

11th June 2004

FirstGroup plc Announced as Preferred Bidder for New Scottish Passenger Rail Franchise

The Strategic Rail Authority (SRA) today announced that FirstGroup plc has been selected as Preferred Bidder for the Scottish Passenger Rail Franchise.

The new seven year franchise will start operating in Scotland from Sunday 17 October 2004.

This franchise is consistent with the SRA's revised franchise policy, which sets out clearer requirements for the service to be delivered to passengers, and is in accordance with the Scottish Executive's specification.

Welcoming the announcement, SRA Chairman, Richard Bowker said:

"This announcement is a critical milestone in delivering better rail services for Scotland. It follows a healthy competition among the bidders, all of whom put in strong bids, and we have worked closely with the Scottish Executive and Strathclyde Passenger Transport reletting teams to achieve this excellent result. This franchise will deliver greater certainty for passengers, clarity for the franchisee and stability for investors. It should bring about an overall improvement in punctuality with further passenger benefits including better customer information, greater security through enhanced CCTV facilities, and improvements to train and station cleanliness."

Notes to Editors:

This franchise has been awarded in accordance with the Directions and Guidance given to the SRA by Scottish Ministers in July 2002. The franchise will run for seven years with specified performance targets and a possible three year extension could be available. The introduction of the Scottish Executive funded new rolling stock will make a significant contribution to improvements in passenger services in this new franchise. This will be supported by a new depot at Eastfield and improvements to depots in Haymarket, Perth and Inverness, along with platform extensions, jointly funded by the SRA and the SE. In March 2003 the SRA announced that four companies had prequalified as bidders - Arriva Trains Ltd, FirstGroup plc, National Express Group Plc and Serco NS. Serco NS subsequently withdrew from the competition. The existing franchise held by National Express Group Plc expires on 17 October 2004. This new franchise covers all existing rail services that start and end in Scotland and cross-border sleeper services. In the case of this franchise the SRA acted as the procurement agent on the Scottish Executive's behalf.

Subject to its requirements being met, the SRA will sign an agreement with the Preferred Bidder in the summer, at which point further details of the new franchise will be announced.