

PRESS RELEASE

14 June 2016

**THE GO-AHEAD GROUP PLC
("GO-AHEAD" OR "THE GROUP")**

PRE-CLOSE TRADING STATEMENT

**Trading in line;
no change to full year expectations
revised outlook for GTR**

The Go-Ahead Group plc today announces its pre-close trading update for the year ending 2 July 2016 ahead of its full year results announcement on 8 September 2016.

David Brown, Group Chief Executive of Go-Ahead, said:

"Our full year expectations for the Group as a whole and for our bus and rail divisions remain unchanged. On an adjusted basis, 2015/16 will represent another year of strong profit growth for the Group. The company remains in a strong financial position, with robust cashflows.

"Bus revenues in London and the regions continue to grow, with stronger growth in those regions with growing economies. The company expects to hit the £100m bus profit target on an adjusted basis.

"London Midland and Southeastern continue to trade well.

"GTR continues to work closely with industry partners and to invest in additional resources to deliver the best possible service to its customers in a very challenging operational and industrial relations environment. As previously reported, the additional resources being invested in GTR to support service delivery are depressing margins on that contract in the current year and will also impact on next year's margins. While we do expect margins to improve in the longer term; given the very challenging performance and industrial relations environments, we no longer expect to recover the profit shortfalls and as a result margins, on an adjusted basis, over the life of the contract are now more likely to be nearer to 1.5% than the 3% previously expected."

Bus:*Regional:*

Revenue and passenger journey growth are improving in the fourth quarter, however economic weakness in the north east continues to affect our operations,

Expected full year growth rates:

Revenue	Passenger journeys
c. 2.1%	c.(0.2)%

Excluding the north east, our revenue growth is expected to be c. 2.8% and passenger growth is expected to be c.1.2%.

London:

Revenue and mileage in London continue to grow strongly.

Expected full year growth rates:

Revenue	Mileage
c.6.0%	c.2.2%

Excluding the impact of reduced QICs, underlying revenue growth is c. 7.0%

Rail:

Our rail division operates the GTR, Southeastern and London Midland franchises through our 65% owned subsidiary Govia. London Midland and Southeastern continue to trade well.

Expected full year growth rates:

	Passenger revenue	Passenger journeys
Southeastern	c.5.1%	c.2.3%
London Midland	c.11.2%	c.8.8%
GTR	c.3.1%	c.2.9%

Outlook:

Our expectations for the full year are unchanged.

The Group remains in a good financial position with strong cash generation and a robust balance sheet, supporting our progressive dividend policy and allowing flexibility to pursue value-adding opportunities.

ENDS

Go-Ahead will be holding a series of analysts' calls throughout the day.

For further information, please contact:

The Go-Ahead Group

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GO-AHEAD

Go-Ahead is a leading UK public transport operator, providing high quality services in the bus and rail sectors. Employing around 26,000 people across the country, over one billion passenger journeys are undertaken on our services each year. We are committed to operating our companies in a safe, socially and environmentally responsible way and are proud to have been accredited with triple Carbon Trust Standard for reductions in carbon, water and waste. In addition to the travelling public, our customers include the Department for Transport, Transport for London (TfL) and local authorities.

BUS

Go-Ahead is one of the UK's largest bus operators. With a fleet of around 4,600 buses, we carry nearly two million passengers every day. Our operations are focused on high density commuter markets. We have a strong presence in London, with around 24 per cent market share, where we provide regulated services for TfL. We operate deregulated services in Oxford, East Anglia, the South East, Southern and North East England.

RAIL

The rail operation, Govia, is 65 per cent owned by Go-Ahead and 35 per cent by Keolis. It is the largest rail operation in the UK, responsible for over 30 per cent of all UK passenger rail journeys through its rail franchises: GTR (Govia Thameslink Railway) Southeastern and London Midland.

Disclaimer

Certain statements included in this press release contain forward-looking information concerning the Group's strategy, operations, financial performance or condition, outlook, growth opportunities or circumstances in the sectors or markets in which the Group operates. By their nature, forward-looking statements involve uncertainty because they depend of future circumstances, and relate to events, not all of which are within the Group's control or can be produced by the Group. Although the Group believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Nothing in this press release should be construed as a profit forecast and no part of these results constitutes, or shall be taken to constitute, an invitation or inducement to invest in The Go-Ahead Group plc or any other entity, and must not be relied upon in any way in connection with any investment decision. Except as required by law, the Group undertakes no obligation to update any forward looking statement.