



28 March 2013

## 3i Infrastructure plc – Pre-close update

3i Infrastructure plc (“3i Infrastructure” or “the Company”) announces its trading update ahead of the close period for the year ending 31 March 2013. The data in this statement relates to the period from 1 April 2012 to 27 March 2013.

Peter Sedgwick, Chairman of 3i Infrastructure, said: "The European portfolio is performing robustly, as demonstrated by the good level of income generated during the period. However, persisting macroeconomic and sector specific headwinds have continued to affect the performance of the 3i India Infrastructure Fund in the second half."

Cressida Hogg, Managing Partner for Infrastructure, 3i Investments plc, added: "The sale of Alpha Schools at a premium to its September valuation crystallises the value created in this asset through the construction phase into successful operation. We are progressing our pipeline of investment opportunities, including Thameslink, and expect to reinvest the proceeds from the Alpha Schools sale in the European infrastructure market."

### **Realisation activity**

On 22 March 2013, 3i Infrastructure sold its 50% holding in Alpha Schools (Highland) Holdings Limited (“Alpha Schools”) to a wholly-owned subsidiary of HICL Infrastructure Company Limited (which already owned the balance of the investment). The sale of the investment in Alpha Schools, which was held through a subsidiary undertaking, generated gross proceeds of £21.2 million, representing a premium to the Company’s most recent valuation for the investment of £19.4 million (at 30 September 2012). Alpha Schools, a concession company under a PFI contract to build, operate and maintain 11 new schools in Scotland, was part of the initial portfolio seeded into the Company at its IPO in 2007. 3i Infrastructure has owned Alpha Schools through its construction phase and is realising value now that the asset is performing well in its operational phase.

As previously reported, the Company received proceeds of £6.6 million from Eversholt Rail Group and of £0.2 million from Elgin following the partial repayment of their shareholder loans, bringing total divestment proceeds received in the period to £28.0 million.

## **Investment activity**

3i Infrastructure invested a total of £16.8 million in the period.

The Company committed £15 million to the Dalmore Capital Fund ("Dalmore") in October 2012, of which £11.9 million was drawn in two tranches, in October 2012 and in January 2013. These transactions are described in the Company's latest Interim Management Statement and in the Half Yearly results statement.

In addition, in July 2012 the Company invested £4.9 million in a portfolio of road BOT companies of Supreme Infrastructure India Limited through the 3i India Infrastructure Fund. This transaction is described in the Half Yearly results statement.

During the period, the Investment Adviser continued to make progress in the execution of the Thameslink transaction with the XLT consortium partners. The Board expects this transaction to achieve a financial close in the spring.

## **Portfolio and returns**

The Company's European portfolio continues to perform well operationally and financially. The portfolio generated income of £72.0 million in the period, against £73.1 million in the year to 31 March 2012.

On 26 March 2013, the Company entered into binding agreements for the refinancing of the acquisition debt facility in Oystercatcher, the holding company through which 3i Infrastructure holds a 45% stake in three subsidiaries of Oiltanking GmbH.

As usual, an important element of the determination of the Company's results for the year to 31 March 2013 will be the valuation exercise carried out on the investment portfolio as at that date. The valuation of the Company's holding in the 3i India Infrastructure Fund will be influenced by a number of market factors, including movements in the share price of Adani Power Limited and foreign exchange fluctuations. In the second half of the financial year, a number of specific macroeconomic and market factors, including fuel supply issues, continued to affect the performance of the investments in the 3i India Infrastructure Fund. Adani Power's share price has decreased by 26% so far in the second half of the financial year which, including exchange movements, represents a further £4.8 million reduction in value compared to the position at 30 September 2012. The Indian rupee exchange rate has been volatile, but following its recent appreciation, strengthened by 4% against sterling in the second half of the financial year.

3i Infrastructure expects to announce its annual results in May 2013.

## Balance sheet

At 27 March 2013 the Company had cash balances of £179 million, up from £138 million reported in the latest Interim Management Statement, reflecting the sale of Alpha Schools, income received and costs paid.

Ends

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3i Infrastructure plc is a Jersey-incorporated, closed-ended investment company that invests in infrastructure businesses and assets and is regulated by the Jersey Financial Services Commission. The Company is building a diversified portfolio of infrastructure investments across the globe, with a focus on Europe and India. As of 30 September 2012, 3i Infrastructure had a portfolio of 15 assets valued at £886 million, and net assets of £1,071 million. The Company listed on the London Stock Exchange in March 2007, raising £703 million in an initial public offering and a further £115 million in a subsequent placing and open offer in July 2008, and is a constituent of the FTSE 250 index.

3i Investments plc, a wholly-owned subsidiary of 3i Group plc, is authorised and regulated in the UK by the Financial Services 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 during the period from 1 April 2012 to 27 March 2013 and their impact on the financial position of 3i Infrastructure plc. This indication reflects the Board's current view. It is 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.**