

M&G INVESTMENTS ENERGISES UK SOLAR SECTOR WITH £250 MILLION INVESTMENT

- ***Largest long term institutional investment into the sector, powering over 30,000 homes***

London, 4 November 2015 – M&G Investments, the asset management arm of Prudential Plc, has completed a £247 million refinancing of 33 solar parks, providing enough energy to power over 30,000 homes in the UK.

The 22-year, inflation-linked senior financing has been agreed with Lightsource, Europe's leading solar energy company, and is secured against fully operational solar parks mainly in the South and East of England. This is part of a £284 million refinancing Lightsource has secured through its financial adviser RBS. The remainder of the debt is a mezzanine facility of £37 million provided by AMP Capital.

This latest deal brings M&G's debt investment into the sector to over £385 million in the past 12 months, providing power for the equivalent of almost 90,000 average-sized homes.

The investment has been made on behalf of Prudential and M&G's pension fund clients who require inflation-linked income over the long term.

John Mayhew, Head of Infrastructure Finance at M&G, says: "Consolidation within the solar sector is providing investable opportunities for institutional clients. We have structured the deal to deliver inflation-linked returns, with good security to ensure risks are appropriately rewarded.

"The injection of a quarter of a billion pounds of long term institutional financing will enable Lightsource to grow and develop further sites across the UK. The investment characteristics are attractive to our clients and we are keen to carry out more deals of this nature."

Paul McCartie, Structured Finance Director at Lightsource, says: "We are delighted to have closed this deal which represents a significant milestone for Lightsource. Refinancing deals such as this are an essential element in allowing companies within the solar industry to grow and develop. We have raised over £1.1bn of project financing this year which is an

amazing achievement. The industry has certainly come a long way in a very short amount of time and we believe there are still many opportunities for solar in the UK to grow even further.”

-ENDS-

Further detail

The LightSource deal is the largest institutional refinancing in the UK ground-mounted solar PV sector. The 33 separate photovoltaic plants are fully operational and have a total installed capacity of over 100MW – enough electricity to power some 30,600 homes. This provides a CO2 saving of approximately 43,430 tonnes per annum.

M&G's total debt investments in the sector total over £385 million, generating over 288 MW which would provide enough power for over 87,000 homes. The CO2 saving is approximately 123,859 tonnes per annum.

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Notes to Editors

About M&G

M&G is an international active asset manager, investing on behalf of individuals and institutions for over 80 years. At 30 June 2015 the firm manages over £256 billion of assets through a wide range of investment strategies across equities, fixed income, real estate and multi asset.

Headquartered in London, M&G employs over 1,900 people worldwide operating from offices across Europe and Asia.

M&G is the investment arm of Prudential Plc in the UK and Europe.

About Lightsource

Lightsource Renewable Energy Holdings Limited (Lightsource) is a company incorporated in England and Wales. Established in 2010, Lightsource is a key player in the ground-mount solar industry and has also developed a rapidly expanding commercial and domestic rooftop division.

Currently the leading solar photovoltaic (PV) energy generator in the UK and Europe, and one of the top ten largest solar PV energy generators globally, Lightsource has deployed more than £1.7 billion of solar assets and manages an operational portfolio of more than 1 Gigawatts (GW) – enough to power more than 330,000 households each year.

For investment professionals only

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