



28 September 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 half-year ending 30 September 2018. The data in this statement relates to the period from 1 April 2018 to 27 September 2018 (the 'period').

### Highlights

- Commitment to invest €220 million in Tampnet AS announced during the period
- Completion and subsequent syndication of half of the Company's initial investment in Attero, retaining a c.€100 million investment in the business
- Existing commitments of €45 million funded:
  - Valorem's development pipeline
  - La Santé prison in France and A9 motorway in the Netherlands as they move towards operational status
- The portfolio overall continues to perform well, particularly Cross London Trains where all 115 trains are now operational on the rail network
- Total income and non-income cash was £132 million in the period. The Company remains on track to deliver its full year dividend target of 8.65 pence per share, which will be fully covered
- The Company's cash balance was £126 million at 27 September 2018, and the undrawn balance of its Revolving Credit Facility ('RCF') was £283 million
- Following approval of a resolution at an EGM on 17 September 2018, the Company will move management and tax domicile to the UK from 1 October 2018, subject to receipt of regulatory approvals

Richard Laing, Chairman of 3i Infrastructure, said: "I am delighted with the Company's progress in the first half of the year. We remain on track to deliver a full year dividend of 8.65 pence per share, 10% higher than last year."

Phil White, Managing Partner and Head of Infrastructure, 3i Investments plc, Investment Adviser to the Company, added: "We are very pleased to have secured the investment in Tampnet, which further diversifies the portfolio. The move into operation of our award-winning train fleet at Cross London Trains materially reduces risk in this investment."

## Investment activity

The Company announced on 27 July 2018 that it will invest approximately €220 million for the acquisition of Tampnet, in a consortium with Danish pension fund ATP, with each party acquiring up to 50% of Tampnet. The Company's investment adviser, 3i Investments plc, will manage the investment on behalf of the consortium. The Tampnet management team will also invest to acquire a minority shareholding. Completion is subject to regulatory approvals in Europe and the USA and is expected in the second half of the financial year.

Following the completion of its investment in Attero on 14 June 2018, the Company has syndicated half of its initial stake to third party investors at a small premium to cost. 3i Investments plc will retain governance of the entire 50% stake. The intention to syndicate formed part of the investment case for Attero, in order to reduce the Company's exposure to uncontracted power price risk and to the energy sector.

Existing commitments of €45 million were funded during the period. This included €12.0 million for Valorem for development of its pipeline of wind and solar projects, and €10.9 million for La Santé prison in France and €22.2 million for the A9 motorway in the Netherlands as those two projects move towards operational status.

## Portfolio and returns

The Company's portfolio overall continues to perform well.

All 115 trains in the Cross London Trains fleet have now been accepted for operation on the rail network, reducing risk in the Company's investment materially. We will consider the impact of this when setting the discount rate for our valuation of the investment at the half-year. The trains are performing well, and recently won "Train of the Year" at the National Rail Awards 2018.

Infinis, WIG and TCR were all refinanced during the period. ESVAGT has appointed a new CEO, Peter Lytzen, with effect from 1 September 2018 and on 18 September announced that it has signed contracts with MHI Vestas for three new wind farm service operation vessels, one of which is conditional on the related wind farm proceeding. Oystercatcher continues to experience softer demand for storage of certain product types resulting in downward pressure on pricing and some vacant capacity.

Portfolio income (dividends, interest receivable and any fees received from portfolio assets) totalled £46.5 million in the period and non-income cash of £85.9 million was also received, both of which support the Company's dividend.

As usual, an important element of the determination of the Company's results for the half-year to 30 September 2018 will be the valuation exercise carried out on the investment portfolio at that date. 3i Infrastructure expects to announce its results for the half-year to 30 September 2018 on 8 November 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 September 2018, the Company had a cash balance of £126 million, and an undrawn balance under its RCF of £283 million out of the £300 million available. Outstanding equity commitments are approximately £197 million.

## Corporate governance

In order to mitigate the risk of additional tax costs following implementation of the OECD's Base Erosion and Profit Shifting ("BEPS") project, management of the Company will move to the UK from 1 October 2018 subject to receipt of the regulatory approvals from the Jersey Financial Services Commission and the UK Financial Conduct Authority. 3i Infrastructure plc will become a UK approved investment trust and 3i Investments plc will be the Company's Investment Manager. The Investment Management Agreement was approved by shareholders at the Extraordinary General Meeting held on 17 September 2018. The Company expects that the regulatory approvals will be received shortly.

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 and will act as Investment Manager to 3i Infrastructure plc from 1 October 2018, subject to receipt of regulatory approvals.

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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 April 2018 to 27 September 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.