

## Business highlights

- Delivering excellent performance and value to shareholders
  - Continued growth in earnings per share<sup>†</sup> – up 10.4%
  - Underlying revenue growth in all core divisions
  - Around £700m in value returned to shareholders in May/June 2007
  - Dividend increased by 10.8%
- Partnerships and innovation driving growth at UK Bus
  - Continued organic passenger growth – like-for-like volumes up 6.6%
  - Strong revenue growth with like-for-like revenue up 10.3%
  - Like-for-like operating profit up 26.9%
  - Strong marketing, competitive fares strategy and concessionary travel schemes underpin growth
  - Named UK Bus Operator of the Year
- Excellent performance in UK Rail
  - Strong start to new South Western rail franchise
  - Revenue up 12.8%
  - Contract wins: East Midlands; Manchester Metrolink
- Strong growth in North America
  - Operating margin growth from 7.1% to 7.9%, excluding megabus.com
  - Continued strong revenue growth in both scheduled services and leisure markets – constant currency like-for-like revenue up 9.1%
  - Expansion of budget inter-city coach service, megabus.com, in United States
- Growth at Virgin Rail Group
  - Continued revenue growth on West Coast and CrossCountry franchises
  - Winning market share from airlines
  - Good prospects for re-negotiated West Coast franchise
- Stagecoach Group Board appointment
  - Appointment of Garry Watts as non-executive director

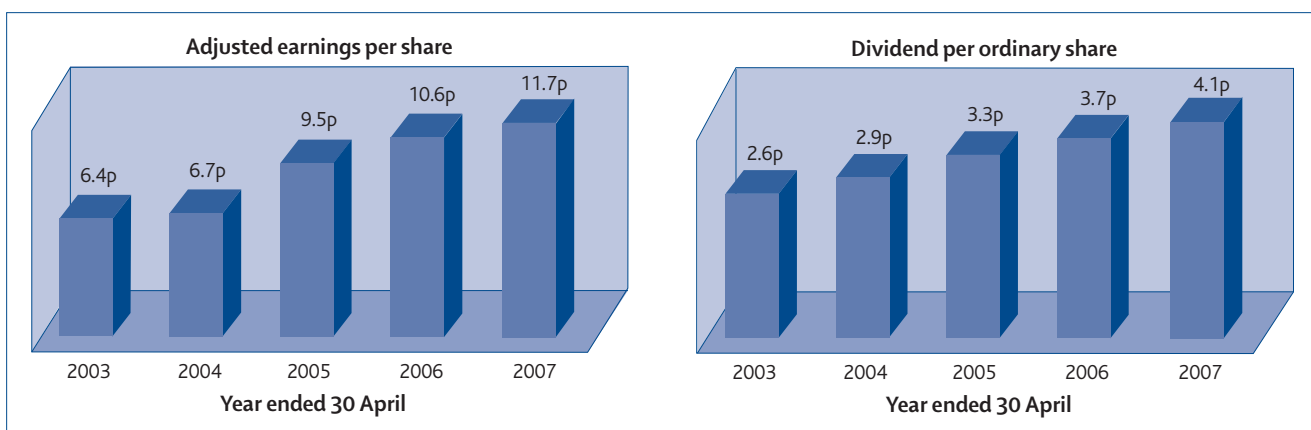
## Financial highlights

- Revenue from continuing businesses\* up 8.9%
- 10.4% increase in earnings per share<sup>†</sup>
- Full year dividend up 10.8% at 4.1 pence

	As reported		Excluding intangible asset expenses and exceptional items	
	2007	2006	2007	2006
Revenue from continuing operations (£m)	<b>1,504.6</b>	1,343.9	<b>1,504.6</b>	1,343.9
Total operating profit (£m)	<b>180.9</b>	112.5	<b>161.3</b>	133.0
Profit before taxation (£m)	<b>184.1</b>	91.5	<b>162.0</b>	117.1
Earnings per share (pence)	<b>25.4p</b>	10.7p	<b>11.7p</b>	10.6p
Proposed final dividend (pence)	<b>2.9p</b>	2.6p	<b>2.9p</b>	2.6p
Full year dividend (pence)	<b>4.1p</b>	3.7p	<b>4.1p</b>	3.7p

<sup>†</sup> excluding intangible asset expenses and exceptional items

\* excluding 2005/6 acquisition of Glenvale and Traction



Adjusted earnings per share is earnings per share before intangible asset expenses and exceptional items. 2003 and 2004 are UK GAAP figures and 2005 to 2007 are IFRS figures.

The Group seeks to grow the dividend per ordinary share as earnings grow.

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