



c/o Howard Rosen Solicitors, Baarerstrasse 98, PO Box 7262, 6302 Zug, Switzerland
Tel: +41 (0)41 760 28 88; Fax: +41 (0)41 760 29 09; email:howard.rosen@railworkinggroup.org

PRESS RELEASE

Zug, Switzerland, May 15th, 2017

LEADING EUROPEAN RAIL LESSOR CALLS FOR THE LUXEMBOURG PROTOCOL

In an interview for the Rail Working Group, Shaun Mills, CEO of Alpha Trains, one of the leading rolling stock lessors in Continental Europe, has welcomed the growing liberalisation of the European rail market and has called for European states to prioritise the adoption of the Luxembourg Rail Protocol as a catalyst for the opening up of the rail sector. But he is also concerned that the Public Transport Authorities in Germany are tying up public capital, which could otherwise be used for other social purposes, by financing passenger rolling stock themselves rather than leaving this to the private sector.

The Rail Working Group published an exclusive interview today with Shaun Mills, CEO of Alpha Trains, one of the leading rolling stock lessors in Continental Europe. Mills confirms that from his viewpoint, the recent Berger report on private financing of rolling stock correctly identifies the direct correlation between market liberalisation and private financing. He is clear that the adoption of the Luxembourg Protocol to the Cape Town Convention, making it easier and cheaper to finance rolling stock by the private sector, will broadly support this process. “For example: France is likely to become a significant liberalised market, and the Luxembourg Protocol will help to fully secure assets and catalyse the opening of markets everywhere,” he says. “And it’s high time for change.”

The Rail Working Group is a not-for-profit association constituted under Swiss law representing a broad cross section of the global railway community.

For a complete list of our members and more about us, please visit our website at www.railworkinggroup.org



Shaun Mills is also focussed on the potentially critical situation in Germany. “Passenger trains have an expected useful life of over 30 years, but the underlying contracts or concessions which the transport operators have are between 10 and 15 years. If Public Transport Authorities (PTAs) in Germany continue to finance train sets themselves, they hold an enormous potential future risk: the trains are consequently less likely to get to other parts of Germany or Europe in 10-15 years’ time as they would do with private financing.” According to Mills, PTAs are usually not geared up for remarketing and re-leasing rolling stock into the secondary market, and the residual value risk they take ties up valuable public resources that could be invested elsewhere.

“By encouraging more private financing in the market, the Luxembourg Protocol will help send assets all over Europe and support the development of a liquid secondary market (and also make the market more efficient),” he adds. In Mills’ view, both domestically and in relation to rolling stock used cross border, the cheaper finance enabled through the Luxembourg Protocol will make rail companies more competitive and cost effective, and able therefore to compete on a level playing field with incumbent operators, state-owned railways, and other modes of transport (road in particular). He concludes that this will help to create a growing and more dynamic and competitive rail sector, leading to new opportunities for lessors such as Alpha Trains, a wider market for rail manufacturers, and cheaper costs for operators “just at the time when more investment is needed to move both freight and passenger traffic onto a more environmentally friendly mode of transportation.”

NOTES FOR EDITORS

For the full text of the interview, see [here](#)

The Luxembourg Rail Protocol to the Cape Town Convention on International Interests in Mobile Equipment is a new global treaty which will make it much easier and cheaper for the private sector to finance railway rolling stock. It sets up a new system for recognition, priorities and enforcement of creditor and lessor rights, which will be registered in an international registry based in Luxembourg, accessible to everyone over the internet 24/7. The Protocol is not yet in force, but Luxembourg and Gabon have ratified it as has the European Union in relation to its competences. France, Germany, Italy, Mozambique, Switzerland and the UK have all signed the Protocol, and they and many other countries, including Sweden and Malta, are actively working on adopting the Protocol. It is expected to come into force in 2018.

Alpha Trains is the leading rolling stock lessor in Continental Europe. Around 100 employees from 11 countries work in offices in Luxembourg, Antwerp, Cologne and Madrid. Alpha Trains owns 435 passenger trains and 380 locomotives, and offers tailor-made leasing solutions, comprehensive know-how in maintenance and vehicle repairs, as well as long-term experience in the financing of new build projects. Alpha



Trains' fleets are in use by many public and private operators in 13 European countries. Alpha Trains' shareholders are Arcus Infrastructure Fund, AMP Capital and Public Sector Pension Investment Board (PSP Investment).

The Rail Working Group is a Swiss not-for-profit rail and finance industry group focused on the adoption and implementation of the Luxembourg Rail Protocol. It has close to 80 direct members across the world, and through its member associations, represents hundreds of stakeholders in the rail sector.

A full copy of the Roland Berger study is available at [http://railworkinggroup.org/wp-content/uploads/docs/R0718 Roland Berger Private Financing of Rolling Stock 170320 .pdf](http://railworkinggroup.org/wp-content/uploads/docs/R0718_Roland_Berger_Private_Financing_of_Rolling_Stock_170320_.pdf)

For more on the Luxembourg Rail Protocol and the Rail Working Group see www.railworkinggroup.org

Further information from the Rail Working Group:
tel. +41 41 760 28 88, email: info@railworkinggroup.org

ENDS