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Unipart and Lucchini join forces to enhance the provision of Wheelsets and Bogies to the UK market

In a shared statement made today, Lucchini RS Group of Italy, and Unipart Group of the UK, announced the intention to create a joint venture in the UK covering the railway wheel, wheelset and bogies activities of both companies.

The new JV, to be called LUR Limited, will be formed from the current Lucchini UK Limited in its entirety, based in Manchester, England, and the wheelset and bogie overhaul activities of Unipart Rail Limited, based in Doncaster, England.

The JV is due to start operating from the 2nd February 2015. The new business will have an annual turnover of around £60m (€75m) and employ over 300 people. The two sites of Lucchini UK in Manchester and the bogie overhaul facility in Doncaster will remain, and in view of the complementary nature of the two businesses, the employees of both businesses will benefit from greater opportunities within the enlarged and strengthened entity.

The Managing Director of the new JV will be the current Managing Director of Lucchini UK, Chris Fawdry. The headquarters of the new company will be the newly refurbished offices in Trafford Park, Manchester.

The key rationale for creating the JV is seen to be:

- Complete control over the supply chain of the safety-critical components that make up a traction system: wheel, axle, wheelset and bogie, from the manufacture of the steel to the delivery of the bogie to a customer's depot; effectively, "From Furnace to Fleet";
- Total focus on wheels, wheelsets and bogies by one dedicated and experienced team;

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- Technical and commercial solutions for customers based on life cycle cost studies and innovation;
- Commitment by both groups to developing their role in the UK traction & rolling stock market.

Both Groups are experienced in setting up JVs and see LUR as a model for further international growth.

Commenting on the announcement of the joint venture, John Clayton, Director Unipart Group said: "Unipart Rail is a supply partner to some of the best-known names in the rail sector. We have no doubt that this joint venture with Lucchini will provide even more benefits for the UK traction & rolling stock sector".

Augusto Mensi, CEO of Lucchini RS Group, said: "Through LUR our focus on product quality, service and innovation in the UK market will extend to the whole traction system. We will create strong synergies from the merging of these two already successful businesses."

Lucchini RS was assisted by Mediobanca (Financial Advisor), Studio Legale Bigliardi Pabis Ticci e Associati (Legal Advisor), DWF (British Legal Advisor) and EY (Financial Advisor).

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About Lucchini RS Group

Lucchini RS Group is an international leader in the design and production of railway products, castings and forgings intended for all industrial sectors, as well as tool steels and forged ingots.

The Group produces a wide range of railway products: wheels, axles, tyres, wheelsets destined to High Speed transport, Mass Transit systems and Freight and Heavy Haul transport. It manufactures high quality steel castings and forgings used in different sectors such as power generation, aerospace, offshore, petrochemicals, plant engineering, steel industry or shipbuilding. Lucchini RS Group is also specialised in the production of a wide range of tool steels for moulding, die-casting, gravity die-casting and extrusion.

The strength of the Group lies in its integrated production facilities, starting from the steel production to the finished product, to the competence of its human resources, its know-how and organisation, wholly focused on its customers and markets.

Thanks to its international presence in the railway sector, Lucchini RS Group has become one of the main manufacturers of high quality products in the world, with subsidiary companies located in UK, Sweden, Poland, Austria, Belgium, China and India. This network provides an effective contribution to the railway industry in terms of high quality components and sub-assemblies for rolling stock and maintenance services.

For more information on Lucchini RS Group visit: www.LucchiniRS.com

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About Unipart Group

Unipart Group has an annual turnover of more than £1billion. It is a leading UK manufacturer, full service logistics provider and consultant in operational excellence. Operating across a range of market sectors, including automotive, manufacturing, mobile telecoms, rail, retail and technology, Unipart offers a breadth of services from third party logistics to expert consultancy.

All Unipart sites operate according to the Group's proprietary version of Lean known as The Unipart Way. This is a philosophy of working underpinned by tools and techniques that inspires efficiency, flexibility and outstanding customer service in any process.

Unipart also offers expert consultancy in implementing Lean principles and in supply chain management across a variety of industry sectors.

For more information visit: www.unipart.com

About Unipart Rail

Unipart Rail is a leading specialist provider of supply chain services to train operators and railway infrastructure companies. It has operations in the UK, North America, Australia, China, Germany and Thailand and supplies materials and services internationally. Its expertise in implementing 'Lean' business processes in the rail industry, as well as delivering real benefits in the supply chain and materials management, makes it a leading partner for successful rail businesses. Unipart Rail is a major partner to the rail industry and has extensive expertise in Infrastructure and Traction & Rolling Stock systems and products.

For more information visit; www.unipartrail.com