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LEGAL & GENERAL INVESTS £57M IN UK SOLAR PORTFOLIOS

Legal & General announces that it has provided £57.5 million of long-term debt financing to support Hermes Infrastructure in their recapitalisation of two solar photovoltaic (“solar PV”) portfolios in England and Wales. The two portfolios consist of fully operational solar PV systems installed on the roofs of more than 9,000 residential homes. The investment has been made by LGIM Real Assets on behalf of its clients including Legal & General Retirement Institutional.

Demonstrating Legal & General’s commitment to providing clean energy to the UK, the residential solar PV systems have a combined installed capacity of around 34.52MWp. The majority of the systems are placed on private residences, with c.10% of the portfolio located on social housing rooftops. The portfolio benefits from Feed-in-Tariffs providing a high level of cash flow visibility until maturity in 2033 and 2036. This transaction follows a number of significant investments over the past 24 months, with three in UK offshore wind including; Walney, Hornsea and Dudgeon, and a substantial solar PV debt transaction. The renewables sector continues to be a significant focus for Legal & General, and this investment further enhances its existing renewables portfolio.

Nigel Wilson, CEO of Legal & General, recently restated Legal & General’s commitment, stating; “Avoiding climate catastrophe is our greatest global priority. Across the Legal & General group, we have taken many actions in support of the environment: by controlling what we do directly, investing in renewables and new science to support de-carbonisation, and by using our investment scale and strength to encourage others to follow suit. It is part of our commitment to Inclusive Capitalism.”

Tom Sumpster, Head of Infrastructure Finance, LGIM Real Assets, comments; “This is another great investment for us in the renewables sector. Renewable energy now accounts for a third of global power capacity, with wind and solar totalling 84% of new renewable generation capacity in 2018. With the cost of power from wind and solar continuing to fall, consumer demand for clean power is increasing. Further investment in sustainable energy benefits society and provides secure investments to match our pension liabilities and payments.”

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For further information, please contact:**Harriet de Beaufort-Suchlick**

PR Manager, Legal & General Capital and LGIM Real Assets

Email: harrietdebeaufort.suchlick@lgim.com

Telephone: +44 203 124 4879

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 £1.1tn in assets (as at 30 June 2019), working with a range of global clients, including pension schemes, sovereign wealth funds, fund distributors and retail investors. LGIM Real Assets, headed up by Bill Hughes, has AUM of £33.4bn (as 30 June 2019), 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 international businesses in the US, Europe, Middle East and Asia. With over £1.1 trillion in total assets under management, we're the UK's largest investment manager for corporate pension schemes and a market leader in pensions de-risking, life insurance and workplace pensions. We have also invested over £19 billion in direct investments such as homes, urban regeneration, clean energy and small business finance.