



29 March 2018

3i Infrastructure plc – Pre-close update

3i Infrastructure plc (“3i Infrastructure” or “the Company”) announces its performance update as it enters the close period for the year ending 31 March 2018. The data in this statement relates to the period from 1 October 2017 to 28 March 2018 (the “period”).

Highlights

- Two divestments announced during the period generating proceeds of £1,120 million:
 - Sale of the Company’s stake in Elenia for proceeds of £725 million
 - Sale of the Company’s stake in Anglian Water Group (“AWG”) for proceeds of £395 million
- £425 million returned to shareholders in cash as a special dividend today, representing all of the value uplift this year on Elenia and AWG
- Four investments announced during the period:
 - £186 million further investment to acquire a majority position in Wireless Infrastructure Group (“WIG”)
 - £125 million to fund Infinis’s acquisition of Alkane Energy
 - £21 million in ESVAGT to provide funding for growth in the offshore wind service business
 - £12 million in Infinis to fund organic growth
- The portfolio overall continues to perform in line with expectations. The Investment Adviser remains focused on actively managing the portfolio to maximise value
- Total income and non-income cash was £64 million in the period, with an additional £12 million expected by 31 March 2018. The Company remains on track to deliver its full year dividend target of 7.85 pence per share, which will be fully covered
- The Company’s cash balance was £273 million at 28 March 2018, after funding the special dividend, and the undrawn balance of its Revolving Credit Facility (“RCF”) was £249 million

Richard Laing, Chairman of 3i Infrastructure, said: “The Company has had a very busy second half of the year. The Investment Adviser has delivered outstanding value to shareholders through two well-managed sale processes and engaged portfolio management. We remain on track to deliver a full year dividend of 7.85 pence per share, in addition to the special dividend of 41.4 pence per share.”

Phil White, Managing Partner and Head of Infrastructure, 3i Investments plc, Investment Adviser to the Company, added: “We are very pleased with the transactions announced in the last six months. We have made selective new investments in good businesses, through bilateral transactions and follow-on investments in existing portfolio companies.”

Portfolio and returns

The Company's portfolio overall continues to perform in line with expectations.

All of the 115 trains in the Cross London Train fleet have been manufactured, and over 100 of these have now completed the testing and acceptance process. The performance of the trains is ahead of plan and remains on a positive trajectory. We will consider the impact of this when setting the discount rate for our valuation of the investment at the end of the financial year.

Within Oystercatcher, and consistent with our experience towards the end of the first half of the year, we continue to see some softening of demand for storage of certain product types.

Portfolio income (dividends, interest receivable and any fees received from portfolio assets) totalled £43 million in the period and non-income cash of approximately £21 million was also received, both of which support the Company's dividend. Further portfolio income of approximately £10 million and non-income cash of £2 million is expected by 31 March 2018.

As usual, an important element of the determination of the Company's results for the year to 31 March 2018 will be the valuation exercise carried out on the investment portfolio as at that date. 3i Infrastructure expects to announce its results for the year to 31 March 2018 on 11 May 2018.

Balance sheet

The Company manages its balance sheet and liquidity position actively, seeking to maintain adequate liquidity to pursue new investment opportunities, while not diluting shareholder returns by holding surplus cash balances. At 28 March 2018, and adjusting for the payment of the £425 million special dividend today and having funded Infinis to acquire Alkane Energy, the Company had a cash balance of £273 million. We expect that the Company's cash balance will be below £200 million after payment of expenses and the final dividend for the financial year. Together with the undrawn balance of the RCF of £249 million, the Company has good liquidity available for future investment. The facility has a £200 million accordion feature which the Company could seek to exercise if required.

Ends

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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.

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This statement aims to give an indication of material events and transactions that have taken place in the period from 1 October 2017 to 28 March 2018 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.