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STAGECOACH AND VIRGIN CONFIRM CONTINUATION OF JOINT BID FOR INTERCITY EAST COAST RAIL FRANCHISE

Stagecoach Group plc is pleased to confirm that it is to proceed with a bid for the InterCity East Coast rail franchise in partnership with the Virgin Group of Companies.

Stagecoach and Virgin successfully pre-qualified to bid for the franchise with another partner in May 2004. However, the three parties were unable to conclude a framework for their joint venture.

Stagecoach and Virgin, who are partners on the current Virgin Rail Group franchises, have now decided to continue jointly with a bid for the East Coast franchise after the Strategic Rail Authority confirmed that the Stagecoach-Virgin joint venture continues to meet the pre-qualification tender requirements.

Commenting on the announcement, Brian Souter, Stagecoach Group Chief Executive, said:

“We are delighted that we are proceeding jointly with our bid for the InterCity East Coast rail franchise, which is one of the UK’s flagship routes. With our partners Virgin, we have extensive experience of operating inter-city services and we are both committed to putting passengers at the heart of our business.”

Sir Richard Branson, Chairman, Virgin Group, added:

“We believe our track-record of investing in new trains and focusing closely on delivering a first-class operating performance will enable us to work together to develop a strong bid for the InterCity East Coast franchise.”

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