

Press Release

April 12, 2017

Financing for Lower Saxony's 2nd PPP motorway project is in place: Via Niedersachsen is investing EUR 441m in the expansion of the A7 motorway between Bockenem and Göttingen

On Tuesday 11.4.2017, the Via Niedersachsen consortium with its shareholders, VINCI Concessions Deutschland GmbH (50%) and Meridiam Investments SAS (50%), signed the financing agreement for the planning, expansion, modernisation and operation of the A7 motorway between Bad Salzdetfurth and Göttingen within the framework of a Public Private Partnership (PPP). With this, nothing further stands in the way of the project starting on 1st May 2017 as planned.

The "Availability Model" (V-model, in German) of the Federal Republic of Germany for the part of the A7 motorway assigned to the private operator concerns a 60 km long section of Germany's longest north-south transit connection. The project also includes the six-lane expansion of a four-lane section to a total length of 29.2 kilometres.

Following a Europe-wide tendering procedure, on 17th February 2017, the Federal Ministry for Transport and Digital Infrastructure (BMVI) awarded the contract to the project company, Via Niedersachsen GmbH & Co. KG, that had been founded by the consortium. In addition to the expansion, Via Niedersachsen will also bear responsibility for the maintenance and operation of the route for a contract term of 30 years.

International banking consortium is funding large-scale project in Lower Saxony

The total investment for the expansion of the A7 motorway amounts to EUR 441m. The financing partners of this important infrastructure project are the European Investment Bank (EIB), KfW IPEX, the DZ BANK, Caixa Bank and the Development Bank of Japan (DBJ). The Federal Ministry for Transport and Digital Infrastructure (BMVI) will be tendering advance payments amounting to EUR 126m net, in accordance with the progress of construction. The total volume of the project within the next 30 years comes to approximately EUR 1bn.

Following the A5 (between the Malsch and Offenburg junctions), the A4 (Hoerselberge/Eisenach northern bypass) and the A9 (between the Lederhose junction and the Bavarian border), the A7 represents the fourth German public-private-partnership project for VINCI Concessions. Three of these (the A5, A4 and A7) are jointly operated with Meridiam Investments.

Facts & Figures:

Length of the project route:
60 km, of which 29.2 km
is an expansion route

Financial volume:

approx. EUR 1bn
over 30 years,
of which approx. EUR 441m
are investment costs

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Major project for the improvement of the infrastructure

In addition to the six-lane expansion of the A7 motorway by the end of 2021, the infrastructure project also includes 170 buildings, including 2 large bridges, 9 junctions, 12 sets of services with parking and WC facilities and 2 with full services and fuelling, as well as some 40,000 m² of noise protection walls and barriers. Added to this are rain water retention basins and drainage pipes and environmental protection and landscaping measures. The relocation of the B248 will also form an integral part of the project.

Construction works will be provided on behalf of Via Niedersachsen by means of the construction joint venture "CJV A7", consisting of EUROVIA and the medium-sized and local construction companies, Stutz GmbH and Heinrich Rohde Tief- und Straßenbau GmbH (Civil Engineering and Road Construction).

The motorways administration depot already present in Seesen will continue to be used as the operational service centre and will be extended with a hall and a brine plant. In addition to this, there will be a further salt warehouse near the Northeim-Nord junction with a capacity of 2,700 tonnes for the optimisation of the winter service.

Within the project, Via Niedersachsen will employ 1 motorway foreman and deputy, 17 road maintenance workers, group leaders and car mechanics and 1 production engineer; in addition to a management team consisting of 9 employees. During winter service, a further 8 road maintenance workers will be deployed.

On the occasion of the signing of the financing agreement, Via Niedersachsen managing director, Arnaud Judet, stresses that: *"The A7 is not only the longest, but also the most important, north-south connection in Germany. We are pleased to be making an important contribution to make driving on the A7 safer and more comfortable. It is not only road-users who will benefit from the expansion and the operation of our project route, but also the whole region of southern Lower Saxony. Because modern infrastructure is a locational advantage and improves economic strength and mobility."*

The A7 PPP project conceived as an availability model guarantees the federal government, as owner of the federal motorway, a high quality of construction and simultaneously provides incentives for an unhindered flow of traffic. The contract includes strict quality criteria for the construction, operation and maintenance of the route.

Following the A1, the expansion and operation of the A7 motorway between Bockenem and Göttingen is now the second infrastructure project in Lower Saxony since 2008 to be realised by means of a public-private partnership.

Additional Information

(Status of the information as of 04/2017)

Via Niedersachsen is a private operator of the approximately 60 km long project route on the A7 motorway between Bockenem and Göttingen within the framework of a public-private partnership (PPP). The A7 federal motorway is, at some 1000 kilometres, the longest north-south transit motorway in Germany. It stretches from the Danish border in Flensburg to Füssen on the Austrian border and is Germany's most important trans-European traffic artery - highly frequented by HGV traffic as well as weekend and holiday traffic. By the end of 2020, 29.2 kilometres of a total of 60-kilometre long project route, will be expanded and modernised during running operation. Following its completion, it will number among Germany's most modern traffic arteries and will be operated by Via Niedersachsen over a period of 30 years. The operating services will include the winter service, monitoring of the route control, cleaning, landscape maintenance and measures to ensure safe traffic. Furthermore, Via Niedersachsen will also be responsible for the maintenance of the entire infrastructure, the maintenance of the equipment as well as extensive service provision related to the parking and WC and full service and fuelling stops. The shareholders of the operator are VINCI Concessions (50%) and Meridiam (50%).
www.via-niedersachsen.de

About VINCI Highways

With operations in 13 countries, VINCI Concessions subsidiary VINCI Highways is financing, building and operating road and motorway infrastructure assets and toll collection solutions in conjunction with local partners. VINCI Highways' network spans over 3,100 km worldwide, including almost 1,900 km of roads and motorways under construction or undergoing upgrades, and treats almost 2 million users to best-in-class quality and safety standards day after day.

www.vinci-concessions.com

About Meridiam

Meridiam, founded in 2005, is an independent investment firm specialized in the development, financing, and management of long-term public infrastructure projects. With offices in Paris, New York, Toronto, Istanbul, Dakar and Luxembourg, Meridiam is a leading investor in public infrastructure across Europe and North America. Currently managing €5 billion of assets, the firm has to date invested in 50 projects, including award-winning projects such as the Long Beach Courthouse and the Port of Miami Tunnel. Designated Best Global Fund in 2015 by IJ Global, Meridiam is one of the first investors and asset managers to receive ISO 9001 certification for its responsible investment process and is a founding member of the Long Term Infrastructure Investors Association.

www.meridiam.com