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## **Hitachi Rail Europe Signs Contract with Merchant Place Developments for Construction of New UK Train Factory**

***Contract paves way for start of construction of Hitachi rolling stock manufacturing plant in Newton Aycliffe, County Durham***

**NEWTON AYCLIFFE, May 14, 2013** – Hitachi Rail Europe Ltd. today announced that it has signed the contract with Merchant Place Developments for the construction and fit-out of a rolling stock manufacturing plant in Newton Aycliffe, County Durham, UK. Merchant Place Developments therefore have now gone from preferred bidder status to full contract award.

The contract paves the way for the construction of Hitachi's first train factory in Europe, which represents an investment of £82 million to create its state-of-the-art manufacturing hub in the North East of England. Hitachi Rail Europe receives a £4 million grant by the Department for Business, Innovation and Skills to support the build of the factory.

Alistair Dormer, Executive Chairman and Chief Executive Officer of Hitachi Rail Europe said: "The close of contract with Merchant Place Development signals a new phase in Hitachi's commitment to the British rail industry. By investing substantially in our train factory, we are creating employment opportunities for a large number of engineers and technicians in the North East of England, which has a strong tradition of engineering skills. We are keen to fill our order books, building trains here in the UK – for use in Britain and for exporting to continental Europe."

The factory will initially be used to build the Super Express Trains for the Great Western Main Line and the East Coast Main Line, with the potential to be used for other orders such as building Crossrail rolling stock in the facility, should Hitachi Rail Europe be the successful bidder. Hitachi places great emphasis on employing locally where possible and the factory will create long-term employment for 730 people. This figure includes a Research & Development

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department. It is expected that 200 jobs will be created during the construction phase of the factory.

“This is the formal element of bringing Hitachi Rail Europe to the North East. We have taken the design of the plant to a detailed stage and have been in discussions with suppliers and contractors so that we are ready to move ahead with the development programme,” says Geoff Hunton, Director, Merchant Place Developments. “I believe this says much about our region, our skills base and the connectivity to Europe and beyond through our ports in particular. It also says a great deal about our investors who have been very loyal to this project since we first acquired Amazon Park five years ago. It is these investors who financed the purchase of the site rather than the traditional institutional funding route and without those investors we would not be where we are today. It is also a tribute to the team effort that brought this very significant inward investment to Newton Aycliffe notably through the help we have had from Durham County Council, Business Durham and cross-party political support headed by Phil Wilson, MP for Sedgefield.”

The close of contract between Hitachi Rail Europe and Merchant Place Developments enables the developer to award further contracts for the build of the plant. Currently, an archaeological exploration is being carried out on the site, which will take approximately three to four months. Hitachi Rail Europe is keen to ensure that any historical remains are uncovered and preserved. Construction of the plant is expected to start at the end of 2013, with the factory scheduled to go into production in 2016. The Super Express Trains will go into full passenger service in 2017.

The decision to build a manufacturing plant was taken after Hitachi Rail Europe won the contract with the Department for Transport (DfT) to replace the ageing fleet of diesel-powered Intercity trains currently running on the Great Western Main Line and the East Coast Main Line. The contract with the DfT was signed in July 2012. Hitachi Rail Europe had singled out Newton Aycliffe as its preferred site for its manufacturing plant, after evaluating over 40 sites throughout the UK.

The contract award for the Intercity Express Programme allowed Hitachi Rail Europe to decide on the investment in a rolling stock manufacturing plant. The construction of the factory is part of the railway manufacturer’s long-term strategy for the UK and for mainland Europe, fulfilling the Intercity Express Programme as well as future contract wins either in Great Britain or other European countries.

The site in Newton Aycliffe best fits the company's business requirements for its factory, including good access by road, rail and ship, highly skilled workforce in the vicinity. Since contract award by the DfT, Hitachi Rail Europe has been working with Merchant Place Development and the architects to design all aspects of the factory, so that further contracts can be awarded to sub-contractors over the next few months.

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**About Hitachi Rail Europe Ltd.**

Hitachi Rail Europe Ltd. is a wholly owned subsidiary of Hitachi Europe, Ltd. and is headquartered in London, UK.

Hitachi Rail Europe is a total railway system supplier offering rolling stock, traction equipment, signalling, traffic management systems, and maintenance depots.

Hitachi draws on many years of experience as a leading supplier of high-speed trains such as the Shinkansen (bullet train) for the Japanese and international markets. In Europe, Hitachi Rail Europe's first rolling stock contract was to deliver a fleet of 29 Class 395 trains, the first domestic high-speed train in the UK, which are maintained at Hitachi's state of the art depot in Ashford, Kent.

For more information about the company, please visit: [www.Hitachirail-eu.com](http://www.Hitachirail-eu.com) .

**About Hitachi, Ltd.**

Hitachi, Ltd., (TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 320,000 employees worldwide. Fiscal 2011 (ended March 31, 2012) consolidated revenues totaled 9,665 billion yen (\$117.8 billion). Hitachi is focusing more than ever on the Social Innovation Business, which includes information and telecommunication systems, power systems, environmental, industrial and transportation systems, and social and urban systems, as well as the sophisticated materials and key devices that support them. For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

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