

## **The ATM is renewing and improving the terms of its lease agreement on 50 trains that run in the Barcelona metro**

- **This deal extends the term of the lease for another 7 years and translates to nearly €8 million in savings**

Between 2004 and 2008, the Metropolitan Transport Authority (ATM) signed an agreement with the company Arrendadora Ferroviària, S.A. (AFSA) for the lease of 50 trains manufactured by Alstom. The ATM's initial intention was to run those trains on what at the time was Barcelona's new Metro Line 9. The delay of that line, together with the need for new trains on other metro lines in Barcelona and its metropolitan area, has resulted in the use of those 50 trains on lines L2 (22 trains), L4 (8 trains) and L9 (20 trains). Though the contract originally envisaged a lease expiring in 2024, the ATM also reserved the option of extending the lease for a further 7 years, until 2031.

The economic terms of the extension were already stipulated in the initial contract, yet the ATM has explored different possible approaches to reduce the cost of the extension option. Hence, with the help of BDO as its financial advisor, the ATM has negotiated with the leasing company, its shareholders (Catalan Institute of Finance and CaixaBank) and Alstom a number of measures to reduce the cost of the new lease agreement. The constructive collaboration of all the parties has resulted in a reduction of almost 5% in the new lease contract, with an anticipated cost of around €158 million, and savings of approximately €8 million over the new lease period covering the years 2024 to 2031.

Moreover, as part of the total cost of the deal, the ATM continues to reserve the right to exercise the purchase option on the 50 trains, for a final price of €31 million in 2031. At that time, the trains would become the property of the ATM or of their operator, which would foreseeably be the Barcelona Metro.

All the parties involved in this deal have expressed their contentment with the fact that they were able to reach an agreement that allowed for a reduction in total cost, and more so considering the sustainable mobility advantages provided by the metro.