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Infra Investors Acquire UK Train Leasing Group

Abbey National has sold its rolling stock company Porterbrook to a consortium of infrastructure investors, it was announced this morning (October 27).

A group comprising Antin Infrastructure Partners (the BNP Paribas sponsored infrastructure fund), Deutsche Bank and Lloyds TSB has agreed to acquire 100% of the leasing company, which was formed in 1994 after taking over a third of British Rail's rolling stock.

The deal is now subject to regulatory approval from the EU Competition Commission, with completion set to take place before the end of the year.

The price paid is thought to be in the region of £2bn.

HSBC Rail

Meanwhile HSBC is also thought to be considering selling its rolling stock leasing company, HSBC Rail, according to reports over the weekend.

HSBC is rumoured to have mandated its own investment banking group as well as NM Rothschild to advise on the proposed sale, with a view to holding an auction process for the company. The Rosco could fetch a similar price to Porterbrook.

Capital Base

Abbey's owner, Santander, and HSBC, have fared relatively well during the credit crisis. However, after several other banks have benefited from government support, the asset sales could provide a much-needed capital boost to remain competitive.

Earlier this year, a Babcock & Brown-led consortium bought Angel Trains, the remaining of the three UK rolling stock leasing companies, from RBS for £3.6bn.

Porterbrook Details

Porterbrook's fleet comprises 5,500 vehicles. Its investment to date in the UK rail market totals over £1.5bn in new trains and over £200m on existing fleet refurbishment.

It now has leases with 17 out of the 24 passenger Train Operating Companies as well as the principal Freight Operating Companies.

