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FIRSTGROUP PLC
AGM STATEMENT AND INTERIM MANAGEMENT STATEMENT

FirstGroup plc ('the Group') reports the following Interim Management Statement for the period since 1 April 2009 to 30 June 2009 at the company's Annual General Meeting in Aberdeen today:

"Overall trading:

The Group provided an update on trading as part of its preliminary results announcement on 13 May 2009. Since then the Group's overall trading has remained good in the first quarter of the new financial year and is in line with management expectations.

The strength and resilience of our business is the result of our clear strategy to create a balanced, diverse portfolio of operations. Across our businesses in the UK and North America we have utilised the significant flexibility that exists to manage our cost base and to respond dynamically to changing market conditions.

We are well advanced with delivering our cost reduction plan, announced in March 2009 that will achieve annual savings of more than £200m. The programme to reduce indirect headcount across the business has already achieved a reduction of 3,500, and we are now on course to increase this to 4,000 as we progress further reductions in North America.

The Group has clearly defined its priorities and remains on course to achieve its cash generation targets of £100m per annum in both 2009/10 and 2010/11 which will be applied to net debt reduction.

UK Bus:

Our UK Bus division continues to deliver a solid performance with like-for-like passenger revenue growth increased by 4.2% in the period. We remain focused on delivering improved service quality, operational performance and efficiency. Within our deregulated bus operations outside of London we are progressing plans to ensure that our services match any changing demand. We continue to develop new initiatives to promote the good value and environmental credentials of bus travel including partnering with local attractions over the summer to provide joint bus and entry tickets.

UK Rail:

Our UK Rail operations continue to deliver growth with like-for-like passenger revenue increased by 2.3% during the period despite the clear impact of the weaker economy on the UK's rail industry. Our London franchises, First Great Western and First Capital Connect, are substantially insulated from the effects of the recession through the contractual revenue support mechanisms. Both are currently receiving revenue support of 80% from the Department for Transport.

North America:

Our North American school bus, transit and services businesses comprise an order book representing $11.5bn, providing a stream of revenues with medium-term visibility and no exposure to passenger volumes. We are pleased to continue our high contract retention rates in excess of 95% in our student business during the current bid season. The economic climate in North America and the pressures on public spending present a number of opportunities in the school bus contracting market. During the period we continue to develop the pipeline of potential 'conversion' contracts that are currently operated within the public sector. We have a clear strategy focused on a number of key states and although, as previously indicated, the shift to 'outsource' can be slow to materialise we are pleased to have successfully won 12 conversion contracts to operate 372 buses so far in the current bid season. In Canada we were delighted to win a substantial 3-year Transit contract near Fort McMurray in Alberta.

Greyhound:
As indicated in our preliminary results announcement Greyhound, which represents less than 10% of Group EBIT, has been impacted by the weak economic environment and increased unemployment in North America. As we anticipated, during the period Greyhound continued to be affected. Like for like revenues were reduced by 20% however, by utilising the highly flexible operating model we have successfully reduced services to match demand and protect revenue per mile. We have taken swift action to reduce overheads and are pleased with the significant progress made in delivering the management actions and have identified further opportunity for cost reduction. Despite the pressure that the current economic climate presents, Greyhound remains a profitable and cash generative business.

Outlook:
We have made a good start to the new financial year and overall trading for the Group is in line with management expectations.

As previously stated, this year the Group will absorb a significant increase in its hedged fuel costs which is set to recover in 2010/11. We are pleased with the successful implementation of our re-financing strategy, which has achieved financing through to 2012, and extended the Group's debt maturity profile.

The management actions we have already delivered to reduce costs and, where appropriate, to flex our business models together with a rigorous budgetary discipline has ensured, that despite the weaker economic backdrop, we remain on course to achieve our cash generation and earnings targets.

While the transport industry faces a challenging year ahead, the Board remains confident in the underlying strength of the business and its ability to continue to deliver long-term value for its shareholders.

Notes to Editors:
Across the rail industry changes to the Network Rail access charging regime, effective from 1 April 2009 as a result of the Rail Regulator's review of access charges for control period 4 (CP4), reduced our track access costs. These changes have been offset by a corresponding adjustment to the franchise subsidy / premium, and as a result have no net impact on profit.

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