

Media Release

Allianz and Canada Pension Plan Investment Board to invest in Gas Natural Fenosa's gas distribution business in Spain

- Allianz Capital Partners and Canada Pension Plan Investment Board today signed an agreement with Gas Natural Fenosa to acquire a 20% minority equity interest in its gas distribution business in Spain
- Allianz Capital Partners, on behalf of Allianz, and Canada Pension Plan Investment Board will invest EUR 1,500 m
- Transaction expected to complete by January 2018

Munich, Germany and Toronto, Canada August 03, 2017

Allianz Capital Partners and Canada Pension Plan Investment Board ("CPPIB"), through its wholly owned subsidiary, CPP Investment Board Europe S.a.r.l., signed an agreement today with Gas Natural Fenosa ("GNF") to acquire a 20% minority equity interest in its gas distribution business in Spain ("GNDB").

Allianz Capital Partners, on behalf of the Allianz Group, and CPPIB will invest EUR 1,500 m for the 20% equity interest. The equity investments for Allianz Capital Partners and CPPIB are EUR 600 million and EUR 900 million, respectively. Allianz Capital Partners and CPPIB are long-term infrastructure investors with significant experience investing in regulated utilities, including the gas sector, and with a strong track-record of partnering with strategic investors in infrastructure businesses.

"GNDB represents an attractive opportunity for our customers and is fully aligned with our investment strategy of investing in core infrastructure assets. We are very pleased to be entering into a new partnership with GNF as a leading international energy group and look forward to further strengthening our relationship with GNF and CPPIB and to support the continued success of this high quality business," said Christian Fingerle, Chief Investment Officer at Allianz Capital Partners.

"GNDB is a core infrastructure asset that fits well with CPPIB's infrastructure portfolio, providing long-term stable cash flows for the CPP Fund. We look forward to establishing an enduring partnership with GNF and Allianz in this world-class business, and in adding to our investments in Spain," said Cressida Hogg, Managing Director, Global Head of Infrastructure, CPPIB.

GNDB is the largest gas distribution network in Spain with more than 5.3 million connection points and serving some 1,100 municipalities. It serves a geographically diversified residential and industrial customer base across Spain, providing its customers with access to a cost-efficient, reliable and environmentally friendly source of energy. Post transaction, GNF will continue to own an 80% equity shareholding in GNDB, which will remain a core part of GNF's portfolio.

Commenting on this agreement, Rafael Villaseca Marco, Chief Executive of GNF, said, "GNDB is a premium asset in the gas sector in Spain and essential part of our investment strategy. We welcome the opportunity to partner with these two well renowned long-term infrastructure investors and continue to invest in further expanding the gas network in Spain and maintaining high efficiency of operations and quality of customer service."

Completion of the transaction, which is subject to certain regulatory approvals, is expected by January 2018.

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About Allianz Capital Partners

Allianz Capital Partners is the Allianz Group's in-house investment manager for alternative equity investments. With offices in Munich, London, New York and Singapore Allianz Capital Partners manages approximately EUR 19 billion of alternative assets. The investment focus is on infrastructure, renewables as well as private equity funds. ACP's investment strategy is targeted to generate attractive, long-term and stable returns while diversifying the overall investment portfolio for the Allianz Group insurance companies. (allianzcapitalpartners.com)

About Allianz

The Allianz Group is one of the world's leading insurers and asset managers with more than 86 million retail and corporate customers. Allianz customers benefit from a broad range of personal and corporate insurance services, ranging from property, life and health insurance to assistance services to credit insurance and global business insurance. Allianz is one of the world's largest investors, managing over 650 billion euros on behalf of its insurance customers while our asset managers Allianz Global Investors and PIMCO manage an additional 1.3 trillion euros of third-party assets. Thanks to our systematic integration of ecological and social criteria in our business processes and investment decisions, we hold a leading position in the Dow Jones Sustainability Index. In 2016, over 140,000 employees in more than 70 countries achieved total revenue of 122 billion euros and an operating profit of 11 billion euros for the group. (allianz.com)

About CPPIB

Canada Pension Plan Investment Board (CPPIB) is a professional investment management organization that invests the funds not needed by the Canada Pension Plan (CPP) to pay current benefits on behalf of 20 million contributors and beneficiaries. In order to build a diversified portfolio of CPP assets, CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments. Headquartered in Toronto, with offices in Hong Kong, London, Luxembourg, Mumbai, New York City, São Paulo and Sydney, CPPIB is governed and managed independently of the Canada Pension Plan and at arm's length from governments. At March 31, 2017, the CPP Fund totalled \$316.7 billion.

About GNF

Gas Natural Fenosa is a multinational leader in the energy sector, a pioneer in the integration of gas and electricity. Present in more than 30 countries, the company offers services to almost 22 million customers in five continents, and manages a total installed capacity of 15.5 GW with a diversified mix of electricity generation technologies.

About GNDB

GNDB is the largest natural gas distribution company in Spain. The company manages a c. 53,000km distribution network that delivers natural gas to over 5.3 million connection points in approximately 1,100 municipalities in Spain. In addition to the gas distribution activities, which include regulated services such as inspections, gas meter rentals, and other services, the company also manages a 1,255 km gas transmission network and 2,249 km of LPG network and c. 244k LPG connection points.

These assessments are, as always, subject to the disclaimer provided below.

Cautionary note regarding forward-looking statements

The statements contained herein may include prospects, statements of future expectations and other forward-looking statements that are based on management's current views and assumptions and involve known and unknown risks and uncertainties. Actual results, performance or events may differ materially from those expressed or implied in such forward-looking statements.

Such deviations may arise due to, without limitation, (i) changes of the general economic conditions and competitive situation, particularly in the Allianz Group's core business and core markets, (ii) performance of financial markets (particularly market volatility, liquidity and credit events), (iii) frequency and severity of insured loss events, including from natural catastrophes, and the development of loss expenses, (iv) mortality and morbidity levels and trends, (v) persistency levels, (vi) particularly in the banking business, the extent of credit defaults, (vii) interest rate levels, (viii) currency exchange rates including the euro/US-dollar exchange rate, (ix) changes in laws and regulations, including tax regulations, (x) the impact of acquisitions, including related integration issues, and reorganization measures, and (xi) general competitive factors, in each case on a local, regional, national and/or global basis. Many of these factors may be more likely to occur, or more pronounced, as a result of terrorist activities and their consequences.

No duty to update

The company assumes no obligation to update any information or forward-looking statement contained herein, save for any information required to be disclosed by law.