

Press information

HOCHTIEF consortium achieves Financial Close for British PPP schools project

CORPORATE COMMUNICATIONS

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Investment volume around EUR 75 million—Project is HOCHTIEF's first win in the "Building Schools for the Future" investment program

page 1
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HOCHTIEF PPP Solutions (UK) Ltd., a subsidiary of HOCHTIEF Concessions AG, has achieved Financial Close for its first Building Schools for the Future (BSF) project. The Transformational Learning Partnership consortium formed by HOCHTIEF PPP Solutions (UK) and Laing O'Rourke plc will form a Local Education Partnership (LEP) with Salford City Council and Wigan Borough Council to redevelop and modernize the secondary school estates for both Authorities located in the Greater Manchester region. This public-private-partnership (PPP) program comprises an initial phase of planning, financing, constructing and operating of two new schools in Salford for a period of 25 years. The first phase of the program has an investment volume of EUR 75 million (GBP 68 million). The HOCHTIEF equity amounts to some EUR 3.3 million (GBP 3 million).

The program includes a conditional exclusivity for the LEP to plan, finance, construct and operate the remaining secondary schools within both Local Authorities with further PFI/PPP schemes.

HOCHTIEF PPP Solutions (UK) has a 40 percent shareholding in the LEP, other shareholders being Laing O'Rourke plc (40 percent), Building Schools for the Future Investments LLP (ten percent), and Salford City Council and Wigan Borough Council (five percent each). HOCHTIEF Facility Management (UK) Ltd. will be responsible for the operation and maintenance of the schools, with Laing O'Rourke Construction undertaking the Design and Construction works.

The project is part of the UK government's BSF program under which all 3,500 secondary schools in the country are to be modernized. This means an investment volume of an estimated EUR 44 billion (GBP 40 billion).

With this new contract HOCHTIEF PPP Solutions is now responsible for a total of 91 schools in Germany, the UK and Ireland, with over 60,000 students. The company's portfolio contains 25 PPP projects in the areas of social infrastructure and roads.