

Allianz Capital Partners

Communications

# Press

## Allianz invests in Affinity Water in UK

Allianz, together with its consortium partners has reached an agreement to acquire 100% of the equity interest in Affinity Water.

Affinity Water is the United Kingdom's largest water only supply company by revenue and population served. It is licenced under the Water Industry Act 1991 and regulated by Ofwat. Affinity Water owns and manages the water assets and network in an area of approximately 4,500km<sup>2</sup>, split over three regions, comprising eight separate water resource zones, in the southeast of England. The company is the sole supplier of drinking water in these areas. Affinity Water supplies, on average, 900 million litres of water a day to over 3.6 million people, serving 1.5 million homes and businesses, together with operating 98 water treatment works.

The consortium is comprised of long-term infrastructure investors Allianz Capital Partners on behalf of the Allianz Group (36.6%), DIF (26.9%) and HICL, managed by InfraRed Capital Partners (36.6%). The consortium members have signed an agreement to acquire from Infracapital and Morgan Stanley Infrastructure a 100% equity interest in Affinity Water Acquisitions (Investments) Limited, indirect owner of 90% of Affinity Water for a consideration of £687m, together with rights to acquire Veolia Water UK Limited's 10% indirect stake in Affinity Water.

"The UK water sector offers a well-established and transparent regulatory framework that provides Allianz good visibility and a fair return on its investment", said Christian Fingerle, Chief Investment Officer, at Allianz Capital Partners. "The investment in Affinity Water is another important step in our ambition to grow our portfolio of high-quality core infrastructure assets and it reaffirms our comfort with the UK as a stable jurisdiction in which to invest capital. This investment will deliver inflation-linked, stable and predictable cash-flows which are ideal for matching long-term payment obligations to the customers in Allianz's core business of insurance."

The transaction is expected to be completed by the end of May.

Munich, May 2, 2017

**For further information please contact:**

Allianz Capital Partners      Stefanie Rupp-Menedetter      Tel. +49.89.3800-2743

## **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 18 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.

[www.allianzcapitalpartners.com](http://www.allianzcapitalpartners.com)

## **About Allianz**

Allianz represents one of the world's strongest financial communities, offering a broad range of insurance and asset management services. In 2016, Allianz employed around 140,000 staff in some 70 countries and achieved total revenues of 122.4 billion euros and an operating profit of 10.8 billion euros. Allianz Group managed an investment portfolio of around 653 billion euros. Additionally our asset managers Allianz GI and PIMCO managed 1.3 trillion euros of third party money. Allianz is active in a wide variety of sectors including real estate, infrastructure, renewable energy and equity and debt. Allianz's long-term value strategies maximize risk-adjusted returns.

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