



Press Release  
Rueil-Malmaison, March 15<sup>th</sup>, 2018

## **Covage announces a €183M bank loan to deploy FTTH in the Hérault *département***

**As part of the Hérault high-speed broadband public service delegation (DSP) contract, Covage announces one of France's largest project financings for FTTH deployment, involving a €183 million non-recourse senior loan.**

On 5 February, the *département* of Hérault awarded Covage the public service delegation (DSP) contract for the design, deployment, operation, marketing and financing of the Hérault Numérique FTTH network, with the objective of building 255,000 homes over five years. Thanks to this partnership, the fibre network infrastructure operator will contribute to giving access to high-speed broadband services across the Hérault *département*, around Montpellier, helping consumers, businesses and local authorities make the most of digital services. It will enable the local government to drive the ambitions of the France Très Haut Débit (France high-speed broadband) plan's timetable.

Hérault thereby renewed its trust in Covage, a partner of the *département* for ten years through the num'hér@ult fibre network for companies.

The non-recourse debt, including a €183 million term loan with a maturity of 21.5 years, enables Covage to diversify and optimise the financing of the €350 million investment project. The long-term loan, structured as a soft mini perm, was arranged and subscribed for 40% by Natixis and Caisse d'Épargne Languedoc Roussillon, 30% by Banque Postale and 30% by Société Générale Corporate & Investment Banking. Natixis also acted as Covage's financial advisor for the transaction.

The setup allows for a long period of availability of the funds (five years), consistent with the network's development and construction phase. At the end of this drawdown period, the loan will be amortized according to a profile and timeline defined to take into account the project's financial soundness and the duration of the public service delegation contract. Covage and its financial partners have thus designed a financing tool that is particularly well adapted to the characteristics and constraints of the Hérault high-speed broadband rollout project.

*"With more than 10 years of proven experience in operating public service delegation contracts, Covage has demonstrated its ability to muster complementary alternative sources of financing for its projects. This financing brings together leading players in the French infrastructure debt market as well as one of the leading local players – for the benefit of Hérault residents, visitors and businesses. We are particularly proud to see one of our DSP with one of the largest financing in this market"* comments Gabriele Mandurino, Covage's Chief Financial Officer.

*"Natixis is pleased to have supported Covage in this operation, both with advice and arrangement services, alongside Caisse d'Épargne Languedoc-Roussillon. Indeed, we believe that the deployment of FTTH is essential for France's development,"* said Emmanuel Gillet-Lagarde, Global Head of Infrastructure Financing at Natixis.

*“In 2016, Société Générale had the honour of arranging the financing of the Seine-et-Marne FTTH network for Covage. We are proud to take this new step alongside this major player in France’s superfast broadband plan, through which Société Générale is financing 3.5 million connections for the development of rural areas”* said Denis de Paillerets and Laurent Chabot, respectively Co-Manager for TMT Financing and Co-Manager for Infrastructure Financing in France at Société Générale CIB.

### **About Covage**

*Covage, a superfast infrastructure carrier, has specialised in deploying and operating fibre networks since 2006, in partnership with local authorities and service operators.*

*Covage currently operates 44 public and private initiative networks (PINs) serving residential customers, businesses and public services interconnected through its national transmission network. Covage’s scope comprises two million homes, including 500,000 currently in service. Over 200 electronic communications carriers across France and abroad leverage Covage’s networks to deliver services to their own customers.*

*Covage’s development is fuelled by two powerful shareholders: Cube Infrastructure Fund (focusing on infrastructure investments and specialising in services to local authorities) and Partners Group (a global private markets investment manager that invests on behalf of its customers).*

[www.covage.com](http://www.covage.com) – Twitter @Covage\_News

### **Covage Press Contact**

Coralie Mathon – [coralie.mathon@ha-ha.fr](mailto:coralie.mathon@ha-ha.fr) – +33 (0)6 16 16 81 46