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LEGAL & GENERAL'S INVESTMENT - THAMES TIDEWAY TUNNEL - COMPLETES MAJOR CONSTRUCTION MILESTONE

LGIM Real Assets (Legal & General), on behalf of its clients including Legal & General Retirement Institutional (LGRI), provided £225 million in long-term financing over the past three years to support the construction of the Thames Tideway Tunnel ("the tunnel") – London's new super sewer. The company building London's 25 km long tunnel has confirmed that it has completed 40 per cent of construction and is on track to deliver the project on time in 2024.

The Thames Tideway Tunnel is core strategic UK infrastructure, and will form an integral part of future proofing London's Victorian sewer system and will stretch from Acton in the West to Abbey Mills in the east and will have a diameter of c.7.2m and a depth ranging between 30 – 66 m underground. The Thames Tideway Tunnel will extend the existing sewer, stopping millions of tonnes of sewage from polluting the Thames. World class construction contractors are delivering infrastructure that – once built – will require limited operational and maintenance during the 120 year design life.

This construction update, as announced by Tideway, marks five years since the project was given the green light and completion of the first and most unpredictable phase of the project. The Tideway workforce, which stands at 2,000, have achieved complex engineering feats in the initial phase of the project including the completion of seven new pieces of land in the Thames, including at Chelsea, Blackfriars and Putney, and digging five giant shafts up to 50m below London's street level. Construction is taking place at 23 sites across the city and Tideway is using the river instead of roads as far as possible to build the project, cutting the impact on road congestion and air quality.

Recognising the importance of this project, Legal & General has provided three tranches of CPI and RPI-linked debt commitments, in 2016, 2017 and 2018 to facilitate the construction of the tunnel.

Tom Sumpster, Head of Infrastructure, LGIM Real Assets, said: "Legal & General's infrastructure business has seen considerable growth in the last 12 months, with the infrastructure debt team investing over £1.5 billion into all key social and economic infrastructure sectors across the UK, Europe, Australia and the USA.

“Annuity money is ideally suited for investments in infrastructure, as it can be invested for 20, 30 or 40 years – matching our extended liabilities and delivering on both real economic growth and social value for the UK.”

Eleanor Bucks, Managing Director, Direct Investments and Real Assets, Legal & General Retirement, said: “Our £225 million commitment to Tideway demonstrates the value in large scale long term funding to develop UK infrastructure. The long dated nature of the cashflows and the inflation linkages make these attractive investments to support pension payments - enabling us to link annuity investment with infrastructure development, improving the built environment around the UK and the lives of our customers.”

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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 £1tn in assets (as at 31 December 2018), providing products and solutions spanning all asset classes. LGIM Real Assets, headed up by Bill Hughes, has AUM of £31.4bn (as 31 December 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 international businesses in the US, Europe, Middle East and Asia. With over £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.