

Go-Ahead sets sights on £100m profits



The majority of its bus operations are in southern England, particularly commuter growth corridors where demand for public transport is strong

Go-Ahead Group/PA

Business staff

Last updated at 9:14AM, October 18 2012

Go-Ahead said it wanted to make profits of £100 million a year from running bus services in Britain.

The transport group generates an annual return of £70 million from a fleet of about 4,600 buses carrying about 1.7 million passengers a day.

It said the new target would be achieved by the 2015-16 financial year through “high quality services, innovation and marketing and cost efficiency”.

In a meeting with investors, its chief executive David Brown said that he believed there was “significant potential” to expand its bus division.

The announcement comes as Go-Ahead faces up to uncertainty in its rail operation after the Department for Transport’s decision to postpone rail franchise competitions

in the wake of the West Coast Main Line debacle.

Go-Ahead runs a third of the UK's rail services through its Govia joint venture, which operates the Southern, Southeastern and London Midland franchises.

While the Olympics resulted in much higher levels of rail passenger revenues and journeys, the company said the profit impact was largely neutral.

In the deregulated bus division, underlying revenues were 5 per cent higher in the period between July 1 and October 17 after the number of passenger journeys increased by about 3 per cent.

This was after fares rose by between 4 per cent and 7 per cent in April because of higher fuel costs and a cut in government grants for bus operators.

The majority of its bus operations are in southern England, particularly commuter growth corridors where demand for public transport is strong. The company's margin from bus operations is just over 10 per cent.

Go-Ahead shares rose 3.3 per cent, or 43p, to £13.33 in morning trading.

© Times Newspapers Limited 2012 | Version 3.0.0.2 (67523)

Registered in England No. 894646 Registered office:

3 Thomas More Square, London, E98 1XY

[My Account](#) | [RSS](#) | [Site Map](#) | [FAQ](#) | [Classified advertising](#) | [Display advertising](#)

[Privacy & Cookie Policy](#) | [Syndication](#) | [Terms & Conditions](#) | [Contact us](#)
