

PRESS RELEASE

30 November 2017

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

**TRADING STATEMENT
FOR THE PERIOD FROM 2 JULY 2017 TO 29 NOVEMBER 2017**

Full year expectations unchanged

The Go-Ahead Group plc today announces its trading update for the period from 2 July 2017 to 29 November 2017. The next scheduled market update is the Group's half year results for the six months ending 30 December 2017 on 22 February 2018.

The growth rates reported in this statement are for the four-month period from 2 July 2017 to 28 October 2017.

Overview

- Full year expectations unchanged in bus and rail
- Regional bus trends in line; contactless payment option introduced and new bus app due to launch
- London bus trends in line; Quality Incentive Contract bonuses strong in the period
- ASLEF members end longstanding industrial dispute
- Good financial position with robust balance sheet

Go-Ahead's Chief Executive, David Brown, said:

"Overall trading for the first four months of the year has been in line with our expectations.

"In Bus, regional revenue and passenger trends are in line with expectations and London revenue, mileage and peak vehicle requirements are as anticipated, reflecting small net contract losses. We continue to engage with Transport for London around key issues for the capital, such as congestion and air quality. Both in and outside of London, we believe buses are the solution to these problems in our towns and cities.

"In Rail, trading has been satisfactory in the period. Following the end of ASLEF's longstanding dispute with Southern, we are wholly focused on further improving the service for passengers and supporting the completion of the Thameslink Programme.

"We welcome the strategic vision for the railways announced yesterday by the Secretary of State for Transport. We are pleased to see proposals to strengthen the partnership between the public and private sector, aimed at further improving services for customers. We look forward to working with the Government to understand the strategy in more detail.

"Our international strategy is focused on delivering long-term value for shareholders by building a portfolio of low-risk businesses with limited capital requirements in stable and attractive markets. There are additionally good long-term pipelines of work in all of our target markets.

"The Board remains confident that the Group will deliver full year results in line with its expectations."

Bus

Regional

Year to date underlying growth rates*

Revenue	Passenger journeys
c.0%	c.(1)%

* Revenue and passenger journey growth rates exclude the significant 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 in line with our expectations. Across the division we continue to see growth in some regions being offset by softer performance in other areas.

The roll-out of contactless payment options across our regional bus business is well advanced, with all of our fleet in Oxford, Go North East, Plymouth and Go South Coast now accepting this form of payment. Following the introduction of contactless technology in Oxford in June, over 20% of on-bus payment is now made through this channel. Also aimed at improving convenience for customers, our new bus app will enable passengers to receive real-time information, track bus locations and be notified of the best value ticket for their journey.

We expect regional bus profit for the first half of the year to be slightly lower than last year, more than offset by a stronger second half as one-off costs in Oxford in the prior period reverse.

London

Year to date growth rates

Revenue	Mileage	Peak vehicle requirement (PVR)*
c.0%	c.(1.5)%	c.(0.5)%

*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, growth trends in revenue, mileage and peak vehicle requirement were down slightly as expected reflecting the timing of small contract losses. This effect on revenue was partially offset by strong Quality Incentive Contract bonuses in the first part of the year with around £3m received to date compared with £2m in the same period last year.

Through the contract tender process, we have secured the majority of work expected for 2017/18. The market remains very competitive and mileage will continue to be under pressure as a result reductions in Transport for London funding. However, we maintain strong financial discipline in contract bidding, which is supported by our network of strategically located depots.

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.

As previously disclosed, the first half of the year is expected to deliver stronger profitability than the second half due to the timing of small contract losses.

Rail

The rail division currently operates the Southeastern, London Midland and GTR franchises through our 65% owned subsidiary Govia. On 10 December 2017, London Midland will cease operation, following the Department for Transport's (DfT) franchise award decision, announced on 10 August 2017.

Southeastern

Year to date growth rates

Passenger revenue	Passenger journeys
c.2.5%	c.(1)%

Southeastern's passenger journey growth rate is consistent with that reported at the full year, while revenue growth slowed further, as expected.

The DfT yesterday published the invitation to tender for the new South Eastern franchise, scheduled to begin in April 2019, for which Govia is shortlisted. We are confident that we will submit a deliverable and attractive bid for customers, the DfT and shareholders.

GTR

In GTR, on a moving annual average basis train performance has consistently improved since the period of intense industrial action ended in January 2017. In Southern, the number of cancellations has fallen by 8% and punctuality levels have improved by 16% in the 11-month period. Earlier in the month, we were pleased that ASLEF members ended their industrial dispute. GTR's management team can now solely focus on improving performance levels for our customers.

Discussions with the DfT regarding a number of contractual variations are ongoing; management's judgement around these discussions and the potential impact on current year rail profitability remains consistent with previous guidance of plus or minus £5m.

London Midland

Trading in the period has been in line with expectations. Demobilisation of the London Midland franchise is well underway ahead of 10 December, when it ceases to operate.

International development

The mobilisations of our Dublin bus contract and German rail contracts are well underway ahead of their respective 2018 and 2019 start dates.

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 29,000 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) 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.