

Start of franchise: 20 September 2009

Franchise renewal: 25 July 2015*

Approx. 50% of passengers are commuters

Regulated (peak-time) fare increases:** RPI+1%

Unregulated (off-peak) fare increases: avg RPI+c.1%

** With a two year extension at DfT's discretion*

*** Annual regulated fare increases are made in January based on the Retail Price Index (RPI) as at July of the previous year.*

Southern latest results:

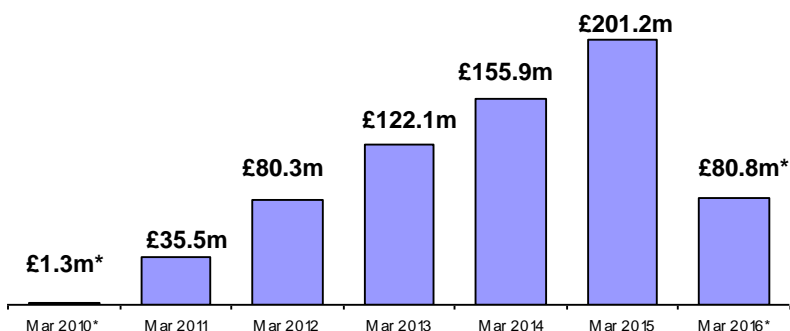
	FY 09/09	FY 07/8*
Total revenue	£602.4m	£557.1m
Passenger revenue	£487.2m	£393.0m
Other income	£32.5m	£29.8m
Net subsidy receipts	£82.7m	£134.3m

Passenger revenue growth 7.9% 13.2%

Passenger journey growth 4.4% 6.7%

** Figures from old Southern franchise (2003 - Sept 2009)*

The new Southern franchise premium profile:

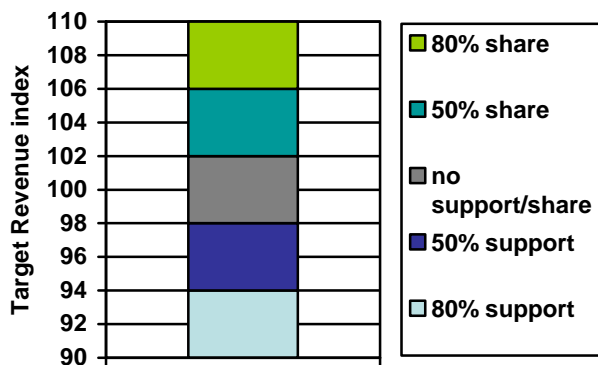


** Part year (franchise runs from 20 September 2009 to July 2015)*

The adjacent chart shows the premium the new Southern franchise will pay the DfT. Amounts shown are nominal. Years commencing 1 April.

From 1 April 2009 there have been changes in the access charge regime across the industry which reduces Southern's annual access cost by about £80m. As these costs were historically compensated for through the subsidy / premium profile there will be a corresponding adjustment to the franchise subsidy / premium and therefore no net impact on profit.

New Southern franchise revenue share mechanism*

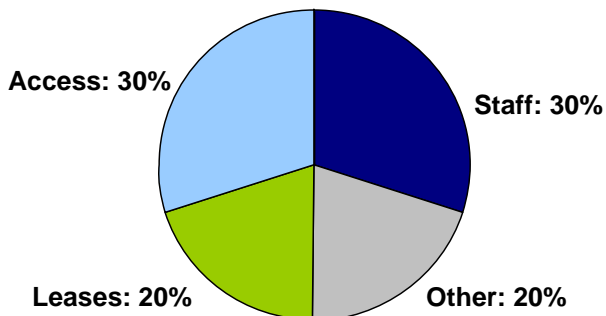


Revenue support mechanism starts at the beginning of the franchise

Revenue support mechanism starts 21 September 2013

**The previous Southern franchise had a 'profit share' mechanism.*

New Southern franchise cost base*:



For further information about the new Southern franchise:

[View Press Release](#)

[View presentation](#)

** Disclosed at Southern presentation – June 2009. Costs rounded to the nearest 5%.*