Wednesday, 23 July 2014

LAUNCH OF FIRST FRENCH AND EUROPEAN PROJECT BOND FOR SUPERFAST BROADBAND

FIDEPPP (Fonds d'investissement des Caisses d'Epargne), which is managed by the asset management company MIROVA (a subsidiary of Natixis Asset Management), Caisse des Dépôts, Bouygues Energies & Services and Axione (subsidiaries of Bouygues Construction), all shareholders of Axione Infrastructures, have been working with the European Investment Bank and the European Commission and are launching the first project bond[1] in France and Europe involving digital infrastructure. This issue, which has been managed by Nataxis, provides a concrete, financial and industrial response to the challenge of broadband access in sparsely populated areas.

In support of France's superfast broadband plan (*France Très Haut Débit*), which is "the Government's biggest infrastructure programme[2]", Axione Infrastructures[3] is conducting the very first issue in France of "project bonds", an innovative form of finance launched by the European Commission and the European Investment Bank (EIB) in 2012, the aim of which is to speed up the mobilisation of private capital for European infrastructure projects, in particular the roll-out of fibre optics in sparsely populated areas ("public initiative areas").

This operation is also a first for Europe, as it is the first time that a project bond has been issued in Europe for digital infrastructure. It will provide Axione Infrastructures with EUR 189.1m in bond finance, enabling it to continue with and extend the roll-out of fast and superfast digital infrastructure in numerous departments in France.

Convinced that network sharing is the key to developing digital infrastructure and services in less densely populated areas, Caisse des Dépôts, Bouygues Energies & Services, Axione and FIDEPPP (Fonds d'Investissement et de Développement des Partenariats Public–Privé, which is fully subscribed by BPCE Group entities and is managed by the asset management company MIROVA, which in turn is a wholly-owned subsidiary of Natixis Asset Management), all shareholders of Axione Infrastructures, were involved from the summer of 2013 in discussions with the European Investment Bank that have led today to the establishment of a new-generation industrial and financial facility that provides a concrete response to the challenge of rolling out digital services in sparsely populated areas.

This is an innovative and competitive form of finance. The EIB's involvement made the bond solution possible thanks to a 20% senior debt enhancement, which made the placement really attractive to investors.

---

[1] The Europe 2020 project finance bond issuing (or "project bonds") initiative is a joint venture involving the European Commission and the EIB and is intended to help eligible infrastructure project promoters to mobilise additional private finance from institutional investors such as insurance companies and pension funds.

[2] Launched in the spring of 2013 the Plan France Très Haut Débit is intended to provide superfast broadband throughout France by 2022. To meet this objective, the Plan, which will involve an investment of EUR 20bn over ten years, focuses on rolling out shared fibre optic networks.

[3] A company owned 55% by FIDEPPP (Fonds d'Investissement et de Développement des Partenariats Public-Privé des Caisses d'Epargne, which is managed by Mirova), 30% by Caisse des Dépôts and 15% by Axione, a subsidiary of Bouygues Energies & Services.

This involvement is fully in line with the EIB's mobilisation of resources in favour of strategic financing operations in the fields of transport, energy and the digital economy. This is the third project bond financed by the EIB in Europe under the project bonds initiative.

Neelie Kroes, European Commissioner for the Digital Agenda, said at the signing ceremony: *"Investing in digital is investing in the future. Superfast broadband supports tremendous innovation – and can benefit from innovative financing too. All those thinking of investing – be inspired by what is happening in France, learn from it, and grab the digital opportunity!"*

"This project bond is a first for both France and Europe. It is the first project bond in France and the first in Europe for superfast broadband. Above all it is a gamble that will pay off: that innovative investment is a way forward and an opportunity for France and Europe", commented EIB Vice-President Philippe de Fontaine Vive. *"The EIB is mobilising its resources in an unprecedented manner to revive growth and employment via competitive financing operations. It is in this way that we will be effective, via concrete action across the regions, firmly focused on the future."*

Caisse des Dépôts Group's CEO Pierre-René Lemas added: *"Caisse des Dépôts, the authorities' long-standing partner in regional digital development, is delighted to be involved in this innovative financing operation in the telecoms sector, which will help to meet the objectives of France's superfast broadband plan. It will be able to usefully serve as a benchmark at a time when the public authorities are thinking of ways to enable long-term investors to support investment in fibre optic networks."*

Axione Infrastructures is a key player in digital development. Starting in 2008 it has established a digital infrastructure sharing industrial platform that is being used by all telecommunications operators, which can thus provide the best possible services for businesses and individuals by optimising their investments to serve the country's less densely populated regions.

"Axione Infrastructures is thus continuing to innovate and to strengthen its financing capacity to realise the aims of France's superfast broadband plan. Growth and employment in the regions and network sharing are at the heart of our development model", emphasised Axione Infrastructures Chairman, Pierre-Eric Saint André.

Caisses d'Epargne's Development Director Cédric Mignon, pointed out that *"this operation is fully in line with Caisses d'Epargne's desire to support the economic development of our regions. It will enable them to obtain efficient infrastructure that will encourage future employment."*

"This innovative method of financing that Mirova wanted to arrange for Axione Infrastructures is the result of close cooperation over the past year between the shareholders of Axione Infrastructures and the EIB's teams. It demonstrates the importance of the bond market for financing infrastructure investment. We have thus established a market benchmark both for financing the investment needed for France's superfast broadband plan and at the European level", said Gwenola Chambon, Manager of the Mirova Infrastructure Fund.

This operation is the culmination of ten years of commitment from the public authorities and telecoms operators to encourage innovation and boost growth and employment in rural regions.[4].

"The development of superfast broadband in France will help to give a strong impetus to investment in a sector in which we are the leading network build-out and operating company. We

4 CDC study on the regional impact of public initiative networks.

are also keen to be able to export this know-how to countries in which Bouygues Construction is already firmly established", said Yves Gabriel, Chairman and CEO of Bouygues Construction.

In carrying out this operation, Axione Infrastructures was advised by Natixis, which also acted as lead manager/sole bookrunner for the bond issue. CACIB and Santander Global Banking & Markets acted as co-arrangers.

About Bouygues Energies & Services, Axione and Bouygues Construction
For ten years Bouygues Energies & Services and Axione, which are subsidiaries of Bouygues Construction, have been involved in the digital development of the regions and have been supporting operators and regional authorities in the design, roll-out, maintenance and operation of their telecommunications infrastructure. With their strong local presence and industrial methods, they have already coordinated investment totalling nearly EUR 600m in digital infrastructure and thus successfully created 15 public initiative networks in France, covering 10% of the country's population in 14 departments. @axione_rip
As a global player in construction and services, Bouygues Construction designs, builds and operates buildings and structures which improve the quality of people's living and working environment: public and private buildings, transport infrastructures and energy and communications networks. A leader in sustainable construction, the Group and its 52,200 employees have a long-term commitment to helping their customers shape a better life. In 2013, Bouygues Construction generated sales of 11.1 billion euros.www.bouygues-construction.com
Press contact: Fabienne Bouloc – f.bouloc@bouygues-construction.com – 33 (0)1 30 60 28 05

About Caisse d'Epargne
Caisse d'Epargne brings together 17 regional banks, which are firmly established in the heart of their respective regions. They support the decision-makers who stimulate the regional economy (businesses, social economy entities, institutions, social housing and mixed economy bodies, the public sector and real estate professionals). A partner of the public sector for its day-to-day needs and the main private financier of public projects, Caisse d'Epargne supports all local public stakeholders with the same involvement. The Caisses d'Epargne are part of the BPCE Group.
www.caisse-epargne.fr
Press contact: Sabine Baudin - sabine.baudin@bpce.fr - +33 (0)1 58 40 47 62

About Mirova
An asset management company wholly owned by Natixis AM, Mirova has nearly 30 years of experience of responsible investment. It offers a conviction-driven investment approach that combines long-term value creation with sustainable development. The company offers a full range of services encompassing all segments of responsible investment (listed securities, rate products, infrastructure financing, social/environmental impact investing and voting and recruitment services.
www.mirova.com
Press contact: Fany de Villeneuve (agence SHAN) - fany.devilleneuve@shan.fr - +33 (0) 1 42 86 82 39

About Natixis
Natixis is the corporate finance, investment management and financial services bank of the BPCE Group. With nearly 15 000 staff (excluding equity interests), Natixis operates in three main areas: wholesale banking, savings and insurance and specialised financial services. It provides continuous support worldwide for its own client base of companies, financial institutions and institutional investors as well as the client base of the two BPCE Group retail banking networks, made up of individuals, professionals and SMEs.
http://cib.natixis.com/infrastructure/
Press contacts:
- Joanne Morrow - joanne.morrow@natixis.com - 01 58 55 05 12
- Fanny Galène - fanny.galene@am.natixis.com - 01 78 40 84 54

About Caisse des Dépôts
Caisse des Dépôts and its subsidiaries are a state-owned group and a long-term investor serving the public interest and promoting regional economic development. Its remit was reaffirmed by the law on the modernisation of the economy of 4 August 2008.
With acknowledged mandate management expertise, the Group focuses on four priority areas, promoting jobs, industrial growth and innovation: business development, the energy and environmental transition, housing, infrastructure and sustainable mobility.
http://www.caissedesdepots.fr @CaissedesDepots
Press contact: Alexis Nugues - alexis.nugues@caissedesdepots.fr - +33 (0)1 58 50 40 00

About the European Investment Bank
The European Investment Bank (EIB), whose shareholders are the Member States of the European Union (EU), is the EU's long-term financing institution. A key player in providing a stimulus for the recovery and growth through investment in France, the EIB makes long-term finance available to support high-quality projects that will help to realise the EU's major objectives.
www.eib.org
Press contact: Anne-Cécile Auguin - auguin@eib.org - +352 621 36 19 48