Media release

Tuesday 22 November 2016

Contract close achieved for Victoria’s high capacity trains project

MELBOURNE, AUSTRALIA: Evolution Rail is pleased to announce it has achieved contractual close for the Victorian Government’s A$2 billion High Capacity Metro Trains project.

The project includes the delivery of 65 new high capacity trains being built in Victoria over the next six years, and the construction of new maintenance facilities in Pakenham East and Calder Park.

The contract award was officially announced by the Victorian Government today and Evolution Rail now moves forward to achieve financial close. The achievement of contractual close is a credit to the hard work of Evolution Rail in partnership with the State of Victoria.

The Evolution Rail consortium comprises

- Downer Group - Delivery and maintenance lead, fleet manufacture joint venture partner, equity investor
- CRRC Changchun Railway Vehicles - Design and technology lead, joint venture fleet manufacture partner, equity investor
- Plenary Group - Commercial and financial lead, asset manager, equity investor

Evolution Rail Chairman John Fitzgerald said the fleet of trains, the largest locally built fleet in Victoria’s history, will be built at Downer’s Newport railyard in Melbourne’s west using more than 60 per cent local content.

“With a planning load capacity of 1,100 passengers, the next generation trains are based on the proven, award winning A-Type platform currently operating on Hong Kong’s acclaimed MTR rail network,” Mr Fitzgerald said.

“Teaming Australia’s leading infrastructure services company in Downer with the world’s largest train manufacturer CRRC, and Australia’s leading PPP infrastructure manager Plenary Group, we have assembled a world-class team committed to delivering Victoria’s largest ever order of trains.

“It is also a great story for local industry. This project will directly create some 1,100 highly-skilled jobs with at least 15 per cent of the workforce as apprentices, cadets and trainees and seven per cent of jobs for disadvantaged workers.”

Evolution Rail will now dedicate itself to achieving financial close where private financing will include senior debt provided by leading domestic and international banks Westpac, Bank of China, Bank of Communications, HSBC, ICBC, Intesa Sanpaolo, Mizuho and UOB.

Equity financing will come from all of Evolution Rail’s consortium members Downer (10%), CRRC (10%) and Plenary (30.1%), with the largest equity investment coming from funds managed and/or advised by leading global private markets investment manager Partners Group (49.9%).

Mr Fitzgerald said the equity group has been selected for the experience, capabilities they bring to transport projects, and their long-term commitment to local partnerships.

The first of the new trains will come into service in mid-2019.

About Downer Group
ASX-listed Downer is one of Australia’s leading infrastructure services companies. It has delivered rail industry services in Victoria for more than 150 years, and currently employs more than 4,000 Victorians. In 2015 Downer procured more than A$850 million worth of goods and services from Victoria businesses, demonstrating a commitment to building local industry capacity and capability. www.downergroup.com

About CRRC Changchun Railway Vehicles
CRRC Changchun Railway Vehicles is the world’s largest passenger and high speed rolling stock manufacturer. It has built trains for some of the world’s most famous rail networks, including Hong Kong, Rio de Janeiro, Beijing and Sydney, and CRRC projects in Chicago and Boston have revitalised local manufacturing industries. www.crrcgc.cc/ckgfen

About Plenary Group
Plenary Group is an independent, long-term investor, developer and manager of public infrastructure with 41 projects worth more than A$27 billion across Australia, Canada and the US. Established in Melbourne, its Australia projects include Sydney Metro Northwest, Gold Coast Light Rail and the Victorian Comprehensive Cancer Centre. www.plenarygroup.com

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