



3i Infrastructure plc sells investment in Eversholt Rail

20 January 2015



3i Infrastructure plc (“3i Infrastructure”) announces it has agreed to sell its entire stake in Eversholt Rail Group (“Eversholt Rail”), one of the three leading rail rolling stock companies in the UK, to CK Investments S.A R.L., a company jointly owned by Cheung Kong Infrastructure Holdings Limited and Cheung Kong (Holdings) Limited, (together, “CKI”).

The sale of the investment will generate estimated proceeds of approximately £358 million (subject to completion adjustments and excluding certain transaction costs) for 3i Infrastructure. In addition to these proceeds, which include £5.9 million of interest receivable, 3i Infrastructure received a distribution of £15.5 million from Eversholt Rail in December 2014. The valuations of Eversholt Rail were £240.8 million at 30 September 2014 and £160.3 million at 31 March 2014.

3i Infrastructure acquired its interest in Eversholt Rail in December 2010 as part of a consortium with Morgan Stanley Infrastructure Partners and STAR Capital Partners with its co-investor PGGM. All of the investors in Eversholt Rail have elected to sell their entire interest in Eversholt Rail to CKI. The enterprise value of the transaction is approximately £2.5 billion. Completion of the transaction remains conditional upon receiving clearance from the European Commission under the EU Merger Regulation and it is anticipated that the transaction will close in March 2015.

Eversholt Rail owns approximately 28% of the current UK passenger train fleet. Its 19 fleets, predominantly weighted towards electric trains, are leased to 11 Train Operating Companies. Eversholt Rail also owns a fleet of freight locomotives.

Over the past four years, the consortium has worked closely with the management team to establish Eversholt Rail as a successful independent company. The consortium has supported the business in its re-franchising programme and in assessing a range of capital investment opportunities, both to add further trains to the overall fleet and to invest in upgrading existing assets to provide better passenger experience and improved reliability, at good value for money for customers.

In addition, the consortium optimised the company’s capital structure through the issuance of three long-dated public bonds totalling £1.1 billion in December 2010 and March 2011, a private placement of £150 million in December 2012 and two further bank refinancings in November 2013 and November 2014, on attractive terms.

Peter Sedgwick, Chairman, 3i Infrastructure plc, commented:

“While 3i Infrastructure generally aims to hold its Core investments over the long term, it will sell investments from time to time where this generates significant additional value for shareholders and it is in this context that we have taken the decision to sell our shareholding

in Eversholt Rail. We carefully evaluated the price offered against our assessment of the potential for the business, as well as the impact on our investment portfolio of selling this investment.

We have been busy developing a healthy pipeline of new investment opportunities and look forward to bidding on a number of Core opportunities over the coming months while remaining disciplined and targeted in what we pursue, maintaining our focus on opportunities with clear infrastructure characteristics that will deliver attractive risk-adjusted returns to our shareholders.”

Ben Loomes and Phil White, Managing Partners and Co-heads, Infrastructure, 3i Investments plc, added:

“We are pleased with the sale of Eversholt Rail to CKI, which generates an exceptional return for 3i Infrastructure’s shareholders. We are proud of what we have achieved with Eversholt Rail through our engaged asset management approach, in partnership with management and our co-investors. The business has performed very well during our ownership and we expect it to continue to thrive, led by its strong management team, and under the ownership of CKI.”

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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.