: Rail transport of construction material for Spanish High Speed Train (AVE) infrastructure

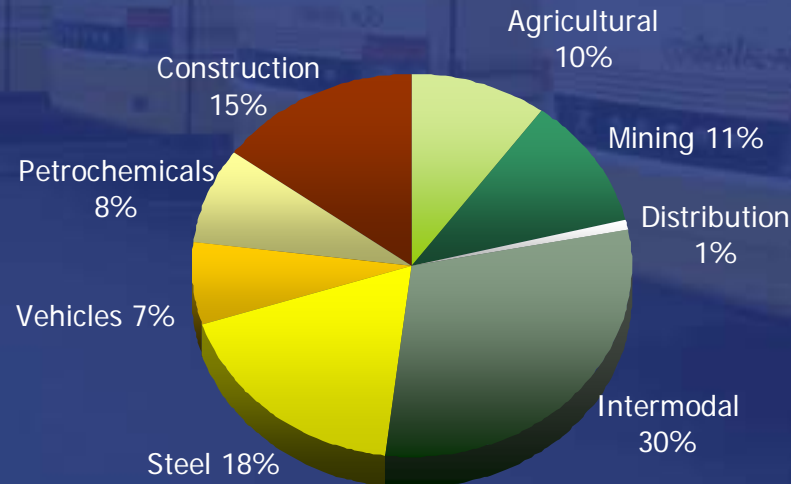
- The company belongs to Vías y Construcciones, S.A. (50%) and Continental Auto, S.L. (50%)
- It currently has 2 contracts to transport construction material for AVE: Madrid-Zaragoza-Barcelona-French Border and Córdoba-Málaga

Provision and sale of logistics and transport services, especially by rail (Construrail)

Volume transported 2004: 686,200 Tn

- In 2004, of the 1,338,000 thousand tonnes of goods transported domestically only 1.9% was transported by rail. In other EU countries this percentage is between 4%-7%. (CW Ministry)
- Received certification as a rail operator from ADIF in 2005

26,360,000 Tn transported by rail in 2004



Interchange stations

100% ownership of the operating franchise for the Avda. de América interchange station

- 26 year franchise from 08/23/00
- 36 platforms
- 661 Parking spaces
- 1,336 m² of trade premises
- 712 m² of offices



Management of interchange stations at Torrejón de Ardoz and Alcalá de Henares
Participation in management of the current transfer platforms at Plaza de Castilla

Catering

Operation of shops, as well as restaurants and cafeterias

Bus stations

Participates in the management of 17 regular bus stations: Aguilar de Campoo, Almuñecar, Andorra, Aranda de Duero, Bilbao, Cartagena, Córdoba, Granada, Sevilla, Haro, Laredo, Logroño, Motril, Murcia, Ontaneda, Santander and Vitoria



SETRA Ventas y Servicios, S.A.

- Distribution, purchase and sale of new and used coaches, service sales and spare parts

Servicios Generales de Automoción, S.A.

- Operation of repair shops and garages, petrol stations, passenger transport business and services complementary or supplementary to these businesses

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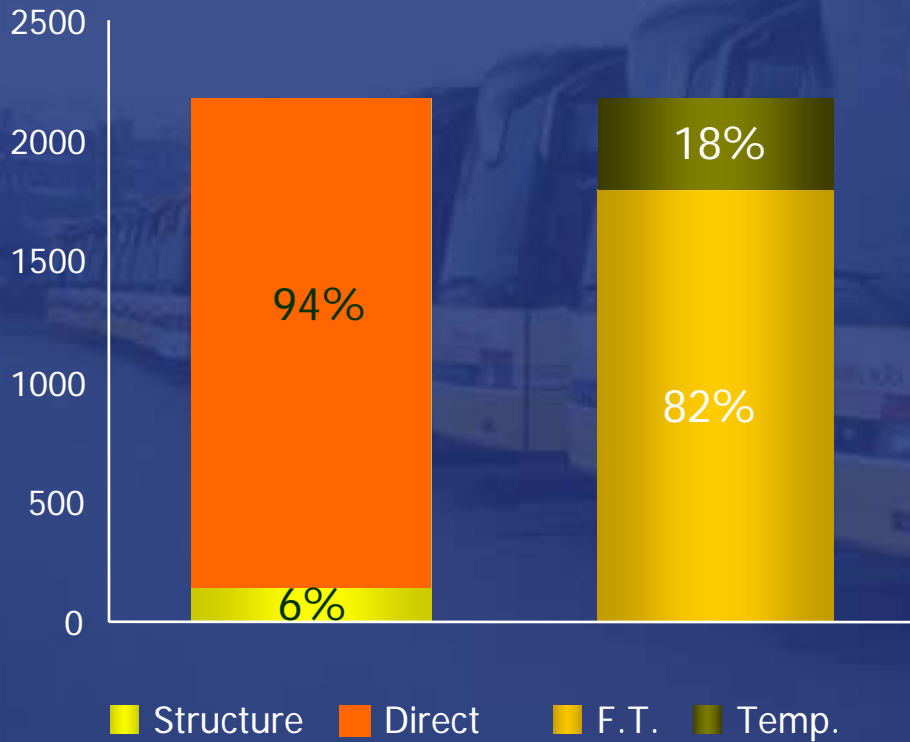
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2004 Staff distribution



Staff evolution



Human resources

Investment efforts to improve “added value” staff qualifications, training:

- Risk prevention
- Mechanics, quality and environmental management
- Bus driving training modules and auxiliary activities
- Customer service

Transport services

Fleet

Passenger transport:
837 units



- Average age: 4.4 years

Distribution of oil
derivative products: 221
units (Rigid vehicles and
tankers)



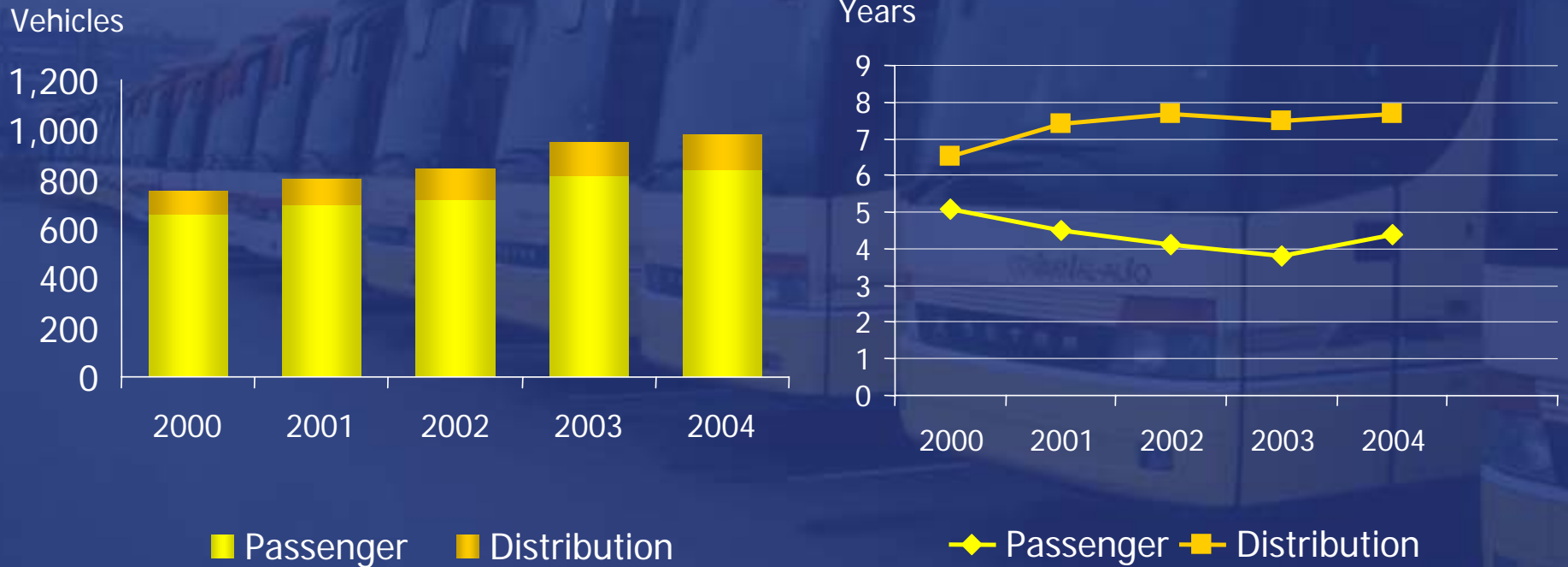
- Average age: 7.7 years

Rail transport: 22
locomotives



- Constant investment efforts to modernise and improve the quality of mobile material:
 - Maintenance cost reduction
 - Better level of user satisfaction
 - Reduction of cost/kilometre
- Average age of fleet: used as sector benchmark (4.4 years)

Fleet evolution



Aims

- Security
- Quality
- Adjustment to demand
- Optimisation of resources

Quality management

- Work shift and mobile material management programme
- Supervision of services
- Service provision manual for providers
- Internal and external audits
- Management manuals

Internet sales

CONTINENTAL-AUTO

Agencias Principales Líneas Información paradas Horarios Museo del automóvil Contacto

Compra de billetes de autobús

INICIO RESULTADO DE LA COMPRA

Por favor, introduzca el origen y destino deseados y la(s) fecha(s) del viaje. Verifique si el trayecto es sólo de Ida o de Ida y Vuelta.

ORIGEN: DESTINO:

FECHA SALIDA: (DD/MM/AAAA) FECHA VUELTA: (DD/MM/AAAA)

Ida Ida/Vuelta
 Ida/Vuelta abierta

NÚMERO VIAJEROS: 1

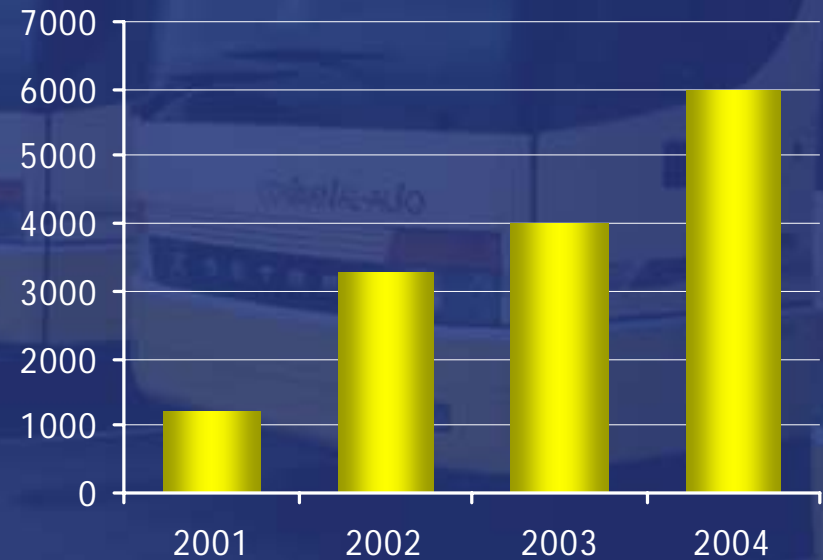
- OBLIGATORIO - OPCIONAL - ENGLISH VERSION

[Consultar todos los orígenes y destinos](#) **CONTINUAR**

Nota: Los descuentos y tarifas especiales se podrán aplicar sólo si los admite la Empresa de Transporte. Varias tarifas reducidas estarán disponibles únicamente para billetes de sola ida.

[Política de Privacidad](#)

Electronic sales/month



Transport services

MOVELIA project



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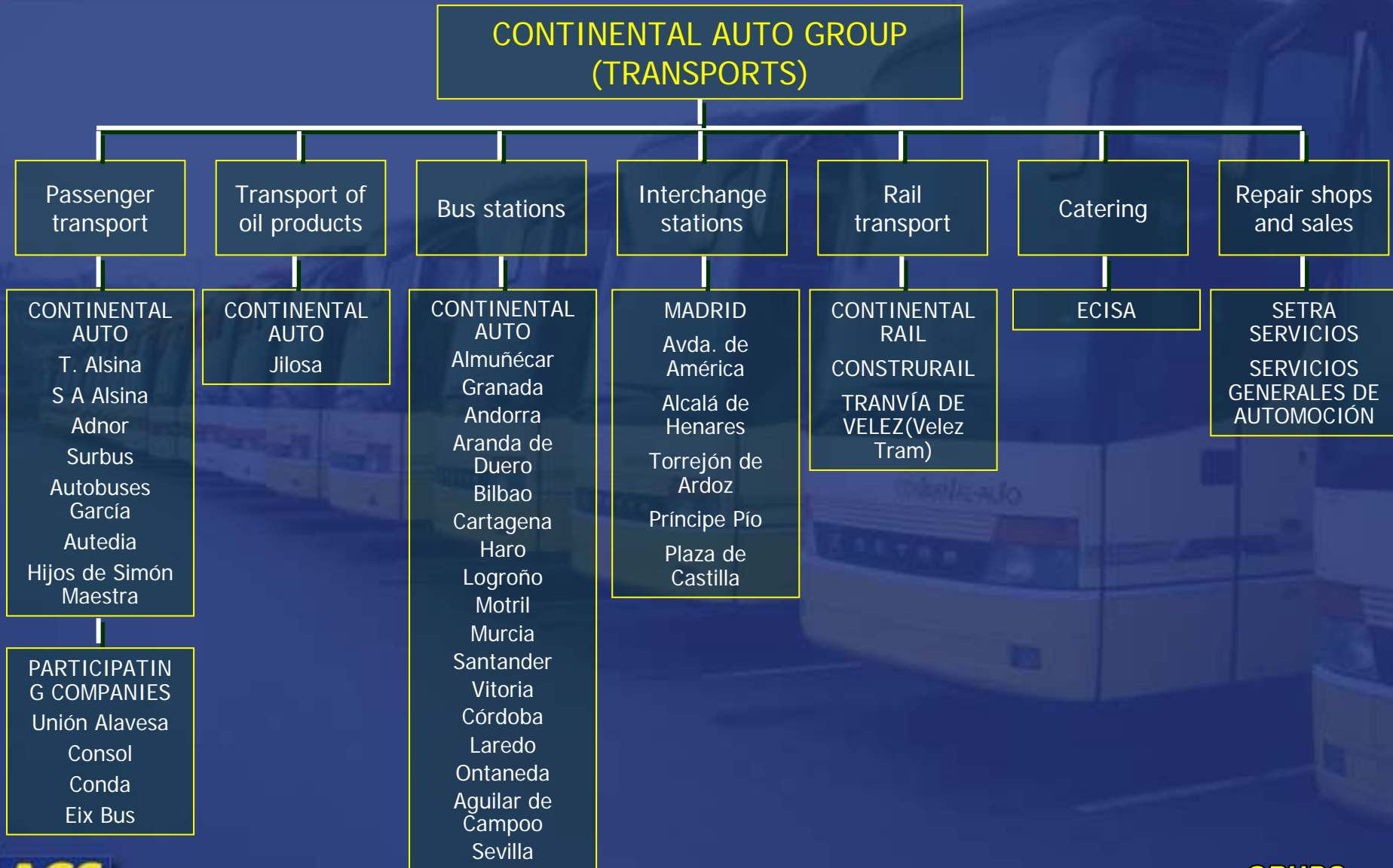
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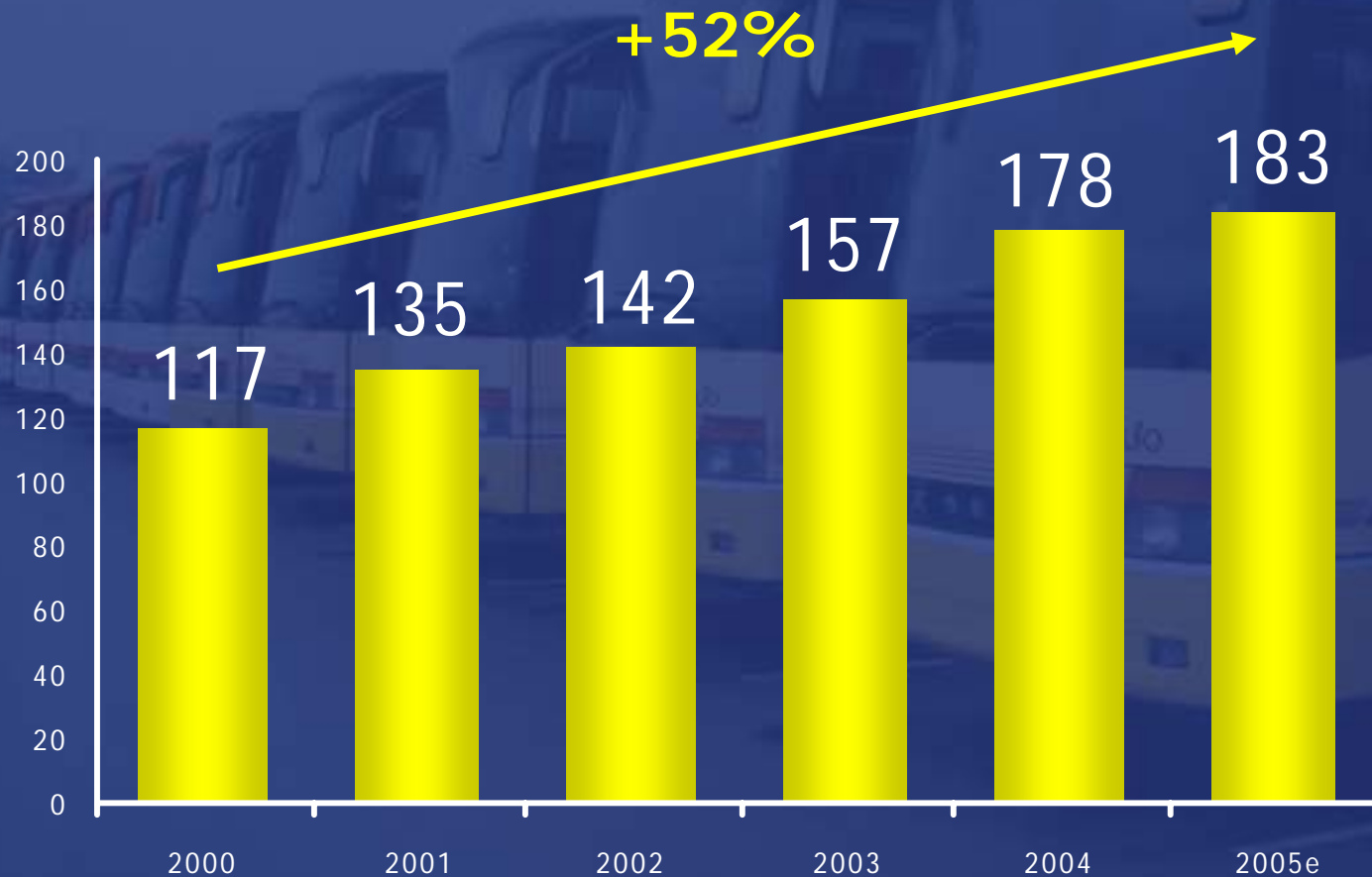
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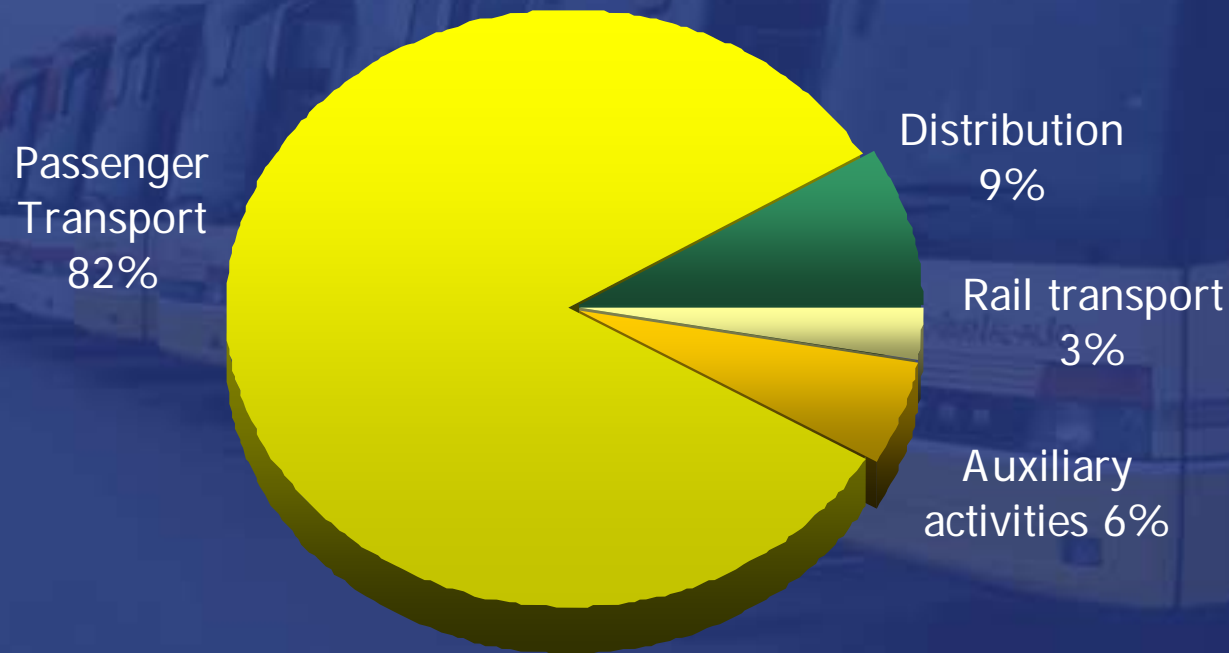
Future forecasts

Turnover

(€ Mn)

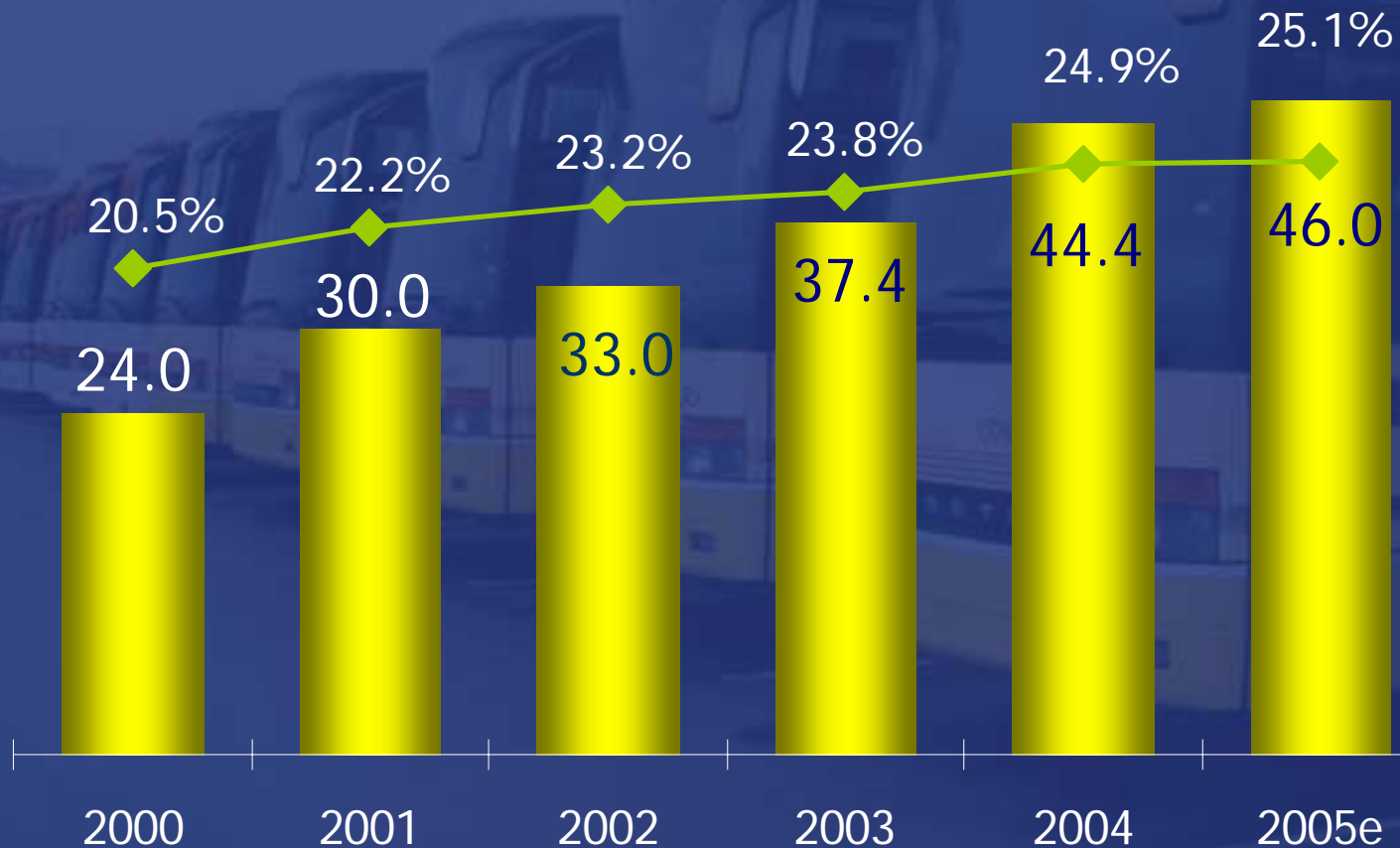


2004 turnover by Activity

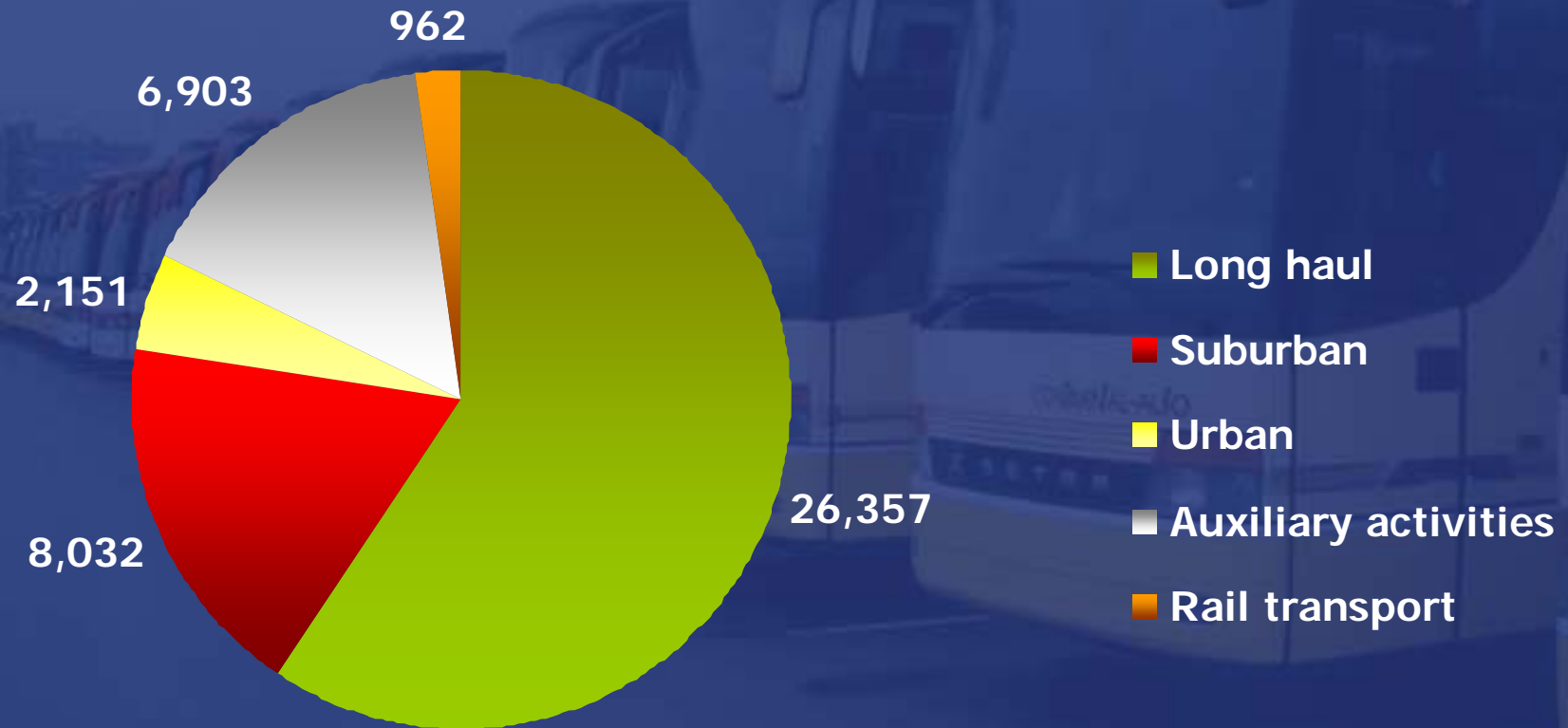


EBITDA

(€ Mn)

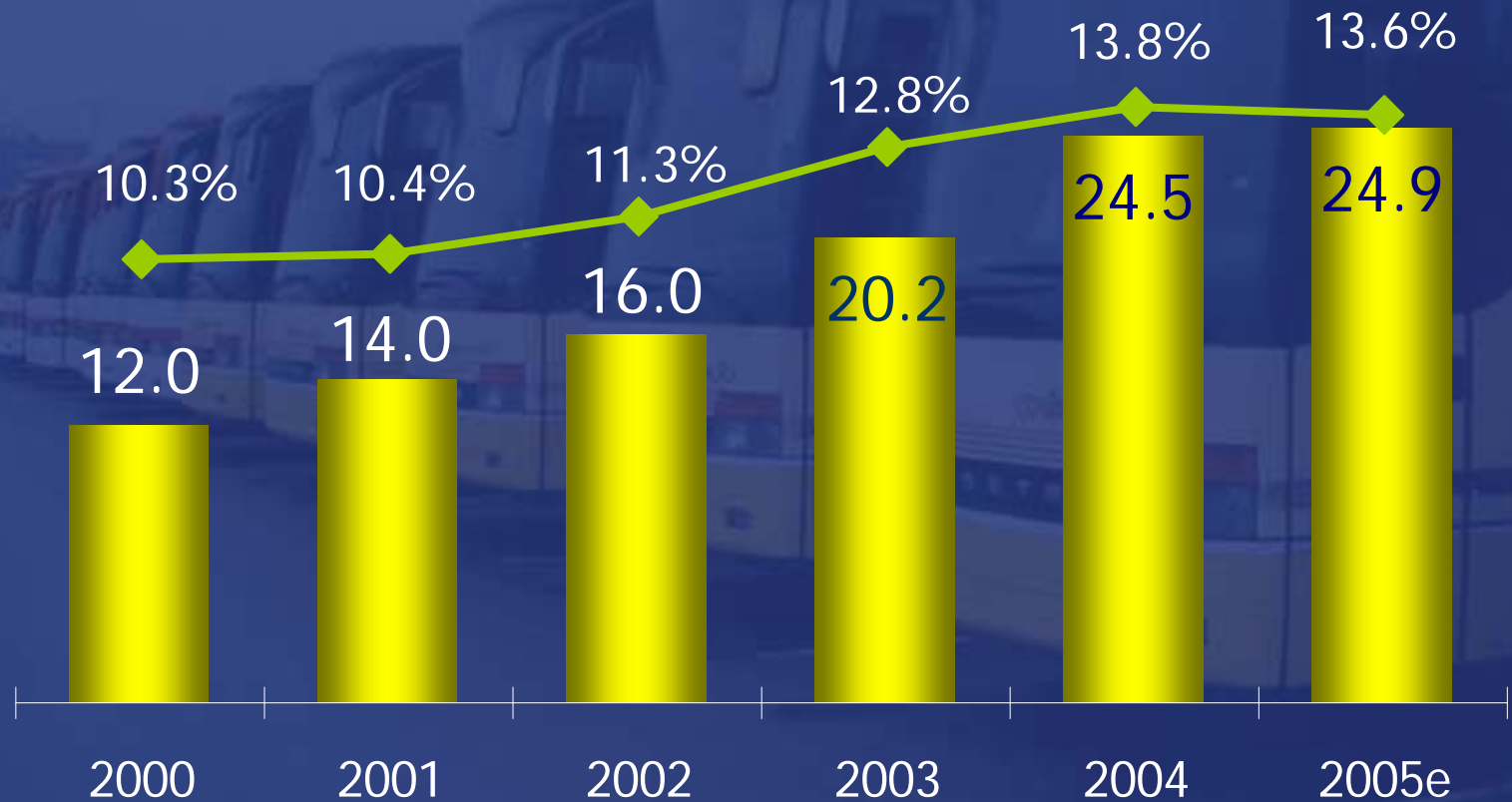


EBITDA 2004 by Activity

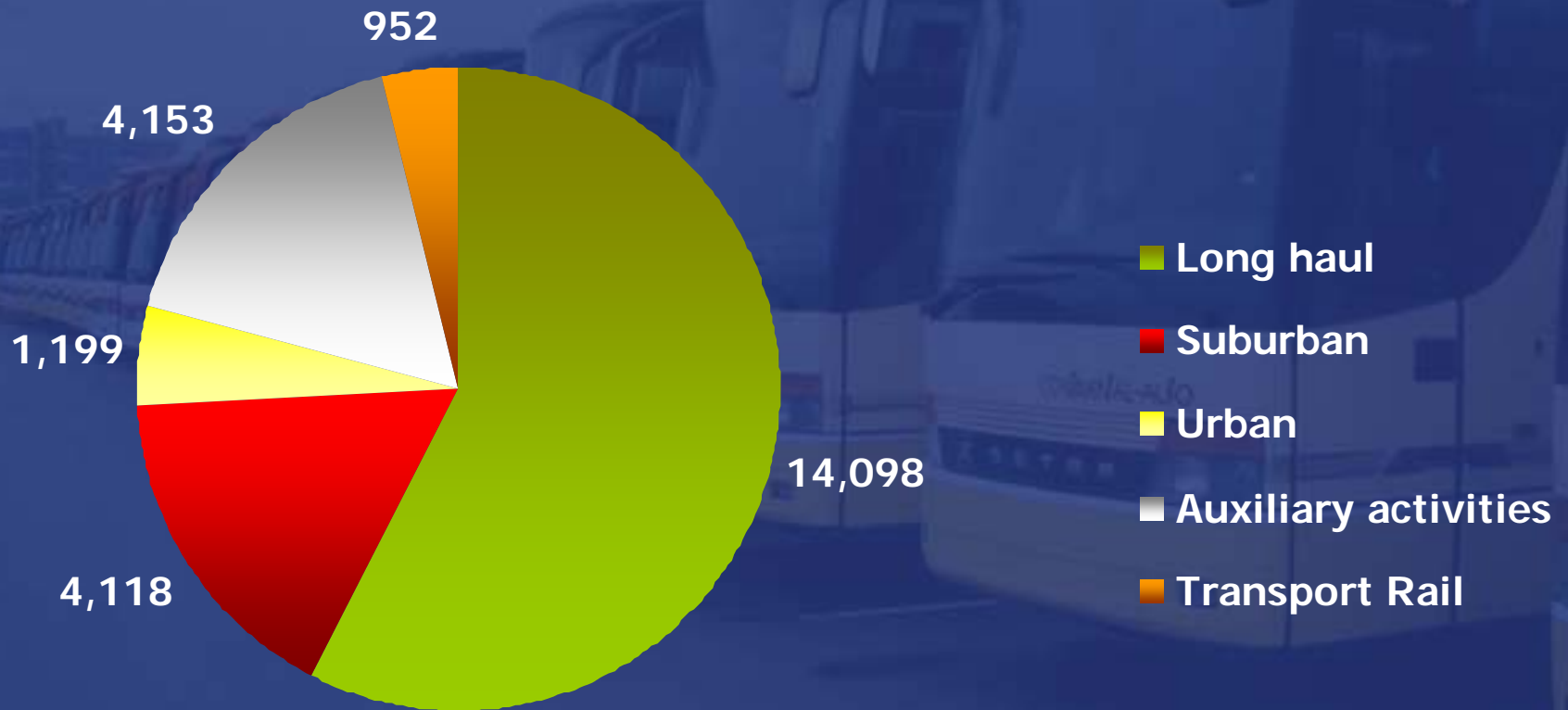


EBIT

(€ Mn)



EBIT 2004 by Activities



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Risks

- Fuel costs
- Uncertainty over new bids
- Administrative investment in railways
- Long haul passenger number stagnation

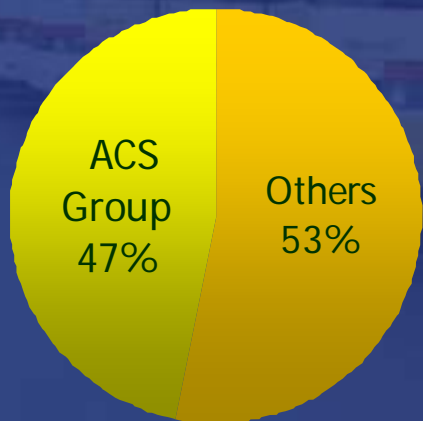
Opportunities

- Sale of second and third generation family businesses
- Growing spheres of influence in metropolitan areas
- Increasing long-term demand in urban and metropolitan zones
- Construction of bus lanes and interchange stations
- Business is complementary to other modes of transport
- Growing worries of the administration over collective transport
- Deals with other operators to optimise resources in sales and purchases

Infrastructures

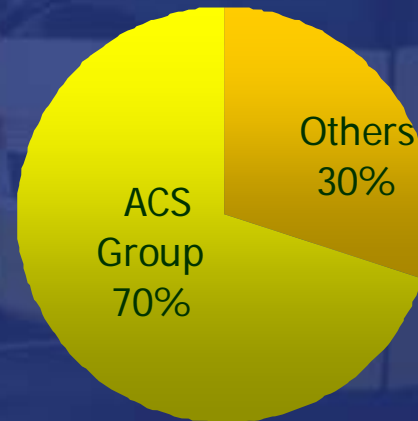
Belongs to companies that in 2005 have been awarded the contracts for the construction and operation of 2 new Transport Interchanges to be constructed in Madrid

Plaza de Castilla



Turnover 2007e: € 8 mn

Príncipe Pío



Turnover 2007e: € 5.7 mn

Other transport

Strategic Infrastructure and Transport Plan: opportunity for Global Operator

Award of Vélez-Málaga Tram (through TRANVIA DE VELEZ, S.A.- 66% stake along with SANDO)

New administrative invitations to tender for various tram and light metro lines in various Regional Authorities

Transport services Future Forecasts

Growth through **prudent** acquisitions based on reasonable ratios (lower than the average for transactions in the sector)

Main regular transport operations

Date	Operation	Buyer	Estimated appraisal value	Sales	EBITDA	EV/ sales	EV/ EBITDA
Oct 04	TRAPSA	ALSA	21.0	7.7	2.3	2.74x	9.00x
Apr 03	Sepulvedana	Avanza	84.9	28.9	8.2	2.93x	10.39x
Nov 01	Autobuses Portillo	CTSA	61.9	24.2	5.6	2.56x	11.05x
2000	Enatcar	ALSA	148.4	61.2	12.2	2.42x	12.16x
Jun 00	Llorente	Auto Res	42.6	13.4	2.9	3.18x	14.69x

Total Purchases ACS/CONTINENTAL 1999/2005

	224.8	117.2	26.6	1.92x	8.45x
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CONTINENTAL-AUTO

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