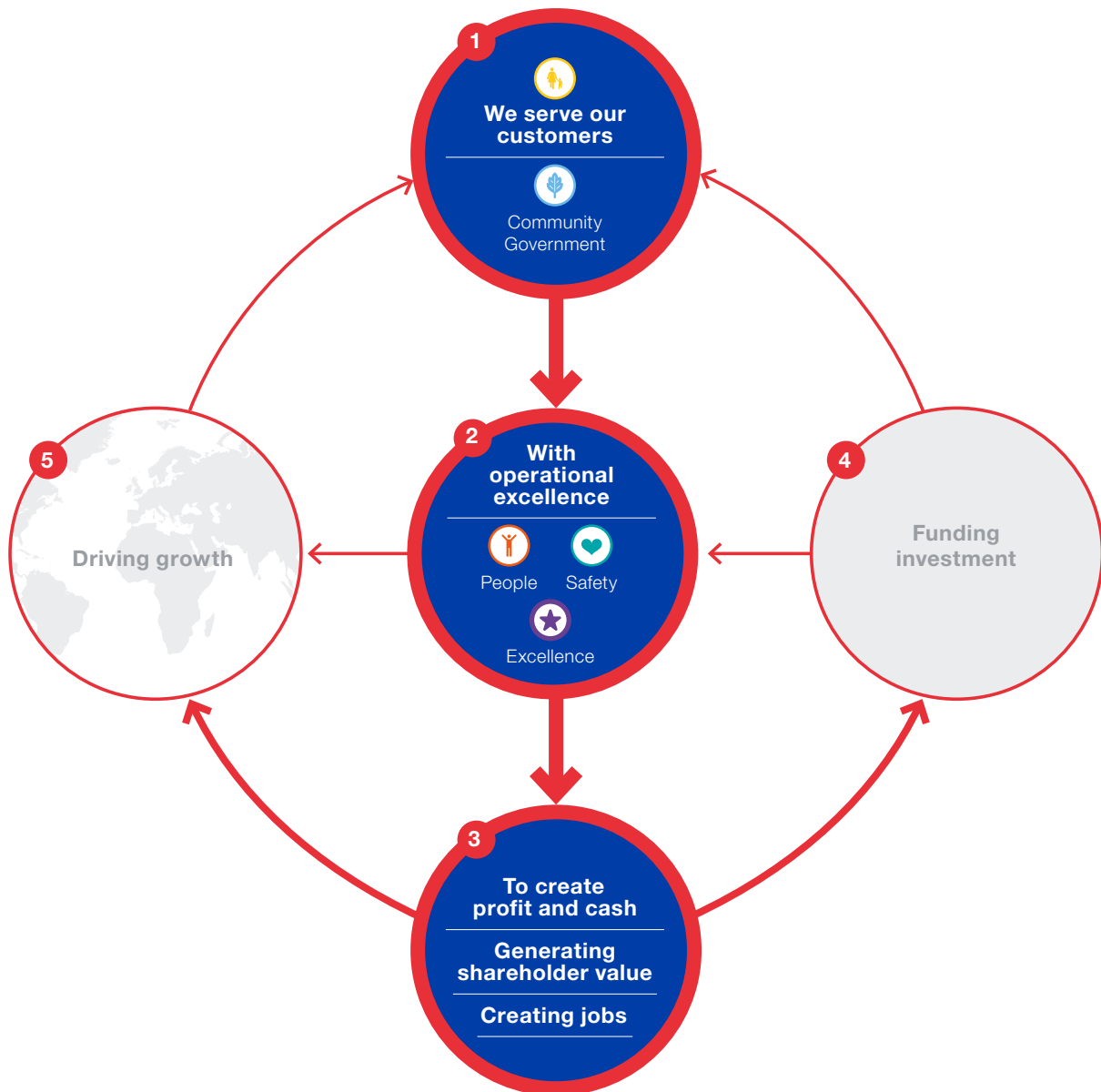


Delivering long-term shareholder value with the right business model and strategy

At National Express we believe our business model should start with our customers. By serving our customers with operational excellence, we are able to create profit and cash, thereby generating shareholder value. The cash we generate is used to fund investment in the business, which drives further growth enabling us to better serve our customers and also to create new and skilled jobs. Allied to this, our core values of excellence, safety, customers, people and community inform us as to how we should operate.



1. We serve our customers

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Allied to this, our core values of excellence, safety, customers, people and community guide us as to how we operate.

Transporting a record 921 million passengers in 2016

By understanding and meeting the needs of our customers in our local markets, we strive to deliver high levels of customer satisfaction and encourage more passengers to use our services.

2. With operational excellence

Not only do our customers require high performing transport services, but they also need high levels of safety. At National Express, safety is our highest priority in whatever we do across the business and is a key tenet of our core values. Operational excellence also helps to drive sustainable growth for the Group through building customer loyalty and winning new business in

our existing markets, and opening up new markets such as the German rail market and the urban bus market in Bahrain. The quality of our employees, is integral to the provision of high safety and operational standards with continual training and focus on excellence at the core of our operations.

3. To create profit and cash, generating shareholder value

Profit and cash

Ultimately, delivering operational excellence through good customer service drives revenue and profit growth across the Group and generates cash which can then be re-invested into each of our businesses to drive further improvements for our customers and also fund new business opportunities, driving higher returns for our shareholders.

Shareholder value

Through our robust and sustainable business model we aim to deliver shareholder value through higher returns with growth in dividends supported by growth in earnings and strong cash flows.

Creating jobs

Through our strong and sustainable cash flows, we are able to fund further growth in our businesses, which in turn creates new and skilled jobs, helping the local communities in which we serve and providing good career prospects for our employees.

4. Funding investment

Our strong cash flow generation enables us to fund investment across the business with the provision of new fleet, technologies and services, driving improvements for our customers and encouraging further growth in passenger demand.

5. Driving growth

We also use our strong cash generation to invest in new business opportunities, which drives further growth in our core markets as well as developing our position in our new markets, such as Germany and the Middle East.

Our strategy: how our business model and strategy work together

Our Vision

Our Vision is to earn the lifetime loyalty of our customers by consistently delivering frequent, high performing public transport services which offer excellent value.

Our Values

Our five values continue to underpin the Vision and help us to prioritise what we focus on:



Excellence



Safety



Customers



People



Community

Our four strategic priorities

As our business evolves, we constantly review our strategic priorities to ensure that they remain appropriate as drivers for long-term and sustainable growth and adhere to our five core Values, aiming to deliver for all our stakeholders. At the heart of this is our constant focus on operational excellence, driving innovation and raising standards throughout our businesses.

1. Delivering operational excellence

We aim to lead the market in delivering excellence, which will raise standards and also drive revenue growth, margin progression and cash generation.

2. Deployment of technology

Investing in technology to raise customer and safety standards and drive efficiencies throughout our business, generating sales, margin and cash.

3. Growing our business through acquisitions

We continue to look to grow our unique portfolio of international bus, coach and rail businesses through selective bolt-on acquisitions.

4. Diversification into complementary markets

We continue to look at opportunities to diversify into new markets that are complementary to our existing businesses and are fast growing, urbanising and seeing liberalisation.