



## Results for the year to 31 March 2015

3i Infrastructure plc (“3i Infrastructure” or “the Company”) announces today its results for the year ending 31 March 2015.

### Performance highlights

	FY2015	FY2014
<b>Total return materially above annual target</b>		
Total return of £267 million for the year, or 24.6% on opening Net Asset Value (“NAV”), materially above the target of 10%. Strong performance driven by the value uplift from the realisation of our interest in Eversholt Rail and valuation gains across our European Core investments	<b>24.6%</b>	<b>6.6%</b>
	Total return on opening NAV <sup>1</sup>	Total return on opening NAV <sup>1</sup>
Strong growth in NAV per share to 149.9 pence at 31 March 2015	<b>149.9p</b>	<b>126.4p</b>
	NAV per share	NAV per share
<b>Proposed dividend ahead of target level</b>		
Total proposed dividend of 7.0 pence per share (£61.7 million in aggregate), or 5.7% on opening NAV, ahead of the objective for FY2015 of 5.5% (6.77 pence per share)	<b>7.0p</b>	<b>6.7p</b>
	Total proposed dividend per share	Total dividend per share
<b>Good level of new investment</b>		
£114.2 million committed to the investment in two further oil storage terminals with Oiltanking in Belgium and the Netherlands and to five new primary PPP investments in France, the Netherlands and the UK	<b>£114.2m</b>	<b>£80.3m</b>
	Investment commitments	Investment commitments
<b>Robust portfolio income</b>		
Portfolio income of £79.5 million, in line with prior year	<b>£79.5m</b>	<b>£82.3m</b>
	Portfolio income <sup>2</sup>	Portfolio income <sup>2</sup>

1 Opening NAV is net of the final dividend for the prior year.

2 Portfolio income comprises aggregate dividends, interest income and fees received during the year from portfolio assets and is consistent with the measure used in previous years.

### Positioning the Company for the future

The sustained growth in demand for long duration assets in a low interest rate environment, combined with the availability of debt finance for infrastructure investment on attractive terms, continues to drive the price of some infrastructure assets materially higher and therefore projected returns lower. This has been the case particularly for large Core infrastructure assets. While this has had a positive impact on the value of the Company’s portfolio, it has also made it more challenging for the Company to secure new investments at returns consistent with its existing targets.

Throughout the year, we have maintained a disciplined approach towards making new investments and focused selectively on those investments that are value-enhancing to the Company and its shareholders. As competition for large Core infrastructure assets has increased, we have sought more attractive risk-adjusted returns in other areas of the infrastructure market, such as mid market Core infrastructure and primary PPP and low-risk energy projects. This includes investing in the Oiltanking companies as well as in five new Primary PPP projects during the course of the year.

The Board is announcing a number of important steps to position the Company to operate in this changing market environment and for the future. Following a review of the Company's return objectives, the Board is announcing an updated total return target and a new, progressive dividend policy, to reflect the compression in market returns and the evolution of the composition of the Company's portfolio. It is also announcing measures to ensure that the Company maintains a good level of liquidity to invest and grow in these markets, while minimising the dilution in returns to shareholders from holding excessive cash balances.

These important steps are summarised below:

#### **Updated total return target**

- Updated the total return target from a 10% annual target to a sustainable target of 8% to 10%, to be achieved over the medium term
- This updated target is consistent with the returns currently available from Core infrastructure and primary projects, as well as with the returns embedded in the Company's current portfolio, taking into account the sale of Eversholt Rail and new investment activity

#### **New progressive dividend policy**

- Introduced a new and progressive dividend policy which sets an absolute dividend per share
- In the future, the Company will pay a progressive annual dividend per share, beginning with a target dividend of 7.25 pence per share for FY2016

#### **Actively managing liquidity and maintaining an efficient balance sheet for new investment**

- Minimised return dilution to shareholders, while maintaining a good level of liquidity for future investment
- Negotiated a new revolving credit facility, increasing the facility from £200 million to £300 million, with lower pricing and an extended term
- Proposed a change to the Company's single-asset concentration limit, increasing it from 20% to 25% of Gross Assets, to provide additional flexibility for new investment, subject to shareholder approval
- The combination of an exceptional return from the sale of Eversholt Rail and the increased RCF facilitates a return of capital to shareholders of £150 million, expected to be made in July 2015 through a special dividend of 17.0 pence per share. This will be combined with a share consolidation, subject to shareholder approval at an EGM

The Company has delivered strong performance since its IPO in 2007. This year's strong total return of 24.6% on opening NAV contributes to an annualised total return (based on NAV growth and dividends paid) of 10.6% since the IPO in 2007. The Board believes that the initiatives outlined above will position the Company to continue to deliver attractive returns to shareholders in the future.

**Peter Sedgwick, Chairman of 3i Infrastructure plc**, said: "I am pleased to report a strong total return of 24.6% on opening NAV for the year, which is materially above our annual target, and the highest since our IPO in 2007. The Board is announcing a revised total return target, providing increased flexibility for future investment, as well as a new dividend policy designed to maintain dividend progression each year for our shareholders. We have also increased the size of the Company's revolving credit facility on attractive terms. In combination with the exceptional return generated from the sale of our interest in Eversholt Rail, this facilitates a return of capital to shareholders, while maintaining a good level of liquidity for new investment."

**Ben Loomes and Phil White, Managing Partners and Co-heads, Infrastructure, 3i Investments plc**, said: "It was a busy year across the business. We announced the sale of the Company's holding in Eversholt Rail, which underpinned a very strong return for the year. We were also active on the investment front with investments in the Oiltanking companies, as well as in a number of primary PPP projects. Given market conditions, we continue to take a disciplined approach towards making new investments and are focusing selectively on those investments that are value-enhancing to the Company and its shareholders. The European portfolio continues to perform well and we continue to manage actively our investments to drive further value for shareholders."

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**For further information regarding the announcement of results for 3i Infrastructure plc please see [www.3i-infrastructure.com](http://www.3i-infrastructure.com). The analyst presentation will be made available on this website during the day.**

**Notes to editors**

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 core economic infrastructure in developed economies, principally in Europe, in the utilities and transportation sectors, investing in operational businesses which generate long-term yield and can provide capital growth. It also has investments in social infrastructure and is building its exposure to Primary PPP and low risk energy projects.

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 report for 3i Infrastructure plc ("3i Infrastructure" or "the Company") for the year to 31 March 2015 has been drawn up in reliance upon applicable English and Jersey law and the liabilities of the Company in connection with that report shall be subject to the limitations and restrictions provided by such law. This report may contain certain statements about the future outlook for 3i Infrastructure. Although the Directors believe their expectations are based on reasonable assumptions, any statements about the future outlook may be influenced by factors that could cause actual outcomes and results to be materially different.**