

**MTR Corporation - FirstGroup Joint Venture Awarded
South Western Franchise in the U.K.**

The MTR Corporation welcomes the announcement by the United Kingdom's Department for Transport ("DfT") today (27 March 2017) of its intention to award the South Western rail franchise to First MTR South Western Trains Limited, a 70:30 joint venture between FirstGroup plc and MTR.

With approximately 220 million passenger journeys a year, the South Western franchise covers urban, suburban, regional, and long-distance routes between London Waterloo and south western England, including Bristol, Exeter, and Portsmouth. The new franchise will operate from 20 August 2017 for a seven-year period with the option for an 11-month extension at the discretion of the DfT.

"MTR is recognised internationally for its world-class railway service and we are delighted to be partnering with FirstGroup to expand our U.K. railway business. Together, we look forward to bringing significant railway service and customer experience enhancements for passengers travelling on the South Western services," said Mr Lincoln Leong, Chief Executive Officer of MTR Corporation.

FirstGroup Chief Executive Mr Tim O'Toole said: "We are delighted that our partnership with MTR has been selected by the DfT to run the South Western rail franchise, a key part of the country's railway network which millions of people rely on every day. Our successful bid will deliver the tangible improvements that customers and stakeholders have told us they want from this franchise. Passengers can look forward to new and better trains, more seats and services, quicker journey times, improved stations and more flexible fare options."

Approximately 1,700 services per weekday currently operate across the 976-km network, serving 186 operator-managed stations. Over the course of the new franchise, investments will be made to drive forward service quality, including by:

- Enhancing travelling comfort and convenience through the introduction of new and refurbished train carriages on busier routes. More peak capacity will be added for customers including 52,000 more peak hour seats a day at London Waterloo by December 2020.
- Providing additional and faster train services for stations including Reading, Southampton, Bournemouth, Portsmouth and Weymouth. Weekend services will significantly improve with more than 400 extra Sunday trains across the network.
- Delivering customer service improvements through station investment, new and simpler fares, including mobile and smart ticketing, enhanced Wi-Fi connectivity, introduction of an advanced new mobile app, and extensive community engagement programmes.

MTR Corporation has extensive experience of driving rail service improvements in the U.K. including with London Overground and most recently, since 2015, with "TfL Rail" as the first stage of the Crossrail concession, which will be known as the Elizabeth Line. FirstGroup plc, its partner in the First MTR South Western Trains Limited, is one the most experienced passenger rail operators in the U.K. and is a leading transport services operator in both the U.K. and North America with a track record of running a wide range of services and delivering passenger growth.

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About MTR Corporation

MTR Corporation is regarded as one of the world's leading railway operators for safety, reliability, customer service and cost efficiency. In its home base of Hong Kong, the Corporation operates ten commuter railway lines, a Light Rail network and a high-speed Airport Express link on which about 5.6 million passenger trips are made on a normal week day. Another 5.6 million passenger trips are made on the rail services it operates outside Hong Kong in the Mainland of China, the United Kingdom, Sweden and Australia. In addition, the Corporation is involved in a range of railway construction projects as well as railway consultancy and contracting services around the world. Leveraging on its railway expertise, the Corporation is involved in the development of transit-related residential and commercial property projects, property management, shopping malls leasing and management, advertising media and telecommunication services.

For more information about MTR Corporation, please visit www.mtr.com.hk.