



National
Express
Group



Dear Shareholder

I have pleasure in writing to invite you to our 2006 Annual General Meeting which will be held at the Hyatt Regency London – The Churchill, 30 Portman Square, London, W1A 4ZX on Wednesday 24 May 2006 at 10.00am. Full details of the meeting and the resolutions that will be put to shareholders are set out in the enclosed Notice of Meeting.

If you are not able to attend the meeting in person, your vote is still important and I would ask you to complete, sign and return the enclosed proxy card to register your vote. This will not prevent you from attending and voting in person at the meeting. You may also register your proxy vote electronically by registering at our Registrar's website www.shareview.co.uk. Your Directors consider that the proposed resolutions contained in the Notice of Meeting are in the best interests of the Company and shareholders and recommend that you vote in favour.

If you have a question you wish to ask at the Annual General Meeting it would assist us if you would either write to the Company Secretary at National Express Group PLC, 75 Davies Street, London W1K 5HT or e-mail info@natex.co.uk. I will deal with the issues most frequently raised at the meeting.

Thank you for your continuing support of National Express Group PLC.

Yours sincerely

David Ross
Chairman

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you should consult your independent financial adviser. If you have recently sold or transferred your National Express Group PLC shares you should forward this document to your bank, stockbroker other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

NOTICE OF ANNUAL GENERAL MEETING

The 2006 Annual General Meeting (AGM) of National Express Group PLC (the 'Company') will be held at the Hyatt Regency London – The Churchill, 30 Portman Square, London W1A 4ZX on Wednesday 24 May 2006 at 10.00am to consider the following resolutions:

ORDINARY BUSINESS

Resolution 1

To receive the accounts and reports of the directors and auditors for the year ended 31 December 2005.

Resolution 2

To approve the Report on Directors' remuneration for the year ended 31 December 2005.

Resolution 3

To declare a final dividend of 22.25 pence per share.

Resolution 4

To elect Jorge Cosmen as a Director.

Resolution 5

To re-elect Ray O'Toole, who retires by rotation in accordance with article 121 of the Company's articles of association, as a Director.

Resolution 6

To re-elect Adam Walker, who retires by rotation in accordance with article 121 of the Company's articles of association, as a Director.

Resolution 7

To re-appoint Ernst & Young LLP as the Company's auditors to hold office until the conclusion of the next AGM.

Resolution 8

To authorise the Directors to agree the auditors' remuneration.

SPECIAL BUSINESS

Resolutions 10, 11 and 13 will be proposed as special resolutions and resolutions 9 and 12 will be proposed as ordinary resolutions.

Resolution 9 – Directors' authority to allot shares

To authorise the Directors, for the purposes of section 80 of the Companies Act 1985 (the "Act"), to exercise all powers, to allot relevant securities (as defined in the Act) up to a maximum nominal amount of £2,520,197. This authority shall expire on the date of the AGM in 2007 unless it is cancelled or amended and the Company may agree before this authority ends to allot any of the relevant securities, even though the allotment may be carried out after this authority ends. All previous authorities under Section 80 of the Companies Act 1985 shall cease to have effect.

Resolution 10 – Directors' authority to disapply pre-emption rights

That subject to Resolution 9 being passed by the Meeting the Directors being given the power pursuant to section 95(1) of the Companies Act 1985 to allot equity securities wholly for cash (a) in connection with a rights issue; and (b) otherwise than in connection with a rights issue up to an aggregate nominal amount of £378,029 be renewed for a period ending on the date of the AGM in 2007.

Resolution 11

To authorise the Company generally and unconditionally to make market purchases (within the meaning of Section 163(3) of the Companies Act 1985) of the Company's ordinary shares on such terms as the directors see fit subject to the following conditions:

- a) the maximum aggregate number of shares which may be purchased is 15,121,185 shares;
 - b) the minimum price which may be paid for each share is 5 pence;
 - c) the maximum price which may be paid for each share is an amount not more than 5 per cent above the average middle market quotations of the Company's shares, as based on the Daily Official List published by the London Stock Exchange plc, for the five business days prior to the date the purchase is made; and
 - d) this authority shall expire at the close of the AGM of the Company to be held in 2007, save that the Company may agree, before the expiry of this authority, to buy back shares even though the purchases may be completed after this authorisation ends.
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Resolution 12

To authorise the Company generally and unconditionally to make donations to EU political organisations and to incur EU political expenditure (each as defined under Section 347A of the Companies Act 1985 (as amended)) not exceeding £100,000 in total, during the period beginning with the date of the 2006 AGM and ending at the close of the AGM of the Company to be held in 2007.

Resolution 13

That the Articles of Association of the Company be amended by:

- (i) the deletion of the word "and" at the end of subparagraph (vi) of Article 116(C) and the deletion of the full stop at the end of subparagraph (vii) of Article 116(C) and the insertion, in substitution thereof, of ";" and" and the insertion of a new sub-paragraph (viii) to Article 116(C) in the following terms:

"(viii) the giving of an indemnity by the Company pursuant to Article 171 and the provision of funds to any Director or the doing of anything to enable a Director to avoid incurring expenditure (in each case as permitted by section 337A of the Act)."

- (ii) the deletion of Article 171 and the substitution thereof of the following as a new article 171:

"Subject to the provisions of the Statutes but without prejudice to any indemnity to which the person concerned may otherwise be entitled, every person who is or was at any time a Director or other officer of the Company (excluding the Auditors) may be indemnified out of the assets of the Company against all costs, charges, expenses, losses or liabilities (together "Liabilities") which he may sustain or incur in or about the actual or purported execution and/or discharge of the duties of his office and/or the exercise or purported exercise of his powers or discretions and/or otherwise in relation thereto or in connection therewith, including (without prejudice to the generality of the foregoing) any Liability suffered or incurred by him in disputing, defending, investigating or providing evidence in connection with any actual or threatened or alleged claims, demands, investigations or proceedings, whether civil or criminal, or in connection with any application under section 144(3) or (4) or section 727 of the Act.

The Company may also, subject to the provisions of the Statutes, provide funds to any Director or other officer (excluding the auditors of the Company) or do anything to enable a Director or other such officer to avoid incurring expenditure of the nature described in section 337A of the Act."

By order of the Board

A J McDonald
Company Secretary
7 April 2006

IMPORTANT INFORMATION FOR THE ANNUAL GENERAL MEETING

The 2006 AGM will be held on 24 May 2006 at the Hyatt Regency London – The Churchill, 30 Portman Square, London W1A 4ZX and will start promptly at 10.00am.

Shareholders may appoint one or more proxies, who need not be shareholders of the Company, to attend the AGM and, on a poll, to vote on their behalf. If shareholders wish to appoint a proxy, they should complete the proxy form enclosed with this Notice and send it to Lloyds TSB Registrars, The Causeway, Worthing BN99 6EF, to be received no later than 48 hours before the time at which the AGM is due to begin. Shareholders may also appoint a proxy online using the service provided by the Company's Registrars at www.shareview.co.uk or, if they are a CREST member, by using the CREST electronic proxy service. Completion of a proxy form will not preclude a shareholder from attending and voting at the AGM.

Shareholders must be entered in the Register of Members of the Company no later than 6.00pm on 22 May 2006, in order to have the right to attend or vote at the meeting (Regulation 41 of the Uncertificated Securities Regulations 2001). Changes to entries on the Register after that time will be disregarded in determining the rights of any person to attend or vote at the AGM.

The following documents will be available for inspection at the registered office of the Company during usual business hours on any weekday (public holidays excluded) from the date of this Notice until the AGM and will be available at the AGM from 9.45am until the conclusion of the meeting:

- a) Executive Directors' service contracts and Non Executive Directors' terms of appointment;
- b) terms of reference of the Audit, Nomination, Remuneration and Safety Committees;
- c) the register of Directors' interests in the share capital of the Company; and
- d) the proposed new Articles of Association of the Company.

INFORMATION FOR PARTICIPANTS IN THE TRAVEL WEST MIDLANDS SHARE INCENTIVE PLAN

If you are a participant in the Travel West Midlands Share Incentive Plan you may instruct the Trustees to vote the shares held by them on your behalf by completing the enclosed Direction Form. To be effective the Direction Form must be received by the Trustees no later than 18 May 2006.

EXPLANATORY NOTES TO THE RESOLUTIONS

ORDINARY BUSINESS

Resolutions 1, 2 and 3

The Directors are required to present to shareholders at the AGM the Report and Accounts for the year ended 31 December 2005 and to seek approval of the shareholders for the Report on Directors' remuneration. You can find the Report on Directors' Remuneration on page 33 to 39 of the Annual Report and Accounts.

The Directors recommend a dividend of 22.25p per share. The final dividend cannot exceed the amount recommended by the Directors. If approved by shareholders the final dividend will be paid on 26 May 2006 to those members on the register as at 28 April 2006.

Resolutions 4, 5 and 6

Jorge Cosmen is standing for election for the first time following his appointment to the Board on 1 December 2005. He has extensive experience of the coach and bus business within Spain and will be able to provide invaluable support to the Board in formulating strategy in this respect. Jorge Cosmen will serve on the safety and environment committee of the Board. His election to the Board is fully supported by the Directors.

Ray O'Toole and Adam Walker are retiring by rotation under the Articles of Association of the Company and will be standing for re-election. Biographies of all the Directors appear on page 25 of the Company's Annual Report and Accounts 2005.

Resolutions 7 and 8

The shareholders are asked every year to approve the appointment of the auditors, Ernst & Young LLP, and agree that the Directors may approve their remuneration.

SPECIAL BUSINESS

Resolutions 9 and 12 will be proposed as ordinary resolutions and Resolutions 10, 11 and 13 will be proposed as special resolutions. To pass special resolutions 75% or more of the votes cast must be in favour.

Resolutions 9 and 10

The Company's Articles of Association give the Directors general authority to allot (or issue) unissued shares. The Companies Act 1985 limits that power by requiring shareholders to give specific prior approval. At the 2002 AGM the Directors were given authority to allot ordinary shares and Resolution 9 seeks to renew this authority for a period until the date of the AGM to be held in 2007. The authority is limited to a maximum of 50,403,950 shares being approximately one third of the ordinary issued share capital as at 14 March 2006. There is no current intention to use the authority other than in connection with employee share and incentive shares.

For information, as at 14 March 2006 the Company holds 400,000 ordinary shares as treasury shares which represents 0.26% of the total issued ordinary share capital.

If the Directors wish to allot unissued shares for cash the Companies Act 1985 requires that these shares are offered first to existing shareholders in proportion to their existing holdings. This is known as shareholders' pre-emption rights. There may be occasions, however, when, in order to act in the best interests of the Company, the Directors need flexibility to finance business opportunities as they arise without offering securities on a pre-emptive basis. Resolution 10 renews the Directors' authority to allot shares for cash up to an aggregate nominal value of £378,029 (otherwise than in connection with a rights issue or share scheme) equivalent to approximately 5 per cent of the ordinary issued share capital as at 14 March 2006 without the shares being offered first to existing shareholders. The authority will be renewed annually.

Resolutions 9 and 10 conform with guidelines issued by institutional investors to ensure that existing shareholders' interests are safeguarded.

Resolution 11

The Company may buy its own shares with the authority of shareholders. Resolution 11 seeks to renew the current authority given at the 2005 AGM. The resolution specifies the maximum number of shares that may be purchased (approximately 10% of the Company's issued share capital) and the highest and lowest prices at which they may be bought. Any shares purchased under this authority will either be treated as cancelled or held as treasury shares. Listed companies, with authorisation from shareholders, can buy and hold their own shares instead of cancelling them immediately. Shares held as treasury shares can in the future be cancelled, re-sold or used in respect of employee share schemes.

For information, as at 14 March 2006, there were 3,507,161 options outstanding over the Company's shares representing 2.32% of the issued share capital. If the full authority to buy shares is used, these options will represent 2.58% of the then issued share capital of the Company. The Directors implemented a limited share buy back programme in 2005 and the authority at this year's AGM may be used to continue this programme to make market purchases of up to £100 million in total. The authority given at the last AGM expires at the conclusion of the forthcoming AGM. The authority will be used only if it is likely to lead to an increase in earnings per share and the Directors are satisfied that this is in the best long-term interests of the shareholders.

Resolution 12

The Political Parties, Elections and Referendums Act 2000 (the PPER Act) requires companies to obtain shareholder authority before they can make donations to EU political organisations (which includes UK political parties). It remains the Company's policy not to make donations to political parties and the Company has no intention of using the authority for this purpose. It may, however, incur expenditure such as advertising, sponsorship or attendance at events organised by political parties, or the hiring of stands and exhibition space at national and regional political conferences which may fall within the wide definition of "donations" under the PPER Act and for which shareholder approval is required. Resolution 12 seeks authority to incur such expenditure up to a maximum of £100,000.

Resolution 13

The Company maintains Directors' and Officers' liability insurance in respect of legal action that might be brought against its Directors and an appropriate indemnity is given by the Company in the Company's Articles of Association. The Companies (Audit, Investigations and Community Enterprise) Act 2004 came into force on 6 April 2005. This Act amends the Companies Act 1985 by permitting the grant of Qualifying Third Party Indemnity Provisions (QTPIP) by a company to its directors. Such indemnities extend, amongst other things, to the payment of a Directors' defence costs in an action brought by the Company or by a third party, subject to the repayment of such costs in certain circumstances. The Board believes that it is in the best interests of the Company to attract and retain the services of the most able Directors by offering competitive terms of engagement, including the granting of indemnities on terms consistent with the latest statutory provisions. Although the existing Articles of Association permit the granting of certain such indemnities, the proposed new Articles of Association have been updated to take account of the QTPIP rules.

ONLINE SHAREHOLDER COMMUNICATIONS

As a shareholder you can choose to vote by proxy and to receive communications and documents from the Company electronically. This helps us to reduce distribution and printing costs. In order to sign up for this service you will need to access the Company's Registrar's online service at www.shareview.co.uk. This is a secure site where you are able to view your shareholdings. You will need your eight digit shareholder reference number, which is shown on your share certificate or dividend voucher.

To sign up to receive documents electronically

- Log onto www.shareview.co.uk
- Click on "Register now" and follow the simple instructions – you will need your shareholder reference number
- Once you have completed the registration process and selected your own personal identification number (PIN) a unique User ID will be posted to you
- Once you have registered and notified our Registrars of your e-mail address, we will send you an e-mail each time that shareholder documentation has been published on our website, and provide you with a link to the page on the website where it may be found
- If you are already registered with Shareview, you do not need to register again but should check that your mailing preference is shown as "e-mail".

To vote by proxy electronically

- Log onto www.sharevote.co.uk
- Follow the instructions as to how to submit your vote. For security identification you will need to input the Reference Number, Card ID and Account Number which you will find on your Proxy Form.

Should you have any queries about signing up for online communications please contact our Registrars, Lloyds TSB Registrars, on the shareholder helpline number 0870 601 5366.

INSTRUCTIONS FOR ELECTRONIC PROXY APPOINTMENT THROUGH CREST

If you are a CREST member and want to appoint a proxy using the CREST electronic proxy appointment service, you can do so using the procedures described in the CREST manual. If you are a CREST personal member, a CREST sponsored member or a CREST member that has appointed a voting service provider you should request the sponsor or voting service provider to take the appropriate action on your behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST proxy instruction") must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by Lloyds TSB Registrars (ID 7RA01) no later than 48 hours before the time at which the meeting is due to begin. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which our Registrars will be able to retrieve the message by enquiry to CREST in the manner prescribed in CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CRESTCo does not make available special procedures for any particular messages. Normal system timings and limitations therefore apply in relation to the input of CREST proxy instructions. CREST members (or appointee members) are responsible for taking (or arranging for their CREST sponsor or voting service provider to take) any necessary action to ensure that a message is transmitted by means of the CREST system by any particular time. CREST members and CREST sponsors or voting service providers are referred to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

National Express Group PLC may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.