



25 January 2012

## 3i Infrastructure plc – Interim Management Statement

3i Infrastructure plc (“3i Infrastructure” or “the Company”) is an investment company focusing on infrastructure investment opportunities globally. This Interim Management Statement is issued in accordance with FSA Disclosure and Transparency Rule 4.3. This statement relates to the period from 1 October 2011 to 24 January 2012.

### Summary

- £194.8 million (€235.6 million) invested in the acquisition of an electricity distribution and a district heating business in Finland from Vattenfall AB
- Realisation proceeds of £35.9 million from the sale of the Télédiffusion de France junior debt holding and from the repayment of the balance of the I<sup>2</sup> vendor loan notes
- Portfolio assets continue to perform well, generating income of £14.0 million in the third quarter
- Current cash balances of £136.2 million

Peter Sedgwick, Chairman of 3i Infrastructure, said: “The acquisition of Vattenfall’s electricity distribution and district heating businesses in Finland enhances the current portfolio in terms of sector and geographic exposure. The portfolio continues to perform well, and to generate good levels of income.”

Cressida Hogg, Managing Partner for Infrastructure, 3i Investments plc, added: “The Company’s recent Finnish acquisition is a significant development for the Company, as a strong “core” infrastructure asset, providing exposure to relatively low risk revenue streams with inflation linkage, as well as presenting opportunities for future growth. We are currently focusing on bringing the Thameslink transaction to a financial close, and are developing the investment pipeline for the coming months.”

### 1. Investment activity

#### Investment

On 16 December 2011, 3i Infrastructure, in consortium with 3i Group plc, GS Infrastructure Partners and Ilmarinen Mutual Pension Insurance Company (the LNI consortium), agreed to acquire 100% of the equity in LNI Verkkö Holding Oy (formerly Vattenfall Oy) and LNI Lämpö Holding Oy (formerly Vattenfall Lämpö Holding Oy) from Vattenfall AB, in a transaction valuing these businesses at approximately €1.54 billion. As announced on 16 December, 3i Infrastructure contributed €235.6 million (£194.8 million) in equity to the transaction, which achieved financial close on 10 January 2012.

LNI Verkko Holding Oy owns the second largest electricity distribution network in Finland. Headquartered in Tampere, it serves around 400,000 customers in South West Finland, and has a 12% market share. LNI Lämpö Holding Oy owns a broad-based district heating and gas business in Finland.

The acquisition enhances the current portfolio in terms of geographic and sector exposure. As “core” infrastructure investments, the businesses provide exposure to relatively low risk revenue streams and good inflation linkage. Moreover, the electricity distribution business, which operates under a stable regulatory regime, has a strong track record of delivering network development and technical innovation, and as such is well positioned to grow in a fragmented market.

### **Divestment**

As reported in the Company’s half-yearly results, in November 2011 3i Infrastructure sold the entirety of its holding in Télédiffusion de France junior debt for an amount equivalent to the carrying value at the end of September, generating proceeds of £30.0 million. Please refer to the half-yearly results statement for further details on this transaction.

Additional realisation proceeds of £5.8 million were generated from the repayment, in November, of the remaining balance of the I<sup>2</sup> vendor loan notes from Barclays Integrated Infrastructure Fund LP (which purchased I<sup>2</sup> from the Company in 2009).

## **2. Portfolio and returns**

The Company’s portfolio is performing well, and continues to deliver a good yield. Dividends and interest receivable from portfolio assets in the third quarter to 31 December 2011 totalled £14.0 million.

As usual, an important element of the determination of the results for the year to 31 March 2012 will be the valuation exercise carried out on the investment portfolio as at that date. 3i Infrastructure will issue a pre-close update in late March 2012 and is expected to issue its results for the year to 31 March 2012, including the net asset value as at that date, in May 2012.

The results will also be influenced by a number of market factors, including movements in the share price of Adani Power Limited (now the only quoted element of the portfolio) and foreign exchange fluctuations, most notably Indian rupee fluctuations, to which the Company is exposed through its holding in the 3i India Infrastructure Fund.

### 3. Balance sheet

At 24 January 2012, the Company had cash balances of £136.2 million. The cash balance at 30 September 2011 was £310.1 million. The change in the balance reflects: (i) net investment of £158.9 million in the period; (ii) the payment of the £25.6 million interim dividend on 11 January 2012; (iii) the receipt of £2.9 million in relation to the conversion of 2.9 million warrants since 1 October 2011; and (iv) income receipts from the portfolio, net of costs.

As at 24 January 2012, out of the 70.8 million warrants issued at IPO, 19.7 million were still outstanding. Each warrant entitles the holder to subscribe for one ordinary share at £1.00 at any time up to 13 March 2012, when they are due to expire.

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 2011, the date of the most recent valuation of the portfolio and prior to the transactions referred to in this statement, 3i Infrastructure had a portfolio of 15 assets valued at £716 million, and net assets of £1,030 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 October 2011 to 24 January 2012 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.**