

The underlying site energy consumption across the Group reduced by 6%.

BUSES

GREENHOUSE GAS EMISSIONS

One of the real challenges facing our diesel powered buses, coaches and trains is how to improve their efficiency. As we have explained in previous reports, it is difficult to set reduction targets for our operations as newer vehicles, which emit fewer local air pollutants, are often less efficient than the older vehicles they replace. As we illustrated last year, the average speed of a vehicle also has a large impact on emissions.

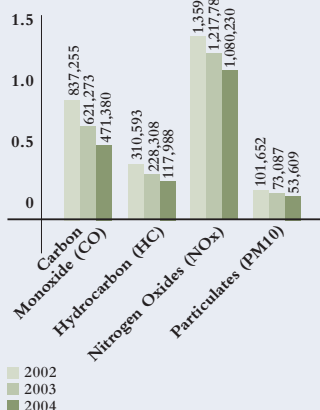
During 2004, we worked with the Carbon Trust, a Government agency, on tackling emissions. New technology clearly has a role to play in the future and we will seek to participate in trials of new vehicles. We continue to be involved in the Low Carbon Vehicle Partnership where our bus Engineering Director sits on the main Board.

This year we have seen an 11% increase in the total emissions, mostly due to the expansion of our operations following the acquisition of Travel London. There is a slight underlying increase in emissions from our operations due to the continued investment in new vehicles and congestion in Birmingham city centre.

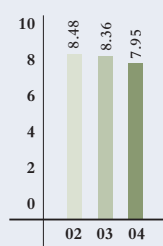
EMISSION OF AIR POLLUTANTS

The total emissions of local air pollutants from our bus operations continues to decline due to sustained investment in new vehicles (see Chart D). The average age of our bus fleet is 7.95 years (see Chart E).

TOTAL EMISSIONS ARISING FROM BUS DIVISION
(million kg) – Chart D



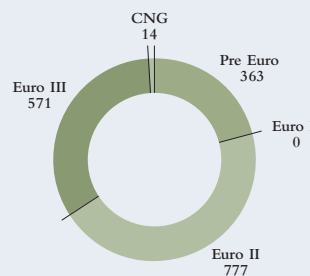
AVERAGE AGE OF FLEET BUSES (years) – Chart E



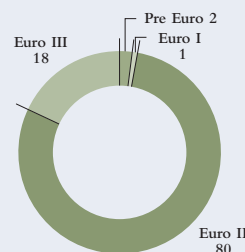
We have used the emissions factors provided in the new database on the National Atmospheric Emissions Inventory (NAEI) website (www.naei.org.uk). We have assumed a CRT will reduce the emissions of particulates by 90%. The average speed of the bus was 18mph.

A breakdown of our bus fleet is provided in charts F-H.

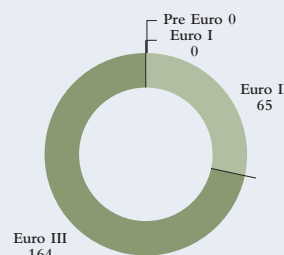
TRAVEL WEST MIDLANDS – BUS PROFILE BY ENGINE TYPE
Total: 1725 – Chart F



TRAVEL DUNDEE – BUS PROFILE BY ENGINE TYPE
Total: 101 – Chart G



TRAVEL LONDON – BUS PROFILE BY ENGINE TYPE
Total: 229 – Chart H



Good maintenance is essential in minimising pollution. We achieved a very high pass rate for exhaust emissions testing (100% at Travel Dundee and Travel London and 99.9% at Travel West Midlands) undertaken by the Vehicle and Operator Service Agency (VOSA) and 100% for emissions checks at the roadside.

DEPOT INFRASTRUCTURE AND LAND CONDITION

Following the removal of the last underground storage tanks at our Coventry bus depot, all fuel is now stored in above ground storage tanks. We recorded a 4.3% saving in water consumption at our depots.

None of our owned or leased properties have been classified as contaminated under Part IIA of the Environmental Protection Act 1990.