

Strong growth for Keolis Group in 2015: +12.2%

- ⊙ **Revenue increased by 12.2% in 2015, reaching 5 billion euros**
- ⊙ **Profitability (recurring EBITDA) also increased (+6.6%), totalling €296M**
- ⊙ **Record revenue growth in international markets: +30%**
- ⊙ **France performed well with a 4% increase in revenue, thanks to business development and the campaign against fare evasion**

Following steady growth in 2014, Keolis continued to deliver results well above the market average in 2015, whilst pursuing its transformation via major acquisitions and the development of digital mobility solutions.

The Group experienced an exceptional year internationally, with the integration and successful launches of contracts won in 2014.

In France, Keolis proved to be a key player in multimodality and car parking, thanks to strategic acquisitions in both markets.

2015 Results: Keolis continues its solid growth

The Group's revenue (excluding activity carried out via minority subsidiaries, particularly in the UK), reached 5 billion euros in 2015, up 543 million euros on 2014, an increase of 12.2%.

Excluding the impact of exchange rates and changes in the scope of consolidation, organic economic revenue growth stands at 7.1%. This increase combines the solid performance across the Group's base activities (+3.2%) as well as the full-year effect of new contracts (+3.9%), including the United Kingdom (DLR), Continental Europe and the United States (Boston).

The Group's profitability (recurring EBITDA) also increased compared to last year, reaching €296M (+6.6%). Losses in the first year of operation of the Boston contract were compensated by the organic growth of other activities, both in France and abroad.

The Group's financial structure remains solid, with a debt leverage ratio of 1.9x at the end of 2015.

The net income attributable to shareholders in 2015 (€33 million) increased by €7 million compared to 2014.

A record year internationally

Excellent contract launches

The first year of operation of the *Docklands Light Rail* (DLR, London's automatic metro), was a great success, exceeding contractual operational objectives with 99% punctuality and 88% customer satisfaction. The excellent start of this contract, in which Keolis is majority partner (70% Keolis - 30% Amey), confirms the Group's position as global leader in automatic metros.

Elsewhere, the Boston commuter train service achieved its best operational performance level in 10 years during the second semester of 2015. Punctuality reached 94% in January 2016, exceeding objectives fixed by the MBTA.

The second phase of *Govia Thameslink Railway* (GTR) was launched in July 2015, with the integration of the Southern services. This rail franchise has become the largest in the UK in terms of patronage, number of trains, revenue and employees. It now includes *Thameslink*, *Great Northern*, *Southern* and *Gatwick Express* services. GTR carries 273 million passengers per year, employs around 6,500 people and generates annual revenue in the region of 1.3 billion pounds.

Strengthening our presence in key markets

In the United States, Keolis has been successfully operating the *Virginia Railway Express* (VRE), Washington's suburban rail network, since 2010 and reached a 92% customer satisfaction rate on average in 2015. Thanks to these results and a good relationship with local transport authorities, the contract has been renewed for another five years.

In the United Kingdom, the Nottingham tramway extension has doubled the size of the network, which now totals 32 kilometres. Eight million passengers used the tram in 2015 and 16 million are expected in 2016. Customer satisfaction reached an average of 96% over the year.

Keolis also renewed its contract for the operation of the *London Midland* franchise until October 2017. During the initial contract, punctuality performance rose from 79.8% in 2013 to 90% in 2015.

The Group significantly strengthened its presence in the German rail market, with the renewal of the operation of the *Hellweg Netz* franchise in the North Rhine region (5.9 million train-km). Keolis also won a new 15-year contract, due to start in December 2017, for *Teutoburger Wald* (5.3 million train-km).

In the Netherlands, Keolis gained a new rail franchise in Zwenzwoka, in the Province of Overijssel, in the east of the country. The 15-year contract will start in December 2017.

In Norway, the contract for the operation of the Bergen tram was extended by two years until July 2018. A third phase of the project is underway, with the construction of seven additional kilometres of track serving the airport.

In Sweden, the Group won and started new bus contracts in Dalarna and Karlstad. On an environmental note, Keolis' vehicle fleet in Sweden is now 100% "fossil free".

Diversification into other transport modes

In coherence with the Group's diversification strategy, Keolis became a multimodal player in many of its countries of operation in 2015, via acquisitions or new contracts.

In March 2015 Keolis, operator of the Melbourne and Gold Coast tramways, became the first private multimodal operator in Australia via the acquisition of ATE (Australian Transit Enterprise), one of the country's leading bus operators (turnover of €136 million in 2014, 1,000 buses and 1,600 employees). This is the most important investment made by the Group since the acquisition of EFFIA, and provides Keolis with a presence in four Australian states.

Keolis Danmark, Denmark's 2nd largest bus operator, diversified its activities by winning a new tram-train contract in Aarhus, the country's second largest city (1.2 million inhabitants). The win is emblematic for the Group for several reasons:

- it is the first contract won by Keolis Danmark - the result of the merger with *Nettbuss Danmark* - since its establishment in 2014
- this first tramway operation contract marks the start of multimodal operations for Keolis in Denmark
- the city centre tram service, which becomes a "tram-train" on the outskirts of Aarhus, reaching speeds of up to 100km/h, will be the first service of its kind in the world operated by Keolis.

The network, which totals 98kms of line, will be launched in Spring 2017.

Excellent business results in France

Successful conservation of contract portfolio

Few tenders were held in France in 2015, however Keolis consolidated its existing contracts.

Urban contracts were renewed in 9 cities, along with many other intercity and specialised transport contracts. The Group also won three new urban networks

Contracts won by Keolis in France in 2015 represented €146M in full-year revenue. The balance between new contracts won and contracts lost is positive, at €35M full-year revenue.

Good commercial revenue performance

Despite a gloomy economic climate, Keolis has maintained an above market-average performance, illustrated by an increase of 4% in commercial revenue and a patronage increase of 2.3%.

These results were achieved thanks to an increasingly targeted strategy for increasing patronage and creating passenger loyalty, as well as the results of an efficient fare evasion policy.

An excellent start for the new Bordeaux contract

The outcome of the first year of operation of the new Bordeaux contract, which began in January 2015, is extremely positive.

With 5 million additional passengers, the Bordeaux Métropole transport network crossed the threshold of 130 million trips in 2015, representing an increase in patronage of 3.9% compared to 2014. In parallel, the fare evasion rate declined from 11.2% in 2014 to 10.1% in 2015 and revenue increased by 8.5%, exceeding the contractual forecast.

Active external growth

Following the acquisition and extremely successful integration of the *Striebig* coach company in December 2014, Keolis played an active role consolidating the interurban market. The Group acquired *Fouache* coaches in October and finalised the acquisition of *Transports Daniel Meyer* (Essonne, revenue: €43M) on 5th January 2016. With this strategic move Keolis has positioned itself on the market in Paris region which will soon be opening up.

Developments in passenger services

Kisio, Keolis' new Solutions & Services division, is the result of the merger of several Group entities working in the areas of digital, ticketing and passenger service solutions.

This new entity has facilitated acceleration of the deployment of the *PlanBookTicket* connected mobility solution. This unique mobile app, the first of its kind in the French Public Transport sector, allows customers to plan their entire journey, purchase their ticket and validate it using their smartphone.

EFFIA, standing strong in 2nd place in the French parking market

In 2015, Keolis' parking subsidiary won ten new contracts and renewed five. *EFFIA* now operates 360 parking infrastructures, representing a total of 141,000 spaces.

For the first time since its acquisition by Keolis in 2010, *EFFIA* undertook external growth actions, with the acquisition of the *Ramery* Group parking activity in the North of France. It also became a shareholder in *Saemes*, the City of Paris' car park operator, becoming a leading shareholder (with a stake of over 33%) alongside the City of Paris. With more than €40 million turnover, *Saemes* is the number 2 operator in the Ile-de-France parking market. This strategic transaction strengthens *EFFIA*'s presence in the Ile-de-France region, which represents approximately 40% of the French parking market.

Outlook for 2016

International

2016 heralds the launch of the first phase of the metro in Hyderabad, India's fifth largest city.

This new, elevated, automated metro network will serve as a showcase for Keolis with regard to other Indian megacities wishing to implement metro networks.

Elsewhere, the Group continues to pursue its strategy of development and diversification of activities across all transport modes in the UK, Continental Europe, North America and Australia.

In parallel, Keolis continues to pursue its development ambitions in the Middle East. Strategic partnerships, in which Keolis is a majority shareholder, were tied with Emirates Transport in the UAE and with Nesma in Saudi Arabia in order to respond to bids in the region.

France

In the urban market, 2016 will see a significant series of tenders, with over €700M of contracts up for renewal for the Group.

A consolidation is expected in the interurban market, with the implementation of the NOTRe law, which will see the transfer of authority for transport from Departments to Regions, starting from 1 January 2017 for regular lines and from 1 September 2017 for school lines. Keolis will therefore be particularly attentive to external growth opportunities in 2016.

In the car parking market, EFFIA intends to pursue its organic growth by responding to around forty tenders in 2016. Internationally, the company hopes to achieve a successful first implementation in the Benelux area, marking a turning point in its development.

In parallel, EFFIA will consider all relevant opportunities for acquisitions.

Strategic partnerships in new mobility

The beginning of 2016 has been marked by Keolis' arrival on the new mobility sector, through strategic partnerships designed to complement the Group's multimodal strategy.

- **LeCaB:** by partnering with the French leader in private taxi service, Keolis reinforces its mobility offering by integrating customised transportation solutions. This strategic business and financial partnership strengthens Keolis' multimodal positioning and will enable LeCaB to accelerate growth outside of the Paris region, thanks to the support of Keolis' national network.
- **Navya:** Keolis will operate autonomous shuttle fleets thanks to its partnership with the French manufacturer of electric driverless shuttles.

This transport mode is an inevitable new mobility mode in the medium and long term, and forms part of Keolis' multimodal offer.

Keolis has always successfully integrated and promoted new transport modes to meet citizens' ever-growing mobility needs. The Group continues to foster this approach via these two new partnerships, positioning itself in the new mobility market.

Keolis is one of the world's leading public transport operators. The company is majority owned (70%) by the French state railway SNCF, the other shareholder being Caisse de dépôt et placement du Québec (CDPQ). Present in 15 countries* with 60,000 employees, Keolis develops tailored mobility solutions (automatic metros, tramways, trains, buses, coaches, ferries, self-service bicycles) adapted to local environments. The Group offers solutions and services via its subsidiary, Kisio. It is also the second leading car park operator in France thanks to its subsidiary EFFIA. In 2014, Keolis transported 3 billion passengers and generated 5.6 billion euros in revenue.

*originally present in France, Keolis has expanded its operations to Germany, Australia, Belgium, Canada, China, Denmark, UAE, USA, India, Luxembourg, Norway, the Netherlands, UK and Sweden.

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