

Rock Rail, SL Capital and GLIL

Joint press release

Rock Rail Consortium's £1 billion deal sets new high for institutional investment into UK rolling stock

20th June, 2017

Financial Close has been reached on the £1 billion financing of new Bombardier trains for the new South Western franchise operators FirstGroup and MTR. The transaction was led by sponsor Rock Rail and partners SL Capital (part of Standard Life Investments) and GLIL Infrastructure LLP, who all provided the equity investment.

It is the latest success for the Rock Rail Consortium coming off the back of success in two previous major rolling stock deals last year. This latest deal represents the largest single UK rolling stock deal for which all senior debt is provided by institutional investors. The debt funding group is made up of UK, European and North American institutional investors with the advice in relation to debt composition provided by DC Advisory.

The core fleet will enter service from mid 2019 and consists of 90 new, state of the art 'AVENTRA' trains made up of 750 electric multiple unit vehicles to be built by UK manufacturer Bombardier Transportation. As well as offering a significantly enhanced passenger experience, increased capacity and reduced journey times on the Windsor, Reading and West London suburban routes serving Waterloo station, the 10-carriage formation trains included in the fleet are designed to match platform extension developments that are planned as part of the wider Waterloo and South West Upgrade programme.

Mark Swindell, Chief Executive Officer of Rock Rail said:

"In its largest deal to date, Rock Rail is delighted to have reached successful close on the £1 billion funding of this fleet of trains for First/MTR. Building on its previous rolling stock transaction structures, Rock Rail has secured broader and deeper funding from leading UK and overseas pension and insurance institutions who are directly investing in the U.K.'s long term economic infrastructure. The provision of this long term, highly competitive funding enables the delivery of significantly enhanced value for money to South Western rail passengers and the tax payer over the life of the trains, as well as stepped improvements in passenger, environmental and operational features."

Dominic Helmsley, Head of Infrastructure Equity at SL Capital said:

"This represents the third major investment in UK rolling stock through our exclusive partnership with Rock Rail and has established SL Capital as a major player in the funding of UK rolling stock. SL Capital's funding of this core fleet of trains will help deliver a major upgrade to the services running from London Waterloo station. We look forward to continued cooperation with all our partners to bring this rolling stock into service and to operate on the franchise. We continue to see further potential to provide competitive funding for new rolling stock across the UK rail network while offering highly desirable investment characteristics to our investors."

Daniel Hobson, Senior Investment Manager, Greater Manchester Pension Fund; Investment Committee Member, GLIL said:

"This project is an excellent example of how pension investors can work with the private sector to help build the future of the UK. We are heavily reliant on our rail infrastructure, and these upgrades will mean better passenger experience while at the same time helping to provide stable returns for the GLIL-affiliated pension funds up and down the UK."

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Notes to editors:

Equity Funding – Rock Rail Consortium

Rock Rail Holdings Ltd
SL Capital Partners (part of Standard Life Investments)
GLIL Infrastructure Ltd

Senior Debt Funding consortium

Aviva Investors, acting on behalf of Aviva Life and Pensions UK Ltd
Barings
LGIM Real Assets on behalf of its clients including Legal & General Assurance Society Limited
MEAG Munich Ergo Asset Management GmbH
Rothesay Life Plc
Scottish Widows Limited (part of Lloyds Banking Group)
Standard Life Investments Limited
Sun Life Assurance Company of Canada

Advisors

For sponsors:

Clifford Chance LLP – legal
DC Advisory – financial
Deloitte LLP – tax
J.C. Rathbone Associates Ltd, Hedge Adviser - markets
Operis – modelling advisory
SNC-Lavalin Rail and Transit – technical

For funders:

CMS Cameron McKenna Nabarro Olswang LLP – legal
Deloitte LLP - tax
Operis – model auditor
SNC-Lavalin Rail and Transit - technical
Willis Towers Watson– insurance

About Rock Rail

Investor developer Rock Infrastructure established Rock Rail in 2014 to focus on the development of innovative, value enhancing funding approaches for strategically important UK passenger rolling stock and other rail infrastructure. Over the past 18 months, Rock Rail has secured £2 billion of new rolling stock fleets from Siemens, Stadler and Bombardier for use by GTR, Abellio and First MTR on Moorgate, East Anglia and South Western rail franchises respectively.

Rock Rail invests on behalf of its institutional investors in trains which represent a core passenger fleet for the rail franchise. Rock Rail works closely with the franchise train operators and the train manufacturers to ensure a collaborative approach to design, manufacture and acceptance of the new, state of the art trains on time and to budget as well as to manage the long term residual value and releasing risks.

For more information on Rock Rail, please visit:

www.rockinfrastructure.com

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About SL Capital

SL Capital Partners is recognised as one of the foremost private market investors, focused on providing solutions and unique investment opportunities to clients in private equity, infrastructure, strategic credit and mid-market debt. Over the past 19 years it has raised over €10.8 billion (c. \$11.6 billion) through 31 funds, with more than 80% of this capital sourced from third party investors.

SLCI I is the infrastructure fund managed by SL Capital Partners, targeting long-term investment in core infrastructure assets in the UK and North West Europe. The Fund's capital has been raised from pension funds from the UK, Canada and Europe. SL Capital reached a final close of SLCI I in February 2017 having raised £516 million.

This track record of investing in private equity (primary funds, secondary opportunities and direct co-investments), infrastructure (direct investments), strategic credit (primary funds) and junior debt (direct investments) has attracted clients ranging from leading institutional investors in the UK, US, Canada, Europe, Asia and the Middle East, to family offices and high net worth individuals. SL Capital Partners manage segregated accounts for some of the worlds' largest pension funds. SL Capital Partners has 30 dedicated investment professionals who manage the fund, secondary and direct investment programs. In total, SL Capital Partners has 62 staff operating through offices in Edinburgh (UK), Boston (US) and Munich (Germany).

For more information on SL Capital Partners, please contact:

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About GLIL

Originally launched in April 2015, GLIL Infrastructure is a £1.275bn infrastructure investment joint-venture between the London Pensions Fund Authority, Greater Manchester Pension Fund, Merseyside Pension Fund, West Yorkshire Pension Fund and Lancashire County Pension Fund. It was created to increase exposure to UK infrastructure, deliver long-term returns that match liabilities and support major UK infrastructure projects. GLIL Infrastructure leverages the resources of its contributing funds across people, capital and expertise. The joint venture takes a flexible investment approach and actively seeks out partners for investment.

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