

Cautionary statement



This Review is intended to focus on matters which are relevant to the interests of shareholders in the Company. The purpose of the Review is to assist shareholders in assessing the strategies adopted and performance delivered by the Company and the potential for those strategies to succeed. It should not be relied upon by any other party or for any other purpose.

Forward looking statements are made in good faith, based on a number of assumptions concerning future events and information available to Directors at the time of their approval of this report. These forward looking statements should be treated with caution due to the inherent uncertainties underlying any such forward looking information. The user of these accounts should not rely unduly on these forward looking statements, which are not a guarantee of performance and which are subject to a number of uncertainties and other facts, many of which are outside of the Company's control and could cause actual events to differ materially from those in these statements. No guarantee can be given of future results, levels of activity, performance or achievements

Unless otherwise stated, all profit, margin and EPS data refer to normalised results, which can be found on the face of the Group Income Statement in the first column. The definition of normalised profit is as follows: IFRS result excluding charges for intangible asset amortisation, exceptional items and tax relief thereon. The Board believes that the normalised result gives a better indication of the underlying performance of the Group.

2015 Highlights

A successful year



Delivering
operational
excellence

Generating
superior cash &
returns

Creating new
business
opportunities

Strong performance across our diverse portfolio of businesses

- Group normalised PBT of £150.1m, up 25%
- Growth in revenue & profit in constant currency across every division
- Passenger journey growth of 2% with 867m passenger journeys in 2015

Continued strong cash generation – £111m of FCF, ahead of target

- Supporting future growth with £69m invested in bolt-on acquisitions
- Net debt of £746m reflects the investment in acquisitions & £36m invested in growth capital expenditure

Strong cash flow supporting dividend growth of 10%

- Dividend policy: 2x Group earnings

2015

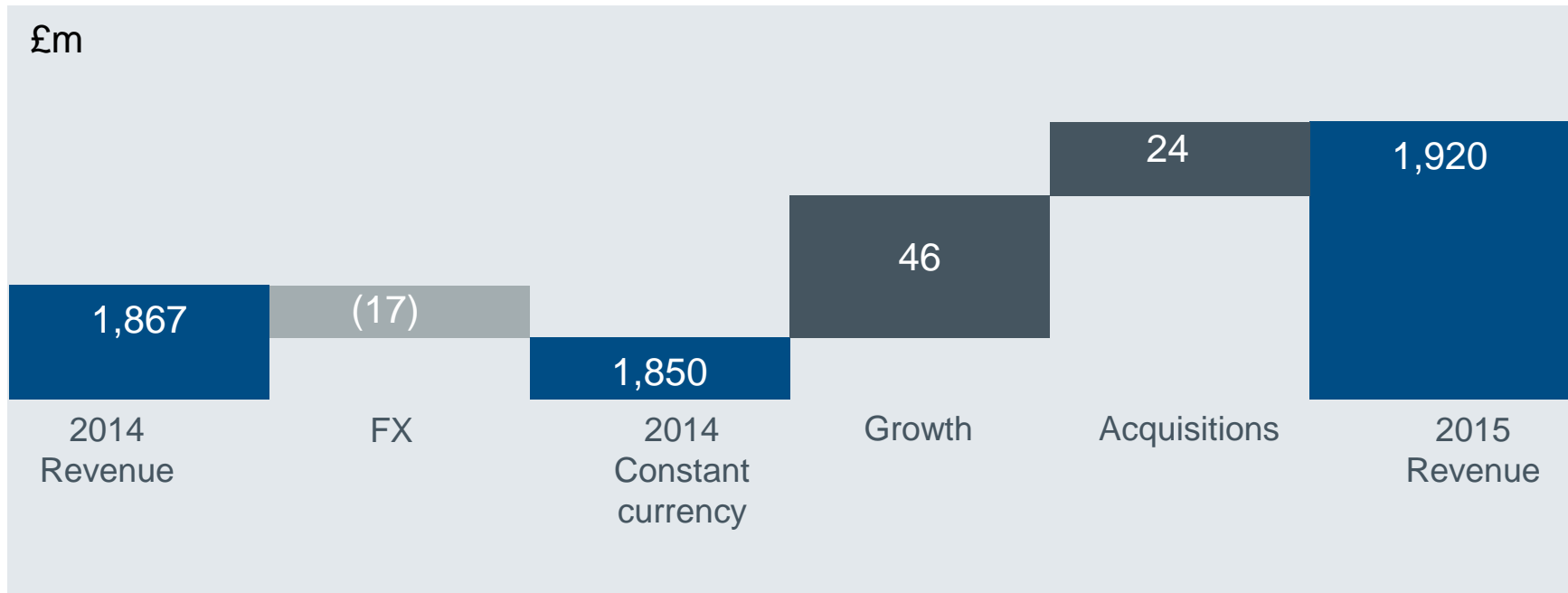
Strong growth despite higher rail premium charges

£m	2015	2014 Restated*
Revenue	1,919.8	1,867.4
Normalised operating profit (before bid costs)	202.7	193.1
Bid costs	(9.2)	(25.5)
Operating profit	193.5	167.6
Net finance costs	(45.2)	(48.0)
Associates	1.8	0.3
Profit before tax	150.1	119.9
Basic EPS:	23.4p	18.9p
Full year dividend	11.33p	10.3p

*FY2014 results restated to adjust for the impact of rail and Middle East bid costs previously treated as exceptional items

Revenue

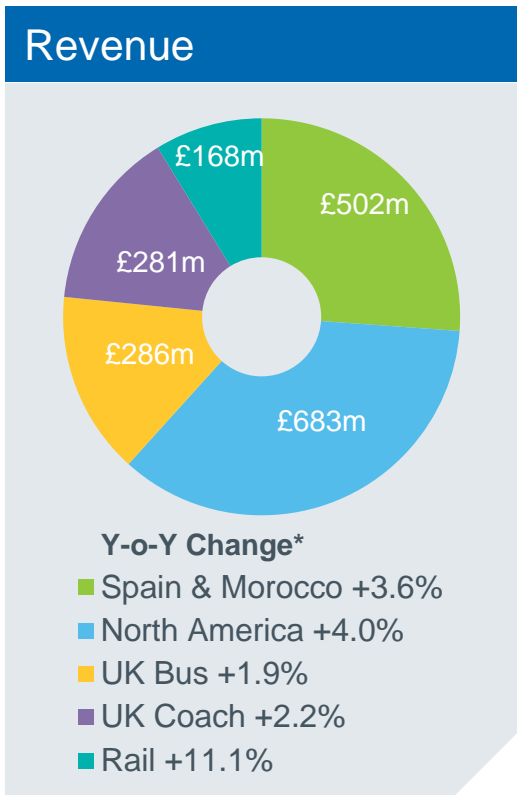
Strong organic growth boosted by acquisitions



- o Strong revenue growth – up 3.8% in constant currency, with growth in all divisions
- o Underlying revenue growth of 2.5%
- o Adverse impact from currency, with \$ strength partly offsetting weakness in the €

Operating profit

Strong performance - profit up in every division



Operating profit

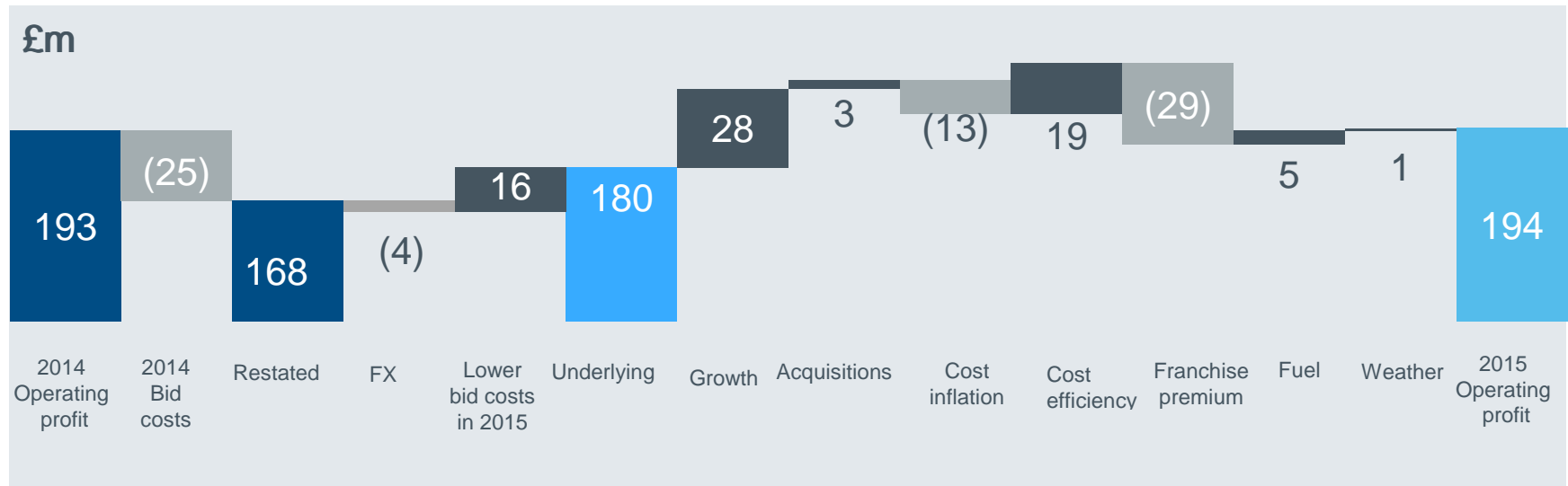
	FY 2015	OPM %	**FY 2014	OPM %
Spain & Morocco	€98.5m	14.2	€93.1m	13.9
North America	\$102.2m	9.8	\$96.3m	9.6
UK Bus	£37.5m	13.1	£34.0m	12.1
UK Coach	£32.3m	11.5	£28.0m	10.2
Rail	£0.6m	0.4	£(10.1)m	-
German Coach	-	-	£(1.7)m	-
Centre	£(15.2)m	-	£(17.1)m	-
Group	£193.5m	10.1	£167.6m	9.0

*Underlying year-on-year change shown in constant currency

** FY 2014 results restated to adjust for the impact of rail and Middle East bid costs previously treated as exceptional items

Normalised operating profit

Growth and cost efficiencies offset higher premiums



- o FY 2014 operating profit adjusted for rail and Middle East bid costs
- o Adverse currency impact of £4m
- o Growth, cost efficiencies, acquisitions & lower fuel costs offset higher rail premium charges
- o Contribution of £3m from acquisitions in North America after deal & synergy costs
- o Restructuring in 2014 delivering annual savings of £19m, ahead of plan of £15m
- o No exceptional costs in 2015 - none planned for 2016

Superior cash and returns

Strong cash flow with £111m of FCF



£m	FY 2015	FY 2014*
EBITDA	298.1	269.7
Working capital	(11.8)	4.8
Replacement capex	(111.7)	(43.2)
Pension deficit	(9.7)	(8.7)
Operating cashflow	164.9	222.6
Tax/interest/other	(53.9)	(57.8)
Free cash flow	111.0	164.8

Operating cash flow	Operating Profit %
Spain & Morocco	116%
North America	61%
UK Bus	46%
UK Coach	117%
Rail	1,407%
Group	85%

- As previously guided, full year net capital expenditure has returned to more normal levels of 1.1x to 1.2x depreciation
- Free cash flow of £111m, ahead of target for 2015 of £100m
- Sustainable free cash flow generation of £100m p.a.
- Generated £1.2bn of operating cash flow over the last 6 years

* FY 2014 results restated to adjust for the impact of rail and Middle East bid costs previously treated as exceptional items

Superior cash and returns

Focusing on investing for future growth



£m	FY 2015	FY 2014*
Free cash flow	111.0	164.8
UK rail franchise exit outflow	(2.5)	(1.6)
Exceptional cash	(10.0)	(19.2)
Cash flow available for growth & dividends	98.5	144.0
Net growth capital expenditure	(36.4)	(7.3)
Acquisitions & disposals	(69.4)	(5.9)
Dividends	(54.4)	(51.6)
Other, including forex	(19.5)	2.6
Net funds flow	(81.2)	81.8
Net Debt	745.5	664.3

- o FCF of £111m funding investment in acquisitions of £69m & £36m of net growth capital expenditure, together with increased dividend payments of £54m
 - o Driving future growth & securing attractive returns for shareholders

* FY 2014 results restated to adjust for impact of rail & Middle East bid costs previously treated as exceptional items

Superior cash and returns

Re-investing cash flows to drive further growth



Six acquisitions in 2015, driving further incremental growth in 2016

	No. of buses	Annualised revenues
North America	1,450	\$84m
Spain	68	€13m

- In line with our strategy to exploit new growth opportunities in North America we have invested £82m net consideration in North America in 5 acquisitions (4 school bus, 1 transit) in 2015
 - On attractive multiples – average EBITDA multiple of 6x
 - Above average margin
 - Provides entry into 2 new states & into new related markets
- Strengthened resolve to invest around £50m p.a. in acquisitions in North America with a strong pipeline of opportunities of over 50 contracts, worth c.\$150m in total revenues
- £16m consideration for Spanish urban bus contract in Madrid
 - Synergy benefits with other contracts we operate in Madrid

Superior cash and returns

Funding future growth



Growth capital expenditure

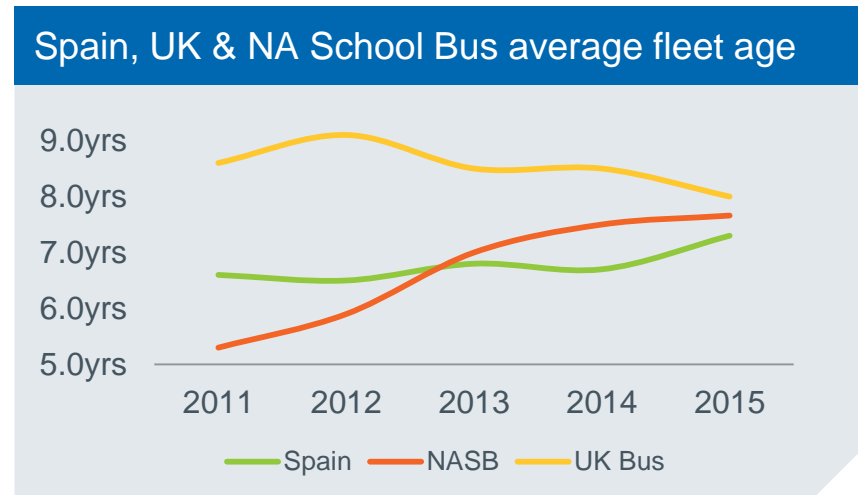
- Growth capex delivering enhanced profits
- Higher investment in 2015 of £36.4m (2014: £7.3m) to support future growth
- Main programmes include:
 - Investment in UK and German Rail to support new c2c franchise & commencement of services on RME
 - Investment in new fleet for Morocco to support expansion in Tangier
 - Investment in revenue management systems for our UK & Spanish coach businesses

Superior cash and returns

Sustainable capital efficiency is driving better returns 

Group ROCE %	
2015	2014
11.7%	10.7%*

* FY 2014 results restated to adjust for the impact of rail and Middle East bid costs previously treated as exceptional costs



- o Group ROCE +100bps to 11.7%
- o Ongoing focus on careful targeting of capital investment & more efficient deployment of assets
- o Disciplined approach to investment has reduced UK Bus fleet age & increased North America fleet age to the benefit of Group ROCE

Balance sheet

Rise in net debt reflects investment in growth



Gearing Ratios	2015	2014	Covenant	Ratings	Grade	Outlook
Net debt/EBITDA	2.45x	2.25x	<3.5x	Moody's	Baa3	Stable
Interest cover	6.6x	6.3x	>3.5x	Fitch	BBB-	Stable

- o Net debt increased to £746m, up £81m reflecting £106m investment in acquisitions & growth capital expenditure
- o Remain committed to a robust financial strategy:
 - o Prudent gearing policy: Approximately 2-2.5x EBITDA
 - o Dividend covered 2x by Group earnings
 - o Strong commitment to IG debt rating
 - o Prudent risk planning – fuel mostly hedged to 2017 & pension deficit plan in place
 - o £440m cash and committed headroom*

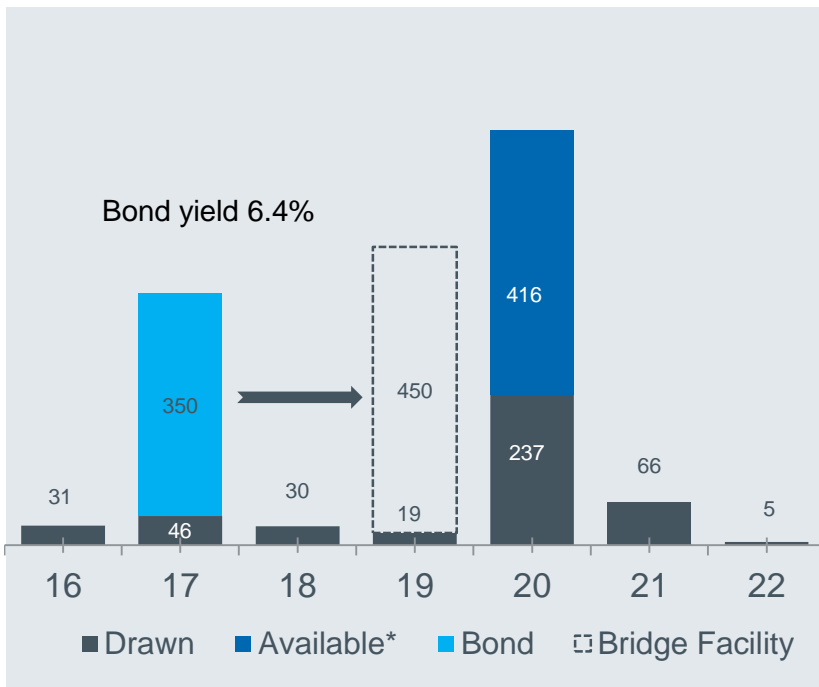
* Available cash and undrawn committed facilities at 31 December 2015

Balance sheet

Three-year bridge facility



Good debt maturity profile



- £450m bridge facility signed January 2016 to refinance £350m 2017 bond & £100m for general corporate purposes
- For 18 months with three 6-month extension options
- 3-year facility gives optimal flexibility on refinancing £350m bond & provides additional medium-term liquidity

**Available cash and undrawn committed facilities at 31 December 2015*



2016

- Net capital expenditure of 1.1x to 1.2x depreciation – 2016 target c.£140m
- Free cash flow generation of £100m
- Effective tax rate of c.20%
- Full year incremental premium charges of £16m
- Bid costs of c.£10m in 2016: EA, other UK/German rail & International opportunities
- Target dividend cover c.2.0x Group earnings
 - Growth in dividend to reflect growth in Group-wide earnings
- 2017 onwards
 - Significant savings from lower bond interest costs in 2017 & lower fuel costs in 2018

Rail

Strong progress in UK & Germany



Delivering operational excellence

- o Significant passenger growth, +5%
- o Strong growth in both peak & off-peak travel
 - o Off-peak c.8% & weekend c.15% through strong promotional campaigns & new products
- o Industry-leading customer service – 97.1% punctuality, automatic delay repay, personalised performance reports
- o Successful commencement of first German Rail services in Dec 2015 & further contract wins

Creating new business opportunities

- o Bid for EA
- o German bid pipeline

Risks

- o Delivering the bid line premiums in the UK
- o Failure to win bids in Germany
- o Mobilisation on new franchises

Generating superior cash & returns

	2015	*2014
Revenue	£168.4m	£151.6m
Op profit pre bid cost	£5.9m	£9.7m
Bid costs	£(5.3)m	£(19.8)m
Op profit	£0.6m	£(10.1)m
Margin	0.4%	N/A

* Restated to adjust for rail bid costs previously treated as exceptional items

Revenue: +11%, with 10% revenue growth in c2c supported by passenger growth of 5%

Profit: £10.7m higher despite significantly higher premium charges (up £29m), partially offset by lower bid costs

UK Bus

Ground breaking Bus Alliance



Delivering operational excellence

- Robust revenue growth, commercial revenue +3%
- Major fleet upgrade aligned with LA investment in bus prioritisation driving growth on premium service routes
 - 8% increase on Platinum bus routes
- Strong growth in our industry leading multi operator Swift smartcards & launch of new PAYG smartcard
- Highest ever Transport Focus Customer Satisfaction score of 87%

Creating new business opportunities

- Bus Alliance with Centro & West Midlands ITA
- Midland Metro extension
- Shortlisted for Manchester Metrolink

Risks

- Buses Bill
- Concession income

Generating superior cash & returns

	2015	2014
Revenue	£286.4m	£281.0m
Op profit	£37.5m	£34.0m
Margin	13.1%	12.1%

Revenue: +2% driven by 3% growth in commercial revenues with concession revenues down 1%; anticipate further reduction in concession revenues in 2016

Profit: Revenue growth & cost efficiencies

UK Coach

Record passenger numbers driving strong growth



Delivering operational excellence

- Record passenger numbers in our core network
- Enhanced marketing activity driving incremental growth
- Improved digital capabilities increasing conversion rates
- New partnerships - Trainline, Singapore Airlines, Webloyalty & RBS Student Coach Card
- RM increasing yields & coach occupancy – full implementation of enhanced RMS from summer 2016

Creating new business opportunities

- Contract wins; BA, Stansted & UWL
- New routes – Kent to Gatwick, Bristol Airport
- Launch of new Apps

Risks

- Advanced ticket discounting in rail

Generating superior cash & returns

	2015	2014
Revenue	£281.2m	£275.2m
Op profit	£32.3m	£28.0m
Margin	11.5%	10.2%

Revenue: Strong core growth +3.1% with new partnership arrangements, new routes and digital initiatives partially offset by lower revenues from lower rail disruption

Profit: +15% with growth in margin, network optimisation, a higher proportion of online sales & cost efficiencies

Spain and Morocco

Record passenger numbers through RM & Morocco



Delivering operational excellence

- Resilient performance in Spain, +3% - RM helping to drive growth in both revenue & passenger journeys
- Record year for passengers with nearly 300m carried
- Morocco +14% - upscaling of operations in Tangier
- Started operating in fourth city in Morocco - Khouribga
- Renewal of only 2 franchises to come up for tender & 2 year extension for Bilbao

Creating new business opportunities

- Further roll-out of RM
- Won Imsero contract
- Acquisition of Herranz
- Further bolt-ons

Risks

- Further competition from rail
- Intercity concession renewal

Generating superior cash & returns

	2015	2014
Revenue	€691.8m	€667.7m
Op profit	€98.5m	€93.1m
Margin	14.2%	13.9%

Revenue: +4% - strong growth in Morocco with Spain showing improving performance through RM - revenue +2% and passenger +3% on actively managed routes

Profit: +6% - Strong growth in Morocco, lower fuel costs, cost efficiencies & fuel duty rebates

North America

Strong bid season & growth from acquisitions



Delivering operational excellence

- Strong bid season in 2015/16 - 99% contract renewal
- Average price increase +2.8% across portfolio, >5% on re-bid contracts
- On-going exit from poor performing contracts, winning new business on higher margin
- Well executed plan to tackle driver recruitment
- 45% annualised revenue growth in Transit

Creating new business opportunities

- 5 acquisitions in 2015: 4 school bus, 1 transit
 - 6x EBITDA
 - Net consideration £82m

Risks

- Healthcare costs
- Wage pressure

Generating superior cash & returns

	2015	*2014
Revenue	\$1,044.3m	\$1,003.9m
Op profit	\$102.2m	\$96.3m
Margin	9.8%	9.6%

* Constant currency at 2015 FX rates

Revenue: +4% in constant currency, with exit from “up or out” contracts partially offsetting price increases, contract wins & acquisitions

Profit: +6% in constant currency. Exit from lower margin business & higher prices offsetting wage pressures, CAD and fewer days

2015 Highlights

External validation of strategy



Delivering operational excellence...

Record haul of industry awards including:

UK Bus

- National Transport Award – Improvement to Bus Services
- Driver training team achieves Investors in People Gold Award
- UK Health Bus wins WS&B Wellbeing Award
- TTT partnership awarded “Vision of the Year”, UK Light Rail Awards

UK Coach

- British Safety Council Sword of Honour for UK Coach
- 4 Gold awards at the UK Coach Awards
- ROSPA Gold award for Health & Safety
- Investors in People Silver Award

Rail

- c2c wins Transport Operator of the Year - NRA

Spain & Morocco

- Best practice award for Occupational Road Safety – Spanish Foundation for Road Safety

North America

- NSTA Go Yellow Go Green award for environmental leadership
- Bronze Award from Illinois Performance Excellence Centre



2015 Highlights

Continuing focus on raising standards



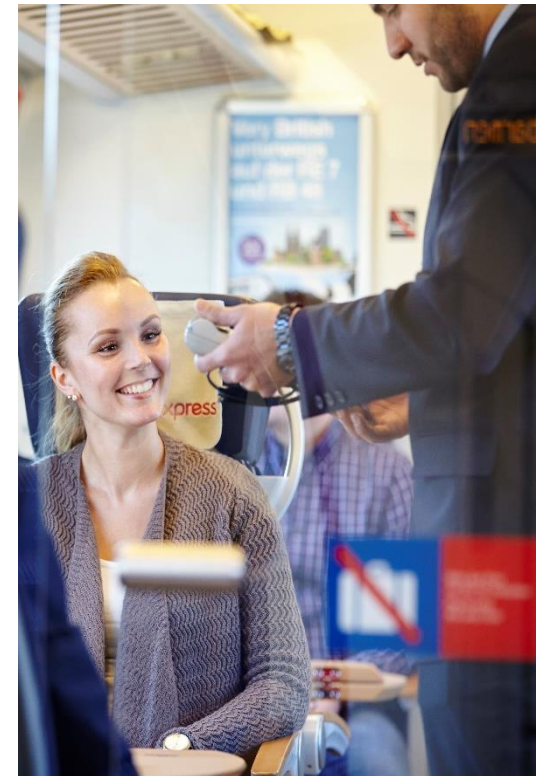
A safer business pleasing customers...

Improving safety

- UK Bus & UK Coach achieve ISO 18001 – Occupational Health & Safety standard
- North America upgraded to highest possible rating by Federal Motor Carrier Administration

Improving customer service

- UK Customer Satisfaction Index – Coach No.1 for Ground Transportation
- North America – 92% recommendation score
- Spain – best score in 5 years in GFK Customer Service Index survey
- UK Bus – highest ever customer satisfaction score for Transport Focus survey
- c2c – highest customer services scores in London & SE – National Rail Passenger Survey



...driving passenger growth

Strategic focus

Focusing on delivering high safety standards



Raising safety standards through technology & training

- Group spend of £70m p.a. on prevention & failure
- Trialling DriveCam – driver behaviour training tool
 - 2016 roll-out to all road transport divisions
- Collision avoidance technology e.g. lane departure alerts & automatic braking
 - Continuing roll-out to UK Bus, UK Coach & ALSA
- Master Driver programme
 - UK Bus, UK Coach & ALSA
- Implementing industry leading training for new train drivers
 - Use of Intelligent Train data for monitoring drivers
- Appointed new Head of Risk to deliver accident prevention & manage claims
- FWI reduction of 56% over last 5 years whilst passenger journey numbers have risen 17%



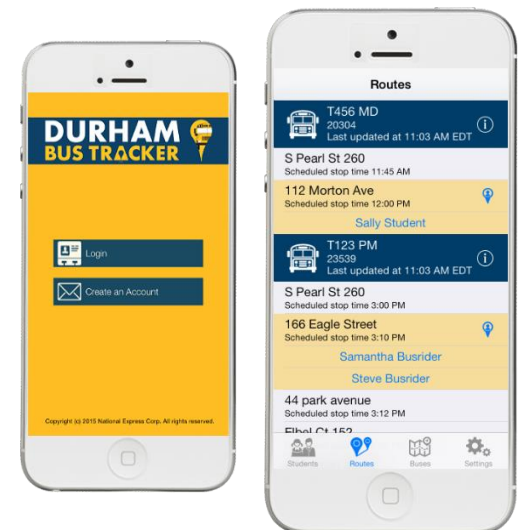
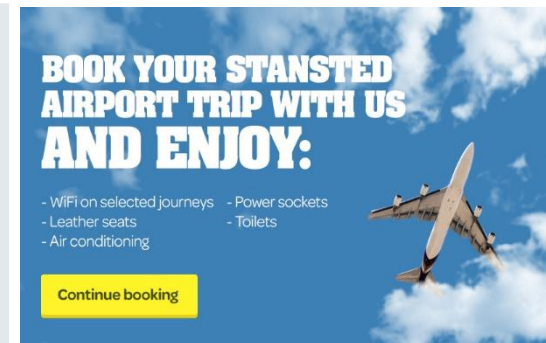
Strategic focus

Increasing our digital marketing



Digital marketing driving sales & improving our efficiency

- Digital marketing driving growth in c2c and UK Coach
 - 88% of emails in UK Coach are targeted
 - 60% of emails in c2c are targeted
- Owning the customer – right content, right offer, right time
 - Launch of new apps with personalised digital content, journey planners & offers e.g. Durham Bus Tracker in NASB, c2c's award winning Live App, UK Coach to launch MyNXCoach
- Targeted digital campaigns driving incremental growth
 - Flash sale promotions & new products
 - Off-peak revenue +7.6% in c2c
 - Weekend revenue +14.6% in c2c
- Digital marketing spend achieving higher ROI
 - 7x revenue versus spend in c2c v 2.8x non-digital
 - 6.5x revenue versus spend in UK Coach v 2.5x non-digital



Strategic focus

Driving further growth through dynamic pricing



Implementing enhanced RMS

- Group revenues earned through RMS – c. £170m - aspiration to more than triple this share in 2 years
- Active RMS services seeing growth of 2-3% over non-actively managed services
- Implementing best in class fully automated RMS in summer 2016 - rolling-out to:
 - All UK Coach routes over 18 months
 - Long haul & regional routes in Spain over 2 years
- New technology enabling dynamic price changes in real time across all channels
 - Optimising yield, stimulating volume growth & effectively managing capacity to meet demand
- Strengthening position against rail and coach competitors
 - Key competitive tool for Spanish concession renewal



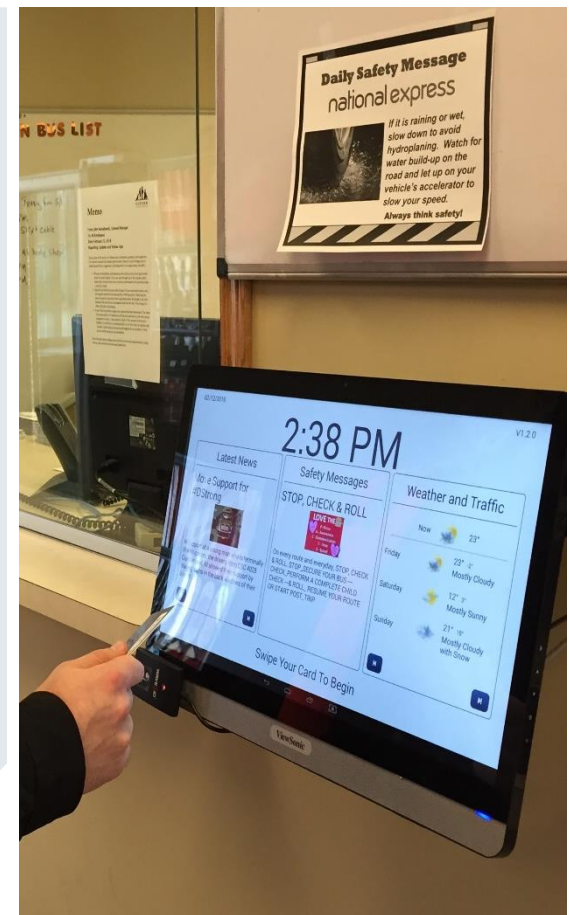
Strategic focus

Delivering growth through operational excellence



Ongoing focus on cost efficiency to mitigate inflationary pressures

- Targeting cost reductions of at least 1% of addressable cost base through ongoing programme of efficiency savings & overhead reduction: Target c.£18m
- Dealing with loss making contracts - ongoing exit in Spain
- Fuel and environmental savings – total fuel costs £180m
 - Use of technology e.g. to regulate driving behaviour for greater fuel efficiency/lower consumption; new more efficient fleet
- Procurement savings through bulk purchasing across the business
 - e.g. Reduced spend by over \$5m through strategic relationships with suppliers in NA
- Driver efficiencies - total driver wages £640m
 - Use of schedule optimisation software in UK Bus
 - Driver swiping technology in our NASB locations
- Maintenance – total maintenance costs £150m
 - Data analytics to improve engineering performance



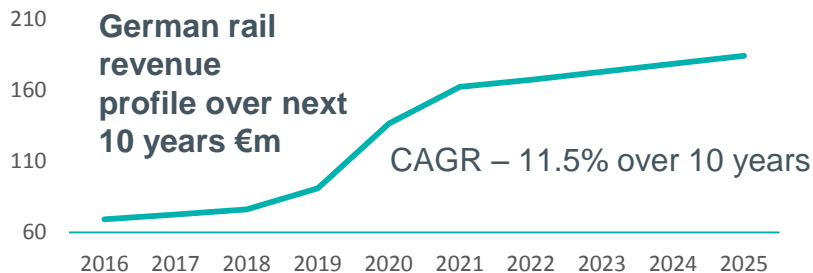
Strategic focus

Successful start-up in 2 new markets in 2015



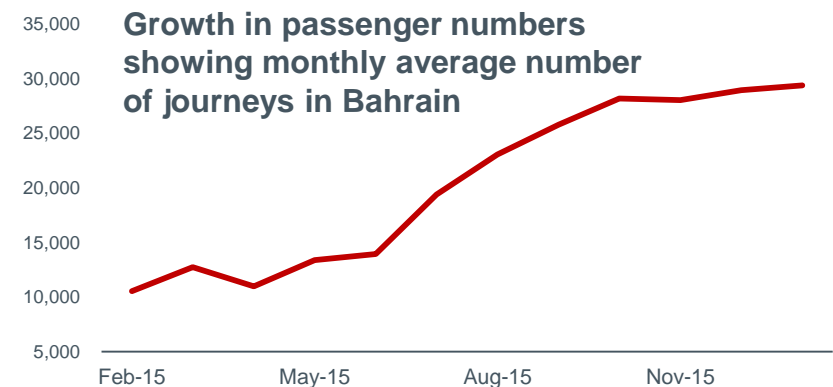
German Rail

- Largest rail market in Europe
- Building a sizeable position in the German rail market – contracted revenues of €2.6bn & preferred bidder in Nuremberg, worth a further €1.4bn
- Won 2 rail contracts in 2015 for RRX
 - Worth €1bn revenue, starting in 2019 and 2020 & running to 2033
- Successful mobilisation of first 2 German rail contracts in December 2015
- Targeting break-even in Germany in first full year, one year ahead of plan
- Initial early improvement in punctuality from incumbent operator



Bahrain

- Successful mobilisation in Bahrain in 2015
 - 140 vehicles, serving 35 routes
 - 6.4m passengers transported in first year
 - Record day of 50,000 passengers in January 2016
- Scope for further growth in Bahrain – 2 further phases
- Bahrain providing the stepping stone
- £1.8m profit contribution in 2015



Strategic focus

Creating new opportunities



Contract opportunities worth c. £8bn

- German Rail
 - Active pipeline of opportunities worth a further €3bn of revenue
 - Bidding for 3 franchise competitions a year, shortlisted for 1 in 2016
- UK Rail
 - Submitted bid for East Anglia – worth c.£600m revenue p.a.
- Spain & Morocco
 - Further opportunities for new cities in Morocco
- Shortlisted for Manchester Metrolink – Gross cost contract on revenues of £60m p.a.
- Bolt-on acquisition opportunities in North America & Spain
 - c.£50m p.a. in North American bolt-ons
 - Seeking further bolt-ons in Spain
- Looking at new markets



Delivering our strategy

2015 strong year of progress



Delivering
operational
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Generating
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Creating new
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opportunities

Strong year with more to come...

- Delivered a strong result in 2015 with no exceptionals & margin progress across all divisions
- Built long-term German rail business to €2.6bn revenues with decision on Nuremberg pending
- Existing business well positioned for further growth with strong free cash flow embedded in the business
- Strong balance sheet & underpinned by dividend cover 2x Group earnings
- Proposed full year dividend up 10%
- Expected lower bond & fuel costs
- Further International opportunities with annual revenues of \$220m
- A strong business with good opportunities in the short & medium term



Appendix

2015 Underlying revenue growth



	Yield	Volume	Revenue	Network Efficiency*	LFL growth
Spain					
Transport Spain	2%	1%	3%	(2%)	1%
Transport Morocco	(1)%	15%	14%	(17%)	(3)%
Non-passenger			8%		
Total¹			4%		
North America¹			4%		
UK Bus					
Commercial	3%	-	3%	-	3%
Concession/other			(1)%		
Total			2%		
UK Coach					
Core NE network	1%	2%	3%	(1%)	2%
Other			(1)%		
Total			2%		
c2c	5%	5%	10%		

* Decrease / (increase) in mileage operated

¹ Reported revenue in local currency

Full year

Summary divisional figures

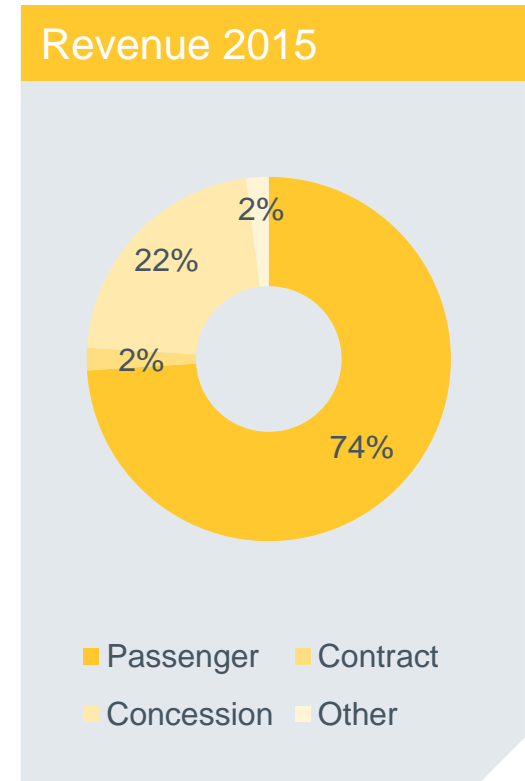
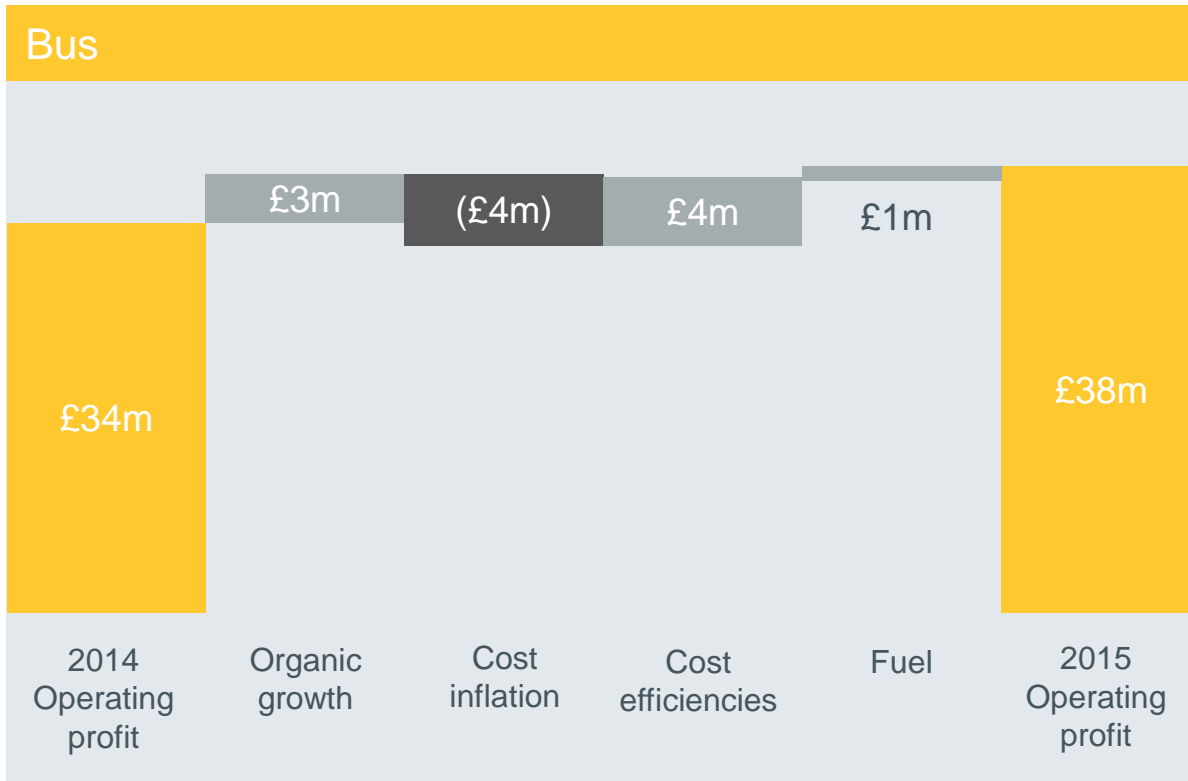


2015 (£m)	Spain	N America	UK Bus	UK Coach	UK Rail
Revenue	502.2	683.2	286.4	281.2	168.4
Depreciation	31	52	16	4	1
Capex	35	65	31	2	14
Vehicle age (years)	7.3	7.7	8.0	n/a	n/a
Normalised op. profit	71.5	66.8	37.5	32.3	0.6
Driver wages ⁽¹⁾	29%	48%	37%	8%	7%
Fuel ⁽¹⁾	15%	6%	12%	3%†	4%

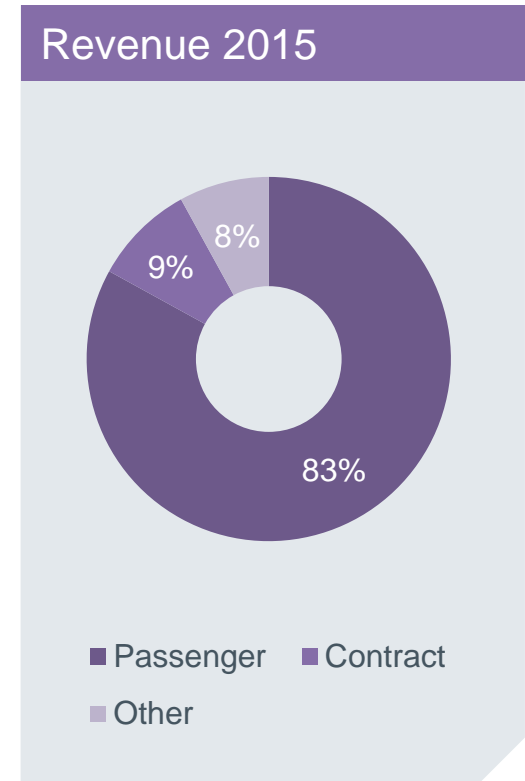
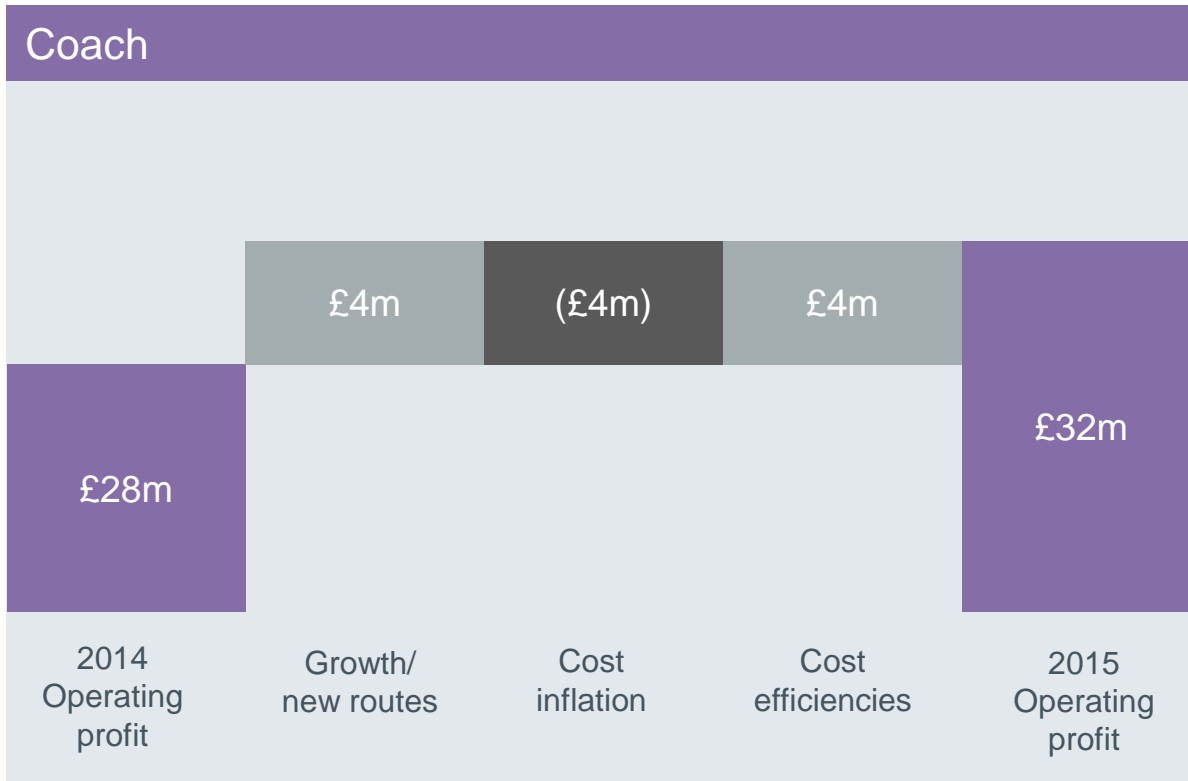
¹ As a percentage of revenue

† Excludes Third Party operators

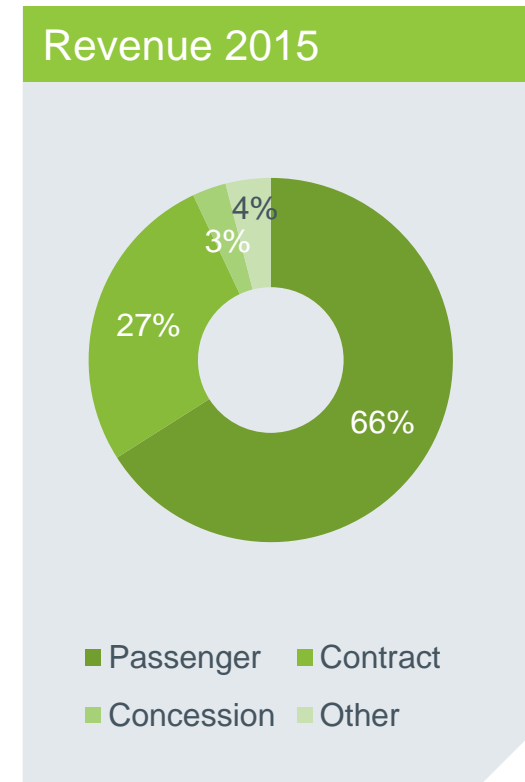
UK Bus – operating profit bridge



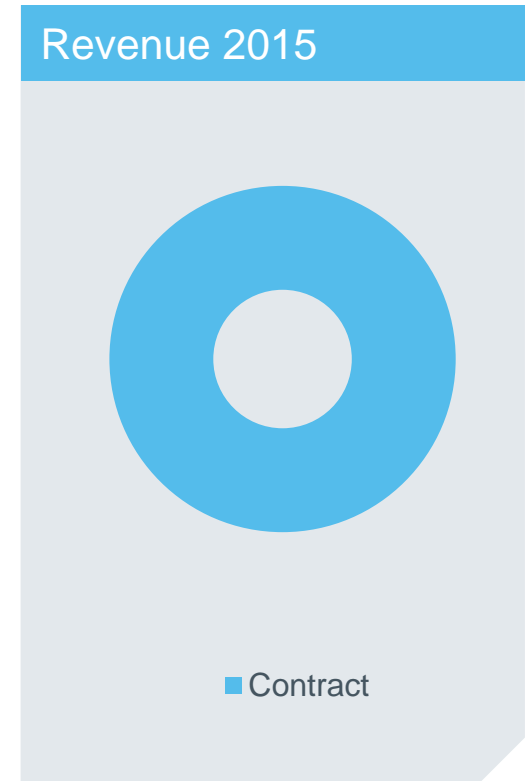
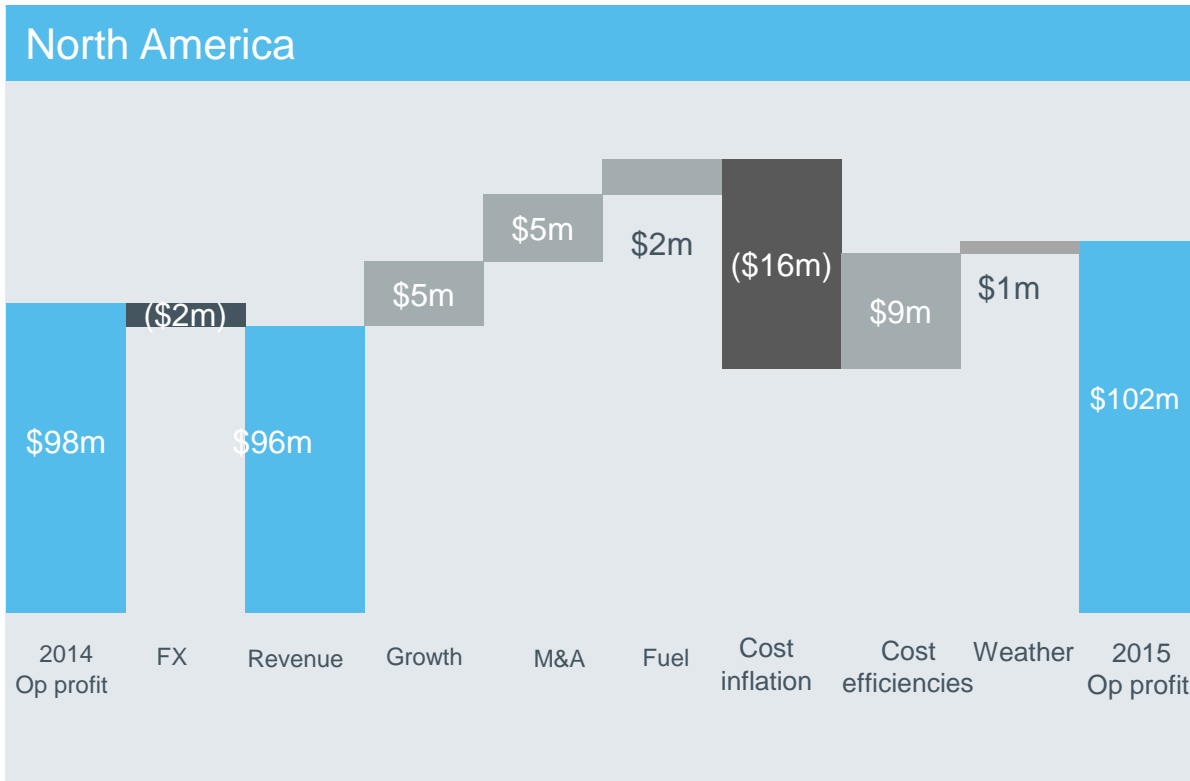
UK Coach – operating profit bridge



Spain & Morocco – operating profit bridge



North America – operating profit bridge

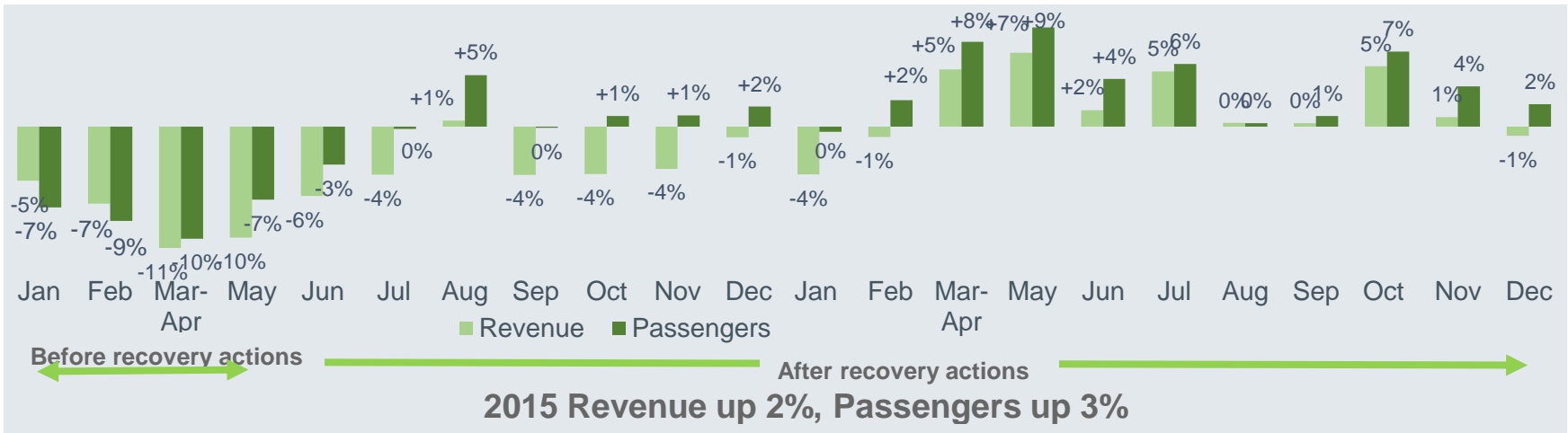


Spain

RM driving revenue & passenger growth in 2015



9 main corridors performance (data below includes all flows)



- RM introduced in June 2014 to address declines in revenue & passenger volumes
- 9 competed corridors - RM applied to around 80% of annual revenue on long haul routes
- RM applied to 15% of annual revenue on regional routes



- Steady improvement seen post-action with growth in both revenue & passenger volumes in second year of implementation
- Continuing roll-out to remaining long haul routes & to Regional

Pipeline of opportunities remains exciting



	UK Rail	North America	German Rail	Middle East
Target market	£8.5bn – franchised £150-1,000m each 7-15 year life	\$8bn Transit \$24bn School Bus Contracts \$5-100m 3-5 year life	€6bn regional DB main operator Pro-competition €20-100m each	Selected geography Bus, coach & rail Liberalisation trend New public transport models
Revenue risk	Yes/ Possible underpin	Contracted/ Some risk	Gross cost/ Net cost mix	Mix
Attractiveness*: Revenue growth Margin Capital req'd ROCE	H L L H	Transit School Bus H H L M L H H M	L L L H	H L L H
3 year target opportunity	£2.75bn annual revenues	\$0.5bn annual revenues	€0.5bn annual revenues All target contracts begin ops in 2019 or later	\$0.85bn annual revenues
Active pipeline	£5.7bn total revenue in live bid processes East Anglia bid submitted Manchester Metrolink bid under development PQQ passport secured	\$150m total revenue in live bid processes (50+ contracts) 5 Transit wins 20+ School Bus wins	€3bn total revenue for 3 contracts RRX secured Nuremberg still under challenge	\$220m total annual revenue in live bid processes (4 contracts)

* H – High; M- Medium; L- Low

Foreign currency effects

Effect of fluctuations on PBT



NEX currency exposure

- o £4m adverse PBT impact in 2015
- o Translational exposure to movements in USD, EUR, CAD
- o Natural hedge through debt broadly matching EBITDA in local markets
- o Use of currency hedges
- o Translational exposure only realised to the extent operating cash flow not deployed locally (capex, acquisitions, debt service)

Effect of a 1% weakening of £ vs:

	USD	EUR	CAD
On revenue (£m)	6.2	5.1	0.7
On operating costs (£m)	(5.6)	(4.4)	(0.6)
On PBT (£m)	0.6	0.7	0.1

Average rates versus £

	2015	2014
USD	1.52851	1.64759
EUR	1.37747	1.24098
CAD	1.95478	1.81915

Risk management

Fuel risk largely fixed until 2017



Fuel Hedging

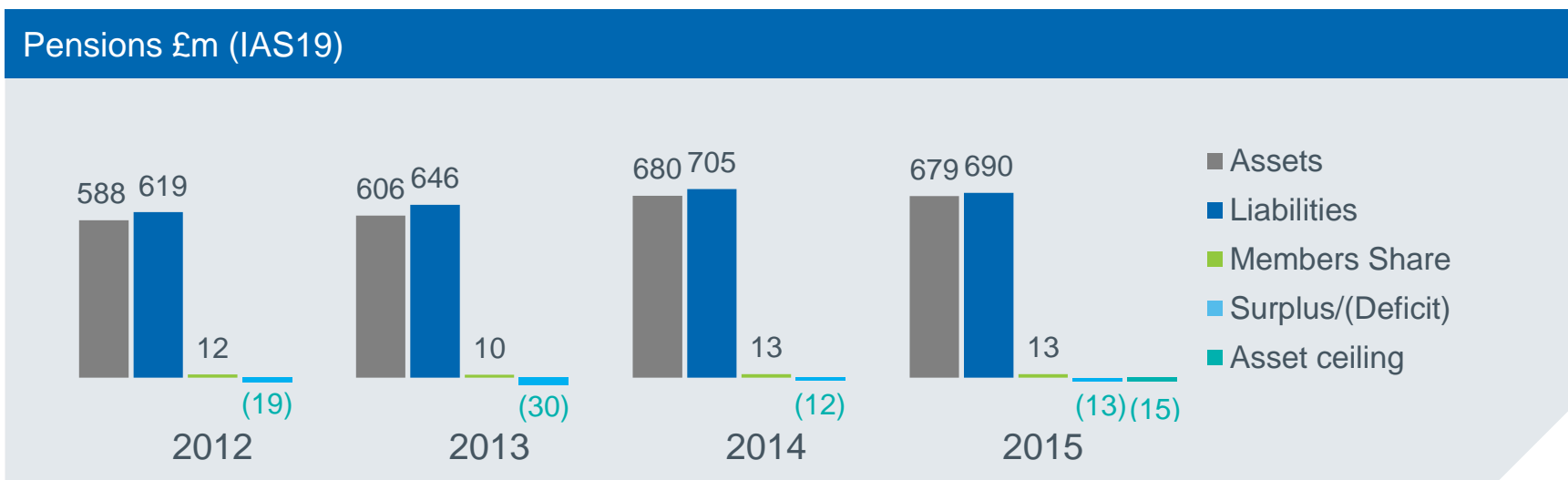
	2016	2017	2018
% hedged*	100%	94%	42%
Price per litre	42p	41p	31p

- o Future year on year savings locked in (2015: 44p)
- o Contracted revenue policy:
 - o Extend cover for a minimum of 2 years
 - o Longer hedging considered, subject to market liquidity & contract life
- o Commercial revenue policy:
 - o Minimum 15 months cover - provides a buffer for retail fare increases

* Of addressable volume (c220 million litres)

Risk management

Pension deficit plan in place through to 2017



£m	Surplus /(Deficit) 31 Dec 2015	Surplus /(Deficit) 31 Dec 2014	Profit /(charge) 31 Dec 2015	Profit /(charge) 31 Dec 2014
UK Bus	(60.4)	(50.6)	(3.8)	(3.1)
UK Group	34.9	30.6	(0.2)	-
Rail	14.8	10.0	(3.1)	(2.6)
Other	(1.9)	(1.9)	(0.3)	(0.5)

2015 Key Achievements

Q1



January

- Nuremberg contract awarded
- UK Coach rated No.1.UKCSI – Most trusted ground transportation brand
 - Also overtaking Virgin Rail in the overall UKCSI rankings
- Employee Survey Score for 2014 up to 85.4% from 83.1%
- Commenced roll-out of new tablet technology to manage driver pay in North America

February

- Started bus operations in Bahrain

March

- Commit to becoming a Living Wage employer
- UK Coach – new route to Bristol Airport from South Wales
- UK Bus driver training team achieves Investors in People Gold Award
- Recognised by LATINO Magazine Top 100 (top companies providing opportunities for Latinos)



2015 Key Achievements

Q2



April

- NASB - Acquisition of Folmsbee (103 buses)
- UK Coach wins 4 Gold awards at the UK Coach Awards

May

- UK Coach – new contracts wins – BA and UWL, new contract for Stansted
- First Platinum buses launched
- NASB achieves 99% retention on contracts, excluding those we wanted to exit

June

- Announcement of EA Shortlisting
- RRX win
- Smartcard PAYG launched in Coventry
- NASB – Acquisition of Trans Express (60 buses)
- NA Transit – annualised revenues break \$100m with win of Merced County paratransit contract
- ALSA - 4 star for EFQM on first assessment



2015 Key Achievements

Q3



July

- Record Glastonbury passenger numbers
- Record passenger numbers during summer for UK Coach
- Won Khouribga
- Awarded NSTA Go Yellow Go Green Award for environmental leadership

August

- UK Coach – ROSPA Gold award for Health & Safety
- Record passenger numbers for ALSA
- Awarded Jackson fixed route & paratransit contract and started new conversions in Ann Arbor & Ypsilanti

September

- Named preferred bidder for Porto
- Started operating in Khouribga
- UK Coach and UK Bus achieve ISO 18001
- UK Bus awarded 4 star for EFQM on first assessment
- Pre-qualified for Manchester Metrolink
- 2 year extension for Bilbobus
- c2c wins Transport Operator of the Year – NRA
- UK Health Bus wins WS&B Wellbeing Award



2015 Key Achievements

Q4



October

- Awarded BSC Sword of Honour in UK Coach
- Smartcard PAYG rolled out across WM
- TTT partnership awarded “Vision of the Year” UK Light Rail awards
- UK Bus wins National Transport Award – Improvement to Bus Services
- NASB – Acquisition of Septran (1,100 buses) & The Provider (200 buses) & entry into two new states – New Hampshire & Maryland

November

- Launch of the Bus Alliance
- Awarded Imsero contract
- UK Coach receive Investors in People – Silver Award
- c2c awarded 5 star for EFQM – second successive award
- New airport route – Kent to Gatwick
- Shortlisted for Dubai
- ALSA acquires Herranz
- Awarded Bronze Award from Illinois Performance Excellence Centre

December

- Started operating our first rail services in Germany – RME
- UK Coach – UKCSI No.1 Ground Transportation
 - Rose 2 places for all transport companies
 - Ranked ahead of British Airways
- NASB – Acquisition of Smith Bus Service (119 buses) & won Orlando airport shuttle contract





**National Express
Group PLC**