



[Press Release]

CKI-led Joint Venture Completes the GBP 2.5 Billion Acquisition of Eversholt

(28 April, 2015 – Hong Kong) – A joint venture led by Cheung Kong Infrastructure Holdings Limited (“CKI” or “the Group”) has completed the acquisition of Eversholt Rail Group (“Eversholt”), one of the three major rolling stock companies in the United Kingdom, marking its entry into the United Kingdom’s transportation infrastructure industry.

Eversholt leases on long-term contracts a diverse range of rolling stock, including regional, commuter and high speed passenger trains, as well as freight locomotives, to passenger and freight train operating companies.

A New Chapter in CKI’s Transport Infrastructure Business

CKI’s investment in the United Kingdom’s rolling stock industry reflects the Group’s strategy of embracing new growth opportunities through diversification and globalization.

Currently, CKI’s transportation infrastructure portfolio is comprised of Park’N Fly, the largest off-airport car park provider in Canada with parking facilities in Toronto, Vancouver, Montreal, Edmonton and Ottawa; as well as approximately 280 kilometers of toll roads and bridges in China.

The addition of Eversholt is poised to further strengthen the Group’s global portfolio and expand its income base. It marks a new chapter in the development of CKI’s transport infrastructure business.

Eversholt – A Quality Investment

Premium Asset with Good Track Record Offers Recurrent Cash Flow

Commenting on the operation, Mr. HL Kam, Group Managing Director of CKI, said: “Eversholt is a well-managed and profitable company. Having always enjoyed high levels of passenger fleet utilization and currently operating at a utilization rate of 100%, this company is poised to immediately deliver strong and recurrent cash flow, generating a stable and predictable return for CKI.”

Capital Intensive Assets with High Barriers to Entry

“Eversholt is a capital intensive business with an enterprise value of approximately GBP 2.5 billion. Currently, the Company’s rolling stock portfolio includes 3,474 passenger vehicles, 63 load units and 2 depots. These assets require high up-front capital costs, creating a high barrier to entry,” added Mr. Kam.

“This acquisition reflects the strength of our financial capacity and the capability of our team in sourcing and acquiring attractive infrastructure projects,” continued Mr. Kam.

Rolling Stock Industry Offers Long-term Growth Potential

“The rolling stock industry provides a good opportunity for future growth. The number of people and amount of goods that are moved by trains are fundamentally linked to growth in population and GDP. As the United Kingdom’s economy continues to expand, the demand for rolling stock services offer strong potential for growth,” Mr. Kam stated.

The United Kingdom Offers Established Legal System and Transparent Regulatory Regimes

“The addition of Eversholt has further extended our presence in the United Kingdom. The United Kingdom has always been one of the core markets that we have been interested in. We are very pleased with our existing businesses in the United Kingdom, and have found that the country’s legal system and stable political situation provide an efficient business environment,” Mr. Kam explained.

An Investment Opportunity that Fits Well with CKI’s Stringent Investment Criteria

Mr. Kam concluded: “Eversholt is another example of a quality business that fits well with CKI’s stringent investment criteria. Similar to all our other infrastructure businesses, Eversholt is a capital intensive business that generates strong, recurrent and steady cash flow.”

The joint venture that acquired Eversholt is consisted of CKI and Cheung Kong (Holdings) Limited, each owning a 50% interest.

– Ends –

Photo Captions

Photo 1: Mr. HL Kam, Group Managing Director of CKI (left), together with Mr. Andrew Hunter, Deputy Managing Director of CKI (right), made a special trip to the United Kingdom to celebrate the completion of the acquisition of Eversholt by a CKI-led joint venture. Pictured here are the two with Ms. Mary Kenny, CEO of Eversholt (centre).



Photo 2: Mr. HL Kam, Group Managing Director of CKI (centre); Mr. Andrew Hunter, Deputy Managing Director of CKI (right); and Ms. Mary Kenny, CEO of Eversholt (left), visited the busy London King's Cross Station to inspect the trains that Eversholt leases to passenger and freight train operating companies.



Photo 3: Mr. HL Kam, Group Managing Director of CKI (right) and Ms. Mary Kenny, CEO of Eversholt (left), boarded and inspected one of the trains leased by Eversholt.

