

31 January 2019

## LEGAL & GENERAL COMMITS A FURTHER £200M TO UK TRANSPORT INFRASTRUCTURE

LGIM Real Assets (Legal & General) announces that it has provided, on behalf of its clients including Legal & General Retirement Institutional (LGRI), £200 million in long-term debt financing to support the purchase of new rolling stock for the Wales & Borders franchise by Equitix and SMBC. This transaction marks Legal & General's fifth investment in the sector, increasing its exposure to transport and demonstrating a continued commitment to UK infrastructure, and complementing Legal & General's wider commitment to the £450 million regeneration of Cardiff Central Square.

Legal & General is helping to finance a new fleet of 60 trains for the Core Valley Lines (CVL) in and around Cardiff, representing a significant investment in new rolling stock for Wales. The CVL element comprises 36 light rail overhead electric and battery powered trains (metro fleet), and 24 diesel, battery and overhead electric (tri-mode) trains; both to be manufactured by Stadler, a privately-owned manufacturer based in Switzerland. The new CVL fleet is scheduled to enter operations in 2024 and benefits from a 25 year Usage Undertaking provided by Welsh ministers.

The new Wales & Borders rolling stock fleet will be a critical part of delivering increased capacity for a rail service in and around Cardiff, particularly the CVL Metro route which sees utilisation higher than the UK average. The new metro fleet will replace an ageing diesel fleet, resulting in lower emissions on these lines. Similarly, the tri-mode trains will replace existing old diesel rolling stock and will have the capability of being powered by electric overhead lines, battery or diesel engine, supporting a shift away from all-diesel powered operations.

**Tom Sumpster, Head of Infrastructure at LGIM Real Assets, said:** "We are pleased to be financing the purchase of new rolling stock for the Wales & Borders franchise, helping to provide cutting edge transport with lower carbon emissions in Wales and to be a part of growing transport links between England and Wales.

Despite the current political backdrop, this deal is testament to our commitment to UK infrastructure. These are unprecedented times, and only those who are forward thinking and able to flex to the changing political and economic backdrop will prosper."

**Eleanor Bucks, Managing Director, Direct Investments and Real Assets, Legal & General Retirement, said:** “We are very pleased to have helped finance new rolling stock in Wales, as part of our continued investment in UK railway provision. This investment also complements our previous activity in the regeneration of key parts of Cardiff, including the area around the train station.

We are committed to our investments in infrastructure in the UK, particularly where they play such an important part in people’s daily lives and can help bring people, businesses and communities together.”

- Ends -

**For further information, please contact:**

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**Notes to editors**

**LGIM Real Assets**

LGIM Real Assets is a division of Legal & General Investment Management (LGIM), one of Europe's largest institutional asset managers and a major global investor. LGIM manages £984.8bn in assets (as at 30 June 2018), providing products and solutions spanning all asset classes. LGIM Real Assets, headed up by Bill Hughes, has AUM of £28.1bn (as at 30 June 2018), actively investing and managing assets across commercial property, private residential, infrastructure and property lending and, most recently, corporate credit.

**Legal & General Group**

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with a number of growing businesses in the US. Over fifteen million people worldwide rely on us to help them save for the future and to protect their families and their homes.

We operate in three principal areas:

- Investing & Annuities, where we manage £56.4bn of retirement annuities for policyholders and invest for their long term return within Legal & General Retirement, as well as investing our own balance sheet within Legal & General Capital;
- Investment Management, where we have £984.8bn in total assets under management from clients in the UK, US, Asia and EMEA and a leading UK workplace savings and retail investments business within LGIM; and

- Insurance, where we provide protection against life events for customers, with £2.9bn of gross written premiums principally in life insurance in the UK and US within Legal & General insurance and household insurance in the UK within our General insurance division.