

PRESS RELEASE

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European Investment Bank confirms GBP 110 million backing for Viridor's Energy Recovery Facilities (ERFs)

During a site visit to Cardiff's Energy Recovery Facility owned by Viridor, a Pennon Group company, Jonathan Taylor Vice President of the European Investment Bank (EIB), Europe's long-term lending institution and the world's largest international public bank, confirmed that the EIB expected to provide GBP 110 million to support Viridor's ERF Programme in the coming weeks.

The Cardiff Energy Recovery Facility is the largest ERF in Wales, treating waste from local authorities and local businesses and diverts at least 95% of non-recyclable waste in South Wales away from landfill and generates 30MW of electricity for the national grid, enough to power around 50,000 households.

"Significant investment in energy recovery technology allows energy to be recovered from waste that cannot be recycled or reused and would previously have been sent to landfill sites. The new Cardiff Energy Recovery Facility shows how waste is being transformed into vital renewable energy for Wales and reflects the strong environmental commitment of the Welsh government and local authorities already working with the project. The European Investment Bank recognises the strong track record of Viridor, owned by Pennon Group, successfully implementing cutting edge plants across the country and we expect to finalise technical details for a GBP 110 million long-term EIB loan in the coming weeks. World class schemes such as the Cardiff Energy Recovery Facility will be highlighted at the International Green Growth Forum in Cardiff this week." said Jonathan Taylor, European Investment Bank Vice President.

"We are delighted that the European Investment Bank is planning to provide further funding for Viridor's Energy Recovery Facilities. Viridor now has eight Energy Recovery Facilities in operation across the UK and a further three facilities are progressing well and will be delivered by March 2019. Together these facilities will deliver 242MW of de-centralised energy, transforming waste into a valuable social resource. Cardiff is a world-class plant built on time, below budget and to a high quality. Pennon Group has a strong relationship with the EIB and we look forward to continuing to work closely together in future." said Susan Davy, Pennon Group Director of Finance.

The Cardiff Energy Recovery Facility will handle 350,000 tonnes of waste annually. This includes household waste delivered by the five Councils that make up the Prosiect Gwyrdd, Project Green, partnership: Cardiff, Newport, Monmouthshire, Vale of Glamorgan and Caerphilly that together represent 40% of the total municipal waste in Wales. As well as treating household waste on behalf of Prosiect Gwyrdd, the facility will also receive non-recyclable waste from local businesses and help to divert their waste away from landfill.

2015 represented a record year for the EIB's engagement across the United Kingdom during which we provided GBP 5.6 billion to support more than GBP 16 billion of overall investment.

The European Investment Bank has supported investment in social housing, transport, energy, water and education across Wales for more than forty years, including more than GBP 2 billion over the last decade.

Recent European Investment Bank engagement in Wales has included backing the new Swansea University Bay campus and cutting heating costs at Bangor University, financing for 10 housing associations across Wales, strengthening Vodafone mobile network in rural areas, improvements to the Welsh Water and Severn Trent network, key investment by Ford at Bridgend and Norgine at Hengoed, and financing for new high-speed Great Western Line trains expected to start operation in two year's time.

Over the last 5 years the European Investment Bank has provided nearly than EUR 1.2 billion for investment to improve treatment and disposal of waste in 13 countries across Europe. Support for

waste investment in the UK, including plants in North Yorkshire and Devon, has been more than any other country.

Background information:

The **European Investment Bank (EIB)** is the long-term lending institution of the European Union owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals.

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