

18 July 2025

For the attention of: Office of Rail and Road

VTE Holdings Limited

Information, clarifications and representations supporting VTE Holdings Limited's
Section 17 application for access to Temple Mills International depot



Foreword by Sir Richard Branson

More than two years in the making, here are Virgin's plans outlining how it will bring competition to cross-Channel rail – as now really is the time to give customers the service they deserve. It's time to end a 30-year monopoly and it's time to bring joy back to the journey from a brand with more than 20 years' experience in the rail industry.

Virgin is determined and ready to bring competition to the Channel Tunnel. We are partnering exclusively with Alstom on the initial procurement of 12 brand new, state-of-the-art trains. We have earmarked all the equity funding our project requires and we have been working closely with key stakeholders involved in securing the necessary access and licenses.

Just as Virgin has successfully challenged incumbents in air, cruise and of course rail, we're ready to do it again. We will shake up the cross-Channel market with our signature approach, delivering a service that is innovative, bold and unmistakably Virgin. The customer experience will be seamless, modern and full of flair, with thoughtful touches designed to make every journey feel rewarding.

Launching in 2030 with services from London to Paris, Brussels and Amsterdam, Virgin has ambitions to expand further across France, and into Germany and Switzerland. We will also continue to explore ways to bring services back to Kent and to enhance onward connectivity to the wider UK rail network.

This is not a speculative proposal – Virgin is well-prepared, committed and capable of delivery – and importantly, delivering for consumers, as it always does. We can't wait to secure access to Temple Mills and start building this business, to finally give passengers the service they've been waiting for.

Virgin is ready – I hope you are too.

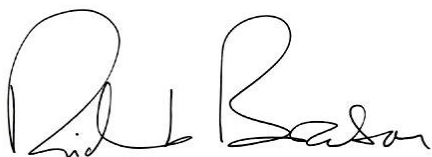
A handwritten signature in black ink, appearing to read 'Richard Branson', written in a cursive, flowing style.

Table of Contents

Executive Summary.....	1
Chapter 1 VTE's Depot Requirements.....	7
Chapter 2 Availability of Capacity	9
Chapter 3 Impact on Operational Performance	20
Chapter 4 Operational Readiness and Viability	25
Chapter 5 Financial Viability	46
Chapter 6 Economic and Societal Benefits	57
Chapter 7 Views of Stakeholders	69
Glossary of Defined Terms	74
Appendices	76

Executive Summary

VTE Holdings Limited (“**VTE**”) is pleased to present the full detail of its submission to the Office of Rail and Road (“**ORR**”) in response to the ORR’s letters of 5 and 12 June 2025 and the associated Section 17 process. This document sets out the relevant information to support VTE’s case for being granted access to the available capacity at Temple Mills International depot (“**TMI**”).

TMI is a critical bottleneck for any rail operator seeking to enter the cross-Channel market. The process to reach this point has been lengthy, but VTE welcomes the ORR’s leadership in commissioning an independent capacity assessment by IPEX Consulting Limited (“**IPEX**”) and confirming that capacity is available. While VTE believes that more capacity could be made available than the 1.6 roads identified by IPEX, it can nevertheless confirm that this is sufficient to support its plans. VTE’s proposals are designed to make efficient use of this capacity and, once access is confirmed, VTE is ready to move swiftly to conclude its financing arrangements and formalise its order for rolling stock to begin building a world-class international rail operator.

In the chapters that follow, VTE responds directly to the six criteria identified by the ORR as the basis for its assessment. For each, it provides detailed evidence of progress, plans and credentials. This Executive Summary consolidates the key strengths of VTE’s proposal, which is credible, advanced and ready for delivery. It also outlines why VTE is uniquely positioned to deliver long-term, sustainable competition on the cross-Channel route.

Who we are

VTE was established by the Virgin group (the “**Virgin Group**” or “**Virgin**”) in 2023 to pursue open-access opportunities in high-speed rail. The Virgin Group has a long and successful history in rail, having operated Virgin Trains West Coast for over two decades, consistently delivering industry-leading customer satisfaction, innovation and commercial performance.

Virgin believes the cross-Channel market represents one of the most exciting opportunities in European transport. It is a route that deserves competition and Virgin is eager to bring its distinctive customer focus, brand strength and operational expertise to a market that has long lacked choice.

VTE is led by Philip Whittingham, whose leadership at Virgin Trains West Coast helped deliver one of the most successful franchises in UK rail history. VTE’s team draws on deep experience from across the Virgin Group, including from individuals who played key roles in that success. This blend of proven leadership and Virgin’s entrepreneurial

spirit gives VTE the confidence and capability to deliver as a transformative new entrant to the cross-Channel market.

As the ORR is aware, VTE has been actively developing its plans to launch a new competitor on the cross-Channel route for more than two years. During this period, the project has progressed from initial concept to execution ready. VTE has assembled a complete funding consortium, secured exclusivity with a leading rolling stock manufacturer and progressed all major commercial, regulatory and infrastructure workstreams to an advanced stage. VTE is now ready to proceed to financial close and finalise its train order in short order once the ORR concludes its process.

Funding

VTE's project has a total capital requirement of c.£700m. The funding structure is fully identified, institutionally backed and ready to be finalised. It is built around a proven OpCo-AssetCo model that separates operational and asset risk, providing long-term stability and transparency for investors and regulators.

- OpCo funding: The operating company ("**OpCo**") will be funded [REDACTED]
[REDACTED]
[REDACTED] by three shareholders: Virgin Holdings Limited, or another holding company within the Virgin Group ("**Virgin Investor**", 50%), [REDACTED] ("**Investor X**", [REDACTED]%) and [REDACTED] ("**Investor Y**", [REDACTED]%). The OpCo shareholders will also provide a [REDACTED] lease guarantee to the rolling stock-owning company ("**AssetCo**"), with each contributing proportionate to its shareholding. This guarantee acts as additional downside protection for the operation and further strengthens the credit profile of the project.
- AssetCo equity: Investor Y will provide 100% of the equity required by the AssetCo.
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
- AssetCo debt: VTE has undertaken a comprehensive debt-market sounding process, securing term sheets from over a dozen highly-reputable lenders for more than three times the required financing. Several of these lenders have provided letters of support for this submission (included in Appendix B6), evidencing the significant lender appetite for VTE's project. The final stage of the debt raise process – securing binding, credit-approved terms – is now underway, targeting financial close in Q4 2025.

Taken together, this structure provides full coverage of the capital required to deliver the project, with strong alignment across all parties and a clear path to execution.

Rolling stock

VTE has secured binding exclusivity with Alstom for the supply of 12 Avelia Stream train sets. Detailed Heads of Terms have been agreed for the Manufacture and Supply Agreement (“**MSA**”), with final documentation on track for completion in Q4 2025.

The Avelia Stream is an evolution of a proven platform and offers a high-capacity, energy-efficient train with full TSI compliance and cross-border interoperability. It builds on the successful Pendolino platform previously operated by Virgin Trains and offers the flexibility to deliver a premium customer experience at scale. Alstom’s track record in Channel Tunnel operations, and its longstanding relationship with Virgin, makes it the ideal partner for this venture.

The trains will be configured to meet Channel Tunnel safety and fire requirements and will be homologated and route compatible with all relevant infrastructure, electrification and signalling systems across the UK, the Channel Tunnel, France, Belgium and the Netherlands. [REDACTED]

Access & regulation

VTE has engaged extensively with infrastructure managers and station operators across the UK and continental Europe. It has validated access pathways for all routes and is progressing its engagement with the relevant third parties. This includes:

- Track access with London St. Pancras Highspeed (“**LSPH**”), Eurotunnel, SNCF Réseau, Infrabel and ProRail;
- Station access at London St. Pancras International (“**SPX**”), Gare du Nord, Brussels Midi and Amsterdam Centraal; and
- Depot access at TMI, Le Landy, Vorst and Watergraafsmeer.

VTE’s infrastructure plan has been independently reviewed by L.E.K. Consulting LLP (“**LEK**”) in relation to the feasibility of its operational model and the availability of capacity across the network.

VTE has also engaged with all relevant regulatory bodies and obtained confirmation that there are no material obstacles to securing the necessary licences, safety certificates, vehicle authorisations and border approvals.

Safety is a core pillar of its operational strategy and VTE has therefore engaged with the ORR, the CTSA, ERA and EPSF as it has developed its plans. This safety-first culture and

alignment with regulatory expectations provides confidence in VTE's ability to meet the highest safety standards and to obtain the required certifications in a timely and effective manner.

Proposition

VTE's customer proposition is built around product and service quality. The Alstom platform enables a modern, spacious and digitally-enabled onboard experience. Virgin will lean into its brand, design expertise and hospitality heritage to create a distinctive offer that resonates with passengers.

[REDACTED]

VTE will offer 20 daily return services from London: 13 to Paris, 4 to Brussels, and 3 to Amsterdam. Services will follow a phased launch plan, with the full timetable in place six months after initial launch in 2030. Its timetable is designed to support both business and leisure travel, with high-frequency peak services and convenient off-peak options too.

Business plan

VTE's business plan is realistic, credible and independently validated. It has been developed in-house by Virgin with LEK having reviewed VTE's critical passenger and revenue projections. [REDACTED]

[REDACTED]

The plan has been through thorough due diligence by Virgin's partners, Investor X and Investor Y, as well as lenders, whose commitment reflects their confidence in its assumptions and VTE's capability to execute. It is grounded in detailed modelling of demand, pricing, cost structures and operational dynamics, and reflects a deep understanding of the cross-Channel market.

Operational readiness

VTE is ready to deliver. It has developed a detailed mobilisation roadmap structured around four phases: transaction finalisation, pre-mobilisation, mobilisation and service

launch. These plans are informed by the operational experience of its shareholder group and supported by its delivery partners.

The mobilisation plan covers every aspect of standing up the business, from leadership hiring and regulatory approvals to systems implementation and fleet readiness.

Virgin's impact

Virgin is the project sponsor and will bring its full capabilities to the project. With a long and successful history in UK rail, Virgin Trains consistently led on customer satisfaction and operational performance. Virgin is experienced in launching new businesses, challenging incumbents and building brands that customers love.

The Virgin Red loyalty programme will drive customer acquisition and retention from day one. Virgin's employer brand will support recruitment and training. Its operational expertise will ensure readiness. And its purpose-led approach will shape a business that delivers for customers, employees and society.

Virgin has a proven track record of operating in regulated sectors, including aviation, telecoms and financial services. It understands the importance of compliance, transparency and stakeholder engagement and will bring that same discipline to VTE.

Impact on the market

VTE will grow the cross-channel market. Its analysis confirms that new entrants in other markets have consistently generated substantial induced demand, and this proposition is designed to stimulate uptake through better service, lower prices and increased visibility. VTE will expand capacity, attract new passengers and raise standards across the board.

VTE's entry will also drive innovation and performance improvements across the sector. Competition will incentivise better service, more investment and greater responsiveness to customer needs from all operators. This is not just about market share, it is about market transformation.

A purposeful plan

VTE will be built as a purposeful business. It will create hundreds of high-quality jobs, invest in the UK economy and operate in line with Virgin's ESG commitments. It will adopt science-based net zero targets, align with the principles of the Better Business Act and embed purpose into its governance and operations.

VTE will support modal shift from air and car to rail, contributing to UK and EU decarbonisation goals. It will operate transparently, engage constructively with stakeholders and build a business that delivers long-term value for people and planet.

Concluding remarks

VTE is ready to proceed. It has the plan, the partners, the rolling stock, the funding and the experience to deliver. This proposal is robust, deliverable and aligned with the ORR's assessment criteria. VTE will grow the market, provide a better experience for passengers and deliver wider benefits to society. It will be the operator this route needs, the competitor customers want and the catalyst for a new era of cross-Channel rail travel.

Chapter 1 VTE's Depot Requirements

In its letter of 12 June 2025 (paragraphs 2 and 3), the ORR requested that VTE confirms whether its requirements of TMI have changed and, if necessary, provide its updated requirements.

VTE's access requirements for TMI depot are substantially unchanged from its applications of 23 October 2024 and 8 November 2024, save for minor amendments and clarifications now that its plans are further progressed:

- VTE wishes to clarify that only 200m length tracks are required generally on the depot and that the three tracks sought for daytime stabling are only required when the wider network is disrupted.
- Due to more efficient planning, only one x 24-hour slot is required for three weeks in every four to proactively wheel re-profile a complete train, reducing disruption to the wheel lathe (936 hours in total) compared to the previous 4 x 1-hour nightly slots (1,456 hours)
- A change in overhaul requirements to reflect the current requirement of the fleet
- Due to the elapsed time and the necessity to adhere to the Section 17 process, the placement of an order for new trains will be later than had initially been envisaged. Consequently, the commencement date for the depot access agreement will now be Q2 2028.

VTE's revised access requirements are therefore as follows (changes underlined):

1. Seven x 200m trains to stable overnight – five in sidings, two inside the shed;
2. Two x 200m tracks inside the shed for daytime (16 hours) and overnight (8 hours) maintenance and corrective requirements;
3. Overhaul slots: 12 slots every 5, 8, 10 and 15 years slot times will vary depending on content;
4. Three x 200m tracks for daytime stabling, to be used only during periods of network disruption;
5. One x 24-hour slot three weeks in every four to proactively re-profile a complete train, reducing disruption to the wheel lathe;
6. Two slots per day in the wash plant;
7. Five x 45-minute slots per night at the CET/LDA facility;
8. Access to crew facilities;
9. VTE seeks a Q2 2028 commencement date for its depot access agreement. The contract length sought is to be coterminous with the LSPH track access contract for which it is seeking a 10-year tenure from the start of operations. This longer contract is sought on the basis that there will be a considerable initial investment to procure the rolling stock and for potential changes to the depot, which will be better

understood once further engagement with the depot facility owner (“**DFO**”) has occurred.

A detailed comparison of these requirements against the latent capacity identified by IPEX is provided in Chapter 2 (‘Availability of Capacity’), which confirms that VTE’s needs can be fully accommodated within the available infrastructure.

VTE notes the DFO’s representations of 13 November 2024 regarding its requirement to perform heavy maintenance services at TMI. In its response of 17 January 2025 VTE noted that, if necessary, it would be prepared to make a complementary appeal under Regulation 32 of the Access Management Regulations to gain access to the depot for overhaul work.

Chapter 2 Availability of Capacity

ORR's Assessment Criteria	
Relevant Duties	<i>Promote the use and development of the network to the greatest extent economically practicable.</i>
Anticipated Evidence	<i>Evidence that use of the available capacity is justified by operators' service plans and is sufficient to support delivery of those plans.</i>
Specific Question(s)	<i>5. Please indicate how the available capacity identified at TMI is sufficient to support the delivery of VTE's service delivery plans.</i>

VTE Chapter Summary

- **2.1 Available Capacity:** The IPEX capacity assessment ("**IPEX report**") commissioned by the ORR clearly identifies latent capacity at TMI across all critical facilities, including the maintenance shed, stabling roads, wheel lathe, LDA roads and carriage wash.
- **2.2 VTE's Service Plans:** Alstom's service plans demonstrate that they can be accommodated within the available capacity identified
- **2.3 Sufficiency of Available Capacity:** A side-by-side comparison of VTE's depot requirements and IPEX's findings confirms that there is sufficient available capacity to support VTE's full service plan.

2.1 Available Capacity

Background

As part of the ongoing Section 17 process to which this submission relates, the ORR retained IPEX as a specialist advisor to undertake an independent capacity assessment of TMI.

The IPEX report was published on 31 March 2025 alongside the ORR's draft conclusions and was followed by a 4-week consultation period. VTE submitted its response to the consultation on 28 April 2025. Following VTE's (and others') responses to the ORR's TMI consultation, the ORR in its letter of 5 June 2025 stated that it has "*...concluded that the independent assessment is an accurate reflection of available capacity at TMI*".

Conclusions from the independent capacity assessment by IPEX

The IPEX report clearly identifies latent capacity at TMI in all critical facilities, including the maintenance shed, stabling roads, wheel lathe, LDA roads and carriage wash. VTE has summarised the relevant findings in the table below:

IPEX ref	Area of depot	Latent capacity
14.1	Normal Depot Arrival Rate*	0.85 sets per hour
14.1	Exceptional Depot Arrival Rate	2.52 sets per hour
14.2	Normal Depot Set Capacity	5 to 9 x 400m sets (once decommissioned set moved)
14.2	Exceptional Depot Set Capacity	5 additional 400m sets
14.3	Maintenance Shed Capacity	1.61 x 400m roads (per the DFO's planning) 2.14 x 400m roads (observed)
14.4	Wheel Lathe Capacity	2,357 hours / 35%
P4 Exec	CET & Tanking	0.8 sets per hour
P7 Exec	Carriage Wash	2.52 sets per hour

* As described in Section 10.7 of the IPEX Report, the Normal Depot Arrival rate is 1.33 sets per hour. This limit only applies if arriving trains wish to utilise the LDA roads on entry to the depot. IPEX notes that a train can alternatively use the LDA road on departure. Section 10.7.1 also notes that if both LDA roads are free, a second set can immediately be accepted while the first set is undergoing CET. IPEX thus concluded that “the Arrival Rate Capacity is not considered a “bottleneck” at the depot and more Sets could be accepted for arrival”.

As noted in its 28 April 2025 letter to the ORR, VTE believes that the available capacity identified in the IPEX report should be viewed as the minimum available. VTE's letter included supporting evidence for this position.

Nonetheless, VTE is delighted that latent capacity has been identified at TMI that would support the introduction of VTE's planned services and has set out below that this capacity is sufficient.

IPEX improvement options for realising more capacity

The IPEX report notes that some capacity increases “*require changes to EIL's current operational practices and may require some improvements*”. The report identified six options in this regard, some of which may not be needed (e.g. Option #1 - CET facility upgrade) or would be cost-free to VTE in making the depot more efficient (e.g. Option #6 - removal of decommissioned sets). Options #2 to #5 inclusive require upgrading the Reception, LDA and some of the stabling roads to accommodate sanding, washer-fluid top ups, train preparation, cleaning and light maintenance.

VTE is ready to engage constructively with the DFO to review the operational efficiency of the depot and to identify any changes needed to the depot to deliver capacity enhancements, including proportionate sharing of the costs of these improvement options.

VTE's willingness to engage constructively on these options further reinforces its commitment to efficient depot use and collaborative planning.

2.2 VTE's Service Plans

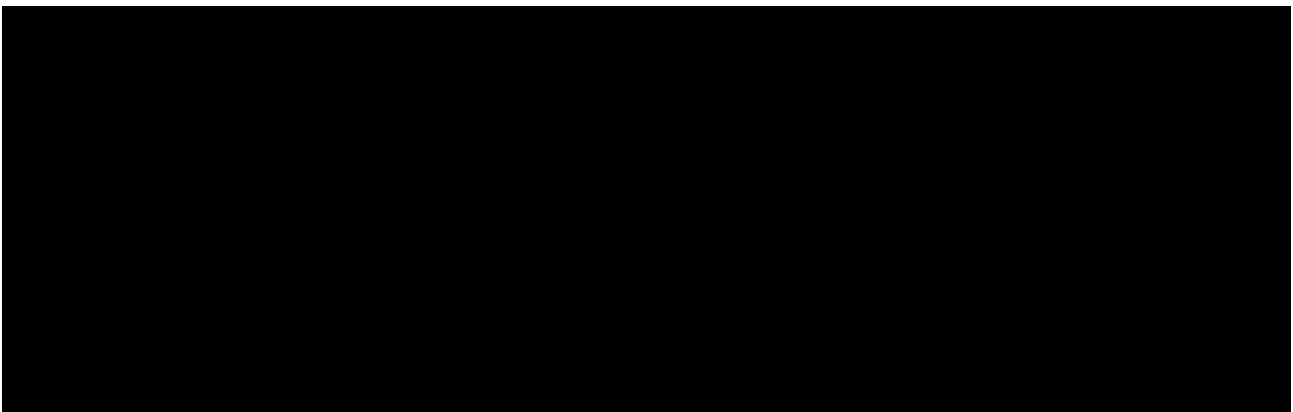
The maintenance delivery strategy developed by Alstom has been built around VTE's planned operational timetable (set out in Appendix A) and around the latent capacity identified in the IPEX report (set out in Chapter 2.1 above), recognising the requirement that the maintenance of VTE's fleet needs to integrate smoothly with the current depot operations.

The following paragraphs outline the high-level maintenance requirements for VTE's fleet and how that strategy is applied to the capacity defined within the IPEX report.

Maintenance Requirements

Planned maintenance

The Avelia Stream requires routine Level 1-4 mechanical inspections at the following intervals:



Smaller routine mechanical interventions are planned to be addressed through a balanced regime requiring one monthly intervention per train, which enables:

- Removal of peaks in labour to smooth requirements
- Certainty in the duration and planning of maintenance exams for optimising the usage of the available depot footprint

A whole train preventative wheel-turning strategy will be employed, which enables:

- A reduction in the overall number of visits to the lathe, minimising dead time that would be required for shunting, set-up and release for each visit
- A reduction in the potential divergence of individual axles' wheel-turning requirements within a train

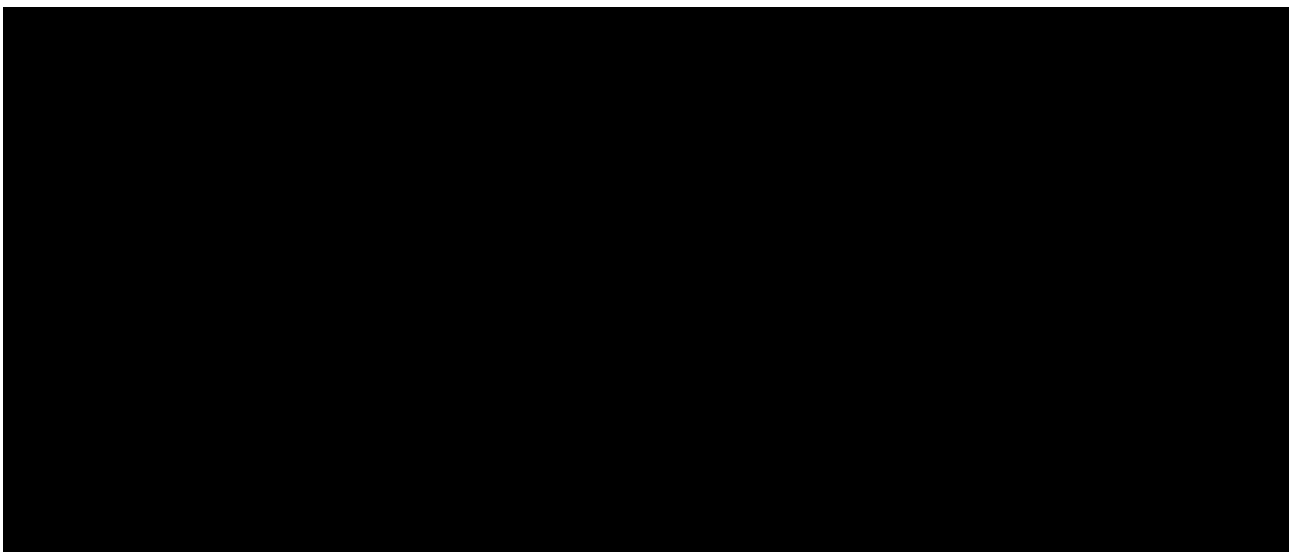
Both give more certainty to the planning process for the wheel lathe and the wider depot, recognising that VTE and the incumbent will also have casualty wheel-turning requirements which will require adjustments to the depot's short-term plan.

Routine maintenance will be further optimised by use of Alstom's proprietary desktop HealthHub system which was pioneered on the Virgin Trains Pendolino fleet in 2006 and enables wayside monitoring of on-train signals and development of predictive maintenance alerts based on application of algorithms. This drives preventative interventions during the exam cycle and reduces the unplanned corrective maintenance requirements of the train.

Application of HealthHub to assist with predictive and condition-based maintenance enables Alstom to continuously improve maintenance execution and develop upon the initial maintenance plan, considering also feedback from maintenance activities and operational service. Opportunities to optimise the maintenance plan will further reduce train downtime and give further certainty to VTE of when its trains will be available for commercial service, and further certainty to the wider depot operation management as to the utilisation of the depot footprint.

Overhaul maintenance

The base overhaul Level 5 maintenance requirements for the Avelia Stream are as follows:



The approach to overhaul will be to minimise train downtime and facility usage, leveraging the float of spares where practical and focusing on a ‘pit-stop’ style maintenance strategy, where components are overhauled off-train wherever possible.

Alstom will also leverage the benefits of vertical supply chain integration by utilising its UK Parts, Overhaul and Modernisation business where possible, which includes the facilities to overhaul bogies and wheelsets, HVAC units, pantographs, passenger information systems etc. This enables further control of the end-to-end supply chain and efficient overhaul execution, creating further opportunities to reduce downtime.

A key requirement for each overhaul will be the proper planning of depot facilities at TMI, including the lifting road and bogie drop, access to which would deviate from the nominal maintenance road usage for planned and corrective maintenance tasks. Alstom is an experienced depot operator and confident that with this planning there will not be any effect on the depot performance. There is sufficient time before the first overhaul interventions become due to optimise the delivery of the overhaul of the trains in the wider context of TMI operations.

Cleaning

Through its prior relationship with Virgin Trains, as maintainer of both the Pendolino and Voyager fleets, Alstom is familiar with the high-bar which Virgin sets for customer-experience, a key cornerstone of which will be train presentation. Alstom will provide the following scopes of cleaning for the Avelia Stream fleet:

- Turnaround cleaning at stations
- Daily overnight cleaning at TMI and stabling locations
- Periodic heavy cleaning at TMI

On-depot cleaning will be performed on stabling and reception roads.

Maintenance Execution

Steady-state

Alstom’s maintenance programme will make use of two available (200m) berths in the depot.

During the daytime the nominal usage of the two berths are as per the table below:

Berth	M	T	W	T	F	S	S
1	Balanced Exam	Work Arising	Balanced Exam	Work Arising	Balanced Exam	Work Arising	Work Arising
2	Corrective	Corrective	Corrective	Corrective	Corrective	Corrective	Corrective

Figure 1 - Nominal daytime usage

- Berth 1 will be used by a train undergoing either planned maintenance as a part of the balanced regime, or work arising from the exam. [REDACTED]. This adds resilience into the plan and provides flexibility within the week to re-plan exams based on current mileages. It is not envisaged that the work arising will take a full shift.
- Berth 2 will be used for corrective maintenance.

Overnight during steady-state both berths will be utilised for corrective maintenance:

Berth	M	T	W	T	F	S	S
1	Corrective	Corrective	Corrective	Corrective	Corrective	Corrective	Corrective
2	Corrective	Corrective	Corrective	Corrective	Corrective	Corrective	Corrective

Figure 2 - Nominal overnight usage

Overhaul periods

During overhaul periods a change to the usage of the berths is required. For some overhauls a train will need to be present day and night in one of the berths, this will remove the availability of the corrective berth during the day and one of the corrective berths during the night.

Alstom propose to overcome the reduction in corrective maintenance berths through selective application of the following activities:

- Ramping up resolution of known defects during steady-state period just before the overhaul
- Undertaking all outstanding corrective maintenance on the exam train during the day shift when overhauls are taking place, not just corrective work arising
- Ramping up overnight corrective labour on the depot and utilising stabling roads for interior corrective maintenance
- Development of the outstation location capability to deliver more corrective maintenance during overhaul periods

The nominal usage of the available capacity during overhaul periods is shown below:

Day Shift

Berth	M	T	W	T	F	S	S
1	Balanced Exam	Corrective	Balanced Exam	Corrective	Balanced Exam	Corrective	Corrective
2	Overhaul	Overhaul	Overhaul	Overhaul	Overhaul	Overhaul	Overhaul

Night Shift

Berth	M	T	W	T	F	S	S
1	Corrective	Corrective	Corrective	Corrective	Corrective	Corrective	Corrective
2	Overhaul	Overhaul	Overhaul	Overhaul	Overhaul	Overhaul	Overhaul

*Additional interior corrective undertaken on stabling roads

There will be periods during overhauls when the train requires usage of lifting capability within the depot. Prior planning as part of the overhaul programme will define requirements, optimisation of those requirements and proactive interaction with the DFO to ensure smooth integration with wider depot operations.

Wheel lathe requirements

There are [REDACTED] required on the lathe, at a rate of approximately three slots per month. This results in a planned requirement of 936 hours per annum, well within the available capacity of 2,357 hours per annum identified in the IPEX report.

Cleaning requirements

Access to the units will be required on stabling roads to complete daily and periodic heavy cleaning activities. Periodic heavy cleaning requires six shifts per month to undertake exterior manual cleaning of the units.

Management

VTE and Alstom recognise that the maintenance of the new Avelia Stream trains must be integrated with the current DFO's maintenance activity. Alstom has extensive experience of operating multiple fleets for different customers on a single depot, and of supporting operations where Alstom's customer's fleets are stabled on third party depots.

Alstom will establish a presence in TMI before the commencement of the train acceptance process to mobilise the maintenance operation. A key part of this will be to gain an understanding of the depot operation in order that the introduction of the new trains is integrated with the DFO's requirements.

During the mobilisation process Alstom would work with the DFO to build a strong working relationship and to define day-to-day operational interactions including:

- Health and safety on depot
- Start-of-shift briefs
- The maintenance execution plan, facility requirements, shunting requirements and berth allocations for the upcoming 24 hours, 7 days, month on both fleets
- Periodic (monthly) contract review to ensure a positive working relationship between the parties to include for example:
 - Safety performance
 - Maintenance delivery vs. plan
 - Joint improvement workstreams to optimise depot usage
 - Key topics as required e.g. overhaul planning

2.3 Sufficiency of Available Capacity


Comparison of available latent capacity vs. VTE's depot requirements

VTE's proposed timetable is set out in Appendix A, which shows that five sets are planned to depart and arrive at TMI each day, with two spare maintenance sets remaining on depot for scheduled maintenance interventions.

The table below shows the comparison of the available latent capacity identified in Chapter 2.1 above with that required by VTE, as set out in Chapter 2.2 above:

Location	Latent Capacity Identified	VTE's Requirements	Sufficient Capacity?
Normal Depot Set	Between 5 and 9 (400m) sets totalling between 2,000m and 3,600m capacity	Between 2 and 7 (200m) sets assuming no sets are stabled in SPX platforms, totalling between 400m and 1,400m of capacity	✓
Maintenance Shed	1.6 roads (640m)	2 x 200m tracks; 400m in total (one road)	✓
Overhaul hours *	1.6 roads (640m)	132 x 16-hour slots every 6 years; 312 x 16-hour slots every 11-12 years	✓

Wheel Lathe	2,357 hours per annum	936 hours per annum	✓
Wash Plant	<p>At 2 sets per hour (worst case Cl373) the capability of the depot is 48 sets per day which is more than triple the depot capacity. The DFO is noted as having 7 arrivals which may use the facilities each day (assuming efficiently performed on arrival as per the IPEX report) leaving capacity for 41 trains</p> <p>However, IPEX also note that only 0.5 sets per hour were observed</p>	Two slots/trains per day, noting that at 200m VTE's trains will pass through the wash plant in half the time assumed by IPEX and consume half the water. We would also note that the IPEX observed arrival rate of 0.5 sets per hour would allow a full VTE set each hour to be accommodated	✓
Arrival Rate	At 1.3 sets per hour the depot is capable of accepting 31 sets per day. The DFO is noted as having 7 planned arrivals and which may use the CET/LDA facilities each day (assuming efficiently performed on arrival as noted in Section 10.7 of the IPEX report) leaving capacity for 24 more trains per day to be accepted.	Five slots/trains per day can easily be accommodated with 24 available, noting that VTE's 200m long trains will transit through sections of the depot twice as fast as assumed in the IPEX report.	✓

CET/LDA Facility	<p>IPEX note that only 0.48 sets per hour are utilised leaving 0.85 sets per hour available. IPEX also note in their conclusion that Arrival Rate Capacity is not considered a “bottleneck” at the depot and more Sets could be accepted for arrival.</p> <p>Section 10.7.1 notes that “if the LDA roads are already free, they can accept an additional Set, while the first Set is undergoing CET”</p>	<p>The IPEX latent capacity arrival rate of 0.85 sets per hour would allow a 200m VTE set each hour to be accepted onto the depot without any significant planning changes even if two trains were due to arrive at the same time, and particularly so should both LDA roads be empty (and two trains can be accepted one after the other) which, with good planning or a reasonable accommodation by the DFO, would be the case in reality.</p>	
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*- As noted in Chapter 1 VTE would be prepared to make an appeal under Regulation 32 of the Access Management Regulations for overhauls. Regardless of this and noting there is adequate time for VTE to plan its overhauls which will not be required until at least 6 years after the start of operations, VTE’s manufacturer has confirmed that 1.6 roads is adequate to complete the required work. This time period will also allow VTE to understand the operations of the depot further which will enable VTE to propose efficiencies which it believes are there to increase capacity at the depot.

Though not addressed within the IPEX report, VTE will require access to stores, welfare and mess facilities at the depot for VTE crew and Alstom maintenance staff as part of the depot agreement.

Adequacy of maintenance downtime

The table below shows the times at which VTE’s trains would arrive to and depart from TMI. Even without utilising the sets that would already be on depot for daytime maintenance, the table demonstrates that the requirement set out in Chapter 1 for circa two berths for eight hours overnight maintenance will support VTE’s service delivery plans and operational timetable.

TMI Planned Arrival Times for VTE	20:59	21:23	21:59	22:59	23:23
TMI Planned Departure Times for VTE	05:16	05:49	06:16	06:49	07:16
VTE Depot time (assuming safe train turn around)	08:17	08:26	08:17	07:50	07:53

Conclusion

The Latent Capacity Identified by IPEX, set out in Chapter 2.1 above, is shown in Chapter 2.3 above to be more than sufficient to meet VTE's needs with adequate performance buffers remaining for periods of network disruption. Alstom has the experience to seamlessly integrate with the DFO's operation and deliver the maintenance plan for the fleet with minimal disruption to current operations.

VTE Service Plans, as set out in Chapter 2.2, are supported by Alstom as confirmed by its letter of support in Appendix B1 and by its detailed plans set out and referred to in that same chapter. Alstom has extensive experience delivering TSA-style maintenance on comparable fleets (including Virgin's Pendolino fleet) that performed to very high standards. VTE is therefore extremely confident that its maintenance and depot requirements will be adequately supported by the available space at TMI.

Chapter 3 Impact on Operational Performance

ORR's Assessment Criteria	
Relevant Duties	<i>Promote improvements in railway service performance.</i>
Anticipated Evidence	<i>Demonstration that operators' plans for more extensive use of TMI will not negatively impact operational performance.</i>
Specific Questions	<p><i>6. What, if any, will be the impact on operational performance of VTE's proposed use of capacity at TMI?</i></p> <p><i>7. How has VTE assessed the impact on operational performance?</i></p> <p><i>8. Please provide any evidence to support VTE's assessment of impact on operational performance.</i></p>

VTE Chapter Summary

- **3.1 Operational Performance Impact:** VTE anticipates no adverse impact on TMI operational performance resulting from its use of the facility.
- **3.2 Assessment Approach:** In the absence of dialogue with the depot facility owner (“**DFO**”) VTE's assessment is based on two independent third-party sources: the IPEX report and data from RealTime Trains.
- **3.3 Evidence and Conclusions:** IPEX's modelling confirms that latent capacity can be accessed without detriment to performance. RealTime Trains data shows actual train movements are lower than assumed, indicating additional performance buffer. VTE concludes that its proposed use of TMI can be accommodated without adverse impact and may even improve operational efficiency of the incumbent.

3.1 Operational Performance Impact

As confirmed to VTE on 17 June 2025 by the ORR's Deputy Director, Access, Licensing & International, the ORR's assessment of operational performance is intended to focus solely on TMI. VTE has therefore confined its analysis to this scope.

VTE has not been provided with any operational performance data or metrics for TMI so is unable to comment with certainty whether the depot is currently performing well. However, VTE sees no reason, assuming efficient usage of the facilities by all parties, for there to be any adverse impact on operational performance at TMI due to its proposed use of the facility. While the arrival of VTE as a second operator will require some adaptation of existing practices, VTE is confident that, through collaborative planning and efficient operations and with Alstom's vast experience, depot performance will not be affected.

VTE is committed to working constructively with the incumbent operator and DFO to ensure the continued smooth operation of TMI for all operators.

3.2 Assessment Approach

Discussions between VTE and the DFO were suspended by the DFO when the Section 17 process was initiated. VTE expects that, following the ORR's access decision, direct engagement with the DFO will resume.

In the absence of ongoing dialogue with the DFO, VTE has drawn on two independent sources to assess the operational performance implications of its proposed use of TMI:

1. The IPEX report, commissioned by the ORR, which used a digital twin of the depot to model train movements and maintenance activity in five-minute increments, based on both planned and observed data.
2. RealTime Trains data, which provides a record of actual train movements at TMI, allowing comparison with the assumptions used in the IPEX model.

3.3 Evidence and Conclusions

Evidence from the IPEX report

As detailed in Chapter 2 of this submission, IPEX was engaged by the ORR to undertake an independent capacity assessment of TMI.

In its Executive Summary, IPEX states that *“The capacity analysis was performed using an IPEX depot modelling tool, which models the movement of Sets through the depot in 5 minute increments. The model uses arrival and departure patterns from the current timetable, as well as timing and sequencing of all servicing and maintenance activities performed at Temple Mills. To account for any deviations to the timetable, the model was also run with observed arrival, departure, and activity timings over a sample time period, using movement and maintenance records provided by EIL and by IPEX attending Temple Mills”*.

It is clear from this that IPEX sought to take account of all existing depot activity in its assessment. It is confirmed in Section 2.5.2 that the DFO was provided with a draft copy of the report for fact checking prior to its initial publication and the DFO in its 28 April 2025 letter to the ORR acknowledges that *“there was nothing that changed in either fact or evidence between these two versions of the report”*. VTE therefore assumes that the DFO does not dispute that the IPEX report took proper account of all existing depot activity.

It also appears that an assessment of operational performance implications is considered at a relatively detailed level within IPEX's analysis of the available capacity at the depot. Section 2.4 of the report sets out IPEX's methodology including, in Section 2.4.2, how a digital twin of the facility was created with IPEX's bespoke modelling tool which "*enables flow, stabling capacity, and shed occupation to be analysed*". As a working mock-up of the depot model was created it would therefore suggest that performance modelling has been considered when determining the available capacity at the depot.

IPEX's operational performance-led approach, and its conclusion that latent capacity exists, must together support the conclusion that any depot movements required to utilise the latent capacity will not have a detrimental effect on operational performance within the operating parameters of the depot.

It would follow therefore that using the latent capacity set out in Chapter 2.1 above can be done without any significant performance detriment to the overall performance of the depot. Section 6.2.1 supports this by describing the Normal Depot Capacity as the "*quantity which the depot can accommodate factoring for space required to stable and service arrivals, make movements and account for typical unforeseen events*". VTE would expect that users of the depot would take a collaborative and professional approach to forward depot planning and reasonable accommodations to timetabling which will ensure any potential problems that may arise are mitigated.

In addition to IPEX analysing and setting out the latent capacity that its depot modelling suggests can reasonably be accommodated, there are several other observations within its report that would, in VTE's opinion, mitigate any impact on operational performance achieved within the Normal Depot Capacity, such as:

- Section 12.6.13: While not quantified, IPEX states "*it is evident that using the reception roads would unlock more capacity*" in the maintenance shed, citing "*evident*" inefficiencies such as trains sat waiting for departure or driver preparation, which can (as is the norm at other depots) be completed elsewhere.
- Section 10.7.1: With efficient planning, two sets can be accepted simultaneously using the LDA roads. Furthermore, a VTE 200m set will take only half the noted time.
- Section 10.7.2: VTE's shorter 200m sets will require only half the noted time in the Carriage Wash thus increasing throughput.
- Section 10.9.2: It is possible, under seemingly normal conditions, to accept three trains onto the depot within one hour and two minutes.
- Section 10.10.4: Trains could be accepted almost immediately after one another, one using the LDA while the other one uses Reception roads, the latter being planned to exit on the LDA roads for CET. It would be unusual for departing sets to be

occupying one of these roads which arrive generally in the evenings with departures in the mornings ready for service.

- Section 4.2: Flow analysis may be different for 200m sets. It is inconceivable that a shorter set could worsen performance. To the contrary, VTE's smaller sets should enable a significant potential performance improvement for flows on the depot.
- Section 6.3.2: There is the possibility to stable sets in SPX station or Stratford International station to ease pressure on capacity at the depot.
- Section 4.6: There are potential opportunities where planned capacity and actual capacity differ, with seemingly more capacity available than plans supplied by the DFO would suggest.

These findings reinforce the conclusion that VTE's proposed use of TMI can be accommodated within the depot's operating parameters, with no adverse impact on performance, and potentially with operational benefits.

Evidence from RealTime Trains

RealTime Trains is an independent provider of real-time information about train services across the UK rail network. Its platform can be used for simple journey planning searches or to analyse detailed train movements by operator, route and facility – on both a planned and actual basis.

VTE has used a sample from RealTime Trains of planned and actual train movements between SPX and TMI to cross-check the findings of the IPEX report.

In VTE's letter of 28 April 2025, responding to the ORR's consultation on available capacity at TMI, reference was made to the two appendices showing that planned train movements over the two time periods was typically in the order of three to four arrivals and departures per day (occasionally rising to seven). A further sample week is summarised in the table below, which shows a similar pattern – typically four to five arrivals and departures per day (with occasional peaks of seven).

TMI Arrival Times for Eurostar per RealTrainTimes											
27/06/25				20:26			21:56		22:56		23:56
28/06/25	05:55	08:17	19:26			21:26	21:56		22:56		23:56
29/06/25	00:22	06:42			20:56	21:26		22:26		23:11	23:56
30/06/25				19:56		21:26	21:56		22:56		23:56
01/07/25				19:56		21:26	21:56		22:56		23:56
02/07/25				19:56		21:26	21:56		22:56		23:56
03/07/25					20:26		21:56		22:56		23:56

By comparison, IPEX states (in Section 10 of its report) that the maintenance plans supplied to it by the DFO were for seven daily arrivals and departures at the depot.

As the RealTime Trains data demonstrates, actual arrivals and departures, at least over the periods reviewed, were significantly lower than those on which IPEX based its analysis. This suggests either:

- a significant additional performance buffer is available in the day-to-day operation of TMI; or
- additional latent capacity exists beyond that captured by the IPEX report.

In either case, this analysis provides further assurance that there should be no adverse impact on operational performance caused by VTE's proposed use of TMI.

Conclusion

The evidence provided by the IPEX report is clear and compelling. IPEX has utilised its depot modelling tool to analyse depot movements and maintenance activity and has concluded that latent capacity exists at TMI. The modelling confirms that the train movements required to access this capacity can be accommodated without detriment to operational performance.

Supplementary analysis from RealTime Trains adds further confidence, showing that actual train movements are often significantly lower than those assumed in the IPEX model. This suggests that an additional performance buffer exists in practice.

Taken together, these independent sources provide a robust and credible basis for concluding that VTE's proposed use of the depot can be accommodated without adverse impact on operational performance.

Chapter 4 Operational Readiness and Viability

ORR's Assessment Criteria	
Relevant Duties	<i>Promote efficiency and economy on the part of persons providing railway services.</i>
Anticipated Evidence	<i>Delivery plans demonstrating clear intent and ability to use the capacity promptly. Explanation of progress towards securing other necessary access agreements and regulatory approvals.</i>
Specific Questions	<p><i>9. Please provide evidence of VTE's Delivery Plans, clearly detailing the timescales in which VTE will utilise the requested capacity at TMI and how that capacity will be used to deliver services.</i></p> <p><i>10. Please provide an explanation of VTE's progress towards securing other necessary access agreements and regulatory approvals.</i></p> <p><i>11. Please provide details of VTE's rolling stock plans, to include:</i></p> <ul style="list-style-type: none"> <i>• Rolling stock class</i> <i>• Rolling stock compatibility</i> <i>• Rolling stock delivery plan</i> <i>• Rolling stock depot strategy</i> <i>• Rolling stock maintenance plan</i> <i>• Rolling stock stabling</i> <i>• Rolling stock delivery timescales</i> <i>• Modifications to TMI that VTE envisages are required to accommodate its rolling stock plans</i>

VTE Chapter Summary

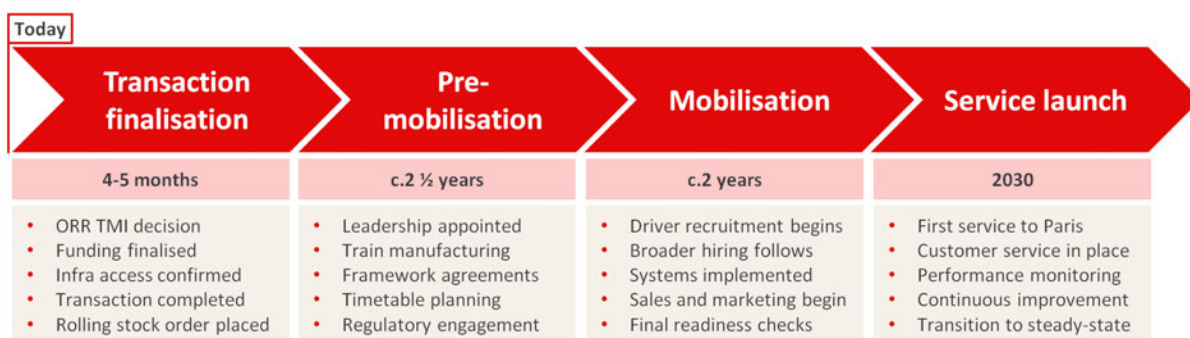
- **4.1 Delivery Plans:** VTE will place its rolling stock order during Q4 2025, starting the clock on a 4½-year manufacture and delivery period that will enable launch of services in 2030. Detailed mobilisation plans are in place to ensure operational and commercial readiness prior to launch.
- **4.2 Access Agreements:** VTE has had extensive engagement with all applicable infrastructure access managers (covering track, station and depot access) to validate the availability of capacity for its proposed services and to understand the process requirements for securing access.
- **4.3 Regulatory Approvals:** Similarly, VTE has engaged with the key regulatory and governmental bodies responsible for granting operating licences, safety certificates and border/security clearances in VTE's target markets. Virgin has significant experience of obtaining and maintaining such licences, authorisations and approvals, both within the rail sector and in other regulated industries (e.g. aviation, cruise ships, banking).
- **4.4 Rolling Stock Plans:** VTE will operate a fleet of twelve Alstom Avelia Stream trains. These trains will be fully TSI compliant with all necessary homologations for

VTE's proposed routes. Fleet maintenance is anticipated to be carried out at TMI by Alstom under a 30-year Train Services Agreement (“TSA”). 7 trains will be stabled at TMI each night, with the remaining 5 trains stabled in Paris, Brussels and Amsterdam. The first trains will be ready for entry into service in 2030. VTE and Alstom expect no substantial modifications to TMI to be required subject to the outcome of discussions around the options identified in the IPEX report.

4.1 Delivery Plans

VTE has developed a clear and structured mobilisation roadmap, informed by extensive stakeholder engagement and the deep operational experience of its shareholder group. This includes Virgin's history of launching and scaling new businesses, as well as the collective rail expertise of all three shareholders. This group of shareholders know what it takes to stand up a new operator and have a detailed, credible plan to do so.

VTE envisages four distinct phases in the mobilisation of the business:



- **Transaction finalisation:** Focused on finalising funding documentation, developing requisite access agreements and completing the transaction.
- **Pre-mobilisation:** Covering the period from financial close to the start of driver and front-line recruitment, including the appointment of key leadership, systems procurement, regulatory engagement and infrastructure readiness.
- **Mobilisation:** Begins with driver recruitment and runs through to launch, encompassing workforce mobilisation, system implementation, safety certification, initial marketing campaigns and customer readiness.
- **Service launch:** Commencement of services and transition into steady-state operations, supported by ongoing performance monitoring and continuous improvement.

In this chapter, VTE sets out further detail on each of these phases, with particular emphasis on the pre-mobilisation and mobilisation periods. These phases are where the business is stood up, systems are implemented and the operational framework is put in place to ensure a successful and timely launch and long-term viability.

Transaction finalisation

The period between now and financial close, during which VTE will complete the key legal, financial and commercial steps required to proceed. VTE is well-equipped to reach this point, with significant progress already made across all workstreams. Further detail is provided in Chapter 5 ('Financial Viability'), which outlines the funding structure, shareholder commitments and transaction mechanics in full.

- Funding and financial close: Execution of full-form documentation and commitment of equity across both AssetCo and OpCo, alongside finalisation of the debt raise. These steps are well-progressed and described in detail in Chapter 5.
- Rolling stock procurement: Execution of the MSA and TSA with Alstom and placement of the rolling stock order.
- Lease agreement: Finalisation of the full-form lease between OpCo and AssetCo, enabling the drawdown of funding and contractual commitment to the fleet.
- Access and infrastructure: VTE does not expect substantive discussions on detailed Framework Track and Station Access Agreements to be possible until the ORR's access decision in relation to TMI. Upon VTE receiving a positive access decision from the ORR, Framework Agreements for LSPH track and stations access will be concluded, as will the Framework Track Access Agreement with Eurotunnel (currently being drafted). VTE will also commence the process to secure Framework Track and Station Access Agreements with SNCF Réseau, Gare & Connexions, Infrabel, SNCB, Prorail and NS, noting that a 6-month consultation period is required by SNCF Réseau on the route.
- Legal and regulatory: Finalisation of the corporate structure, building on the existing VTE entity. Governance framework to be implemented, reflecting the key terms already agreed between shareholders.
- Insurance and risk management: Completion of the insurance strategy, building on existing engagement with Virgin's appointed insurance broker. Binding quotes and policies to be secured to ensure all required cover is in place from day one. A detailed project risk register maintained to ensure timely introduction of services.
- Stakeholder engagement: Final pre-close engagement with key stakeholders including all relevant regulatory and governmental departments and infrastructure managers, ensuring alignment on the path to mobilisation.
- Conditions to close: All key rolling stock and financing transaction elements will be lined up and ready for final agreement by 31 October, when the ORR is expected to make its access decision. Following that, a short period will be required to satisfy final conditions (primarily securing remaining infrastructure access once TMI depot access is confirmed) to enable flow of funds and issuing Notice to Proceed to Alstom.

Pre-mobilisation

Spans the period from financial close to the start of driver recruitment, which is expected to begin approximately 24 months ahead of launch. This phase focuses on standing up the core of the business, progressing regulatory and infrastructure readiness and ensuring that all foundational elements are in place ahead of full mobilisation.

- Leadership: Senior executive team hired and in place as the business builds towards launch. Driver-trainers/managers recruited and trained in preparation for full recruitment in mobilisation phase.
- Train manufacture: Alstom's manufacturing programme is underway, with VTE actively monitoring progress against agreed milestones alongside AssetCo and their advisors. VTE maintains regular engagement with Alstom to track progress and manage delivery risk.
- Infrastructure and access: Continued progression of framework agreements and timetable planning with infrastructure managers and planning for depot readiness. Securing necessary access for train testing.
- Regulatory and safety: Development of the Safety Management System and preparation of safety certificate and operator licence applications, with ongoing engagement with regulators and government departments.
- Systems and commercial set-up: Planning and procurement of core systems (HR, finance, rostering, operational, safety, inventory management, retail), with implementation scheduled to begin during the mobilisation phase.

Mobilisation

Begins with the start of driver recruitment (c.24 months ahead of launch) and runs through to the commencement of services. This is the most intensive phase of delivery, during which VTE transitions from planning to execution across all workstreams. It includes the onboarding of operational staff, implementation of systems, completion of regulatory approvals and preparation for customer launch. The structure and sequencing of this phase aligns with the high-level timeline set out in the programme plan.

- Workforce mobilisation: Recruitment and training of drivers, crew, HQ and operations staff. Safety-critical training delivered in line with regulatory requirements, with the recruitment of drivers starting approximately 24 months before launch.
- Operational readiness: Final bidding for timetables, control room setup, development of standard operating procedures and readiness testing.

- Fleet readiness: Commissioning of rolling stock, including testing, acceptance and entry into service. Depot preparation and maintenance planning completed ahead of fleet arrival.
- Regulatory approvals: Submission and approval of safety certificates (and accompanying safety management systems) and operator licences (including a GB Passenger SNRP). Engagement with regulators and safety authorities across all jurisdictions, building on earlier discussions and application preparation.
- Systems implementation: Deployment of core IT systems. Integration of loyalty, retail and ticketing systems, including reservation platforms and industry interfaces. All systems will be tested and validated ahead of service launch to ensure operational readiness.
- Customer readiness: Recruitment and training of customer service teams. Implementation of accessibility measures, complaints handling procedures and CRM systems. This includes delivery of accessibility features and inclusive service design from day one.
- Commercial launch: Launch of ticket sales, marketing campaign rollout and brand activation across channels in the UK and Europe.
- Stakeholder coordination: Final readiness checks with regulators, government bodies, infrastructure managers and delivery partners.

Service launch

Marks the culmination of VTE's mobilisation efforts and the transition into live operations. It begins with the commencement of passenger services and represents the point at which all regulatory, operational and commercial systems are fully active. This phase marks the beginning of VTE's operational journey and the delivery of a new, high-quality international rail service.

- Operational go-live: Passenger services commence on VTE's initial routes, supported by fully trained staff, validated timetables and operational control systems.
- Customer experience: Customer service teams deployed across channels and on board. Accessibility, reservation and complaints-handling systems fully operational.
- Performance monitoring: Real-time monitoring of service performance, safety and customer feedback. Early operational data used to inform continuous improvement.
- Stakeholder reporting: Initial reporting to the ORR, DfT and other stakeholders to demonstrate compliance, performance and delivery against commitments.

VTE is well advanced across all workstreams and stands ready to move forward at pace. The structure and sequencing set out above reflect a credible and deliverable plan, underpinned by detailed preparation and a clear understanding of what is required to launch a new operator successfully.

4.2 Access Agreements

VTE's proposed services span multiple jurisdictions and infrastructure managers, requiring a coordinated and multi-layered approach to access agreements. These include track, station and depot access across the UK, Channel Tunnel, France, Belgium and the Netherlands. Since early 2023, VTE has proactively engaged with all relevant stakeholders to validate capacity, understand process requirements and build the relationships necessary to secure access. This chapter outlines the status of those engagements and demonstrates VTE's readiness to move swiftly to the execution of relevant contracts once depot access is confirmed.

The table below summarises the relevant stakeholders and the types of access required from each.

Stakeholder	Track	Station	Depot
LSPH	●	●	
Eurotunnel	●		
SNCF-R	●		
Infrabel	●		
Prorail	●		
SNCF-G&C		●	
Eurostar			●
SNCF-V			●
SNCB RRS		●	●
NS		●	●

Update on progress with infrastructure providers

VTE has been engaging extensively with infrastructure stakeholders since early 2023 and is well positioned to secure all necessary access as summarised below:

Stakeholder	VTE Status
LSPH	<ul style="list-style-type: none"> Letter of support for VTE's planned services received (see Appendix B10).

	<ul style="list-style-type: none"> • <u>Track access</u>: Extensive discussions have taken place regarding Framework Agreements and LSPH's proposed International Growth Incentive Scheme. The Framework Agreement process is well understood and further progress in this regard is now dependent on the ORR's decision on TMI. • <u>Station access</u>: Access to SPX has been discussed and VTE has been engaged in the SPICE¹ consultations. • Business plan assumptions and costings for track and station access charges have been confirmed with LSPH. • VTE and LSPH have met at least fortnightly since 2023 to share progress and engage in a meaningful way on issues and ideas arising.
Eurotunnel	<ul style="list-style-type: none"> • Letter of support for VTE's planned services received (see Appendix B11). • Discussions regarding Framework Agreements set out in its Network Statement and eligibility for incentives under the ETICA-Pax scheme have taken place – the process is well understood. • Business plan assumptions and costings for Channel Tunnel access charges have been confirmed with Eurotunnel. • VTE and Eurotunnel have met at least fortnightly since 2023 to share progress and engage in a meaningful way on issues and ideas arising.
SNCF-R	<ul style="list-style-type: none"> • A letter confirming VTE's engagement with SNCF Réseau has been received (see Appendix B12). • SNCF Réseau and VTE have been engaged since 2023, with Framework Agreements and the process to secure capacity having been discussed on numerous occasions. • Formal notification of VTE's traffic intentions was first communicated in September 2023, with an update following in September 2024. The latest indicative timetable was shared by VTE on 12 June 2025. • A joint meeting between VTE, SNCF Voyageurs PSEF department and SNCF Réseau was held in March 2024 regarding access, stabling and servicing arrangements. • In January 2024 VTE was formally established as a customer on SNCF Réseau's database in anticipation of its eventual launch.
Infrabel	<ul style="list-style-type: none"> • A letter confirming VTE's engagement with Infrabel has been received (see Appendix B14). • VTE has been discussing its proposed services with Infrabel since August 2023 and shared its latest indicative timetable on 12 June 2025. • Framework Agreements and the process to secure capacity have been discussed on numerous occasions.

¹ St. Pancras International Capacity Enhancement project

Prorail	<ul style="list-style-type: none"> • An email confirming details of VTE's engagement with Prorail has been received (see Appendix B15). • Prorail and VTE have been engaged since August 2023, and the two parties have been discussing VTE's proposed services since then. VTE shared its latest indicative timetable on 12 June 2025. • Framework Agreements and the process to secure capacity have been discussed on several occasions, as has the status of upgrade works at Amsterdam Centraal station.
SNCF-G&C	<ul style="list-style-type: none"> • A Letter confirming VTE's engagement with SNCF Gares & Connexions has been received (see Appendix B13). • SNCF Gares & Connexions and VTE have been engaged since March 2024, with formal notification of VTE's traffic intentions having been communicated in September 2024. • VTE shared its latest indicative timetable on 12 June 2025. • The process to secure station access has been discussed on a number of occasions. • Discussions have also taken place regarding the upgrade of Gare Du Nord and the facilities at the station which will be available in time for VTE's service launch.
Eurostar (DFO)	<ul style="list-style-type: none"> • VTE made initial approaches for depot access at TMI depot in May 2024, following up with a formal application on 26th June 2024. • A depot visit to TMI was made in August 2024. • VTE's depot requirements were shared in September 2024. • On 18 September 2024, the DFO "paused" its engagement with VTE citing the Section 17 process with the ORR.
SNCF-V	<ul style="list-style-type: none"> • A joint meeting with VTE, SNCF Voyageurs PSEF department and SNCF Réseau was held on 25 March 2024 regarding access, stabling and servicing arrangements. • Discussions over capacity, capability, stabling and pricing have been held in relation to Le Landy depot in Saint-Denis.
SNCB RRS	<ul style="list-style-type: none"> • An email confirming the details of VTE's engagement with SNCB RRS has been received (see Appendix B16). • SNCB RRS and VTE have been engaged since June 2024. • VTE's latest indicative timetable has been shared with SNCB RRS. • <u>Station access:</u> Discussions have taken place about capacity, pricing and services available at the station, including in the international area. • <u>Depot access:</u> Discussions have also taken place with respect to stabling and light servicing at Vorst depot.
NS	<ul style="list-style-type: none"> • Introductions have been arranged by Prorail to discuss detailed station access and station facility agreements. Amsterdam is not a business launch destination and will be developed further once trains have been ordered • Prorail has indicated that overnight stabling for one 200m train (as required by VTE) at Watergraafsmeer depot could be accommodated.

Delivering access agreements

As detailed in Chapter 4.4 below, VTE has a team with significant rail experience and is supported by Tier 1 legal advisors, Dentons, to conclude infrastructure access agreements. Many of these agreements follow standardised formats and are governed by independent regulators, which helps to streamline the contracting process and reduce execution risk.

In addition, VTE has initiated a collaboration with Le Train, a French open-access rail start-up with recent, relevant experience in securing framework track access agreements and operating licences with the relevant French authorities. Le Train's in-house expertise complements VTE's own capabilities, particularly in navigating the French access and regulatory landscape. VTE intends, immediately after placing a train order, to engage Le Train to support its application for track access and to support discussions on operating licences and safety certification. Le Train's letter of support is included in Appendix B19.

4.3 Regulatory Approvals

In a similar manner to Chapter 4.2, the nature of VTE's planned operations places it within the jurisdiction of several national, bi-national and EU regulatory, safety and securities bodies. Since early 2023, VTE has engaged extensively with these authorities to understand process requirements, align on timelines, and ensure that all necessary approvals can be secured in line with the project's delivery schedule. These engagements have been conducted at senior levels and have confirmed that there are no material obstacles to obtaining the required licences, certificates or authorisations.

VTE's approach has been proactive and structured, with early dialogue focused on de-risking the regulatory pathway and ensuring readiness to proceed once rolling stock procurement is confirmed. The table below summarises the status of VTE's engagement with each regulatory body and demonstrates the maturity of its plans.

Stakeholder	Operating Licence	Safety & Security	Other
ORR	●	●	
General Directorate for Infrastructure, Transport and Mobility ("DGITM")	●		

Channel Tunnel Intergovernmental Commission (“ CTIGC ”)		●	
European Union Agency for Railways (“ ERA ”)		●	
Etablissement Public De Securite Ferroviare (“ EPSF ”)		●	
Department for Transport (“ DfT ”)(DfT)			●
Border Force		●	

Update on progress with regulatory and official bodies

VTE has been engaging extensively with Regulatory stakeholders since early 2023 and is well positioned to secure all the necessary licences and approvals, as summarised below:

Stakeholder	VTE Status
ORR	<ul style="list-style-type: none"> VTE has undertaken a draft operating licence application to demonstrate that there would be no barriers to being considered a “Fit and Proper” operator. The ORR’s response is set out at Appendix B19 and concludes that “we have no concerns to raise with you regarding your prospects for securing a licence”. A full application will build on the draft application at the appropriate time to secure the licence (typically up to two years from start of operations). VTE’s management team and shareholders have prior experience of securing and maintaining safety certification. VTE appreciates that safety certification is required to obtain an operating licence and preparation of the licence will commence after trains are procured. VTE has proactively engaged with both the Principal Inspector for the Channel Tunnel and the Head of Interoperability and Rail Vehicle Engineering to discuss safety requirements for operating on the LSPH and Channel Tunnel networks.
DGITM	<ul style="list-style-type: none"> VTE met DGITM in September 2024 and presented its project. DGITM shared details on the requirements to secure an operating licence. DGITM indicated that VTE should approach it again 12 months prior to testing on network operations to seek the granting of a licence.
CTIGC and Channel	<ul style="list-style-type: none"> VTE met with the CTIGC members in September 2023 to share details of its project.

Tunnel Safety Authority (“CTSA”)	<ul style="list-style-type: none"> VTE also met with the CTSA in November 2024 to share details of its project and to discuss safety requirements and future engagement for starting operations through the Channel Tunnel.
ERA	<ul style="list-style-type: none"> VTE has been engaged with ERA since September 2023. VTE has engaged with the Executive Director and Head of the Planning and Approvals Delivery Unit, sharing details of its project and gaining an understanding of how ERA would expect to be engaged and the process for gaining a Single Safety Certificate (SSC). Engagement continues with the most recent meeting in July 2025.
EPSF	<ul style="list-style-type: none"> VTE has engaged with EPSF which has attended meetings with the CTIGC and French Ministry. Discussions with VTE focussed on the process that will be followed to gain safety approvals.
DfT	<ul style="list-style-type: none"> VTE has been engaged with DfT since September 2023. VTE has continued to keep DfT apprised of its plans to ensure ministers can be kept informed.
Border Force	<ul style="list-style-type: none"> VTE has been engaged with Border Force since May 2023 and has shared its plans, most recently in July 2025. Border Force has discussed various topics (including requirements for the reopening of stations in Kent, or a new border at Stratford International) with VTE and its high level operational requirements. Border Force has proposed a joint meeting with Police Aux Frontières (“PAF”) at the appropriate time to share details of VTE’s plans.

VTE’s wide engagement with the above parties has been at senior levels within its own company and stakeholders’ organisations. This is important as it (i) demonstrates VTE’s commitment to its plans and the seriousness with which it takes its regulatory obligations; and (ii) provides assurance that regulatory stakeholders are fully engaged and aware of VTE’s requirements, and that VTE has a full understanding of the process required to gain all legal, regulatory and safety approvals.

4.4 Rolling Stock Plans

About Alstom

As described in earlier chapters, VTE is partnering with Alstom on a mutually exclusive basis for the procurement and maintenance of a fleet of twelve brand new ‘Avelia Stream’ trains for cross-Channel operations.

This revives the successful long-term partnership enjoyed by Virgin Trains and Alstom on the UK's West Coast Main Line. Virgin Trains commenced procurement of Alstom's Pendolino trains in 1998 with its vision of increasing the capacity from one to three trains per hour on some core routes and increasing the speed of the line to 140mph, using the benefit of tilting functionality to achieve this. The success of this saw passenger revenue quadruple and passenger numbers treble over its stewardship of the West Coast franchise. Virgin Trains also transferred all fleet maintenance and depot leases to Alstom under a full Train Services Agreement which improved the depots significantly and drove positive improvements in operational performance.

Alstom is a globally renowned train manufacturer with decades of expertise in designing and delivering very high-speed passenger rail solutions. As the first ever manufacturer to have produced trains for Channel Tunnel operation (Class 373s), and still one of only two manufacturers to have ever done so, Alstom is uniquely qualified to provide VTE's trains.

In addition to its Channel Tunnel credentials, Alstom has extensive experience in supplying high-speed trains for use on the French, Belgian and Dutch networks. It also has a strong track record in homologating rolling stock for complex cross-border operations across Europe, navigating diverse regulatory, technical and safety requirements to ensure seamless international service.

Train overview

Produced in Savigliano, Italy, the Avelia Stream is the latest evolution of Alstom's proven and widely adopted Pendolino platform – an advanced, high-speed train that has demonstrated long-term reliability and cross-border performance across diverse rail infrastructure. Building on Alstom's decades of innovation and successful operation, the platform boasts:

- 530+ trains sold worldwide
- 30+ years' experience
- 13 operators
- 15 countries
- 9 borders

The Avelia Stream features an optimised architecture vs. previous generation trains, utilising longer carbodies to reduce the number of cars, bogies, gangways and equipment. The result is increased space for passengers, a lower purchase price, lower long-term maintenance costs and superior energy consumption – all contributing to a lower total cost of ownership and ultimately a better commercial proposition for operators.

Main product characteristics

Class	Alstom Avelia Stream
Trainset length	7-cars, 200m
Capacity	
Axle load (MNO)	<17 tons
Train weight (MVD)	420 tons
Max power (at wheel rim)	7.4 MW
Multiple unit operation	up to 2 units
Traction	Distributed power – 5 powered and 2 trailer carriages
Voltage	25kV AC, 1.5kV & 3kV DC
Signalling	ETCS L2 +TVM+KVB
Max operating speed	300 km/h

Rolling stock compatibility

The Avelia Stream is fully compliant with the European Union Agency for Railways (ERA) 2023 Technical Specifications for Interoperability (TSIs).

Beyond full TSI compliance, the Avelia Stream also offers a high degree of technical and operational compatibility features as-standard, to ensure compatibility with the infrastructure and regulatory requirements of the Channel Tunnel and the international high-speed routes between the UK, France, Belgium and the Netherlands, as set out in the table below:

Multi-system traction capability	<ul style="list-style-type: none"> • Supports all necessary electrification systems used along the corridor: <ul style="list-style-type: none"> ○ 25kV AC (UK LSPH, France HSL, Belgium HSL) ○ 3kV DC / 1.5kV DC (Belgium, Netherlands, France and legacy sections) • The platform, being an evolution of the Pendolino platform, has proven performance in complex multi-voltage and cross-border environments across Europe. • VTE is exploring a quad voltage option to access other markets using 15kV networks to support its discussion to enter Germany and Switzerland, subject to ensuring programme delivery remains unchanged.
Signalling and train control compatibility	<ul style="list-style-type: none"> • Equipped to ETCS Baseline 3 and supports national signalling overlays, including: <ul style="list-style-type: none"> • TVM430 (used on LSPH, the Channel Tunnel and LGV Nord) ○ KVB (LSPH and France) • ATB (Netherlands)

	<ul style="list-style-type: none"> • The Avelia Stream will be fully compatible with the signalling and safety systems required for Channel Tunnel operation and will be subject to a tunnel-specific authorisation process.
Channel Tunnel Adaptations	<p>VTE's Avelia Stream units will be configured to meet the Channel Tunnel specific case of Loc&Pas TSI and CTIGC specific rules, including fire safety requirements and evacuation constraints. The specific adaptations proposed from the standard train are:</p> <ul style="list-style-type: none"> • Modification to guaranty a running capability of 30 minutes at a minimum speed of 100 km/h • Evolution of fire barrier where needed from 15 minutes to 30 minutes • Adding specific wheelchairs for the evacuation of disabled people in the Tunnel • Specific Channel Tunnel parameters for the TVM • Inhibition of regenerative braking if required

Acceptance, homologation and compatibility process

Alstom has recently sold similar Avelia Streams to another customer within the EU. This will benefit VTE as the core designs will already be certified and authorised according to applicable normative frameworks and only changes from this reference solution, both technical and normative, will need to be formally reassessed during the full certification process for VTE's Avelia Streams according to the TSIs. While caution has been applied to the delivery timescales to reflect the multi-jurisdictional nature of VTE's operation, there should be opportunity in the schedule to gain earlier approvals.

The Certification & Authorisation process for the Avelia Stream follows the latest European rules, according to the 4th Railway Package (EU regulation 2016/796).

A double certification & authorisation process will be followed for VTE trains:

- For Continental certification, the train complies to the latest TSI and Notified National Technical Rules where the train will be operated (France, Belgium, Netherlands, Channel Tunnel). Authorisation will follow ERA process.
- For certification in the UK, only on High Speed 1 line ("**HS1**"), the train complies to British NTSN and HS1 NTR. Authorisation will follow the British process.

Concerning the Channel Tunnel, in complement to the processes described above, the acceptance will follow the CTIGC rules. Evidence will be provided to the CTSA.

UK Authorisation for Placing in Service (“APIS”)

Following the UK’s exit from the European Union, a separate authorisation is required for operation on the HS1 part of the route. To capitalise on the significant synergies which remain between EU and UK legislation, certification against the relevant Technical Specifications for Interoperability (TSIs) required for EU authorisation will be sought initially, followed by UK certification against the equivalent National Technical Specification Notices (NTSNs). Assessment against the latter can therefore be primarily based on the EU certification limited to that associated with the delta between the two sets of standards plus the necessary certification against the National Technical Rules (NTRs) applicable to HS1 operation.

This approach will ensure that duplicate effort is eliminated and the consequential risk of delay to service introduction is minimised.

Notwithstanding this approach, a full ApBo/DeBo Technical File will be compiled and submitted to the ORR for APIS, in accordance with the Railways (Interoperability) Regulations 2011 (as amended).

Alstom has conducted preliminary engagements with a UK Approved Body (ApBo) and has been advised that this is an acceptable and appropriate approach. Early engagement with the ORR in accordance with guidance contained in ‘Approach to Authorisation under the Interoperability Regulations Guidance for Applicants’ will be undertaken by Alstom to ensure that the strategy is aligned with their expectations from an early stage in the project’s execution.

Route Compatibility for the UK (HS1)

Alstom has already engaged Network Rail (High Speed’s) representative for LSPH in discussions specifically relating to this opportunity to ensure that the process for agreeing route compatibility on the line, together with any technical requirements to be complied with, is well understood. This has included aspects relating to:

- National Technical Rules (NTRs) applicable to HS1
- The Register of Infrastructure (RINF) covering interfaces not defined by other UK NTRs
- Compatibility with the access route to TMI

Early and frequent engagement will continue into the execution phase to ensure that all train-infrastructure interfaces are identified and managed from the outset.

Alstom has significant experience in engagement with relevant stakeholders and successfully demonstrating Route Compatibility of numerous new train fleets for the GB

Mainline. It has developed a robust and proven process based on that defined in RIS-8270-RST, upon which the HS1 Route Compatibility process is also based.

Alstom will use the same proven process during the delivery of the AVELIA Stream programme.

Rolling stock delivery plan

VTE has put in place several measures to ensure and incentivise the smooth and timely delivery of its fleet into service. These include:

Robust contractual arrangements

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

Owner expertise

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

is secured quickly; and to oversee the production and introduction of the new fleet into service.

VTE will also draw on the Virgin Group's significant experience of successfully procuring and bringing into service passenger transport assets across multiple categories including trains, aircraft and cruise ships.

This diverse experience will allow VTE to supplement its wider business and rolling stock expertise with best practice from other sectors.

Specialist support

VTE and the owner will employ the services of an experienced rail consultancy firm, as Joint Project Manager ("**JPM**") to support the delivery and mobilisation of its new fleet into service.

The chosen JPM will specialise in rolling stock procurement, commercial and technical due diligence, maintenance and asset management. It supports rail authorities, financiers, leasing companies, manufacturers, operators and regulators, across the private and public rail sector, in the UK and internationally. As JPM, it will be the overall project manager with accountability for delivery of the trains into service. Having already been engaged to provide technical advisory support up to contract signature, the consultancy's continuing role as JPM will provide significant continuity benefits for the project. The team will build upon the knowledge and relationships developed during procurement and contracting stage, and with its detailed understanding of the final arrangements and terms negotiated will be able to monitor and oversee Alstom and the detailed delivery programme to ensure timely deliveries of the trains into service.

The JPM will be responsible for delivering all post-financial-close phases until handover, including:

- Design review
- Build
- Testing and commissioning
- Acceptance
- Handover
- Contract management

Rolling stock depot strategy

VTE's operations are centred around London as its primary hub. All services either originate or terminate at SPX and connect to a variety of continental European destinations. It is therefore both operationally and strategically logical for the company to base its primary depot in the UK.

Locating the depot close to the operational base of the service offers several critical benefits: it minimises non-revenue movements (empty stock mileage), supports quicker and more flexible responses to service disruptions, simplifies crew and maintenance logistics and reduces overall network complexity.

From a regulatory and safety perspective, this approach enhances resilience and operational oversight, concentrating key maintenance activities within the jurisdiction of UK regulatory bodies.

TMI presents itself as the only viable choice. As the only facility in the UK currently equipped to accommodate European-gauge rolling stock, TMI offers the necessary infrastructure, technical capability and geographic proximity to support the reliable and efficient operation of international services from day one.

The location of TMI within the Greater London area also enables support from a wider local Alstom presence installed across ten depots and maintaining 17 train fleets. This support is further augmented by Alstom's presence in the UK, maintaining approximately 60% of the UK's rolling stock fleets. Alstom's presence across Europe, in particular France and the Benelux will provide "local" maintenance support for the train throughout its operating environment.

TMI is therefore the ideal location for maintenance delivery and will enable Alstom to deliver all planned, corrective and overhaul maintenance requirements in addition to the cleaning and overnight servicing and preparation requirements of the stabled fleet. Utilising an established site such as TMI minimises the need for new infrastructure development, reducing environmental and planning impacts while accelerating readiness for operations.

As manufacturer, Alstom will perform all significant maintenance interventions at TMI in line with its own recommendations. Alstom will perform the maintenance under a full TSA, subject to agreeing this as part of the depot agreement.

Other stabling locations will be used at Le Landy in Paris, Vorst in Brussels and Watergraafsmeer in Amsterdam to perform light servicing, minor corrective maintenance and, if required, emergency rectification work under contract with the facility owner. Alstom has significant experience developing the capability of outstation locations through investment and training throughout the TSA lifecycle to deliver through changing maintenance requirements while providing extra operational resilience.

Chapter 2.3 further confirms that the available capacity at TMI is sufficient to support these plans, with no material modifications anticipated and integration alongside existing operations expected to be achievable through appropriate planning and coordination.

Rolling stock maintenance plan

Substantially all the maintenance of VTE's fleet will be carried out at TMI, with the following strategy developed around the available capacity defined in the IPEX report:

- Planned exam maintenance and corrective work arising from exams completed during the day shift, utilising one berth within the depot.
- Corrective maintenance completed during both the day and overnight.
- Overhauls will be completed using the available capacity with each overhaul varying in terms of train downtime depending on the labour hours required and access requirements to lifting equipment.

Further details have been provided in Chapter 2.2.

Rolling stock stabling

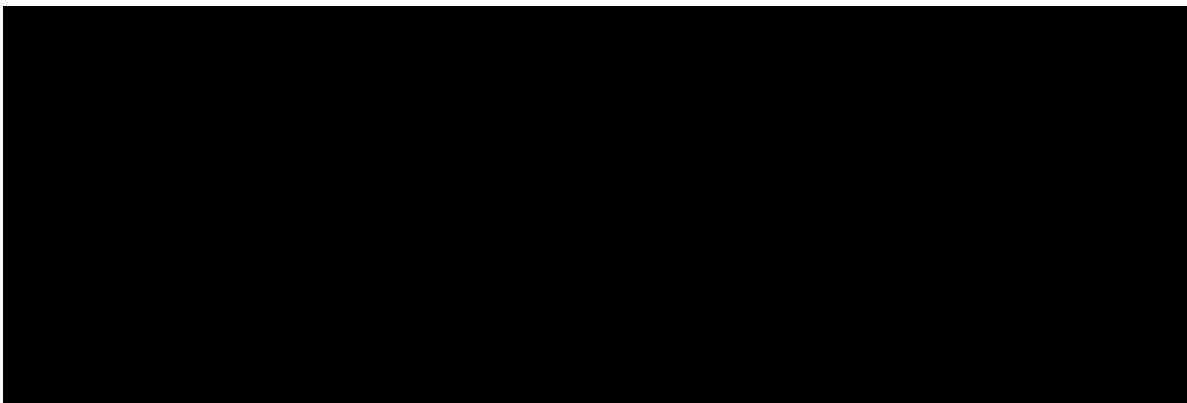
In addition to the use of TMI as its main depot, VTE will require some overnight stabling at Le Landy (Paris), Vorst (Brussels) and Watergraafsmeer (Amsterdam) depots, where light servicing only is expected to be performed. Emergency rectification work will be performed under contract between Alstom and the depot facility owners to the extent required. The quantum of (200m) trains overnight at depots is as follows:


- 7 trains stabled overnight at TMI (of which 2 in shed for maintenance)
- 3 trains stabled overnight at Le Landy
- 1 train stabled overnight at Vorst
- 1 train stabled overnight at Watergraafsmeer

Rolling stock delivery timescales

Alstom has confirmed the train delivery profile to be five train sets at the Notice to Proceed date ("**NTP**") plus 55 months enabling the commencement of operational service. Thereafter, Alstom will deliver circa one train per month, with all twelve trains being delivered by NTP plus 60 months. This is confirmed in Appendix B1.

Alstom has committed to VTE to deliver to the following delivery programme:





Prior to selecting Alstom, VTE engaged extensively with other manufacturers capable of supplying trains for this route and concluded that Alstom's proposals offered the fastest route for VTE to commence operations and a superior product when compared to other manufacturers' offers.

Modifications to TMI that VTE requires to accommodate its rolling stock plans

Alstom anticipates only minimal modifications to TMI will be required to accommodate the Avelia Stream. VTE and Alstom are ready to engage with the DFO to undertake further site visits and fully scope the works required.

Chapter 5 Financial Viability

ORR's Assessment Criteria	
Relevant Duties	<i>Promote efficiency and economy on the part of persons providing railway services. Otherwise protect the interests of users of railway services.</i>
Anticipated Evidence	<i>Appropriate business plans, suitable expertise and a reasonable expectation of securing the required investment and rolling stock.</i>
Specific Questions	<i>12. Please provide a copy of VTE's Business Plan(s). Please include evidence of the finance secured to enable services to be run in the short, medium and long term. Details should also include rolling stock financing arrangements.</i>

VTE Chapter Summary

- **5.1 Financing Structure:** VTE has adopted a well-established OpCo-AssetCo project financing structure, where rolling stock is being procured via a dedicated SPV (AssetCo) and will be operated by a separate operating company (OpCo) under a long-term lease agreement.
- **5.2 Business Plan:** VTE has developed a comprehensive long-term business plan, from transaction completion through to launch of service and long-term operations. Its ridership and revenue forecasts have been reviewed by LEK; the financial model has been audited by Forvis Mazars; and the plan has undergone thorough due diligence by third-party investors.
- **5.3 Funding Status:** All sources of funding for VTE's project are identified and on track to complete by Q4 2025. OpCo will be fully equity-funded by Virgin Investor (50%), Investor X (■%), and Investor Y (■%). AssetCo is to be funded by equity and long-term debt, with 100% of the equity being provided by Investor Y, and senior debt to be finalised in Q4 2025 following strong appetite from lenders. This will ensure that, at the point of ordering its rolling stock, AssetCo and OpCo are both fully-funded for the short, medium and long-term.
- **5.4 Suitable Expertise:** VTE benefits from deep expertise across its shareholder and advisory group. The project is led by Philip Whittingham, former MD of Virgin Trains and Avanti West Coast. A clear hiring plan is in place to assemble a strong team with extensive rail expertise well in advance of launch. Regulatory compliance has been a core focus throughout and Virgin's track record with regulators provides a strong foundation.
- **5.5 Rolling Stock Procurement:** VTE is procuring a fleet of 12 Alstom Avelia Stream trains, reviving the successful long-term partnership enjoyed by Virgin and Alstom on the UK's West Coast Main Line. The parties have agreed the key commercial terms of the proposed MSA and TSA and have signed a binding mutual exclusivity agreement to work together on the project.

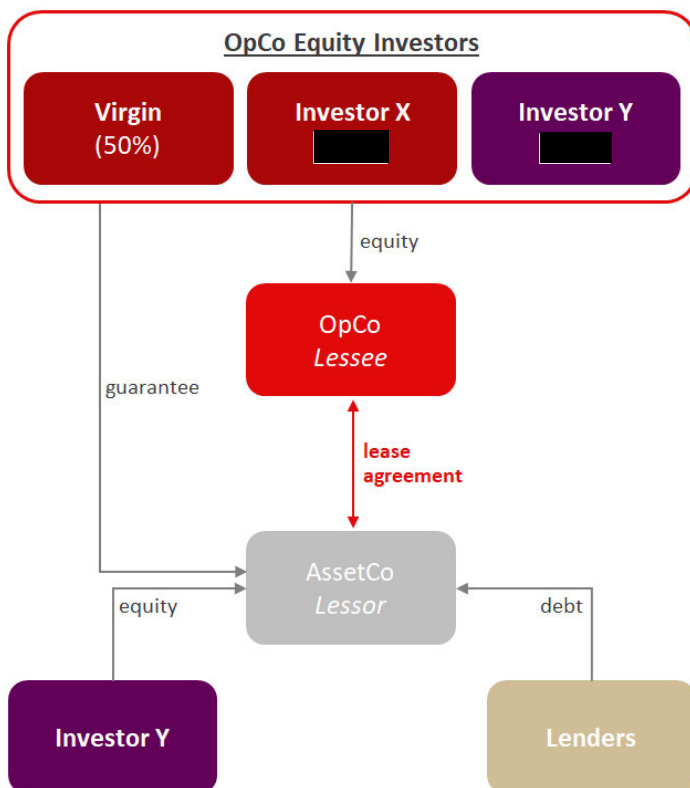
5.1 Financing Structure

VTE (or a subsidiary undertaking) will be the OpCo. OpCo will be responsible for delivering international passenger services and will lease its rolling stock from a separately capitalised asset-owning entity (AssetCo). This structure is a well-established model for the financing of moveable assets such as rolling stock, aircraft and maritime vessels. It has been designed to provide long-term stability and transparency for both investors and regulators and reflects the shared commitment of both the operating and asset-owning entities to the delivery of the project.

The AssetCo will acquire the trains and enter into the MSA with the manufacturer. It will be responsible for financing and owning the fleet. The OpCo will lease and operate the trains and will enter into the TSA for maintenance and servicing. This delineation ensures that operational and asset risks are appropriately allocated and managed, while maintaining a clear line of accountability for service delivery.

The relationship between the two entities will be governed by a long-term lease. Key terms have been agreed with Investor Y, as the AssetCo's equity provider, for a 30-year lease with annual rent and other key commercial terms agreed.

The structure chart below sets out the intended structure of the transaction:



5.2 Business Plan

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

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[REDACTED]

Age Group	Percentage Vaccinated
18-24	85%
25-34	95%
35-44	100%
45-54	98%
55-64	95%
65-74	92%
75+	90%

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

[REDACTED]

5.3 Funding Status

VTE has made significant progress across the financing of all key elements of its project, with both the OpCo and AssetCo funding strategies well-advanced and underpinned by strong institutional support. The project requires approximately £700 million of capital and VTE has a clear path to full funding through a combination of equity partners and indications of interest from lenders.

OpCo funding

In the short term VHL (or another holding company within the Virgin Group), alongside the other shareholders, is committed to covering all required costs through to transaction completion. A dedicated project budget supports final-stage activity across legal, commercial, technical and regulatory workstreams, ensuring continuity and momentum toward financial close.

The OpCo will be entirely funded by equity. [REDACTED]

[REDACTED] The full funding amount will be committed by shareholders at the point of transaction close, with drawdowns phased in line with the requirements of the business.

Importantly, VTE's capital requirement is expected to be lower than the comparative amount for other applicants due to the strength of the Virgin brand and the commercial advantages it brings from day one – primarily driving early customer traction and brand trust in a critical period for cash burn. This brand-led advantage supports a leaner capital requirement without compromising on delivery or resilience.

The equity will be raised from three shareholders:

- Virgin Investor (50%): VHL or another holding company within the Virgin Group will be the majority shareholder. A letter confirming the intention for a member of the Virgin Group to fund 50% of OpCo is included in Appendix B2.
- Investor X ([REDACTED]%): [REDACTED]
[REDACTED]
[REDACTED]
- Investor Y ([REDACTED]%): [REDACTED]
[REDACTED] Investor Y's participation in the OpCo (alongside its AssetCo investment) reflects its strong conviction in the Virgin-led project. Its involvement ensures strong alignment across the OpCo-AssetCo structure and reinforces long-term project stability. A letter confirming its intention to [REDACTED] of OpCo as well as all of the AssetCo equity is included in Appendix B4.

In addition to their equity commitments, all three shareholders will provide a lease guarantee [REDACTED] to the AssetCo, with each making a contribution proportionate to their shareholding. This guarantee further strengthens the credit profile of the transaction.

In the long term, the business is forecast to generate significant and sustained cash flows, enabling reinvestment in growth (e.g. route expansion, fleet additions, enhanced

customer experience). Once the business reaches scale and stable cash flows, it will have the capacity to raise commercial debt in the normal course of business. This provides strategic flexibility for shareholders, including the potential for a dividend recapitalisation. Virgin Investor, as the largest shareholder, has a strong track record of long-term stewardship, exemplified by its continued majority ownership of Virgin Atlantic today, more than 40 years after launch.

The OpCo investors have agreed an equity term sheet and are now progressing the full suite of legal documentation required at financial close, with legal counsel engaged to support expedient finalisation.

AssetCo funding

The AssetCo will be funded through a combination of equity and long-term senior debt. Investor Y has been selected as VTE's preferred AssetCo investor. Key commercial terms of the rolling stock purchase and lease agreement have been agreed.

As noted above, Investor Y is a leading UK and European infrastructure manager. [REDACTED]

[REDACTED] It will provide 100% of the equity required by the AssetCo, [REDACTED] alongside [REDACTED] senior debt to be secured against the rolling stock.

VTE has appointed Apex Rail ("**Apex**") as financial advisor for the AssetCo debt financing. Apex is a specialist rail advisory and investment management firm with a strong track record in arranging rolling stock finance across Europe, including in the UK. A letter from Apex confirming the status of the debt raise is included in Appendix B5.

In H2 2024, Apex conducted a comprehensive market sounding process for the project's debt financing, securing term sheets from over a dozen lenders for more than three times the required debt quantum. Several other lenders expressed interest in participating subject to final terms.

This oversubscription was achieved prior to three key milestones in 2025: (i) the choice of Alstom as preferred manufacturer on an exclusive basis, (ii) the selection of the preferred AssetCo investor, and (iii) the finalisation of the OpCo funding consortium. All three developments have been positively received by lenders, with several indicating appetite for increased ticket sizes or underwriting capacity.

Given the success of the process in H2 2024, the depth of lender appetite, the recent positive developments and the strength of ongoing engagement with institutions, VTE and Investor Y have a high degree of confidence that the final debt package will be secured on attractive terms. Letters from Supporting Lenders

confirming their continued strong interest in participating in the transaction are included in Appendix B6, in which several lenders indicate a willingness to underwrite significant portions of the debt package. This level of interest and competition among lenders provides a strong foundation for concluding the financing on schedule.

Investor Y's extensive experience in financing rolling stock transactions, including its established relationships with leading transport lenders is a key enabler of this confidence. By leveraging its track record and credibility in the sector, Investor Y is ensuring that the process is efficient, competitive and tightly aligned to the project's delivery milestones. This partnership gives VTE a clear pathway to financial close and reinforces its ability to move at pace.

The final stage of the debt process – securing binding, credit-approved terms – is now underway. This will enable VTE and the AssetCo to reach agreement of final terms at the point that the ORR makes its access decision (expected by the end of October 2025), with transaction completion expected by the end of November 2025, subject to satisfaction of customary conditions precedent.

Taken together, the secured exclusivity with Alstom, the agreed commercial terms, the equity from Investor Y, and the strong lender appetite demonstrated through Apex's process, provide clear and compelling evidence that VTE has a more than reasonable expectation of securing both the required investment and the rolling stock necessary to deliver its proposed services.

Next steps

VTE is confident in the strength of its financial consortium and its ability to proceed to transaction completion in Q4 2025, aligned with the ORR's expected access decision on TMI's capacity. As evidenced by the supporting materials in this chapter, including letters from VHL, Investor X, Investor Y, Apex and Supporting Lenders, the project is backed by a group of motivated and well-capitalised investors.

While the uncertainty around TMI has understandably delayed the final execution phase to date, the ORR's process now enables all parties to move forward with confidence towards agreement of final transaction terms by the end of October. Completion of the transaction is expected to follow shortly thereafter, subject to satisfaction of customary conditions precedent, with financial close targeted by the end of November.

5.4 Suitable Expertise

VTE is led by a highly experienced and credible team with deep expertise in rail operations, infrastructure investment and brand-led customer experience. The project

is structured to draw on the strengths of its leadership and shareholders, while building a broader team of sector specialists to deliver a world-class international rail service.

Project leadership

The project is led by Philip Whittingham, former Managing Director of Virgin Trains West Coast and one of the most experienced executives in the UK rail sector. Philip joined Virgin Trains in 1999 from KPMG and became Finance Director in 2008 before being appointed Managing Director in 2015, a role he held through the transition to Avanti West Coast in 2019. Under his leadership, Virgin Trains consistently delivered industry-leading customer satisfaction scores, operational performance and commercial success. Philip's deep understanding of the UK rail landscape, combined with his proven ability to lead complex, customer-facing operations, makes him ideally placed to lead VTE's entry into the international market.

Virgin's credentials

VHL is the project sponsor and a member of the Virgin Group. It will be the largest OpCo shareholder. As one of the UK's most successful and recognisable business groups, Virgin brings a formidable combination of sector expertise, challenger mindset and proven operational and brand-building capability. Its deep, hands-on experience in rail and wider travel operations will be instrumental in building a credible, consumer-focused competitor.

Virgin's credentials include:

- Rail expertise: Virgin's investment and project teams both include individuals who directly oversaw the Virgin Trains West Coast operation, which was one of the UK's most successful and best-loved train services until the franchise ended in 2019. That success was built on customer experience innovation, operational discipline and a determination to challenge the status quo, all of which will be brought to bear again through this project. Virgin's leadership also remains consistent with that which oversaw its success as a shareholder in Virgin Trains – Josh Bayliss continues to serve as CEO since assuming the role in 2011.
- Travel and leisure expertise: Across sectors such as aviation (Virgin Atlantic, Virgin Australia & Virgin America), cruising (Virgin Voyages) and hospitality (Virgin Hotels Collection), Virgin has repeatedly demonstrated its ability to disrupt regulated industries dominated by legacy players. It has built and scaled distinctive businesses that challenge incumbents, attract loyal customer bases and become market leaders, all making it uniquely placed to back a new cross-Channel rail entrant. From this experience, Virgin understands the realities of building something new, it knows how to navigate challenges as they arise, how to stay the course through early-stage complexity and how to commit to long-term value creation.

Virgin currently operates 40 businesses across more than 60 countries, reinforcing its global reach and operational breadth.

- Customer acquisition: The Virgin brand is globally recognised and trusted. Its immediate consumer appeal and extensive ecosystem will provide VTE with a significant head start in market awareness, aiding rapid ramp-up and helping to overcome the brand-recognition advantage currently held by the incumbent. Virgin's strength in design and customer experience, as seen in businesses like Virgin Atlantic and Virgin Voyages, will define the passenger experience on this new rail service.
- Loyalty: Virgin Red, Virgin's fast-growing loyalty programme, will be a critical asset in acquiring and retaining customers. It enables rich cross-brand engagement, linking rail with air, cruise and other Virgin businesses while delivering commercial synergies and driving repeat usage from day one.
- Brand and operational support: VTE will have direct access to Virgin's in-house brand and commercial experts, who provide day-to-day support to all of Virgin's companies. This includes brand development, creative strategy, customer proposition design, sustainability planning and the application of Virgin's wider purpose (Changing Business for Good) – all of which will ensure the new rail venture is distinctive, values-driven and built for long-term impact.

Other equity funders

[illegible]

Business leadership

This group of shareholders, led by Philip Whittingham, is committed to building a high-calibre executive team across all key functions – including rail operations, commercial

strategy, customer experience and marketing. The hiring plan is already underway, with a focus on bringing in proven experts well ahead of launch to ensure readiness across all dimensions of the business.

The experience and reputation of being a Virgin-branded business will be a critical advantage in attracting top-tier talent. Virgin's reputation in rail and the wider transport and leisure sectors, its extensive network and its strength as an employer brand will help ensure that the management team assembled for this project is highly qualified and motivated to deliver exceptional results. This is a business being built for long-term success, with the right people in place from the outset.

Regulatory track record

Regulatory compliance has been a core focus from the outset of the project, and Virgin's track record with regulators provides a strong foundation for VTE's entry into the international rail market too. During its two decades of operation, Virgin Trains West Coast consistently demonstrated a collaborative and constructive approach to regulatory engagement, delivering high levels of transparency, responsiveness and compliance across a complex and evolving regulatory landscape. This included close coordination with the ORR, DfT and Network Rail on matters ranging from access rights and performance metrics to safety, customer service and innovation. Virgin Trains was widely recognised for its professionalism and reliability in regulatory matters, helping to build trust and credibility with key stakeholders.

More broadly, the Virgin Group has a long-standing history of operating in regulated sectors, such as aviation, telecoms and financial services, where it has consistently demonstrated its ability to meet and exceed compliance expectations while driving innovation and customer value. This experience has shaped a culture of proactive engagement and operational discipline that will underpin VTE's approach to regulatory relationships across the UK and continental Europe.

5.5 Rolling Stock Procurement

As covered in greater detail in Chapter 4.4 VTE has secured exclusivity and agreed detailed commercial terms with Alstom for the supply of 12 Avelia Stream trains. These are among the most advanced high-speed trains in Europe, offering high capacity, energy efficiency and proven cross-border interoperability.

Alstom has committed to a clear delivery schedule, with the first 5 units (underpinning launch) due to be delivered by NTP plus 55 months. Both parties are working toward finalising the full suite of transaction documentation – including the MSA and TSA – by the end of October 2025, in line with the overall project timeline.

This agreement with a globally recognised manufacturer, combined with the secured delivery window and aligned documentation process, provides a high degree of confidence in VTE's ability to launch operations on schedule with a modern, reliable fleet. When considered alongside the partnership with Investor Y to fund 100% of the AssetCo equity and the strong lender appetite demonstrated through the Apex-led debt process, there is a clear and reasonable expectation that both the required investment and rolling stock will be secured in full and on time.

Chapter 6 Economic and Societal Benefits

ORR's Assessment Criteria	
Relevant Duties	<i>Promote competition in the provision of railway services for the benefit of rail users. Otherwise protect the interests of users of rail services.</i>
Anticipated Evidence	<i>Evidence so that we can assess the benefits (e.g. to passengers) of introducing new services and the anticipated financial impact on existing operators.</i>
Specific Questions	<p><i>13. Please provide evidence of VTE's assessment of the benefits to passengers, or any wider benefits, of introducing new services.</i></p> <p><i>14. Please provide evidence of how your proposed services will contribute to growth of the market for international rail services to/from the UK.</i></p> <p><i>15. What, if any, assessment has VTE made of the financial impact on existing operators of introducing new services? If available, please provide evidence to support VTE's assessment.</i></p>

VTE Chapter Summary

- **6.1 Promoting Effective Competition:** VTE is confident it is the most credible challenger to the incumbent, combining prior operational experience, operational readiness and investor backing with a strong established brand. Virgin's track record demonstrates its ability to deliver sustainable competition, thereby supporting the ORR's objective of protecting passenger interests through long-term, viable competition.
- **6.2 Passenger Benefits:** VTE will raise standards through high-quality customer service, greater flexibility and a more rewarding experience. From onboard hospitality and modern design to loyalty integration and fairer pricing, VTE's offer is built to attract passengers and grow the market.
- **6.3 Wider Benefits:** The project will create jobs, drive investment and accelerate modal shift. VTE will operate with purpose from day one, aligning with Virgin's ESG commitments and the principles of the Better Business Act. It will be a business that delivers for passengers, employees and society.
- **6.4 Market Growth:** VTE will add more than [REDACTED] new seats per day and stimulate demand through improved service, lower fares and brand-led visibility. Independent analysis and international precedents provide assurance that VTE will grow the market, not just take share.
- **6.5 Impact on Other Operators:** VTE's entry will not displace the incumbent. Instead, it will grow the market, create infrastructure efficiencies and encourage productivity. A more competitive cross-Channel market will benefit passengers and strengthen the sector overall.

6.1 Promoting Effective Competition

Challenging a monopoly

Effective competition in cross-Channel rail requires more than acquiring rolling stock and operating services. It demands a compelling customer proposition, operational resilience and the ability to challenge a well-established incumbent with deep market entrenchment.

The incumbent is a strong and experienced competitor. With over 30 years of operational history and backing from SNCF and the French state, it has built a brand that is synonymous with cross-Channel rail. Once a new entrant is confirmed, it will have years to prepare for that entry. Whilst VTE cannot predict exactly how the incumbent will respond, it is reasonable to expect that it will defend its market position. VTE and its shareholders enter this market with a clear appreciation of the challenge at hand.

Virgin has a proven track record of launching successful challenger brands in regulated, capital-intensive sectors. From Virgin Atlantic's entry into transatlantic aviation to Virgin Trains' transformation of intercity rail in the UK, Virgin has consistently delivered high customer satisfaction, operational excellence and market growth. This experience includes a deep understanding of the commercial, regulatory and operational realities of running a rail business – capabilities that underpin the credibility of VTE as a long-term, sustainable competitor.

Brand strength and customer appeal

The Virgin brand will be a key enabler of effective competition for VTE. Recognised globally for its travel and leisure credentials, Virgin brings immediate consumer trust and awareness. This is an advantage that will be particularly valuable during the early ramp-up phase. The diligence underpinning Virgin's project demonstrates that new entrants typically take three years to reach steady-state demand. During this period, brand recognition and customer trust are essential to accelerate uptake and manage early-stage financial exposure. Virgin's global presence, heritage in rail and existing customer base give VTE a foundation that will be commercially advantageous and support a smoother operational launch.

This is supported by primary consumer research conducted by KSBR on behalf of VTE to understand the appeal of its offer. The study surveyed more than 2,000 recent or prospective customers across five travel segments on both sides of the Channel. Respondents were shown a description of Virgin's proposed service and asked to compare it to their most recent journey with the incumbent. The results consistently showed VTE's offer as a highly appealing alternative.

This brand strength and customer resonance are central to establishing a viable long-term competitor, one that passengers actively choose over the incumbent.

Credible plan and committed investors

VTE's ability to deliver effective competition is underpinned by a business plan that is both realistic in its assumptions and robust in its execution strategy. As detailed elsewhere in this submission, the plan has been independently reviewed, commercially by LEK, financially by Forvis Mazars and strategically by its funding partners. The calibre of the funding consortium reflects a shared belief in the viability of the project and a commitment to long-term success. The backing of these investors follows detailed diligence and reflects a clear alignment with VTE's strategic and operational approach.

VTE will adopt a competitive and sustainable pricing strategy. Fares will offer value to consumers while supporting a viable business model that ensures healthy competition on the route.

Taken together, these factors demonstrate the strength of VTE's proposal and its ability to offer a sustainable, consumer-oriented alternative that enhances choice and competition in the market. Granting access to VTE would support the ORR's objective of fostering effective competition and protecting the interests of rail users.

6.2 Passenger Benefits

The benefits of competition

Competition in rail markets has consistently delivered better outcomes for passengers. Evidence from the UK and Europe shows that when new entrants are introduced, passengers benefit from:

- Lower fares: Open access competition has been shown to reduce prices. According to the ORR (2016), stations with competition on the East Coast Main Line saw fares fall and passenger journeys increase by 42%, compared to 27% at stations without competition. More recent publications from the ORR reaffirm the benefits of competition.
- Improved service quality: According to the ORR (2016), 63% of consumers associate competition with better customer experience and 61% cite more reliable services. These findings remain consistent with the ORR's ongoing monitoring.
- Greater innovation: Competition encourages operators to invest in new technology, service models and customer experience enhancements.
- Increased frequency and connectivity: New entrants often introduce additional services and routes, improving convenience and access.

These outcomes are well-documented across liberalised rail markets and form a strong basis for the case to grant access to VTE. They demonstrate how competition can raise standards, expand choice and deliver better value for passengers.

This view is reinforced by the UK-France Transport Connectivity Declaration (July 2025), in which both governments affirm the strategic, environmental and economic importance of international rail. The Declaration explicitly recognises that “*the introduction of new entrants into these markets will bring a greater choice of services and lower fares*” and commits both countries to “*continue close collaboration to examine how to reduce barriers for potential new entrants looking to join the Cross-Channel rail passenger and freight markets.*”

VTE's proposal directly supports this shared ambition, offering a credible and near-term opportunity to realise the benefits of competition that both governments have endorsed.

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Built for growth

VTE's ambition extends beyond its initial launch plans. It is actively engaging with stakeholders to explore future expansion, including Stratford, Ashford and Ebbsfleet stations, and is in dialogue with MPs and local councils. Further European destinations are also under consideration, with early engagement underway with SBB in Switzerland and other operators.

In the past 30 years, London-Amsterdam is the only permanent new cross-channel route to have been launched. But VTE is not entering the market to stand still. VTE is built for growth, actively engaging with stakeholders on new destinations, new partnerships and new customer opportunities. This is a proposition designed to expand the market, not simply enter it.

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 3. [REDACTED]
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6.3 Wider Benefits

VTE will deliver benefits that extend beyond the passengers it serves. From job creation and economic investment to carbon reduction and a purpose-led approach to business, the project is designed to deliver long-term value for people and the planet.

Job creation and quality

VTE will create hundreds of high-quality jobs on both sides of the Channel. Its headquarters will be in the UK, with operational teams located across the UK and continental Europe. Roles will span frontline and operational functions (including maintenance staff, station staff, drivers and on-board crew) as well as corporate and support functions. In addition to direct employment, the project will support many more jobs across the supply chain, including rolling stock, maintenance, catering and station services.

The focus is not only on the number of jobs, but also on their quality. Virgin has a long-standing reputation as a best-in-class employer, built on the belief that investing in people leads to better outcomes for customers. As Sir Richard Branson has said, *“If you take care of your employees, they will take care of your customers.”* This ethos runs through every Virgin business and VTE will be no exception.

VTE will also bring this approach to its engagement with trade unions. Virgin has a strong track record of constructive relationships with unions across multiple sectors, including rail, aviation and telecoms. VTE understands the importance of partnership and dialogue and it is committed to building a business that works for everyone.

Anchored in the UK economy

VTE will be UK-based, representing a significant investment into the UK economy. It will employ over 400 people in the UK thereby contributing income taxes, national insurance and corporation tax revenues, resulting in economic growth through increased employment, procurement and infrastructure investment.

Increased international connectivity also drives wider economic benefits. Research by the European Commission has shown that improved cross-border rail links can boost regional GDP by up to 2.5% over time, through increased trade, tourism and labour mobility.

Driving the green transition

VTE’s environmental impact will be equally significant. Rail is already the lowest-emission mode of intercity transport, and modal shift from air and car to rail is one of the most effective ways to reduce transport-related emissions. VTE’s entry will support this shift by making rail a more attractive and accessible option.

By making rail a more attractive and viable alternative to air and car travel, the project directly supports national and European policy goals to accelerate modal shift and reduce transport-related emissions.

The Alstom Avelia Stream is one of the most energy-efficient high-speed trains in operation. It features improved aerodynamics, lightweight construction and regenerative braking, all of which contribute to lower energy consumption per passenger-kilometre. Compared to short-haul flights, high-speed rail emits up to 90% less CO₂ per passenger, and even compared to private car travel, the emissions savings are substantial.

VTE will also align with the Virgin Group's broader ESG commitments from day one. VTE will adopt a science-based target (SBT) for net zero emissions, in line with the Science Based Targets initiative (SBTi) and report publicly on its progress. It will operate in a purpose-driven manner and include net zero targets in management remuneration plans, reinforcing accountability and long-term sustainability.

Purpose-led governance

VTE will adopt the principles of the Better Business Act – a UK campaign to amend Section 172 of the Companies Act so that company directors are legally required to consider people, planet and profit in their decision-making. This approach is fundamental to how VTE will build and operate its business from the outset.

Virgin has been a vocal advocate of the Better Business Act since 2021, when Virgin Management, Virgin Red and Virgin StartUp became early signatories. Certain entities within the Virgin Group went even further by amending their own Articles of Association to embed Virgin's purpose of "Changing Business for Good" into their constitution. This move was championed by Holly Branson, Virgin's Chief Purpose and Vision Officer, who has been a leading voice in the campaign and a passionate advocate for aligning business with societal and environmental impact.

This reflects Virgin's broader approach to business: purposeful, people-first and planet-conscious. A few recent and relevant examples:

- Virgin Atlantic's Flight100: The world's first transatlantic flight powered entirely by sustainable aviation fuel, demonstrating the potential for innovation to accelerate decarbonisation.
- Virgin Media O2's sustainability programme: Includes a commitment to net zero by 2040, a £500m investment in digital inclusion and active support for the Better Business Act coalition.
- Virgin Unite and the B Team: Global initiatives to promote responsible business, climate action and inclusive growth.

VTE will be built in this mould, combining commercial ambition with a clear sense of purpose. It will be a business that delivers for customers, employees, investors and for society as a whole.

6.4 Market Growth

Market expansion

VTE will materially expand the international rail market by introducing new services and significantly increasing seat capacity. The proposed timetable includes 20 daily return services, with a strong emphasis on peak-time frequencies to support both business and leisure travel. [REDACTED]

This growth is not simply a function of underlying demand, it is growth that VTE's entry will enable. The current market is constrained by limited competition and a lack of service innovation. VTE brings new capacity, greater frequencies and a differentiated brand proposition, each of which contributes to expanding the addressable market.

Independent research supports this view. According to the 2025 Passenger Demand Study by LSPH and Steer, the international rail market has the potential to triple by 2040. Nine in ten passengers would choose rail over air when journey times are equal and even with a 1.5-hour longer journey, half still prefer rail. One-third of passengers are also flying less for climate reasons. These findings directly support VTE's expectations around induced demand and modal shift.

VTE's growth potential is further supported by the broader Virgin ecosystem. Letters of support from Virgin Atlantic and Virgin Hotels Collection (see Appendices B8 and B9) confirm their intent to collaborate with VTE to deliver a joined-up customer experience across air, rail and hospitality. These partnerships are expected to help drive modal shift, attract new customer segments and extend the reach of international rail.

While VTE's impact will be a key driver of growth, macro trends provide a supportive backdrop too. Population growth in key metropolitan areas, such as Greater London (projected to grow by more than 7% by 2035) and Île-de-France (expected to grow by approximately 4% over the same period), is increasing demand for international mobility.

At the same time, environmental awareness and policy interventions are accelerating modal shift from air and car to rail. The European Union Agency for Railways (ERA) identifies high-speed rail as a core solution to reducing CO₂ emissions. The French

government has already restricted short-haul domestic flights where rail alternatives exist, and similar policies are under discussion in other markets.

Taken together, these factors support a clear conclusion: this is a market with significant growth potential. VTE will help to unlock that growth. It will increase capacity, attract new passengers and raise the standard of international rail travel, delivering benefits not just to its customers, but to the wider industry and society.

Induced demand

VTE's entry is expected to generate significant induced demand – new journeys that would not otherwise have occurred. This is a well-documented effect in newly-competed rail markets, particularly when a new entrant offers a more attractive or accessible service.

Analysis of international high-speed rail precedents has found that new operators consistently drive market expansion. In five of the six cases reviewed in the preparation of VTE's business plan, total ridership increased materially following the entry of a new operator. For example:

- On the Madrid–Barcelona corridor, total rail journeys increased by 58% within three years of liberalisation.
- On Paris–Lyon, ridership rose by 25% following the introduction of competition.
- Similar effects were observed in South Korea and Taiwan, where new entrants helped grow the total market rather than simply taking share.

These effects were driven by a combination of better service, lower prices and increased visibility – factors that are all central to VTE's proposition. With the strength of the Virgin brand, integration with Virgin Red and a pricing strategy designed to stimulate uptake, VTE is expected to have a similar impact.

Induced demand is expected to come from a mix of sources:

- New trip generation, as improved service and pricing make international rail more accessible.
- Increased frequency of travel, especially among younger and more mobile demographics.

[REDACTED]

[REDACTED]

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[REDACTED]

[REDACTED]

[REDACTED]

Case study: Madrid-Barcelona

The Madrid–Barcelona corridor offers a compelling example of the growth impact of competition. Prior to liberalisation, the route was served exclusively by Renfe. Since 2021, three new entrants (Ouigo Spain, Avlo and Iryo) have entered the market.

The result has been a transformation in market dynamics:

- Total rail journeys increased by 58% within three years of liberalisation.
- Fares fell significantly, with low-cost operators offering tickets as low as €9.
- Service frequency increased, with more than 50 daily departures in each direction.
- New customer segments were attracted, including younger and price-sensitive travellers.

Independent analysis attributes approximately half of the demand uplift to fare and frequency effects, the same levers that underpin VTE’s proposition. The remaining growth came from increased visibility, brand differentiation and improved customer experience.

This example demonstrates the potential for a strong new entrant to expand the total addressable market, improve customer outcomes and accelerate modal shift.

6.5 Impact on Other Operators

International operators

VTE cannot say with certainty how the incumbent will respond to its entry or what the financial impact of the incumbent’s response will be. However, one point is clear: there is sufficient capacity on all routes to accommodate both VTE’s services and the incumbents. VTE’s entry will not displace the incumbent.

In fact, there are several ways in which the incumbent may benefit from VTE’s launch:

- Market growth: Competition will drive increased demand, expanding the total addressable market rather than simply redistributing existing passengers. VTE will bring significant new marketing investment to the cross-Channel rail market, resulting in greater visibility and appeal for international rail as a whole.
- Infrastructure synergies: Shared use of rail infrastructure and terminals could lead to joint investments, cost-sharing opportunities and operational efficiencies. In

particular, certain fixed station access charges and portions of the LSPH infrastructure costs are allocated based on the number of services and vehicle departures. As VTE increases service frequency, this mechanism will reduce the per-service burden for all operators, including the incumbent.

- Efficiency gains: Competition is proven to drive productivity. The presence of a new operator may act as a catalyst for improved asset utilisation and cost discipline.
- Depot collaboration: Alstom's experience operating multi-user depots may support more efficient planning and coordination at TMI. This could help improve overall depot utilisation and maintenance delivery, benefitting all operators.

While VTE's launch will naturally lead to changes in the competitive landscape, broader market growth and operational efficiencies may help mitigate any financial impact on the incumbent. A more competitive cross-Channel rail market will ultimately strengthen the rail sector as a whole, supporting its role in the future of sustainable, high-speed European travel.

Domestic operators

VTE recognises the potential impact its market entry could have on domestic operators, and particularly Southeastern's high-speed services, which share the same LSPH infrastructure. With train drivers already a scarce resource, the recruitment of skilled drivers by a new entrant could understandably cause concern. VTE has no intention of adversely impacting the operational performance nor the resourcing of domestic operators.

To mitigate these risks and support industry-wide resilience, VTE has proactively engaged with Southeastern to explore areas of collaboration. These include joint driver recruitment and training programmes, rolling stock testing, cross-hiring of resources and other operational performance initiatives. The scope of these discussions is outlined in Southeastern's support letter contained in Appendix B21. VTE believes this collaboration has the potential to enhance its operational readiness while contributing positively to the wider UK rail ecosystem.

Chapter 7 Views of Stakeholders

ORR's Assessment Criteria	
Relevant Duties	<i>Enable persons providing railway services to plan the future of their businesses with a reasonable degree of assurance.</i>
Anticipated Evidence	<i>Operators' responses to issues raised by other stakeholders during the process.</i>
Specific Questions	<i>16. Does VTE wish to make any representations on issues raised by other stakeholders that it has not had the opportunity to make to date?</i>

VTE Chapter Summary
<ul style="list-style-type: none"> • <u>7.1 Engagement with Key Stakeholders:</u> VTE has engaged proactively with a broad range of stakeholders throughout the development of the project. • <u>7.2 Political and Diplomatic Engagement:</u> There is significant political support for the introduction of competition on the cross-Channel route. • <u>7.3 Addressing Published Concerns:</u> VTE proactively addresses concerns highlighted in consultation responses published by the ORR in early June 2025.

7.1 Engagement with Key Stakeholders

VTE has undertaken extensive and proactive engagement with a wide range of stakeholders throughout the development of its proposal. This engagement has been critical to shaping a robust, deliverable plan which commands broad support across key stakeholder groups.

The following summary outlines the breadth of this engagement, split by stakeholder category.

- Financing providers: Extensive engagement with a wide variety of potential equity providers prior to the selection of Investor X and Investor Y as lead OpCo co-investor and AssetCo investor respectively. Comprehensive market sounding process with lenders too, as set out in Chapter 5.3.
- Infrastructure providers: As set out in Chapter 4.2, VTE has engaged with critical third parties across track, station and depot access. These engagements have confirmed the feasibility of VTE's proposed services and the availability of capacity across the network.
- Regulators and safety authorities: As also detailed in Chapter 4.3, VTE has engaged proactively with all relevant regulatory and safety authorities on both sides of the Channel. These discussions have confirmed that there are no material obstacles to

securing the required licences, safety certificates, vehicle authorisations or border approvals.

- **Rolling stock manufacturers:** VTE engaged with multiple rolling stock manufacturers before selecting Alstom as its preferred partner. Alstom provided the most competitive delivery timeline while also offering a proven, high-quality platform with full TSI compliance and Channel Tunnel compatibility. The Avelia Stream platform, backed by Alstom's track record and longstanding relationship with Virgin, made it the best option for this project.
- **Political and diplomatic stakeholders:** As summarised in Chapter 7.2, VTE has engaged extensively with political and diplomatic stakeholders and is confident there is a great deal of support for the introduction of competition on the cross-Channel route.
- **Others:**
 - CIFFCO: Engagement for driver and operational training certification.
 - **Virgin companies:** Virgin Atlantic, Virgin Hotels Collection and Virgin Red are all engaged as eventual partners of the business, supporting customer acquisition, loyalty integration and end-to-end travel experience.
 - Le Train: Collaboration to support regulatory engagement and access in France.
 - Southeastern: Engaged on a range of operational synergies with intention to collaborate in support of VTE's launch and improve efficiency.

7.2 Political and Diplomatic Engagement

VTE recognises that the successful introduction of new international rail services is not only a commercial and operational endeavour, but one with significant public, political and diplomatic dimensions. From the outset, it has approached this project with a deep awareness of its broader implications – for regional connectivity, passenger choice, decarbonisation and the UK's global transport ambitions.

VTE has been considered and thoughtful in its engagement with political and diplomatic stakeholders, ensuring its plans are informed by the priorities of those representing passengers, communities and strategic transport interests. This engagement has spanned more than two years and demonstrates VTE's commitment to delivering a service that aligns with the public interest and supports wider policy goals.

Stakeholder quotes and letters of support

The following stakeholders have provided formal statements or letters of support, all of which are included in the Appendices:

- Sojan Joseph MP, MP for Ashford: Emphasised the importance of maintaining competitive access to TMI and cautioned against the risks of monopoly control by a single operator. See Appendix B23 for full quote.
- Gareth Bacon MP, Shadow Secretary of State for Transport: Endorsed the need for competition at TMI, highlighting the benefits of innovation, better value, and increased choice for passengers. See Appendix B23 for full quote.
- Kent County Council: Provided a letter of support highlighting the regional benefits of competition and the importance of maintaining access to international rail services for Kent communities. See Appendix B18 for full letter.
- Campaign for Better Transport: In a letter to the ORR, strongly supported fair access to TMI and the principle of competition on LSPH's infrastructure, citing benefits for passengers, the economy and the environment. See Appendix B22 for full letter.

Other stakeholders with whom VTE has engaged

In addition to those who have provided formal statements or letters of support, VTE has engaged extensively with a wide range of political, diplomatic and industry stakeholders across the UK and Europe. This includes nearly two dozen Members of Parliament and Members of the House of Lords, including the current and former Shadow Secretaries of State for Transport, the former Rail Minister and members of the Transport Select Committee.

VTE has also met with locally relevant representatives, including the MPs for Ashford and Leyton & Wanstead – the constituencies covering TMI and Ashford International respectively. Engagement has also included the Deputy Mayor of London for Business, Transport for West Midlands, Transport for Greater Manchester and Kent County Council, which has provided a letter of support highlighting the regional benefits of competition and the importance of maintaining access to international rail services for Kent communities.

VTE has met with the French Embassy in London and presented at the All-Party Parliamentary Rail Group to discuss the future of international rail and the opportunities for growth. This diplomatic and parliamentary engagement reinforces VTE's commitment to shaping the sector's future and ensuring that the interests of passengers, communities and the wider economy are reflected in the development of a more competitive cross-Channel market.

VTE is encouraged by the support it has received from many of these stakeholders. As set out in the Chapter 4 ('Operational Readiness and Viability'), it will continue to work closely with them through the mobilisation phase to ensure that key voices across government and the wider political landscape are not only heard, but meaningfully reflected in the delivery of a new, high-quality international rail service.

7.3 Addressing Published Concerns

Eurostar's response dated 28 April 2025 to the ORR's consultation.

In its letter of 28 April 2025, the DFO identifies several concerns it has with the deliverability of the IPEX report. As a general observation VTE notes that IPEX has recent and significant global experience using its renowned depot modelling tools to accurately assess depot operations. As experts in its field, IPEX has concluded that (i) capacity currently exists at the depot; and (ii) more could be made available with changes to current operational practices. It is evident that efficiencies in the current depot operational practices, can be achieved through competition and shared depot usage .

VTE is committed to working constructively with the DFO to better understand its current operational practices and to make the planning of the depot operations more efficient. It is ready to engage on that basis once the ORR has made its access decision.

Regarding some of the specific responses in the DFO's letter, VTE makes the following comments:

- Heavy maintenance: The DFO observes that heavy maintenance falls outside the scope of Section 17. As stated in VTE's 17 January 2025 response to earlier DFO representations on its Section 17 application, VTE would be prepared to make a complementary appeal under Regulation 32 of the Access Management Regulations for any heavy maintenance requirements.
- Earlier draft: The DFO refers to an earlier draft of the IPEX report which it claims concluded that the maintenance shed was fully utilised and that no latent capacity existed. VTE cannot pass comment on a draft it has not seen, but notes that IPEX is a highly reputable organisation and would only revise its conclusions based on evidence.
- IPEX's proposed options: VTE notes the DFO's comments on the availability of the 1.6 roads. In its own response of 28 April 2025, VTE identified several areas where more capacity could be released. VTE maintains that the 1.6 available roads identified should be seen as the minimum space that is available at the depot. With positive engagement and some reasonable adjustments to operational practices, VTE is confident that sufficient time exists to ensure robust maintenance plans are developed.
- Moving non-maintenance outside the shed: The DFO comments that moving non-maintenance activities outside of the shed would not free up meaningful capacity. VTE believes that in a capacity-constrained environment and with sufficient prior notice, these would be appropriate and reasonable adjustments to make to increase shed capacity at the depot.

- Storage of decommissioned e300 sets: The DFO acknowledges that the decommissioned e300 sets are stabled at TMI for convenience, but warns of the significant cost, time and resources to move them. VTE notes that the cost of removing them should not be a factor in the ORR's decision. The depot is a strategic asset and should be used efficiently.
- Increased use of current e320 fleet: VTE notes the DFO's ambitions to increase utilisation of the current fleet of e320s. In support of this the DFO cites a trend of increasing utilisation through 2023 and 2024, though VTE notes that this appears to VTE to be more likely driven by recovery from the Covid-19 pandemic than by genuine improvements in utilisation. VTE would also expect that maintenance on e320 sets deployed on the Paris-Amsterdam route would more logically be carried out on the continent at one of its shareholder's depots, thus making more capacity available at TMI. Using TMI to support Paris-Amsterdam services, which do not originate or terminate in London, appears to VTE to be a suboptimal use of a UK-based capacity-constrained facility with unique capabilities to serve the cross-Channel market.
- New fleet: The DFO references a new fleet it is intending to procure. VTE notes that, as far as it is aware, no firm order for the new fleet has been made, although it understands from previous announcements that many of the new trains will replace the ex-Thalys trains used on continental routes. The DFO also comments that it "has committed to the necessary investment in new facilities to service [the new fleet]". However, with no details published, VTE is unclear on whether such investment has in fact been committed.
- Limitations of the Section 17 process: VTE notes the section on limitations of the Section 17 process. VTE has set out above that the available capacity identified at the depot by the IPEX report is sufficient for its needs and therefore VTE does not concur with the comment that "...capacity realised would be insufficient to satisfy the needs of any one operator...". The Section 17 process is designed to ensure fair and transparent access to shared infrastructure and VTE believes it is therefore functioning as intended.

VTE remains confident that the Section 17 process, supported by the IPEX report, provides a fair and transparent mechanism for assessing access to TMI. While the DFO's concerns are noted, VTE believes that the evidence clearly supports the conclusion that its proposed use of the depot can be accommodated without detriment to operational performance. VTE looks forward to constructive engagement with all parties to ensure that the depot is used efficiently and in a way that supports growth, competition and improved outcomes for passengers.

Glossary of Defined Terms

Term	Definition
Apex	Apex Rail
APIS	UK Authorisation for Placing in Service
AssetCo	Rolling stock-owning company
Avanti	Avanti West Coast
CTIGC	Channel Tunnel Intergovernmental Commission
CTSA	Channel Tunnel Safety Authority
DFO	Depot Facility Owner
DfT	Department for Transport
DGITM	General Directorate for Infrastructure, Transport and Mobility
EPSF	Etablissement Public De Securite Ferroviare
ERA	European Union Agency for Railways
HS1	High Speed 1 line
Investor X	
Investor Y	
IPEX	IPEX Consulting Limited
IPEX report	The IPEX capacity assessment
JPM	Joint Project Manager
KSBR	KSBR Brand Futures
LEK	L.E.K. Consulting LLP
LSPH	London St. Pancras Highspeed
MSA	Manufacture and Supply Agreement
NTP	Notice to Proceed
OpCo	Operating company
ORR	Office of Rail and Road
PAF	Police Aux Frontières

SPX	London St. Pancras International
Supporting Lenders	
TMI	Temple Mills International depot
TSA	Train Services Agreement
Virgin	The wider Virgin group as defined in this document
Virgin Group	The wider Virgin group as defined in this document
Virgin Investor	Virgin Holdings Limited, or another holding company within the Virgin Group
VTE	VTE Holdings Limited

Appendices

Appendix A. Proposed Timetable.....	77
Appendix B. Letters of Support.....	78
Appendix C. VTE’s Business Plan.....	147

Appendix A. Proposed Timetable

Train		1	2	3	4	5	6	7	8	9	10	11	12
ALL TIMES IN LOCAL TIMEZONE													
Depart	From TMD	05:16	06:16	07:16				05:49		06:49			
Depart	From Le Landy				05:57	06:57	07:57						
Depart	From Forest								06:41				
Depart	From Watergraafsmeer										06:25		
Depart	London	06:01	07:01	08:01				06:34		07:34			
Depart	Paris				06:42	07:42	08:42						
Depart	Brussels								07:26				
Depart	Amsterdam										07:10		
Arrive	London				08:02	09:02	10:02		08:26				
Arrive	Paris	09:21	10:21	11:21									
Arrive	Brussels							09:34		10:34	09:10		
Depart	Brussels									10:50	09:26		
Arrive	Amsterdam									12:50			
Arrive	London										10:26		
Depart	London				09:01	10:01	11:01		09:34		12:34		
Depart	Paris	10:42	11:42	12:42									
Depart	Brussels							11:26					
Depart	Amsterdam									14:10			
Arrive	London	12:02	13:02	14:02				12:26					
Arrive	Paris				12:21	13:21	14:21						
Arrive	Brussels								12:34	16:10	15:34		
Depart	Brussels									16:26	15:50		
Arrive	Amsterdam										17:50		
Arrive	London									17:26			
Depart	London	13:01	14:01	15:01				14:34		18:34			
Depart	Paris				13:42	14:42	15:42						
Depart	Brussels								14:26				
Depart	Amsterdam										19:10		
Arrive	London				15:02	16:02	17:02		15:26				
Arrive	Paris	16:21	17:21	18:21									
Arrive	Brussels							17:34		21:34	21:10		
Depart	Brussels										21:26		
Arrive	Amsterdam											22:26	
Arrive	London												
Depart	London				16:01	17:01	18:01		16:34				
Depart	Paris	17:42	18:42	19:42									
Depart	Brussels							19:26					
Depart	Amsterdam												
Arrive	London	19:02	20:02	21:02				20:26					
Arrive	Paris				19:21	20:21	21:21						
Arrive	Brussels								19:34				
Depart	Brussels								19:50				
Arrive	Amsterdam								21:50				
Arrive	London												
Depart	London	20:01											
Depart	Paris				20:42								
Depart	Brussels												
Depart	Amsterdam												
Arrive	London				22:02								
Arrive	Paris	23:21											
Arrive	Brussels												
Depart	Brussels												
Arrive	Amsterdam												
Arrive	London												
Depart	To TMD		20:47	21:47	22:47			21:11			23:11		
Depart	To Le Landy	00:06				21:06	22:06						
Depart	To Forest									22:19			
Depart	To Watergraafsmeer								22:35				

Appendix B. Letters of Support

Appendix B1. Letter from Alstom	79
Appendix B2. Letter from Virgin Holdings Limited	82
Appendix B3. Letter from Investor X	85
Appendix B4. Letter from Investor Y	88
Appendix B5. Letter from Apex Rail	91
Appendix B6. Letters from Supporting Lenders	95
Appendix B7. Letter from LEK	105
Appendix B8. Letter from Virgin Atlantic's CEO	107
Appendix B9. Letter from Virgin Hotels Collection's CEO	109
Appendix B10. Letter from LSPH	111
Appendix B11. Letter from Eurotunnel	117
Appendix B12. Letter from SNCF Réseau	119
Appendix B13. Letter from SNCF Gares & Connexions	125
Appendix B14. Letter from Infrabel	129
Appendix B15. E-mail from ProRail	130
Appendix B16. E-mail from SNCB Réseau et Services	131
Appendix B17. E-mail from Border Force	132
Appendix B18. Letter from Kent County Council	133
Appendix B19. Letter from the ORR	135
Appendix B20. Letter from Le Train	137
Appendix B21. Letter from Southeastern	140
Appendix B22. Letter from Campaign for Better Transport	142
Appendix B23. Political and Diplomatic Engagement – Supporting Quotes	144
Appendix B24. [REDACTED]	145

Appendix B1. Letter from Alstom



UNITED KINGDOM

Litchurch Lane
Derby
DE24 8AD

www.alstom.com

Office of Rail and Road
25 Cabot Square
London
E14 4QZ

18th July 2025

Dear [REDACTED]

Expression of Operational Readiness and Viability, and Transactional Support for Project Bullet – Application by VTE Holdings Limited (“VTE”) under Section 17 of the Railways Act 1993

We write on behalf of Alstom SA (“Alstom”) in our capacity as exclusive manufacturer and proposed maintainer to VTE (a member of the Virgin Group of companies), in connection with the design, manufacture and maintenance of rolling stock for Project Bullet – a new open-access international passenger rail service linking London and continental Europe via the Channel Tunnel.

This correspondence is submitted pursuant to your letter of 5 June 2025 concerning the allocation of capacity at Temple Mills International (TMI) depot under the procedures outlined in Section 17 of the Railways Act 1993. This is intended to assist the Office of Rail and Road (ORR) in its assessment of the use of available capacity and the operational readiness and viability of the Project Bullet proposition, as set out in paragraph 17 of your letter.

I. Credentials of Alstom

With 37 locations and almost 6,000 employees, Alstom is the UK and Ireland’s leading supplier of new trains and train services, and a leading signalling and rail infrastructure provider. Alstom have built just under 40 per cent of the UK mainline train fleet; as well as the entire fleets currently in service with London Underground and Dublin Luas. Half of all UK rail journeys are made on an Alstom train, while its portfolio of smart products is the widest on the market.

ALSTOM Transport UK Limited

Registered Office : Litchurch Lane, Derby, DE24 8AD

Company Registered No : 0462831

Registered in England and Wales as a limited company

Alstom has operated in the high-speed market for over 40 years, and during that time has successfully delivered 2,900 vehicles with Avelia technology worldwide. With its presence in 63 countries and a talent base of over 86,000 people from 184 nationalities, Alstom focuses its design, innovation and project management skills to where mobility solutions are needed most.

Alstom also has significant experience in Channel Tunnel operations, having designed and manufactured the Class 373 rolling stock, the first high-speed passenger train to gain route acceptance to operate through the tunnel.

Recent relevant examples of Alstom's experience include:

- An order from SNCF for 115 Avelia Horizon trains for delivery from 2025
- An order from open access start-up Velvet (previously known as Proxima) for 12 Avelia Horizon trains for delivery from 2028, alongside a 15-year maintenance agreement
- The Moroccan National Railway Office (ONCF) ordered 18 Avelia Horizon trains for delivery from in the lead-up to the 2030 FIFA World Cup
- [REDACTED]

II. Our involvement in Project Bullet

Alstom is pleased to confirm that it has partnered on an exclusive basis with VTE. Under the terms of this partnership Alstom expects to design and manufacture 12 Avelia Stream very high-speed trains for delivery into service in 2030. Detailed heads of terms for the Manufacturing and Supply Agreement were signed on 18th July 2025 and long-form documents are now being worked through with final versions targeted to be ready by 30 September 2025. Alstom is devoting significant resource to the project and is committed to achieving this date.

Alstom and Virgin have also agreed key principles, including scope and costings, for a 30-year Train Services Agreement. The subsequent long form document will be concluded once a decision on Temple Mills depot capacity allocation is finalised.

III. Path to Completion and Delivery Certainty

Under the proposed terms of the MSA, Alstom will deliver an initial 5 trains to VTE to by NTP (Notice to Proceed) plus 55 months, to support service commencement. The remaining fleet will be delivered by NTP+60 months. This delivery schedule supports VTE's 2030 launch plan.

Alstom has notable recent experience building the same product for Italo for delivery in 2026 and is confident that this follow-on order will be delivered on time having retained continuity of production to ensure a highly competent, effective and engaged workforce.

IV. Sufficiency of Capacity at Temple Mills

ALSTOM Transport UK Limited

Registered Office : Litchurch Lane, Derby, DE24 8AD

Company Registered No : 0462831

Registered in England and Wales as a limited company

Alstom has reviewed in detail the IPEX Capacity Report and confirms that the latent capacity identified in that report is sufficient to perform all maintenance and overhaul interventions required to deliver a high-performing fleet. Alstom has performed detailed analysis of its maintenance requirements to support this, leaning on a long history of maintaining significant numbers of high-speed rolling stock on behalf of its customers. Furthermore, Alstom plans and carries out significant depot moves during its maintenance activities and is confident that with strong planning and early engagement, depot performance will not be adversely affected.

V. Concluding Remarks

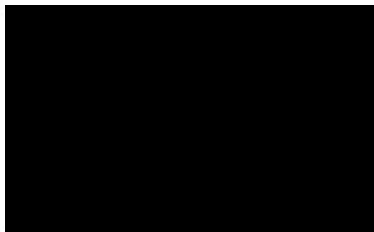
In summary, Alstom considers that with its significant support and experience manufacturing and planning the maintenance of high-speed fleets, Project Bullet meets and exceeds the threshold of operational readiness and viability, having

1. the confidence that the available capacity at Temple Mills will be used in a timely manner without delays to train introduction;
2. that the space available is sufficient to perform the service plans required to support the Avelia Stream; and
3. that Alstom's significant experience in depot operations will be used to mitigate any potential performance impacts, and to identify any operational practices that could be implemented to increase maintenance capacity at the depot

Alstom's choice to partner exclusively with VTE demonstrates its confidence in Virgin's plans, based on a long history of successful delivery together on the West Coast Main Line. We believe that Virgin's focus on innovation and delivering exceptional experiences for its customers will be supported by our exceptional Avelia Stream platform and is vital to delivering a sustainable business.

Should you or your colleagues wish to discuss any aspect of this letter we would be pleased to make ourselves available.

Yours faithfully,



ALSTOM Transport UK Limited
Registered Office : Litchurch Lane, Derby, DE24 8AD
Company Registered No : 0452031
Registered in England and Wales as a limited company

Appendix B2. Letter from Virgin Holdings Limited



Virgin Holdings Limited
Whitfield Studios
30A Charlotte Street
London, W1T 2NS

T +44 (0)20 7313 2000

www.virgin.com

To:

Office of Rail and Road
25 Cabot Square
London E14 4QZ
United Kingdom

18 July 2025

Dear Sirs,

**RE: EXPRESSION OF VIRGIN HOLDINGS LIMITED SUPPORT FOR VTE HOLDINGS LIMITED –
APPLICATION BY VTE HOLDINGS LIMITED UNDER SECTION 17 OF THE RAILWAYS ACT 1993**

We write on behalf of Virgin Holdings Limited (“VHL”), in its capacity as the current 100% shareholder of VTE Holdings Limited (“VTE”). This letter has been prepared for the purpose of supporting VTE’s submission to the ORR under Section 17 of the Railways Act 1993, as set out in ORR’s letter dated 5 June 2025.

I. Background

VHL is a 100% owned indirect subsidiary of Virgin Group Holdings Limited, the ultimate parent company of the Virgin group (the “Virgin Group”). VHL is an indirect parent company of Virgin Enterprises Limited (“VEL”), the owner and licensor of the Virgin brand, and Virgin Red Limited (“VRL”), the owner of the Virgin Group loyalty program. VHL is also an indirect parent company of other Virgin and non-Virgin branded investments. VHL is currently the 100% shareholder of VTE, a company incorporated in 2023 to pursue opportunities in the rail sector. Along with its role as a strategic long-term investor, VHL brings to this venture the Virgin Group’s decades of experience in launching challenger businesses that put the consumer first.

VHL, as the project sponsor, has fully funded the development of Virgin’s cross-channel rail project since its inception. To date, VTE has transformed an initial concept into a fully scoped and proceedable transaction, including by: (i) developing the opportunity into a thorough assessment of the market and creating the subsequent business plan, (ii) engaging with key third-party infrastructure providers, (iii) establishing significant appetite from lenders to provide long-term senior debt, (iv) successfully identifying all sources of equity funding and (v) progressing to exclusivity and Heads of Terms with Alstom as the preferred rolling stock manufacturer.

This letter confirms VHL’s continued commitment to supporting VTE across all critical components of the transaction, subject to the execution of appropriate legally binding documents. VHL intends to support VTE specifically through coordination of all transaction elements as project sponsor, including

(i) coordinating the 50% of total equity funding provided by the Virgin Group, (ii) procuring the licensing of the Virgin brand by its indirect subsidiary VEL, and (iii) helping to secure critical loyalty enablement via its 75% subsidiary, VRL.

We have set this out in additional detail in the sections that follow.

II. Overview of the Virgin Group

The Virgin Group, founded by Sir Richard Branson in 1970, brings together the Virgin brand, its people and its capital to develop and nurture valuable Virgin businesses that lift experiences out of the ordinary.

Our purpose at Virgin is “Changing Business for Good” and the Virgin Group’s principal activities are investment management, brand licensing and loyalty. Today Virgin’s operations span multiple sectors and it defines success not only by building market-leading, profitable businesses but also by the long-term value it creates for people and the planet.

Virgin operates 40 companies across its five core sectors – Travel & Leisure, Telecoms & Media, Financial Services, Health & Wellness and Music & Entertainment – with a presence in over 60 countries. Virgin companies serve more than 40 million customers and employ over 70,000 people.

Virgin has a strong heritage in UK rail, having successfully operated Virgin Trains in the UK for over 20 years, including with Virgin Trains West Coast until 2019. These award-winning services became synonymous with high customer satisfaction, punctuality, innovation and significant growth in passenger volumes. The same culture of customer-centric innovation underpins VTE’s ambitions for the cross-channel services it plans to launch.

III. VHL as Project Sponsor

VHL as project sponsor has been the sole funder of VTE to date. VHL will continue to act as project sponsor through to transaction completion to ensure optimal coordination of all relevant parts. This includes:

- Coordination of AssetCo funding, across equity funding from [REDACTED] and debt funding from a subset of the lenders who have expressed their interest (the debt funding process being led by Apex Rail);
- Coordination of OpCo funding, across equity funding from Virgin Group, [REDACTED] and [REDACTED];
- Final execution of the binding Manufacture and Supply Agreement and Train Services Agreement between Alstom (as the preferred rolling stock manufacturer), AssetCo and OpCo; and
- Oversight and coordination of all key contractual, regulatory, legal and financial deliverables required to reach financial close.

VHL’s experience in project development, investment and stakeholder management ensures the transaction remains highly deliverable and on track to achieve completion by the end of November 2025.

IV. Virgin Group’s Equity Commitment

The Virgin Group intends to provide 50% of the total equity quantum to be raised by VTE or its subsidiary (as the planned OpCo under the proposed structure), [REDACTED]

This plan sits alongside an additional guarantee to be provided to the AssetCo from each OpCo shareholder. As in the case of the other OpCo shareholders, the Virgin Group will provide its shareholder guarantee in line with its equity ownership percentage in the OpCo.

V. VHL's role in Virgin Enterprises Limited licensing the Virgin brand to VTE

Virgin Enterprises Limited, a 100% owned indirect subsidiary of VHL, will license the Virgin brand to VTE on an exclusive, long-term basis for its operations.

The Virgin brand is one of the most iconic and recognised consumer brands globally, associated with quality, innovation and customer service. This licensing relationship will ensure that VTE benefits from strong consumer awareness and trust from launch, a critical advantage in a market where brand differentiation is essential, especially from a recognition perspective when VTE is ramping up its services.

VTE will also benefit from the suite of expert services provided by VEL and its brand professionals to its licensees to ensure they are maximising the value they get from licensing the Virgin brand.

VI. VHL's role in Virgin Red Limited acting as VTE's loyalty partner

VHL also owns a 75% stake in Virgin Red Limited, Virgin Group's loyalty platform. VTE intends to secure VRL as its exclusive loyalty partner and VHL is committed to supporting this long-term partnership.

VRL has grown rapidly since its launch in 2021, reaching a member base of more than three million today. With material growth continuing over the coming years, its scale will be significantly greater by 2030 when VTE launches its first services, creating a significant customer base to which VTE will have direct access upon launch via the earn and spend of Virgin Points across its services. This will aid VTE's initial ramp-up and allow it to offer significant retention benefits to customers.

VRL will also contribute significant loyalty expertise in ensuring VTE builds a market-leading status programme, fully integrated with VRL's own points-based loyalty proposition.

VII. Concluding Remarks

As evidenced above, the Virgin Group via VHL, as the project sponsor, stands firmly and unequivocally behind VTE. It has taken the project from a concept to a transaction-ready business, and it remains fully committed to supporting VTE in the next phase of the project.

This initiative represents a unique opportunity to introduce meaningful competition to the cross-channel rail market, offering passengers greater choice and enhanced service quality. VTE, VHL and the wider Virgin Group, are aligned with the ORR's objectives of improving competition, service quality and innovation in UK and international rail.

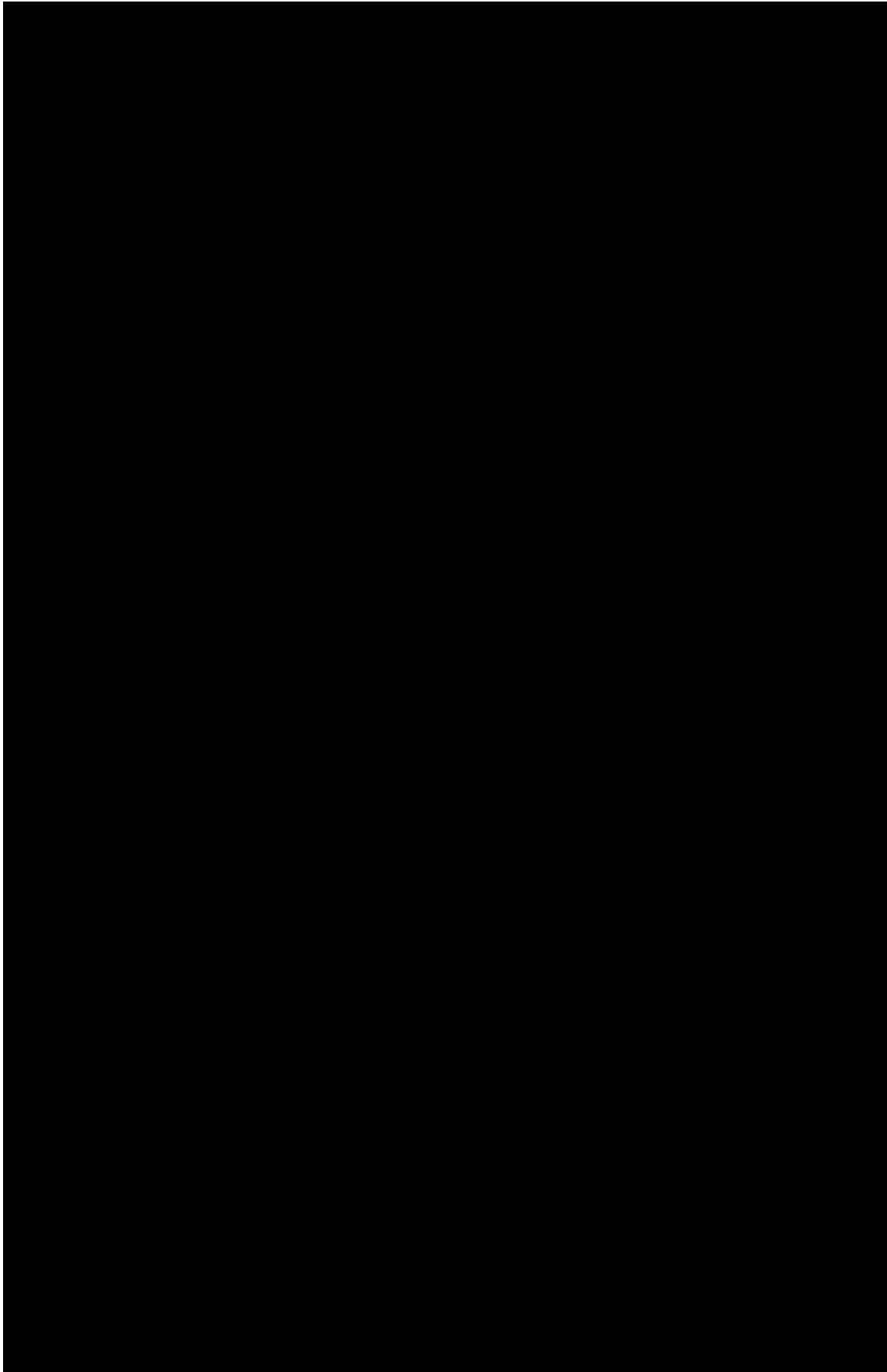
VTE's submission is underpinned by a credible plan, committed and experienced stakeholders, and the full strategic support of the Virgin Group. We are confident in the deliverability of VTE's plan and strongly believe in the long-term potential of the proposition.

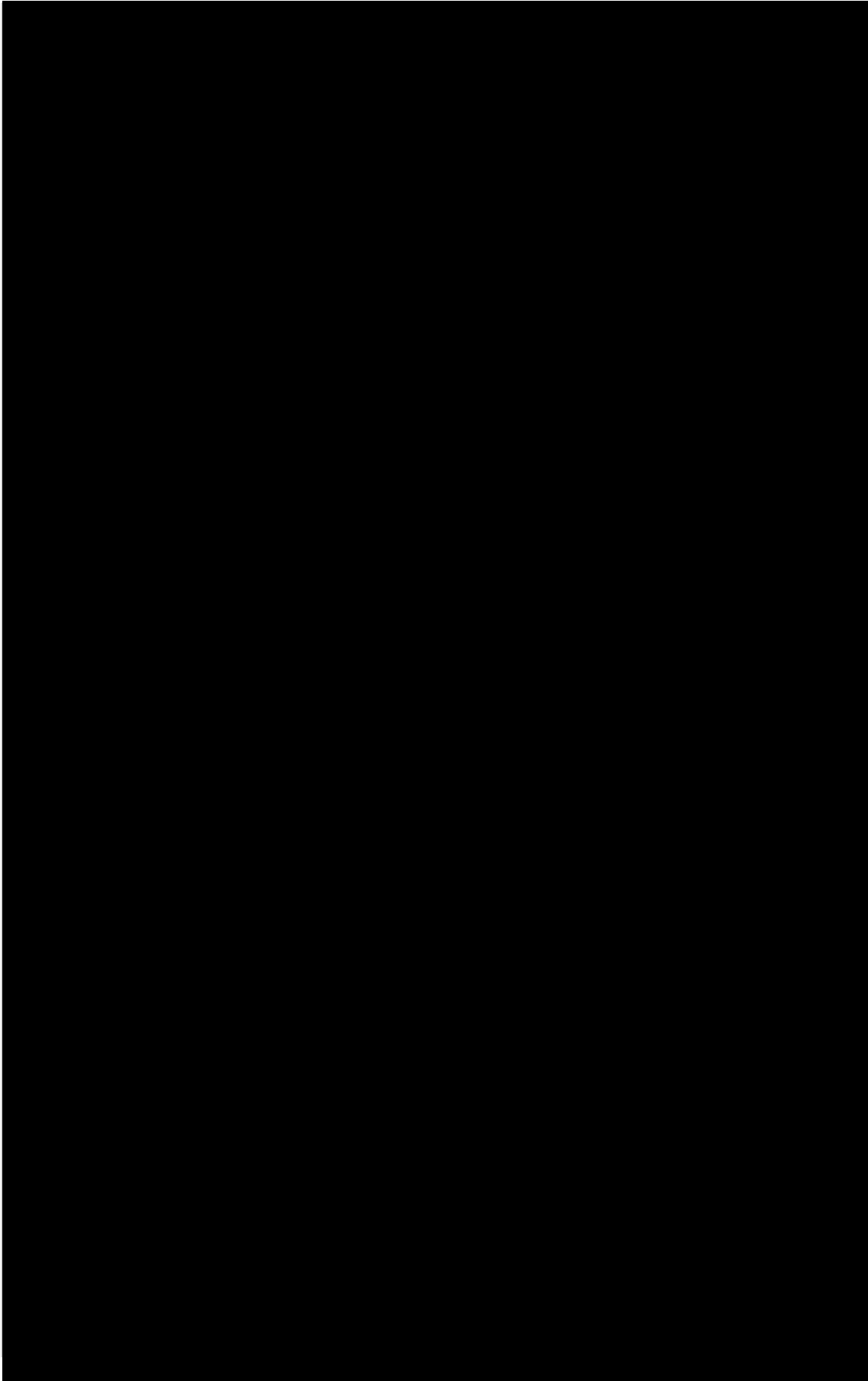
We would welcome the opportunity to engage further with the ORR and would be happy to provide any additional information that may assist your review.

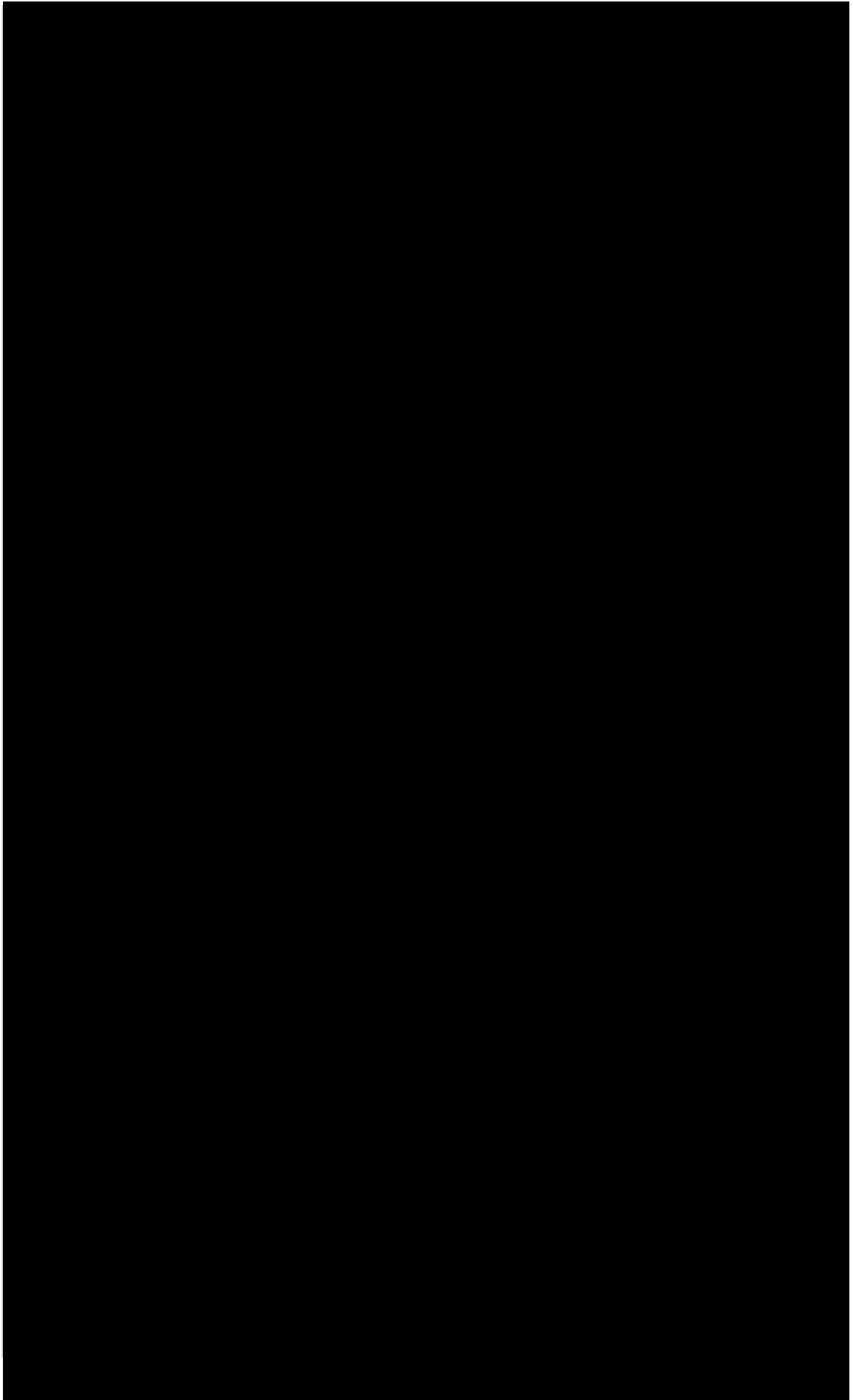
Yours sincerely,


Virgin Holdings Limited

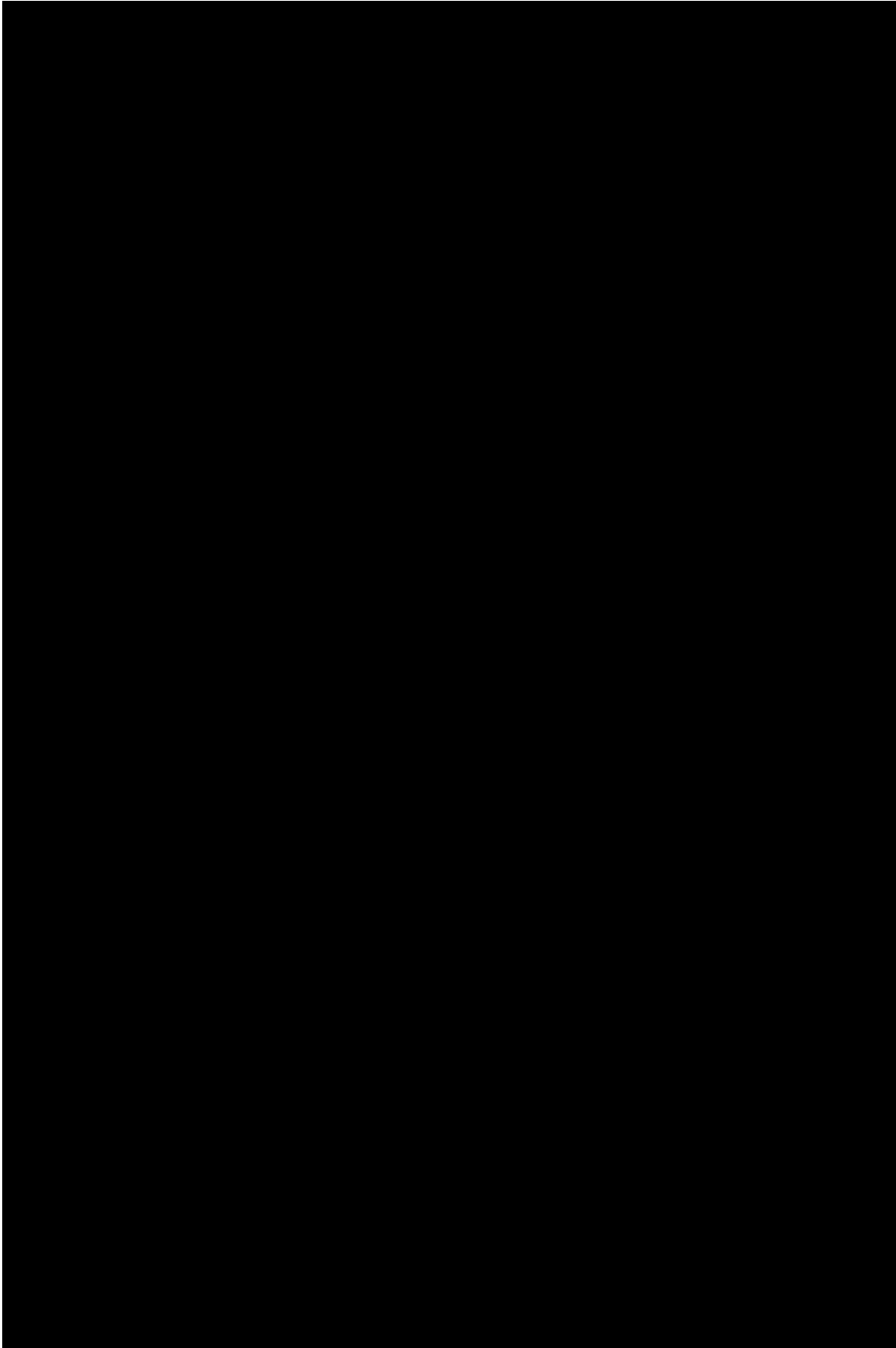
Appendix B3. Letter from Investor X

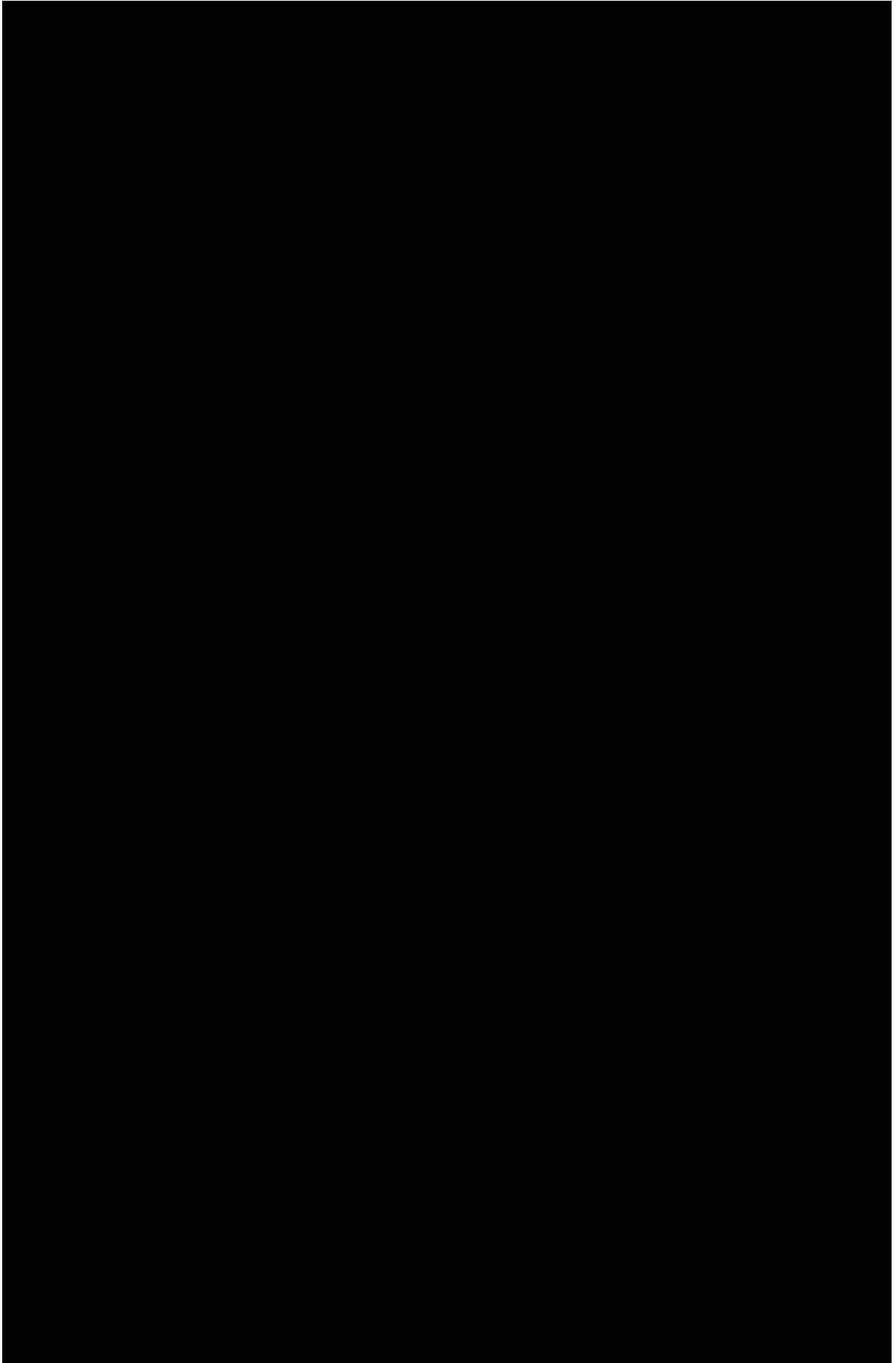


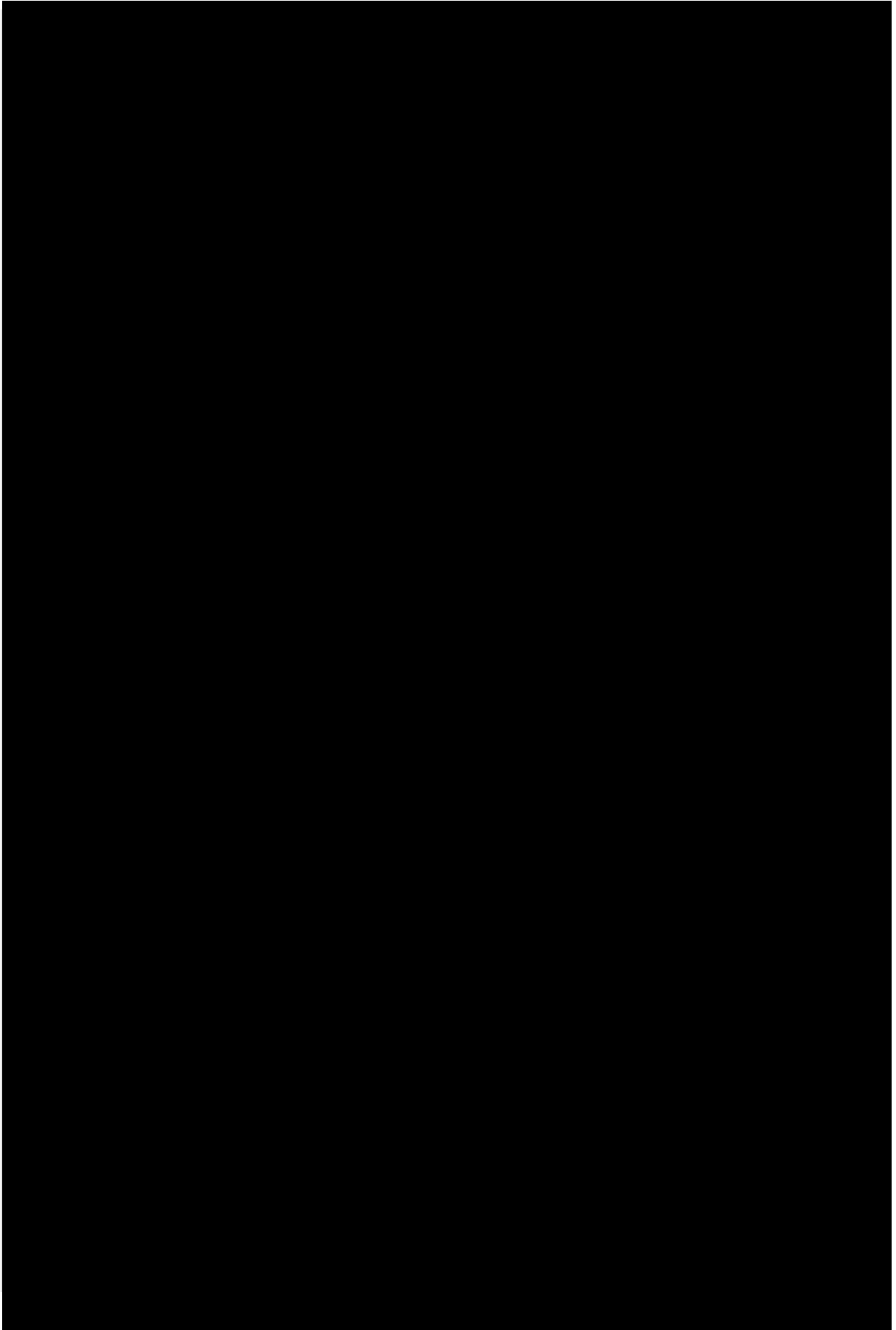




Appendix B4. Letter from Investor Y







Appendix B5. Letter from Apex Rail

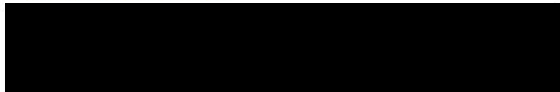


To:

The Office of Rail and Road
25 Cabot Square
London E14 4QZ
United Kingdom

Lucerne, 17th July, 2025

For the attention of:



Dear 

Subject: Expression of Financial Credibility and Transactional Support for Project Bullet – Application by VTE Holdings Limited under Section 17 of the Railways Act 1993

We write on behalf of Apex Rail GmbH ("Apex Rail"), in our capacity as financial adviser to VTE Holdings Limited (a member of the Virgin Group of companies) and its equity partner Equitix, in connection with the development and financing of Project Bullet—a proposed open-access international passenger rail service linking London and continental Europe via the Channel Tunnel.

This correspondence is submitted pursuant to your letter of 5 June 2025 concerning the allocation of capacity at Temple Mills International (TMI) depot under the procedures outlined in Section 17 of the Railways Act 1993, and is intended to assist the Office of Rail and Road ("ORR") in its assessment of the financial viability of the Project Bullet proposition, as set out in paragraph 17 of your letter.

I. Credentials of Apex Rail

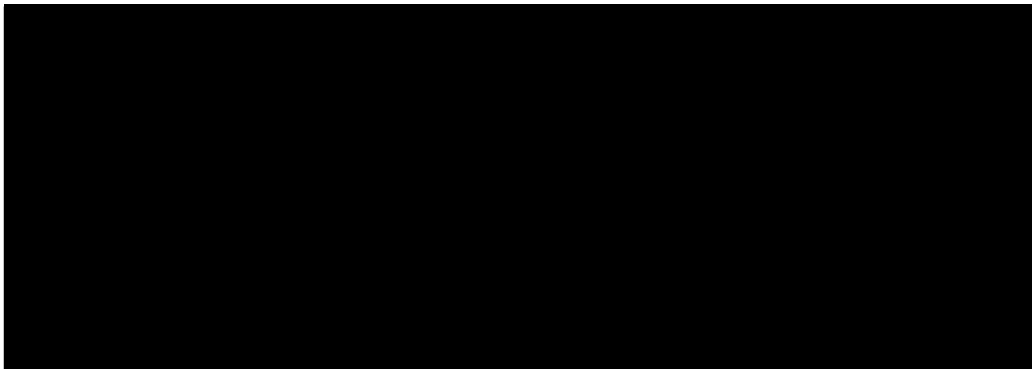
Apex Rail is a leading independent financial advisory and investment management firm focused exclusively on the rail sector. We offer a breadth and depth of expertise across structured finance, asset procurement, lease structuring, refinancing, and asset lifecycle management, with an extensive track record of advising public and private sector stakeholders on transactions of national and international strategic importance.

Our core competency lies in arranging capital (debt and/or equity) for rolling stock and rail infrastructure procurements/transactions across Europe, including the UK. We are distinguished by our ability to structure competitive and innovative financing solutions tailored to the nuanced



requirements of open-access operations, public procurement environments, and complex cross-border financings.

Relevant examples of Apex Rail's experience include:



In addition, our team brings experience from leadership positions at major UK and European rolling stock leasing companies, global banks, manufacturers, and public sector organisations. This background provides us with a detailed understanding of the operational, regulatory, and financial complexities relevant to this transaction.

II. Mandate on Project Bullet

We have been formally engaged by VTE to provide comprehensive financial advisory services in connection with the debt raising for the rolling stock component of Project Bullet.

Since initiation of our mandate in February 2024, we have worked in close coordination with the project's stakeholders to develop a capital structure that is aligned with best practice in the European rolling stock finance market, while remaining flexible to the bespoke needs of open-access operations.

III. Lender Market Engagement and Depth of Commitment

In the second half of 2024, Apex Rail conducted a comprehensive market sounding exercise targeting leading domestic and international providers of rail project finance and subsequently running a debt financing competition where we asked potential lenders for indicative offers. The positive outcome of this exercise was exceptional and unprecedented in our experience advising on open-access projects.

We note that lenders are expressing support for VTE's unique position in the market — specifically, Virgin's brand strength, customer reputation, and ability to drive modal shift and innovation in a corridor historically dominated by a single incumbent.



Specifically: We received twelve (12) detailed, credit-reviewed term sheets representing commitments that collectively amount to over 300% of the total required debt volume. This included offers for bank and longer-term capital market debt. Five (5) of the debt providers also expressed interest to underwrite or partly underwrite the project debt which is a strong signal of the strong interest for the project from the potential lenders we addressed.

We identified a further eleven (11) highly credible financial institutions who expressed interest in participating in the transaction but elected to defer their formal offers until such time as commercial terms and risk allocations were further clarified. These institutions indicated a preference to join the transaction as co-lenders or follow-on participants, allowing other more experienced lenders in the rail sector to set the terms.

Importantly, this market engagement occurred prior to two materially positive developments that occurred in the first half of 2025:

- VTE's appointment of Alstom as its preferred train manufacturer
- [REDACTED] formal commitment to provide 100% of the AssetCo equity, and

These changes have been very well-received in subsequent lender feedback, and multiple institutions have since indicated their willingness to increase their original ticket size or offer underwriting capacity.

We have since re-engaged with a select group of these institutions, and all feedback reinforces a deep and expanding appetite for the transaction. For the purpose of this submission, we received Letters of Interest from 4 different potential lenders who have also indicated its willingness to underwrite the full debt amount for the Project.

IV. Path to Completion and Delivery Certainty

The debt financing process is now poised to relaunch in its formal next phase. Based on lender readiness, competitive tension, and the significant oversubscription already evidenced, we hold a high degree of confidence that:

- A fully underwritten debt package will be secured
- Commitments will be sought to support VTE and [REDACTED] placing a firm train order and reaching financial close by end of November 2025, in alignment with the delivery programme of the wider project
- Terms will be consistent with prevailing benchmarks for rolling stock financings in the UK and continental Europe, notwithstanding the open-access nature of the venture



V. Concluding Remarks

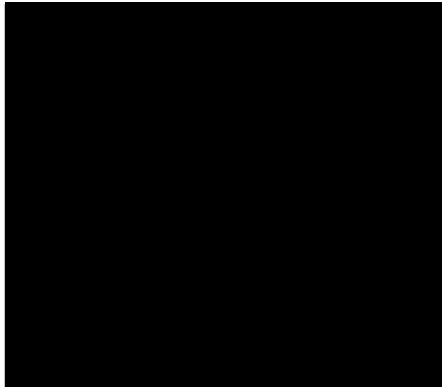
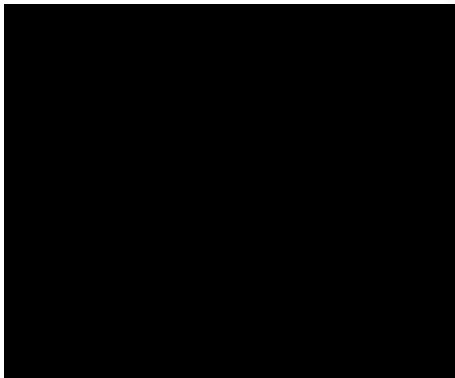
In sum, we respectfully submit that Project Bullet meets and exceeds the threshold of financial viability and having a 'reasonable expectation of securing the required investment and rolling stock'. The combination of:

- Proven sponsor and equity backing
- Overwhelming lender market interest
- A credible and experienced advisory and delivery team
- A robust commercial and operating model aligned with international best practice

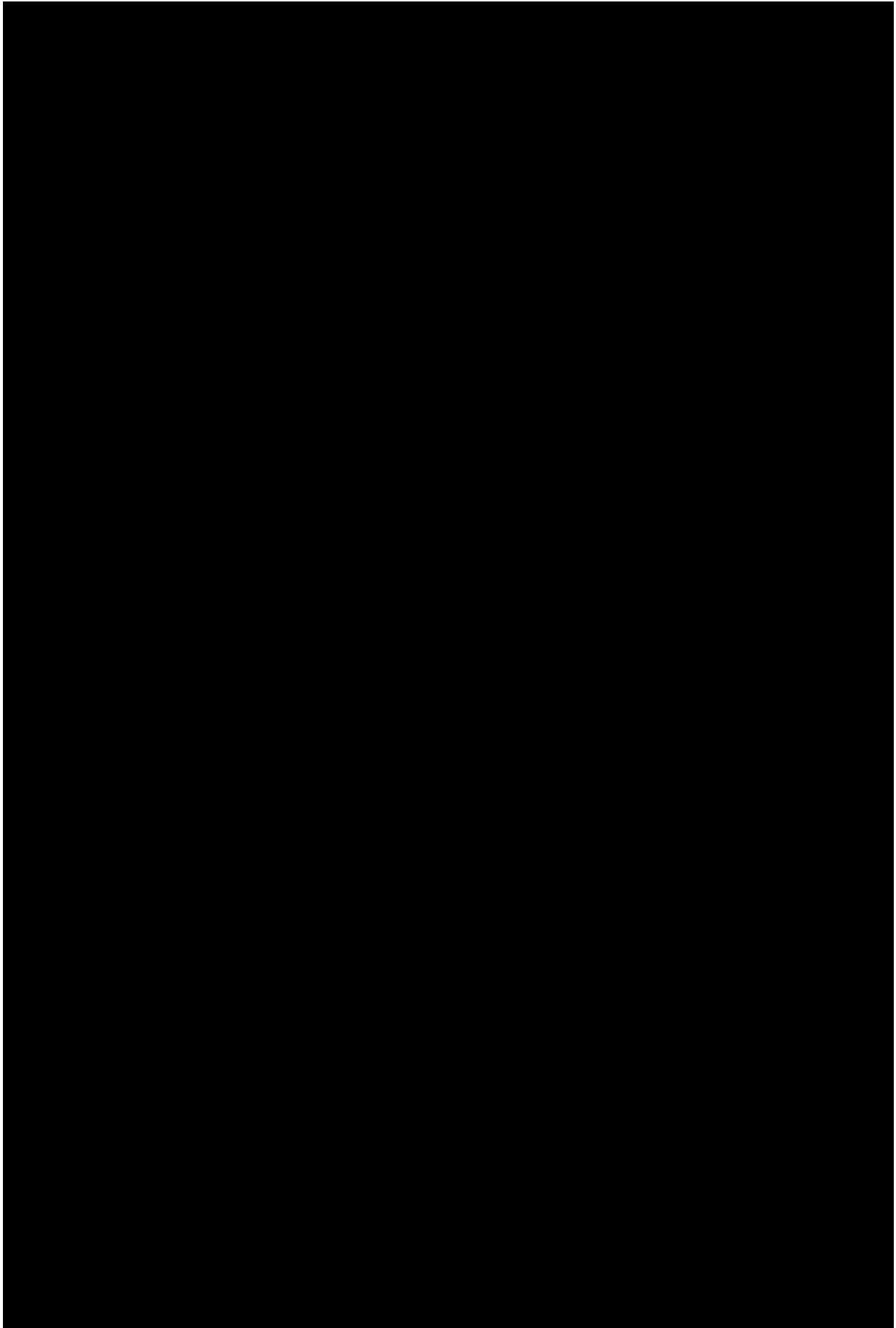
...serves as clear and compelling evidence that this project is not only financeable but is on track to be fully funded and deliverable within the timelines outlined by the ORR.

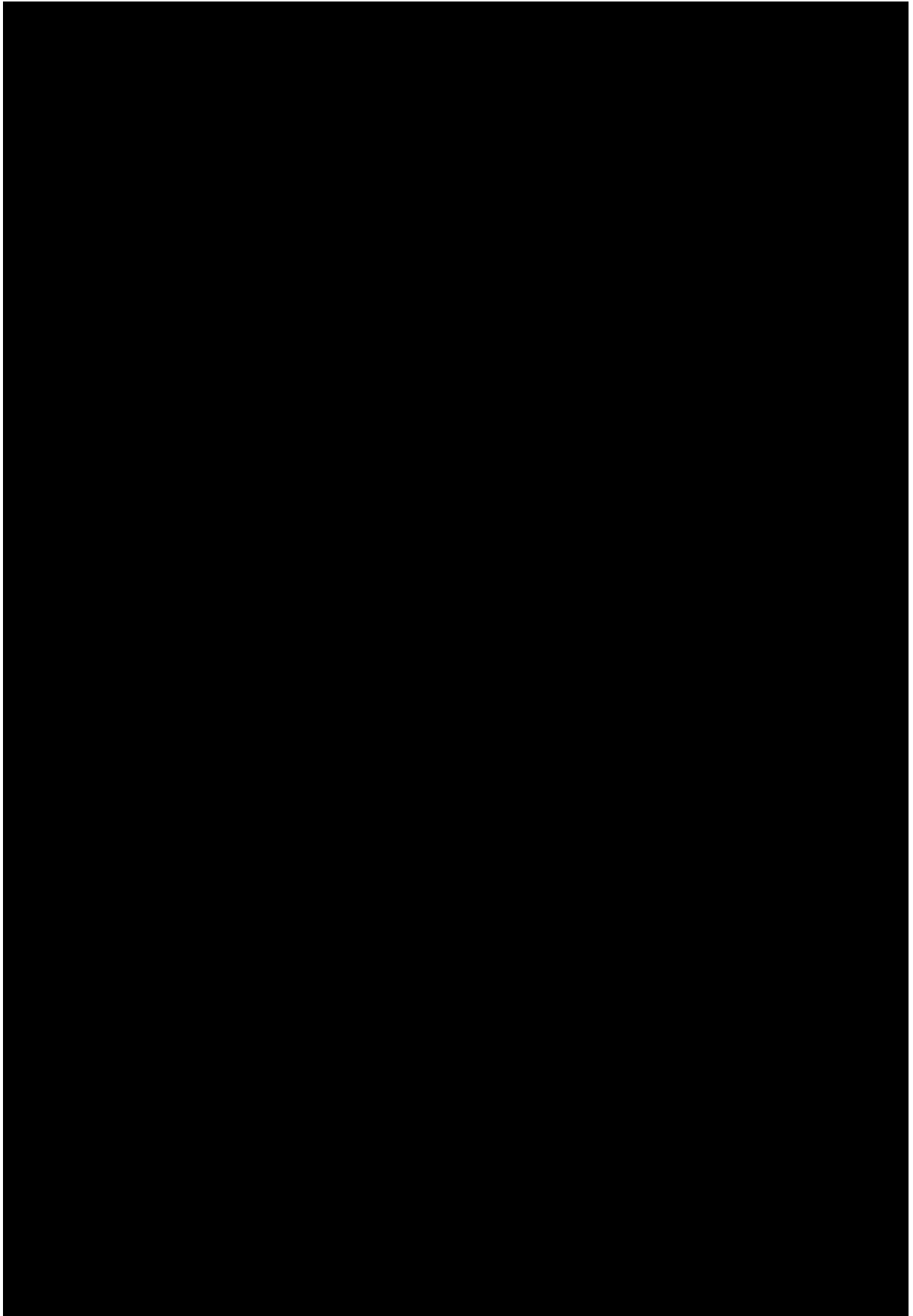
Should you or your colleagues wish to discuss any aspect of this letter we would be pleased to make ourselves available upon request.

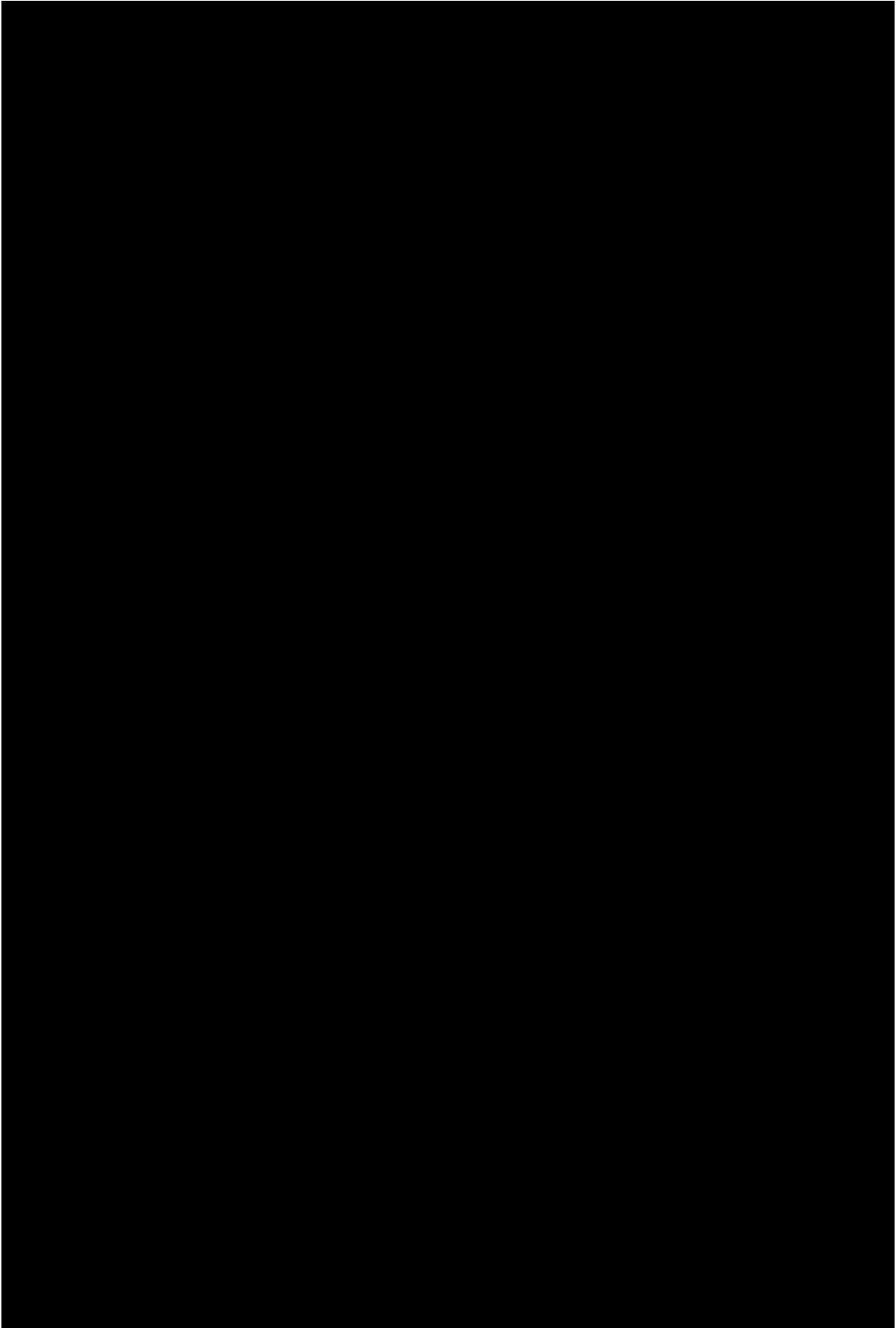
Yours faithfully,

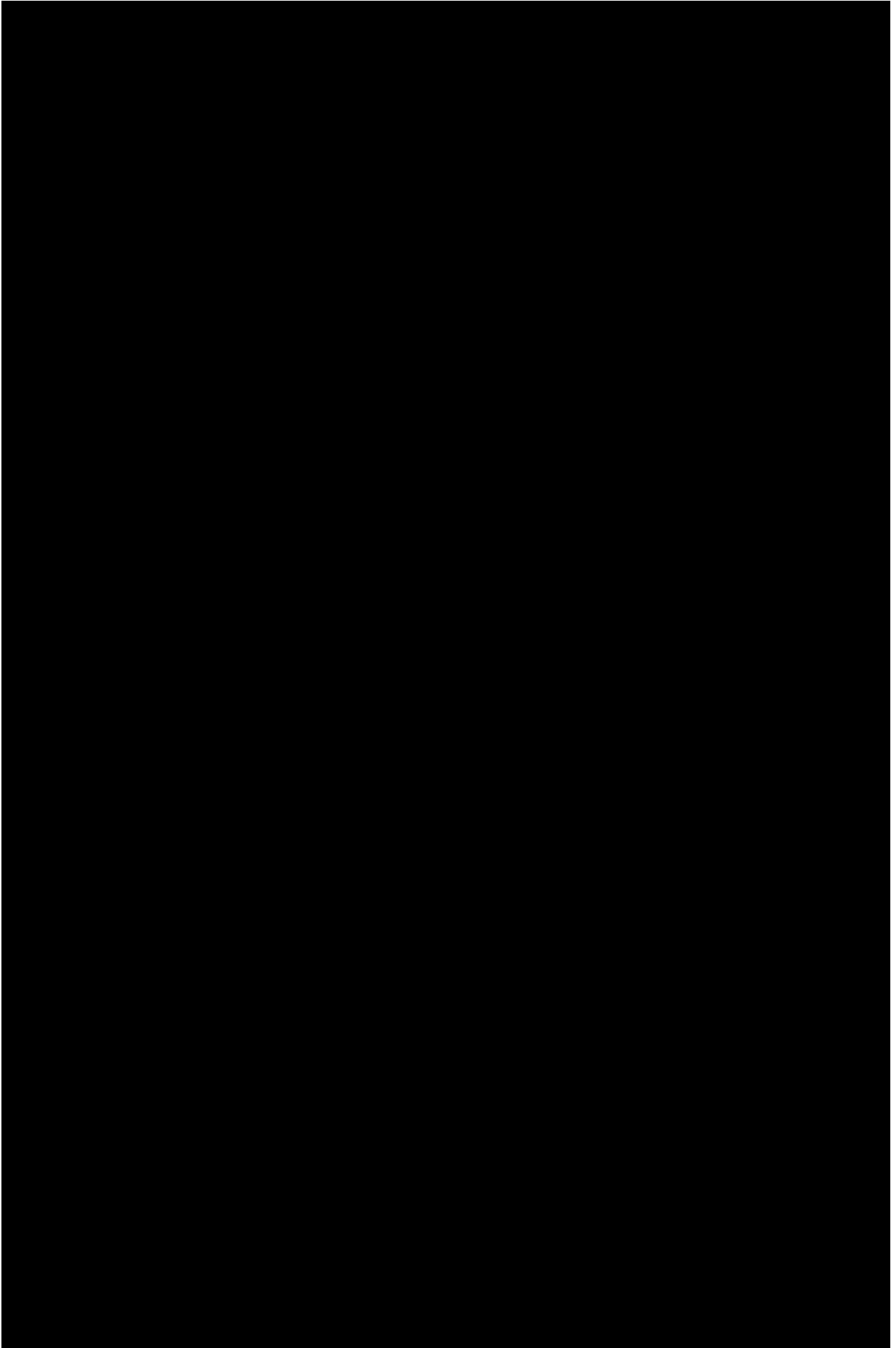


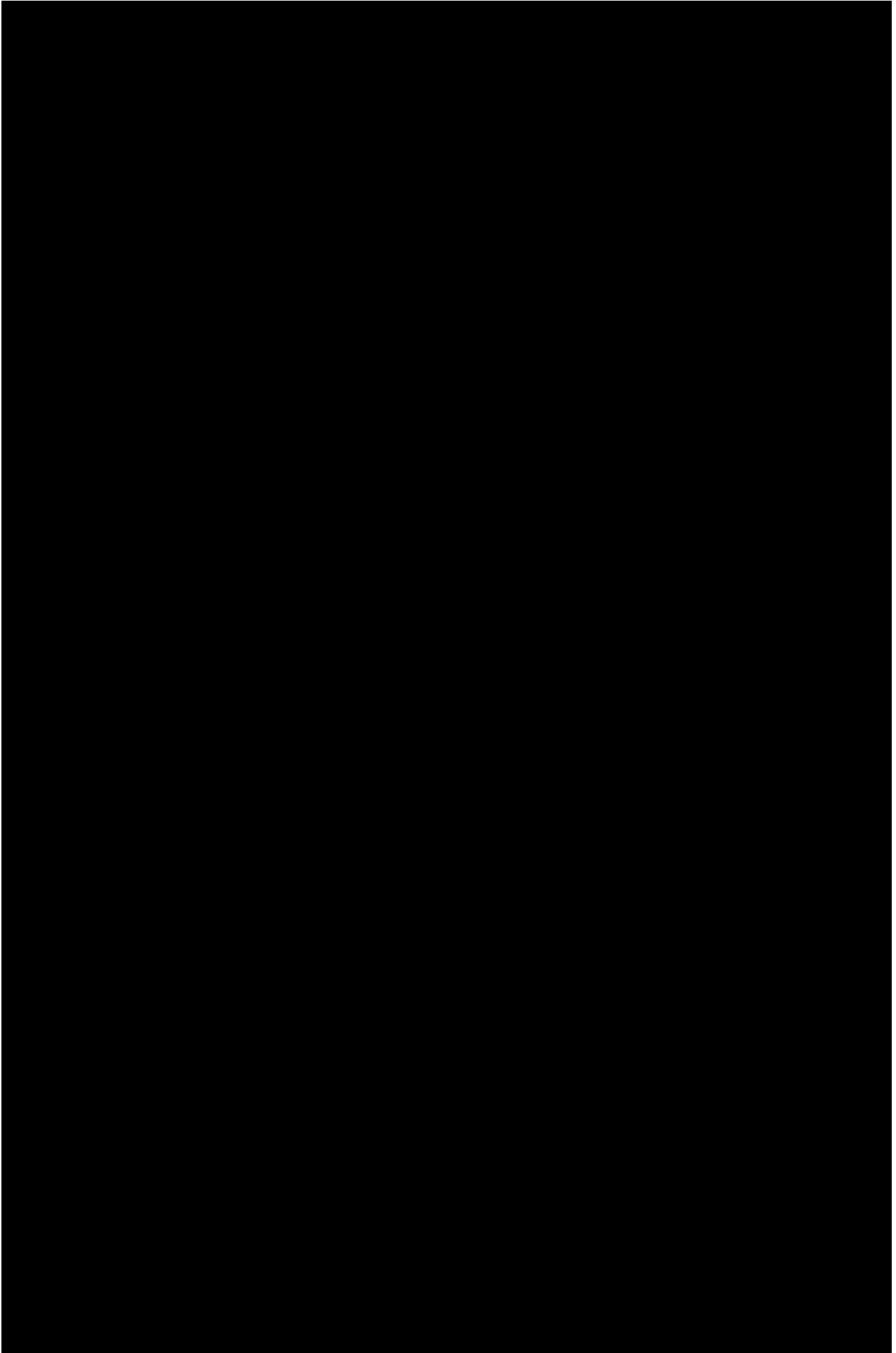
Appendix B6. Letters from Supporting Lenders

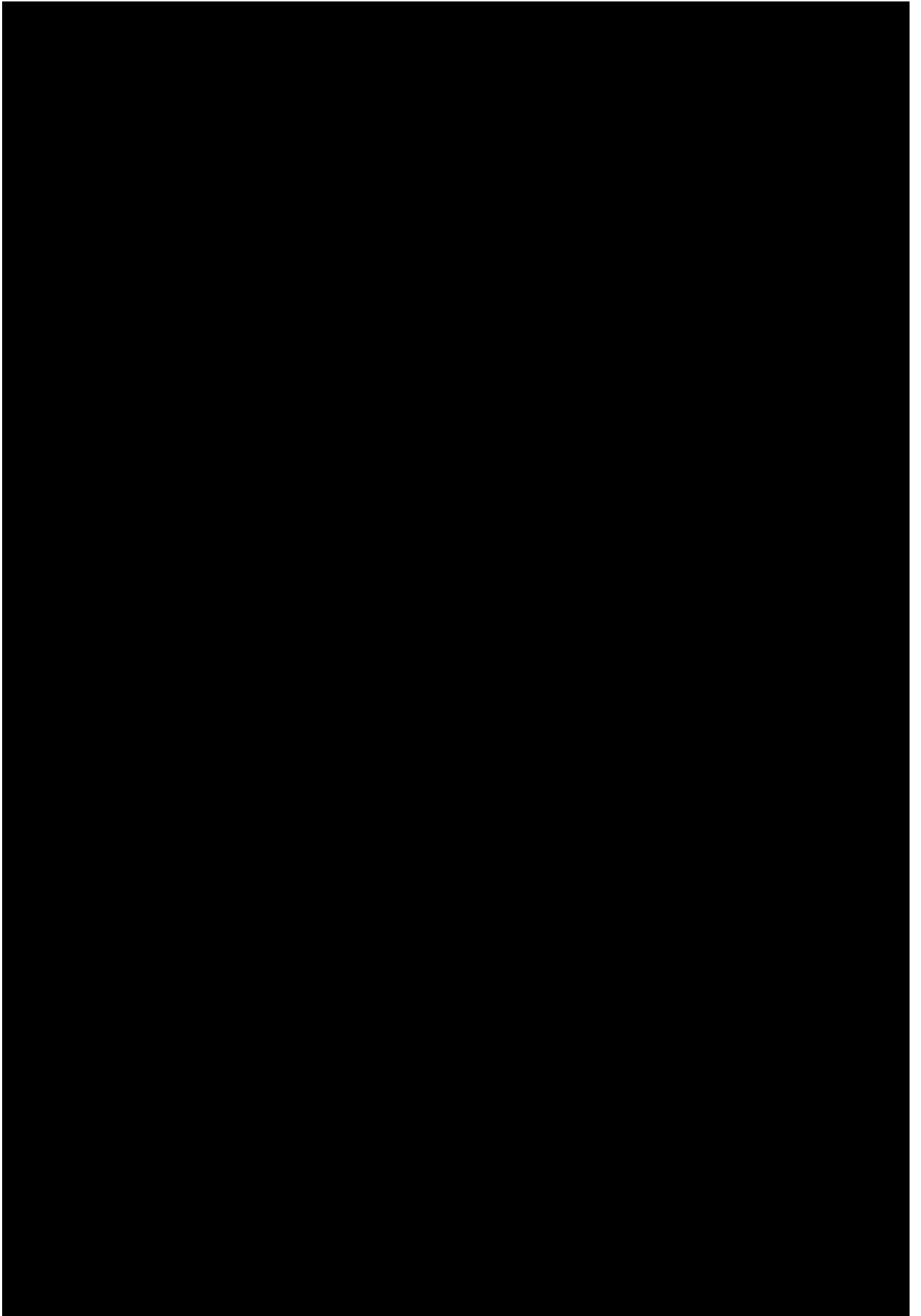


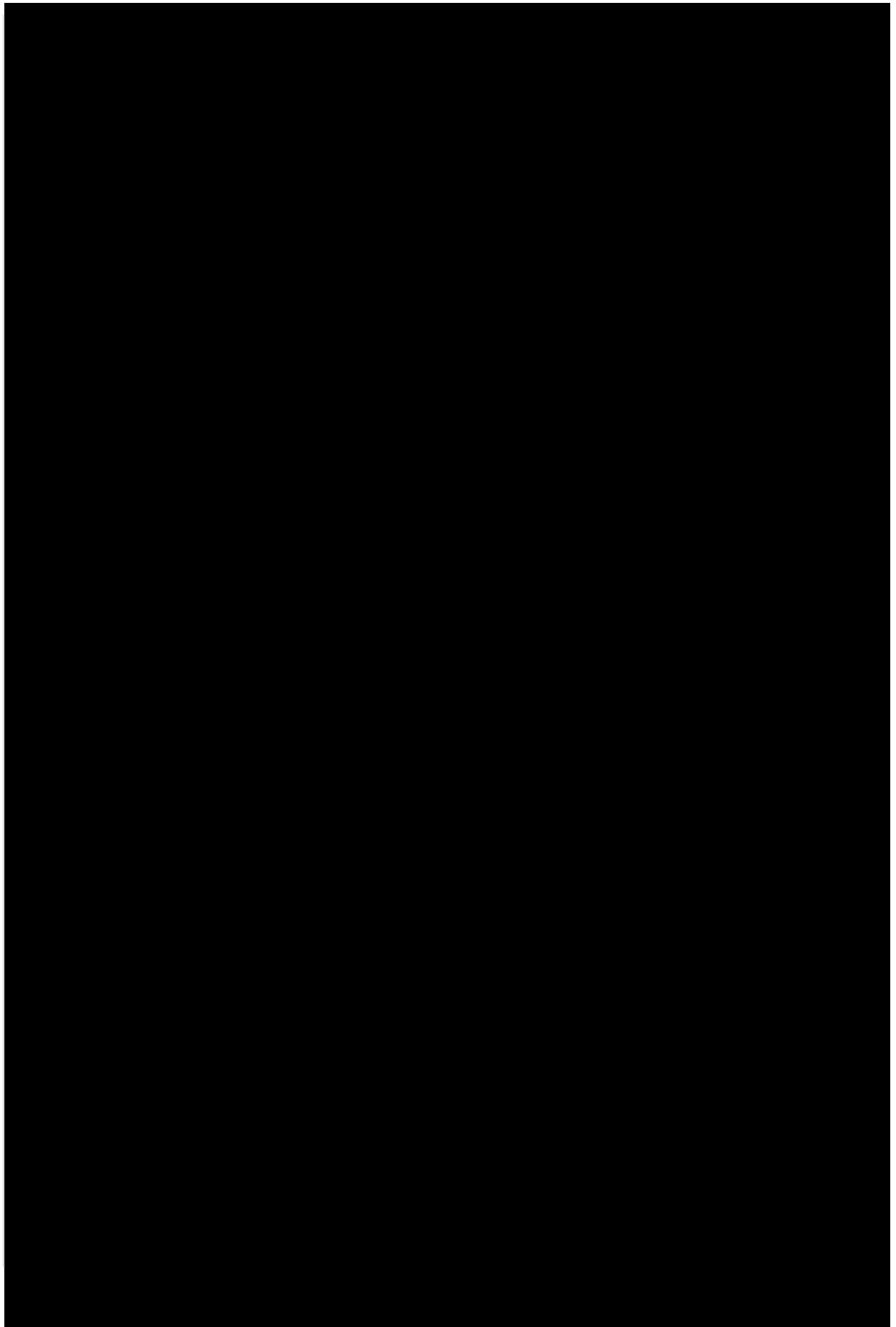


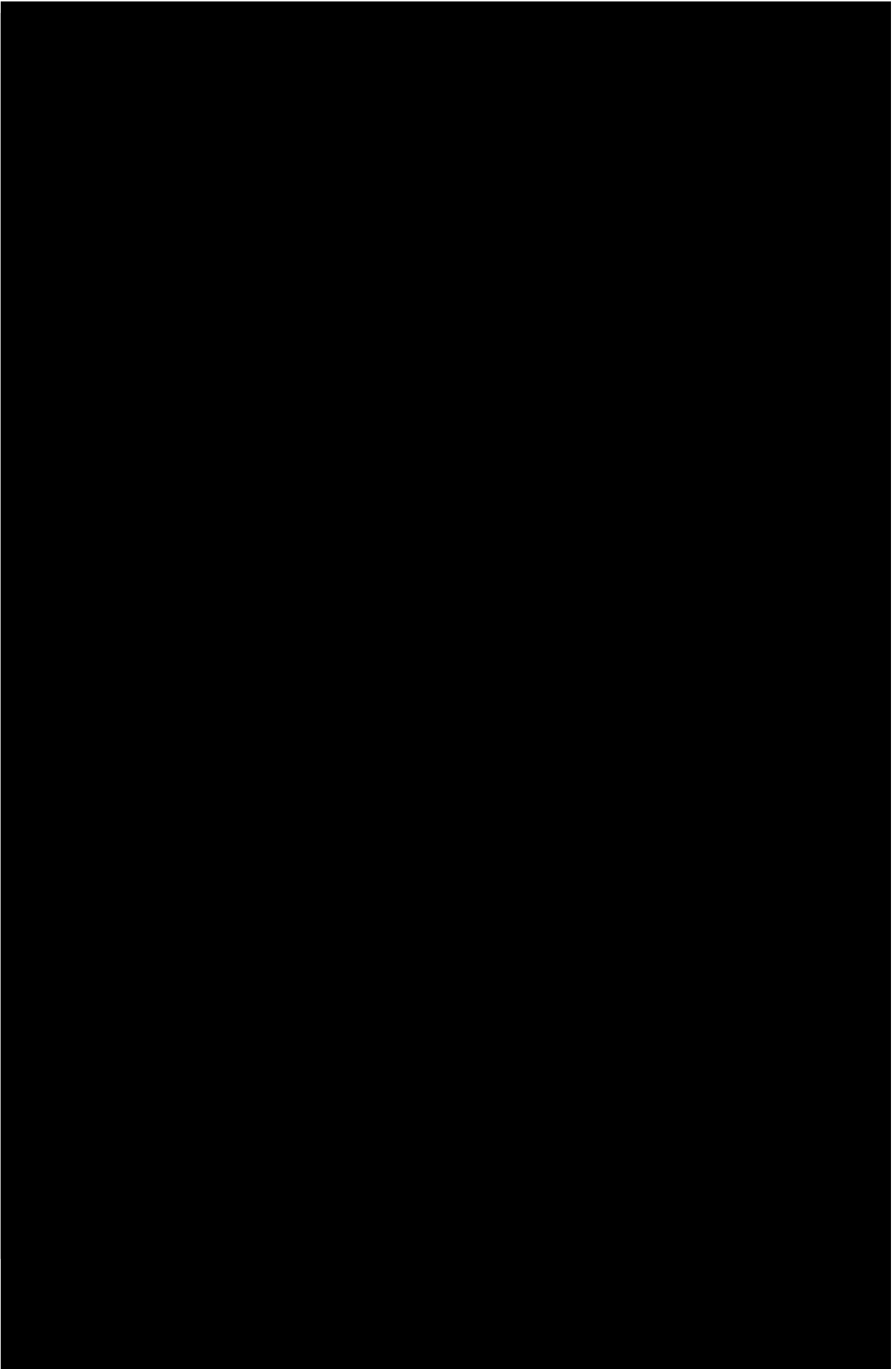


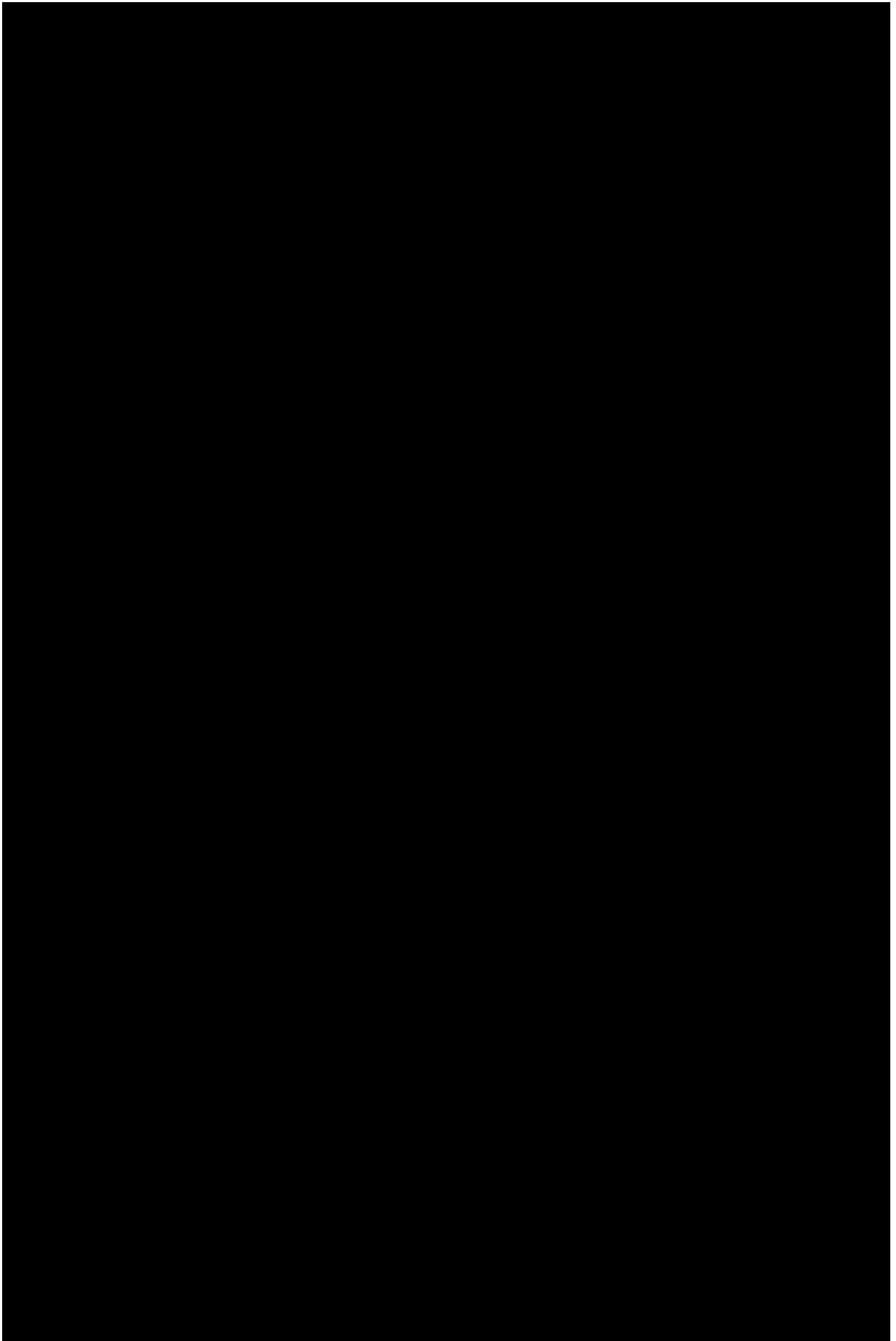


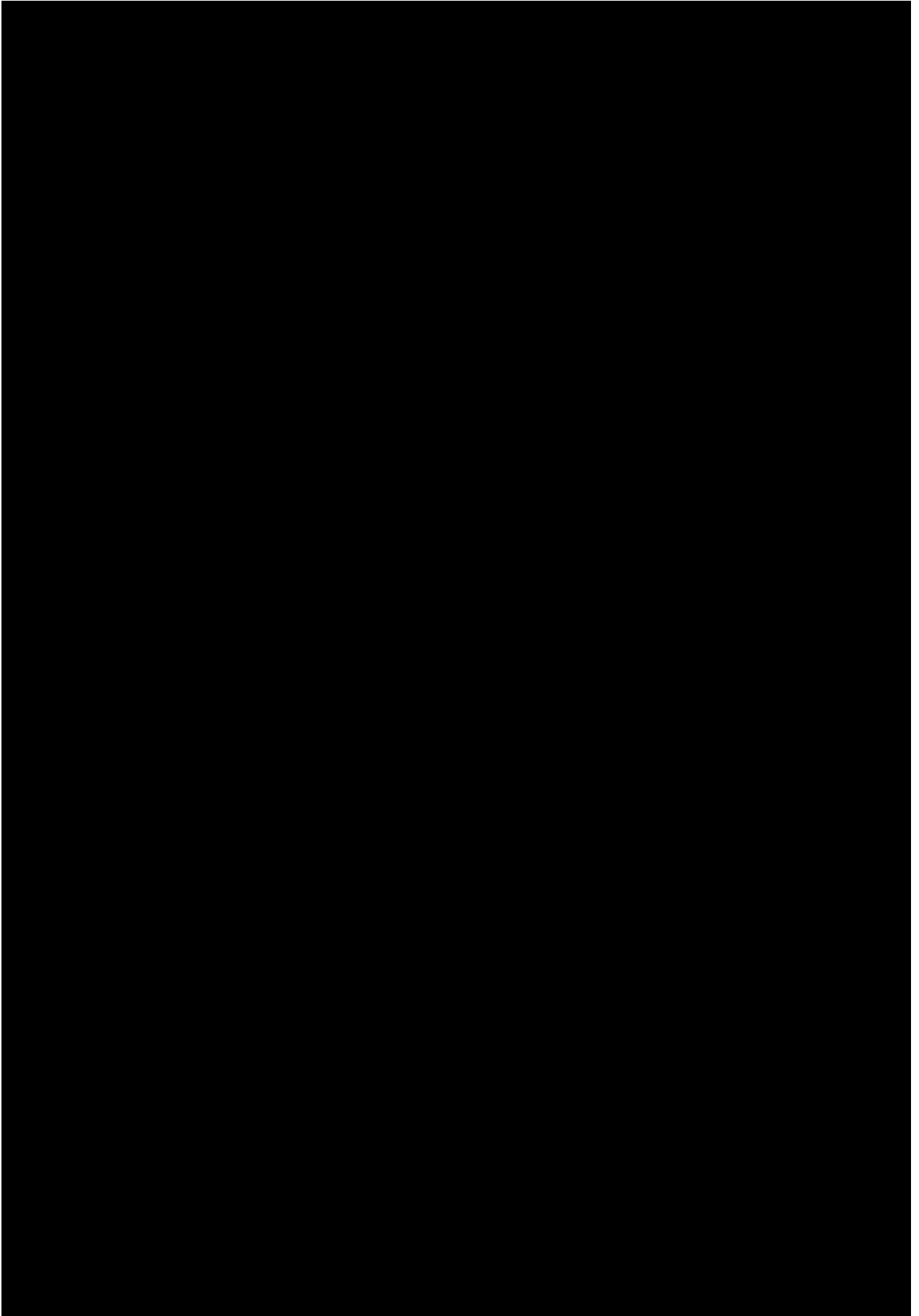












Appendix B7. Letter from LEK

L.E.K. Consulting

To:

VTE Holdings Limited
66 Porchester Road, London, W2 6ET
United Kingdom

17 July 2025

Dear Sir or Madam

Re: Section 17 Application for Access to Temple Mills International depot

We, L.E.K. Consulting LLP ("L.E.K."), write in connection with our client's, VTE Holdings Limited ("Virgin"), application requesting access to Temple Mills International depot submitted in accordance with Sections 17 of the Railways Act 1993.

Background on L.E.K.

L.E.K. is a global strategy consultancy that provides services in commercial strategy, regulatory and industry strategy, and strategic due diligence to its clients. Our London office, one of the firm's largest globally, comprises over 400 staff. L.E.K. has maintained a strong presence and reputation in the UK rail sector since 1994, having completed over 500 projects in this field. Our experience also encompasses commercial due diligence on cross-channel high-speed services and includes the review of rail revenue forecasts more than 100 times. These reviews are conducted using industry-leading standards of economic and commercial analysis.

We are particularly experienced in the high-speed rail sector, with an exceptional track record spanning the UK, France, Spain, Italy, Australia, and the United States. Our advisory work has covered revenue and ridership modeling across a range of international contexts.

Engagement with Virgin

L.E.K. has been providing consulting services to Virgin for two decades. Our work has been led by Andrew Allum, John Goddard and William Tite all Partners in L.E.K.'s transport practice with deep expertise and extensive experience in the rail sector. John and Andrew have each worked on UK rail industry matters since 1994, with William contributing to L.E.K.'s practice since 2014. Both Andrew and John are widely recognised in the sector having advised the GB TOCs on numerous occasions. Their work includes working for the DfT, ORR and Network Rail on multiple strategic projects spanning more than three decades. They have developed a longstanding relationship with Virgin, having worked on 28 strategic rail related projects since 2002.

Most recently, in March 2024, L.E.K. were appointed by Virgin to provide consulting services support in the preparation of a commercial due diligence report requested by lessors and providers of finance to Virgin in connection with its development of a new high speed rail service between London, Brussels, Amsterdam and Paris. Our scope of work included commercial due diligence support in helping Virgin's assessment of the prospective demand

for Virgin's services, together with a commercial module which provided a review of potential availability of paths and relevant infrastructure. The scope covered consideration around market size, commercial strategy, competitive environment, market share forecasts, and capacity at core stations.

This phase of work was completed in July 2024.

In the context of the Section 17 application Virgin and L.E.K. are in discussions for L.E.K. to continue to provide Virgin with support in revisiting and updating some of the past work.

We wish Virgin every success with their application.

Yours faithfully,

L.E.K. Consulting LLP



Appendix B8. Letter from Virgin Atlantic's CEO



[REDACTED]
Office of Rail and Road
25 Cabot Square
London
E14 4QZ

07 July 2025

Dear [REDACTED]

I'm writing to you as the CEO of Virgin Atlantic in support of VTE Holdings Limited's ambition to launch a new cross-Channel train service through the Channel Tunnel.

Virgin Atlantic is the UK's second largest long-haul airline, flying 5.6 million passengers annually, with more than 8,700 employees, and connecting the UK to more than 30 long-haul destinations worldwide. We have just been awarded APEX's⁽¹⁾ 'Best Overall Airline in Europe' for the fifth year in a row and 'Best Long-Haul Airline' by Travel Weekly.

Introducing competition

As an ambitious, challenger business, we have much in common with VTE: entering a market where one operator has enjoyed an unchallenged monopoly for several decades is a story that has significant parallels with our own.

When our airline was founded in 1984, British Airways was the national carrier, had no major competitors and famously went to great lengths to keep it that way. Virgin Atlantic broke into the aviation industry on a mission to challenge the status quo.

Led by Sir Richard Branson, we were determined to shake things up to make flying better for **everyone** and since then we have spent more than forty years driving innovation in aviation. We were the first airline to introduce seatback video screens in all cabins (something that Boeing thought was impossible until Sir Richard persuaded them it wasn't), the first to introduce a Premium Class cabin, lie-flat beds, and most recently, the first commercial airline to fly across the Atlantic powered by 100% biofuel, an industry-leading innovation that is helping power aviation towards a new future.

There have been plenty of smaller innovations along the way too, though these have been no less important to our customers: bluetooth capability, wireless charging and children's amenity kits, to name but a few.

As evidence of how strong we are when it comes to customer experience, in 2024 we were awarded "Best Use of Customer Insights" by the Institute of Customer Service, the UK's leading authority on customer experience and service standards.

¹ APEX refers to the Airline Passenger Experience Association, a network of the world's leading airlines, airports, alliances, suppliers, and related companies committed to elevating the air travel experience for passengers.

Virgin Atlantic Airways Limited
Registered in England and Wales: 01600117
VAT number: GB425 2161 84

Registered Office: Company Secretariat,
The VHQ, Fleming Way, Crawley,
RH10 9DF, United Kingdom.
+44 (0)344 811 0000
www.virginatlantic.com



Over the years we have also forged strategic partnerships with Delta Air Lines, Air France-KLM, IndiGo, as well as enrolling in Sky Team Alliance, to offer our customers access to an even greater network, seamless travel, reciprocal frequent flyer benefits and a connection to key hubs in London, Paris, Amsterdam, Brussels and North America.

Virgin's track-record in delivering competition

Why am I telling you this? Because this obsession with innovation, disruption and excellent customer experience is not unique to Virgin Atlantic. It's in Virgin's DNA.

I've personally worked with the Virgin brand for 20 years, initially as part of Virgin Media, later as Founding Partner of the Virgin Green Fund, and subsequently at Virgin Atlantic, which I have led as CEO since 2019. I know that Virgin Atlantic's mindset – to be the most loved travel company – extends far beyond our own manifestation of the brand. It's grounded in Virgin's group-wide purpose of 'Changing Business for Good' and is something that will undoubtedly be at the heart of a new Virgin-branded rail service.

Led by Sir Richard, I firmly believe that VTE will stimulate the innovation and change that passengers want to see on the cross-Channel route. Virgin Atlantic is excited by the prospect of partnering with VTE to offer our millions of inbound London customers another route into France and beyond to encourage more people to travel short-haul distances via train

On the journey, I have no doubt that the Virgin name will act as a tailwind for VTE in the same way that it has done for Virgin Atlantic through the years. A signal of confidence to customers that they can expect excellent service that's different, special and fun.

It's also worth noting that the support that Virgin Group offers is also not just in the name. Virgin has been a valuable investment partner and long-term shareholder throughout Virgin Atlantic's history, helping us to deliver exceptional customer experiences in a purposeful way, as well as strengthening our partnerships through additional investment. Virgin remains a majority shareholder in Virgin Atlantic more than 40 years after its first service, a testament to the long-term vision it has of creating value for all stakeholders.

I am sure Virgin Group will leverage this experience in its ambitions for VTE as it looks to bring the business to life for customers in a way that is exciting for the consumer while also sustainable and impactful for all stakeholders.

I hope that my position is clear on the strength of Virgin as an applicant for the capacity at Temple Mills depot and ultimately as the operator that can successfully challenge Eurostar's longstanding monopoly and bring a fresh new alternative to customers. I have the honour of leading Virgin Atlantic and hope to once again be doing so alongside a Virgin presence in rail, this time providing cross-Channel services to delight our customers.

Yours sincerely,



Shai Weiss
CEO, Virgin Atlantic

¹ APEX refers to the Airline Passenger Experience Association, a network of the world's leading airlines, airports, alliances, suppliers, and related companies committed to elevating the air travel experience for passengers.

Appendix B9. Letter from Virgin Hotels Collection's CEO



[REDACTED]
Office of Rail and Road
25 Cabot Square
London
E14 4QZ

9 July 2025

Dear [REDACTED]

I am writing to you as the CEO of Virgin Hotels Collection in support of VTE Holdings Limited's application for access to the Temple Mills depot in London. I understand from the team that access to the depot is a key component to Virgin successfully launching a cross-Channel train service from London to Paris, Brussels, Amsterdam and beyond.

This application is of great interest to Virgin Hotels Collection as we see significant opportunity to work collaboratively with VTE to grow the cross-Channel travel market between the UK and continental Europe. I have already had several productive conversations with the project team about how we can bring this to life by connecting our companies for the benefit of consumers on both sides of the Channel.

Virgin Hotels Collection is an award-winning global lifestyle and hospitality brand with 17 stunning properties around the world, including hotels and unique retreats. We recently opened a flagship 120-room hotel in Shoreditch, London and are now actively seeking sites in major European cities to expand our brand, including in Paris, Brussels and Amsterdam.

Being able to travel to London with Virgin Atlantic, stay in a Virgin Hotel and then travel in Europe on a Virgin-branded passenger rail service – all while earning and spending points via Virgin's Group-wide loyalty scheme, Virgin Red – is something that would greatly appeal to our customers and has the potential to stimulate huge growth in passenger ridership.

3390 Mary St, Suite 218,
Coconut Grove, FL 33133

www.virginhotels.com

www.virginlimitededition.com



Over the years, I've seen first-hand how the Virgin brand can be harnessed to create a premium travel business for both leisure and business travellers without sacrificing the inherent "cool factor" that customers have come to expect from the brand.

Virgin has been a powerful asset for our travel business. It's a brand that has long appealed to travellers looking for great service experience and consumers are drawn to Virgin's reputation for being visionary, innovative and most of all, fun. In new and unfamiliar markets, the Virgin brand has stood out as a consumer champion, attracting customers with the promise of an exceptional experience, something which has enabled us to compete with large, established incumbents. I have every confidence that a Virgin branded operator on the Channel Tunnel route would attract customers in the same way.

Although VTE is still a few years away from launch, I understand that its plans are already hyper-focused on the customer experience, and we can't wait to see these principles come to life.

As a major shareholder in our business, I'd also like to point out that Virgin Group has played a pivotal operational role in the growth and success of Virgin Hotels Collection. Its approach of creating long-term value – through sustained investment in product and customer experience has enabled the continuous expansion of our business. Virgin's purposeful approach to investment, which considers sustainability throughout, from our environmental impact through to our supply chain and local community engagement, is something that also runs throughout the entire Virgin family.

As CEO of Virgin Hotels Collection, I know that Virgin Group will provide a similar level of commitment, stability and an innovative mindset to the VTE team to help make this cross-Channel service a success.

Virgin is no stranger to large-scale competition and has a track-record for disrupting industries in the best interest of consumers. VTE presents an exciting and reliable choice if you are looking for a brand and shareholder that has the expertise and capability to challenge and bring successful competition to the route while placing consumers right at the heart of the experience.

Yours sincerely,


James Bermingham
CEO, Virgin Hotels Collection

Appendix B10. Letter from LSPH



Mr Philip Whittingham
VTE Holdings Limited
Consultant
Whitfield Studios,
50a Charlotte Street,
London,
W1T 2NS

8 July 2025

Dear Phil,

RE: Statement of HS1 Route Timetable Compatibility – VTE Holdings Ltd.

I am writing in relation to the ORR's adjudication of spare capacity at Temple Mills Depot under Section 17 of the Railways Act. You have asked us to review and comment on your timetable request for the HS1 Route in support of your application for the allocation of the spare capacity at TMD that the ORR has identified.

London St. Pancras Highspeed (LSPH), as the Infrastructure Manager for the HS1 Route, has been in regular contact with you and your team. This engagement began on 14 April 2023 and has been to support the development of your business case, as well as your plan of mobilisation for a new cross-Channel service. Specific joint activities have included support and discussions on the following topics: rolling stock route pre-clearance in conjunction with Network Rail Highspeed, timetable development and review, confirming route capacity, consideration of station capacity, track access charging and discounts, market evaluation and business plan review.

VTE Holdings Ltd's Timetable Request

LSPH has carried out a high-level review of your timetable request. The purpose of this review has been to confirm whether in principle there is sufficient capacity on the HS1 Route for your proposed services in the event of you being granted access to Temple Mills Depot. Accordingly, I am pleased to confirm that your request, as attached here in annex, is compatible with the HS1 Route and there would be sufficient spare capacity to allocate corresponding firm rights

London St. Pancras Highspeed
5th Floor Kings Place
90 York Way
London N1 9AG

T +44 (0) 207 014 2700
E info@stpancras-highspeed.com

stpancras-highspeed.com

HS1 Limited, trading as London St. Pancras Highspeed. Registered Address: London St. Pancras Highspeed, 5th Floor, Kings Place, 90 York Way, London N1 9AG. Registered in England No. 3539665

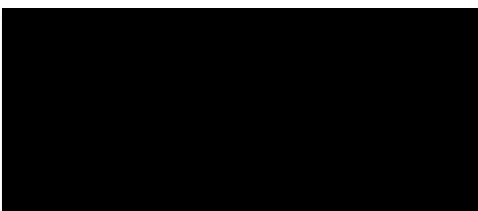
should you wish to proceed to this next stage. This assessment is reliant on the following conditions being met:

- i. You are able to demonstrate operational integrity, as outlined in 'ORR's HS1 Criteria and Procedures'.
- ii. That no other operator with operational integrity initiates the Framework Track Access Agreement (FTTA) process to create a new agreement or extend an existing one before you reach operational integrity.
- iii. Full validation of your timetable by the Network Rail System Operator and the application of the timetable change process and the Decision Criteria, as set out in the HS1 Network Code for a typical year of the Operator's request to demonstrate full compatibility.
- iv. Successful coordination of your request with adjacent Infrastructure Managers.
- v. You enter into a Cost Recovery Agreement with London St Pancras Highspeed that holds LSPH and other operators harmless of the costs of its mobilisation.

Finally, I thought it would be helpful to outline general capacity on the route. Accordingly, please find in annex a summary of these topics.

We stand ready to support the regulator in their decision in relation to allocation of spare capacity at Temple Mills Depot. We remain at their disposal for further questions on this submission or any other relevant topic where we may be of assistance.

Yours sincerely,



Attached:

- LSPH General Statement on HS1 Route Capacity
- VTE Holding Ltd.'s Timetable Request of 12 June 2025

London St. Pancras Highspeed
5th Floor Kings Place
90 York Way
London N1 9AG

T +44 (0) 207 014 2700
E info@stpancras-highspeed.com

stpancras-highspeed.com

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General Statement on HS1 Route Capacity

Established International Paths

The HS1 route is a mixed traffic network with a notional catalogue of established paths configured and coordinated with adjacent Infrastructure Managers for each existing traffic segment: high speed international passenger services, high speed domestic passenger services and freight services. Accordingly, under the current configuration of these paths, we offer four high speed international paths an hour in each direction. Two of these paths are coordinated for onward international connectivity to Paris Gare du Nord and the other two for Brussels Midi or Amsterdam Centrale.

This configuration provides for a notional half hourly service between London and Paris and a half hourly service between London and Brussels Midi or Amsterdam Centrale. There are currently a small number of services operated out of sync of this configuration under derogation by Eurotunnel between London and Amsterdam, using off peak unutilised domestic capacity on the HS1 route. Under future plans, these Amsterdam paths will hopefully be stabilised and be brought back into an hourly rotation, as described below.

Accordingly, the current established and coordinated capacity on the HS1 route equates to a notional quantum of total available international paths of 64 paths a day or 23,232 paths per year in each direction or 46,464 in both directions. Of this, 50% are coordinated with onward paths to Paris Gare du Nord and 50% are coordinated for onward paths to established Benelux destinations.¹

Existing Allocated International Firm Rights

As you will be aware, during the last Periodic Review process the ORR approved Eurostar International Limited's (EIL) Tenth Supplementary Agreement, relating to their Framework Track Access Agreement.² Allowing for permitted seasonal variation, EIL currently has firm rights of between 8 and 16 paths a day in each direction between London and Paris, between 4 and 8 paths a day in each direction between London and Brussels and between 0 and 5 in each direction between London and Amsterdam. There is also opportunity for all operators to run additional services over and above their FTTA through spot bids.

¹ Allowing for route closure for Easter Sunday and Christmas day.

² <https://www.orr.gov.uk/sites/default/files/2025-04/eil-10th-supplemental-agreement-implemented-through-pr24.pdf>

Accordingly, EIL currently holds a theoretical maximum quantum of firm rights as below.³

Route	Path Quantum per day (each way)	Path Quantum per annum (each way)
London – Paris	16	5,808
London – Brussels	8	2,904
London – Amsterdam	4	1,452
Out		10,194
Paris – London	16	5,808
Brussels – London	9	3,267
Amsterdam – London	5	1,815
Return		10,920
Maximum Theoretic Path Quantum		21,054

Unallocated International Capacity

Comparing the total established international capacity of 46,464 paths against the maximum theoretical expression of international firm rights granted to EIL of 21,054 paths, leaves today 25,410 unallocated international paths on the HS1 Route. This demonstrates there is currently sufficient unused spare capacity on the HS1 Route to meet your request.

Timetable Change Process and Conflict Resolution

As outlined in the [HS1 Network Code](#), operators allocated firm rights may exercise them through the timetable change process, which starts at least 55 weeks before the commencement of services. This is an iterative process requiring flex and engagement from all parties.⁴ Nevertheless, the Network Code establishes a regulatory-approved and industry-

³ The theoretical maximum quantum is shown for illustrative purposes by multiplying the highest daily quantum by 362 (accounting for Easter Sunday and Christmas Day). In practice, EIL's exercising of seasonal variation is subject to agreement between LSPH and EIL and approval from the ORR.

⁴ <https://stpancras-highspeed.com/wp-content/uploads/2025/01/2012-december-hs1-network-code.pdf>

London St. Pancras Highspeed
5th Floor Kings Place
90 York Way
London N1 9AG

T +44 (0) 207 014 2700
E info@stpancras-highspeed.com

HS1 Limited, trading as London St. Pancras Highspeed. Registered Address: London St. Pancras Highspeed, 5th Floor, Kings Place, 90 York Way, London N1 9AG. Registered in England No. 3539665

stpancras-highspeed.com

standard process for resolving any conflict that may arise from change requests where requests are competing and unresolved.

Broadly, EIL currently exercises the firm rights described above to deliver an hourly service between London to Paris, with occasional half hourly bolstering at the peak. Equally, it operates a two hourly service between London and Brussels or Amsterdam, with occasional bolstering as described above.

Where EIL seeks to exercise its London-Paris rights to bolster services at peak (it currently has seasonal variation that permits one path greater than running a path every hour), we can envisage minor conflict, i.e. this one path over and above an hourly service encroaches on to the second half hourly path slot. It is important to note that your proposed service pattern does not envisage a London-Paris service every hour in this second half hour slot. Therefore, there will be a number of unused paths across the day which can be used for EIL's one path over and above an hourly service. We cannot pre-empt the outcome of any future timetable change process to predict the exact allocation, as outlined in the Part D of the HS1 Network Code. In this instance, we will apply the Decision Criteria as outlined in Part D, paragraph 4.6.

Rest assured, we stand ready to oversee this process and ensure compliance with the ORR's HS1 Criteria and Procedures and the application of the HS1 Network Code Decision Criteria. This will also of course be subject to coordination with adjacent Infrastructure Managers.

Future Fifth Path

To meet the needs of existing and future operators, notably in relation to timetable resilience and performance, LSPH has been coordinating with adjacent Infrastructure Managers on the creation of a fifth hourly path in each direction from 2028. If this coordination is successful, this will increase the total quantum of cross-Channel paths by 5,445 each way. This provides further assurance of the abundance of spare capacity to meet your needs.

Appendices

VTE Ltd. Timetable Request 12 June 2025

Train		1	2	3	4	5	6	7	8	9	10	11	12
ALL TIMES IN LOCAL TIMEZONE													
Depart	From TMD	05:16	06:16	07:16				05:49		06:49			
Depart	From Le Landy				05:57	06:57	07:57						
Depart	From Forest								06:41				
Depart	From Watergraafsmeer										06:25		
Depart	London	06:01	07:01	08:01				06:34		07:34			
Depart	Paris				06:42	07:42	08:42						
Depart	Brussels								07:26				
Depart	Amsterdam										07:10		
Arrive	London				08:02	09:02	10:02		08:26				
Arrive	Paris	09:21	10:21	11:21									
Arrive	Brussels							09:34		10:34	09:10		
Depart	Brussels									10:50	09:26		
Arrive	Amsterdam									12:50			
Arrive	London										10:26		
Depart	London				09:01	10:01	11:01		09:34		12:34		
Depart	Paris	10:42	11:42	12:42									
Depart	Brussels							11:26					
Depart	Amsterdam									14:10			
Arrive	London	12:02	13:02	14:02				12:26					
Arrive	Paris				12:21	13:21	14:21						
Arrive	Brussels								12:34	16:10	15:34		
Depart	Brussels									16:26	15:50		
Arrive	Amsterdam										17:50		
Arrive	London									17:26			
Depart	London	13:01	14:01	15:01				14:34		18:34			
Depart	Paris				13:42	14:42	15:42						
Depart	Brussels								14:26				
Depart	Amsterdam										19:10		
Arrive	London				15:02	16:02	17:02		15:26				
Arrive	Paris	16:21	17:21	18:21									
Arrive	Brussels							17:34		21:34	21:10		
Depart	Brussels										21:26		
Arrive	Amsterdam												
Arrive	London										22:26		
Depart	London				16:01	17:01	18:01		16:34				
Depart	Paris	17:42	18:42	19:42									
Depart	Brussels							19:26					
Depart	Amsterdam												
Arrive	London	19:02	20:02	21:02				20:26					
Arrive	Paris				19:21	20:21	21:21						
Arrive	Brussels								19:34				
Depart	Brussels								19:50				
Arrive	Amsterdam								21:50				
Arrive	London									21:50			
Depart	London	20:01											
Depart	Paris				20:42								
Depart	Brussels												
Depart	Amsterdam												
Arrive	London				22:02								
Arrive	Paris	23:21											
Arrive	Brussels												
Depart	Brussels												
Arrive	Amsterdam												
Arrive	London												
Depart	To TMD		20:47	21:47	22:47			21:11			23:11		
Depart	To Le Landy	00:06				21:06	22:06						
Depart	To Forest									22:19			
Depart	To Watergraafsmeer								22:35				

Appendix B11. Letter from Eurotunnel

VTE Holdings Limited
Virgin Group
Whitfield Studios
50a Charlotte Street
London W1T 2NS
United Kingdom



Eurotunnel
UK Terminal
Ashford Road
Folkestone
Kent CT18 8XX
United Kingdom

Tel: +44(0)1303 282222
Fax: +44(0)1303 850360

www.eurotunnel.com

9th July 2025

Dear Sirs,

Eurotunnel Guidance & Framework Agreement Commitment

I refer to our exchanges and regular meetings of the last 26 months, and in particular Virgin Groups's announcement of 7/4/2024 and your outline timetable of 12/6/2025, setting out VTE Holding Limited's ("Virgin") capacity requirements for the development of cross-Channel high-speed passenger services on the London-Paris route (13 return paths per day, 60 minutes frequency pattern) and London-Brussels route (7 return paths per day, 120 minutes frequency pattern) from 2029 onwards (hereafter the "**Virgin Capacity Requirements**"). I hereby confirm that **Eurotunnel is capable of offering adequate capacity through the Channel Tunnel Fixed Link**, both in quantitative terms (number of train paths) and qualitative terms (pattern & frequency of service) satisfying the Virgin Capacity Requirements.

The delivery of this capability by Eurotunnel is underpinned by the following existing mechanisms and processes:

- the current **train path catalogue offering 4 train paths per hour in each direction**, producing 64 return train paths per day for high-speed passenger services, compared with regular historic use of 27 return train paths per day by the incumbent operator in peak periods with its current fleet;
- in complement to the systematic catalogue offer, **additional ad-hoc train paths in response to requests during the annual timetable process** can be produced by derogation, so as to ensure the satisfaction of capacity requirements (in particular during peak periods) with increased flexibility within shorter timescales;
- **transparent allocation criteria** published within the Network Statement and applied in the capacity allocation process, providing highest priority for regular service patterns and taking into account actual path utilisation rates, ensuring **certainty and sustainability of access rights** for operators introducing new services and fleet, established on a first-come-first-served basis in line with non-discrimination principles;
- a **coordinated international capacity development process** with all route IMs, preparing the future coordinated train path catalogue offering **5 return trips per hour in each direction**, for deployment timed to satisfy planned demand build-up (currently expected from the 2029 timetable).
- a market-leading international route coordination approach delivering **end-to-end train paths on the London-Paris-Brussels network**, implemented between national railway network managers and Eurotunnel since 1994 as provided under the 1987 Railway Usage Contract.

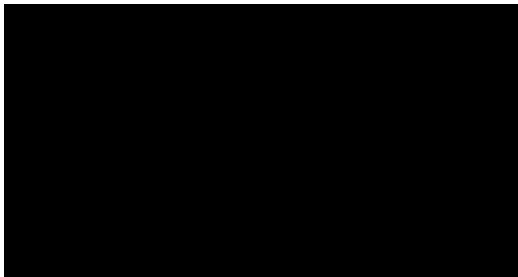
Eurotunnel is a partnership between The Channel Tunnel Group Limited, registered in England under no. 1811435 and whose registered office is at UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX, United Kingdom and France Manche, Société Anonyme with a share capital of 95,856,763 euros, 333 286 714 RCS Paris, whose registered office is at 37-39 rue de la Bienfaisance, 75008 Paris, France, and whose address for service in Great Britain is UK Terminal, Ashford Road, Folkestone, Kent CT18 8XX.
The Channel Tunnel Group Limited is an Appointed Representative of Eurotunnel Financial Services Limited which is authorised and regulated by the Financial Conduct Authority.

Furthermore, in order to provide contractual certainty on capacity & access rights, **subject to the conclusion by Virgin of firm cross-Channel rolling stock fleet procurement & financing agreements before other potential operators** and within a period of 6 months from the date of this letter, Eurotunnel commits to entering into a **Framework Agreement (EFA) securing rights to the provision of Channel Tunnel Fixed Link train paths satisfying the Virgin Capacity Requirements**. The Eurotunnel Framework Agreement will include [inter alia] substitution rights for fleet funding providers and subsequent owners or operators of the fleet in the event of restructuring or failure of VTE Holdings Limited as operating company, as appropriate to ensure that capacity rights remain attached to the fleet.

In line with EU and national regulations, Eurotunnel's Framework Agreement on capacity rights will be entered into with the first operator concluding fleet procurement & financing agreements, which will be the subject of a **public announcement** (to intervene no later than 7 days after signature of the agreements) and thereafter EFA notification to regulatory authorities, in line with market efficiency objectives & transparency obligations. Subsequent operators proposing to conclude firm fleet procurement & financing agreements may equally be able to secure framework agreements on capacity rights on the same model, subject to (and to the extent of) Eurotunnel's verification of availability taking into account the respect of capacity commitments to operators having established cross-Channel services & fleet prior to them.

The exercise of rights under the Eurotunnel Framework Agreement for applying for & using capacity will naturally be conducted in compliance with all applicable access regulations and Eurotunnel Network Statement conditions, including the requirement for the operator to secure the relevant licences and safety certification in due course.

Yours sincerely,



Appendix B12. Letter from SNCF Réseau

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DIRECTION COMMERCIALE
CAMPUS RIMBAUD
12 rue Jean-Philippe Rameau
CS 80 001
93212 LA PLAINE SAINT DENIS CEDEX



Philip Whittingham

VTE HOLDINGS LIMITED
Whitfield Studios
50A Charlotte Street
Londres
W1T 2NS
Royaume-Uni

La Plaine Saint Denis, le 08 juillet 2025

Objet : Lettre de SNCF Réseau à l'attention de monsieur Philip Whittingham

Monsieur Whittingham,

La société Virgin a pris contact avec SNCF Réseau le 28 avril 2023 afin de présenter son projet de service ferroviaire international à grande vitesse entre Londres, Paris et Bruxelles. Ce projet, exposé dans une lettre d'intention formelle transmise à SNCF Réseau le 15 septembre 2023, prévoit une mise en exploitation à compter de 2029, à raison de 13 circulations quotidiennes dans chaque sens entre Londres et Paris Gare du Nord ainsi que 7 circulations quotidiennes dans chaque sens entre Londres et Bruxelles dont 3 sont prolongées jusqu'à Amsterdam.

SNCF Réseau, en sa qualité de gestionnaire d'infrastructure du réseau ferré national, accueille avec intérêt toute initiative concourant au développement de l'offre ferroviaire et à renforcer l'usage de l'infrastructure.

Conformément à ses obligations de neutralité, d'équité et de transparence, SNCF Réseau propose un accompagnement structuré à tout opérateur ou candidat manifestant un intérêt formel pour l'utilisation du réseau. À ce titre, nous vous confirmons avoir été saisis de votre projet et avoir engagé avec vos équipes un dialogue technique et commercial conforme aux standards d'accompagnement mis en place par SNCF Réseau pour tout nouveau client potentiel, dans le respect du cadre réglementaire applicable.

Ce dialogue démarré depuis 2023, a donné lieu à plusieurs échanges, en réunion ou par voie électronique, entre vos représentants et les équipes de SNCF Réseau. Ces échanges ont permis à SNCF Réseau de prendre connaissance des grandes lignes de votre projet, d'en appréhender les enjeux et de vous orienter au mieux à chaque étape qu'il vous sera nécessaire de franchir pour le concrétiser.

« SNCF Réseau exploite les coordonnées de ses correspondants dans une base de données ayant pour unique finalité la gestion et le suivi des courriers. Vous disposez auprès de SNCF Réseau d'un droit d'accès et de rectification aux informations vous concernant. »

SNCF RÉSEAU – Société Anonyme au capital de cinq cents millions d'euros - 15/17 rue Jean-Philippe Rameau - CS 80001 - 93418 LA PLAINE SAINT-DENIS CEDEX - RCS Bobigny B 412 280 737



Comme pour toute relation de cette nature, ces échanges sont couverts par les obligations de confidentialité qui s'imposent à SNCF Réseau dans le cadre de ses fonctions. Selon les cas, ces obligations sont formalisées par un accord de confidentialité signé entre les parties ou encadrées par notre Plan de gestion des informations confidentielles (PGIC), applicable à l'ensemble de notre personnel.

Au travers du parcours d'accompagnement dans lequel s'inscrivent ces échanges, SNCF Réseau vise à faciliter l'accès à l'information technique et réglementaire, et offrir à tous candidats, de manière uniforme, une meilleure lisibilité des démarches à entreprendre pour accéder au réseau ferré national. Dans ce cadre, ont notamment été présentés :

- le rôle respectif de SNCF Réseau et de sa filiale SNCF Gares & Connexions dans la gestion de l'accès au réseau ferré national ;
- le processus de demande capacitaire et les modalités d'attribution des capacités ferroviaires telles que décrites au chapitre 4 du Document de Référence du Réseau (DRR) ;
- les conditions d'accès et de contractualisation visées au chapitre 3.3 du DRR, incluant les critères d'analyse des demandes d'accords-cadres, au regard du règlement d'exécution (UE) 2016/545 ;
- la structure tarifaire applicable, détaillée au chapitre 5 du DRR, incluant les dispositifs incitatifs mobilisables sous conditions pour les services en open access que sont l'aide au développement et la tarification négociée. A titre de précision, ces deux dispositifs ne sont aucunement liés à la signature d'un accord-cadre ;
- l'accès aux installations de service, dont les modalités sont prévues au chapitre 7 du DRR ainsi que sur le site internet de la Plateforme de services aux entreprises ferroviaires (PSEF) : www.psef.sncf-reseau.fr. C'est sur le fondement de ces dispositions que l'intérêt que vous avez exprimé pour le centre de maintenance du Landy sera examiné ;
- Le rôle de l'Autorité de régulation des transports (ART), compétente pour garantir le respect des règles d'accès équitables au réseau et pour traiter d'éventuels différends.

S'agissant plus spécifiquement des accords-cadres, l'ouverture d'une ligne-cadre est subordonnée, en application de l'article 3.3.1.3 du DRR 2025 à la présence de deux candidats juridiquement distincts, dotés de personnalités morales différentes, circulant ou projetant des circulations sur une typologie de ligne identique (LGV ou ligne classique). Le DRR 2025 distingue ensuite deux situations : celle où la ligne concernée est déjà publiée comme ligne-cadre, et celle où elle ne l'est pas.

A ce jour, la ligne Paris-Nord – Tunnel sous la Manche n'a pas encore fait l'objet d'une telle publication au sens du DRR. Une demande d'ouverture de ligne-cadre peut toutefois être formulée, dès le premier semestre de l'année A-3 précédant la période de commande visée, voire plus tôt, si elle est justifiée par des éléments objectifs liés, notamment, au lancement d'un nouveau service.

La conclusion d'un accord-cadre ne peut toutefois intervenir plus de 5 ans avant la date d'ouverture de la première période de commande de sillons-jours ciblée par le candidat



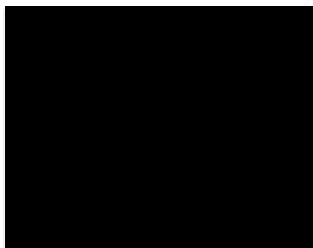
demandeur. SNCF Réseau examinera toute demande en ce sens, en particulier au regard de la présence d'au moins deux candidats sur la ligne concernée ainsi que des éléments tels que listés et définis à l'article 6 du règlement (UE) n°2016/545 et rappelés à l'article 3.3.1.3 du DRR.

Si à l'issue de cet examen, SNCF Réseau exprime son intention de conclure un accord-cadre avec le demandeur, la ligne concernée devient éligible à la conclusion d'autres accords-cadres. Cette éligibilité se matérialise par la publication de la ligne comme ligne-cadre, ouvrant un délai (compris entre 1 à 4 mois conformément au règlement (UE) 2016/545) durant lequel d'autres candidats potentiels peuvent soumettre des demandes. A l'issue de ce délai, si les demandes reçues satisfont aux conditions listées à l'article 6 du règlement (UE) 2016/545, SNCF Réseau pourra manifester son intention de conclure un accord-cadre. Cependant, dans l'éventualité où l'ensemble des demandes viendrait excéder la capacité cadre maximale déterminée en lien avec le Plan d'Exploitation de Référence (PER), SNCF Réseau sera conduit à devoir appliquer la procédure de coordination prévue à l'article 9 du règlement (UE) 2016/545. Cette procédure a pour objet de rechercher, en concertation avec les candidats concernés, la meilleure répartition possible des capacités disponibles. Sa durée et son issue dépendront des échanges avec l'ensemble des parties concernées.

En conclusion et dans le respect du cadre réglementaire régissant les missions de SNCF Réseau, je vous confirme la mobilisation de ses équipes pour poursuivre l'accompagnement de votre société dans la structuration de son projet sur le réseau ferré français. Par ailleurs, SNCF Réseau entretient des échanges réguliers avec ses homologues européens (Getlink, London Saint Pancras Highspeed, Infrabel et ProRail notamment) afin de favoriser, dans la limite de ses compétences, une articulation cohérente des réponses apportées par les différents gestionnaires d'infrastructure aux clients souhaitant, comme vous, développer une activité internationale.

Souhaitant vivement que votre projet puisse franchir les étapes nécessaires à son instruction formelle, je vous prie d'agréer, Monsieur Whittingham, l'expression de mes salutations distinguées.

08-07-2025 | 11:35 CEST



Translation of letter from SNCF Réseau:

Dear Mr Whittingham,

Virgin contacted SNCF Réseau on 28 April 2023 to present its plans for an international high-speed rail service between London, Paris and Brussels. This project, set out in a formal letter of intent sent to SNCF Réseau on 15 September 2023, provides for operation from 2029, with 13 daily services in each direction between London and Paris Gare du Nord and 7 daily services in each direction between London and Brussels, 3 of which are extended to Amsterdam.

SNCF Réseau, in its capacity as infrastructure manager of the national rail network, welcomes any initiative that contributes to the development of the rail service and increases the use of the infrastructure. In accordance with its obligations of neutrality, fairness and transparency, SNCF Réseau offers structured support to any operator or applicant expressing a formal interest in using the network.

In this respect, we confirm that we have been informed of your project and that we have entered into a technical and commercial dialogue with your teams in accordance with the support standards set up by SNCF Réseau for any potential new customer, in compliance with the applicable regulatory framework. This dialogue, which began in 2023, has given rise to several exchanges, in meetings or electronically, between your representatives and SNCF Réseau teams. These exchanges have enabled SNCF Réseau to get to know the broad outlines of your project, to understand what is at stake and to give you the best possible guidance at each stage you will need to go through to make it a reality.

As with any relationship of this nature, these exchanges are covered by the confidentiality obligations imposed on SNCF Réseau as part of its duties. Depending on the case, these obligations are formalised by a confidentiality agreement signed by the parties or framed by our Confidential Information Management Plan (PGIC), applicable to all our staff.

SNCF Réseau's aim is to facilitate access to technical and regulatory information, and to offer all applicants, in a uniform manner, a better understanding of the steps to be taken to access the national rail network. In this context, the following were presented:

- the respective roles of SNCF Réseau and its subsidiary SNCF Gares & Connexions in managing access to the national rail network;
- the capacity request process and the procedures for allocating rail capacity as described in section 4 of the Network Reference Document (DRR);
- the conditions of access and contractualisation referred to in section 3.3 of the DRR, including the criteria for analysing requests for framework agreements, with regard to implementing regulation (EU) 2016/545;

- the applicable tariff structure, detailed in section 5 of the DRR, including the incentive mechanisms that can be used under certain conditions for open access services, i.e. development aid and negotiated tariffs. For the record, these two measures are in no way linked to the signing of a framework agreement;
- access to service facilities, the terms of which are set out in section 7 of the DRR and on the website of the Platform for Services to Railway Undertakings (PSEF): www.psef.sncf-reseau.fr. It is on the basis of these provisions that the interest you have expressed in the Landy maintenance centre will be examined;
- the role of the Transport Regulation Authority (ART), which is responsible for ensuring compliance with the rules on fair access to the network and for dealing with any disputes that may arise.

With regard more specifically to framework agreements, pursuant to article 3.3.1.3 of the DRR 2025, the opening of a framework line is subject to the presence of two legally distinct candidates, with different legal entities, running or planning to run on an identical type of line (LGV or conventional line). The DRR 2025 then distinguishes between two situations: where the line in question is already published as a framework line, and where it is not.

To date, the Paris-North – Channel Tunnel line has not yet been published as such within the meaning of the DRR. However, a request to open a framework line may be made as early as the first half of year A-3 preceding the order period in question, or even earlier, if it is justified by objective factors relating, in particular, to the launch of a new service. However, a framework agreement may not be concluded more than 5 years before the opening date of the first train path day order period targeted by the applicant.

SNCF Réseau will examine any such request, in particular with regard to the presence of at least two applicants on the line concerned as well as the elements listed and defined in Article 8 of Regulation (EU) n°2016/545 and recalled in Article 3.3.1.3 of the DRR.

If, following this examination, SNCF Réseau expresses its intention to conclude a framework agreement with the applicant, the line concerned becomes eligible for the conclusion of other framework agreements. This eligibility is materialised by the publication of the line as a framework line, opening a period (of between 1 and 4 months in accordance with Regulation (EU) 2016/545) during which other potential applicants may submit applications.

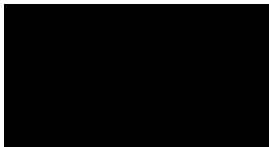
At the end of this period, if the applications received satisfy the conditions listed in Article 8 of Regulation (EU) 2016/545, SNCF Réseau may express its intention to conclude a framework agreement. However, in the event that all the requests exceed the maximum framework capacity determined in connection with the Reference Operating Plan (PER), SNCF Réseau will be obliged to apply the coordination procedure provided for in Article 9 of Regulation (EU) 2016/545. The purpose of this procedure is to

seek, in consultation with the applicants concerned, the best possible allocation of available capacity. Its duration and outcome will depend on discussions with all the parties concerned.

In conclusion, and in compliance with the regulatory framework governing SNCF Réseau's missions, I confirm that its teams are mobilised to continue supporting your company in structuring its project on the French rail network. In addition, SNCF Réseau maintains regular exchanges with its European counterparts (Getlink, London Saint Pancras Highspeed, Infrabel and ProRail in particular) in order to promote, within the limits of its competences, a coherent articulation of the responses provided by the different infrastructure managers to customers wishing, like you, to develop an international activity.

I sincerely hope that your project will be able to progress to the stages required for formal approval.

Please accept, Mr Whittingham, the assurances of my highest consideration.



Appendix B13. Letter from SNCF Gares & Connexions

SNCF GARES & CONNEXIONS
 Direction Clients & Numérique
 16, avenue d'Ivry
 75013 Paris



Philip Whittingham
 VTE Holdings Limited
 Whitfield Studios
 50A Charlotte Street
 London,
 W1T 2NS
 ROYAUME-UNI

Paris, le 03 juillet 2025

Monsieur Whittingham,

En mars 2024, la société VIRGIN a pris contact avec SNCF Gares & Connexions afin d'exposer son projet d'offre ferroviaire internationale à grande vitesse, reliant notamment Londres à Paris, Bruxelles et Amsterdam. À ce titre, nous avons pris connaissance de la volonté de cette entreprise d'exploiter des services en gare de Paris Nord à partir du 2029, afin d'assurer 3 offres : jusqu'à 13 services par jour dans chaque sens entre Paris et Londres, jusqu'à 4 services par jours dans chaque sens entre Londres et Bruxelles, puis jusqu'à 3 services par jours dans chaque sens entre Londres et Amsterdam.

SNCF Gares & Connexions accueille positivement tout projet concourant au développement du transport ferroviaire et à l'ouverture du marché. En tant que gestionnaire des gares de voyageurs sur le réseau ferré national (RFN), nous vous confirmons notre entière mobilisation pour accompagner les projets de chacune des Entreprises Ferroviaires, dans le strict respect des principes de transparence, d'équité et de non-discrimination qui régissent notre action et en adéquation avec les orientations stratégiques de SNCF Gares & Connexions.

Dans ce cadre, plusieurs échanges sont intervenus avec les représentants de la société VIRGIN. Ceux-ci se sont révélés constructifs et nous ont permis de mieux cerner les contours de leur projet, de comprendre leurs besoins en prestations, et d'initier un dialogue opérationnel sur les modalités de leur future desserte.

Nos interactions sont couvertes par les engagements de confidentialité auxquels SNCF Gares & Connexions est tenue. Elles s'inscrivent dans le cadre du processus d'engagements contractuels réciproques prévu par le Document de Référence des Gares (DRG), document réglementaire qui précise les conditions d'accès aux prestations régulées en gare, leur tarification et les démarches associées.

Le DRG, accessible sur notre site internet, décrit les prestations de base (information voyageurs, gestion des flux, propreté, sûreté, etc.) ainsi que les prestations particulières (assistance PSH/PMR, espaces en gare, prestations transmanche, etc.). Les prestations demandées par la société VIRGIN seront bien entendu étudiées dans ce cadre réglementaire, de manière équitable, comme pour tout autre candidat.

À ce titre, la société VIRGIN pourra notamment accéder, dès lors qu'elle aura accès aux sillons ferroviaires correspondants :

- à la prestation de base,
- à la prestation transmanche

SNCF GARES & CONNEXIONS
Direction Clients & Numérique
16, avenue d'Ivry
75013 Paris

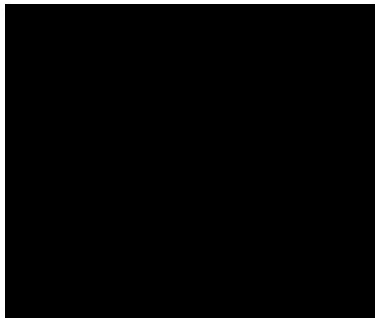


- aux prestations particulières obligatoires
- aux prestations facultatives s'il en fait la demande
- à un accompagnement rapproché par un chef de projet référent au sein de notre Direction Clients Transporteurs.

Nous tenons également à souligner que toute demande d'occupation d'espaces, de prestations spécifiques ou d'ouverture étendue d'installations sera traitée dans le respect des procédures définies au DRG et fera, le cas échéant, l'objet d'un contrat spécifique, dans le cadre d'une convention d'accès ou d'occupation.

Dans le respect du cadre réglementaire et de nos engagements de service public, nos équipes restent pleinement mobilisées pour accompagner la société VIRGIN dans la concrétisation de son projet.

Souhaitant vivement vous voir concrétiser votre projet, je reste ainsi que mes équipes à votre écoute pour vous accompagner en ce sens et vous prie d'agréer, Monsieur le Directeur Général, mes sentiments les meilleurs.



Translation of letter from SNCF Gares & Connexions:

Mr Whittingham,

In March 2024, VIRGIN contacted SNCF Gares & Connexions to explain its plans for an international high-speed rail service linking London to Paris, Brussels and Amsterdam. We have been informed of the company's intention to operate services at Paris Nord station from 2029, providing 3 services:

- up to 13 services a day in each direction between Paris and London,
- up to 4 services a day in each direction between London and Brussels, and
- up to 3 services a day in each direction between London and Amsterdam.

SNCF Gares & Connexions welcomes any project that contributes to the development of rail transport and the opening up of the market. As the manager of passenger stations on the national rail network (RFN), we confirm that we are fully committed to supporting the projects of each of the Railway Undertakings, in strict compliance with the principles of transparency, fairness and non-discrimination that govern our action and in line with the strategic orientations of SNCF Gares & Connexions.

A number of discussions took place with representatives of VIRGIN. These proved to be constructive and enabled us to better define the outlines of their project, understand their service requirements and initiate an operational dialogue on the terms and conditions of their future service.

Our interactions are covered by the confidentiality commitments to which SNCF Gares & Connexions is bound. They form part of the process of reciprocal contractual commitments set out in the Station Reference Document (DRG), a regulatory document that specifies the conditions of access to regulated station services, their pricing and the associated procedures.

The DRG, which is available on our website, describes the basic services (passenger information, flow management, cleanliness, security, etc.) as well as the special services (PSH/PMR assistance, station areas, cross-Channel services, etc.). The services requested by VIRGIN will of course be examined within this regulatory framework, on an equitable basis, as for any other applicant.

In this respect, VIRGIN will have access to the following services, once it has access to the corresponding train paths:

- the basic service,
- the cross-Channel service,
- special mandatory services,
- optional services on request,

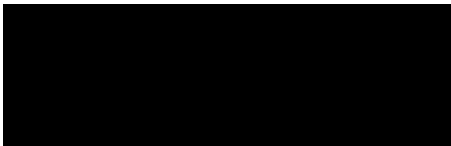
- close support from a dedicated project manager in our Carrier Customers Department.

We would also like to emphasise that any request to occupy space, provide specific services or extend the opening of facilities will be handled in accordance with the procedures defined in the DRG and will, where applicable, be the subject of a specific contract, under an access or occupancy agreement.

In compliance with the regulatory framework and our public service commitments, our teams remain fully mobilised to support VIRGIN in the realisation of its project.

I sincerely hope to see your project come to fruition, and I and my teams remain at your disposal to help you achieve it.

Yours sincerely,



Appendix B14. Letter from Infrabel

INFRABEL

Infrabel
Place Marcel Broodthaers 2
1060 Bruxelles
catherine.limpens@infrabel.be

Mr Philip Whittingham
Rail Consultant
Virgin Group
Whitfield Studios
50A Charlotte Street
London
W1T 2NS
United Kingdom

your référence

annex

Brussels
8 July 2025

our référence
BDB.VIRGIN.2025.011

Letter of Support for Virgin Trains

Dear Mr Whittingham,

By means of this letter, we would like to inform you that Infrabel has been contacted by the Regulatory Body for Belgian Railway Transport regarding Virgin Trains pursuit to run trains between London and Brussels in the future, starting as from Q4 2029.

As the Belgian railway infrastructure manager, Infrabel is very pleased to provide its support to this initiative.

Since 2024, Virgin Trains has been already in regular contact with Infrabel delegates, providing us transparent updates on their future plans and investments. This ongoing communication has been instrumental in ensuring that both parties are aligned and well-prepared for the upcoming operations. Furthermore, Virgin Trains has in the meantime actively exchanged information with us concerning both capacity needs and routing.

This collaboration has allowed us to identify and address the potential challenges to accommodate the new services effectively.

We are looking forward to further develop our partnership with Virgin Trains and keep on supporting them in their efforts to operate on the Belgian railway network.

Yours sincerely,

Contact person

Place Marcel Broodthaers 2 – BE-1060 Bruxelles
TVA BE 0869.763.267 / RPM Bruxelles / SA de droit public
IBAN BE11 6790 0230 3748 / PCHQBEBB
www.infrabel.be



Appendix B15. E-mail from ProRail

Subject: RE: Financial Due Diligence

Dear Philip,

thank you for your email message and the pleasant conversation on the 7th of July.

1. We can confirm your initial contact with [REDACTED] on 10th August 2023
2. You have shared your plans. ProRail would also like to receive these in writing.
3. We have met on a number of occasions since, to discuss the project and the services.
4. We are happy to receive your specific questions about stabling at Watergraafsmeer depot and facilities at Centraal station so that we can schedule this call with the relevant specialists as discussed.

Additional points

Notification of application to ProRail and Consumer & Market Authority

At least 18 months before the scheduled start of the timetable, you must report the open access application to ProRail and the Authority for the Consumer & Market (in accordance with Article 57(4) of the Railway Act).

ProRail is hereby bound by the Railway Act. Under the Railways Act, only railway undertakings can use the main railway infrastructure managed by ProRail. Virgin is required to have a safety certificate, operating licence and insurance to be considered railway undertakings. Virgin has not yet made a formal application for admission and/or Railway Undertaking. An assessment of such a formal application has therefore not yet taken place.

If there are any additional questions, please let me know.

Kind regards,

[REDACTED]
[REDACTED]
De Inktpot F 1.21 (Flex) , Moreelsepark 3, 3511 EP Utrecht | Postbus 2038, 3500 GA Utrecht

ProRail

Verbindt. Verbeterd. Verduurzaamt.

Appendix B16. E-mail from SNCB Réseau et Services

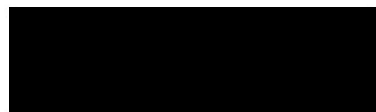


Subject: RE: [external]Support Letter

Dear Phil,

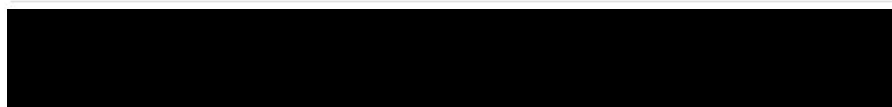
Thank you for your message. I have the pleasure to confirm what you have written in your email below.

Best regards



Nationale Maatschappij der Belgische Spoorwegen (NMBS) | NV van publiek recht
Frankrijksstraat 56 | 1050 Brussel | BTW BE 0283.430.578 | RPR Brussel

Deze e-mail en de eventuele tegevoegde bestanden kunnen informatie bevatten die vertrouwelijk is en/of wordt beschermd door intellectuele eigendomsrechten. Zij zijn enkel bestemd om gebruikt te worden door de bovenvermelde geadresseerde(n). Het gebruik van de inhoud ervan door andere personen dan de aangeduide geadresseerde(n) is verboden. Hebt u deze e-mail per vergissing ontvangen, gelieve dan de afzender via telefoon of e-mail te verwittigen en het materiaal van alle computers te verwijderen. Alle bestanden die naar en door NMBS worden verzonden, kunnen worden gecontroleerd op hun conformiteit met interne beleidsregels om de belangen van de onderneming te beschermen en potentieel schadelijke software uit te schakelen. Volmachten en machtigingen moeten worden gecontroleerd en zijn verkrijgbaar op aanvraag.



Onderwerp: [external]Support Letter



Thank you again for your time this morning to update you on our project and to hear from you about progress on the station refurbishment, security improvements and changes at Forest depot.

As we discussed, we are part of the regulatory process to gain approval to the available capacity at Temple Mills Depot here in the UK and as part of that we would like to show how widely we have engaged with relevant stakeholders. It would help us to get a letter from yourself that sets out the engagement we have had so that I may include it in our submission. I appreciate that you are due to take annual leave next week, and while a letter would be preferred, confirmation to this email would be fine too.

In terms of our engagement, please could you confirm that:

1. Our initial contact was on 27th June 2024
2. We have shared our plans for services, which include 4 services terminating/starting at Brussels and 3 to go forward/return from Amsterdam Centraal
3. That we have met on a number of occasions since to discuss our project and the services (and process to secure them) that can be offered by SNCB RRS, including:
 - a. Services offered by SNCB in the international terminal at Brussels Midi (contained in the reference documents);
 - b. other services that could be offered (contained in the reference documents);
 - c. explanation and review of our understanding of the charges contained in the reference documents; and
 - d. facilities and capacity available at the Forest depot

If there are any edits or additional points please feel free to make them.

Thank you for providing this, it is very much appreciated.

Regards

Phil

Appendix B17. E-mail from Border Force

Subject: RE: Support

Good afternoon Phil,

Thank you for your email dated 8 July 2025 and for meeting with us the day prior.

I can confirm that His Majesty's Government (HMG) - specifically Border Force (BF) and the Department for Transport (DfT) - has been engaged in discussions with Virgin regarding its future plans to establish an international rail service.

These discussions have been facilitated by the DfT, which has been coordinating engagement between potential new entrants and relevant HMG authorities on a neutral basis. As part of this process, BF is engaging with all prospective operators to understand their proposals, provide input on border-related considerations, and raise awareness of border arrangements and BF's operational requirements. This is to support the development of robust business cases for any future service proposals.

We remain committed to supporting the development of the plans you have outlined, which currently include:

- 13 return services to Paris, 4 to Brussels, and 3 to Amsterdam Centraal;
- Service and operations at St Pancras;
- Steps required to begin reopening border controls at stations in Kent and Stratford International;
- The process for establishing Stratford International as a new point of entry; and
- High-level operational requirements Virgin would need to meet at stations and the TMI depot.

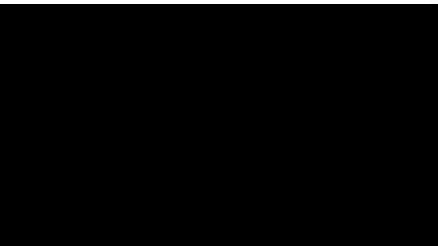
BF has also discussed with you the future model for border control in both the UK and France, including the passenger journey through border controls and the ongoing need for engagement with both BF and the French PAF as your plans evolve.

Finally, we have highlighted that BF currently recovers costs from Eurostar for juxtaposed controls in Amsterdam and Rotterdam under the Quadripartite Agreement and the UK-Netherlands Bilateral Agreement. We would expect to apply the same cost recovery approach for any new routes.

I hope this note is helpful for your purposes. Please feel free to reach out if you need any further information or clarification.

Best regards,


Border Force
Strategic Capabilities & Planning Directorate
Building a Border Force for the future, making the most of the Border Force of today



Appendix B18. Letter from Kent County Council



[REDACTED]
VTE Holdings Limited
Whitfield Studios
50A Charlotte Street
London
W1T 2NS

Growth, Environment
& Transport

Sessions House
Maidstone
Kent
ME14 1XQ

[REDACTED]
BY EMAIL ONLY

Date: 9th July 2025

Dear [REDACTED]

SECTION 17 APPLICATION FOR TEMPLE MILLS DEPOT AND PLANS FOR INTERNATIONAL RAIL SERVICES

I write to express my thanks for VTEs engagement since 2023 with Kent County Council officers concerning your plans for introducing cross-channel rail services. We welcome VTEs interest in this market given its experience in both rail service delivery and international travel.

As you will be aware, Kent international stations ceased being served by Eurostar in March 2020 owing to travel restrictions to address the COVID-19 pandemic. Unfortunately, with only Eurostar as the operator of passenger services on HS1, Kent has been left with no services connecting with Europe. This was a significant shock given the previous 24 years of continuous services that reconfigured parts of the Kent economy and drove locational decisions by businesses and residents.

We recognise that competition, in general, would be a beneficial outcome given Eurostar virtually has a monopoly which has lead to a very substantial under utilisation of more than £10bn of rail assets (when converted to current prices and allowing for inflation). As the Transport and Environment NGO reported in 2024 , based on their ranking system Eurostar was the worst international rail operator in Europe. The prospect of the new services that you have described to us are an exciting development and could provide a promising new future for maximising the potential of international rail between the UK and Europe.

We have welcomed the opportunity to have an open and constructive dialogue about the market opportunity for VTE to serve Ebbsfleet and Ashford International stations. Through that engagement VTE has been clear about its desire to serve Kent residents as soon as it is operationally and economically practical to do so. We understand that VTE is not yet able to commit to stopping services in Kent as part of its launch plans, however we

welcome VTE's commitment to ongoing discussions to establish ways in which this might be achieved.

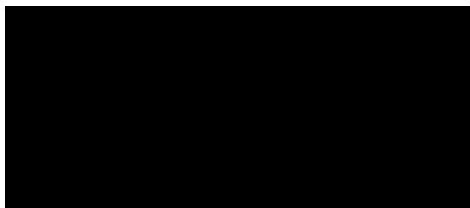
On that aspect, and as we have shared with you, we are of a view that there are further actions that the government, DfT and London St Pancras Highspeed could do to improve those conditions for operators and we will continue to work at getting those changes made. The introduction of the new draft proposals for the London St Pancras High Speed Growth Incentive Scheme were a promising first step, subject to the amendments we have collectively sought to ensure that it is fair and incentivises effectively in respect of the intermediate stations.

Concerning your Section 17 application to the ORR, we wish to make you aware that we have been invited by the ORR to make a submission to the 10th July deadline as a party with a wider interest. Within that submission we will set out evidence that we have previously shared with you, demonstrating the societal and economic benefits of a new operator being given depot access in order to facilitate new service operations in competition with Eurostar and which would increase the likelihood of services returning to Kent.

Our view that will be set out to the ORR is that a new operator deserves the opportunity to make use of Temple Mills International depot on a shared arrangement so that it can be demonstrated to the operator and passenger market what competition and innovation in service provision can provide. Furthermore, generating competition and enabling far better utilisation of the HS1 link and Channel Tunnel would likely be the best stimulus for creating a business case and commercial case for the government and operators to further explore in partnership the potential long term delivery of new depot and stabling facilities, which we recognise may entail considering options with our county.

We look forward to working further with you and other operators to realise the potential of the international rail link and the international stations in Kent.

Yours sincerely,



Appendix B19. Letter from the ORR



Philip Whittingham
VTE Holdings Limited
66 Porchester Road
London
W2 6ET

7 November 2024

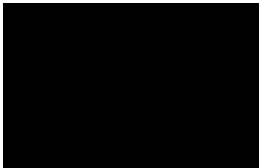
VTE Holdings Limited – Draft licence application form

1. Thank you for your email of 23 October 2024. You provided us with a licence application form, which you had completed in draft, together with a management organisation chart for VTE Holdings Limited ("VTEHL"), and a copy of the annual report and financial statement for the Virgin Group for the year ended 31 December 2023.
2. We note that your planned start date for operations is 1 January 2029, so we expect there will be some change in the draft details you sent. Business models and their supporting details can evolve over time and you will appreciate that once we have made a formal assessment, we do not want that assessment to become outdated prior to us issuing the licence. We will therefore carry out our formal review based on information that will be current to a formal application.
3. Nonetheless, to be helpful, we have reviewed informally the draft information you have provided. There are some details in the application form which we will need to query with you, but they are mostly clarificatory in nature.
4. With regard to our four licensing criteria, our informal views are as follows.
 - **Financial Fitness** – Our [licensing guidance](#) sets out the type of information we need to see in order to determine the financial fitness of an applicant. Your business planning forecasts include: for income - seating provision, passenger load factors and farebox; and for expenditure - fleet OPEX and CAPEX, infrastructure charges and total operating costs. You also give forecasts for debt and equity funding. We note that you have provided Virgin Group financial reporting for 2023, as lodged at Companies House. These types of information will indeed be helpful in demonstrating financial fitness.
 - **Professional Competence** – Our test for professional competence is met when our safety inspectors deem the applicant to be capable of operating the relevant railway assets safely and in compliance with the relevant health and safety law. We note that rolling stock has not yet been procured so we would not expect significant engagement with you yet.
 - **Third Party Liability Insurance** – At this stage we would not expect you to have in place the £155m insurance on the terms we require. We note,



however, that you expect to use Willis Towers Watson as your insurance broker – a broker used often in the industry.

- **Good Repute** – We note that you have provided information relating to shareholding companies and company officers. We have no comments at this time and we will make checks on your confirmed or updated information as provided in your formal application.
5. We are, of course, aware that the Virgin Group has operated franchised train services in the past and has met our requirements previously. At this point we have no concerns to raise with you regarding your prospects for securing a licence.
 6. In due course, you will need to check and refresh the draft application so that when you apply formally – a few months from operational start, in line with our guidance – it is up to date. At that time we will open a case file and run our checks on the updated or confirmed information.
 7. Please keep us informed as your plans develop and the timescales are confirmed.



Appendix B20. Letter from Le Train



Le Train
87 Quai des Queyries
33100 BORDEAUX

N/Ref. 20250625001

Philip Whittingham
Rail Consultant
VTE Holdings Ltd
Whitfield Studios
50A Charlotte Street
London
W1T 2NS

Bordeaux, 17 July 2025

Dear Phil

Collaboration between Le Train and VTE Holdings Ltd (Virgin)

We write on behalf of Le Train in connection with the development and operation of Project Bullet – a proposed open access international passenger rail service linking London to continental Europe via the Channel Tunnel.

This correspondence is submitted pursuant to the ORR's letter of 5 June 2025 concerning the allocation of capacity at Temple Mills International (TMI) depot and is intended to assist the Office of Rail and Road ("ORR") in its assessment of the operational readiness and viability of the Project Bullet proposition.

Credentials of Le Train

Le Train was formed in 2019 and became the first private French railway company designed to bring high speed rail connectivity to each region within France, and to connect France's regions together without going through Paris.

Our objectives are to:

1. Make travel easier – speed, frequency and time range
2. Offer stable prices on travellers' favourite routes
3. Provide the best possible travel experience

SAS LE TRAIN – Immatriculée au RCS Angoulême n°881 964 241 – Siège social situé 53 Avenue Marlyse Bastie, Zone Industrielle N°3,
16340 L'Isle d'Espagnac



4. Contribute to the ecological transition

Our initial focus is on the Grand Ouest region linking Bordeaux, Rennes and Nantes, with an intensive development plan targeting the key corridors of the French railway market.

Through our strong leadership team, we obtained from the French Ministry our operating licence in December 2022, are entering into Framework Track Access Agreements with SNCF Réseau and have procured 15 very high speed trains to commence operations in 2027/28.

Collaboration with VTE Holdings Ltd

Le Train and Virgin have been discussing the scope for a potential collaboration since March 2024. Our two companies share similar visions offering an outstanding, sustainable and digitally enabled seamless customer experience delivered through a highly engaged and motivated workforce.

Our collaboration will focus on two significant areas, those being in the commercial and operational areas.

Commercial

1. Both companies recognise and agree with HS1's market assessment for journey opportunities in both directions between the UK and the South West region of France as set out in their "Connecting Two Great Cities" Prospectus. Accessing this market will be a key focus of the collaboration with opportunities to offer through ticketing by offering a connection in Paris
2. Sharing digital systems – implementing and sharing the best of breed digital systems such as ticket retailing and reservation and inventory management.
3. Marketing – use our respective French and UK experience and Virgin's wider experience to maximise the impact of our respective marketing to generate higher customer engagement and revenues
4. Loyalty – Adoption and collaboration between loyalty programmes, delivering greater customer benefits and using loyalty and CRM platforms to promote respective services

Operational

On commercial terms, Le Train will leverage their local French market expertise and experiences to assist Virgin in the following areas:

1. Train homologation and route acceptance to ensure timely delivery of trains into service
2. Putting in place Framework Access Agreements and capacity allocation with SNCF Réseau
3. Achieving French safety accreditation for operations
4. Advising and supporting driver and other staff training and assessment
5. Advising on local employment arrangements



Conclusion

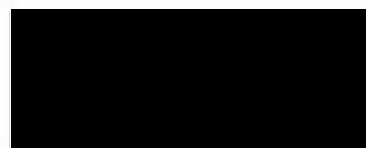
Le Train believes that the envisaged collaboration will support Virgin to mobilise its business quickly enabling it to easily exceed any threshold for operational readiness and viability. The combination of:

1. Le Train's:
 - a. excellent French operational experience; and
 - b. local knowledge of the passenger demand in the South West region of France and the wider French market; with
2. Virgin's:
 - a. past UK rail experience and understanding of the UK market opportunities, delivering high levels of customer satisfaction, safety and performance;
 - b. Virgin's worldwide brand awareness;
 - c. compelling loyalty proposition;
 - d. compelling customer proposition and focus on innovation;
 - e. ability to drive significant modal shift; and
 - f. strong partnership reach

will help ensure that Virgin is able to commence operations as planned, with opportunities to exceed its growth ambitions by offering a compelling product to and from the South West region of France supported by Le Train.

Should the ORR wish to discuss any aspect of this letter we would be pleased to make ourselves available upon request.

Kind Regards



LE TRAIN HOLDING SAS

53 Avenue Maryse Bastié – BP 10653
16340 L'ISLE D'ESPAGNAC
Tél. : 05.45.68.38.17 – Fax : 05.45.68.16.19
N° Intracom. : FR07 912 075 058 – APE 6630Z
Siret : 912 075 058 00012 - RCS ANGOULEME

Appendix B21. Letter from Southeastern

Mr Philip Whittingham
Rail Consultant - Virgin

15 July 2025

Dear Philip,

Following our meeting where we discussed that Virgin are seeking to enter the international rail market to provide an alternative option for customers on the London to Paris, Brussels and Amsterdam routes from 2029. It was clear that having been managing director of Virgin Trains and Avanti West Coast that you appreciate the importance of engaging stakeholders early and trying to maximise the efficiencies of the railway.

During the call we explored areas where there could be synergies by working together that would provide better outcome for both of our businesses. The non exhaustive areas were:

1. Drivers and Training – There will naturally be highs and lows in the recruitment profile but with good foresight and planning, it may be that South Eastern (SE) has the capacity and capability to train Virgins initial and future intakes of drivers and front line staff, thus retaining competent staff longer and more efficiently while providing for more varied work to keep interest and engagement high. This would ensure SE has the visibility of Virgin's recruitment and training plans and confidence to plan its own services without any potential interruptions.
2. Rolling Stock Acceptance – Virgin will need to test its trains which is likely to involve some running on the HS1 network. SE may be able to assist with training drivers and managers in time for this requirement or be able to provide a service to us to assist, such as route conducting or training some of its own drivers/trainers on our proposed rolling stock. In return Virgin could provide/hire back (suitably qualified) drivers to cover requirements of SE.
3. Disruption – as performance is one of the highest priorities, discussing how Virgin and SE can work together to support and complement each other on timetable planning and in times of perturbation for the benefit of customers.
4. Incident response – Ensuring that robust arrangements exist for passengers stranded on trains.

southeastern

2nd Floor, 4 More London, Riverside, London SE1 2AU
southeasternrailway.co.uk

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Registered Office: 3rd Floor, 41–51 Grey Street, Newcastle upon Tyne, NE1 6EE

Internal

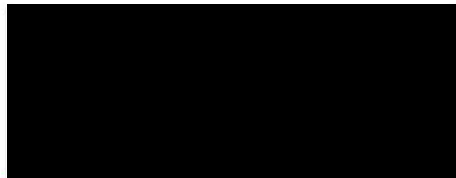


5. Operational – discuss potential synergies in staff facilities/offices, station management, control and resourcing functions
6. Innovation development and cross selling/joint promotions (to improve customer sentiment until Kent stations are reopened)/loyalty

I understand that the ORR has commenced the regulatory process that will see Virgin (and others) seeking to gain approval for the available capacity identified at Temple Mills Depot.

As part of that process, I am happy to confirm that South Eastern Railway have been engaged by Virgin and are happy to work with you to improve efficiency and derisk operational start up for the non-exhaustive items above. This offer would not be exclusive to Virgin as South Eastern Railway would seek to work in the interests of passengers and taxpayers.

Yours sincerely



South Eastern Railway



Appendix B22. Letter from Campaign for Better Transport



[REDACTED]
The Office of Rail and Road
25 Cabot Square
London
E14 4QZ

By email only

Dear [REDACTED]

I write on behalf of Campaign for Better Transport, the UK's leading transport NGO, to express our support for the principle of greater competition on High Speed 1, and specifically for fair and enabling access to the facilities required to support it, most notably Temple Mills depot.

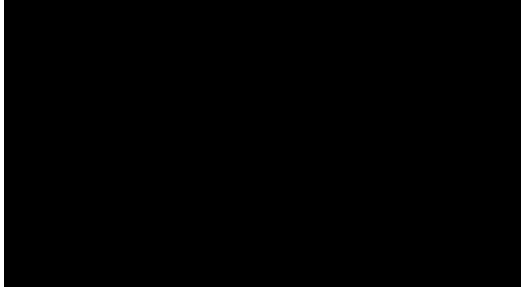
Our April 2025 report, *Runways to Railways*, made clear that, international rail remains an underused and undervalued part of the UK's transport system. Less than half of the available passenger capacity and only around ten per cent of freight capacity through the Channel Tunnel is currently in use. Yet the demand for cross-border travel continues to grow. Our analysis suggests that, with the right conditions, international rail journeys could increase significantly, serving many millions more passengers each year.

The key to unlocking this growth lies in removing the structural barriers that prevent new entrants from accessing the market. Access to High Speed 1 is one part of the picture; equally important is access to depot and maintenance facilities that allow operators to run reliable and efficient services. At present, Temple Mills is the only suitable depot in the UK for international rolling stock. Unless this facility is available to more than a single user, real competition cannot emerge, and the benefits for passengers, the economy and the environment will remain out of reach.

We believe that competition on international rail is not just desirable, it is essential. It has the potential to lower fares, improve service quality, stimulate innovation and make international rail more attractive to passengers. Crucially, it will also support the shift away from carbon-intensive short-haul flights. Encouraging modal shift through competition should be a core element of the UK's decarbonisation strategy.

We recognise that longer-term investment in new facilities will be necessary as the market grows. But that investment will only follow if the initial conditions for entry are created now.

Supporting access to Temple Mills depot is a practical and symbolic step in that direction. We encourage the ORR to support this vision by ensuring that international operators have the fair access they need to succeed.



Campaign for Better Transport

Appendix B23. Political and Diplomatic Engagement – Supporting Quotes

Sojan Joseph, MP for Ashford

“I met with the Virgin project team earlier this year for a constructive and positive discussion about the progress they have made towards launching a cross-channel service and the possibility of reopening stations in Kent.

“It is important one operator does not have a total monopoly over the Temple Mills depot. We must keep the potential for market competition open in order to maintain high standards for passengers travelling to and from Europe.”

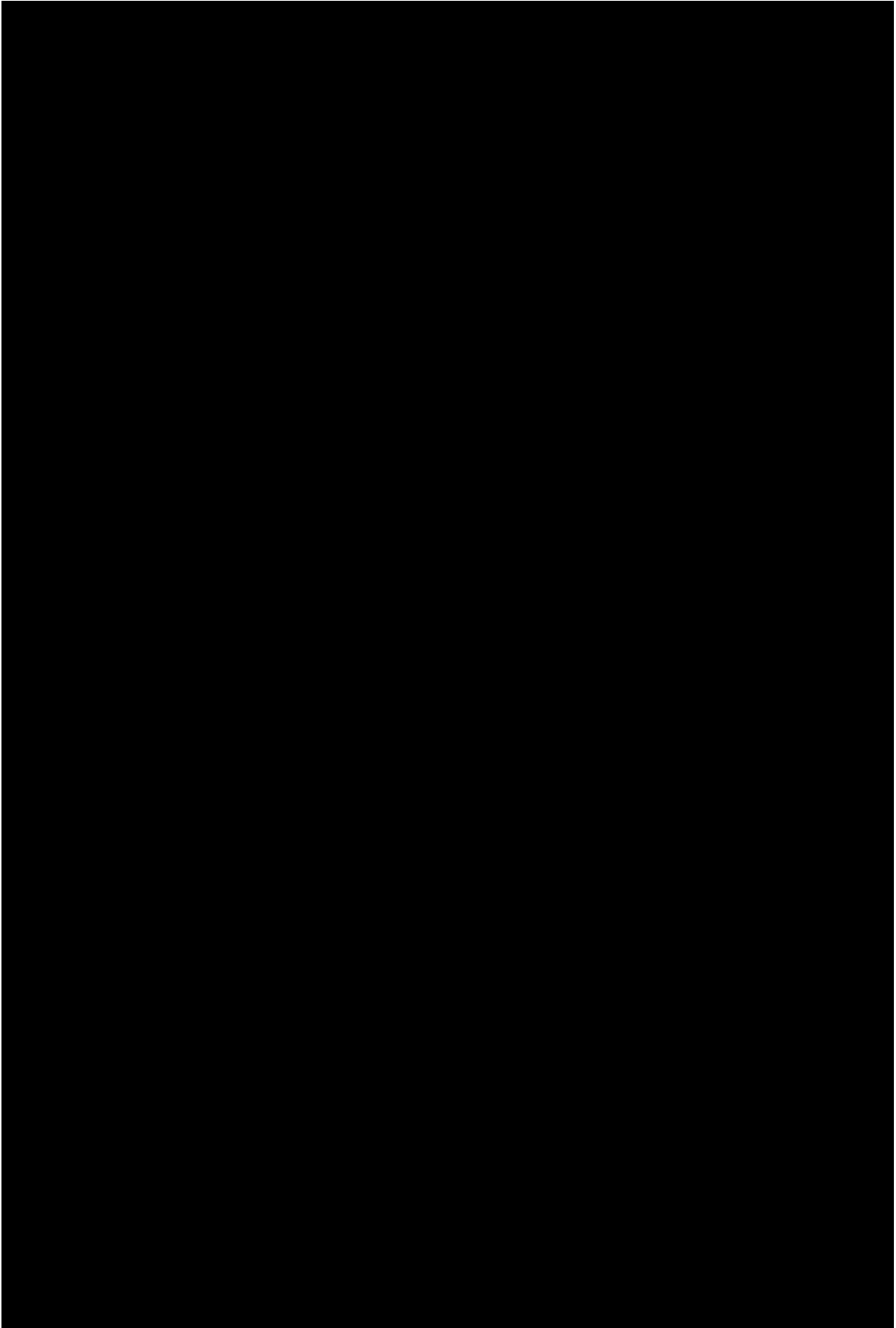
Gareth Bacon, MP for Orpington & Shadow Secretary of State for Transport

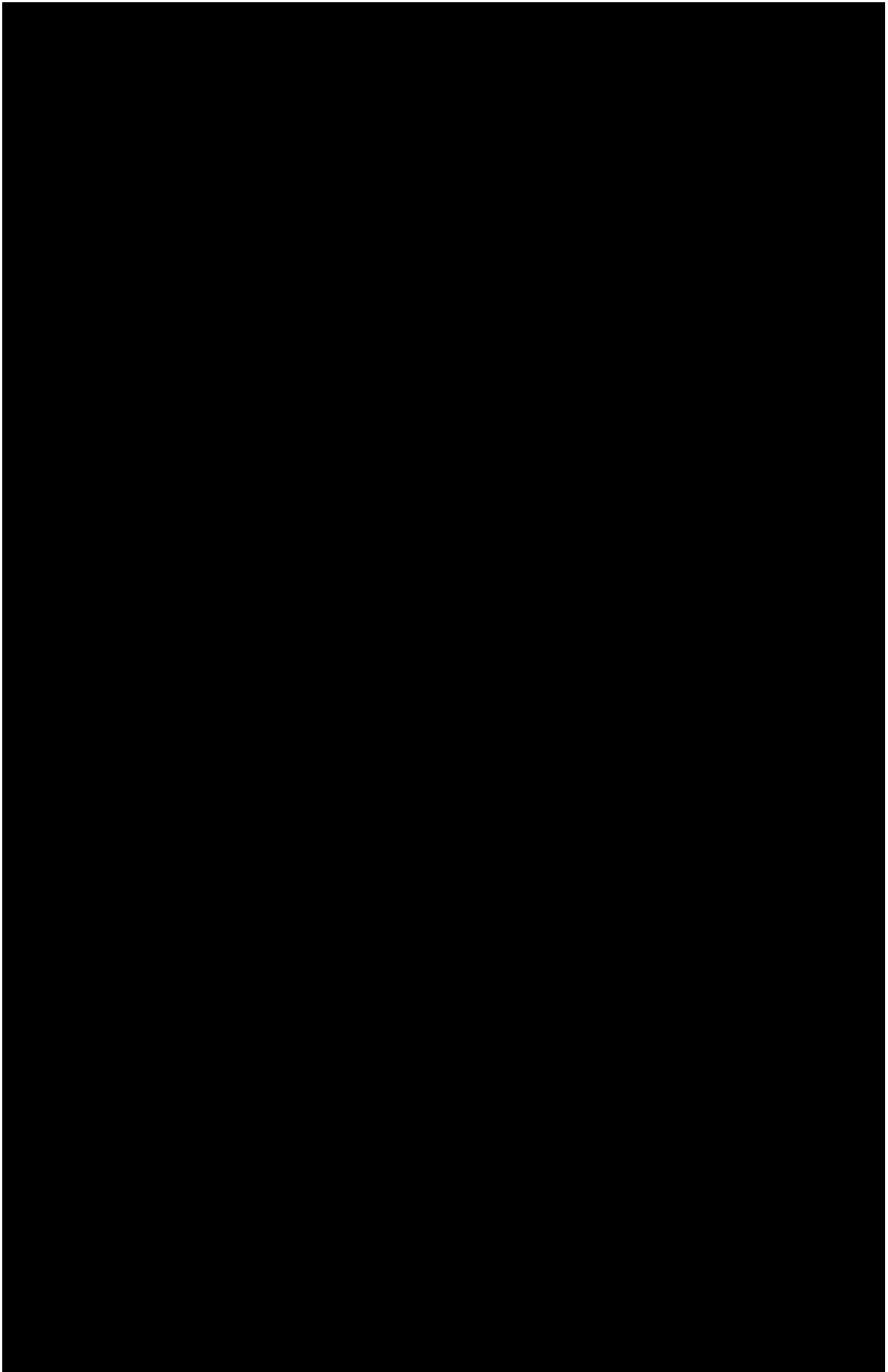
“International rail would certainly benefit from fresh competition and opening up Britain’s only cross-border depot to this is highly desirable.

“Passengers have faced rising fares and limited choice for too long. The ORR’s report makes clear there is space for a new entrant at Temple Mills and we believe that the capacity should be used to open up the market and drive international rail innovation.

“If any operator can deliver better value and more options for British travellers, they should be given a fair chance to prove it. The Government must follow suit by making sure private enterprise and British ambition receive the green light.”

Appendix B24.





Appendix C. VTE's Business Plan

