

Stagecoach Group plc : Rail franchising

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Rail franchising

Stagecoach Group plc ("Stagecoach") notes the announcement today by the Department for Transport ("DfT") regarding its plans, timetable and investment programme for UK rail franchising.

The announcement includes the planned extension or direct award contract in relation to three franchises in which Stagecoach has an involvement:

- * The Stagecoach South Western Trains franchise, scheduled to run until February 2017, is to be extended to April 2019, the end of Control Period 5.
- * The East Midlands Trains franchise, scheduled to run until April 2015, is to be extended to October 2017.
- * The West Coast franchise, operated by our joint venture Virgin Rail Group and which was last year extended to November 2014, will now run to April 2017.

In addition, the DfT has confirmed its plans for a number of franchise competitions in 2013-14, including Essex Thameside, Thameslink and InterCity East Coast. The Thameslink franchise, for which Stagecoach is a shortlisted bidder, has resumed. An Invitation to Tender will be issued to existing shortlisted bidders in September 2013, with the franchise expected to be awarded by May 2014.

Martin Griffiths, Stagecoach Group Finance Director, said: "This is an important step in getting rail franchising back on track. It brings greater clarity and confidence in the future for everyone with an interest in the continued success of the UK rail network.

"We welcome the extensions announced to franchises we are involved in operating. Our focus will be on further improving rail travel for our customers and securing a good return for investors who play a key role in the funding of the UK rail network. The extension at South West Trains will also allow us to continue our ground-breaking Alliance with Network Rail to deliver a better and more efficient railway for passengers.

"Work is already well underway on developing innovative proposals for our bid for the Thameslink franchise and we look forward to submitting a competitive and customer-focused bid. We will also consider closely the opportunities in the InterCity East Coast franchise competition announced today.

"Despite the difficulties of the past year, the core franchising model works for passengers, Government and investors. It has delivered record passenger growth, huge investment in trains and stations and a more efficient system for taxpayers.

"Now we have a timetable of the Government's plans, it is critical the momentum is maintained. The focus must be on delivery and ensuring a flow of franchise competitions to maintain investor confidence. We will continue to work closely with the DfT and its newly established Franchise Advisory Panel in the months ahead to help deliver an improved franchising system that builds on the benefits the private sector has delivered for taxpayers and rail passengers."

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STAGECOACH GROUP

* Stagecoach Group is a leading international public transport group, with extensive operations in the UK, United States and Canada. The Group employs around 35,000 people, and operates bus, coach, train, and tram services.

* Stagecoach is one of UK's biggest bus and coach operators with around 7,800 buses and coaches. Around 2.5 million passengers travel on Stagecoach's buses every day on a network stretching from south-west England to the Highlands and Islands of Scotland. The Group's business includes major city bus operations in London, Liverpool, Newcastle, Hull, Manchester, Oxford, Sheffield and Cambridge. Low-cost coach service, megabus.com, operates between around 60 towns and cities across the UK.

* Stagecoach is a major UK rail operator, running the South West Trains, Island Line and East Midlands Trains networks. It has a 49% shareholding in Virgin Rail Group, which operates the West Coast inter-city rail franchise.

* Stagecoach also operates the Supertram light rail network in Sheffield.

* In North America, Stagecoach operates around 2,900 buses and coaches in the United States and Canada. Megabus.com serves more than 100 cities in North America. Stagecoach is also involved in operating commuter and transit services, contracted bus services, charters, sightseeing tours and a small number of school bus services.

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