



31 January 2018

3i Infrastructure plc – Performance update

3i Infrastructure plc (“3i Infrastructure” or “the Company”) is a long-term investor in infrastructure businesses and assets. This statement relates to the period from 1 October 2017 to 31 December 2017 (the “period”).

Highlights

- Two divestments announced during the period generating estimated gross proceeds of £1,120m:
 - Sale of the Company’s stake in Elenia for estimated gross proceeds of £725 million
 - Sale of the Company’s stake in Anglian Water Group for estimated gross proceeds of £395 million
- Three investments announced during the period:
 - £187 million to acquire a majority position in Wireless Infrastructure Group (“WIG”)
 - £21 million in ESVAGT to provide funding for growth in the offshore wind service business
 - £12 million in Infinis to fund organic growth
- Adjusting for the estimated proceeds from the two divestments, the pro-forma September Net Asset Value (“NAV”) of the Company is estimated to have increased 15% to 199.0 pence per share.
- The portfolio overall continues to perform broadly in line with expectations and is delivering strong income growth. Total portfolio income and non-income cash reached £43.4 million in the period.
- The Company expects to return surplus cash of between £400-450 million to shareholders following the receipt of proceeds from the sale of its holdings in Anglian Water Group and Elenia.
- The Company is on track to deliver its target dividend of 7.85p per share for FY2018. The full year dividend is expected to be fully covered.

Richard Laing, Chairman of 3i Infrastructure, said: “The Board is delighted with the performance of the Company over the period. The realisations achieved by the Investment Adviser have generated exceptional value for shareholders.”

Phil White, Managing Partner and Head of Infrastructure, 3i Investments plc, Investment Adviser to the Company, added: “The outcomes achieved on the two sale processes have delivered outstanding returns. The additional investment in WIG is further demonstration of the investment opportunity within the portfolio. We continue to develop our pipeline across the Company’s target markets and we see good prospects for future investments in the coming months.”

Portfolio activity

On 30 November 2017, and as previously announced, the Company provided further equity of £12 million to Infinis to fund organic growth, exploiting spare engine and grid connection capacity on its existing sites.

On 13 December 2017, the Company announced the sale of its stake in Elenia. The transaction will generate estimated gross proceeds of approximately £725 million for 3i Infrastructure. This compares to a valuation of £498 million at 30 September 2017. Completion of the transaction is subject to EU Merger Regulation approval and is expected before the end of March.

On 15 December 2017, the Company announced the sale of its stake in Anglian Water Group. The transaction will generate estimated gross proceeds of approximately £395 million for 3i Infrastructure. This compares to a valuation of £288 million at 30 September 2017. Completion of the transaction is subject to certain third party consents and is expected in February.

On 21 December 2017, the Company announced a €376 million refinancing of ESVAGT. In conjunction with the transaction, 3i Infrastructure invested £21 million of further equity, providing funding for future growth in ESVAGT’s offshore wind service business.

On 3 January 2018, the Company completed a £187 million further investment in WIG, increasing its ownership to 91% of WIG’s equity, with the balance held by management.

Portfolio returns

Following the realisations of the Company’s stakes in Anglian Water Group and Elenia, the pro-forma September NAV of the Company has increased to an estimated 199.0 pence per share. This is a 15% increase from the previously announced 30 September ex-dividend NAV of 173.1 pence per share. This pro-forma September NAV adjusts the announced September NAV for the estimated realisation proceeds as announced for both Anglian Water Group and Elenia, less a performance fee calculated on the full increase in NAV. For the avoidance of doubt, no other changes since 30 September have been taken into account in

this NAV estimate. A full valuation exercise will be carried out, as usual, as at 31 March 2018, including a review of the WIG valuation following the recent additional investment.

The portfolio overall continues to perform broadly in line with expectations. Within Oystercatcher, and consistent with our experience toward the end of the first half of the year, we continue to see some softening of demand for storage of certain product types, which is expected to reduce near term performance.

The portfolio continues to deliver strong income growth. Total portfolio income and non-income cash reached £43.4 million in the period, an increase of 75% from £24.8 million in the quarter to 31 December 2016.

The Company's exposure to projects serviced by Carillion plc is less than 1% of its investment portfolio value as at 30 September 2017. Contingency plans are in place to ensure continuity of service where needed and no provisions will be made against this exposure. The UK PFI portfolio as whole represented approximately 7% of the investment portfolio value as 30 September 2017.

Balance sheet

At 31 December 2017, the Company had £64 million of cash and had drawn £130 million on its RCF, in addition to £51 million for letters of credit. The remaining undrawn RCF facility totalled £319 million.

Following the investment in WIG, the RCF was £367 million drawn. The cash drawing will be repaid upon the receipt of proceeds from the sale of the Company's stake in Anglian Water Group.

The Company aims to manage its balance sheet efficiently and to avoid holding excess cash. Consistent with that approach, the Board and the Investment Adviser have reviewed the Company's future funding requirements in the context of a healthy pipeline of potential new investments. The Board expects to return to shareholders surplus cash of between £400-450 million, subject to the receipt of proceeds from the sale of its holdings in Anglian Water Group and Elenia, and expects to do so as soon as practicable.

Ends

For information please contact:

Richard Laing	Chairman, 3i Infrastructure plc	+44 1534 847 410
Thomas Fodor	Investor enquiries	+44 20 7975 3469
Kathryn van der Kroft	Media enquiries	+44 20 7975 3021

About 3i Infrastructure plc

3i Infrastructure plc is a Jersey-incorporated, closed-ended investment company, listed on the London Stock Exchange and regulated by the Jersey Financial Services Commission. The Company is a long-term investor in infrastructure businesses and assets. The Company's market focus is on economic infrastructure and greenfield projects in developed economies, principally in Europe, investing in operating businesses and projects which generate long-term yield and capital growth.

3i Investments plc, a wholly-owned subsidiary of 3i Group plc, is authorised and regulated in the UK by the Financial Conduct Authority and acts as Investment Adviser to 3i Infrastructure plc.

This press release is not for distribution (directly or indirectly) in or to the United States, Canada, Australia or Japan and is not an offer of securities for sale in or into the United States, Canada, Australia or Japan. Securities may not be offered or sold in the United States absent registration under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or an exemption from registration under the Securities Act. Any public offering to be made in the United States will be made by means of a prospectus that may be obtained from the issuer or selling security holder and will contain detailed information about 3i Group plc, 3i Infrastructure plc, 3i India Infrastructure Fund and management, as applicable, as well as financial statements. No public offering in the United States is currently contemplated.

This statement aims to give an indication of material events and transactions that have taken place in the period from 1 October 2017 to 31 December 2017 and their impact on the financial position of 3i Infrastructure plc. These indications reflect the Board's current view. They are subject to a number of risks and uncertainties and could change. Factors which could cause or contribute to such differences include, but are not limited to, general economic and market conditions and specific factors affecting the financial prospects or performance of individual investments within the portfolio of 3i Infrastructure plc.