

A sound investment case

1. A best in class public transport operator*

	Spain & Morocco	North America	UK Bus	UK Coach	Rail	Group
Operating margin	14.2%	9.6%	12.4%	11.8%	N/A	10.4%
Best in class	NX	NX	14%	NX	3-5%	NX

* By margin.

2. A sound strategy in place with four strategic pillars

Delivering operational excellence

- Best in class Group margin of 10.4%
- Revenue growth of 10.6% at constant currency
- £6.8 billion of long-term contracted or concessionary revenues
- Sustainable long-term earnings generating £120 million of free cash flow a year
- Awarded the British Safety Council Sword of Honour and five-star ratings in all of our UK businesses

Deployment of technology

- Highly sophisticated, real-time revenue management systems rolled out in our UK and Spanish coach businesses, helping to drive revenue, profit and incremental demand
- Mobile ticketing in UK Bus, contactless payment on Midland Metro and being enabled in UK Bus in 2017, providing customers with more payment options and helping to reduce journey times
- Launching of new mobile websites and apps, providing enhanced information for our customers and driving more sales online

- UK Coach launched VUER – the UK’s first coach ‘infotainment’ system providing free news and entertainment content for our customers
- Lytx DriveCam fully installed in UK Coach and being rolled out in our UK Bus, ALSA and North American business

Growing our business through acquisitions

- Strong free cash flow generation funding growth through acquisitions
- 11 bolt-on acquisitions in the year, including:
 - eight in North America in the school bus and transit markets
 - two in ALSA: a regional bus operator providing first time entry into Ibiza and a transport operator in Switzerland in the lucrative ski and alpine tourist market
 - one in UK Coach, expanding our private hire and commuter operations

Growing through diversification into complementary markets

- Submitted a bid to operate the Casablanca Tramway
- Submitted a bid to operate bus services in Singapore
- Exploring opportunities in other new markets

A well balanced portfolio



Operating profit by end market

Spain and Morocco	36%
North America	35%
UK Bus	15%
UK Coach	14%
Rail	–%

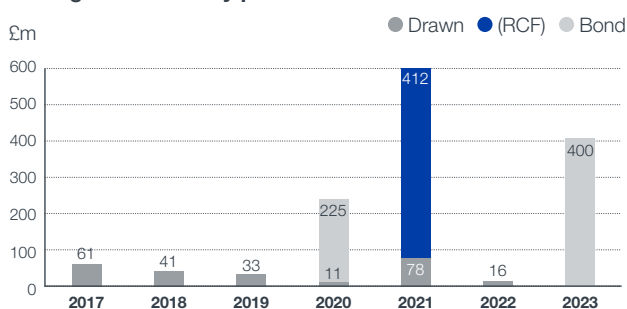


Modal split by revenue

Bus	23%
School Bus/Transit	42%
Coach	32%
Rail	3%

4. Stable long-term finance in place and commitment to investment grade rating

Strong debt maturity profile



Gearing ratios	2016	2015	Covenant
Net debt/EBITDA	2.5x	2.5x	< 3.5x
Net interest cover	7.0x	6.6x	> 3.5x
Ratings	Grade	Outlook	
Moody's	Baa3	Stable	
Fitch	BBB-	Stable	

5. Dividend policy: minimum cover of 2x Group earnings

	2016	2015
Basic EPS	27.3	23.4
Dividend	12.28	11.33