

Final Terms dated 15 June 2010

National Express Group PLC
Issue of £225,000,000 6.625 per cent. Notes due 2020
under the £1,000,000,000
Euro Medium Term Note Programme

unconditionally and irrevocably guaranteed by

National Express Corporation

and

Durham School Services, L.P.

and

West Midlands Travel Limited

PART A — CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 21 December 2009 and the supplement to the Base Prospectus dated 6 April 2010 which together constitute a base prospectus (the "**Base Prospectus**") for the purposes of Directive 2003/71/EC (the "**Prospectus Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive. These Final Terms contain the final terms of the Notes and must be read in conjunction with such Base Prospectus.

Full information on the Issuer, the Guarantors and the offer of the Notes described herein is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at www.londonstockexchange.com and during normal business hours at the office of the Issuer at 7 Triton Square, London, NW1 3HG, United Kingdom.

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|----|------|--|--|
| 1. | (i) | Issuer: | National Express Group PLC |
| | (ii) | Guarantors: | National Express Corporation
Durham School Services, L.P.
West Midlands Travel Limited |
| 2. | (i) | Series Number: | 2 |
| | (ii) | Tranche Number: | 1 |
| 3. | | Specified Currency or Currencies: | Pounds Sterling ("£") |
| 4. | | Aggregate Nominal Amount: | |
| | (i) | Series: | £225,000,000 |
| | (ii) | Tranche: | £225,000,000 |
| 5. | | Issue Price: | 98.928 per cent. of the Aggregate Nominal Amount |
| 6. | (i) | Specified Denominations: | £50,000 and integral multiples of £1,000 in excess thereof up to and including £99,000. Definitive Notes will not be issued in denominations in excess of £99,000. |

(ii)	Calculation Amount:	£1,000
(iii)	Issue Date:	17 June 2010
(iv)	Interest Commencement Date:	17 June 2010
7.	Maturity Date:	17 June 2020
8.	Interest Basis:	6.625 per cent. Fixed Rate (further particulars specified below)
9.	Redemption/Payment Basis:	Redemption at par
10.	Change of Interest or Redemption/ Payment Basis:	Not Applicable
11.	Put/Call Options:	Change of Control Put Option (further provisions specified at item 22 (<i>Change of Control Put Option</i>) below)
12.	Status of the Notes:	Senior
13.	Date Board and Committee approval for issuance of Notes obtained:	Approved by a meeting of the Board of Directors on 14 December 2009 and by duly appointed meetings of the Committee of the Board of Directors on 17 December 2009 and 15 June 2010
14.	Method of distribution:	Syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15.	Fixed Rate Note Provisions	Applicable
(i)	Rate of Interest:	6.625 per cent. per annum payable annually in arrear, subject to the Rate Adjustment provisions relating to any Step Up Event or Step Down Event, as set out at Annex A hereto
(ii)	Interest Payment Date(s):	17 June in each year from and including 17 June 2011 to, and including, the Maturity Date
(iii)	Fixed Coupon Amount:	£66.25 per Calculation Amount
(iv)	Broken Amount(s):	Not Applicable
(v)	Day Count Fraction:	Actual/Actual (ICMA)
(vi)	Determination Dates:	Not Applicable
(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	Not Applicable
16.	Floating Rate Note Provisions:	Not Applicable
17.	Zero Coupon Note Provisions:	Not Applicable
18.	Index-Linked Interest Note Provisions:	Not Applicable

19. **Dual Currency Note Provisions:** Not Applicable

PROVISIONS RELATING TO REDEMPTION

20. **Call Option:** Not Applicable

21. **Put Option** Not Applicable

22. **Change of Control Put Option:** Applicable

Change of Control Optional Redemption Amount: £1,000 per Calculation Amount

23. **Final Redemption Amount of each Note:** £1,000 per Calculation Amount

24. **Early Termination Amount:**

Early Redemption Amount (Tax) and Early Termination Amount per Calculation Amount payable on redemption for taxation reasons or, as the case may be, on event of default and/or the method of calculating the same (if required or if different from that set out in the Conditions): As set out in the Conditions

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. **Form of Notes:** Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note.

26. **New Global Note Form:** Applicable

27. **Additional Financial Centre(s) or other special provisions relating to Payment Dates:** Not Applicable

28. **Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):** No

29. **Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:** Not Applicable

30. **Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made:** Not Applicable

31. **Other terms or special conditions:** Not Applicable

DISTRIBUTION

32. (i) If syndicated, names and addresses Banco Bilbao Vizcaya Argentaria S.A.
Vía de los Poblados s/n – 2nd floor

of Managers: Madrid, 28033
Spain

Bayerische Landesbank
Brienner Strasse 18
80333 Munich
Germany

BNP Paribas
10 Harewood Avenue
London NW1 6AA
United Kingdom

HSBC Bank plc
8 Canada Square
London E14 5HQ
United Kingdom

(ii) Date of Subscription Agreement: 15 June 2010

(iii) Stabilising Manager (if any): BNP Paribas

33. **If non-syndicated, name and address of Dealer:** Not Applicable

34. **TEFRA:** The D Rules are applicable

35. **Total commission and concession:** £900,000

36. **Additional selling restrictions:** Not Applicable

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for the Notes described herein to be admitted to trading on the Regulated Market of the London Stock Exchange pursuant to the £1,000,000,000 Euro Medium Term Note Programme of National Express Group PLC.

RESPONSIBILITY

The Issuer and the Guarantors accept responsibility for the information contained in these Final Terms.

Signed on behalf of the National Express Group PLC

By:

Duly authorised

Signed on behalf of National Express Corporation

By:

Duly authorised

Signed on behalf of Durham School Services, L.P.

By:

Duly authorised

Signed on behalf of West Midlands Travel Limited

By:

Duly authorised

PART B — OTHER INFORMATION

1. Listing

- (i) Admission to trading: Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Regulated Market of the London Stock Exchange with effect from 17 June 2010
- (ii) Estimate of total expenses related to admission to trading: £3,600

2. Ratings

- Ratings: Moody's: Baa3 (stable)
Fitch: BBB- (stable)

3. Interests of Natural and Legal Persons involved in the Issue

Save as discussed in "Subscription and Sale" in the Base Prospectus, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

4. Reasons for the Offer, Estimated Net Proceeds and Total Expenses

- (i) Reasons for the offer: The net proceeds from the issue of the Notes by the Issuer will be used for general corporate purposes, including, without limitation, to repay existing debt
- (ii) Estimated net proceeds: Not Applicable
- (iii) Estimated total expenses: Not Applicable

5. Indication of yield:

6.776 per cent. per annum

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6. Operational Information

ISIN Code: XS0518274815

Common Code: 051827481

New Global Note intended to be held in a manner which would allow Eurosystem eligibility: Yes

Note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with Euroclear or Clearstream, Luxembourg as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon

satisfaction of the Eurosystem eligibility criteria.

Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, *société anonyme* and the relevant identification number(s): Not Applicable

Delivery: Delivery against payment

Names and addresses of additional paying agent(s) (if any): Not Applicable

ANNEX A

Adjustment to Rate of Interest

- (a) The Rate of Interest shall be subject to adjustment in accordance with the Interest Ratchet (each such adjustment, a “**Rate Adjustment**”). Any Rate Adjustment shall apply in respect of the Interest Period commencing on the Interest Payment Date immediately following the date of the relevant Step Up Event or Step Down Event, until either a further Rate Adjustment becomes effective or to the date on which the Notes cease to bear interest, as the case may be. For the avoidance of doubt, if a Step Down Event follows a Step Up Event during the same Interest Period, there shall be no adjustment to the Rate of Interest applicable to the next following Interest Period.
- (b) The Issuer will cause each Rate Adjustment to be notified to the Principal Paying Agent, the Trustee and to Noteholders by notice thereof to be published in accordance with Condition 19 (*Notices*) as soon as possible after the occurrence of the relevant Step Up Event or Step Down Event, as the case may be, but in no event later than the tenth Business Day thereafter.
- (c) If the rating designations employed by any Rating Agency are changed from those which are described in the definition of “*Investment Grade*”, or if a rating is procured from a Substitute Rating Agency, the Issuer shall determine, with the agreement of the Trustee, the rating designations of such Rating Agency or such Substitute Rating Agency (as appropriate) as are most equivalent to the prior rating designations of the relevant Rating Agency, and this provision shall be construed accordingly.
- (d) There shall be no limit on the number of Rate Adjustments that may be made pursuant to this Annex A during the term of the Notes, provided always that at no time during the term of the Notes will the Rate of Interest payable on the Notes be less than 6.625 per cent. per annum or more than 7.875 per cent. per annum.

For the purposes only of the Rate Adjustment provisions relating to any Step Up Event or Step Down Event of item 8 (*Interest Basis*) and item 15 (*Fixed Rate Note Provisions*) of these Final Terms:

“**Interest Ratchet**” means the following rates of interest:

- (a) upon the occurrence of a Step Up Event: the Rate of Interest plus 1.250 per cent. per annum; and
- (b) upon the occurrence of a Step Down Event: the Rate of Interest;

“**Minimum Rating Requirement**” means that the Notes have been publicly assigned an Investment Grade credit rating by at least two of the Rating Agencies and have not been publicly assigned a Non-Investment Grade rating by any Rating Agency as at any particular time except that any credit rating assigned and published by a Rating Agency on an unsolicited basis shall not be deemed to be “publicly assigned” for the purposes of this definition;

“**Step Down Event**” means the reinstatement of the Minimum Rating Requirement following the occurrence of a Step Up Event; and

“**Step Up Event**” means a failure to meet the Minimum Rating Requirement at any time after the Interest Commencement Date, unless the Minimum Rating Requirement has again become satisfied on the day before the Interest Payment Date immediately following the relevant failure to meet the Minimum Rating Requirement.