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SUPPLEMENT TO THE OFFERING CIRCULAR DATED 19 APRIL 2011

PORTERBROOK RAIL FINANCE LIMITED

(*incorporated with limited liability in Jersey with registered no 101721*)

£3,000,000,000

Multicurrency programme for the issuance of

Secured Guaranteed Bonds

unconditionally and irrevocably guaranteed by

PORTERBROOK LEASING MID COMPANY LIMITED
(*incorporated with limited liability in England and Wales with registered no 07007965*)

PORTERBROOK LEASING COMPANY LIMITED
(*incorporated with limited liability in England and Wales with registered no 02912662*)

PORTERBROOK LEASING ASSET COMPANY LIMITED
(*incorporated with limited liability in England and Wales with registered no 00635030*)

PORTERBROOK MARCH LEASING (4) LIMITED
(*incorporated with limited liability in England and Wales with registered no 02682768*)

PORTERBROOK MAINTENANCE LIMITED
(*incorporated with limited liability in England and Wales with registered no 03657463*)

This Supplement (the "**Supplement**") is supplemental to, and must be read and construed in conjunction with, the offering circular dated 19 April 2011 (the "**Offering Circular**") prepared by Porterbrook Rail Finance Limited (the "**Issuer**") in connection with its multicurrency programme (the "**Programme**") for the issuance of secured guaranteed bonds (the "**Bonds**"). Capitalised terms used but not otherwise defined in this Supplement, shall have the meanings ascribed thereto in the Offering Circular. To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Offering Circular by this Supplement and (b) any other statement in or incorporated by reference in the Offering Circular, the statement in (a) above will prevail.

The payments of all amounts due in respect of the Bonds will be unconditionally and irrevocably guaranteed by Porterbrook Maintenance Limited, Porterbrook Leasing Asset Company Limited, Porterbrook March Leasing (4) Limited, Porterbrook Leasing Mid Company Limited and Porterbrook Leasing Company Limited (the "**Guarantors**" and, together with the Issuer, the "**Obligors**").

This Supplement has been approved by the Central Bank of Ireland (the "**Central Bank**") as competent authority under Directive 2003/71/EC (the "**Prospectus Directive**"). The Central Bank only approves this Supplement as meeting the requirements imposed under Irish and European Union law pursuant to the Prospectus Directive.

A copy of the Offering Circular including the form of the Final Terms and this Supplement has been delivered to the registrar of companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, who has given, and has not withdrawn, consent to circulation of this Supplement.

The Jersey Financial Services Commission has given, and has not withdrawn, its consent under Article 4 of the Control of Borrowing (Jersey) Order 1958 to the issue of the Bonds. The Commission is protected by the Control of Borrowing (Jersey) Law 1947, as amended, against liability arising from the discharge of its functions under that law.

This Supplement comprises a base prospectus supplement for the purposes of Article 16 of the Prospectus Directive.

The date of this Supplement is 2 June 2011

IMPORTANT NOTICE

Each of the Issuer and the Guarantors accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and does not omit anything likely to affect the import of such information.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Offering Circular by this Supplement and (b) any other statement in, or incorporated by reference into, the Offering Circular, the statements in (a) above will prevail.

Save as disclosed in this Supplement, as of the date of this Supplement, no other significant new fact, material mistake or inaccuracy relating to the information included in the Offering Circular which is capable of affecting the assessment of the Bonds issued under the Programme has arisen or been noted, as the case may be, since publication of the Offering Circular.

AMENDMENTS OR ADDITIONS TO THE OFFERING CIRCULAR

With effect from the date of this Supplement, the information appearing in the Offering Circular shall be amended and/or supplemented in the manner described below. Unless otherwise defined, capitalised terms used in this Supplement shall have the meanings given to them in the Offering Circular.

Replacement of Arranger / Appointment of Dealer

The appointment of Barclays Bank PLC (acting through its investment banking division, Barclays Capital) as Arranger has been terminated. Lloyds TSB Bank plc was appointed as Arranger on 25 May 2011 and CBA Europe Limited was appointed as Dealer on 27 May 2011.

Amendment to Risk Factor

The Risk Factor entitled "Capital Requirements Directive" is amended to include the following additional paragraph inserted after the first paragraph:

The Issuer is of the opinion that the Bonds do not constitute an exposure to a "securitisation position" for the purposes of Article 122a of the CRD. The Issuer is therefore of the opinion that the requirements of Article 122a of the CRD should not apply to investments in the Bonds.

Amendment to Risk Factor

The second and third paragraphs of the Risk Factor entitled "PLCL, PML(4) and PML could be subject to tax charges under legislation formerly contained in Schedule 10 to the Finance Act 2006 (Schedule 10)" are deleted and replaced with the following:

The Finance Act 2010 introduced a new ring-fence regime in relation to Schedule 10. Under this regime, PLCL, PML(4) and PML filed elections that potential "qualifying changes of ownership", which potential "qualifying changes of ownership" occurred in December 2009 in relation to PLCL and PML(4) and in October 2010 in relation to PML (as it became a leasing company in July 2010 when it acquired 44 class 377 Electrostars), should not be treated as such with the result that neither they nor certain potential "qualifying changes of ownership" that occur in the future are capable of giving rise to a tax charge under Schedule 10 for the electing companies. Elections which PLCL, PML(4) and PML have made in relation to potential "qualifying changes in ownership" under the ring-fence regime will have placed restrictions upon the electing companies' ability to offset certain expenditure against taxable profits that arise to them from their leasing trade (including expenditure otherwise surrenderable to it by way of group relief).

Based on draft legislation that was published on the day of the March 2011 Budget and subsequently included in the Finance Bill 2011, the UK Government proposes the withdrawal of a company's ability to make ring-fence elections in respect of "qualifying changes of ownership" that occur on or after 23rd March 2011. Ring-fence elections which a company validly made in respect of potential qualifying changes of ownership that occurred before 23rd March 2011 (**Grandfathered Elections**) would remain in force, however, under these proposals. It also appears, based on the draft legislation, that Grandfathered Elections will continue to prevent "relevant changes in the relationship between [the electing company] and a principal company of [the electing company]" that do not cause "the (unadjusted) basic amount" to be brought into account under Schedule 10 from constituting "qualifying changes of ownership", even if they occur on or after 23rd March 2011 (section 398A(5) Corporation Tax Act 2010). By virtue of the ring-fence elections which PLCL, PML(4) and PML have previously made (see above), future sales of partnership interests may therefore fall outside the definition of "qualifying change of ownership", in which case they would not give rise to a Schedule 10 tax charge for those companies. Any restrictions which these ring-fence elections have imposed upon PLCL, PML(4) and PML, as described above, or any future tax charge under Schedule 10 (which could arise, for example, as a result of the enforcement of security provided in respect of the Bonds depending upon the method of enforcement) could have a material adverse effect on the Group's business, financial condition, results of operations or prospects.

Amendment to the Senior Facilities Agreement

The definition of Senior Facilities Agreement in the Conditions is deleted and replaced with the following:

Senior Facilities Agreement means the £1,675,000,000 senior facilities agreement entered into on 18 October 2008 (as amended and restated by a restatement deed dated 20 February 2009, and as amended and restated pursuant to the GARD on 22 April 2010 (and, as the GARD was itself amended, on 18 May 2010) and as to be further amended and restated on the occurrence of the Second Restatement Date pursuant to and upon the terms and conditions set out in the GARA, and as may be further amended, restated, novated or supplemented from time to time) between inter alios the Issuer, Abbey National Treasury Services Plc, Barclays Bank PLC, BNP Paribas, London Branch, Crédit Agricole Corporate and Investment Bank, Commonwealth Bank of Australia, Dexia Crédit Local, London Branch, Lloyds TSB Bank plc and Sumitomo Mitsui Banking Corporation.

An additional definition in the Conditions is included as follows:

GARA means the global amendment and restatement agreement dated 25 May 2011 between, inter alios, the Issuer, the Guarantors, the Security Trustee, the Lenders, the Agent and the Hedge Counterparties (each as defined therein).

The description of the Senior Facilities Agreement in the section of the Offering Circular entitled "Description of other Indebtedness and Intercreditor Arrangements" is supplemented with the following:

The senior facilities agreement was originally entered into by the Issuer with certain mandated lead arrangers, certain senior lenders (the "**Senior Lenders**") and Crédit Agricole CIB (formerly Calyon) (as "**Agent**" and "**Security Trustee**"), on 18 October 2008 and was amended and restated on 20 February 2009 and pursuant to an amendment and restatement deed dated 22 April 2010, and is intended, on the occurrence of the Second Restatement Date, to be further amended and restated pursuant to and upon the terms and conditions set out in the GARA (the "**Senior Facilities Agreement**"). The description below sets out a summary of the principal terms and conditions of the Senior Facilities Agreement as intended to be so amended. This description is not intended to be exhaustive and is qualified in its entirety by reference to the detailed provisions of the Senior Facilities Agreement. The date on which the Senior Facilities Agreement is intended to be further amended and restated pursuant to and on the terms and conditions set out in the GARA is referred to below as the "**Second Restatement Date**".

The Facilities

The Senior Facilities Agreement sets out the terms on which the following senior secured facilities (the "**Senior Facilities**") are made available by the Senior Lenders to the Issuer and (in respect of (b) and (c) below only) its subsidiaries:

(a) a term loan facility designated Facility C, in an aggregate principal amount of £400,000,000 (and which will at the Second Restatement Date be fully drawn);

(b) a revolving credit facility designated Facility D, in an aggregate principal amount of £225,000,000; and

(c) a revolving credit facility (the "**Revolving Credit Facility**"), in an aggregate principal amount of £25,000,000.

Facility C is sometimes referred to as the "**Term Facility**".

Purpose and Availability

Facility D currently is available for utilisation until the date falling one month prior to the Final Maturity Date (as defined below). Amounts borrowed under Facility D may be used for the purposes of financing or refinancing capital expenditure of the Group, based on certain criteria as set out in more detail in the Senior Facilities Agreement.

The Revolving Credit Facility is available for utilisation until the date falling one month prior to the Final Maturity Date (as defined below). Amounts borrowed under the Revolving Credit Facility may be used for the general corporate and working capital purposes of the Group.

The Obligors and Guarantee Provisions

The Issuer was the original borrower and guarantor under the Senior Facilities Agreement. Midco, PLCL, Assetco, PML(4) and PML have all acceded to the Senior Facilities Agreement as guarantors (together with the Issuer, the "**SFA Guarantors**" and "**Obligors**").

Pursuant to the terms of the Senior Facilities Agreement, on each semi-annual testing date, the aggregate EBITDA, aggregate net assets, aggregate gross assets and aggregate turnover of the SFA Guarantors shall represent not less than 85% of the consolidated EBITDA, consolidated net assets, consolidated gross assets and consolidated turnover of the Group.

Interest, Fees and Amounts Payable

The interest rate for each Senior Facility is the aggregate of the applicable Margin, LIBOR and any mandatory cost. The Margin is as follows:

(a) from (and including) the Second Restatement Date to (and excluding) the date falling three years after the Second Restatement Date, 1.25% per annum;

(b) from (and including) the date falling three years after the Second Restatement Date to (and excluding) the date falling four years after the Second Restatement Date, 1.75% per annum; and

(c) thereafter, 2.00% per annum;

The Issuer also must pay a commitment fee of 40% of the applicable Margin on undrawn and uncancelled commitments, and arrangement, agency and security trustee fees in amounts agreed in separate fee letters.

Repayment

Loans under Facility C must be repaid in accordance with the repayment schedule set out below:

Facility C Repayment Date	**Repayment Instalment**
20 April 2012	£40,000,000
20 October 2012	£40,000,000
20 April 2013	£50,000,000
20 October 2013	£50,000,000
20 April 2014	£40,000,000
20 October 2014	£40,000,000
20 April 2015	£25,000,000
20 October 2015	£25,000,000

with any remaining loans under Facility C being required to be repaid in full on the earlier of (a) the date falling five years after the Second Restatement Date and (b) 30 June 2016 (the "**Final Maturity Date**").

Each loan under Facility D and the Revolving Credit Facility must be repaid on the last day of its interest period, with all loans under Facility D and the Revolving Credit Facility being required to be repaid in full on the Final Maturity Date.

Voluntary Prepayment

Any Facility may be voluntarily prepaid in whole or part (subject to minimum prepayment amounts) on five business days' notice.

Mandatory Prepayment – Exit

Upon the occurrence of a Change of Control (as defined below) or the sale of all or substantially all of the assets of the Group, the Senior Facilities will be cancelled and all outstanding amounts will become immediately due and payable.

A "**Change of Control**" will occur if one or more of the Refinancing Investors (Deutsche Bank AG, Lloyds TSB Bank plc, Antin Infrastructure Partners FCPR, OPSEU Pension Trust (OP Trust) and iCON Infrastructure Partners L.P.), or certain of their affiliates or related entities, taken together, cease to control, directly or indirectly, the Issuer. For the purposes of this definition "control of the Issuer" means the holding beneficially directly or indirectly of at least 50.1% of the issued ordinary voting share capital of the Issuer.

Mandatory Prepayment – Disposal, Insurance and Acquisition Proceeds

Certain "Acquisition Proceeds", "Disposal Proceeds" and "Insurance Proceeds" (as more specifically set out in the Senior Facilities Agreement) must be prepaid at the times and in the order set out in the Senior Facilities Agreement.

Mandatory Prepayment – Excess Cashflow

Facility C will be prepaid according to the following (at the times and in the order set out in the Senior Facilities Agreement):

(a) 50% of excess cashflow for the semi-annual period ending on or prior to 31 December 2014;

(b) 75% of excess cashflow for the semi-annual period ending on 30 June 2015; and

(c) 100% of excess cashflow for each semi-annual period ending after 30 June 2015.

Mandatory Prepayment – Replacement Debt

The Senior Facilities must be prepaid in an amount equal to the net proceeds of any Replacement Debt (as defined below) which has been onlent to the Issuer.

Distributions

Dividend Lock-Up

Under the Senior Facilities Agreement a "**Lock-Up Event**" is triggered on a semi-annual testing date if one or more of the following events occur:

(a) a default is outstanding; or

(b) there has been a drop in the Rating to below BBB-, or the equivalent ratings from a replacement ratings agency; or

(c) the lock-up tests specified below are not complied with (calculated on a rolling twelve month period):

  (i) historic and forward looking leverage test (ratio of senior consolidated net debt outstanding to consolidated EBITDA) must be at or less than:

Testing Period Ending	Ratio
30 June 2009	7.125:1
31 December 2009	7.00:1
30 June 2010	6.85:1
31 December 2010	6.70:1
30 June 2011	6.55:1
31 December 2011	6.40:1
30 June 2012	6.20:1
31 December 2012	6.00:1
30 June 2013	5.85:1
Each semi-annual testing date falling on or between 31 December 2013 and 31 December 2015	5.70:1

and /or

(ii) historic and forward looking interest cover test (ratio of consolidated EBITDA (minus tax) to the senior net interest payable) must be greater than or equal to 2.00:1.

If there is a Lock-Up Event on a semi-annual testing date, the Issuer must deposit certain specified amounts of excess cashflow arising during the preceding six month period to one or more blocked account(s). If no Lock-Up Event arises on a semi-annual testing date, the outstanding amounts in the blocked account(s) will be released to the Issuer if there has not been a Lock-Up Event for two consecutive semi-annual testing dates.

If a Lock-Up Event exists on two or more consecutive semi-annual testing dates, the Senior Facilities must be prepaid from the blocked account(s) in an amount equal to the amount deposited in the blocked account(s) during the semi-annual period ending on the first of the two most recent semi-annual testing dates less the amount withdrawn to pay interest and principal on the Senior Facilities and net hedging costs (including for the avoidance of doubt any permitted termination payments) relating to the applicable semi-annual period.

Balances on the blocked accounts may at any time be withdrawn to pay interest and principal on the Senior Facilities or net hedging costs if the Issuer confirms (acting in good faith and having regard to projected cash flows until the end of the first full semi-annual period following the date of the proposed withdrawal) to the Agent that it would not otherwise have sufficient cash available from other sources to make such payment.

Payments of Distributions

Members of the Group may not make dividend payments or other distributions unless:

(a) payment is made after delivery of the compliance certificate for the most recent semi-annual testing date and during a certain distribution window;

(b) no Lock-Up Event exists on the relevant semi-annual testing date; and

(c) the aggregate amount of distributions made during the relevant distribution window do not exceed: (i) the lock-up excess cashflow for the six month period ending on the relevant semi-annual testing date; and (ii) retained excess cashflow as at the relevant semi-annual testing date.

Additional Debt

The Group may raise additional senior and junior debt ("**Additional Debt**") pursuant to one or more separate facilities to finance or refinance capital expenditure for the purchase or refurbishment or modification of rolling stock

that will be based in the UK, subject to certain requirements. Such Additional Debt will rank *pari passu* with and share in security granted in favour of existing senior or, as the case may be, junior debt.

Replacement debt

The Group may raise additional senior and junior debt ("**Replacement Debt**") pursuant to one or more separate facilities to repay or prepay the Senior Facilities, Additional Debt or any other Replacement Debt (and interest, costs and expenses incurred in connection therewith), subject to certain requirements. Such Replacement Debt will rank *pari passu* with and share in security granted in favour of existing senior or, as the case may be, junior debt.

Representations and Warranties

The Senior Facilities Agreement contains representations and warranties common to facilities of this type (with certain carve-outs and materiality qualifications) and which are given by each Obligor (in respect of itself and other material companies).

Positive and Negative Covenants

The Senior Facilities Agreement contains undertakings in respect of the Obligors and certain of their subsidiaries which are common to facilities of this type (subject to certain carve-outs and qualifications) and include (without limitation) the following:

(a) information undertakings of the Issuer as to (i) provision and contents of compliance certificates, financial statements, budget, and certificates setting out material Group companies; (ii) giving presentations to the Senior Lenders; (iii) procuring that the financial year end of the Issuer occurs on 31 December; and (iv) notification of any default to the Agent;

(b) maintenance of authorisations;

(c) compliance with laws and environmental laws;

(d) paying taxes within the time period allowed without incurring penalties, and remaining resident in the UK for tax purposes;

(e) not entering into any mergers (subject to certain exceptions);

(f) procuring no substantial change is made to the general nature of the Group's business, and operating and maintaining assets in accordance with good industry practice;

(g) not making acquisitions (subject to certain exceptions);

(h) not investing in joint ventures (subject to certain exceptions);

(i) (in relation to the Issuer only), not trading, carrying on business or incurring liabilities, subject to certain exceptions;

(j) preservation of assets to a standard consistent with good industry practice;

(k) ensuring any unsecured and unsubordinated claims of the Senior Lenders and other finance parties (including hedging counterparties) in connection with the Senior Facilities Agreement and other finance documents rank at least *pari passu* with claims of other unsecured and unsubordinated creditors;

(l) (in relation to the Issuer only), promptly paying amounts due under the acquisition documents and taking reasonable steps to maintain and enforce its rights under the acquisition documents;

(m) a negative pledge preventing encumbrances being made or subsisting over Group assets (subject to certain exceptions);

(n) not making disposals (subject to certain exceptions);

(o) entering into transactions only on arm's length terms (subject to certain exceptions);

(p) not making loans or otherwise becoming a creditor in respect of any financial indebtedness (subject to certain exceptions);

(q) not incurring or allowing to remain outstanding any guarantees in respect of obligations of third parties (subject to certain exceptions);

(r) not making dividends and other distributions (subject to certain exceptions, and for more detail on which, see the section entitled "Distributions" above);

(s) not incurring any financial indebtedness (subject to certain exceptions);

(t) not incurring Additional Debt or Replacement Debt (subject to certain exceptions) (for more detail on which, see the sections headed "Additional Debt" and "Replacement Debt" above);

(u) not issuing shares or reorganising share capital (subject to certain exceptions);

(v) maintaining insurance with reputable insurers;

(w) ensuring pensions schemes are funded to the extent required by law and regulation, and notifying the Agent of any pensions investigations or notices in respect of pensions;

(x) not amending constitutional documents or varying the terms of the transaction documents (subject to certain exceptions);

(y) complying with financial assistance laws;

(z) not entering into any treasury or hedging transactions (subject to certain exceptions);

(aa) doing all such acts as required by the Security Trustee in relation to perfection of security and otherwise in relation to further assurance in respect of security over assets;

(bb) not changing its centre of main interests;

(cc) (in respect of the Issuer only) maintaining a Rating; and

(dd) (in respect of the Issuer only) having at least one independent director.

Financial Covenants

The Senior Facilities Agreement contains two financial covenants, each tested semi-annually, on a forward and backward looking basis as follows:

(a) *Leverage test*: ratio of senior consolidated net debt (as at the relevant semi-annual testing date) to consolidated EBITDA for each testing period ending on that semi-annual testing date to be less than or equal to:

(i) in respect of the testing period ending on 30 June 2009, 7.625:1;

(ii) in respect of any testing period ending after 30 June 2009 and on or prior to 31 December 2011, 7.50:1;

(iii) in respect of the testing period ending after 31 December 2011 and on or prior to 30 June 2012, 7.25:1; and

(iv) in respect of any testing period ending thereafter, 7.00:1; and

(b) *Interest cover test*: ratio of consolidated EBITDA (minus tax) to senior net interest payable for each testing period must be greater than or equal to 1.75:1.

The Senior Facilities Agreement permits a cure (an "**Equity Cure**") of a breach of the financial covenants up to two times during the term of the Senior Facilities by applying an amount of additional equity sufficient to prevent or cure the relevant breach towards a voluntary prepayment of the Term Facility.

An Equity Cure cannot be made in two consecutive periods and may only be exercised to cure a breach of financial covenants and not to cure or remedy any Lock-Up Event.

Events of Default

The Senior Facilities Agreement contains a number of events of default in respect of the Issuer and certain of its subsidiaries which are common to facilities of this type (subject to certain carve-outs, qualifications and cure periods) and include (without limitation) the following:

(a) non-payment;

(b) breach of financial covenants and other key obligations;

(c) breach of a material provision of the Intercreditor Deed (as defined below) (subject to a 15 business day cure period);

(d) breach of any other obligations under the Senior Facilities Agreement or the other finance documents (subject to a 15 business day cure period);

(e) misrepresentation (subject to a 15 business day cure period);

(f) cross-default (subject to a minimum threshold for financial indebtedness of £15,000,000);

(g) insolvency;

(h) insolvency proceedings;

(i) creditors' process (subject to a minimum threshold of £5,000,000 and a 30 day cure period);

(j) unlawfulness and invalidity;

(k) cessation of business of material Group companies (subject to certain exceptions);

(l) change of ownership of material Group companies (subject to certain exceptions);

(m) the auditors of the Group qualifying the audited annual consolidated financial statements in a way that is materially adverse to the interests of the Senior Lenders;

(n) expropriation of assets;

(o) litigation;

(p) repudiation and rescission of agreements; and

(q) material adverse change.

Junior Facility Agreement

The description of the Junior Facilities Agreement in the section of the Offering Circular entitled "Description of other Indebtedness and Intercreditor Arrangements" is deleted and replaced with the following:

At the same time as the original Senior Facilities Agreement was entered into, a junior facility agreement was entered into between The Porterbrook Partnership and Deutsche Bank AG, BNP Paribas and Lloyds TSB as mandated lead arrangers, certain lenders (the **Junior Lenders**), Lloyds TSB as agent and Crédit Agricole CIB (formerly Calyon) as Security Trustee dated 18 October 2008 and was amended and restated on 26 March 2010 (the **Junior Facility Agreement**).

The Junior Facility Agreement sets out the terms on which a term loan facility in an aggregate principal amount of £115,000,000 (the **Junior Facility**) was lent to The Porterbrook Partnership for the purpose of being on-lent by The Porterbrook Partnership to the Issuer to fund a part of the consideration payable by it in respect of its acquisition of the Target Group.

The Junior Facility Agreement contains similar provisions to those included in the original Senior Facilities Agreement dated 18 October 2008, other than in relation to certain commercial terms, such as interest rate and covenant levels.

The proceeds of the Junior Facility were on-lent to the Issuer in the form of an intercompany loan from The Porterbrook Partnership (the **Junior Proceeds Loan**). The Junior Proceeds Loan has since been exchanged for unsecured certificated bonds in registered form issued in the name of The Porterbrook Partnership in an aggregate amount equal to the amount of the Junior Proceeds Loan (the **Junior Proceeds Bonds**), which bonds have replaced the Issuer's obligations under the Junior Proceeds Loan. The Junior Proceeds Bonds have been listed on the Channel Islands Stock Exchange.

The Junior Proceeds Bonds are subject to the terms of the Intercreditor Deed, pursuant to which they are subordinated to the Senior Facilities and the Junior Facility. Under the terms of the Intercreditor Deed referred to below, payments may only be made in respect of the Junior Proceeds Bonds if and to the extent payment is made in accordance with the applicable provisions governing dividend payments and distributions under the Senior Facilities Agreement.

Refinancing Loan Facility Agreement

A refinancing loan facility agreement was entered into on 12 May 2011 between, inter alios, the Issuer (as the borrower and a guarantor) together with certain of its subsidiaries (as guarantors) and Metropolitan Life Insurance Company ("**MetLife**") and certain of its affiliates as the lenders thereunder (the "**Refinancing Loan Facility Agreement**").

The Refinancing Loan Facility Agreement sets out the terms of a term loan facility in an aggregate principal amount of £250,000,000. The facility has a term of 25 years with a weighted average life of 20 years, and amortises from 2022.

The net proceeds advanced under the Refinancing Loan Facility Agreement have been applied in prepayment of amounts outstanding under the Senior Facilities Agreement.

The Refinancing Facility Agreement contains commercial provisions based substantially upon those applicable to the Bonds, save for certain specifically negotiated key commercial terms. These include interest (set off a fixed margin rate over a fixed reference gilt, subject to a step-up/-down mechanic in line with that applicable to the Bonds) and a single financial covenant (set at a different level, but otherwise in line with the Bonds). The Refinancing Facility Agreement is otherwise based upon the Senior Facilities Agreement, and includes tax and other indemnities, including in respect of break costs, and related early prepayment break cost protection and make-whole provisions.

The Refinancing Loan Facility Agreement is subject to the terms of the Intercreditor Deed and constitutes Replacement Debt under the Senior Facilities Agreement. As such it benefits from guarantees from the same Group entity guarantors of, ranks pari passu with, and shares in security granted in favour of, existing senior debt (including under the Senior Facilities and the Bonds).

AssetCo Enforcement Mechanics

The description of the AssetCo Enforcement Mechanics in the section of the Offering Circular entitled "Description of other Indebtedness and Intercreditor Arrangements" is deleted and replaced with the following:

AssetCo Enforcement Mechanics

The Intercreditor Deed contains provisions allowing the finance parties the benefit of alternative enforcement strategies by using AssetCo and the elevation of the debts owed to it by the other Group companies under the existing headleases (the **AssetCo Debt**) between them to senior secured status on the election of the senior representative following an enforcement election. The raising of the AssetCo Debt to senior secured status would allow the finance parties, if they so decide, to effect a run-off of the value under the operating leases or transfer the Group's business without effecting a transfer of the shares in the Group operating companies. As AssetCo is not eligible to claim capital allowances in respect of its assets, Schedule 10 (see also under "Special Tax Considerations" below) should not be relevant to AssetCo under current law.

Description of the Business

The second paragraph in the section of the Offering Circular entitled "Description of the Business" is deleted and replaced with the following:

The Group's business benefits from long–term contracted leases, which means that its cash flows are stable and predictable. As of 31 December 2010, 92% of existing revenues were contracted until 2013, 67% were contracted until 2015 and 19% were contracted out until 2022.

Special Tax Considerations

The fourth to seventh paragraphs under the heading "Special Tax Considerations" in the section of the Offering Circular entitled "Description of the Business" are deleted and replaced with the following respectively:

The Finance Act 2010 introduced a ring-fence regime in relation to Schedule 10. Under this regime, a leasing company can elect that a potential "qualifying change of ownership" in relation to the electing company is not treated as such with the result that it does not give rise to a tax charge under Schedule 10 for the electing company. It is possible to make the election up to two years after the "qualifying change in ownership".

PLCL, PML and PML(4) have made these elections in respect of potential "qualifying changes of ownership" which occurred in December 2009 in relation to PLCL and PML(4) and in October 2010 in relation to PML.

The elections that PLCL, PML and PML(4) have made under the ring-fence regime have placed restrictions upon the electing company's ability to offset certain expenditure against taxable profits that arise to it from its leasing trade (including expenditure otherwise surrenderable to it by way of group relief).

Based on draft legislation that was published on the day of the March 2011 Budget and subsequently included in the Finance Bill 2011, the UK Government proposes the withdrawal of a company's ability to make ring-fence elections in respect of "qualifying changes of ownership" that occur on or after 23rd March 2011. Ring-fence elections which a company validly made in respect of potential "qualifying changes of ownership" that occurred before 23rd March 2011 (**Grandfathered Elections**) would remain in force, however, under these proposals. It also appears, based on the draft legislation, that Grandfathered Elections will continue to prevent "relevant changes in the relationship between [the electing company] and a principal company of [the electing company]" that do not cause "the (unadjusted) basic amount" to be brought into account under Schedule 10 from constituting "qualifying changes of ownership", even if they occur on or after 23rd March 2011 (section 398A(5) Corporation Tax Act 2010). By virtue of the ring-fence elections which PLCL, PML(4) and PML have previously made (see above), future sales of partnership interests may therefore fall outside the definition of "qualifying change of ownership", in which case they would not give rise to a Schedule 10 tax charge for those companies. No such protection would be available in respect of "qualifying changes of ownership" of PLCL, PML and PML(4) that do not fall within section 398A(5) Corporation Tax Act 2010. Such "qualifying changes of ownership" could arise as a result of the enforcement of security provided in respect of the Bonds depending upon the method of enforcement.

Overview of the UK Passenger Railway Industry

A new paragraph shall be inserted after the last paragraph of the section of the Offering Circular entitled "Overview of the UK Passenger Railway Industry" as follows:-

Sir Roy McNulty Value for Money Study

The industry has recently been subject to a "Rail Value for Money study" headed by Sir Roy McNulty. On 19 May 2011, the final report of the study was published ("Realising the Potential for GB Rail – Final Independent Report of the Rail Value for Money Study"). The report concluded that "Rolling stock is a major element of industry costs and.....considers that there are opportunities to reduce costs in this area". Recommendations set out in the report included (1) increased standardisation of rolling stock within the GB rail system; (2) more effective procurement of rolling stock; and (3) improving value for money from the leasing market. In respect of this latter recommendation, it has been recommended that the DfT explore the possibility of establishing strategic partnerships with the ROSCOs to ensure that re-lease rates are demonstrably value for money. The Issuer is committed to continuing to work with the DfT to provide transparency and assistance in seeking to achieve these aims.

The report also noted that "The opportunity to life-extend the existing fleets does not appear to be being maximised". The report concluded that.... "the improvement of asset management of current assets was primarily about enabling existing asset owners to make optimum whole-life cost decisions with sufficient confidence (this includes extending existing rolling stock to its optimum asset life, which is potentially significantly longer than existing plans)." The overall conclusion on how savings could be achieved in rolling stock procurement, asset management and re-leasing in the report was that the cost benefits of improved rolling stock management could come from (amongst other things) the life extension of fleets, where appropriate.

The table under the heading 'Train Operating Companies' in the section of the Offering Circular entitled "Overview of the UK Passenger Railway Industry" is deleted and replaced with the following:

Owning Group	TOC	Franchise	End date if extensions granted
National Express Group	London Eastern Railway	Greater Anglia	16 October 2011
	C2C	Thameside	26 May 2013
Virgin Group and	Virgin West Coast Trains	Inter-City West Coast	4 March 2012

Owning Group	TOC	Franchise	End date if extensions granted
Stagecoach Group			
Serco and NedRailways	Northern Rail	Northern	15 September 2013
First Group	First ScotRail	ScotRail	9 November 2014
	First Capital Connect	Thameslink/Great Northern	31 March 2015
	First Greater Western	Greater Western	31 March 2016*
	First Trans-Pennine Express	Trans-Pennine	1 February 2012**
Stagecoach Group	East Midlands Trains	East Midlands	31 March 2015
	Stagecoach South Western	South Western	4 February 2017
Govia	Southeastern	Integrated Kent	31 March 2014
	London & Birmingham	West Midlands	20 September 2015
	Southern	South Central	22 July 2017
Arriva	XC Trains	New Cross Country	31 March 2016
	Arriva Trains Wales	Wales & Borders	14 October 2018
Deutsche Bahn	Chiltern Railways	Chiltern	31 December 2021

* First Group announced to the Stock Exchange on 11 May 2011 that it does not intend to exercise its option to extend the First Greater Western Franchise for a further 3 years. The Franchise will therefore end in March 2013.

** FTPE have been asked to provide proposals for extension options which could result in the franchise being extended to 1 February 2015

Glossary of Terms

The term "Schedule 10" in the section of the Offering Circular entitled "Glossary of Terms" is deleted and replaced with the following:

Schedule 10 means the legislation formerly contained in Schedule 10 to the Finance Act 2006 and now contained in Chapters 3 to 6 of Part 9 of the Corporation Tax Act 2010 (with effect from 1 April 2010).