GO-AHEAD FULL YEAR RESULTS
for the year ended 29 June 2013

5 September 2013
FULL YEAR RESULTS OVERVIEW

- Overall results slightly ahead of management expectations
- Record passenger levels across both bus and rail divisions
- Good progress towards bus operating profit target of £100m by 2015/16
- Sector-leading deregulated passenger revenue growth
- Solid revenue growth in rail
- Shortlisted for Thameslink and Crossrail franchise bid competitions
- Maintained full year dividend at 81.0p
STRONG PERFORMANCE IN BUS

<table>
<thead>
<tr>
<th></th>
<th>Operating profit FY'12 £’m</th>
<th>One-off benefits FY'13 £’m</th>
<th>Acquisitions FY'13 £’m</th>
<th>Like-for-like Variance £’m</th>
<th>Operating profit FY'13 £’m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deregulated bus</td>
<td>35.4</td>
<td>-</td>
<td>(0.1)</td>
<td>2.6</td>
<td>37.9</td>
</tr>
<tr>
<td>Regulated bus</td>
<td>34.8</td>
<td>1.6</td>
<td>2.2</td>
<td>1.7</td>
<td>40.3</td>
</tr>
<tr>
<td>Total bus</td>
<td>70.2</td>
<td>1.6</td>
<td>2.1</td>
<td>4.3</td>
<td>78.2</td>
</tr>
<tr>
<td>Rail</td>
<td>40.0</td>
<td>-</td>
<td>-</td>
<td>(15.7)</td>
<td>24.3</td>
</tr>
<tr>
<td>Total</td>
<td>110.2</td>
<td>1.6</td>
<td>2.1</td>
<td>(11.4)</td>
<td>102.5</td>
</tr>
</tbody>
</table>

- Overall results for the Group slightly ahead of management expectations
- Group revenue up 6.1%
- Like-for-like operating profit down £11.4m due to rail, offset by strong bus performance
- Record full year bus profits, despite significant fuel cost headwinds
- As previously identified, regulated profits helped by Olympic contracts worth £1.6m
- Acquisitions contributed £2.1m

Unless otherwise stated, operating profit excludes amortisation and exceptional items
DEREGULATED BUS: Revenue

- Performance consistent with prior years
- Lower H2 growth impacted by poor weather in Q3
- All companies reported underlying commercial revenue growth in the year.
- Growth in commercial passengers was partially offset by a weaker concessionary performance
- Lower fares increases in FY’13 compared to 4-7% increase in April 2012
DEREGULATED BUS: Profit bridge

- Operating profit up £2.5m to £37.9m
- BSOG impact and increased cost of fuel, as expected
- Capital costs in line with increased investment in fleet
- Cost savings ahead of schedule as part of £100m target
- Focus for FY’12 acquisitions has been investment to bring in line with Group standards
- Decline in number of accidents and reduced claim costs due to management action
- Underlying organic growth reflects like-for-like revenue growth outstripping cost inflation
- Improved margins in H2’13 reflect cost saving initiatives and improved claim performance

Margin performance

<table>
<thead>
<tr>
<th>%</th>
<th>FY’13</th>
<th>H1’13</th>
<th>H2’13</th>
<th>FY’12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit margin</td>
<td>11.2%</td>
<td>10.0%</td>
<td>12.5%</td>
<td>11.3%</td>
</tr>
</tbody>
</table>

* Refers to a loss making contract which began in the first half of FY’12
# REGULATED BUS: Revenue

<table>
<thead>
<tr>
<th></th>
<th>Total FY'13 (inc Olympics)</th>
<th>FY'13 (exc Olympics)</th>
<th>H2'13 (inc Olympics)</th>
<th>H1'13 (inc Olympics)</th>
<th>H1'13 (exc Olympics)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>12.0%</td>
<td>10.5%</td>
<td>7.5%</td>
<td>16.9%</td>
<td>13.9%</td>
</tr>
<tr>
<td>Mileage</td>
<td>7.3%</td>
<td>6.8%</td>
<td>3.9%</td>
<td>11.1%</td>
<td>10.0%</td>
</tr>
</tbody>
</table>

**Excluding acquisitions**

<table>
<thead>
<tr>
<th></th>
<th>Total FY'13 (inc Olympics)</th>
<th>FY'13 (exc Olympics)</th>
<th>H2'13 (inc Olympics)</th>
<th>H1'13 (inc Olympics)</th>
<th>H1'13 (exc Olympics)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>6.5%</td>
<td>5.0%</td>
<td>3.8%</td>
<td>9.4%</td>
<td>6.3%</td>
</tr>
<tr>
<td>Mileage</td>
<td>2.5%</td>
<td>1.9%</td>
<td>0.6%</td>
<td>4.4%</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

| QICs     | £9.9m                       | n/a                   | £5.4m                 | £4.5m                 | n/a                   |

- Like-for-like revenue up 5.0%
- Like-for-like mileage up 1.9%
- Total regulated mileage increased by 7.3%, ahead of expectations due to contract wins
- Underlying mileage growth of 0.6% in H2 relatively stable as expected
- Expect mileage in FY'14 to be broadly flat +/- 1%
- Strong contribution from QICs due to strong performance and fewer roadworks around Olympics in H1 and excellent operational performance in H2
REGULATED BUS: Profit bridge

- Operating profit up £5.5m to £40.3m
- BSOG impact and increased cost of fuel, as expected
- Continued strong QICs performance post Olympics
- Capital costs in line with increased investment in fleet
- Acquisitions reflects the benefit from Northumberland Park, acquired in FY’12
- Successful delivery of Olympic contracts
- Small increase in insurance claim costs
- Margin improved in H2 due to QICs performance

Margin performance

<table>
<thead>
<tr>
<th>%</th>
<th>FY’13</th>
<th>H1’13</th>
<th>H2’13</th>
<th>FY’12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit margin *</td>
<td>9.2%</td>
<td>9.0%</td>
<td>9.5%</td>
<td>9.2%</td>
</tr>
</tbody>
</table>

* Excluding Olympic impact
BUS: Fuel

Fuel hedging prices

<table>
<thead>
<tr>
<th></th>
<th>FY’13</th>
<th>FY’14</th>
<th>FY’15</th>
<th>FY’16</th>
</tr>
</thead>
<tbody>
<tr>
<td>% hedged</td>
<td>Fully</td>
<td>Fully</td>
<td>50%</td>
<td>25%</td>
</tr>
<tr>
<td>Price (pence per litre)</td>
<td>49.2</td>
<td>50.5</td>
<td>49.6</td>
<td>48.0</td>
</tr>
<tr>
<td>Usage (m litres pa)</td>
<td>127</td>
<td>127</td>
<td>127</td>
<td>127</td>
</tr>
<tr>
<td>£’m commodity cost</td>
<td>62</td>
<td>64</td>
<td>63*</td>
<td>61*</td>
</tr>
</tbody>
</table>

- FY’14 – fuel fully hedged at 50.5ppl, 2.6% higher than FY’13
- Future years hedging in line with policy
- Current outlook remains relatively stable until FY’16, with potential decrease in cost
- Headwinds of BSOG and fuel increases well managed
- 60% of fuel duty rebated through BSOG

<table>
<thead>
<tr>
<th>FY’13 bus fuel cost</th>
<th>Pence per litre</th>
<th>Cost £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commodity cost</td>
<td>49</td>
<td>62</td>
</tr>
<tr>
<td>Duty</td>
<td>58</td>
<td>74</td>
</tr>
<tr>
<td>Delivery</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>BSOG</td>
<td>(35)</td>
<td>(44)</td>
</tr>
<tr>
<td>Net cost</td>
<td>73</td>
<td>93</td>
</tr>
</tbody>
</table>

* Assuming hedging completed at same average price
RAIL: Revenue

<table>
<thead>
<tr>
<th>Passenger revenue</th>
<th>FY’13 (inc Olympics)</th>
<th>FY’13 (exc Olympics)</th>
<th>H2’13 (inc Olympics)</th>
<th>H1’13 (exc Olympics)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern</td>
<td>5.6%</td>
<td>5.4%</td>
<td>5.3%</td>
<td>6.0%</td>
</tr>
<tr>
<td>Southeastern</td>
<td>8.0%</td>
<td>6.7%</td>
<td>3.6%</td>
<td>12.7%</td>
</tr>
<tr>
<td>London Midland</td>
<td>12.0%</td>
<td>11.5%</td>
<td>10.6%</td>
<td>13.6%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Passenger journeys</th>
<th>FY’13 (inc Olympics)</th>
<th>FY’13 (exc Olympics)</th>
<th>H2’13 (inc Olympics)</th>
<th>H1’13 (exc Olympics)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Southern</td>
<td>1.1%</td>
<td>0.8%</td>
<td>3.9%</td>
<td>(1.8)%</td>
</tr>
<tr>
<td>Southeastern</td>
<td>4.7%</td>
<td>3.1%</td>
<td>3.9%</td>
<td>5.4%</td>
</tr>
<tr>
<td>London Midland</td>
<td>2.4%</td>
<td>2.1%</td>
<td>1.6%</td>
<td>3.2%</td>
</tr>
</tbody>
</table>

- Southern: Continues to face challenges. The franchise will enter 80% revenue support during FY’14
- Southeastern: H2 weaker due to poor weather in Q3. Remains in 80% revenue support
- London Midland: Continued strong performance despite slower passenger growth and operational issues. Higher yield due to stronger growth on high value routes
- As anticipated yields lower in second half due to lower fare increases in January 2013 than last year (2013: 4.2%, 2012: 5.9%)
- Passenger journeys increased in Q4 due to change in DfT Travelcard allocations
RAIL: Operating profit bridge

• Operating profit down £15.7m to £24.3m
• Passenger revenue increased by 7.6% partially offsetting changes in subsidy/premium
• Net premium payments to DfT up £85.9m
• Overall now a net contributor to DfT totalling £12.4m
• Margin reduced as revenue increased at slower rate than costs and DfT payments
• Bid costs of £3.2m incurred

Margin performance

<table>
<thead>
<tr>
<th>%</th>
<th>FY’13</th>
<th>H1’13</th>
<th>H2’13</th>
<th>FY’12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit margin</td>
<td>1.3%</td>
<td>1.5%</td>
<td>1.1%</td>
<td>2.3%</td>
</tr>
</tbody>
</table>
## SUMMARY INCOME STATEMENT

<table>
<thead>
<tr>
<th></th>
<th>FY'13</th>
<th>FY'12</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>2,571.8</td>
<td>2,423.8</td>
<td>148.0</td>
</tr>
<tr>
<td><strong>Operating profit</strong></td>
<td>102.5</td>
<td>110.2</td>
<td>(7.7)</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(16.3)</td>
<td>(16.0)</td>
<td>(0.3)</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>86.2</td>
<td>94.2</td>
<td>(8.0)</td>
</tr>
<tr>
<td>Amortisation</td>
<td>(10.3)</td>
<td>(9.7)</td>
<td>(0.6)</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>75.9</td>
<td>84.5</td>
<td>(8.6)</td>
</tr>
<tr>
<td>Tax</td>
<td>(16.0)</td>
<td>(18.0)</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Profit for the year</strong></td>
<td>59.9</td>
<td>66.5</td>
<td>(6.6)</td>
</tr>
<tr>
<td>Non-controlling interests</td>
<td>(6.2)</td>
<td>(11.0)</td>
<td>4.8</td>
</tr>
<tr>
<td><strong>Profit attributable to members</strong></td>
<td>53.7</td>
<td>55.5</td>
<td>(1.8)</td>
</tr>
</tbody>
</table>

### Notes:
- **Adjusted, continuing eps (p)**: 139.6 | 141.9 | (2.3)
- **Total dividend per share (p)**: 81.0 | 81.0 | -

- Slightly better than expectations
- Effective tax rate 21.1% (FY'12: 21.3%)
- 35% Keolis rail holding
- Lower reduction on profit to members reflects underlying bus profits replacing rail
- EPS down only 1.6%
- Dividend maintained. Payable 15 November

*Excludes amortisation
## FINANCE COSTS

<table>
<thead>
<tr>
<th>£m</th>
<th>FY’13</th>
<th>FY’12</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Finance revenue</strong></td>
<td>1.6</td>
<td>1.8</td>
</tr>
<tr>
<td>Interest payable on £200m bond</td>
<td>(11.1)</td>
<td>(11.1)</td>
</tr>
<tr>
<td>Interest payable on loans and overdrafts</td>
<td>(3.9)</td>
<td>(4.8)</td>
</tr>
<tr>
<td>Other interest payable</td>
<td>(2.3)</td>
<td>(2.6)</td>
</tr>
<tr>
<td>Hedging ineffectiveness</td>
<td>0.1</td>
<td>0.7</td>
</tr>
<tr>
<td>Unwind of discount on provisions</td>
<td>(0.7)</td>
<td>0.0</td>
</tr>
<tr>
<td><strong>Finance costs</strong></td>
<td>(17.9)</td>
<td>(17.8)</td>
</tr>
<tr>
<td><strong>Net finance costs</strong></td>
<td>(16.3)</td>
<td>(16.0)</td>
</tr>
</tbody>
</table>

- £200m 7.5 year 5.375% sterling bond issued in March 2010
- Average gross debt interest rate 4.3% (FY’12: 4.9%). Fall due to expiry of interest rate swaps
- Expect finance costs to be relatively stable next year
## TAX

<table>
<thead>
<tr>
<th>£m</th>
<th>FY’13</th>
<th>FY’12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating profit</td>
<td>102.5</td>
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</tr>
<tr>
<td>Net finance costs</td>
<td>(16.3)</td>
<td>(16.0)</td>
</tr>
<tr>
<td>Amortisation</td>
<td>(10.3)</td>
<td>(9.7)</td>
</tr>
<tr>
<td>Profit before tax</td>
<td>75.9</td>
<td>84.5</td>
</tr>
<tr>
<td>Tax</td>
<td>(16.0)</td>
<td>(18.0)</td>
</tr>
<tr>
<td>Effective rate</td>
<td>21.1%</td>
<td>21.3%</td>
</tr>
</tbody>
</table>

- Effective rate of 21.1%, below the UK statutory rate due to a £2.2m deferred tax credit
- Statutory rate expected to reduce by a further 2%, ultimately dropping to 20% by 2015
- Effective tax rate expected to be around 18% in FY’14 and broadly in line with statutory rate in future years
- Tax paid of £11.1m (FY’12: £15.7m)
CASHFLOW ANALYSIS

- Overall no movement in net debt year on year
- As expected, H1 positive working capital movement reversed into negative movement in H2
- Similar working capital outflow next year reflecting settlement of franchise commitments
- Free cashflow £40.5m despite £56.8m of capital expenditure
- One small acquisition in the year for a total cash consideration of £0.7m (FY’12: £29.3m)
- Expect increase in net debt next year in line with working capital outflow
BALANCE SHEET

- Adjusted net debt / EBITDA 1.87x, well within target range* of 1.5x - 2.5x
- BBB- / Baa3 (stable) rating
- Restricted cash was £208.7m
- Full year net debt of £90.9m less than expected
- Adjusted net debt reflects a significant proportion of the impact on the balance sheet of loss of rail franchises

As at 29 June 2013 £’m

| Five year syndicated facility 2016 | 275 |
| 7.5 year £200m sterling bond 2017 | 200 |
| **Total core facilities** | **475** |
| Amount drawn down | 333 |
| **Total headroom** | **142** |

As at 29 June 2013 £’m

| Restricted cash | 208.7 |
| Net debt | 90.9 |
| Adjusted net debt | 299.6 |
| EBITDA | 160.6 |
| Adjusted net debt/EBITDA | 1.87x |

* Targets and covenant refer to adjusted net debt to EBITDA
PENSIONS

<table>
<thead>
<tr>
<th>£m</th>
<th>FY’13</th>
<th>FY’12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>569.6</td>
<td>535.9</td>
</tr>
<tr>
<td>Liabilities</td>
<td>617.3</td>
<td>558.7</td>
</tr>
<tr>
<td>Net deficit</td>
<td>(47.7)</td>
<td>(22.8)</td>
</tr>
<tr>
<td>Less tax</td>
<td>11.0</td>
<td>5.5</td>
</tr>
<tr>
<td>Post tax deficit</td>
<td>(36.7)</td>
<td>(17.3)</td>
</tr>
</tbody>
</table>

Rail pensions:
- Net operating cost of £30.7m (FY’11: £29.4m)
- Net deficit £nil (FY’12: £7.7m). DfT guarantee any deficit after franchise end

IAS 19 (revised):
- IAS 19 (revised) becomes effective for the Group in the FY’14 financial year
- Had it been effective in FY’13, reported operating profit before tax would have been £16.6m lower, down £12.8m in rail and £3.8m in bus. EPS and adjusted EPS would have reduced by 21.7p
- The impact on FY’14 operating profit before tax is expected to be a reduction of £17.9m, £13.4m in rail and £4.5m in bus. Basic EPS expected to reduce by 24.0p
- No impact on cash, credit rating or bank covenant

Bus pensions:
- Net operating cost £4.8m (FY’12: £4.9m)
- Discount rate: 4.7% (FY’12 : 5.0%)
- +/- 0.1% discount rate = +/- c£10.1m deficit
- Different assumptions applied on actuarial valuation compared to accounting valuation above
- Actuarial valuation results due late 2013
- Commenced consultation to close scheme to future accrual
**CAPITAL EXPENDITURE**

- Bus capex decreased to £51.3m due to successful regulated contract extensions and less regulated contract wins.
- Rail capex marginally down year on year to £7.2m due to fewer franchise commitments falling within the year.
- Expect FY’14 bus capital spend of c£50m and rail capital spend of c£10m.
- Overall spend of £60m for FY’14.
- Based on current forecasts total spend on existing bus businesses is expected to drop to around £30m and £40m in FY’15 and FY’16.
DEREGULATED BUS

HIGHLIGHTS

- Another year of record operating profit
- Sector-leading growth
- Sector-leading customer satisfaction rates of 90%

<table>
<thead>
<tr>
<th></th>
<th>FY’13</th>
<th>FY’12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating margin</td>
<td>11.2%</td>
<td>11.3%</td>
</tr>
<tr>
<td>Revenue growth (lfl)</td>
<td>4.3%</td>
<td>4.7%</td>
</tr>
<tr>
<td>Passenger growth (lfl)</td>
<td>1.1%</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

- Good performance – high quality and locally focused
- 90% of our business remains commercially operated
- No significant regional variations
- Absorbed significant cost headwinds of around £10m
- Continuing investment in fleet
- 86 hybrid buses acquired, first gas buses introduced to our fleet
- Fare increases largely in line with inflation this year
- Continued growth of ‘the key’ and a strong start with m-ticketing
REGULATED BUS

HIGHLIGHTS

- Sector-leading margins
- Performance boosted by Olympics and Northumberland Park acquisition

- Largest operator in a mature and relatively stable market
- Excellent operational performance highlighted through improved QICs up £3.1m to £9.9m
- Successfully absorbed significant headwinds of around £10m
- Northumberland Park profit margins now in line with our existing London business
- High contract retention rate
- Small acquisition of 11 residual TfL routes in Dagenham
- Strong operational performance resulted in contract extensions
- Contract extensions require lower capital expenditure over next 2 to 3 years

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<table>
<thead>
<tr>
<th></th>
<th>FY’13*</th>
<th>FY’12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating margin</td>
<td>9.2%</td>
<td>9.2%</td>
</tr>
<tr>
<td>Revenue growth (lfl)</td>
<td>5.0%</td>
<td>5.8%</td>
</tr>
<tr>
<td>Mileage growth (lfl)</td>
<td>1.9%</td>
<td>3.9%</td>
</tr>
</tbody>
</table>

* Excluding Olympic impact
In October 2012 we announced our target to organically grow bus operating profit to £100m by 2015/16*

- The target assumed:
  - Flat profits in FY’13 (c£70m) due to fuel and BSOG headwinds of c£20m
  - No significant growth in regulated bus
  - Achieved through combination of revenue growth and cost efficiencies
  - Excluding future acquisitions and the impact of IAS 19 (revised)

- Strong track record of delivering growth in deregulated bus
- High quality London bus operation

* Target excludes amortisation and exceptional items
TARGET 100 continued

How are we doing?

• We have exceeded our first year expectations by around £8m, with operating profit for the division of £78.2m

• This was helped by:
  – Good revenue performance – total bus revenue growth of 10.2%
  – Continued development of ‘the key’ and a strong start with m-ticketing
  – Benefits from the Olympic Games
  – A good start to cost saving initiatives – £1.0m already achieved
  – Improvements in insurance claim costs
TARGET 100 continued

What next?

- We have developed a simple ‘roadmap’

- These targets are the expected average for the next 3 years. Results may vary from year to year

- Our key assumptions are:
  - Average annual deregulated revenue growth of 3.5%
  - Average annual regulated revenue growth of 2.5%
  - Average annual cost inflation of 2.5% - 3.0%
  - Cost efficiency savings of £10m by 2015/16
  - No significant mileage growth in the regulated and deregulated businesses
  - Still based on organic growth and excluding future acquisitions
  - IAS 19 (revised) absorbed into Target 100
TARGET 100 continued

Delivering our marketing plans:

• Rollout of ‘the key’ now largely complete
• 400,000 smartcards now in issue
• 130,000 passenger journeys a day made using ‘the key’
• M-ticketing being rolled out across businesses
• Generated £1m revenue in less than 12 months through m-ticketing
• Expect around £5m of sales through m-ticketing this year
• Free Wi-Fi on many services
• New journey planning and retail apps in development
• Expanding our B2B capability
TARGET 100 continued

Cost efficiencies:

• Achieved cost savings totalling £1.0m in the second half of the year
  – Delivered through fuel savings and initiatives in procurement, IT infrastructure and staff productivity

• Further cost efficiencies of £10m will be targeted in
  – Engineering systems
  – Insurance
  – IT infrastructure
  – Staff productivity
  – Shared services
  – Procurement
  – Fuel
RAIL

HIGHLIGHTS

- Solid revenue growth in all franchises
- Delivery of Olympic Games transport

Southeastern

- Good operational performance
- Highest ever punctuality and passenger satisfaction achieved in the year
- Stable revenue and volume growth trends
- High Speed success – 25 million passenger journeys in first 3 years
- Investors in People Champion status
- Initial 7-month contract extension from March 2014 expected to be unprofitable
- In discussions with DfT regarding planned extension to June 2018

<table>
<thead>
<tr>
<th></th>
<th>FY'13*</th>
<th>FY'12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating margin</td>
<td>1.3%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Passenger revenue growth</td>
<td>6.9%</td>
<td>9.6%</td>
</tr>
<tr>
<td>Passenger journey growth</td>
<td>2.0%</td>
<td>2.1%</td>
</tr>
</tbody>
</table>

* Excluding Olympic impact
RAIL continued

Southern

- Remains profitable
- Final two years of franchise term
- Public Transport Operator of the year at London Transport Awards
- Working with Network Rail to improve performance
- Cost efficiency programme introduced
- Smartcard initiatives

London Midland

- Improving performance following operational issues in first half of year
- In discussions with DfT regarding planned extension to June 2017
- Entitled to revenue support but not required
- Continued revenue generation through innovative marketing and value for money offers
- Growth on 110 mph services
RAIL GOING FORWARD - THAMESLINK

• Govia is pre-qualified for the Thameslink, Southern and Great Northern franchise (Thameslink). Franchise starts in September 2014

• The largest rail operations contract ever tendered in the UK, representing over 19% of passenger journeys on the UK network

• An ITT is anticipated in September 2013. Bid submission is expected in December 2013 and award in the spring of 2014

• DfT has been engaging with all pre-qualified bidders
• Govia shortlisted as a pre-qualified bidder for the Crossrail Train Operating Concession (Crossrail)

• An ITT is anticipated in late September 2013. Bid submission is expected in February 2014 and award in late 2014. The new franchise will start in May 2015

• TfL is currently procuring the rolling stock that will be used to operate the service

• Strategically important to London and the UK

• TfL has just begun to engage with all pre-qualified bidders, the commercial proposition is likely to be similar to Overground
RAIL GOING FORWARD

• Focus on delivering value over remaining life of existing franchises
• Commitment to improving operational performance
• Continue to drive revenue through targeted marketing of value for money products
• Maintain focus on cost efficiencies
• Expect profitability to be lower in FY’14 due to the unprofitable Southeastern 7 month extension, continued challenging trading conditions and bid costs
• In discussions with DfT regarding planned extension periods for Southeastern and London Midland
• Impact of IAS 19 (revised) on operating profit in 2013/14 expected to be £13.4m
SUMMARY

- We have leading positions in the bus and rail markets
- Robust business model
- Growth opportunities exist across both sectors
- Ahead of plan in our progress towards Target 100 in the bus division
- Focus on delivering high quality services and maximising value from existing rail franchise
- Working on strong bids for Thameslink and Crossrail franchises
- Continued focus on revenue growth and cost efficiencies
- We operate with financial discipline and are committed to maintaining the dividend at least at current levels
- New year started well – trading in line with expectations
Q&A

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