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National Express buoyed by resilient UK rail and bus

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LONDON (Reuters) - Transport group National Express Group said it had traded well in its third quarter, driven by resilient performances from its UK bus and rail businesses.

The company on Wednesday reported that its UK rail unit had delivered an "excellent operational performance" so far this year and that it was studying opportunities for expansion in the German and Spanish rail markets.

National Express also said it was helping the Department for Transport (DfT) with its review into the country's rail franchising system after the botched West Coast Mainline competition.

Flaws in the bidding process were unearthed as the DfT was preparing for a legal challenge by Virgin Trains over the decision not to award its franchise to FirstGroup.

"We are working with the DfT on its current review and continue to support the refranchising programme," said chief executive Deane Finch.

"We had submitted a strong bid to retain the c2c franchise from May 2013, prior to the overall refranchising process being frozen by the DfT... our Great Western bid is also ready for submission."

It said revenues at its British bus division was up 3 percent so far this year, while sales at its North American school bus operation were 2 percent up in the nine months to the end of September.

Revenues at the group's Spanish urban bus businesses grew well during the period but Spanish intercity coach revenues were down 2 percent during the period.

The transport operator said it remained on track to deliver its profit expectations for 2012 but that "low economic growth, government funding pressure and fuel cost inflation (was) likely to constrain progress" next year.

(Reporting by Rhys Jones; editing by Neil Maidment)



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