

# MET's fleet grows to 380

*London-based firm led by ex-First Director buys again*

By Mel Holley

London-based Marwyn European Transport plc (MET) has done its fifth deal in the German bus market, expanding its total fleet to 380 vehicles. It has also won further contracts.

The firm, led by former FirstGroup Director David Leeder and a subsidiary of Marwyn Management Partners, has bought the 34-vehicle bus operations of both the Bonifer Group and Kraus-Reisen (Bonifer-KR). It has paid €1.1m cash and assumed €4m of net finance lease obligations.

The purchase of Bonifer-KR and contract wins take the total MET bus fleet in Germany to 380 vehicles from December.

MET CEO David Leeder says: "This deal further strengthens our position in the strategically-attractive Frankfurt region and demonstrates our policy of creating strong regional hubs with scope for both scale economy and organic growth.

"The additional contract wins also demonstrate our ability to grow the businesses that we have purchased."

Bonifer-KR will be integrated into MET's existing subsidiary BRH ViaBus (BRH), in line with MET's strategy of clustering operations around regional hubs to create operational synergies and build on the expertise of local management teams.

The deal means that with its recent Gernersheim contract win, the business that MET bought from FirstGroup has

gone from 120 to 200 vehicles in a year.

Bonifer KR consists of the bus operators Andreas Bonifer Verkehrsunternehmen and Kraus-Reisen Omnibusbetriebs (Kraus Reisen), bus maintenance provider Bonifer Werkstatt und Service, and a 50% equity stake in the contract bidding joint venture Südhessen Bus.

Uwe Kraus, MD of Kraus Reisen, joins the BRH management team.

The vendors will continue to own and operate the existing Bonifer road freight business which is not included as part of the transaction.

In the year ending 31 December 2011, Bonifer-KR generated unaudited revenue of €5.6m. The enterprise value of €5.1m represents an historical EBITDA (earnings before interest, tax, depreciation and amortisation) multiple of approximately 4.7x.



David Leeder: Organic growth

Separately, MET has won an eight-year contract from regional transport agency VRN to run buses in the Gernersheim area. Comprising a mixture of local services and student transport, it is expected to generate €3m revenue per year, and requires 41 buses, to be operated by BRH.

Meanwhile MET subsidiary, Axel Tücks, has also won further contracts, adding 22 vehicles, and generating €1m annual revenue.

## Stagecoach on course

In a trading update Stagecoach says: "Overall current trading remains good and the prospects for the Group remain positive."

Stagecoach "remains on course" for its expected pre-tax profit this financial year to April 2013.

In the 24 weeks to 14 October, like-for-like revenue growth was: Regional UK Bus (excluding Olympics contracts) 3.6%; London Bus -0.9%; UK rail 7.9%; North America 10.7%, Virgin Rail Group 2.7%.

The 0.9% decline in revenue at UK Bus (London) is due to the ending of "some less profitable contracts" which Stagecoach decided not to retain when it restructured the acquired business to improve its profitability.

It says that for the whole year, UK Bus (London) is "well placed to maintain revenue with contract losses being offset by some contract wins and inflationary price increases on existing contracts."

## Driver was not paid legally

Coach driver Paul McClelland, 39, of Old Cwmbran, has won a Cardiff employment tribunal case, in which he said he was paid less than the national minimum wage. He worked at Jenson Travel, near Pontypool, from February 2009 to October 2011, during when the minimum wage rose from £5.73 to £5.93.

The tribunal found that for certain periods of his employment, he was only paid £4.76 an hour. The rates change annually on 1 October. The

current over-21s rate is £6.19.

Judge Wayne Beard said Mr McClelland earned £250 per week, but his hours often varied with the rate of pay remaining the same: "On a school term week he would generally work 52.5 hours for £250 gross pay. It is likely he was not paid the minimum wage throughout his employment."

At a subsequent remedy hearing, both parties agreed a settlement for an undisclosed sum.

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