

PRESS RELEASE

20 April 2017

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

THIRD QUARTER TRADING STATEMENT

**Trading in line
with management expectations**

The Go-Ahead Group plc today announces its third quarter trading statement for the period from 1 January 2017 to 19 April 2017. The year to date figures in this statement reflect the period from 3 July 2016 to 1 April 2017.

Our full year expectations for both bus and rail divisions are unchanged from the update given at the half year results on 28 February 2017. The Group remains in a strong financial position, with good cash generation and a robust balance sheet.

Bus

Regional

Adjusted year to date growth rates*

Revenue	Passenger journeys
c.1.5%	c.0.0%

**Adjusted for the estimated impact of Easter falling in Q4 FY'17 and across Q3 and Q4 in FY'16*

Regional bus has continued to deliver increasing revenue in line with expectations and, although subdued, passenger volumes are outperforming the wider industry, with growth in some regions offsetting declining volumes in other operating areas. The adjusted year to date growth rates are more indicative than the unadjusted figures because of the timing of bank holidays around the half year end and the timing of Easter.

Our local management teams are focused on attracting more passengers onto our buses by delivering frequent, reliable, value for money services and by making bus travel easier and more appealing. Our first contactless ticketing pilot scheme will shortly be introduced in Oxford, to be followed by a similar scheme in the north east in the summer. We look forward to rolling out the latest contactless technology across all our operations throughout this calendar year, bringing benefits to customers and efficiencies to our business. We continue to invest in WiFi and USB charging points, and ticketing and journey planning apps.

London

Year to date growth rates (excluding Singapore bus operations)

Revenue	Mileage
c.2.5%	c.(1.0%)

Mileage operated and revenue growth in our London bus operations are in line with our expectations. We are pleased to have secured 95% of expected revenue for 2017/18, through the normal bidding cycle.

While our ability to operate reliable services on behalf of Transport for London (TfL) continues to be impacted by congestion in London, revenue generated through Quality Incentive Contracts has stabilised. We continue to engage with TfL and the London Assembly regarding the ongoing issue of congestion in the capital and play our part in the successful implementation of an ultra low emission zone by 2019.

Our bus operation in Singapore is performing well, delivering high levels of punctuality on behalf of the Land Transport Authority.

Rail

Our rail division operates the Southeastern, London Midland and GTR franchises through our 65% owned subsidiary Govia.

Year to date growth rates

	Passenger revenue	Passenger journeys
Southeastern	c.3.0%	c.(0.5%)
London Midland	c.6.0%	c.4.0%
GTR	c.(5.0%)	c.(3.5%)

As previously reported, passenger growth in Southeastern has been slowing. A cost efficiency programme has been implemented to offset the revenue shortfall over the remainder of the contract, until December 2018. The franchise continues to contribute to the Department for Transport (DfT) through a profit share mechanism, although now at a lower level. The DfT has begun the tender process for the forthcoming South Eastern rail franchise competition with the publication of its public consultation document.

London Midland continues to deliver a strong performance, with good levels of growth in revenue and passenger journeys. The franchise is expected to make profit share payments to the DfT for the remainder of the contract, to October 2017. We await the DfT's announcement regarding the outcome of the West Midlands franchise competition, for which we are shortlisted along with one other bidder.

GTR

Service levels have stabilised following the previous periods of industrial action, delivering more reliable rail services to customers. Discussions between GTR and the ASLEF and the RMT unions continue with the aim of resolving the ongoing industrial disputes. GTR remains fully committed to resolving these issues so as to provide improved service for customers and reduce uncertainty for our stakeholders.

Discussions are ongoing with the DfT regarding a number of contractual variations; management's judgement around these discussions and the potential impact on rail profitability for the full year remains consistent with the guidance outlined at the half year results.

Bidding and mobilisation

Bid activities in targeted international markets continue as planned and the mobilisation of our German rail contracts, due to commence in 2019, is progressing well.

Financing

We have begun the process of refinancing our £200m sterling bond ahead of its maturity in September 2017. As a result of lower interest rates, we anticipate finance costs to reduce in the financial year to June 2018.

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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.