



[Press Release]

CKI-led Joint Venture Acquires UK Eversholt Rail Group

(20 January, 2015 – Hong Kong) – A joint venture led by Cheung Kong Infrastructure Holdings Limited (“CKI”) announced today that it has entered into an agreement to acquire Eversholt Rail Group (“Eversholt Rail” or “the Company”) in the United Kingdom.

The joint venture consists of CKI and Cheung Kong (Holdings) Limited (“CKH”), each owning a 50% interest.

The Enterprise Value of the transaction is approximately GBP 2.5 billion (approximately HK\$29.3 billion). Completion is expected to take place in March 2015.

Created in 1994 as part of the privatization of British Rail, Eversholt Rail is one of the three major rolling stock operating companies in the United Kingdom.

Eversholt Rail’s customers are passenger train operating companies (“TOCs”) and freight operating companies (“FOCs”) in the United Kingdom. It leases a diverse range of rolling stock, including regional, commuter and high speed passenger trains, as well as freight locomotives and wagons, on long-term contracts.

Currently, Eversholt Rail’s rolling stock portfolio includes 3,474 passenger vehicles, 1,003 freight wagons, 63 load units and 2 depots.

Commenting on the acquisition, Mr. Victor Li, who is the Chairman of CKI and also the Managing Director of CKH, said: “The rolling stock leasing business adds a new facet to our transportation business portfolio. We are very happy to enter into this new industry. Eversholt Rail is poised to extend our growth momentum and generate recurring profit contributions similar to that of our other infrastructure projects.”

Eversholt Rail is a well-managed company with outstanding performance. It has had high levels of passenger fleet utilization. The Company is currently operating at a 100% lease rate. It delivers a recurring cash flow as well as stable returns.

The rail and rolling stock industry provides good opportunity for future growth. According to the United Kingdom’s Office of Rail Regulation, more people and more goods than ever are being moved by train in the country today. As the United Kingdom’s economy continues to expand, the future of Eversholt Rail is promising.

“Backed by a strong balance sheet and financial platform, CKI will continue to seek acquisition opportunities from around the world that will further expand and enrich the Group’s investment portfolio,” Mr. Li concluded.

Eversholt Rail is CKI’s third acquisition in the past six months, following their investments in Canadian off-airport car park business Park’N Fly in July 2014; and the acquisition of Australian gas distribution company Envestra (which has since been renamed Australian Gas Networks) in October 2014.

- Ends -

Photo Caption

CKI-led joint venture acquires UK Eversholt Rail Group, marking its entry into a new transportation sector.





