

BUILDING WORK STARTS ON NEW SPECIALIST HOSPITAL IN BIRMINGHAM

London, 01 April 2019 - Construction work has begun on a new £100m specialist hospital facility in Birmingham, which will provide acute care to private patients in the region, as well as extra capacity and access to specialist facilities for NHS patients. The capital is provided by M&G Investments (M&G) with investment from HCA UK.

The 138-bed specialist hospital facility is being built on the Queen Elizabeth Hospital Birmingham campus, for a partnership between HCA Healthcare UK (HCA UK) and University Hospitals Birmingham NHS Trust Foundation Trust (UHB).

The hospital will include a radiotherapy unit, and state-of-the-art operating theatres. It will be equipped with the latest technology to provide some of the most complex surgical and medical procedures and treatments across cancer, cardiology, neurology, hepatobiliary, urology, orthopaedics and stem cell transplantation.

This will give patients access to a level of acute private healthcare not currently available to the 500,000 people in the region who have private health insurance or who want to self-pay for their care.

Claire Smith, CEO of HCA UK Joint Ventures said;

“We are extremely pleased to be moving into the build phase of this project, we know that many patients in the region have to travel for acute private care and we are looking forward to being able to provide these services locally.”

Building the Hospital

M&G has acquired a long leasehold interest in the site and will finance the construction of the hospital which is being developed by specialist healthcare property company Prime, with HCA UK entering into a long-term underlease with M&G upon building completion. The 14,728sqm facility is being built by VINCI Construction UK.

Shailendra Shah, Head of UK Long Income Investment, M&G Real Estate said:

“By financing this construction through long-term leases which track any rises in inflation, it has been possible to attract pension funds and others to the sector. This approach brings benefits to healthcare providers, patients and retirement savers through the sustainable long-term returns generated for pension funds.”

Will Bilbrough, Development Director at Prime said:

“Selecting M&G and VINCI, achieving financial close and seeing construction start is the culmination of 2.5 years of partnership working between HCA UK, UHB and Prime to develop proposals for this state-of-the-art hospital and we are looking forward to seeing our vision become a reality.”

Prime secured planning permission for the 8-storey building in April 2018 and financial close was achieved in February 2019, moving the project forward into the construction phase which is expected to be completed in 2022. The capital is provided by the M&G Secured Lease Income Fund, which generates long-term, contractually inflation-linked cashflows by investing in ‘income strips’ – a real estate transaction whereby the property interest reverts to the counterparty for a nominal sum following a long lease term. The Fund has provided capital to universities, local authorities and the corporate sector and has a portfolio including committed developments of £732m. This is the Fund’s first transaction in the healthcare sector.

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Notes to editors

About HCA UK

HCA Healthcare UK is the country's largest provider of privately funded care, with over 800,000 patient visits every year. From complex and urgent care, to primary care, outpatient and day-case treatment, HCA UK provide care across our network of facilities in London and Manchester. HCA Healthcare UK includes London Bridge Hospital, The Portland Hospital, The Harley Street Clinic, The



Lister Hospital, The Princess Grace Hospital, The Wellington Hospital, Primary care at HCA UK. HCA UK also work with leading NHS Trusts to provide care at Private Care at The Christie and HCA UK at University College Hospital and Private Care at Guy's.

For more information www.hcahealthcare.co.uk

About Prime Plc

Prime is a healthcare property company with a 20+ year track record of being at the forefront of its sector. The group brings together expertise in property investment, design, development and healthcare. This diversity affords the agility to swiftly adapt services and business models to help clients improve patient and staff experience and deliver more for their local health economy. It is expert in strategic planning, sourcing, design, development; funding, ownership and the management of health and social care properties. The group acts as a strategic and commercial property partner for NHS Trusts, local authorities, GPs and other providers who entrust Prime with all their property and estates services - from strategic planning through to project delivery.

For more information, please see www.primeplc.com

About M&G Secured Long Income Fund

M&G combines fixed income/credit and property expertise to analyse tenant quality (income component of the fund) and underlying value of the real estate (capital). The contracted portfolio comprises 73 properties with a total value of £732 million as at 28 February 2019. The Fund invests in traditional and alternative sectors with long term leases (weighted average maturity of 42 years) with 100% of the income rising in line with inflation.

About M&G Prudential and M&G Investments

M&G Investments is part of M&G Prudential, a savings and investment business which was formed in August 2017 by our parent company, Prudential plc and has £351 billion of assets under management. M&G Prudential has over 7 million customers in the UK, Europe and Asia, including individual savers and investors, life insurance policy holders and pension scheme members.

M&G Prudential is set to demerge from Prudential Plc to become an independent company listed on the London Stock Exchange.

For nearly nine decades M&G Investments has been helping its customers to prosper by putting investments to work, which in turn creates jobs, homes and vital infrastructure in the real economy. Its investment solutions span equities, fixed income, multi asset, cash, private debt, infrastructure and real estate. M&G recognises the importance of responsible investing and is a signatory to the United Nations

Principles for Responsible Investment (UNPRI) and is a member of the Climate Bonds Initiative Partners Programme.

Its £30 billion property arm, M&G Real Estate, is a leading financial solutions provider for global real estate investors, has a sector leading approach to responsible property management and is committed to continuously improving the sustainability performance of its funds.

For more information, please visit: <http://www.prudential.co.uk/businesses/mandg-prudential>

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