

PRESS RELEASE

29 November 2018

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

**TRADING UPDATE
FOR THE PERIOD FROM 1 JULY 2018 TO 28 NOVEMBER 2018**

The Go-Ahead Group plc today announces its trading update for the period from 1 July 2018 to 28 November 2018. The next scheduled update is the Group's half year results for the six months ending 29 December 2018 which will be announced on 21 February 2019.

The year to date growth rates in this announcement are for the period from 1 July 2018 to 27 October 2018.

Overview

- Full year expectations unchanged
- Growth in passenger volumes and revenues for the regional bus division
- London bus continues to deliver strong Quality Incentive Contract income
- Southeastern continues to perform very well; improved operational performance at GTR
- Rail contract in Norway South awarded

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

"The Group has delivered revenue growth since the start of our new financial year.

"In bus, our London operations have continued to earn strong Quality Incentive Contract income through the delivery of good service performance. In our regional bus business, overall passenger volumes have grown although the trends remain mixed across the country.

"In rail, I am pleased that the past few months have seen a marked improvement in the operational performance of GTR. Southeastern has continued to perform very well and it has consistently been the best performing large train franchise in the UK in recent months.

"Positive momentum in our international strategy has been sustained with the award of a new rail contract in Norway, the start of bus operations in Dublin and a continuing good performance in Singapore.

"Our 'Pick Me Up' operation in Oxford continues to grow and now has over 15,000 registered users, providing a new convenient service for our customers."

Bus

Regional

Year to date like for like growth rates*

Revenue	Passenger journeys
c.3%	c.1.5%

* Revenue and passenger journey growth rates exclude the impact of acquisitions.

During the period, revenue and passenger journey growth in regional bus have been ahead of recent trends helped by the better summer weather.

The rollout of contactless payment has continued. East Yorkshire Motor Services (EYMS), which we acquired in June, has been contactless-enabled since the end of last month and Brighton since earlier this month. We anticipate that customers in East Anglia will also be using it by the end of the financial year. 'Pick Me Up' in Oxford has increased its registered users which have grown to over 15,000 since it started in June.

We expect regional bus profit for the first half of the year to be lower than the same period last year but that this will be offset by a stronger performance in the second half, reflecting a contribution from EYMS and the impact of the severe winter weather in the comparative period last year. Accordingly, for the full year, we continue to expect regional bus operating profit to show a slight improvement over last year.

London

Year to date growth rates

Revenue	Mileage	Peak vehicle requirement (PVR)*
c.0.5%	c.(4)%	c.(6)%

* Peak vehicle requirement is the number of vehicles required to operate the highest service frequency on a route. This measure provides a useful indication of the volume of contract work being operated from one year to the next.

Transport for London (TfL) is carrying out a review of bus services in London. The stated intention of the review is to reduce mileage in Central London whilst affording the opportunity to re-shape the network in other areas.

Our continued improvements in operational performance have resulted in strong Quality Incentive Contract income for the period. Mileage and peak vehicle requirement were down as expected because of contract losses during the last financial year. As previously disclosed, this is expected to result in London bus profits for the full year being lower than last year. Capital expenditure will also be significantly lower than last year which will increase free cash flow generation.

We continue to bid for new work with financial discipline and are satisfied with our current success rate.

Reported within the London bus division, our bus operation in Singapore continues to perform well, both operationally and financially. Operations in Dublin also began successfully during the period.

On 22 November, there was a fire at our Orpington garage. Thankfully no-one was injured, and we are very grateful to the London Fire Brigade and our colleagues on site for their help. The garage is operational again and we are working with the authorities to investigate the causes of the fire. Our insurers have been engaged.

Rail

The rail division operates the Southeastern and GTR franchises through our 65% owned subsidiary Govia.

Southeastern

Year to date growth rates

Passenger revenue	Passenger journeys
c.7%	c.5%

Passenger journey and revenue trends have continued the improvement seen in the second half of last year. Growth has been supported by the resumption of full services through London Bridge station since January and by the good weather during the period.

We continue to focus on delivering good operational performance and reliability for our customers. Around 5% more trains ran on time than in the previous year and Southeastern is currently the most punctual major train operator in the country. We have submitted a deliverable and economically sensible bid for the new South Eastern franchise.

GTR

Since GTR's interim timetable was put into place in mid-July, operational performance has improved substantially whilst also operating an additional 200 services per day. Performance on Southern is the best since the start of the franchise and cancellations on Thameslink and Great Northern services have been significantly reduced.

Preparations for the addition of a further 200 daily services from December 9th are well advanced. Implementation of these will result in a boost to capacity for our passengers with around 400 more services running every day and space into London for an extra 50,000 passengers in the morning peak compared to the levels available earlier in the year.

Constructive discussions with the Department for Transport (DfT) relating to the GTR franchise continue.

International development

In October, Go-Ahead was awarded the Norway South package of rail services covering a mixture of long-distance and suburban routes. This is the first rail contract to be let in Norway and will run for eight years (with the possibility of a two-year extension) beginning in December 2019. This builds further on the Group's international footprint. The eight non-UK bus and rail contracts that have been secured to date are estimated to deliver around £320m of annualised revenue.

Mobilisation of rail contracts in Germany continues ahead of the start of operations in June 2019.

CFO Succession

Elodie Brian has been appointed interim CFO starting on 3 December. She has spent over 10 years with Southeastern, latterly as the Finance and Contracts Director, and is very familiar with the Group's business. Our recruitment process for a permanent new CFO continues.

Pensions

We are currently evaluating the extent to which the recent High Court ruling around the equalisation of guaranteed minimum pensions between men and women could crystallise additional liabilities in our schemes. We expect that any required adjustment will be recognised in the half year results and be shown as a 'non-cash' exceptional item. Under accounting valuations, the net surplus after taxation on our bus defined benefit schemes was £30.3m at the end of the last financial year and we expect the schemes to remain in surplus after accounting for this change.

ENDS

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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 28,000 people across our businesses, 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 the first FTSE250 company to be certified with FTSE4Good accreditation and have been recertified for seven consecutive years. 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 5,000 buses, we carry over two million passengers every day. Our operations are focused on high density commuter markets. We have a strong presence in London, with around 23 per cent market share, where we provide regulated services for TfL. Outside London, we operate services in Oxford, East Anglia, Hull, the South East, Southern and north east England. In September 2016, the Group began operating a bus contract in Singapore, and in September 2018 began operating one of two Irish bus contracts.

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) and Southeastern.

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.