

PRESS RELEASE

25 June 2015

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

PRE-CLOSE TRADING STATEMENT

**Trading in line;
no change to full year expectations**

The Go-Ahead Group plc today announces its pre-close trading update for the year ending 27 June 2015 ahead of its full year results announcement on 3 September 2015.

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

"Our full year expectations remain unchanged.

"In rail, we continue to work closely with Network Rail and other industry partners to minimise the impact on passengers of the major infrastructure works associated with the Government's £6.5bn Thameslink Programme, including at London Bridge.

"Our locally-run bus companies work in partnership with local authorities and are focused on the needs of the communities they serve, responding quickly to their changing requirements."

Bus:

Regional:

Revenue and passenger journey growth continued to slow into the fourth quarter with ongoing economic weakness in the north east affecting our operations, and roadworks in Oxford and Brighton significantly impacting our services in those areas.

Expected full year growth rates:

Revenue	Passenger journeys
c. 3%	c.-1%

London:

As expected, mileage in our London bus operations increased in the fourth quarter as new contracts began during the period. Excluding the impact of the BSOG reallocation, revenue is expected to be broadly flat year on year.

Quality Incentive Contract revenue continues to be impacted by roadworks and congestion. We now expect the impact of this to be at least £3m in the second half of the year. Roadworks and congestion are expected to continue in the capital for the foreseeable future.

Expected full year growth rates:

Revenue	Mileage
c.1.5%	c.-1%

Rail:

Our rail division operates the GTR, Southern (including Gatwick Express), Southeastern and London Midland franchises through our 65% owned subsidiary Govia.

Expected full year growth rates:

	Passenger revenue	Passenger journeys
Southern	c.7%	c.4%
Southeastern	c.8%	c.4%
London Midland	c.5%	c.2%
GTR*	c.8%	c.7%

*Compares the period of operation since 14 September 2014 to the comparative period last year when operating as First Capital Connect

Southern's trading performance has remained in line with our expectations. The franchise will continue to receive revenue support until July 2015 when it will be integrated into GTR.

Trading in the Southeastern franchise continues to outperform our expectations.

Discussions with the DfT are underway regarding a potential direct award contract for London Midland from March 2016 to June 2017. The franchise continues to perform in line with our expectations.

GTR continues to incur incremental costs as a result of inherited operational challenges and changes in its operating network. As previously reported, this may lead to lower margins in the short term but any shortfall in profit is expected to be recoverable over the life of the franchise, as normal industry contract remedies are employed to help mitigate these costs over time.

Outlook:

Our expectations for the full year are unchanged. We remain committed to our strategic target in our bus division and continue to focus on delivering efficiencies across this business. Overall, trading in our rail business is in line with our expectations.

In the first quarter of next year we expect the DfT to announce the successful bidders for the Northern and TransPennine Express franchises for which we are bidding.

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 hosting a series of calls with analysts 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), Southern (which includes the Gatwick Express), 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.