

M&G INVESTMENTS LENDS £20M TO SOUTH WEST BREWER HALL & WOODHOUSE

- ***Long-term financing deal agreed with family-owned brewer of Badger ales***
 - ***Finance provided by M&G fund backed by the UK Government and Prudential***

London, 12 January 2014 – M&G Investments has provided a £20 million ten year loan to Hall & Woodhouse, an independent regional brewer and owner of over 200 public houses, as part of its continuing programme to provide long-term financing to established and ambitious mid-sized UK companies.

The finance comes from the M&G UK Companies Financing Fund 2, a £500m fund that provides corporate loans to mid-sized UK companies, typically those with a turnover of £25m to £500m. The fund is backed by the UK Government through the Business Finance Partnership, Prudential plc and a number of UK pension funds.

James Pearce, Head of Direct Lending, M&G Investments, says: “We are lending to established and ambitious mid-sized UK businesses, such as Hall & Woodhouse, with stable financial track records, successful management teams and strong business plans.

“Mid-sized UK companies have been increasingly looking to diversify their financing and borrow over longer time periods. Funds such as UK Companies Financing 2, open up substantial opportunities for established companies looking at expansive long-term plans, due to the financial foresight and planning benefits long term finance provides them with.

“This long term financing to Hall & Woodhouse, a family owned company founded in 1777 with over 1,400 employees, helps them to align their debt to the long term nature of their business. We expect this to help support their plans to acquire and develop new public houses.”

M&G has long provided bank replacement finance to UK companies. Most recently, it made £930m of loans to UK mid-cap firms, via the first M&G UK Companies Financing Fund, and has made around £5bn of private corporate loans and private placements since 1997.

Martin Scott, Finance Director, Hall & Woodhouse, says: “The M&G Direct Lending team impressed us from the outset. They demonstrated a genuine passion for our business, flexibility in their approach and a willingness to invest heavily up front in getting to know everyone involved in taking us forward.”

Fenton Burgin, Partner in the Debt Advisory team at Deloitte who advised Hall & Woodhouse on this deal, says: “This innovative and market-leading transaction is one of the first non-bank, long-term financings in the regional brewing sector since the global financial crisis and reflects the strength of Hall & Woodhouse’s business. Securing long-term, committed capital from one of the UK’s leading and longest established asset managers provides the Company with considerable financial flexibility underpinning its continued success and the delivery of its long term objectives.”

-ENDS-

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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 September 2013 the firm manages over £242 billion of assets through a wide range of investment strategies across equities, bonds, property and multi asset.

Headquartered in London, M&G employs over 1,500 people worldwide operating from offices across Europe and Asia.

M&G’s history is a story of investment firsts, from the UK’s first mutual fund in 1931 to the Inflation Linked Corporate Bond Fund in 2010.

About M&G UK Companies Financing

Since the height of the financial crisis in 2008, far fewer long-term, commercial bank loans have been available, leaving creditworthy companies and, indeed, entire sectors in need of alternative sources of finance.

M&G UK Companies Financing 2 (UKCFF2) is a £500m fund that seeks to provide long-term financing to mid-sized UK businesses, defined broadly as companies with turnover between £25m and £500m.

The Fund targets companies who have traditionally only utilised bank lending, but who are now looking to diversify their lending sources. The Fund typically lends in the £10m to £50m range.

In 2009, M&G launched M&G UK Companies Financing Fund, the first fund of its type, set up to directly lend to UK companies. UKCCF2 is the second UK Companies Financing initiative, which has secured investment from HM Treasury via the Business Finance Partnership and M&G's parent company Prudential plc.

About Hall & Woodhouse Ltd

Hall & Woodhouse is an independent family company owned and run by the fifth generation of the Woodhouse family. Today, the company's pub estate has grown to over 200 and it brews the award winning Badger brand range, including Tanglefoot and Fursty Ferret.

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