

NEWS UPDATE

7 November 2002

The SRA (Strategic Rail Authority) recently submitted its technical review of Central Railway's project to Ministers, clearing the way for a Government decision on whether to support a hybrid Bill for the project. Subject to the Government deciding to support such a Bill, the Company expects to be ready to submit a Bill to Parliament in November 2003.

The SRA conducted an initial review of the project in 2001, which was broadly favourable. Earlier this year, the Minister for Transport asked the SRA to carry out a second review to consider specific aspects of the project, principally how the project interacts with the existing rail network and a more detailed examination of the revenue and traffic forecasts.

We worked with the SRA during the review and the Company has continued to update its proposals to take into account the development of the road haulage market and the demand for rail services. Further information will be provided as discussions with Government progress.

Central Railway has continued to attract significant support from those who will benefit from the significantly improved transport links it will bring to many regions in the UK. Recently we have received statements of support from the TUC, the North West Business Leadership Team, Sheffield City Council, and the North West Regional Chamber of Commerce. In addition, the Channel Tunnel Initiative Group, which represents the principal local authority associations (the LFA, COSLA, the Welsh LGA, the ALG and the Shires Public Transport Consortium), has written to the Minister for Transport urging the Government to support a hybrid Bill for the project.

We intend to provide a more detailed update on the Project shortly and further information will be provided as discussions with Government and financial institutions progress.

Ends