



**RICHARD BOWKER**  
CHIEF EXECUTIVE

**OUR COMMITMENT TO CORPORATE RESPONSIBILITY GOES FAR BEYOND A PASSING ACKNOWLEDGEMENT. IT IS INTEGRAL TO HOW WE RUN OUR BUSINESS.**

**WE BELIEVE THAT CORPORATE RESPONSIBILITY IS ABOUT WHAT WE DO AND HOW WE DO IT.**

- Buses, coaches and trains improve the quality of life.
- Modal shift can significantly reduce greenhouse gas emissions.
- Our vision is Making Travel Simpler.
- Travel doesn't need to cost the earth.

I am delighted to report that during the year we continued to play key roles in providing quality public transportation services in those markets where we operate.

Having joined the Group in September 2006, I am excited to be returning to an industry which genuinely contributes to the quality of life in the communities we serve. Our services provide significant economic, social and environmental benefits. This is achieved by working in partnership with a large number of bodies and partners who share our common passion for delivery of excellence.

This year's report highlights why public transport is important, why it needs continued funding and investment and explains how public transport contributes to the overall quality of life. We believe the future for public transport is exciting and in this document we set out our vision for the future.

The Stern Review set out the economic imperative that we take steps to reduce dramatically our emissions of greenhouse gases. If we are serious about tackling climate change and living in a carbon-constrained world, society will have to take drastic action as "business as usual" won't get us there. The Eddington Study identified that the transport sector is the fastest growing source of emissions of greenhouse gases in the economy. Technological innovation will be important longer term but that alone will not deliver the reductions on the scale suggested by Stern. Significant reductions in emissions from transport can be primarily achieved through modal shift from car and plane to public transport as we will demonstrate in this report. We're proud that our coach operations are the most environmentally friendly way to travel and trains and buses are not far behind.

At National Express we're not complacent about the need to minimise our own carbon emissions and we continue to take practical steps to improve the efficiency of our operations and to trial new technology and fuels.

However, the main focus of our strategy is to increase the appeal of public transport and its use. For this reason we believe that any policy to tackle climate change presents a great opportunity for our business. Public transport is going to be a key part of any solution but we will need to work with policy makers to ensure that there are appropriate incentives for public transport compared to the car and the plane. This may require fundamental changes in local and national transport policy. During 2007 we will be promoting the environmental credentials of our services more widely with policy makers.

In addition, we will look to educate people about the benefits of using public transport and explain how they can play their role in reducing climate change by changing their travel habits. We're teaming up with other like-minded organisations to promote simple steps people can take.

This year we'll also be giving consumers every reason to make modal shift from their cars onto public transport. We will be launching the National Express Carbon Club, the very first environmentally motivated loyalty scheme in the transport sector. This will enable anyone who is considering booking travel with us on any of our coach or train services to see how much carbon they will save by getting out of their cars, and travelling with us. And we'll let them bank the carbon saved and exchange it for free upgrades, free tickets and many other offers. Travel needn't cost the earth and with National Express it won't, plus it can be rewarding too!

But we've got to make public transport attractive if all this is to happen. Our vision can be summed up in three words: Making Travel Simpler. We want to deliver integrated transport, environmentally sustainable transport and value for money transport. This will involve joining up our services where appropriate, using technology to a greater degree, developing marketing relationships which are meaningful and securing support and funding from Government where it is appropriate. The National Express Group is an organisation of 40,000 people committed to that one vision.

I hope you enjoy reading this report. Please feel free to give us your feedback by completing the feedback form at the back of the report.