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LEGAL & GENERAL PROVIDES LONG-TERM FINANCING TO SUPPORT THE EXPANSION OF THE NORTHERN IRISH GAS NETWORK

LGIM Real Assets (“LGIM RA”) is pleased to announce that it has invested, on behalf of its client Legal & General Retirement Institutional (LGRI), c.£200 million in West Transmission Financing plc, a subsidiary of Mutual Energy, to support the development of a new gas transmission pipeline in Northern Ireland.

This much needed 80km extension to the existing gas network in Northern Ireland will mainly run below ground from Portadown to (near) Enniskillen. Once complete the new pipeline, which will be operated by Mutual Energy subsidiary West Transmission Ltd, will provide gas to c.40,000 residents and numerous businesses in eight towns that have historically relied on oil and coal .

This project will be providing much needed infrastructure to Northern Ireland and will reduce the reliance on carbon intensive fossil fuels. This project will give more homes and businesses access to a cleaner and more efficient fuel type at lower rates.

Tom Sumpster, Head of Infrastructure Finance LGIM Real Assets, comments; “We are delighted to be providing 100% of the debt financing to support Mutual Energy’s subsidiary West Transmission in a deal which helps to further diversify our clients’ investment portfolio, both in terms of asset class and geography, and evidences our ongoing commitment to financing assets that benefit local communities. Construction of these pipelines are already underway, with the expectation that they will be fully operational in 2019. As owners and operators of existing pipelines, as well as electricity and gas interconnectors between Northern Ireland and Scotland, Mutual Energy are well placed to deliver this much needed gas network expansion to the west of Northern Ireland.”

Hayley Rees, Head of Direct Investments, Legal & General Retirement Institutional, said; “We are pleased to be able to make this genuinely impactful investment, creating positive outcomes for people in Northern Ireland. Legal & General Retirement Institutional (LGRI) aims to make investments in real assets which are consistent with our social purpose and both boost the local economies and secure the payments to our pension holders.

We have accomplished much already in the field of infrastructure and are delighted that this investment adds to this activity. We continue working closely with LGIM Real Assets to increase these investment opportunities.”



Paddy Larkin, CEO of Mutual Energy, comments: “We are delighted that Legal & General are investing in this important infrastructure project – one that will provide a real benefit to society. Mutual Energy is a mutual company which manages strategic energy assets in the long term interests of Northern Ireland’s energy consumers. Having no shareholders, any financial surpluses are for the benefits of energy consumers. By securing this long term commitment to the natural gas industry in Northern Ireland, all the cost savings from this financing arrangement will therefore pass through to consumers for many years to come.”

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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 £983.3bn in assets on behalf of over 3,200 clients (as at 31 Dec 2017), providing products and solutions spanning all asset classes. LGIM Real Assets, headed up by Bill Hughes, has AUM of £27bn (as at 31 Dec 2017), 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 £58bn 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 £983bn 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.