

05 December 2019

FIRST TRENITALIA CHOOSES HITACHI RAIL TO BUILD NEW INTERCITY TRAINS FOR AVANTI WEST COAST

- ***New trains improve customer experience and capacity with more seats***
- ***First-Trenitalia chooses British-based train manufacturer in contract worth more than £350m including maintenance services, with trains financed by Rock Rail West Coast***
- ***Cleaner, greener modern trains with two-thirds reduction in carbon emissions overall***

First Trenitalia, whose new Avanti West Coast rail service starts on Sunday 8 December, has today awarded a contract worth more than £350m to Hitachi Rail to provide and maintain 23 new intercity trains (135 carriages), to be built at its County Durham factory.

Bringing additional capacity to services along the West Coast Main Line and in North Wales, these new, state of the art intercity trains will start operating in 2022. The trains will be a mix of ten seven-carriage electric trains and 13 five-carriage bi-mode trains, with the ability to switch seamlessly between electric and diesel power. The electric trains will operate between London, the West Midlands and Liverpool while the bi-mode version will serve the London to North Wales route. They will be part of the fleet operated by the new intercity operator, to be known as Avanti West Coast, that begins operation on Sunday 8 December.

The trains, which draw from their Japanese bullet train heritage, offer impressive acceleration allowing them to quickly reach the line's 125mph top speed. As a result of their modern design, passengers will enjoy a quieter journey compared to the diesel-only trains they will replace. The new trains will have better and more reliable free Wi-Fi; at-seat wireless inductive charging for electronic devices, plug sockets and USB slots; a brand-new catering offer and an advanced, real-time passenger information system that can advise customers of connecting rail services.

The trains will offer up to 195 extra seats, compared to the Class 221 Voyager trains they replace (which have 258 seats). There are 453 seats on a 7-car service and 301 seats on a 5-car service. The seven-carriage version of the electric trains will have similar numbers of seats to a nine-carriage Pendolino, owing to the longer 26 metre

- more -

carriages of the Hitachi trains.

The bi-mode trains will run for most of the journey using electric power only, switching to diesel power for those parts of the network that are not electrified – for example, the North Wales Coast Line to/from Holyhead.

Due to the high environmental standards of their diesel engines, the new trains are cleaner and more efficient than the trains they are replacing. Particulate matter emissions are reduced by more than 90% and NOx (nitrogen oxide) emissions are reduced by more than 60% compared to the engines currently in service. The introduction of these new trains will help to support the UK's drive for a cleaner, greener environment. Bi-mode technology is an important first step in de-carbonising rail and achieving 'no net emissions'.

By running on electric rather than diesel power for the vast majority of the route is expected to reduce CO2 emissions by around two-thirds across the franchise. Passengers using locations such as Birmingham New Street and Glasgow Central will benefit from cleaner air within the station due to fewer diesel train services.

The new trains will be built at Hitachi's factory at Newton Aycliffe in north-east England, supporting thousands of jobs across the country. Hitachi Rail prioritises UK suppliers whenever possible, including with servicing and maintenance operations. This approach has resulted in Hitachi Rail spending more than £1.6 billion with UK suppliers since 2013. To date, wheelsets have come from Manchester; windows from Newcastle, door handles from Leeds, and overhead panels from County Durham, amongst many other parts made in Britain.

Commenting on the new trains contract, Steve Montgomery, Managing Director, First Rail, said: "We look forward to beginning our Avanti West Coast services on Sunday 8 December, and these new trains will help us really improve travel for passengers with more services, more seats, a better journey experience, enhanced catering and added comfort."

Ernesto Sicilia, Trenitalia UK Managing Director, said: "We are pleased to announce this new fleet which highlights our commitment to innovation and desire to constantly improve our services. We are delighted to provide more efficient and modern trains which are sustainable and environmentally friendly, reducing CO2 emissions by 61%, including new comfortable seats for an improved customer experience.

Since we entered into the UK market we have always made the customer the centre of our strategy and all our investments have strongly focused on delivering the highest level of customer service. From our experience, new trains are the best way to make customers happy. We are also keen to continue our partnership with Hitachi that, after the iconic Frecciarossa 1000, is delivering a new fleet of double deck electric trains for Regional Transport in Italy.”

The investment in these new trains is being financed through Rock Rail West Coast, a joint venture between Rock Rail and Aberdeen Standard Investments. Rock Rail West Coast will own the trains and lease them to First Trenitalia. As with Rock Rail’s previous new rolling stock deals, debt will be provided by institutional investor organisations (pension funds and insurance companies).

Mark Swindell, Chief Executive Officer, Rock Rail and Director, Rock Rail West Coast, said: “Rock Rail is delighted to be working with First Trenitalia and Hitachi and our institutional investor partners to bring these trains to the region and deliver step changes in the travelling experience for so many rail passengers across the country.

“This new state-of-the-art Hitachi fleet represents Rock Rail’s and Aberdeen Standard Investments’ fourth new rolling stock deal in the UK, and across all deals combined sees investment by the institutional investor sector of just under £2.5 billion in the UK railway. This long term, highly competitive funding enables significantly enhanced value for money to rail passengers and tax payers over the life of the trains, along with significant improvements in passenger, environmental and operational features.”

Andrew Barr, Group CEO, Hitachi Rail, said: “Based on Japanese bullet train technology, our new trains have proven to be the modern intercity train of choice, increasing passenger satisfaction wherever they run. We’re delighted to continue our excellent relationship with First Trenitalia, for whom we’ve delivered hundreds of trains across Italy and the UK. This new order, which will be built at our factory in the North East, is another vote of confidence in the success of our trains, which are both green and reliable.”

The contract announced today also includes an agreement for the 23 new trains to be maintained by Hitachi Rail. First Trenitalia have also signed a Maintenance Agreement with Alstom for the Pendolino fleet, which is due to undergo major refurbishment. The fleet will then be maintained by a joint team from Hitachi and Alstom at the Oxley depot

in Wolverhampton, supporting hundreds of highly skilled engineering jobs.

About the West Coast Partnership

The West Coast Partnership is a joint venture between FirstGroup and Trenitalia. The franchise comprises two distinct parts – Avanti West Coast that will run the current intercity services on the West Coast Main Line; and West Coast Partnership Development that will work with HS2 Ltd and the DfT to develop and operate high speed rail services.

Both will work in partnership with stakeholders, communities and customers along the route to develop and enhance rail services and help stimulate economic growth. The new partnership will build on the existing success and culture of the current operator by bringing together the best parts of both Virgin Trains and First Trenitalia. Our goal is to “deliver a progressive railway service that generates nationwide prosperity and pride”.

About FirstGroup

FirstGroup plc (LSE: FGP.L) is a leading provider of transport services in the UK and North America. With £7.1 billion in revenue and around 100,000 employees, we transported 2.2 billion passengers last year. Whether for business, education, health, social or recreation – we get our customers where they want to be, when they want to be there. We create solutions that reduce complexity, making travel smoother and life easier.

We provide easy and convenient mobility, improving quality of life by connecting people and communities. Each of our five divisions is a leader in its field: In North America, First Student is the largest provider of home-to-school student transportation with a fleet of 42,500 yellow school buses, First Transit is one of the largest providers of outsourced transit management and contracting services, while Greyhound is the only nationwide operator of scheduled intercity coaches. In the UK, First Bus is one of Britain's largest bus companies with 1.6 million passengers a day, and First Rail is one of the country's largest and most experienced rail operators, carrying 345 million passengers last year. Visit www.firstgroupplc.com and follow us @firstgroupplc on Twitter.

About Trenitalia

Trenitalia is Italy's primary rail operator and one of the leading railway operators in Europe with presence also in France, Germany and Greece. In the UK through its subsidiary Trenitalia UK the Group runs the c2c franchise. Trenitalia is the only high-speed operator in the world that faces domestic rail competition while giving exceptional service to its customers, producing revenues of over €5.37bn. Trenitalia offers two major services: high-speed rail and regional transport. The company is best known for its iconic Frecciarossa high-speed services.

Ferrovie dello Stato Italiane, the ultimate shareholder of Trenitalia, is the main Italian

transport company with €58bn of investments in its business plan for 2019-2023. The Group is contributing to the overall investment volume in the country and supporting the development and the improvement of the transport, infrastructure, logistics and tourism sectors. FS Italiane's operating revenue grew to €12bn in 2018, producing an EBITDA of €2.5bn with a net result of €560m.

About Hitachi Rail

Hitachi Rail is a global transport specialist with over 100 years of experience building pioneering trains, offering quality maintenance and developing innovative new technology. As a leader in rail, Hitachi is improving transport for passengers, connecting communities and helping to boost the UK's economy.

Having delivered the hugely popular Javelin HS1 fleet in advance of the 2012 London Games, Hitachi is delivering major orders for new trains, with 342 due to be in service by the end of 2022. Our purpose-built factory in County Durham is delivering 122 new high speed trains as part of the UK Government's £5.7bn Intercity Express Programme and a fleet of 70 regional trains for Scotland. Hitachi has provided new trains for a number of First Group's UK franchises including Great Western Railways, TransPennine Express, Hull Trains, and East Coast Trains (open access).

With a proud reputation for innovation, Hitachi is at the forefront of using new digital technology to enhance passenger experience and enrich Britain's railway's heritage. Hitachi Rail is growing rapidly, employing over 3,000 people and soon to be operational at 16 locations across the UK. For more information about the company, please visit www.hitachirail.com

About Rock Rail

Rock Rail is an investor-developer, owner and asset manager of rolling stock and other rail infrastructure. It leads the development of financing solutions for core rail infrastructure as well as providing asset management services for the same.

Rock Rail invests directly and on behalf of institutional investors in core train fleets. As an asset manager it provides a complete range of specialist rail services, managing residual value and protecting the long-term interests of its institutional investors.

Since 2016 Rock Rail has secured financing for c. £3 billion of new rolling stock fleets from Siemens, Stadler, Bombardier and Hitachi for operation on 5 UK rail franchises, (Great Northern routes, Greater Anglia, South Western Railway, East Midlands Railway and West Coast Partnership). For more information, please visit: www.rockinfrastructure.com

Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
