

PRESS RELEASE

24 May 2018

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

**TRADING STATEMENT
FOR THE PERIOD FROM 31 DECEMBER 2017 TO 23 MAY 2018**

The Go-Ahead Group plc today announces its trading update for the period from 31 December 2017 to 23 May 2018. The next scheduled market update is the Group's full year results for the year ending 30 June 2018 which will be released on 6 September 2018.

The year to date growth rates shown in this statement are for the period from 2 July 2017 to 28 April 2018.

Overview

- Overall full year expectations for bus unchanged; uplift in rail
- Record customer satisfaction in our regional bus business
- London bus expectations improved, with strong Quality Incentive Contract income in the period
- Successful bid for a second bus tender in Dublin
- Southeastern franchise extended to April 2019; bid submitted for new franchise

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

"In a challenging market environment with reduced retail footfall and pressures on local authority budgets, our businesses have performed well overall.

"In bus, our London operations have seen an improvement in service performance resulting in higher Quality Incentive Contract income. Revenue and passenger trends remain mixed across our regional bus businesses.

"In rail, trading has been good in the period, largely due to efficiency improvements and helped by the resumption of full Southeastern services through London Bridge station. In partnership with the industry, this week we began the introduction of the largest timetable change in decades. The modernisation of the network will lead to new routes, greater connectivity and increased peak frequency through central London with the new technology of automatic train operation.

"As part of our strategy to develop for the future of transport, we announced the UK's largest demand responsive trial of high-quality minibuses in Oxford - called 'Pick Me Up' - which will begin operating next month. Passengers will use an app to route journeys according to their needs. We are also working with logistics partners including a pilot at our Crawley depot to manage deliveries in the area.

"The Board is confident the Group will deliver full year results that are slightly ahead of its previous expectations."

Bus

Regional

Year to date underlying growth rates*

Revenue	Passenger journeys
c.0%	c.(2)%

* Revenue and passenger journey growth rates exclude the impact of a programme of route restructuring (estimated at -0.5%). This principally reflects reductions to the route network in East Anglia.

Revenue and passenger journey growth trends in regional bus remain subject to challenging market conditions with the adverse weather dampening growth rates since the half-year. Across the division we continue to see growth in some regions and expect regional bus profit for the second half of the year to be close to last year's level.

Our customer-centric approach resulted in Go-Ahead achieving the highest-ever passenger satisfaction score from Transport Focus (91%), including achieving the highest scores for punctuality and journey time.

London

Year to date growth rates

Revenue*	Mileage*	Peak vehicle requirement (PVR)**
c.3%	c.0%	c.(1)%

*Includes Singapore bus for the period from January in both years.

** 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.

In London bus, mileage was flat and peak vehicle requirement was down as expected. Our continued improvements in operational performance resulted in strong Quality Incentive Contract income and was recognised by Go-Ahead winning Bus Operator of the Year at the London Transport Awards. The timing of some contract losses means that full year mileage is likely to be down by up to one per cent.

We have maintained strong financial discipline in contract bidding against a backdrop of budget pressure for our client Transport for London with anticipated medium-term impacts on PVR and mileage. Looking ahead, we have fewer contracts coming up for renewal over the next two financial years. We therefore expect significantly lower levels of capital expenditure and a corresponding increase in free cash flow in those years.

Our bus operation in Singapore, reported within the London bus division, continues to perform well, delivering high levels of punctuality on behalf of the Land Transport Authority.

The second half of the year is expected to deliver operating profitability at London bus that is comparable to the first half, representing an improvement on our previous expectations.

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.3.5%	c.1%

Underlying passenger journeys and revenue growth have improved since the half year, having recovered well from a reduction in journeys during the Christmas period. This was boosted by the resumption of full services through London Bridge station, after three years of partial closure. Continued good progress in the delivery of our efficiency programme has led to an increase in our profit expectations for the year.

During the period, the DfT confirmed a 12-week extension to the current Southeastern franchise to 1 April 2019. We have steadily improved customer satisfaction and reliability over the past four years and will continue to focus on delivering the best possible service for our passengers through the extension period. Govia has been shortlisted for the next South Eastern franchise to be awarded by the DfT in the Autumn.

GTR

We continue to deliver improvements on GTR with higher passenger satisfaction levels on our Thameslink service than at any point since 1999, according to the latest National Rail Passenger Satisfaction (NRPS) survey which showed an 83% overall satisfaction rate, an increase of 10% over the previous year. New trains, more punctual services, better information and more helpful staff have helped to improve results according to the independent national passenger watchdog Transport Focus. Better punctuality on Southern has also seen passenger satisfaction climb by 7% over the previous year to 72%. We continue to work hard to drive further improvement.

The introduction earlier this week of the largest timetable change in decades boosts capacity for our passengers with almost 400 more trains running every day and space into London for an extra 50,000 passengers in the morning peak.

Discussions with the DfT regarding a number of contractual variations are ongoing.

International development

The Group was made preferred bidder for a second bus tender in Dublin by Ireland's National Transport Authority. This will bring the total number of routes operated by Go-Ahead in the Irish capital to 30. The contract will run for five years from early 2019 with a possible two-year extension. The mobilisation of our existing Dublin bus contract and German rail contracts continue to progress ahead of their respective 2018 and 2019 start dates. Meanwhile, our development team continues to pursue value adding opportunities in current and new international markets, where there is a strong pipeline of bid opportunities in both bus and rail.

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 27,000 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 5,200 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 24 per cent market share, where we provide regulated services for TfL. Outside London, we operate services in Oxford, East Anglia, the South East, Southern and north east England. In September 2016, the Group began operating a bus contract in Singapore, on behalf of the Land Transport Authority.

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.