

ALPHA TRAINS GROUP S.A R.L.  
(as Security Group Agent)

# INVESTOR REPORT

12 MONTHS  
ENDING 31 DEC 2017  
SENIOR





**INVESTOR REPORT 2017**

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EDITORIAL

## MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Welcome to our first new format Investor Report. I trust you find it both informative and interesting to read. The year 2017 saw the Group progress further and produced another strong set of financial results. Our EBITDA margin achieved a record 93% level leading in turn to a high cash generation.

2017 was a year of Awards for Alpha Trains - we were awarded the prestigious Ruban d'Honneur and announced as National Champion, Luxembourg in the European Business Awards - the largest business awards competition in Europe. Our green business credentials were also recognized with our Green Bond Pioneer Award and being placed ahead of many peers in the first year of entry of the GRESB certification. And talking of certification - the Passenger Business achieved ISO-9001:2015 status.

Both our Locomotive and Passenger divisions continue to perform well. The passenger fleet releasing activities in the year means that the fleet is fully contractually utilized until the end of 2020 and the team is already focusing on future year releasing opportunities so as to maintain that level of utilisation beyond 2020. With the introduction of the so called "Fourth Railway Package" we expect this to open up further Continental European markets to passenger train liberalization and we have turned our attention to the French market where we expect our competences and products could be put to good effect to generate future business.

The locomotive business delivered high utilisation levels throughout the year, peaking at 94%. This releasing success, underpinned by an increased deal "Hit Rate" of 85%, is generated off the back of the business continually fine tuning its product offering to meet the market demands - we have increased our "Full Service" offers in line with market demand for example. The Locomotive division also contracted 16 New Build assets with attractive long term leases which adds to the sustainability of the business revenue streams into the future.



"The key themes of stability, transparency and predictability continue and it is entirely appropriate to use this opportunity to thank our employees and shareholders who have in no small part contributed to this success - indeed 2018 represents the tenth anniversary of having our current shareholders on board; a visible testament to their long term support to the business."

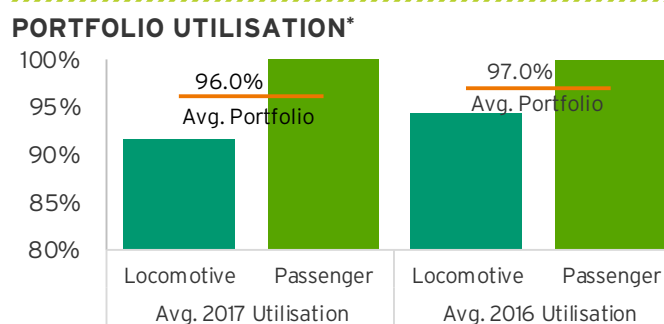
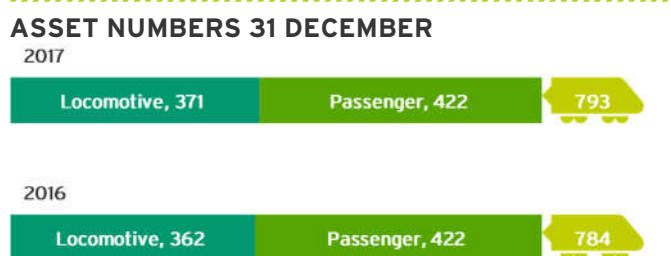
**Shaun Michael Mills**  
Chief Executive Officer

OVERVIEW

# KEY PERFORMANCE INDICATORS OF THE SECURITY GROUP (ALPHA TRAINS HOLDCO II S.à r.l.)

TOTAL REVENUE GROWTH		EBITDA RESULT		EBIT RESULT	
<b>+24 %</b>		<b>+22 %</b>		<b>+32 %</b>	
JAN-DEC 2017	JAN-DEC 2016	JAN-DEC 2017	JAN-DEC 2016	JAN-DEC 2017	JAN-DEC 2016
€217.0 €M	€175.4 M	€202.7 M	€165.9 M	€107.7 M	€81.3 M

KEY BALANCE SHEET AND CASH FLOW STATEMENT FIGURES	2017 €M	2016 €M	% CHANGE
Total assets at year-end	2,120	2,170	(2%)
Total borrowings at year-end	2,201	2,231	(1%)
Net Cash flow from operating activities (Annual)	197	147	34%
Cash and cash equivalents at year-end	122	98	24%



\* Asset Basis

**FITCH RATINGS**  
ALPHA TRAINS HOLDCO II  
**BBB-**

**ALPHA TRAINS FINANCE S.A. - SENIOR SECURED**  
**BBB**

**MOODY'S INVESTOR SERVICE**  
ALPHA TRAINS HOLDCO II  
**BAA2**

**ALPHA TRAINS FINANCE S.A. - ISSUER**  
**BAA2**

MILESTONES

HIGHLIGHTS OF THE YEAR

FRENCH MARKET ACCESS



FAIR IN MARSEILLE: RENCONTRES NATIONAL DU TRANSPORT PUBLIC



ASSET DELIVERY



REMARKETING - LEASING EXTENSIONS



REMARKETING

26 ALSTOM LINT 12 SIEMENS DESIRO

GREEN BOND LUXEMBOURG PIONEER AWARD



EUROPEAN BUSINESS AWARD  
GROWTH, INNOVATION, ETHICS, SUCCESS



PEER COMPARISON

6<sup>TH</sup>

TRANSPORTATION |  
EUROPE  
out of 24



ISO 9001:2015 CERTIFICATION



Management  
System  
ISO 9001:2015

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# 1 GENERAL OVERVIEW



1. GENERAL OVERVIEW

# GROUP OVERVIEW

In 2017, the Alpha Trains' Security Group (also referred hereafter to as "Group" or "Alpha Trains") concluded another successful year with strong business performance and high levels of asset utilisation.

Revenue for the year 2017 was €217.0M and EBITDA for the same period was €202.7M, representing an EBITDA margin of 93%.

Net operating cash flow for the year 2017 before investing was €197.3M and after investing was €168.6M. The total cash balance at the end of the year was €121.7M (of which Maintenance Reserve and other ring-fenced positions were €85.0M).

The diversified maturity profile of Alpha Trains' lease contracts across its fleet portfolio (locomotive and passenger business) underpins the future utilisation and stability of EBITDA and cash generation.

## Security Group's lease maturity profile as of 31 December 2017



**REVENUE 2017:  
€217.0M**



**EBITDA 2017:  
€202.7M**



**OVER 61% OF LEASES  
MATURING BEYOND 5  
YEARS**

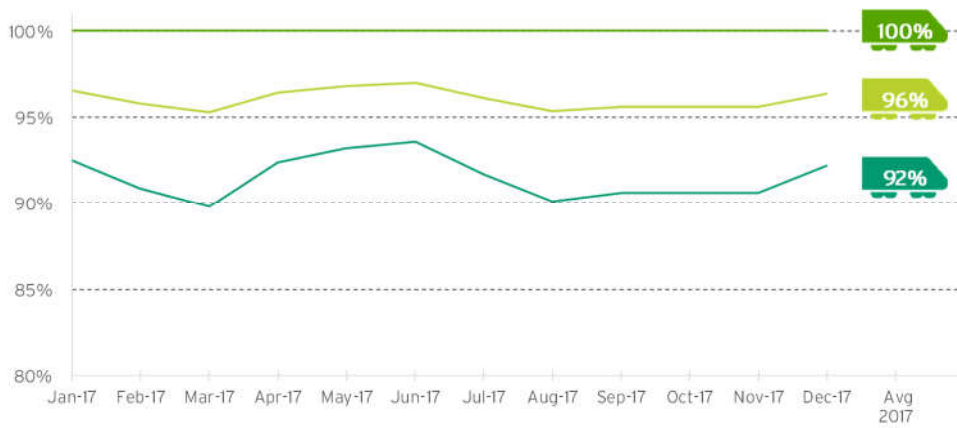


**THE PASSENGER FLEET  
UTILISATION IS FULLY  
CONTRACTED OUT  
UNTIL 2020**

Asset utilisation<sup>1</sup> was consistently high at an average of 96% throughout the reporting period. On a vehicle<sup>2</sup> basis, utilisation was on average 98% in this reporting period.

The Group asset utilisation average comprises a Passenger utilisation rate of 100% and a Locomotive utilisation rate of 92% (see chart below).

### Alpha Trains Group Asset Utilisation in 2017



#### Utilisation

- 96% Group Locomotive & Passenger
- 92% Locomotive
- 100% Passenger

#### Notes

- 1 Assets are defined as locomotives and passenger trainsets where each passenger trainset represents one asset.
- 2 Vehicles are defined as locomotives and passenger units with each passenger trainset being counted as the number of the carriages.



**2** BUSINESS UPDATE

2. BUSINESS UPDATE

# PASSENGER BUSINESS UPDATE

For the Emscher-Münsterland-Netz concession the contract with Transdev Regio GmbH (operator NordWestBahn) for the extension of the 8 Bombardier Talent 3-car DMU from December 2018 until December 2021 was signed in January 2017.

As part of the 2016 Project Limestone (the integration of the 63 Alpha Trains EMIL S.à r.l. (EMIL) and Alpha Trains STS S.à r.l. (STS) Electric Multiple Units (EMUs)) Alpha Trains concluded the world's first Green Private Placement in the rolling stock sector, raising €250M of debt and obtaining a Climate Bond certification. This innovative financing milestone saw Alpha Trains receive the Green Bond Pioneer Award for the "First Green Bond from Luxembourg" by the Climate Bonds Initiative (CBI) in March 2017.



**GREEN PRIVATE  
PLACEMENT**

An important project in 2017 was the lease extension of the first fleet of the recently acquired Red Motion portfolio consisting of 35 3-car and 5-car Alstom Coradia Continental EMUs and a total of 26 + 28 2-car Alstom Lint DMUs on lease to 3 Transdev subsidiaries on 3 different passenger concessions. The 26 2-car Alstom Lint DMUs currently operating until December 2019 on the Dieselnetz Augsburg concession by Transdev subsidiary Bayerische Regiobahn GmbH ("BRB") were offered to participating bidders for the 2 year extension period from December 2019 until December 2021, including an option for further extension until December 2022. At the beginning of July the PTAs announced that they will award the extension period to BRB so the 26 2-car Alstom Lint DMUs will be extended with the current customer which continues to secure a full utilisation of the Passenger portfolio until at least December 2020.



**REMARKETING:  
26 2-CAR ALSTOM LINT**

To complement the fleet of 26 2-car Alstom Lint DMUs, for which the lease extension contract with Transdev Regio GmbH was signed until December 2021/2022 for operation by Transdev subsidiary BRB on the Dieselnetz Augsburg concession, the 2 additional 2-car Alstom Lint DMUs operated on the same concession by BRB were acquired by Alpha Trains from another lessor. Having a fleet of 28 fully compatible Alstom Lint DMUs is strategically important in respect of the subsequent tender for this project. The transfer of ownership of the two additional Lint DMUs will take place in December 2018.



**ACQUISITION OF:  
2 USED 2-CAR ALSTOM  
LINT**





# LOCOMOTIVES BUSINESS UPDATE

During 2017, the utilisation of the Alpha Trains locomotive fleet was very stable with a limited oscillation between 90% and 94% and an average utilisation rate of 92%. The diesel fleet had an average utilisation rate of 90% and the electric fleet an average utilisation rate of 93%.

The number of assets unavailable due to scheduled heavy maintenance during 2017 influenced utilisation. For example, in spring 2017, up to 10 electric locomotives were in Heavy Maintenance ("HM") works, causing the availability of the electric fleet to drop to 92%, which thereafter increased through the year up to 94%, as HM events were completed.

»»»»»»»»»»»»»»»»»»»»»»»»  
**HIGH AVERAGE UTILISATION**

Of the 16 newly built locomotives, which were ordered in 2016, the 6 E4000 locomotives were accepted from the manufacturer Stadler Rail Valencia as scheduled at the end of May and beginning of June of 2017 and were immediately deployed on long-term lease terms with Medway (previously CP Carga, now owned by MSC) and IBERCARGO Rail, a Joint Venture company between Comsa Rail Transport from Spain and Takargo from Portugal. Between February and September 2017, Alpha Trains accepted the 10 Siemens Vectron Multi System locomotives, which went immediately on a long-term lease with TX Logistik and have since then been operating between Germany and Italy.

»»»»»»»»»»»»»»»»»»»»»»»»  
**16 NEW BUILD ASSETS**

»»»»»»»»»»»»»»»»»»»»»»»»  
**10 NEW VECTRON**

»»»»»»»»»»»»»»»»»»»»»»»»  
**6 NEW E4000**

Regarding lease activity, the performance followed a similar pattern as in 2016, with very high and stable lease revenues generated in the Western-Southern Region (countries within this region are: France, Belgium, Luxembourg, Italy, Spain and Portugal).

In the Central Northern region, which includes Germany, Austria, Switzerland, Poland, Hungary and Scandinavia, the lease revenues of the electric locomotives were slightly below expectations. This was a result of increased competition among leasing companies and the large number of new-build electric locomotives that have entered the market in recent years. On the contrary, the demand and lease revenue of the diesel fleet was better than expected in the Central Northern region, which compensated and demonstrated the value of a diversified portfolio.

»»»»»»»»»»»»»»»»»»»»»»»»  
**DEMAND FOR DIESEL LOCOMOTIVES BETTER THAN EXPECTED**

The remarketing activity during 2017 was significantly higher than in 2016 with an average of 13.9 locomotives remarketed every month (167 locomotives in the full year). This compares to 10.6 locomotives remarketed every month (128 locomotives in the full year) in 2016.

REMARKETING  
ACTIVITY  
SIGNIFICANTLY  
HIGHER

113 of the 167 locomotives remarketed went onto new leases, which at 68%, is a greater proportion than in previous years (59% in 2016). A driver of this is that a number of Soggy Leases were renewed as Full Service Leases in line with current market development.

GREATER PROPORTION  
OF FULL SERVICE  
LEASES

For clarity, in a Soggy Lease, Alpha Trains takes over the Heavy Maintenance works but the customer arranges the light maintenance and in the Full Service Leases, Alpha Trains provides the entire maintenance services. The latter is contracted back to back to service providers such as Bombardier Services, ajax Loktechnik, etc.

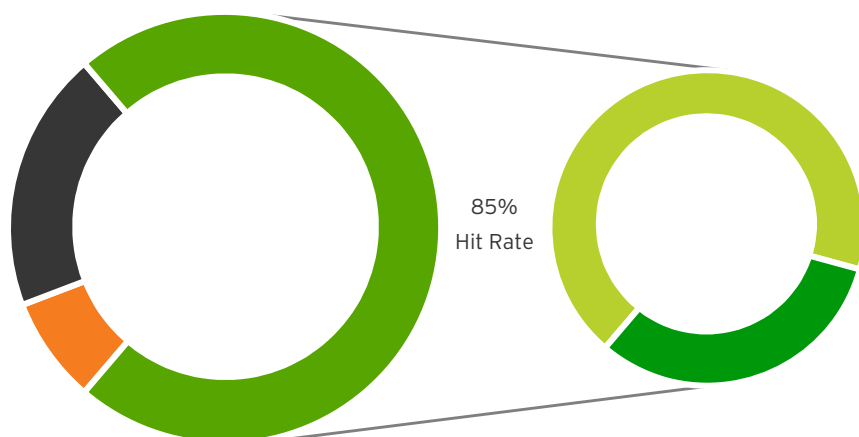




In 2017, the “Hit Rate”, the ratio of opportunities won relative to all materialised opportunities, increased to 85%, from the previous year rate of 79%.

**HIT RATE INCREASED TO 85%**

The chart below shows the distribution of locomotives remarketed during 2017 for all the opportunities identified, won, lost to competition or for deals not materialized.



Opportunities

- Won 62%
- Lost to competition 11%
- Not materialized 27%

Contract Type

- New leases 68%
- Extended 32%



“Despite the challenging market environment in some of the countries where we operate, 2017 was another successful year with the highest number of locomotives placed on lease compared to previous years.”

**Fernando Perez**  
Managing Director - Locomotives Division



### 3. NOTICES

## SIGNIFICANT ANNOUNCEMENTS/ PUBLICATIONS

### Company reorganisation

On 9 March 2017, two remaining voluntary liquidations of non-operational Group companies (Alpha Trains (Locomotives) Limited and Locomotion Capital (UK) Limited) were completed. These liquidations were part of the planned company reorganisation process of the Alpha Trains Group as envisaged at the time of the OAK refinancing in March 2015.

On 1 September 2017, Alpha Trains EMIL S.à r.l. and Alpha Trains STS S.à r.l. were merged into Alpha Trains Luxembourg S.à r.l.

### Italian registration tax claim

In its last Half Year Investor Report, Alpha Trains reported on the receipt of a tax claim from an Italian tax authority in February 2017 as a result of the authority's change of interpretation of registration tax law related to the 2015 refinancing. Alpha Trains has achieved a full judicial settlement of the demand with this tax authority.

The settlement was concluded by means of payment of an agreed settlement amount to the Italian tax authority on 3 January 2018 and as a result, no further registration tax demands shall ensue in relation to the Security Group's Italian quota pledges. The amount settled was at the lower end of the spectrum of potential outcomes.

## SIGNIFICANT CHANGES TO THE BOARD OF DIRECTORS OR SENIOR MANAGEMENT

There were changes to the board of directors or senior management in this reporting period which are noteworthy:

Alpha Trains Finance S.A. has a two tier structure as of 31 October 2017, meaning that there is now:

- a Management Board (the former board of directors) composed of:
  - Olaf Lahaije - class A member;
  - Shaun Mills - class B member; and
  - Zuzanna Zielinska-Rousseau - class C member.
  
- a Supervisory Board with the following members as of 20 March 2018:
  - Ms Audrey Jane Lewis;
  - Ms. Paola Rastelli;
  - Mr. Ismael Dian; and
  - Mr. Robert Edward Verrion.

This change was principally instigated to facilitate the establishment of an Audit Committee following the new Luxembourg law requirements.

Mr. Juhani Sillanpaa resigned as Manager of Alpha Trains Group S.à r.l. and Mr. Hywel Rees was appointed Manager of Alpha Trains Group S.à r.l., both with effective date 22 February 2017.

Mr. Jean-Bastien Auger resigned as Manager of Alpha Trains Group S.à r.l. and Ms. Paola Rastelli was appointed Manager of Alpha Trains Group S.à r.l., both with effective date 1 December 2017.



# ➤ 4 CAPITAL EXPENDITURE

#### 4. CAPITAL EXPENDITURE

In 2017, Alpha Trains' capital expenditures were €51M as scheduled below

PROJECT DESCRIPTION	AMOUNT €M
<b>Locomotives</b>	
Siemens Vectron new build - stage payments	20.8
E4000 new build - stage payments	8.3
Other CAPEX - locomotives	2.3
<b>Total Locomotives</b>	<b>31.4</b>
<b>Passenger Trains</b>	
Bad Aibling accident (replacement trains, not funded with own cash - insurance case)	16.7
Other CAPEX - passenger trains	0.8
<b>Total Passenger Trains</b>	<b>17.5</b>
<b>Total CAPEX Rolling Stock</b>	<b>48.9</b>
<b>Non-rolling stock CAPEX</b>	
Finance system "Project Zephyr"	1.6
Other office equipment CAPEX	0.5
<b>Total CAPEX Non-Rolling Stock</b>	<b>2.1</b>
<b>Total Capital Expenditure</b>	<b>51.0</b>



# ➤ 5 FINANCING

## 5. FINANCING

### Senior debt overview as of 31 December 2017

Tranches		€M as at 31 Dec 17	Maturity Date	Profile
Senior Bond		350.0	30-Jun-25	Soft bullet <sup>1</sup>
Senior Bank Term Loans	Facility A (OAK <sup>2</sup> )	208.0	31-Dec-21	Amortising
	ACF (RM <sup>3</sup> )	54.1	31-Dec-25	Amortising
	ACF A (LS <sup>4</sup> )	43.9	30-Dec-21	Amortising
	ACF B (LS <sup>4</sup> )	130.0	29-Dec-23	Bullet
	ACF C (LS <sup>4</sup> )	20.0	30-Dec-26	Bullet
Senior Institutional Facilities	ACF D (LS <sup>4</sup> )	100.0	30-Dec-21	Bullet
	Facility A (OAK <sup>2</sup> )	116.5	26-Mar-30	Amortising
	Facility B&C (OAK <sup>2</sup> )	111.3	26-Mar-27	Amortising
	IFA (RM <sup>3</sup> )	105.6	31-Dec-35	Amortising
	Notes (RM <sup>3</sup> )	14.0	31-Dec-35	Amortising
	Notes (RM <sup>3</sup> )	45.6	31-Dec-30	Amortising
Ancillary Facilities (drawn amounts)	Green Notes (LS <sup>4</sup> )	115.0	31-Dec-28	Bullet
	Green Notes (LS <sup>4</sup> )	135.0	30-Jun-36	Amortising
Ancillary Facilities (drawn amounts)	Capex / RCF (OAK <sup>2</sup> )	1.3	26-Mar-20	Bullet
	Capex (LS <sup>4</sup> )	7.2	30-Dec-21	Bullet
<b>Total</b>		<b>1,557.5</b>		
Ancillary Facilities (undrawn amounts)	Liquidity Facility (OAK <sup>2</sup> )	130.0	05-Mar-30	Bullet
	Capex/RCF/MR (OAK <sup>2</sup> )	93.7	26-Mar-20	Bullet
	Capex (LS <sup>4</sup> )	42.8	30-Dec-21	Bullet

➤ Scheduled repayments in the amount of €69.7M (€53.4M related to OAK, €8.3M related to Red Motion and €8.0M related to Limestone) were made during the year 2017.

➤ Total amount drawn from the ancillary facilities has been reduced by €11.9M (€19.1M repaid regarding Capex Facility and Revolving Credit Facilities; €7.3M drawn from the Limestone Capex Facility to finance the acquisition of new build locomotives).

#### Notes

1 Final legal maturity of the Senior Bond is 30-Jun-2030

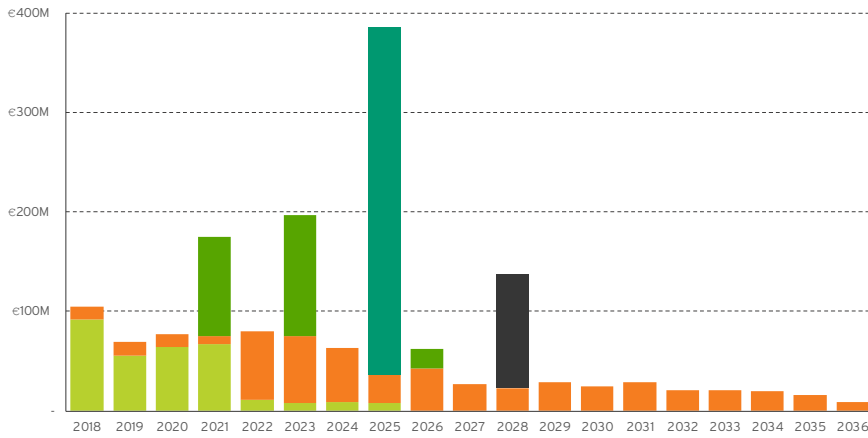
2 OAK March 2015 refinancing

3 RM (Red Motion) February 2016 financing

4 LS (Limestone) December 2016 financing



### Senior debt maturity profile as of 31 December 2017



Debt type

- Amortising Bank
- Bank Bullet
- Amortising Private Placements
- Bullet Private Placement
- Bond

### Green Bond reporting

As reported in the Investor Report for the business year 2016, the proceeds from Alpha Train’s first green notes issuance on 14 December 2016 were fully used to acquire the relevant eligible 63 electric passenger trainsets (28 EMUs on the EMIL concession and 35 EMUs on the STS concession) by Alpha Trains Luxembourg S.à r.l. from two Alpha Trains project companies outside the ring-fenced perimeter.



In its annual environmental impact reporting relating to these assets, Alpha Trains focuses - on a best effort basis - on the following impact metric: prospective carbon emission reduction from eligible EMU trains, in tonnes of carbon dioxide equivalents. This metric will be disclosed on a project-by-project basis. As Alpha Trains itself does not operate the trains, the company has to make assumptions on average annual passenger travel data based on concession data and publicly available information on average load factor of German regional trains. Carbon emission data on the basis of grams of CO<sub>2</sub> generated by the relevant EMUs and cars per passenger kilometre travelled are also gathered from publicly available sources.

As shown in the following table, the estimated carbon savings in the full calendar year 2017 obtained by passengers travelling on these 63 EMUs as opposed to by car, were 81,934 tonnes of CO<sub>2</sub> saved by the EMIL assets and 53,447 tonnes of CO<sub>2</sub> saved by the STS assets.

Concession, fleet size & train type	Concession Data Annual Passenger km <sup>(1)</sup>	Electric Multiple Unit Annual CO <sub>2</sub> emissions (tonnes) <sup>(2)</sup>	Car Annual CO <sub>2</sub> emissions (tonnes) <sup>(3)</sup>	Carbon Savings Annual offset CO <sub>2</sub> (tonnes)
<b>EMIL Concession - Stadler assets</b>				
13 Kiss - 6 car	683.6	30,518	88,867	58,349
15 Flirt - 4 car	276.3	12,336	35,921	23,585
<b>Total EMIL</b>		<b>42,854</b>	<b>124,788</b>	<b>81,934</b>
<b>STS Concession - Bombardier assets</b>				
20 Talent 2 - 3 car	260.6	11,633	33,874	22,241
15 Talent 2 - 5 car	365.6	16,322	47,528	31,206
<b>Total STS</b>		<b>27,955</b>	<b>81,402</b>	<b>53,447</b>

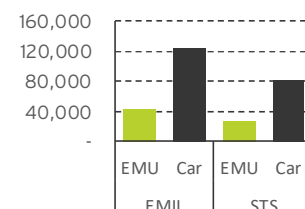
## Notes

- 1 millions of kilometres with a load factor of 33.6%
- 2 energy efficiency of Bombardier Talent 2 as per its environmental product declaration adapted by Alpha Trains to the 33.6% load factor (same value also assumed for Stadler EMUs) giving 45gCO<sub>2</sub>/Pkm
- 3 data sourced from TU Berlin, Fachgebiet (document 2405\_001) being 130gCO<sub>2</sub>/Pkm

81,934 TONNES CO<sub>2</sub>  
SAVED BY  
EMIL ASSETS

53,447 TONNES CO<sub>2</sub>  
SAVED BY  
STS ASSETS

CARBON EMISSIONS  
CO<sub>2</sub> TONNES





NWL  
LWVG  
Verijssel

ET 4.03

# 6 ACQUISITIONS / DISPOSALS

## 6. ACQUISITIONS OR DISPOSALS

### Acquisitions

During the business year 2017 the Group did not acquire any Subsidiaries nor any interests in Permitted Joint Ventures.

### Disposals

During the business year 2017 the Group voluntarily liquidated two Subsidiaries (refer to Section 3). The Group disposed of 7 diesel locomotives, of which 6 were G2000 locomotives and 1 was a G1000 locomotive.



 **7** CURRENT HEDGING

## 7. CURRENT HEDGING

As of 31 December 2017, the hedging ratio was 88.2% with total hedges of €654.6M.

Tranches		Amount €M	Maturity Date	Profile
OAK	5 Yr Swap	110.0	31-Mar-20	Bullet
	7 Yr Swap	60.0	31-Dec-21	Bullet
	10 Yr Swap	150.0	31-Mar-25	Bullet
Red Motion	10 Yr Swap	54.1	31-Dec-25	Amortising
Limestone	15 Yr Swap	280.5	31-Dec-30	Amortising
<b>Total Swap Notional</b>		<b>654.6</b>		
Total Fixed Rate Snr & Jnr Debt		829.3		
<b>Total Fixed Rate Debt and Swap Notional</b>		<b>1,483.9</b>		
Total Floating Rate Debt		853.2		
<b>Total Fixed and Floating Rate Debt</b>		<b>1,682.5</b>		
<b>Hedge Ratio</b>		<b>88.2%</b>		

E 5033  
Matilde



➤ **8** RATIOS

## 8. RATIOS

1. We confirm that in respect of this investor report dated 5 June 2018, by reference to the most recent Financial Statements that we are obliged to deliver to you in accordance with paragraph 1 (Financial Statements) of Part 1 (Information Covenants) of Schedule 2 (Security Group Covenants) - of the Common Terms Agreement:

a.	the Senior Debt/NPV Ratio as at the Calculation Date is	59%
b.	the Senior FCF DSCR in respect of the Relevant Period is	1.78x
c.	the Senior FCF DSCR forecast in respect of the forecast Relevant Period is	1.77x

(together the Ratios).

2. The NBV is €1,955,045,012 and the PNBV is €1,356,798,523.
3. We confirm that each of the above Ratios has been calculated in respect of the Relevant Period(s) or as at the Calculation Dates for which it is required to be calculated under the Common Terms Agreement.
4. The amount of any Restricted Payment made since the date of the previous Investor Report (or, if none, the Closing Date) is €20,000,000 and the amount of Retained Excess Cashflow is €15,193,946
5. We confirm that:
- no Default or Trigger Event has occurred and is continuing
  - the Security Group is in compliance with the Hedging Policy; and
  - the statements set out in this Investor Report are accurate in all material respects.

Yours faithfully,



Manager

Signing without personal liability, for and on behalf of  
**the Security Group Agent**





**Heike Zimmermann**  
Group PR & Marketing Manager



**Bernhard Holzer**  
Head of Group Investment Funding

If you have any questions please do not hesitate to contact us by telephone **+49 221 914090-00** or by email at **investors@alphatrains.eu**

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**Disclaimer:**

This Investor Report is being provided to you pursuant to Schedule 2, Part 1, Paragraph 5 of the Common Terms Agreement.

This Investor Report contains forward looking information and industry data. These forward looking statements include, but are not limited to, all statements other than statements of historical facts contained in this Investor Report, including, without limitation, those regarding our future financial position and results of operations, our strategy, plans, objectives, goals and targets and future developments in the markets in which we operate. By their nature, forward looking statements involve known and unknown risks, uncertainties and other factors because they relate to events and depend on circumstances that may or may not occur in the future. We caution you that forward looking statements are not guarantees of future performance and are based on numerous assumptions and that our actual results of operations, including our financial condition and liquidity and the development of the markets in which we operate, may differ materially from (and be more negative than) those made in, or suggested by, the forward looking statements contained in this Investor Report. You should not place undue reliance on these forward looking statements. See also the section entitled "Forward-Looking Statements" in the Base Prospectus dated 6 March 2015.

In relation to industry data, whilst we are not aware of any misstatements regarding the industry data presented herein, such presentation involve certain assumptions, risks and uncertainties and are subject to change based on various factors, including those discussed under the heading "Risk Factors", "Industry Overview" and "Business Description of Alpha Trains" in the Base Prospectus dated 6 March 2015. We cannot assure you that any of this industry data correctly reflects our position in the markets in which we operate, and none of such information has been verified by any independent source, and we cannot guarantee its accuracy.

As required by Schedule 2, Part 1, Paragraph 5 and Schedule 6 (Form of the Investor Report) of the Common Terms Agreement, we have reported in this Investor Report certain financial information of Alpha Trains to you which includes certain non-applicable accounting standard financial measures. Whilst we believe such information will be useful to you in reviewing our performance, you are encouraged to evaluate any adjustments to applicable accounting standard measures yourself. The non applicable accounting standard measures presented should not be considered in isolation or as a substitute for performance measures calculated in accordance with applicable accounting standards. Further, the underlying financial information on which such reported measures are based has not been audited or reviewed in accordance with applicable accounting standards.

The above mentioned risks are not exhaustive. We urge you to read the section entitled "Risk Factors", "Industry Overview" and "Business Description of Alpha Trains" in the Base Prospectus dated 6 March 2015 for a more complete discussion of the factors that could affect our future performance and the markets in which we operate. Further, new risks can emerge from time to time, and it is not possible for us to predict all such risks, nor can we assess the impact of all such risks on our business or the extent to which any risks, or combination of risks and other factors, may cause actual results to differ materially from those contained in this Investor Report. This Investor Report speaks only as of the date on which it is published. We undertake no obligation to update or revise any forward looking statement or risk factors, whether as a result of new information, future events or developments or otherwise. Given these risks and uncertainties, you should not rely on the Investor Report as a prediction of actual results. No representation or warranty, express or implied, is or will be made in relation to, and no responsibility or liability is or will be accepted by Alpha Trains as to, or in relation to, the accuracy, reliability, or completeness of any information contained in this Investor Report and Alpha Trains hereby expressly disclaims any and all responsibility or liability (other than in respect of a fraudulent misrepresentation) for the accuracy, reliability and completeness of such information.

