

18 March 2004**STAGECOACH JOINS WITH DANISH STATE RAILWAYS
TO BID FOR INTEGRATED KENT FRANCHISE**

Stagecoach Group is pleased to announce today (18 March 2004) that it has taken a 29.9% stake in South Eastern Railways Ltd, a company established by Danish State Railways (DSB) to bid for the Integrated Kent rail franchise.

Graham Eccles, Executive Director Rail, said: "We are delighted to be partnering with DSB to bid for the Integrated Kent rail franchise. Collectively, we believe we have a strong mix of experience in operating both high-volume commuter and long-distance rail services.

"Both Stagecoach and DSB share a commitment to putting passengers at the heart of our business, investing in new trains and focusing closely on delivering a first-class operating performance. We look forward to working together to develop a strong bid for the franchise."

Executive Vice President and CFO of Danish State Railways, Søren Eriksen said: "Stagecoach has extensive experience with train operations in the UK and DSB is undisputedly one of the best performing train operators in Europe. Therefore, the two companies can draw on their respective core competencies in delivering value for public money. DSB and Stagecoach complement each other well."

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NOTES TO EDITORS

Stagecoach Group plc is a leading international transport company, with operations in the UK, North America and New Zealand. The Group has significant rail interests in the UK. It runs South West Trains, the country's largest rail franchise, where it operates 1700 services a day out of London Waterloo. The company's rail interests also include a 49% stake in Virgin Rail Group, which runs the West Coast Main Line and CrossCountry franchises, linking more than 130 stations.

DSB operates the majority of passenger rail services in Denmark and has further franchise operations in other Scandinavian countries. It is an independent Public Corporation, owned by the Danish Government. DSB is managed by a Board of Directors and an Executive Committee, who are responsible for the day-to-day business.

The Integrated Kent Franchise will include routes on the national rail network currently operated by South Eastern Trains throughout Kent, parts of Sussex and South East London. It will also incorporate new domestic services on the Channel Tunnel Rail Link (CTRL). More detailed information regarding the Integrated Kent Franchise can be found on <http://www.sra.gov.uk/>