

PRESS RELEASE

30 April 2015

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

THIRD QUARTER TRADING STATEMENT

**Satisfactory performance overall;
In line with management expectations**

The Go-Ahead Group plc today announces its third quarter trading statement for the period from 28 December 2014 to 29 April 2015. The figures in this statement are reported on a year to date basis from 29 June 2014 to 28 March 2015.

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

"The overall trading performance of both our bus and rail businesses has been satisfactory and our expectations for the full year remain unchanged.

"We continue to make progress in our bus division and remain committed to our strategic target. During the period we welcomed the results of the independent statutory watchdog Passenger Focus' national bus customer satisfaction survey which named Go-Ahead as the best performing large operator, with our regional bus companies achieving an average satisfaction rate of 90%.

"In our rail division overall underlying trading remains in line with our expectations. We are working 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."

Bus:

Regional:

As expected, revenue growth slowed in the third quarter due to the lapping of contract gains in the same period last year. Passenger journey growth continued to slow, with ongoing economic weakness in the north east affecting our operations, and roadworks in Oxford and Brighton significantly impacting our services in those areas.

Year to date growth rates:

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

London:

Growth in London bus revenue slowed and mileage declined year on year due to the timing of known contract losses. Excluding the impact of the BSOG reallocation, revenue in the year to date was similar to the prior year. Full year mileage is expected to be broadly flat year on year, with new contracts beginning in the fourth quarter.

Roadworks and congestion in the capital have impacted QICs revenue, with a year on year reduction of around £1m in the third quarter, expected to repeat in the fourth quarter. Roadworks and congestion are expected to continue for the foreseeable future.

Some revenue was lost as a result of strike action early in the quarter, impacting profitability by around £1m.

Year to date growth rates:

Revenue	Mileage
c.1.5%	c.-1.5%

Rail:

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

Year to date growth rates:

	Passenger revenue	Passenger journeys
Southern	c.7%	c.4%
Southeastern	c.9%	c.4.5%
London Midland	c.4.5%	c.2%
GTR*	c.7%	c.6%

*Compares the period of operation in the year to date (14 September 2014 to 28 March 2015) to the comparative period last year when operating as First Capital Connect

Southern has performed in line with our expectations. The franchise is in receipt of revenue support which is expected to continue until Southern and Gatwick Express are integrated into the GTR franchise in July 2015.

Under the new direct award contract, performance in the Southeastern franchise continues to be better than anticipated. This performance is expected to continue for the remainder of the year.

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

As previously reported, GTR has faced inherited long term operational challenges since the franchise began in September 2014. In addition to this, the operating network has changed compared to that anticipated in the bid, resulting in incremental costs. As a result of these changes, GTR will employ the normal industry contract remedies to help mitigate these costs over time. 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.

A consultation process in connection with the integration of Southern into the GTR franchise began in the third quarter which is expected to result in an exceptional charge of between £7m and £10m in redundancy costs in the full year.

Outlook:

Overall, our expectations are unchanged.

Our full year expectations for the bus division remain in line, despite one-off costs such as Singapore bid costs and the impact of strike action. We remain committed to our strategic target and continue to focus on delivering efficiencies across this business.

In rail, our full year expectations remain unchanged, with a similar performance expected in the second half of the year to that delivered in the first.

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.

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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.