



people & coaches

issue no.38 OCTOBER 2008 MAGAZINE IRIZAR GROUP

FRONT COVER

New plant in Morocco

Page 8

Interview with the Moroccan Minister of Economy

Page 12

FIAA 08

IN DEPTH

Interview with the Director General of Transports

Page 4

NEW CONTRACTS

600 Coaches for Estrella Blanca

Page 23

The complete range of Irizar products

Page 32





FIAA, kilometer 0

In keeping with its philosophy of permanent change and improvement that the Irizar Group is implementing in all of its spheres of action, it is now the turn of the external magazine.

As part of the process to modernise and update Irizar's image, we are pleased to launch the first issue of a new publication for our clients and associates.

The half-yearly publication aims to provide the sector with an insightful approach in its widest context and without ruling out any market where Irizar is present. Our objective is to offer the readers a wide variety of interesting contents. Therefore, you will find interviews with business and political figures, specific reports and news on the sector and general items. There will be information about the different commitments that Irizar establishes with its clients, extensive information about its products, its latest innovations and improvements that are an ongoing process at Irizar.

In short, the idea is to take the readers into the world of Irizar to discover more about the company's philosophy, the products, the locations, the markets and the people that make it up.

This FIAA issue has been chosen as the starting block for this new journey for two reasons. On the one hand, to yet again confirm Irizar's support for the coach-building sector, and, on the other hand, as it is an important moment in its history, as Irizar will be celebrating its 120th anniversary in a few month's time, which is a new milestone that fills us with pride and satisfaction. Motivation is also key for us to continue to progress and improve day by day and win the trust of our clients and achieve the best levels of satisfaction possible.

Peio Alcelay Larión
General Coordinator, Irizar S. Coop.



JUAN MIGUEL SANCHEZ, DIRECTOR-GENERAL OF ROAD

“The coach building industry will play a key role in the use of recyclable materials and lower vehicle consumption”

Born in Baza (Granada), Juan Miguel Sanchez is a member of the board of directors of the Spanish Post Office and FEVE (Spanish narrow-gauge railways), of the Reserve Committee of the European Conference of Transport Ministers, the Civil Protection Permanent Commission, the Red Cross Protection Agency and the Traffic and Road Safety Agency. He previously was on the board of Bacoma S.A, the transport company belonging to the ENATCAR Group. We discussed the present and future impact of the new road transport measures on the coach-building industry in Spain.

What are the most important aspects that are being highlighted by the Transport General Directorate?

The most important tasks for the Ministry of Development's Road transport General Directorate is to organise the passenger transport market and sector so that the services provided comply with the maximum levels of safety and quality.

Therefore, our future work on national policy includes being the driving force behind calls to tender to renew the regular road passenger lines. We also have to prepare and implement a new transport plan, which will focus on market activities not subject to special intervention, such as discretionary transport, special regular lines, tourist or international transport. On the other hand, during this term in office, we plan to amend the Land Transport Act to ensure it is in line with certain European requirements.

The European concern, as in the case here in Spain, is to ensure that road transport is an industry that respects environmental and safety standards

Could you give us a brief overview of what will be your next steps taken in the framework of the new European community?

Spain is participating in the European Union with real dedication and enthusiasm. It is trying to put on the table our country's huge experience in transporting passengers by road. The European concern, as is the case here in Spain, is to ensure that road transport is an industry that respects environmental and safety standards. These two goals underpin the majority of initiatives. They range from the general introduction of the digital tachograph, the application of the new standards on driving and resting times to the introduction of new environmental requirements for engines. The Ministry of Development has currently granted 103 concessions for regular passenger transport lines in Spain. Do you consider that the coach transport service is sufficient? We have a public service network of over 75,000 km covering the whole territory, although it is designed to be a network that is constantly adapting.

Do you plan to create new concessions?

We do not rule out creating new concessions provided that the relevant proposals are put forward and after studying them, it is established that there is a need for them to be operated as independent concessions. I cannot claim that that would be easy, and it would be very difficult for a new line to be included in the crowded structure of the current network.



Spain is the leading producer and exporter of industrial vehicles, buses and coaches in Europe. What is your opinion about this? It shows the capacity of the manufacturers and the importance that this industry has in Spain and in Europe. It is highly commendable as there is great competition in Europe and our costs are undercut by Eastern European countries or even Turkey. R&D+I is the key element to stand out and ensure customer loyalty.

What do they think about us in Europe?

In my experience, the image that they have of Spain is that our business communities and authorities are serious and reliable. I believe that that is essential to continue progressing in establishing greater market shares and a stronger international presence, which is a necessary aspect for the transport companies and for the coach-building and manufacturing industry. The road transport operations are unfortunately poorly seen in some quarters, as everything is usually bunged together and no distinction is made between travelling by bus or coach and by car when talking about road transport. The safety or environmental benefits that the bus has over the private vehicle are not taken into account. That the industry needs to take much more incisive actions to increase its profile.

Great importance is still being given to improving the state of our road system. Do you believe that the quality of our dual carriageways and motorways is in keeping with the number of vehicles that use them every day?

Spain has changed a great deal over the last 20 years and has built major infrastructures, but there is still a great deal to be done which is what is envisaged in the PEIT. The Minister for

The specific case of Irizar has been an example of a dynamic approach that has enabled the company to be present in emerging countries and on four continents.

Development, Magdalena Álvarez, had the opportunity to outline the planned actions of this term of office the Spanish parliament last June. She stressed that the Government is committed to having 12,000 km of a dual carriageways and motorways by the end of this term of office, in 2012, when there were only 8000 km in 2004.

What is the current situation of the coach-building industry in Spain?

Our policy has always been to foster the quality of the services and to focus on the most important element which is the vehicle and I must say that we always have had a magnificent partnership with the coach-building industry. Despite the fact that it is mainly made up of small- and medium-sized companies, they have always been ready to compete, innovate and search for new markets. Despite the fact that the number of new bus and coach registrations has fallen with respect to the previous year, I expect that the sector will have sufficient capacity to offset the negative impact of less demand.

Isn't that the case of Irizar, which is highly appreciated by European chassis manufacturers?

The specific case of Irizar has been an example of a dynamic approach that has enabled the company to be present in emerging countries and on four continents. This shows that it is a highly

appreciated quality brand, not just for the Europeans, but also in general.

Why do you think that the main European chassis brands have not come to FIAA this year?

I am not aware of the reasons behind this absence, even though a fair like the FIAA is always a magnificent opportunity for companies to showcase their products, increase their image and be able to access new clients and markets.

Is there any difference in criteria between the brand manufacturers and the coach-building sector?

I am not involved in the day-to-day market and so I do not know all the criteria details, but what is true is that every manufacturer has its own pressure framework and its requirements. The flexibility of the latter is always more appreciated by the clients and their adaptation to the requirements of each activity for which the vehicle is going to be used.

Irizar, faithful to the FIAA from its start, has doubled the surface area of its stand, which has increased from 600 to 1200 m2. Is that a symptom of the current success that the sector is enjoying or does it mean that the coach-building sector has opted to defend its position given the pressure of the chassis manufacturers in a market headed by the coach-builders?

I believe that the companies that are looking towards the future do not overlook the importance of being present at events such as the FIAA and of steadily developing their image. That is the only way to compete even at time where a drop in demand is noted in certain markets.

Are there any type of subsidies from your department to help the coach-building sector in Spain to continue to be a benchmark for European chassis manufacturers?

My experience with subsidies is rather negative. The industries that get used to them end up not developing their competitive potentials and that ends up being quite the contrary to aid. But we are setting up credit lines and deposits that even though they are not subsidies as such, they make it easier for the manufacturers to renew their fleets. The same renewal of the regular line concessions is a renewal volume that is the best aid that the coach-building industry can receive.

In terms of safety and comfort, how would you assess the evolution in coaches over recent years? (R&D+I)

My assessment could not be better. The same users, when the Ministry of Development has conducted surveys, about their perception of the quality, have shown their satisfaction with the

The improvement must be continuous, that research, innovation and the inclusion of new tasks are a never-ending task.

services and with the quality/price ratio, along with the comfort and safety.

Some of the recent bus accidents have led to greater safety requirements by Parent Teacher Associations and users. Do we comply with European levels of requirements?

Spain has always exceeded European quality standards. And Ministries, manufacturer and transport associations, along with the university research institutes, such as INSIA, have always worked closely together, which has allowed us to make progress and even take proposals to Geneva to be incorporated into the United Nations European Regulations.

Do you believe that there is room for further improvement, that there is more to be done?

I am convinced that there is no finish line, that improvement must be continuous, that research, innovation and the inclusion of new tasks are a never-ending task. With that mentality, an industry like the coach-building sector can face the future confidently.

As far as improving the environment is concerned, what type of progress is contemplated in the road transport sector?

Even though much has been done, it is true that we have only just begun. In this area, the contribution of the coach-building industry may be vitally important for the role of road transport in the commitment to sustainable mobility, both in terms of the use of recyclable materials and in vehicle design and lower consumption.

In any event, I would like to stress my ongoing admiration of the coach-building industry, as it is always subject to strong pressure from the many requirements of the regulations and of the clients that are not always easy to reconcile when it comes to vehicle engineering.

IRIZAR IS SET TO INVEST A TOTAL OF 25 MILLION EUROS IN A NEW PLANT PRODUCING UP TO ONE THOUSAND COACH BODIES PER YEAR

The Irizar Group opens a new plant in Morocco to produce intercity bus and coach bodies

On 10 July the Irizar Group based in Ormaiztegui (Guipúzcoa, Spain) opened a new plant to produce intercity bus and coach bodies in the Moroccan town of Skhirat near Rabat, in close proximity to the Tangiers-Marrakesh motorway.

The decision to produce city coach bodies in Morocco is a new feature of Group strategy, and was taken in view of the great need for quality buses in the country, where most of the units will be used.

The envisaged investment package is 25 million euros for the new plant – 15,000 square metres of covered space and over 200 employees. Depending on demand, plans have been made to increase production capacity to eight times the capacity of the old Salé factory, and manufacture bodywork for one thousand buses and coaches annually.

The Skhirat plant 20 km south of Rabat was built on a 60,000 square metre plot, and commenced operations in June this year.

Current levels of production are already double those of the first plant, and further

increases are expected in the months ahead.

José Manuel Orcasitas, Chairman of Irizar Maroc, said that the new facilities allow Irizar to substantially step up coach production to meet demand in Morocco

during an initial phase, focusing on other markets subsequently.

He feels that the new plant consolidates the Group's globalisation strategy both in terms of increased capacity and a quantum leap in available means, providing the factory with state-of-the-

The Skhirat plant 20 km south of Rabat was built on a 60,000 square metre plot.





Mr Orcasitas also said that since market launch in the 1990s Irizar has sold over 20,000 coaches all over the world.

City buses

The Irizar Group took the decision to produce bodies for city buses in Morocco, and manufacturing work on the first units is expected to start before the end of the year. The country's need for buses and recurrent demand from the authorities led Irizar to launch this product in Morocco, which will represent a huge quality leap with respect to the current standard of city buses in the country.

In order to cope with potential bodywork needs for city buses in countries where the Group was already operating, in 2004 Irizar signed a technology transfer agreement with the Galician body producer Castrosua in relation to its CS40 model.

According to José Manuel Orcasitas, the agreement gave Irizar access from the very outset to "reliable, tried and tested technology, instead of leaping into a business adventure on our own." In the years ahead, depending on market trends, Irizar will be in a position to develop its own model in coherence with the image of Group products.



art Group facilities in order to better meet the needs of customers.

On the day of the presentation, Irizar Maroc's CEO, Abouchane Mohammed, welcomed the Moroccan entity's outright progress with the new facilities, which have all the latest equipment to enable it to manufacture products with the same technology and quality of other Irizar plants, and claimed this would doubtless set it apart from its Moroccan competitors.

Increase in Coach Production

Beyond any shadow of a doubt, the Century model remains the highest standard for top-of-the-range coaches in Morocco. The short-term objective is

to produce 240 coaches over the first year, and subsequently accelerate production in accordance with internal and external demand.

José Manuel Orcasitas said the Group intends to gradually increase daily production levels for the purpose of training incoming employees in coming years.

Each production increase, on average, requires 70 more employees to be hired, and so the final number of jobs created in Morocco could be around 600.

The Chairman also stated that Irizar's market share in Morocco in terms of top-range coaches is almost 100%, and that the Century model is viewed there as a "top-quality product".

Inauguration of the new plant was attended by many Moroccan dignitaries.



A rising star

Since Irizar decided to launch its operations in Morocco in 1997, and especially since outright purchase of Irizar Maghreb in 2001, growth and consolidation of the Group as the main player in the coach sector have been on the up and up.

Irizar Maghreb was created in 1997 in Salé after Irizar became a shareholder in the city bus manufacturer Faconvel, which was experiencing economic difficulties.

In a bid to rectify this situation the owners of Faconvel requested assistance from Irizar to improve their products, and also coach body manufacturing technology. Irizar took up the Moroccan opportunity

and provided economic resources and technology for its Everest bus model predating the Century.

Irizar staff and company management in the joint venture managed to reverse financial and economic trends to make it a market leader in the luxury coach market by 1999.

Supply trends among manufacturers in Morocco led the Everest model to become outdated, and so Irizar suggested to its partner that the product should be renovated using new technology and innovation, along the lines of the Century model which had already been a major success in Europe. To implement this idea, however, it was necessary to wait until 2002 when the Irizar Group bought up all the shares in Irizar Maghreb. The subsequent impact of the product was such that Irizar Maghreb's share of the market with this model increased annually to almost 100%, and in 2007 the entity produced 140 units.

Growth in the luxury range market led Irizar Maghreb to a situation in which it became well nigh impossible to meet demand using only the Salé facility, and so at the end of 2005 Irizar approved the investment package for the new Skhirat facility in order to increase coach production capacity while retaining its reputation in terms of quality and service in Morocco, and also produce bodywork for city coaches.

After these decisions had been taken, at the beginning of 2006 Irizar bought a 60,000 m² plot in Skhirat, and in February 2007 work began there on construction of the recently opened plant, which was built over 15,000 m² of covered surface area.





Staff at Irizar Maroc approach this new phase with a renewed burst of enthusiasm.

Mohammed Abouchane, General Director of Irizar Maroc, who answered the questions raised by the journalists.

The official opening was in the afternoon and was attended by authorities, including the Moroccan Minister for Industry, Trade and New Technologies, Ahmed Reda Chami, and by the King's Governor in Rabat, "Guali" and other key figures. During his speech, the Minister expressed his pride that Irizar had chosen Morocco for this important project and the new plant that would undoubtedly help to improve and foster the country's industry.

After the speeches, the tape was cut, the commemorative plaque was unveiled and Mr. Orcasitas then showed the visitors around the installations and explained the various manufacturing processes. The visit included the existing prototype of urban buses for the Moroccan market.

The opening ceremony concluded with a performance by a local music group and regional dances, and refreshments.

Irizar's enthusiasm and confidence in Morocco in its construction of this new plant will improve and boost the country's industry.

A day for the history books

On 10 July, the Irizar Group opened the new Irizar Maroc plant to build coaches and urban buses in Skhirat. The inaugural event was attended by many key figures from the Moroccan political and business worlds, along with customers and suppliers.

The event began at 11.00 a.m with a presentation to the media which showcased the Irizar project in Morocco, from its setting up in Salé in 1997 to its development and its plans for the future. José Manuel Orcasitas, Chairman of Irizar Maroc S.A., then spoke and outlined the evolution of the Group in Morocco. The press conference was also attended by the Irizar Maroc S.A. board members, Peio Alcelay and , together with





SALAHEDDINE MEZOUAR, THE MOROCCAN MINISTER OF FINANCE

“Irizar’s investment initiative in our market ought to serve as an example for all other companies”

The man in charge of Morocco’s economy talks to Irizar, giving his analysis of the state of the market and outlining the economic situation and new plans for the next few years.

In recent years Morocco has seen its market increase by more than 30 million inhabitants who continually want more goods and services. In fact, the state's commitment to modernising of the economy and opening Morocco up to the outside world has made its economy extremely attractive to Spanish companies. With a forecast of an increase of 6.8% this year, the foremost need of the country is to improve and expand its network of motorways and roads.

Salaheddine Mezouar, the Minister of the Economy, has announced that public investment in the period 2008-2012 will be over 80,000 million dollars. This will inevitably provide a boost for the strategic transformation of the country and the development of new areas. In the same vein, the 2008-2015 programme between the state and the Moroccan National Motorway Company (ADM) aims to construct 1,880 kilometres of new motorways by 2015. Morocco has 850 km of motorways at the moment, a figure that will be doubled to 1420 km by 2010.

Given Morocco's continuing economic growth and its bright prospects, how do you value Irizar's initiative to invest more than 25 million Euros in a developing market?

Morocco has witnessed a strong increase in foreign investment for some years now, which includes that of Irizar, and we are very happy about it. Irizar's new initiative ought to serve as an example to Spanish companies who should recognise that they too could increase their competitiveness by implanting themselves in Morocco while maintaining at the same time their investments in Spain. For us it is just one more indication that the fundamental choices that we have made during the reign of King Mohammed VI are the right ones. Morocco is a country that is open to the

By choosing Morocco, Irizar has considered rightly that it is somewhere that will allow it to optimise its production and create synergies with its Spanish-based institutions.

In recent years Morocco has invested heavily in its infrastructure, specially in roads.

world. It is a springboard for production and trade with access to a market of more that 1,000 million consumers thanks to agreements for free exchange signed with the United States, Europe, Turkey, the Northern African Arab countries and the Middle East and also its privileged relations with the rest of Africa.

As someone who is familiar with Irizar and market globalisation, what is your general opinion about the internationalisation of Irizar, and specifically, how it relates to Morocco?

The internationalisation of a company of Irizar's size is a strategic decision which opens up great development opportunities. By choosing Morocco, Irizar has considered rightly that it is somewhere that will allow it to optimise its production and create synergies with its Spanish-based institutions.

Irizar has decided to transfer the latest product and management technologies to our Moroccan project. Do you consider that the Moroccan workforce and product markets are ready for this.

For some years now we have been modernising our economy and making it competitive. This means that we have also been concerned with strengthening the capacity of our workforce via ambitious training plans. At the moment, our training plans are based on the needs of the country's economy. This is the aim of the training programme for the "10,000 engineers" which industry needs. Internationally renowned companies know that they can base themselves in Morocco because they can count on a competitive and highly qualified workforce. This is the case of the first phase of Irizar's project which is getting excellent results.



We have seen that in recent years Morocco has invested heavily in its infrastructure, especially in roads. Will it maintain its investments in this sector or a change its orientation?

We will, of course, maintain our investment in communication infrastructures such as roads and motorways that will extend to a length of 1,200 km in 2012, in ports and airports with the Tanger Med port, a new international hub, and in many other sectors such as housing, tourism, agriculture... Morocco is pursuing simultaneously many large-scale development projects, without anybody's help and relying on its own resources. Looking at what we have achieved, we are very proud of the progress we have made over the last decade.

There is also a marked improvement in the economic situation of Moroccans. Could you give us some information about what's been significant in the evolution of the Moroccan economy?

All the economic indicators show significant progress, as I outlined in my presentation in Madrid a few days ago. Morocco is a country that is growing and will consolidate itself and be at the same level in the future as European countries. We have shown ourselves capable of achieving an efficient economic and social transformation but this rhythm needs to be more strictly matched by the EU. It is crucial that it orientates itself towards the Mediterranean in order to secure stability and balance in the future

The enormous unexploited potential of Morocco as a holiday resort is one of the things that is most evident to anyone visiting the country. What plans do the government have for developing this sector?

It is true that there are great possibilities for developing the tourist sector. We have designed the "Azure" plan which aims at attracting 10 million tourists by 2010, with a capacity of almost 250,000 beds and the creation of 6 top-level, international spas to strengthen and diversify the offer. We intend to become



one of the most important holiday destinies in the Mediterranean and we are investing a lot to this end.

Finally, how is the world economic crisis affecting Morocco?

We are aware that it's a difficult moment and that uncertainty that exists in the market. However, the forecast for growth in Morocco this year is about 6.8%, the inflation rate is at 2.8%, while the unemployment rate which is now at 9.8% could drop to 9.2%. Nevertheless, our own forecast for growth in 2009 is for considerably less, between 6 and 6.5%.

Internationally renowned companies know that they can base themselves in Morocco because they can count on a competitive and highly qualified workforce.



THE NEW IRIZAR-TVS LTDA PLANT IN VIRALIMALAI, TAMIL NADU, IS SET TO PRODUCE ONE THOUSAND BUSES A YEAR

Irizar enlarges its facilities in India

The ultra-modern face of India. A challenge also shared by the Irizar Group.

As part of its plans for international expansion, Irizar intends to increase bus production and operate on the Indian market at a new plant with a covered surface area of 20,000 square metres, using the same process technology as the Group's other plants. The company is incorporated in

Madurai, a city with a population of 900,000, 460 km from Madras (Chennai) on India's south-east coast.

With the addition of the new Viralimalai plant, where construction is well under way to produce intercity buses and semi-luxury coaches, Irizar intends to take a

Irizar intends to take a quality leap in terms of the products now being manufactured at the Irizar TVS plant, with a view to supplying and improving transport facilities, chiefly within its main area of influence, Tamil Nadu state.

quality leap in terms of the products now being manufactured at the IRIZAR TVS plant with a view to supplying and improving transport facilities, chiefly within its main area of influence, Tamil Nadu state, and also in the rest of India.

Annually the plant will be able to produce one thousand intercity buses to be used by schools and factories, and on regular intercity routes. Another long-term Irizar challenge is manufacturing top-of-the-range items here for the Indian market. Future bus production will go hand in hand with a full overhaul in terms of design, quality and competitiveness, in the same way as the Group has been proving in these operations since 2001.

A shared project

Irizar is partnered in the project by Ashok Leyland and TVS, two leading players in this sector in India. All three have been working together on an equal basis as the new Irizar-TVS Ltda company since 2001.

Ashok Leyland is based in Madras, with 12,000 employees. The group was founded in 1948, and is a major player in the coach sector, selling 22,700 units per year.

It also manufactures some 84,000 trucks annually, operating in 40 countries. It has 400 technical service units in India, and an annual turnover of 1,200 million euros as the total figure for industrial vehicles.

TVS has a headcount of 25,000 and, like Irizar TVS, it is based in Madurai. TVS is a distribution and services company which was founded in 1911 and now has 30 companies – joint ventures, European, Japanese and US businesses. Its main areas of activity are automotive (vehicles and components), and distribution and logistics, with an annual turnover of 3,000 million euros. It has 124 sales offices and around 100 service centres throughout India.

Annually the plant will be able to produce one thousand intercity buses to be used by schools and factories, and on regular intercity routes.



Kilometres covered ... and still more to be covered

The partnership between Irizar, Ashok Leyland and TVS since 2001 has consolidated the joint project in India.

It has been eight years since Irizar-TVS Ltda was created, and Irizar now views with enormous satisfaction the positive changes in the living and working conditions of those who made their contribution to progress and implementation of the project, and also the jobs this has created.

Irizar arrived in India in April 2001 under a joint venture with Ashok Leyland, the manufacturer of 50% of trucks and coach chassis in India, and TVS, a group operating an impressive sales and distribution network. Negotiations began

at the beginning of the year 2000, and a few months later technical support was provided for the company, known as Tvs Coach at the time, by two Irizar technicians, to improve processes and the products manufactured by the company.

From the outset, although they all worked as a team, the partners concerned themselves with their main areas of expertise; Irizar deals with the industrial area, i.e. all product and quality issues, while the other two partners contribute their knowledge of the service network

Each partner concerns itself with its main area of expertise; Irizar deals with the industrial area, while the other two partners contribute their knowledge of the service network and market.

and market, an essential feature in a country with a population of almost one thousand million.

After the first few years of the partnership, in 2004 Irizar transferred its Century model in a process of adaptation to changes in a market demanding more technology and enhanced customer comfort, and in 2006 this led the Group to build a new plant with a view to increasing its production capacity. In 2007 Irizar TVS increased turnover by 58%.

Clear progress has been made in recent years, and the future prospects are extremely optimistic. Historically, one of the major stumbling blocks to business development has been the country's underdeveloped road infrastructure. It would now appear that the situation is changing, however, since in 2008 the Indian Government launched a plan to improve infrastructures with a package to build 30,000 kilometres of motorway facilities.



This year the Indian Government announced plans to build 30,000 kilometres of motorway facilities.

50 coaches for Veolia Transport



In June, Irizar, together with Scania, one of the leading manufacturers of chassis for coaches and lorries in Europe, delivered 50 Century coaches to Veolia Transport, a private company based in France and one of the leading public transport companies in Europe. This operation, worth over €6 million in invoicing for Irizar, included the delivery of 50 coaches of different lengths and specifications. The coaches were used to transfer the VIP guests of the 16 federations that took part in the Eurocup 2008 which was held in Austria and Switzerland. These buses are now being used for different services for the French multinational company in Germany, Belgium, Norway, the Czech Republic and Switzerland. The Irizar-Scania team had already been jointly selected for international football events. In 1998, both manufacturers supplied 52 coaches of the same model to transfer the different teams that took part in the football World Cup in France.



The coaches were used to transfer the VIP guests of the 16 federations that took part in the Eurocup 2008 which was held in Austria and Switzerland.

It cannot be overlooked that Veolia Transport, which is well established in Europe, North America and Australia, operates both in the private and public sector. Its passenger services range from buses, coaches, underground, taxis, trains to boats, and travel management and information services are available in each of them. Veolia Transport also offers railway logistics services for European industry and jointly develops environmental solutions with its customers, who can choose the appropriate energy supply.

Irizar Mexico signs its biggest contract ever with the Estrella Blanca Group

The deal will deliver 300 coaches a year over two years, with the option of a third year

The Mexican contract constitutes one of Irizar's largest international operations this year. The Group has undertaken to produce 300 luxury coaches per year – i5, Century and PB. The order ushers in final consolidation for Irizar's Mexican subsidiary of its leadership of the coach market.

The contract is for two years, with the option of a further year – the volumes are huge, quite unheard of in the sector, and the deal will obviously make a vast contribution to improving passenger road transport in Mexico. The new units will be built at the Group's plant in Querétaro, which recently increased its production capacity by 50% after a substantial extension to the facilities.

The Estrella Blanca Group is one of the largest passenger transport entities in Mexico, and indeed worldwide. It is composed of fourteen firms, among which Futura, Chihuahuenses and Élite. The Group has a fleet of over 8,000 coaches operating routes nationwide in most Mexican states. The current management at the transport company

made the Group Presidency in June 2006, and has more than 1,000 partners. Since then the company has undergone substantial development in terms of administration, management, and a team-renovation policy. In September 2006 the first agreements were drawn up between Estrella Blanca and Irizar México, and the first units were being delivered by December of the same year.

The Estrella Blanca Group has bought more than 300 Irizar coaches in recent years, and this has made a vast contribution to Irizar México's growth and market leadership. The 600 coaches to be bought under the new agreement by the Group over the next two years will increase its fleet to over 1,000 Irizar units.



The Estrella Blanca Group has a fleet of over 8,000 coaches operating routes nationwide in most Mexican states.



The PB revolution

One of the most decisive factors in the emergence of this ambitious project was Irizar's PB model, which the Guipúzcoa company launched on the Mexican market in May 2007. This streamlined luxury coach has completely revolutionised the classic concepts of traditional Mexican buses. Its impressive visual impact makes it an attractive comfortable concept which also represents substantial savings on fuel. The Irizar PB coach has become a world reference in terms of state-of-the-art technology, safety and comfort.

More than 500 Irizar PB units have been sold in Mexico to over 100 different companies since the model was launched, completely surpassing the Mexican subsidiary's original sales forecasts. During the same period the Estrella Blanca Group bought some 300 Irizar PBs, thereby confirming its firm desire to secure the latest technology and innovation for its fleet.

Irizar México turned over 115,000 dollars in 2007, an increase of 18% on the previous year. The Querétaro plant produced 580 units, representing a market share in the passenger coach segment of 41%.

During the first half of 2008, coach sales were up 52% against the same period in the previous year. Production is expected to exceed 700 units by year-end, representing a market share of 45%, and consolidating the company's 300 direct staff and 180 indirect employees.

Bus Eireann buys 32 new Century coaches

With this last order, the total number of Century and Irizar PB models delivered comes to 332 coaches.



Yet again this year, BUS EIREANN, the largest operator in the Republic of Ireland and which runs four passenger transport companies, has entrusted Irizar to manufacture coaches to renew its fleet. Last July, Irizar delivered 32 Century units for discretionary transport routes. The coaches are fitted with a platform for people with reduced mobility and adapted specifically to the customer's requirements.



ARST HAS PURCHASED 210 UNITS OF THE I4 MODEL TO BE USED FOR SHORT AND MEDIUM DISTANCES

Sardinia welcomes Irizar i4 coaches

ARST, Sardinia's public passenger transport company, has chosen Irizar and its latest coach model to renew its fleet. The Italian operator has bought 210 Irizar i4 units, which will be manufactured at the Ormaiztegui headquarters in Spain.

On 15 September, the Sardinian authorities, accompanied by the IRIZAR top executive, unveiled the first units of this important order of Irizar i4 model coaches.

ARST, whose headquarters are in Cagliari, is the largest public passenger transport company in Sardinia. This company has a fleet of 470 buses and is currently immersed in a process to absorb the other public companies. At the end of this process, its fleet will have increased to 750 buses. As part of this process to redesign Sardinia's public transport, it should also be pointed out that ARST purchased a total of 109 urban buses during 2007

and at the same time, order 210 coaches from Irizar for intercity routes.

The island's geography means that large vehicle fleets are needed to serve passengers over short and medium distances for which the Irizar i4 has been designed and developed. This coach is positioned in key urban concentrations, both for regular and discretionary services, and expands and extends the Irizar product range.

With this order, Irizar will sell nearly 400 units of the Irizar i4 model in its first year. This operation is a further endorsement of the development and launch of the vehicle that hit the Spanish and Portuguese market in June 2007. In the international context, the Busworld Fair held in Kortrijk (Belgium) in October last was the setting where Irizar won this important contract and also obtained the first award as the Best European Multifunctional Coach 2007.

Sardinian dignitaries with Irizar's directors.

Did you know....

- **Sardinia** is an autonomous region of Italy. Its regional capital is Cagliari. In terms of its surface area, it is the second island in the Mediterranean and the Italian Republic after Sicily. The two most populated cities are Cagliari, the regional capital, and Sassari, which are located to the north and south of the island respectively.
- **Cagliari** (158,221 inhabitants) is the centre of a metropolitan area that has 450,000 inhabitants. **Sassari**, with 128,850 inhabitants, is the only city apart from Cagliari with more than one hundred thousand inhabitants.
- The other cities have a population of between ten thousand and fifty thousand inhabitants. The Mediterranean climate is typical of most of Sardinia, except for some inland zones with a more extreme climate.



Irizar and Avanza Group sign a 3-year agreement

At the beginning of the year, IRIZAR signed a framework agreement with AVANZA GROUP to supply fifty Irizar PB coaches over the next three years. In 2008, and pursuant to the contract, Irizar has delivered 27 coaches for suburban and intercity transport services. Irizar has thus delivered fifteen 48-seater units, 12.2 metres in length, to be used to cover intercity and suburban services and a further twelve 12.9-metre units that will be used for the Madrid-Vigo line. The latter come with a sound socket in each of their 46 seats. Both models are manufactured on an Iveco chassis, are 3.5 metres high and come with state-of-the-art design, safety and comfort technology.



Avanza Group does more than 138 million kilometres a year, transports more than 248 million passengers and has a fleet of 1,670 vehicles.

MANY TOP EUROPEAN FOOTBALL CLUBS CHOOSE TO TRAVEL IN IRIZAR COACHES

Irizar rides with the Champions

Tough sporting commitments such as Spain's league and cup ties and Champions League encounters make it necessary for clubs to buy safe, comfortable coaches to transport their players. Many teams in the Spanish league and in other European countries now use Irizar coaches to ease the many journeys to be undertaken during the football season.

All four Spanish teams competing in the Champions League this year - Real Madrid, Villarreal, FC Barcelona and Atlético de Madrid - will be using brand-new Irizar PB coaches for maximum comfort and ride safety.

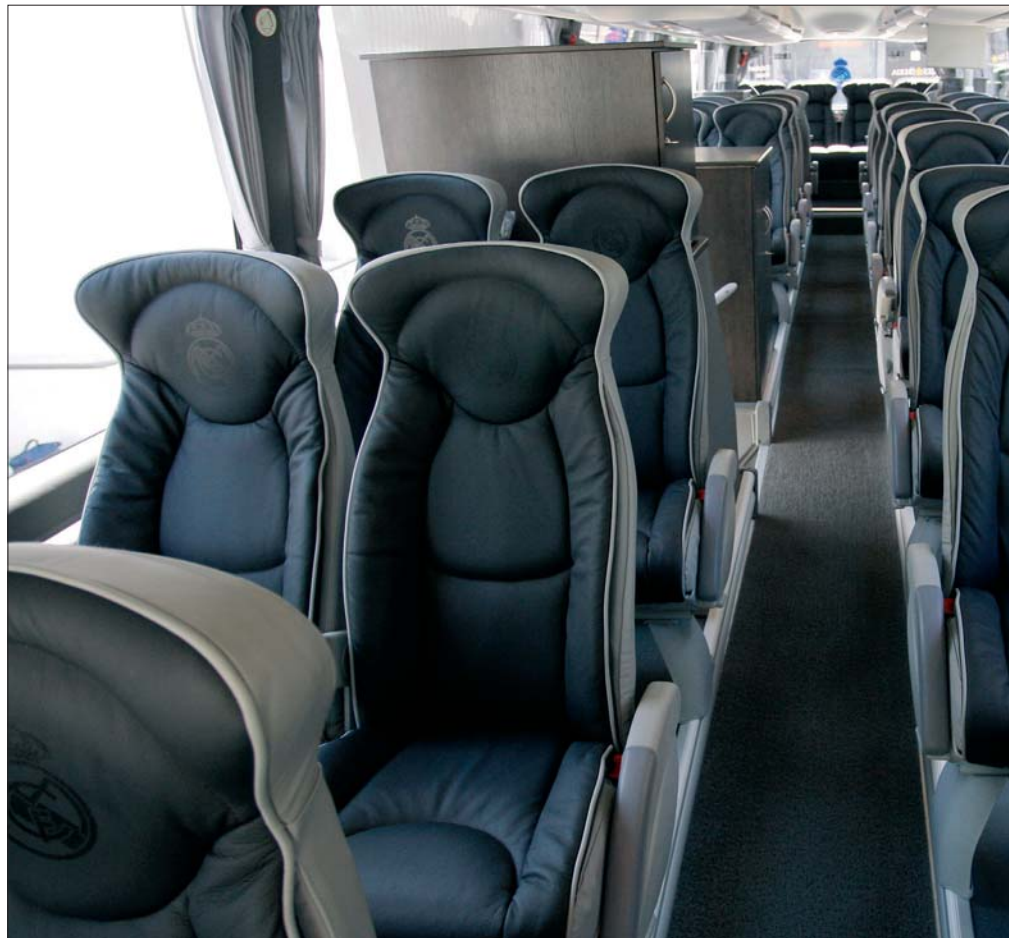
The latest team to acquire one of the coaches is Real Madrid. Last summer a new vehicle arrived with every intention of going far in the Champions League. The new Real Madrid coach is 14 metres long, 3 metres longer than its predecessor, and 3.70 metres in height. It has forty leather seats inside with footrests and foldaway tables as features of comfort and distinction for the teams travelling in it.

The Villarreal CF coach is hard to miss due to the profusion of yellow on both sides with the club logo. The coach is 13.8 metres in length, with a bunk for the driver and 44 comfy padded black leather seats, a leg rest, a central armrest,

a double-point belt, audio facility, seat tables and yellow headrests stencilled with the club logo.

FC Barcelona uses a new luxury PB for its many journeys. The players are quite

content to use the coach as a mean of rest and relaxation in the 36 comfy mixed-leather seats with armrests, newspaper racks, individual audio facilities, DVD, two fridges and three games tables.



The four Spanish representatives competing in the Champions League this year have Irizar PB coaches for maximum ride comfort and safety.

Football clubs are increasingly turning to Irizar for their road travel needs due to the safety and comfort of our coaches.

Following a spectacular start to the League, Atlético de Madrid also travels around the country in a new PB, where both trainers and players can enjoy the excellent services the club richly deserves.



A great Champions Coach

Investment in technology and safety makes the new Real Madrid coach an extremely comfortable vehicle for travel and relaxation.

It has double-tinted windows acting as a solar filter to provide extra comfort and coolness. In the event of an accident, the roof has anti-roll rings in compliance with the R66 Regulation.

The coach has individual CD radio in the seats back and front to tune into a number of channels, a DVD, and two memory cards to store music and films. There is a GPS system for a view of the road on the three on-board televisions, one of which is adjustable.

Getting on at the back of the coach, we find two special seats with leg rests for injured players. The last two rows have four two-way reclining seats around two games tables. This area can also be turned into a comfy stretcher-bed facility for players who have sustained major injuries. The coach has forty 220 V electrical sockets distributed individually around the seats. Three fridges, a microwave, a coffee machine, washing facilities and a cupboard to hang up suits are just a few more of the treasures to be found within.

The coach, of course, is equipped with the last word in technology and comfort to make the players' journeys as safe and pleasant as possible.

Innovation in movement

The term innovation means finding a new way of doing something. It refers to incremental, radical and revolutionary changes in thoughts, products, processes and organisations. The difference between invention and innovation is that the first is about creating and expressing an idea while the second is about successfully putting ideas into practice.

Irizar, which had already distinguished itself since its foundation in 1889 for its ability to adapt, in the 90s decided to focus on innovation as a central part of its strategy to make customers loyal. It radically altered its management model, changing it from a conventional one to one that was based on people - people who united their abilities and energies within a framework of continuous innovation and whose aim was to bring satisfaction to their clients.

The Irizar project upholds a management model that is non-hierarchical, based on freedom, communication and responsibility. It represents a completely new model where people work on a common project, are organised into multidisciplinary teams that manage themselves and come up with short, medium and long term results and solutions. Teams are responsible for the whole process (from the initial thought about the market/customer up to the final delivery of the coach) and are clearly customer orientated.

This innovatory model is founded on a belief in people and their abilities. We consider people's knowledge and experience are the most important assets of the project and have been crucial in implementing the group's strategy and in achieving its successes.

It is a model that is unique in the world and Irizar has exported it to all its other group projects in the belief that it is not only

Quality, service, cost, safety, healthy employment and shared experience are key features of the Irizar Group philosophy.



good for its clients but also for the rest of society. Due to its innovatory formula and proved efficiency, it is currently being studied and analysed in the most renowned universities across the world.

Innovation in its products

Safety, innovation, design, reliability and profitability are the chief values that Irizar brings to its clients. Thanks to its commitment to continuous innovation, Irizar can boast of three types of coaches, the Century, the Irizar PB and the i4 which represent milestones in the progress and development of the industry.

Internationalisation

Internationalisation is a key factor in the Irizar Group which still remains the absolute number one leader in Spain and an important reference point throughout the world. The economic figures give an idea of the qualitative jump that Irizar has made from the beginning of the 90s when the company's turnover was 20 million Euros and when it employed 250 people. Fifteen years later, Irizar has multiplied its turnover by 20 to 435 millions and more that 3,100 people are involved in its nine projects for constructing coaches and components in 88 countries all over the world.

Irizar's innovative management process is based on trust, knowledge, experience, and the ability of Group employees.

Recognition

Amongst the numerous distinguished mentions that Irizar has received during its history, the following stand out: the European Award to the Management Excellence in 2000, the 2004 Conética award for Corporate Social Responsibility, the recognition of Irizar, alongside BMW, by the Harvard Business School's Institute in 2002 as a company that distinguishes itself from other European companies for its superior strategic decisions, the Príncipe Felipe award for Company Excellence and Total Quality Management presented by the Ministry of Industry and Trade in 1996, the Entrepreneur of the Year Award in 1997 and the Basque Government's Gold Q Award for Business Excellence in 1999.

Over 3,100 people are involved in the nine Irizar projects worldwide.



A LARGE MODERN INNOVATIVE STAND SHOWS OFF THE PRODUCT RANGE, THE GROUP'S TRAJECTORY AND FUTURE

Irizar, one of the main players at FIAA

Irizar, one of the main Spanish players in the bodywork production sector, is attending the Ninth International Bus and Coach Trade Fair in Madrid with a modern, innovative, futuristic, state-of-the-art stand representing its values and strengths and a Group that has evolved over a trajectory of almost 120 years.



Irizar arrives at the Trade Fair in clear support of the bodywork sector in Spain, in a larger space at FIAA this year – 1,512 m², a 50% increase on the surface area at the last FIAA two years ago. It has easy comfortable access at Pabellón 7, Stand 7B.

As at previous fairs, Irizar's stand in FIAA 2008 reflects the image of the Group itself, open and transparent. The spectacular, visual and futuristic ambiance constitutes an unmistakable

invitation, an enormous attraction for a walk around the stand to inspect coach stops, shelters and stations, the latest models, and other vehicles that have marked out the Group's trajectory.

Irizar's latest creations are on view at the stand. The **i4** model for short and medium distances, acclaimed as Best Multi-functional Coach 2007 at the Kortrijk Trade Fair in Belgium. The Irizar flagship, the **Irizar PB**, will also be present at FIAA 2008 - 15 metres in

length, specially designed for long distances. As will the **Century**, Spain's Coach of the Year in 1995, 2002 and 2005.

The celebration of Irizar's 120th birthday next year is a good time to look back and confirm that the experience acquired will be a feature of our future projects.

It is the ideal facility for short and medium distances.

120 years

As a run-up to Irizar's 120th birthday in 2009, the management is keen to show off some of the models that have made their mark on Group development. The stand has a carriage dating back to 1870, one of the first passenger transit facilities, also a model designed and built by Irizar in 1959, and a 1976 Urepel coach.

In the 1950s Irizar was defining its product and taking great strides forward in manufacturing the first coach with a metal structure to replace the previous

wooden units. The first metal-bodywork coach was produced in 1953, introducing a new structure and a forward-looking concept. Some years later, in 1970, Irizar brought out the market's first air-conditioned coach, and this marked the company's take-off. The design lines of the Urepel were rounder and more streamlined than previous models, the coach had lower levels of consumption, it was one of the first ever air-conditioned coaches with a front-end air pick-up, and the first to use the sealing process.

Thus after a long trajectory of almost 120 years of experience in the sector, Irizar continues to look to the future with the same philosophy of confidence in a solid prestigious project based on people.

The age of the coach

Huge potential in the coach manufacturing industry and increasing numbers of passengers are consolidating the sector

Spain has one of the world's finest coach manufacturing industries. Recent years have witnessed heavy investment in R+D+I in accordance with the criteria of passenger safety and comfort and protection of the environment.

Over 66% of public transport journeys in Spain are made by bus, 262 million journeys a year, a clear indication of the obvious importance of passenger road transport as an industry and a public service.

This is the first trade fair at which all chassis manufacturers have taken the unilateral decision not to take part. Exhibitors will be at stands in Pabellones 7 and 9 in the Madrid Trade Fair IFEMA from 14 to 17 October 2008.



Irizar and Scania, together at AUTOTEC 2008

The most important motor show held in Brno attracted over 65,000 visitors



Irizar and Scania were present at the V Autotec Fair, which was held in the Czech city of Brno at the start of the summer. Irizar launched its latest i4 model on the stand run by Scania, the Swedish brand, and where it also showcased its latest engines for lorries and coaches.

The fair is included on the calendar of the International Organisation of Vehicle Constructors (OICA) and attracts lorry and utility vehicle manufacturers from all around the world every year. During this year's fair, a total of 601 exhibitors unveiled the latest products in terms of spare parts and service equipment for the sector. Both the professionals and the general public alike were particularly attracted by the latest products for the automobile industry, whose volume, on this occasion was very high.

The next Autotec fair will be held in Moscow from 3 to 5 March 2009.

Irizar PB and i4 a great success at the RDA Workshop

Irizar's two latest models were a great hit at Cologne's Bustouristik

Two of Irizar's brand-new coaches, a luxury PB and an intercity i4, were showcased during this summer at the RDA Workshop 2008, the major international tourist fair, that took place in Cologne between 5 and 7 August. The sector's professionals that visited Pavilion 10.1 discovered for themselves the various features that these two coaches offer their customers, who were yet again pleasantly surprised at the comfort, versatility and the design. With regard to savings and safety, the new Irizar i4, used for short and medium distances, was warmly welcomed by the bus companies who are looking at ways to cut costs.

Every year, this fair aimed at the sector's professionals also welcomes numerous travel agents, maritime transport mountain railways, cable cars and gastronomy companies, hotels, leisure installations, musicals and business travel specialists.





The IAA ends with record attendance

Hanover hosted the most important international motor show for the industrial vehicle sector from 25 September to 2 October.

This year, the sector's leading companies launched over 250 new products. The fair showcased lorries, trailers, logistics, garage equipment, cars, along with buses and coaches. Irizar's presence with its top-of-the-range product further consolidated its international profile. The number of visitors to the stand that Irizar shared with Scania was up by 18% on the 2006 show.

Consumption, Energy and the Environment

As part of the conferences held during the Fair, Dr. Oscar Reuter, from the Institute for the Environment and Energy, pointed out that *"buses and coaches are the natural partners for protecting the environment"*. He went on to say that *"from the point of view of CO₂ emissions per person and kilometre, the average for the bus and coach are much lower than for air or rail transport"*. He highlighted

this with the example that modern coaches emit 32g CO₂/person-kilometre, while the figure for travelling by rail is 52g CO₂/person-kilometre. The coach uses 60% less energy for a 10 km journey than when travelling by rail.

On the other hand, India's important role was stressed during the IAA as it is becoming an attractive growing market for the bus and coach sector. This is partly due to the steady development of its cities and an increasingly more competitive sector.



Family photo of Irizar's three present coach models: Irizar i4, Century and Irizar PB.



IRIZAR'S THREE COACH MODELS PROVIDE US WITH TRAVEL SOLUTIONS

Off we go

Irizar now has three types of coach to meet the needs of customers, even the most demanding of customers. There are models for short, medium or long distances - the Irizar i4, the Century and Irizar PB make up the current range of Irizar buses, operational in more than 88 countries all over the world.

The Century is Irizar's most emblematic creation, one of the world's most popular purchases, with more than 20,000 coaches operational at the present time.

Since the beginning of the 1990s when it launched its first model, the Century (1991), Irizar has continued to innovate, coming up with ideas and solutions to meet the needs of customers using coaches all over the world. Since then, faithful to the Group's philosophy of constant innovation, the Century has been Irizar's most emblematic creation, and one of the world's most popular purchases, with more than 20,000 coaches operational at the present time. It is a state-of-the-art coach, ideal for regular medium and long distance routes, and easily incorporated as an optional tourist component. The new Century features thousands of solutions which have been designed, tried, tested and developed to provide the best guarantee of ride comfort and safety. There are a number of Century models ranging between ten and fifteen metres in length. The interior allows both the driver and the passengers to enjoy a comfortable, safe journey every time. The Century's ultra-modern design won it the prestige of Best Coach of the Year in 1995, 2002 and 2005.



The Irizar PB is the luxury coach par excellence.

The Irizar PB is the luxury coach par excellence, designed to cover many many kilometres in comfort and safety. Its impressive exterior view makes it the flagship of long distance coaches. The interior, the seats, the air conditioning and easy access all create the best possible atmosphere in terms of passenger pleasure and comfort. Over 6,000 Irizar PBs are currently operational on roads all over the world.

The Irizar PB range is available in all brands and models, with lengths ranging between twelve and fifteen metres, and a choice of two heights, 3.50 and 3.70 metres. Options are also available to customise the coach to more specific individual needs.

After three years of painstaking research and an investment package of 18 million euros, launch of the Irizar PB in 2001 caused genuine sensation among customers. One year after it had been implemented it won much acclaim in specialist magazines, and also awards such as Best Coach of the Year 2002 in Spain, and European Coach of the Year in 2004. It enjoys great prestige among coach drivers due to its superior road stability, assisted by a lower centre of gravity which enhances rigidity and meets the requirements of European Regulation ECE-66.

Finally, Irizar's most recent model is the i4. The coach was presented at the Busworld 2007 International Trade Fair, where it won the Best Multi-functional Coach Award.

It is the ideal facility for short and medium distances. Its modern design is fully coherent with Irizar's image, and a style pointing to its own personality – dynamic, tough, and safe.

Passenger safety and comfort and operators' profitability were the main watchwords for Irizar in this project, where functionality, versatility, service and product reliability and image are the distinguishing features.

The specific case of Irizar is an example of a dynamic business which has moved into developing countries and secured operations across all five continents.

The Irizar i4 is ideal for short and medium journeys.

In terms of safety, the Irizar i4 increases the coach's roll resistance by 35%, in due consideration of passengers wearing safety belts, and this meets the new R66.01 safety regulation. Its structural design provides an extra 50% absorption of the energy caused by a head-on collision, and reduces its effects with built-in safety features. Bending strength has also been increased by 80%, and torsional strength by 30% to make the driving process much more stable.

The driver's space is larger than the rest of the range, since the finishes provide better accessibility to the driving cab, which is much more ergonomic, with accessory features required for various services. The Irizar i4's front lighting has also been increased by up to 60%, and demisting capacity by 50%. New design features have helped bring about a significant reduction in fuel consumption, and it is such a robust product that its buyback value is well above the market average, as shown by the rest of the Irizar range.

The Irizar i4 is available in a number of versions ranging between lengths of ten and fifteen metres, double-axle or triple-axle, and there are also several interior versions. There are three deck versions (H, L and M), an easy-access facility for children, and also a luggage rack option.

The key to success

Safety, innovation, design, reliability and profitability are the main areas of value on which Irizar focuses for its customers. In order to produce these concepts, Irizar harbours no doubts on the subject, knowing it is absolutely essential to listen to its customers first of all, and then perform an analysis of their needs in order to come up with a differentiated, solid, dynamic design worthy of the Group's image.

Listening to the customer is an essential requirement to produce the concepts that define the Irizar product.





A GOOD AND CONVENIENT WAY OF TRAVELLING IN COMFORT WHILE ENJOYING EVERYTHING THE COUNTRY'S DIFFERENT LANDSCAPES AND CONTRASTS HAS TO OFFER

Morocco by coach

Travelling by bus has the advantage of usually being much cheaper but it is also an opportunity for the passengers to enjoy all the details of the landscapes and towns along the route. Our route will take you on a delightful, entertaining and surprising journey just on the other side of the Straits of Gibraltar. From Tangiers to Ouarzazate, through Asilah, Larache, Fez, Meknes, Rabat, Casablanca, the red city of Marrakech and then on to our destination, which has been the backdrop for many films. The trip is over 1,100 kilometres long and will take you deep into a country that is so near and yet so far away in time.

Marrakech and Tangiers, two locations on our itinerary representing a Morocco both traditional and modern.

Morocco on the other side of the Strait. So close geographically and so far away in time.

In Morocco, there is a city where each alleyway is a mystery and each step a new discovery. Your trip begins in Tangiers, the Pearl of the Straits, a mythical city where you will be seduced by the extraordinary atmosphere in the streets. There are many people who have gone there for a day and ended up settling there for life, such as the painter Henri Matisse or writers of the ilk of Paul Bowles, author of "The Sheltering Sky" or Tennessee Williams, who wrote "The Cat on a Hot Tin Roof", along with many other celebrities who were so charmed by the city that they dedicated at least part of their works to it.

You then set off by coach to Meknes, 327 kilometres away. During the journey along the N1 and then from Kenitra along the NE, you should take a break along the route and visit the north-eastern coast and stop in the delightful city of Asilah.

You will surely be charmed by its white house, with bright blue and discrete green features. This beautiful city is now a cultural oasis, famed for its music and its colourful murals that brighten up its medina. There is more to be admired in the peaceful and welcoming city of Asilah than its own beauty. The sunsets from the fortress on top of the rock crags are simply breathtaking.

Your route then continues to Larache, a coastal town that is famous for its minarets that stand out like exclamation marks against its white roofs. The final

resting place of Jean Genet, the French author, Larache continues to be a haven, a shelter for the trawlers that fish out at sea.

After visiting the city, your route continues along the coast to Kenitra, where it takes you inland along the N4 to Fez, the first of the five imperial cities. You will be struck by the thousand and one aromas and flavours that combine to welcome you and seem to take you back in time. This ancient city, rightly known as a city of lights, now stands as an untouched gem of a glorious past. With nearly 950,000 inhabitants, Fez is breathtakingly beautiful.

The city, declared a UNESCO World Heritage Site in 1981, is divided into two zones. Fez el Bali is the old city, with a maze of streets and one of the largest medieval sites in the world. The gates and city walls enhance its majesty even further. Fez-Jédid is the new zone and is home to the old Jewish district, the Mellah, and the French quarter, the Ville Nouvelle (New Town), in the north-east part of the city.

You then continue on your way the following day. Sixty kilometres to the south-east, you will reach Meknes, the second of the imperial cities, whose city ramparts are nearly 40 kilometres along. It is a Berber city dating back to the 9th century, but which became established when the Almoravides built its fortress and alcabaza (or military zone). After periods of upheaval when the city was besieged, conquered, destroyed and rebuilt, Meknès was in its heyday during the reign of the Alaouite Sultan Mulay Ismail, who provided the city with its early gardens, mosques and its first palace, Dar Kebira. The Bab Jamaa En Nour gate is a fine example of harmony and the Bab Mansour gate is noted for its



huge dimensions and is considered to be one of the most beautiful in the country.

The delightful city of Moulay Idriss is just 26 kilometres away from Meknes, on the slopes of the Zerhoun mountain. The ruins of the ancient Roman capital of Mauritania Tingitana in Volubilis, just 27 kilometres from Meknes, are well worth a visit. Even though the statues are in Rabat Museum, the ruins and mosaics are worth seeing.

After leaving Meknès, your route will take you along the N6 highway towards Rabat, the City of Gardens, which is elegant, modern and yet traditional, and set against a backdrop colourful slopes. In Rabat, you can stroll along the promenade with the roar of the Atlantic Ocean in the background, surrounded by fantastic flower mosaics, and under a beautiful blue sky, or visit historical sites, such as the Mohammed V Mausoleum. The Oudaias zone, which has its own special charm, has many old, cobblestoned streets, where traditional Muslims coexist with the modern city.

Casablanca is just 97 kilometres away. The Lighthouse City is the country's administrative capital, is home to 60% of the country's companies, uses 30% of the electricity and is the headquarters of nearly all the banks. The Hasan II Great Mosque, famous for its breathtaking dimensions and luxury materials, rises up majestically above the coast. Over 3,300 craftsmen worked on building it and it was opened in 1994. Its minaret is the highest in the world and rises up 200 metres high. There is room for 25,000 of the faithful in its prayer area and 80,000 people on its esplanade.

Your last stage is the 238 kilometres to the Pearl of the South along the N9. After three and a half hours, you will reach



Fairs and festivals

October

Fez: Moussem Moulay Idriss

Erfoud: The Date Fair in Erfoud

Tissa: Horse Fair

January

Salé: Wax Fair (Mouloud)

Tagrout: Almond Fair

May

The Rose Fair in **El Kelaâ M'Gouna**

June

Larache: Moussem Moulay Abdeslam Ben M'Chich

Serfou: Cherry Festival

July

Essaouira Festival

Agadir: Honey Fair in Ida or Tanane, near to Agadir

August

Asilah Festival

Oujda: Gharnatie Music Festival

Saïdia: Popular Music Festival Saïdia

El Jadida: Moussem Moulay Abdellah

September

Imilchil: Betrothal Festival

Marrakech: National Festival of Popular Arts

Meknès: Moussem Moulay Idriss - Zerhoun

The country is also a huge palette of colours producing immediate and permanent fascination.

Marrakech, the city of the thousand and one nights, a mystical and mythical place, a meeting place for people looking to be stunned and delighted. In the red city, so named for the colour of its buildings, you will see the Koutoubia, the twin of Seville's Giralda Tower. You can also visit the Menara gardens, where, legend has it, the warriors learnt to swim, who would later cross the Straits of Gibraltar to invade the Iberian peninsula. You will be struck by the fascinating atmosphere as you



walk through the old part of the city, with the bazaars, the medina and the Jemaa el-Fna square, where the never-ending sounds of drums mix with the smell of mint and spices, and a sensation of joy. Marrakech is an excellent base for attractive trips to the palm groves, the High Atlas routes, towns such as Tameslouht, Amizmiz or Asni, or even the Ouikameden ski station and the Ourika Valley.

Finally, your trip ends as you make your way along the N9 to Oarzazate. It is also known as the silent city and is the starting point of the "Thousand Casbahs Route", a circuit that takes in a series of villages

made up by small and delightful adobe houses. Its landscapes have used for numerous films, such as Cleopatra, Astérix or Lawrence of Arabia. Gladiator was shot in the Ait Ben Hadou casbah, a UNESCO site. One of the most important film studios in the world, the Atlas Studios, is now in Ouarzazate.

Casablanca is the classic image of a Kingdom making great strides along the road to progress and the modern age.



THE ORIGINS OF IRIZAR (I)

The mark of Don José Francisco

His enterprising nature and constant emphasis on innovation, key features in the origins and development of the Group.



The Irizar family founded a passenger transport company in 1889. By the end of the 19th century the family business was already leaving the mark of perfectionism on its painstaking manufacture of elegant carriages and hansoms over almost three decades. Today's Carrocerías Irizar has a clear predecessor in the lines marked out by the founder, José Francisco Irizar (1839-

1926) and the Uerkalde farmstead at Ormaiztegi. It was there that the first gurdiak or oxcarts were built and, nearby, at the Berjaldegi-berri sawmill, the first carriages.

The beginnings of Irizar were thanks to the courage and energy of José Francisco Irizar Katarain, a blacksmith born in Ormaiztegi in 1839, who had

José Lorenzo, the eldest of José Francisco Irizar's sons, who succeeded his father in his work up to the middle of the 20th century, centre, wearing a txapela beret.

The first wheel repair and production workshop was located at the Uerkalde farmhouse.

shown great dexterity in woodworking and metalwork even from childhood. His skill and energy were such that he earned the appreciation of the locals, mostly small farmers, who would come to him for repairs to the wheels of carts they used to work the land, and also as a means of transport.

Although Ormaiztegi was a village with a population of not much more than 600, even by the latter half of the 19th century it had good road and rail communications, and this enabled the smith to move around the entire area to wherever people required his services. With the passage of the years, however, the daily trekking had become too much for him, and so he decided to set up a workshop in his own village at the Uerkalde farmhouse, which became the first work centre and production facility of what would eventually become the Irizar company.

To deal with the large increase in work orders, José Francisco Irizar availed himself of the incipient machinery boom and installed drills at Uerkalde, and also a makala or horizontal wheel turned by farm animals to produce transmission for saws. He was able to use these systems to make closed wheels for small-load carts and spoked wheels for larger vehicles. The next step was bodywork for carriages, carts and even hansom cabs. José Francisco used the little free time he had to investigate new and more attractive ways of creating transport facilities, an activity his heirs were to continue.



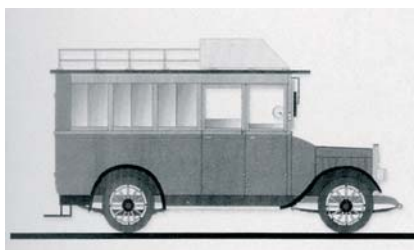
Like father, like son ...

The Irizar family's spirit of enterprise and constant desire to innovate have been permanent characteristics from their origins to the present day. Like many other Basque businesses, down through the years the Irizar saga availed itself of the opportunities presented by the economic and demographic development of the time.

José Francisco had six children. The eldest, José Lorenzo, served his time as a blacksmith, took charge of the family assets, and set up Carrocerías Irizar Hermanos with his younger brother Cecilio. During the initial years of the 20th century they added a steam unit bought from the former hospital in Irún when it installed electricity. The machine was brought to Ormaiztegi by the most primitive means, using oxen, and the delivery consignment cost 1,300 reales.

The family business had no desire to be left behind in terms of progress, and so in 1920 electricity was introduced thanks to one of José Francisco's brothers, Juan Cruz, the owner of the old San Antonio furniture factory, which had secured a power connection. The factory embellished and decorated luxury bourgeois mansions, and even supplied the Belgian Royal Family, whose members would arrive personally to order their furnishings.

The excellent manufacturing quality gradually led the wheels produced at the farmhouse, now converted into a workshop, to be exported to the provinces of Álava and Navarra. So it was that the Irizar brothers commenced their activity of bodywork repairs, since there were now increasing numbers of motor vehicles in the area.



The Irizar family availed itself of the opportunities presented by economic and demographic development. The image shows the first chassis fitted out by the Irizar brothers, in 1928.

Like other locations in Gipuzkoa, at the end of the 19th century Ormaiztegi witnessed its very own industrial revolution through the construction of major infrastructures.

Light in the Goierri Valley

Industrial growth and gradual improvements to road communications generated new lifestyles in the 19th century.



The Ormaiztegi viaduct, the most spectacular feature of the Madrid-Paris railway line, was opened in August 1864.

Halfway through the 19th century, changes in locomotion (roads and railways) introduced activities other than farming. Construction of the Northern Railway, the “Royal Car and Stage Route”, the Ormaiztegi viaduct, the spa,

and the beginnings of the mining industry ushered in the golden age of local social and economic development. As in the rest of Europe, up to the beginning of the 20th century economic structures in Ormaiztegi, and particularly

those of the Basque Country in general, had been based on agriculture, livestock and fishing.

The historian Serapio Mújika claims that the Ormaiztegi business emerged from the population structure caused by two major events. Firstly, the "Royal Car and Stage Route" went through the area, and between 1846 and 1848 a road was built to the town of Oñati through Legazpi, in response to the conditions imposed by Oñati in return for becoming part of Gipuzkoa province. Secondly, there was another event that exerted great influence: the building of the railway, and with it the opening of the Ormaiztegi viaduct, the most spectacular feature of the Madrid-Paris railway line, on 15 August 1864.

Construction of the railway and the viaduct secured an optimum juncture in Ormaiztegi for the commencement of new activities and new lifestyles.

During work on the Northern Railway (1860-1864), Ormaiztegi was the base for senior employees in charge of major work on tunnels, viaducts, cuttings, slopes and embankments, and many workmen and contractors were also called to work on site. Amid this climate of thriving social and economic development, a number of local establishments opened up to cater for their sustenance and leisure requirements, allowing them to spend their time at inns, cafes or billiard rooms. These businesses were extremely profitable, workmen were likewise paid

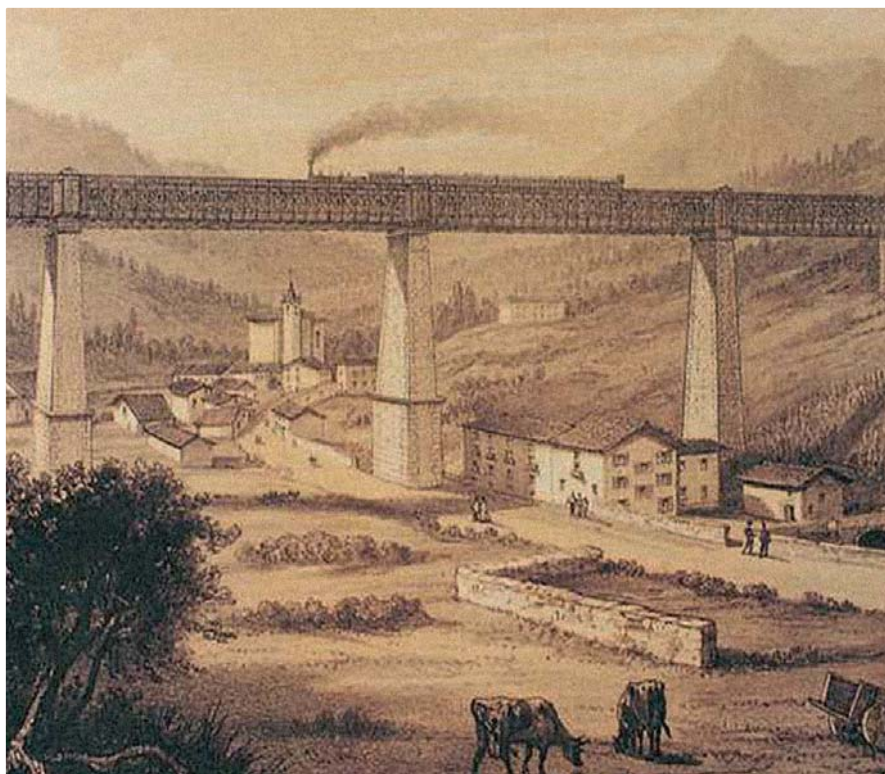


very good wages during those times of plenty, and so this came as a welcome relief to the precarious conditions in which most local people eked out a living from agriculture.

As of the mid-nineteenth century Ormaiztegi encountered an optimum juncture for the commencement of new activities and new lifestyles: construction of the railway and the viaduct itself brought in specialist workers to leave their mark on the local people who worked on the railway along with thousands of other Basques. Subsequently many bathers arrived at the spa built under the viaduct that attracted many clients, and initiated a new source of wealth which was also to change mindsets.

Then in 1888 Ormaiztegi secured permission for its own railway station, which was opened three years later. This further improved its communications with other locations in the Goierri Valley and around the coast, and was also used to transport ore from the mines at Mutiloa and Zerain.

The Ormaiztegi business emerged from the population structure caused by two major events.





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