

FOR IMMEDIATE RELEASE

**Hitachi Rail Europe Manufacturing Plant –
Start of Construction Phase Ceremony
with Rt Hon Dr Vince Cable MP and Rt Hon Patrick McLoughlin MP**

*Hitachi Rail Europe and developer Merchant Place Development choose national contractor Shepherd
to build the train factory*

London, November 1, 2013 –Hitachi Rail Europe Ltd will today announce the appointment of the construction contractor to build their new state-of-the-art manufacturing plant in the North East of England. National contractor Shepherd has been appointed to build the plant with work set to start later this year.

Secretary of State for Business, Innovation and Skills Vince Cable and Secretary of State for Transport Patrick McLoughlin are today on site in Newton Aycliffe to celebrate the appointment of the contractor for the building of a new train factory, which signals the return of train manufacturing to the North East.

The plant represents an £82 million investment in manufacturing which will reinforce Britain's train manufacturing capability, raising the prospect of the UK once again competing for export orders in European markets. The Department for Business, Innovation and Skills has invested £4 million under the Grant for Business Investment scheme. 150 jobs will be created during the construction phase of the facility and when the factory is in full production, 730 people will be directly employed by Hitachi Rail Europe.

The first contract to be fulfilled at the plant will be the fleet of 122 Class 800 series trains for the East Coast Main Line and the Great Western Main Line as part of the Intercity Express Programme.

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Hitachi Rail Europe is working with developer Merchant Place Developments (MPD), who are leading the project to build and fit out the factory. Jointly Hitachi and MPD have chosen Shepherd's Darlington office to build the plant.

Secretary of State for Business, Vince Cable, said:

"Hitachi's decision to base its European factory in Newton Aycliffe shows the UK is an attractive place for international businesses to invest and grow. The factory will be a great boost to the North East economy, creating over 700 jobs and bringing a long tradition of rail manufacturing back to the region."

"With increasing numbers of passengers set to use our railways over the coming years, we also need to train and encourage more young people to enter the industry. The Government has invested in a new rail training academy in Northampton which will address skills shortages in traction and rolling stock. We are also creating a new Rail Supply Chain Forum to help British companies to win work both here and abroad."

Secretary of State for Transport, Patrick McLoughlin, said: "The Intercity Express Programme is part of the government's commitment to investing in our nation's infrastructure. Once they are on the network they will slash journey times, boost capacity to many of our cities in the South West and up the East Coast to Scotland."

"Building these new trains is supporting jobs and manufacturing across the UK. Like our plans for a national high speed rail network, these new faster trains will help stimulate economic growth by improving connections between our major cities."

Executive Chairman and Chief Executive Officer of Hitachi Rail Europe, Alistair Dormer, said: "We want to establish Hitachi Rail Europe as a key British manufacturer of trains and this new factory is a huge step towards doing that. In just 18 months, what stands today as an empty field will become home to a state-of-the-art facility, manufacturing trains for Europe and the UK."

"This investment will secure employment for more than 150 workers during the build phase and many more from the supply chain. The majority of recruits will be from County Durham and the North East. In our own office here in Newton Aycliffe, we have already employed seven local people and recruitment will continue to grow right through to when the factory goes live."

“I would like to congratulate Shepherd which has won the tender to build the plant against strong competition. We look forward to working with them and Merchant Place Developments on this exciting project.”

Geoff Hunton, Construction Manager, Merchant Place Developments, said: “The appointment of Shepherd is a further step closer towards the start of this major project.”

Mark Perkins, Chief Executive for Shepherd Group Built Environment, said: “We are delighted to have been awarded the contract to build this landmark development in the North East, which will have a momentous effect on the prosperity of the region, as the biggest investment into the area for more than 20 years.”

“Shepherd invested a vast amount of time and research carefully gathering insight into Hitachi’s specific requirements before proposing exactly how we would deliver such a large and complex scheme, which meant gaining a comprehensive understanding of what the facility has to achieve and, of course, Hitachi’s exceptional standards in building trains. Our integrated supply chain incorporating Shepherd Construction, as well as Shepherd Engineering Services (SES), means we can offer an end-to-end approach based on a responsive and adaptive technical authority which I am confident will serve to enable Hitachi’s ambitious business plan on this development. We are very much looking forward to starting work later this year.”

Notes to editors:

- Work will start later this year and the construction phase will conclude in mid-2015, when the finished train factory will be handed over to Hitachi Rail Europe.
- During the build phase 150 will be employed in the construction of the factory. Once in full production, 730 people will be directly employed by Hitachi Rail Europe.
- The factory area (43,000 sqm) is equivalent to over six football pitches, or slightly less than twice the size of Trafalgar Square.
- The volume of concrete required for the site would fill an Olympic-sized pool 6 ½ times (16,100m³).
- There is around 20 km of pipework and electrical conduit, which if laid out, would stretch from the site to Durham City Centre.
- There is around 100 km of cable, which if laid out, would stretch from the site to Alnwick Castle.
- Over 2,000 tonnes of steel will be used in the building.

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. As part of the British Department for Transport's Intercity Express Programme, Hitachi Rail Europe will replace the UK's ageing fleet of Intercity trains, and will establish a new rolling stock manufacturing facility in Newton Aycliffe, UK for this purpose. The trains will be maintained and serviced in a number of new maintenance depots along the Great Western Main Line and the East Coast Main Line.

For more information about the company, please visit: www.Hitachirail-eu.com .

About Hitachi, Ltd.

Hitachi, Ltd. (TSE: 6501), headquartered in Tokyo, Japan, is a leading global electronics company with approximately 326,000 employees worldwide. The company's consolidated revenues for fiscal 2012 (ended March 31, 2013) totaled 9,041 billion yen (\$96.1 billion). Hitachi is focusing more than ever on the Social Innovation Business, which includes infrastructure systems, information & telecommunication systems, power systems, construction machinery, high functional material & components, automotive systems and others.

For more information on Hitachi, please visit the company's website at <http://www.hitachi.com>.

About Merchant Place Developments

Merchant Place Developments and sister company Merchant Place Corporate Finance Limited have been jointly involved in over £2 billion of property development.

Merchant Place specialises in providing turnkey development / funding solutions for both occupier-led and speculative development, providing both certainty of funding and removing development risk for the client.

The wide range of specialist skills including design, funding, structuring and delivery of the new building on time and to budget is the key to ensuring our clients' success.

Although well-versed in both large and complex developments, as well as small bespoke schemes, it is Merchant Place Developments' 'value added' approach and sharing the rewards with its clients that gives it the competitive advantage.

Further information may be found on our web site www.merchantdevelopments.com

About Shepherd:

Shepherd is a leading national contractor handling projects for the public and private sectors including industrial, commercial, residential, retail, science and research, education and health. One of the largest family owned private companies in the UK, Shepherd was founded in 1890 in York with a head office that remains in the city today, along with additional bases across the country including a flagship office at London's Euston Square. Its principal office in the North East is located in Darlington.

Shepherd's operations concentrate on national and international markets and include substantial companies in the construction and engineering, manufacturing and property development sectors. These companies can provide either an independent or integrated approach to a client's brief, and those involved in the Hitachi Rail contract include Shepherd Construction and Shepherd Engineering Services (SES).

Information contained in this news release is current as of the date of the press announcement, but may be subject to change without prior notice.
