

Press Release

21 October 2014

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

INTERIM MANAGEMENT STATEMENT

Overall trading robust; full year expectations unchanged

Go-Ahead today announces its Interim Management Statement for the period from 29 June 2014 to 20 October 2014 ahead of its Annual General Meeting on 24 October 2014.

The first quarter growth rates reported in this statement are for the period from 29 June 2014 to 27 September 2014.

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

"Trading in the first quarter has been robust and our full year expectations for both bus and rail operations remain unchanged.

"This has been a busy period for our rail business, during which we launched GTR and began Southeastern's direct award contract. Our experienced teams are focused on working closely with industry partners to deliver high quality services for our passengers.

"Delivering excellent levels of customer service is important to us and I'm proud our bus division achieved its highest ever satisfaction score of 92%. Even at these levels, there is always room for improvement and we will continue to listen to customers and local community groups to keep on improving our services."

"Our London and regional bus operations continue to perform well and we remain on course to achieve our operating profit target of £100m by 2015/16."

Bus:

Regional:

Regional bus has seen good growth in revenue in the first quarter of the year. This has largely been driven by increased contract revenue, where associated journeys are not recorded. Commercial and concessionary passengers numbers are broadly flat year on year, with weakness in the north east, as previously reported.

During the period, the proposal for a bus contract scheme in Tyne & Wear was endorsed by the sub-committees of the North East Combined Authority. The full Combined Authority will review the scheme proposals today, 21 October. This remains an ongoing process and we continue to believe that a voluntary partnership agreement is the best outcome for passengers and taxpayers.

First quarter growth rates:

Revenue	Passenger journeys
c.5%	c.0%

London:

Revenue growth in our London bus business of around 5% has been driven by the reallocation of bus service operators grant (BSOG) of 4.9%. Mileage operated fell in line with expectations, following the previous year's good growth on the back of contract wins. Rail replacement work has been delivered at similar levels year on year. Due to known contract wins that will begin later this year, we expect mileage to increase and be broadly flat year on year.

First quarter growth rates:

Revenue	Mileage
c.5%	c.-2%

Rail:

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

First quarter growth rates:

	Passenger revenue	Passenger journeys
Southern	c.6.5%	c.2%
Southeastern	c.10%	c.6.5%
London Midland	c.2.5%	c.1%

Trading in Southern remains in line with our expectations and is in receipt of 80% revenue support. The franchise will continue on existing terms for the duration of the current year before being incorporated into the GTR franchise in July 2015.

Southeastern has delivered a strong trading performance in the first quarter of the year, with strong underlying revenue growth of around 8.5%. Total passenger revenue growth includes the impact of one-off travelcard allocations. The franchise began operating under a direct award contract on 12 October, and is no longer receiving revenue support. The contract will run, under new franchise terms, until July 2018.

The London Midland franchise has been severely affected by engineering works during the quarter. This has had no impact on profit but has resulted in lower than expected revenue. Adjusting for this, revenue growth would have been around 5.5%. The franchise will continue on its original contract terms for the remainder of the year, and will begin a seven-month extension on the same terms in September 2015. We look forward to working with the DfT regarding a potential direct award contract from March 2016 to June 2017.

GTR began operating on 14 September and, five weeks into the franchise, no significant variations to the bid model have been identified. Trading performance for GTR will be reported in February 2015, in our half year results.

Outlook:

Overall, trading across the Group has been robust and 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 both within and outside our traditional markets. We continue to focus on our key strengths of providing high quality, locally-focused transport services.

Rail investor event:

The Go-Ahead Group plc is hosting a rail investor event this afternoon at which it will provide detail on its current rail franchises and forthcoming opportunities in the rail market. No new material financial information will be disclosed at the event.

N.B. Our £100m bus operating profit target excludes amortisation and exceptional items

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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 busiest 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 Company's control or can be produced by the Company. Although the Company 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. Actual results could differ materially from those set out in the forward-looking statements. 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 Company undertakes no obligation to update any forward-looking statement.