INTERIM RESULTS
for the six months ended 27 December 2008

Go-Ahead

KEITH LUDEMAN

Group Chief Executive

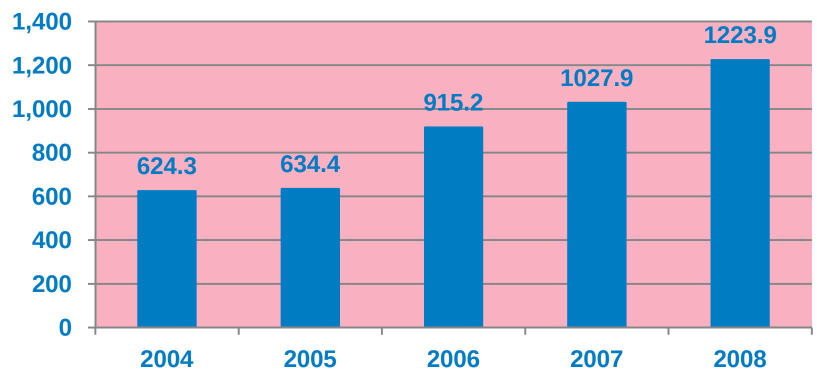
19 February 2009

Go-Ahead

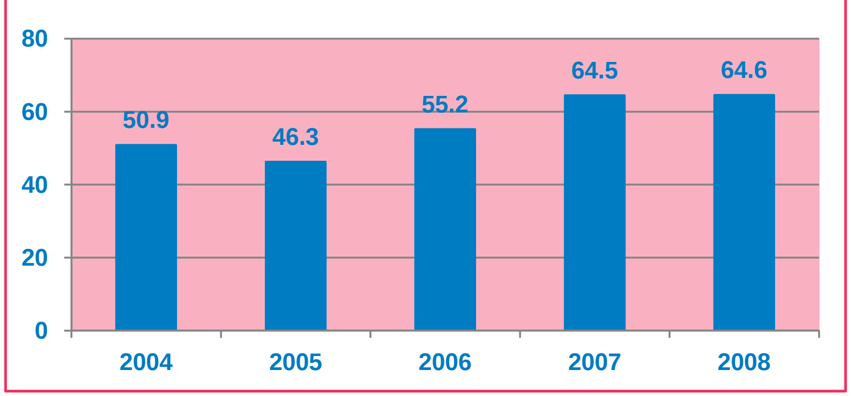
H1 2008/09 – Good set of results

Go-Ahead

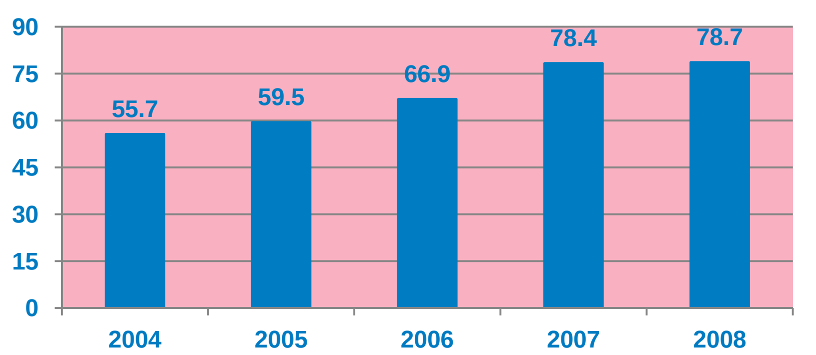
Revenue (£m)



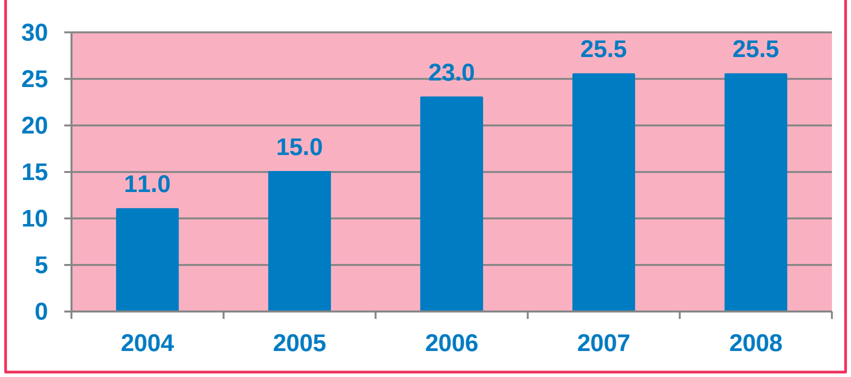
Operating profit * (£m)



Adjusted earnings per share* (pence)



Interim dividend per share (pence)



Figures for 2005 to 2008 are based upon International Accounting Standards, 2004 is based upon UK GAAP
* before amortisation and exceptional items

Key Headlines

Go-Ahead

- Go-Ahead business proving resilient
- Operating Profit slightly ahead of both our expectations in December and last year
- Continued growth in demand for our bus and rail businesses
- Recent success in TfL tendering programme
- Brookes Bus University contract won in Oxford
- Reduction in demand for aviation services as expected
- South Central franchise bid submitted 18 February 2009, DfT to announce winner June 2009
- Dividend maintained
- Significant exceptional items, as previously reported

Operating Profit* - Divisional Analysis

Go-Ahead

Operating profit*	Six months to Dec 08 £'m	Six months to Dec 07 £'m	Variance	
			£'m	%
Bus	31.4	33.7	(2.3)	(6.8)%
Rail	34.9	31.4	3.5	11.1%
Aviation services	(1.7)	(0.6)	(1.1)	N/A
Total	64.6	64.5	0.1	0.2%

* before amortisation and exceptional items

Rail (1)

Go-Ahead

Southern

- Strong growth on core brand: Passenger revenue +11.1% (excluding Gatwick Express), passenger numbers +6.7%, slight reduction in growth rate Q2 v Q1
- Gatwick Express: decline in demand due to reduced air traffic at London Gatwick
- Record levels of operational performance: PPM over 90%, customer satisfaction 83%
- Brighton Mainline Timetable introduced 14 December 2008
- 60% profit share

Southeastern

- Good growth: Passenger revenue +8.9%, passenger numbers +4.3%, easing slightly more than Southern Q2 v Q1
- Record levels of operational performance: PPM over 91%, customer satisfaction 80%
- High Speed Service preparation well advanced

Rail (2)

Go-Ahead

London Midland

- Passenger revenue* +12.2%, passenger numbers* +4.3%
- Strong growth on key, high yielding service groups
- In Revenue Share with DfT
- New West Coast Mainline services introduced
- Good progress on meeting franchise obligations

* Estimated comparatives prior to new franchise on 11 November 2007

London bus

Go-Ahead

Growth maintained:

- Revenue +8.5%, mileage operated +6.4%
- Similar Quality Incentive bonuses: £6.7m (2007: £7.2m)
- Investment continued in people, systems and equipment
- Cost control, productivity focus maintained
- Key routes retained:
  - Red Arrow (507/21)
  - Routes 85 and 213
- Key route gains
  - 202 (September 2008), 75 (April 2009), 54 (May 2009)
  - X26 enhanced
- Additional fuel and claims costs

Deregulated bus

Go-Ahead

Go West Midlands sold February 2008

Excluding Go West Midlands:

- Revenue +6.6%, passenger numbers +3.6%
  - 3.0% due to concessionary passengers
  - 0.6% due to fare paying passengers
- Evidence of modal shift
- Investment in people, systems and equipment
- Cost control productivity focus maintained
- Won Brookes Bus University contract in Oxford
- Additional fuel and claims costs

Aviation services

Go-Ahead

Ground Handling

- Revenue -12.9%, turnarounds -11.0%
- Gatwick withdrawal complete August 2008 – accounted for 57% of turnaround reduction
- Significant restructuring achieved and continues
- Excellent performance on key contracts

Cargo

- Revenue -9.8%, tonnages -15.9%
- Significant restructuring achieved and ongoing

Meteor

- Revenue -20.3%, transactions -8.2%: change in nature of contracts
- Stansted parking lost 30 Sept 2008
- Business generally resilient

NICK SWIFT

Group Finance Director

19 February 2009

Go-Ahead

Financial highlights:

Go-Ahead

- H1 earnings slightly above expectations
- Dividend maintained
- Cash flow remains strong
- Financing secure
- Key risks manageable

Summary income statement:
Good first half results (before exceptional items)

Go-Ahead

£'m	H1 '09	H1 '08	*Variance*
Revenue	1,223.9	1,027.9	*196.0*
Operating profit*	**64.6**	**64.5**	***0.1***
Net finance costs	(5.7)	(6.2)	*0.5*
Profit before tax*	**58.9**	**58.3**	***0.6***
Amortisation	(6.0)	(4.9)	*(1.1)*
Exceptional items	(49.8)	(8.2)	*(41.6)*
Profit before tax	**3.1**	**45.2**	***(42.1)***
Tax	(14.5)	(12.2)	*(2.3)*
Exceptional tax	(8.6)	-	*(8.6)*
Tax on exceptional items	9.4	0.5	*8.9*
(Loss) / profit for the period	**(10.6)**	**33.5**	***(44.1)***

Profit before exceptional items	38.4	41.2
Exceptional items	(49.0)	(7.7)
(Loss) / profit for the period	**(10.6)**	**33.5**

* before amortisation and exceptional items

Bus fuel:

Current year phasing, and smaller rise next year

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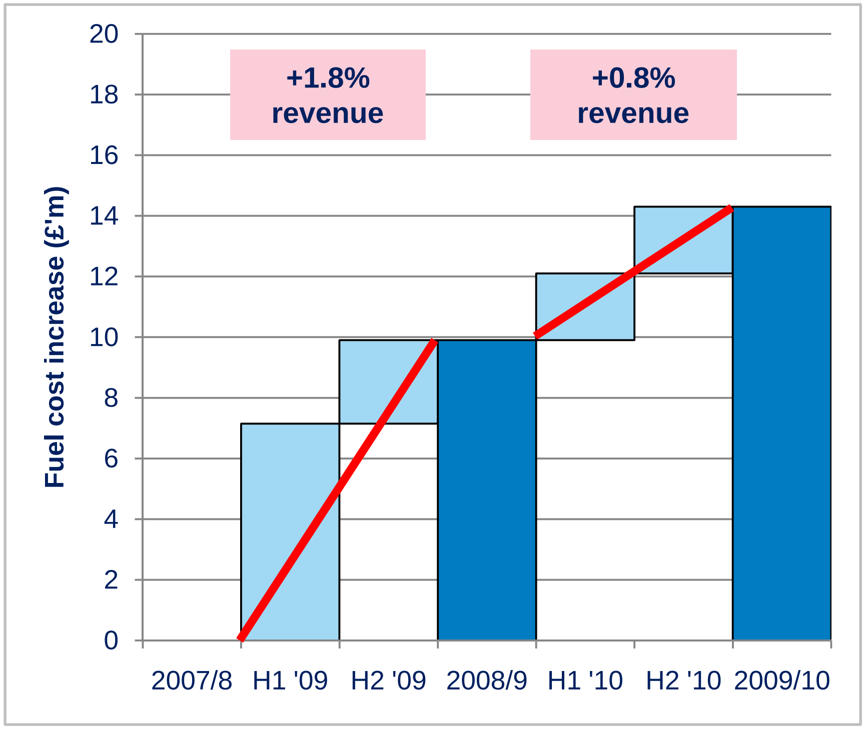
- 100% hedged for 2008/09 at 43p; 100% for 2009/10 at 47p
- 2009 v 2008 cost increase of £9.9m equivalent to 1.8% of bus revenue
- Phasing of increase H1 '09: -£2.5m
- 2010 v 2009 cost increase of £4.4m equivalent to around 0.8% of bus revenue
- Hedging policy to roll forward cover on a quarterly basis



Pensions:

Assets de-risked, liabilities sensitive to discount rate

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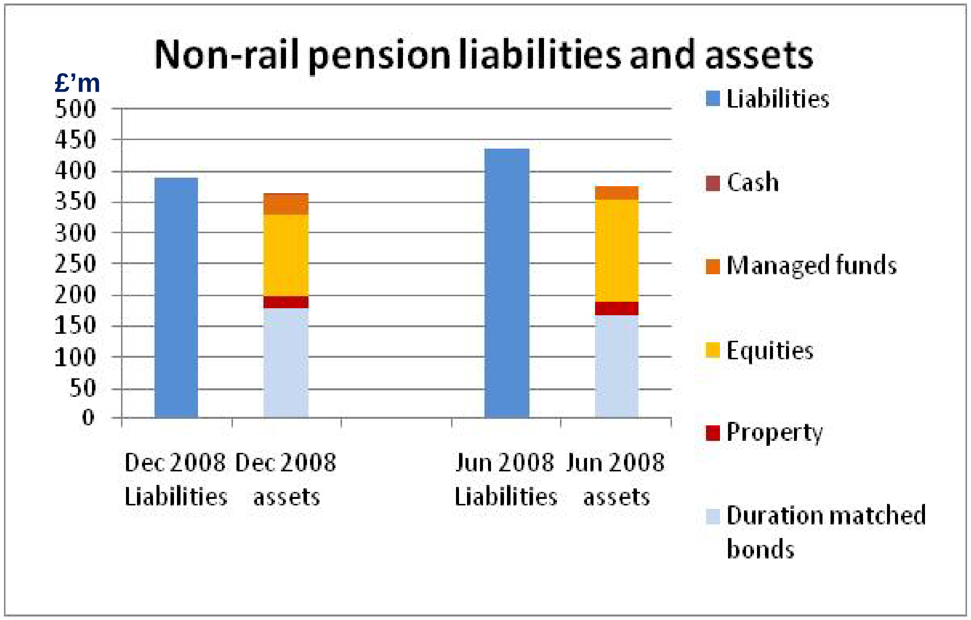
Income statement:

- Rail pension costs similar to last year (c£24m pa)
- Full year increase in non rail costs c£3m (primarily bus)

Balance sheet:

- Pre tax deficit £25.1m (June 2008: deficit £59.4m);
- Assets down £11.8m (3.1%)
- Liabilities down £46.1m (10.6%)
- Discount rate sensitivity +0.1% = +£8m



Exceptional items:

As expected, 95% non cash

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£'m	H1 '09	H1 '08
Aviation impairment charge	(38.4)	-
Fuel hedging	(8.9)	-
Aviation restructuring / other	(2.4)	
Go West Midlands	(0.1)	(8.2)
Exceptional items (before tax)	**(49.8)**	**(8.2)**
Tax on exceptional items	9.4	0.5

- Aviation impairment charge: non cash, values ground handling and cargo at £20m
- Fuel hedging: non cash, offset to economic benefit recognised in operating profit for portion of hedge deemed ineffective under IAS39. Half year charge £8.9m (includes mark to market £5.0m); second half £2m benefit; full year charge £6.9m
- Aviation restructuring: ongoing cash cost, payback period approximately one year

Tax:

Go-Ahead

£'m	H1 '09	H1 '08
Profit before tax and exceptional items	52.9	53.4
Tax charge	(14.5)	(12.2)
Effective rate	*27.4%*	*22.8%*

Exceptional tax	(8.6)	-

- Effective rate: just above full year guidance of 27% (full year 2007/8: 25.3%), no new tax efficient financing in the period
- Exceptional tax charge: UK government abolition of industrial buildings allowance July 08

Other income statement items

Go-Ahead

Net interest

- H1 ‘09: £5.7m (H1 ‘08: £6.2m)
- Average net interest rate 5.65% (H1 ‘08: 6.4%), around 75% floating interest rate
- Expect c£13m full year

Amortisation

- Charge £6.0m (H1 ‘08: £4.9m), increase due to London Midland
- Expect c£12m full year

Minority interest

- £7.8m (2007: £8.1m) – calculation in Appendix

Earnings per share, buybacks and dividends

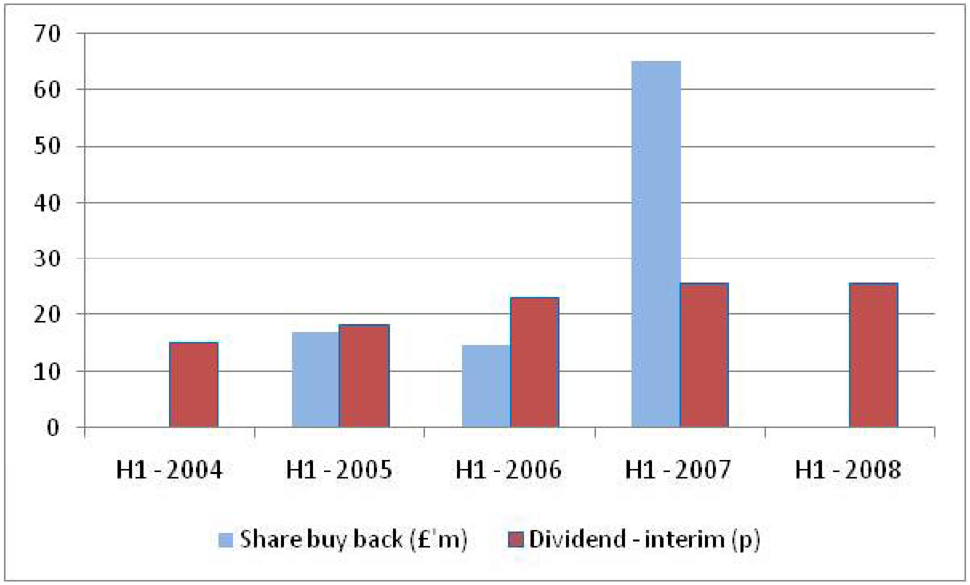
Dividend maintained

Go-Ahead

- Adjusted eps* 78.7p (+0.3p)
  - Due to earnings -2.0p
  - Due to fewer shares +2.3p

- 2008 interim dividend proposed 25.5p
  - Same as last year's interim dividend
  - Dividend remains important to us

- No buybacks in the first half
  - Weighted average 42.9m
  - Closing 42.9m

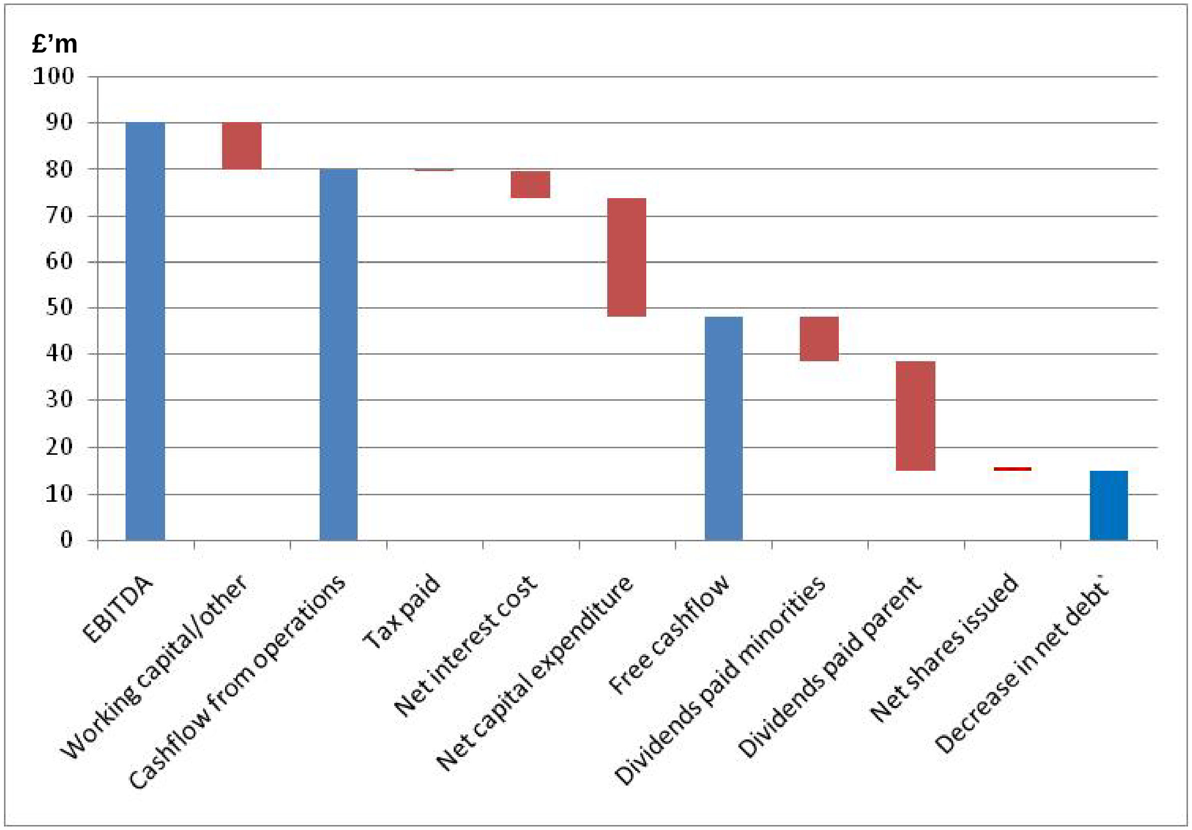


* before amortisation and exceptional items

Summary cashflow statement:

Strong cashflow

Go-Ahead

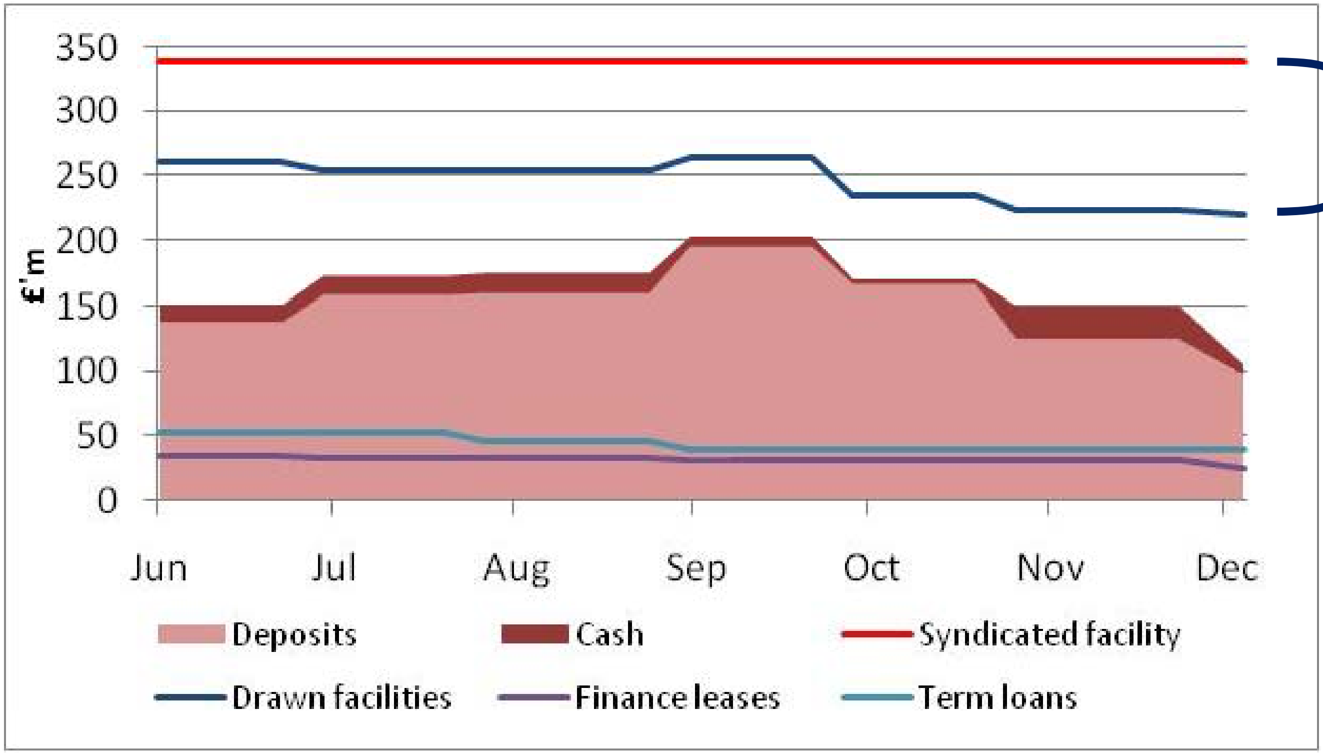


- Operating cashflow in line with EBITDA
- Capex £25.8m
- Net cashflow before dividends and buybacks £47.9m
- **Net debt decreased by £15.3m** to £182.5m (Jun '08: £197.8m)
- Full year capex c £70m; plus £30m for rolling stock (from restricted cash)

Finance costs:
Secure financing to 2012

Go-Ahead

- Core financing: Five year, £340m facility to Dec 2012



£119m headroom at December 2008

Strong balance sheet:

Go-Ahead

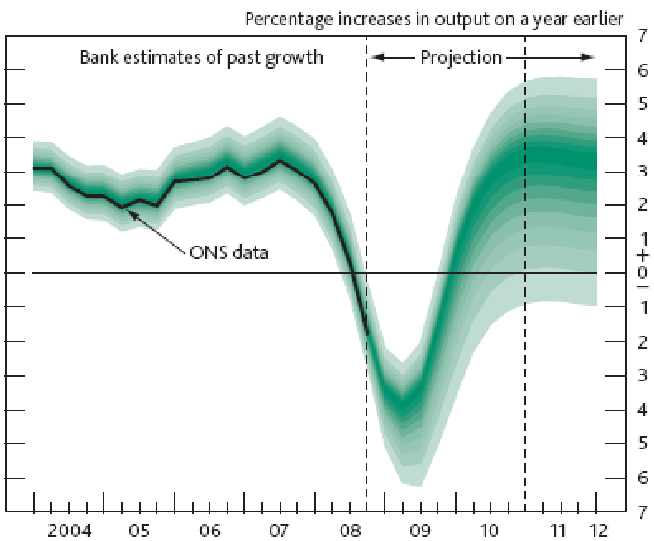
£'m	Dec 07	Jun 08	Dec 08
Net debt	192.0	197.8	182.5
Add back restricted cash	116.6	122.9	106.3
Adjusted net debt	308.6	320.7	288.8
EBITDA (MAT basis)	173.7	194.0	195.5
Adjusted net debt / EBITDA	**1.78 x**	**1.65x**	**1.48x**

- Reduced gearing
- Headroom v 3.5x covenant:
  - + £400m debt
  - -£113m EBITDA
- Ex Southern, adjusted net debt/EBITDA c 1.6x

Risks and uncertainties:
Economic impact on rail?

Go-Ahead

Chart 1 GDP projection based on market interest rate expectations



EPS sensitivity to 1% change in passenger revenue – assuming no change in costs (£'m)	South-eastern	London Midland	Total
Illustrative passenger revenue pa	500	200	700
1% change	***5.0***	***2.0***	***7.0***
Post 30% tax	3.5	1.4	4.9
Post 35% MI	2.3	0.9	3.2
Net eps impact (pence)	5.3	2.1	7.4
Net eps impact (%)	**3.0%**	**1.2%**	**4.2%**

- Increasingly pessimistic economic forecasts (above from the Bank of England Feb 09)
- Difficult to predict impact on rail (which has out-performed in recent years)
- Southeastern more sensitive than London Midland (1% = 3% eps)
- Significant cost savings to mitigate the above sensitivity
- Southeastern has revenue support from 1 April 2010 if required

Financial highlights:

Go-Ahead

- H1 earnings slightly above expectations ✓
- Dividend maintained ✓
- Cash flow remains strong ✓
- Financing secure ✓
- Key risks manageable ✓

In good financial shape

KEITH LUDEMAN

Group Chief Executive

19 February 2009

Go-Ahead

H2 2008/09 Outlook: Rail (1)

Go-Ahead

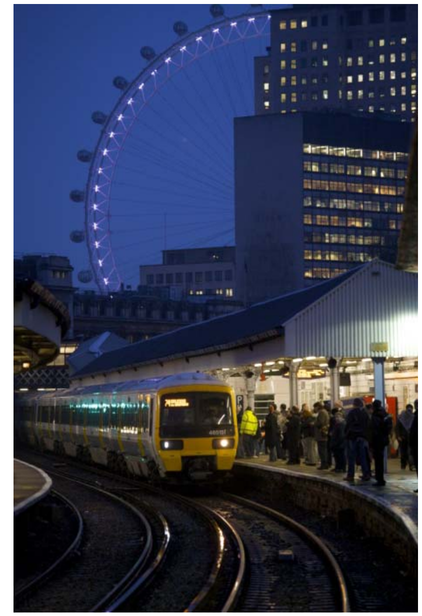
- Expect H2 results broadly in line with underlying H1 results
- Regulated price increases: 5 January 2009: +8% Southeastern, +6% Southern and London Midland
- Season ticket renewals
- Passenger revenue: continuation of the first half trend
- Bad weather impact
- **Southern**
  - 60% profit share to Sept 09
  - Ongoing management action
  - Current economic outlook reflected in bid for new franchise
  - New service on West Coast Mainline to Milton Keynes from 23 February 2009
  - Bid for new South Central franchise submitted 18 February 2009

H2 2008/09 Outlook: Rail (2)

Go-Ahead

- **Southeastern**
  - 70% commuter
  - Modelled H2 passenger reduction scenarios
  - Ongoing management action
  - Revenue support from 1 April 2010 if required
  - Good progress preparing for High Speed service
- **London Midland**
  - Improved West Coast timetable, new rolling stock, new services
  - Ongoing management action
  - Relatively stable subsidy profile

- All franchises involved in energy reduction, productivity improvement
- Research on new opportunities



H2 2008/09 Outlook: Bus

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- Bus Division expected to be resilient in H2
- Over two thirds of revenue from TfL/Concessionary Fares/Local Authority contracts
- Further revenue growth in regulated and deregulated
- Ongoing cost control initiatives:
  - Wages and salaries
  - Productivity/economies in progress
  - Fuel 100% hedged for year to June 2009 (43ppl) and to Jun 2010 (47ppl)
  - Energy consumption initiatives
  - Procurement
- Bad weather impact
- Capital expenditure on fleet
- Research on new opportunities

H2 2008/09 Outlook: Aviation services

Go-Ahead

Ground Handling

- Difficult market conditions expected to continue
- Bad weather impact
- Ongoing restructuring will help to mitigate
- Priorities: Service quality and cost control, new business

Cargo

- Continued decline in volumes expected
- Continued cost reduction to help mitigate
- Well placed to benefit from additional capacity and growth at Heathrow
- Virgin contract

Meteor

- BAA London Heathrow contract opportunity/risk
- Other business sectors resilient

Overall outlook

Go-Ahead

- Bus: expected to remain robust in the second half
- Rail: further revenue growth, albeit at lower rate of increase
- Aviation services: remain challenging
- Maintain our strong balance sheet, cash flows and progressive dividend policy
- Retaining the Southern franchise is a priority – Bid submitted!
- Remain confident of the underlying strengths of our business and our full year expectation

Q&A

19 February 2009

Go-Ahead

Appendices

19 February 2009

Go-Ahead

Appendix I
Amortisation:

Go-Ahead

£'m	H1 '09	H1 '08	Variance
Rail goodwill	(1.2)	(1.2)	-
Non rail intangibles	(0.7)	(0.6)	(0.1)
Rail intangibles	(3.5)	(2.5)	(1.0)
Software	(0.6)	(0.6)	-
Amortisation	**(6.0)**	**(4.9)**	**(1.1)**

Appendix 2
Minority Interest calculation:

Go-Ahead

£'m	H1 '09
Rail operating profit*	34.9
Add back group costs**	(0.7)
Net finance revenue	8.1
Rail amortisation	(4.9)
Profit before taxation	37.4
Tax ***	(15.0)
Profit after taxation	22.4
Minority interest (35%)	7.8

* before amortisation and exceptional items
** certain group costs, including some head office costs, are allocated to the rail division for segmental reporting but are not deducted when calculating minority interest
*** includes £4.0m of exceptional tax relating to IBA's

Appendix 3a: Adjusted earnings per share calculation

Go-Ahead

£'m	H1 '09	H1 '08	Variance
(Loss)/profit for the year	(10.6)	33.5	(44.1)
Less minority interests	(7.8)	(8.1)	0.3
Profit attributable to equity holders of the parent	(18.4)	25.4	(43.8)
Add back:			
Exceptional items after tax and minority interest**	48.9	6.4	(42.5)
Amortisation after tax and minority interest**	3.3	2.9	0.4
Adjusted earnings*	**33.8**	**34.7**	**(0.9)**
Weighted average number of shares in issue (m)	42.9	44.3	(1.4)
Adjusted earnings per share (pence)	78.7	78.4	0.3

* before amortisation and exceptional items

** refer appendix 3b

Appendix 3b:
Adjusted earnings per share calculation

Go-Ahead

£'m	H1 '09	H1 '08
Exceptional items before tax	(49.8)	(8.2)
Exceptional tax and tax on exceptional items	0.9	1.8
Exceptional items after tax	(48.9)	(6.4)
Minority interest on exceptional items	-	-
Exceptional items after tax and minority interest	**(48.9)**	**(6.4)**
Amortisation	(6.0)	(4.9)
Tax on amortisation	1.3	0.9
Minority interest on amortisation*	1.4	1.1
Amortisation after tax and minority interest	**(3.3)**	**(2.9)**

* Calculated as rail amortisation of £4.9m (H1 '08: £3.9m), less tax on rail amortisation of £1.0m (H1 '08: £0.8m) equals £3.9m (H1 '08 : £5.7m) at 35% equals £1.4m (H1 '08 : £1.1m)

Appendix 4
Summary cashflow:

Go-Ahead

Summary cashflow (£'m)	H1 '09	H1 '08	Variance
EBITDA	90.1	88.6	1.5
Working capital / other	(10.2)	(2.5)	(7.7)
Cash flow generated from operations	79.9	86.1	(6.2)
Tax paid	(0.3)	(10.1)	9.8
Net interest paid	(5.9)	(6.2)	0.3
Net capital investment	(25.8)	(27.3)	1.5
Free cashflow	**47.9**	**42.5**	**5.4**
Franchise transfer and rolling stock prepayment	-	5.6	(5.6)
Net acquisitions (incl. acquired debt) less disposals	-	(5.1)	5.1
Dividends paid	(33.2)	(25.5)	(7.7)
Share buybacks, less share issues	0.6	(65.0)	65.6
(Increase) / decrease in net debt	**15.3**	**(47.5)**	**62.8**
Opening (net debt)	(197.8)	(144.5)	
Closing (net debt)	(182.5)	(192.0)	