



25 January 2018

NZ Bus successfully concludes Wellington contract negotiations

Further to the announcement of the 25th October 2017 on the finalisation of its Auckland contract position, NZ Bus has now also successfully concluded its negotiations to secure long-term scale and stability for its Wellington bus operations.

With 5 long term contracts in Wellington secured, NZ Bus will continue its long-standing partnership with Greater Wellington Regional Council. The result of the Wellington directly appointed unit negotiations is consistent with Infratil's market messaging on the expected future scale of the NZ Bus business and earnings guidance.

“The Wellington contracts secured have an average term of 10.8 years, and a total value of approximately \$323 million providing our customers, people and stakeholders with long term stability and giving us the certainty we need to innovate and invest. Growth prospects are positive and are highlighted by a forecast \$31 million of new investment in fleet, including an additional 17 double decker buses.

“Our business in Wellington will continue to be of a scale that will enable us to maximise the efficiencies of our services. Contracts in Wellington will commence in the second half of 2018” said Mr Fulljames.

NZ Bus has now completed all directly appointed unit contract negotiations with Auckland Transport and the Greater Wellington Regional Council. The contracts, with combined revenues of over \$1.3 billion over terms of 6, 9 and 12 years, position NZ Bus well to play an important and ongoing role in the provision of quality public transport services in Auckland and Wellington, and to be part of the future growth of public transport in New Zealand.

Zane Fulljames, CEO of NZ Bus, said that by successfully concluding the contract negotiations, NZ Bus will remain NZ's largest and most experienced metropolitan public transport business servicing the high growth areas of Auckland and Wellington, employing over 1,300 people, and with a fleet of approximately 650 modern buses operating from eleven depots.

“Electric vehicles are the future of public transport and will be a key focus now the contracting process in Auckland and Wellington has concluded. We are extremely well positioned for future market and technology challenges and have a solid platform to continue our journey towards cleaner and greener transport solutions” said Mr Fulljames.

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