

25 March 2014

Centrica to acquire Bord Gáis Energy's gas and power supply business

Centrica plc, together with Brookfield Renewable Energy Partners L.P. and iCON Infrastructure Partners II, L.P. has agreed to acquire Bord Gáis Energy (BGE), the vertically integrated Irish energy business from Bord Gáis Éireann, the state owned energy company, for €1.1 billion (£920 million). The transaction is expected to close in the first half of 2014.

Under the transaction, Centrica will acquire BGE's gas and electricity supply business in Ireland and the Whitegate gas-fired power station, which make up €210 million (£175 million) of the total enterprise value as at the effective date of 31 December 2013. This figure includes working capital, a contingent payment based on future performance of BGE and value accruing to Bord Gáis Éireann from 1 January 2014 until the transaction closes. iCON Infrastructure Partners II, L.P. will acquire BGE's firmus energy supply and regulated gas distribution assets in Northern Ireland and Brookfield Renewable Energy Partners L.P. will acquire BGE's renewable generation assets.

For Centrica the transaction provides an opportunity to acquire a vertically integrated energy supply business in an adjacent market. Building on the existing capabilities of the business, BGE provides a platform for growth in Ireland, allowing Centrica to bring innovative propositions from our US and UK downstream operations and the potential to increase BGE's offering in energy services. The business will be operated from BGE's offices in Dublin and Cork, forming part of Centrica's International Downstream activities and reporting to Centrica executive Eddy Collier, who has led the transaction.

The BGE supply business is the largest dual fuel supplier in Ireland, with approximately 650,000 residential gas and electricity accounts and 30,000 business accounts. The 445MW Whitegate gas-fired power station in County Cork, commissioned in December 2010, provides efficient, flexible generation capacity.

The acquisition is expected to be earnings accretive in the first full year of ownership.

Centrica Chief Executive, Sam Laidlaw, said: "This is a unique opportunity for Centrica to take a first step in a neighbouring market with strong links to the UK, building on Bord Gáis Energy's existing capabilities and delivering value for the Group. Centrica is committed to providing secure supplies of energy and delivering the best service at competitive prices. We continue to pioneer new technology, putting households and businesses in control of their energy use, to reduce their bills and their carbon emissions. We look forward to delivering these benefits to our new customers in the Republic of Ireland."

Centrica's Managing Director for Ireland, Eddy Collier, said: "As a leading supplier in competitive markets, Centrica is the natural home for BGE at this very moment when the Irish energy industry is on the eve of deregulating gas supply. We are delighted to acquire the strong Bord Gáis brand and welcome the exceptional BGE team to the wider Centrica family."

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Notes:

- Further information summarising the transaction is available at www.centrica.com.
- Bord Gáis Éireann will benefit from an estimated €60 million of cash value accruing from its ownership of BGE from 1 January 2014 until the transaction closes. The net consideration payable by Centrica will therefore be approximately €150 million (£125 million), including net working capital and a contingent payment of up to €21 million which is subject to certain performance conditions being achieved.
- The transaction is subject to regulatory approvals and other conditions, and is expected to close in the first half of 2014.
- Bord Gáis Energy's gas and power supply business is headquartered in Dublin, Ireland. As part of the transaction, Centrica will acquire the Bord Gáis brand name.
- As at March 2014, Bord Gáis Energy had 357,000 residential gas customer accounts (equivalent to a 56% market share) and 292,000 residential electricity customer accounts (equivalent to a 15% market share).
- Eddy Collier joined Centrica in 2002 and has undertaken a range of senior roles, most recently as President of Direct Energy Services and prior to this in roles in British Gas, where he was responsible for the Pay as You Go Energy and Central Heating Installations businesses.