

Go-Ahead Group likely to be sold after two bids from overseas firms

One of the North East's largest companies looks likely to be sold after receiving two takeover approaches.

Transport group Go-Ahead, which has come through a challenging period that saw it receive a £23.5m fine over a breach of a rail franchise around London, has received unsolicited takeover offers from two overseas firms.

Kelsian Group, an Australian public transport provider which has operations in London, has made a bid for the Newcastle-based company, as has a consortium consisting of fellow Australian company Kinetic and Spanish transport group Globalvia Inversiones.

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In a statement to the Stock Exchange, Go-Ahead said it is minded to accept the takeover offers based on proposals received so far.

The company said: "The board of The Go-Ahead Group plc notes the recent movement in its share price and confirms that it has received separate unsolicited, conditional approaches regarding possible cash offers for the entire issued, and to be issued, share capital of the company from each of Kelsian Group Limited and a consortium consisting of Kinetic Holding Company Pty Ltd and Globalvia Inversiones S.A.U.

"The board of Go-Ahead carefully evaluated the approaches from each of Kelsian and the consortium together with its financial adviser, Rothschild & Co. Following the response by the board of Go-Ahead to their respective approaches, Kelsian and the

consortium each submitted a series of revised proposals.

“The most recent revised proposals received from each of Kelsian and the consortium are both at a level which, should a firm offer be made, the board of Go-Ahead would be minded to recommend such a firm offer to Go-Ahead shareholders, subject to the agreement of other customary terms and conditions. Accordingly, both parties have been given access to undertake confirmatory due diligence.

“A further announcement will be made if and when appropriate.”

Under the official Takeover Code, the two parties have until July 11 to either announce their intention to make an offer or withdraw from the process. Go-Ahead said that “there can be no certainty either that an offer will be made nor as to the terms of any offer, if made.”

Shares in Go-Ahead have been rising in value over the last few days and were up 21% in early trading to stand at 1460p. The shares had been as low as 545p in March.

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