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Infracapital closes its first greenfield infrastructure fund with commitments of £1.25 billion

Infracapital, the infrastructure equity investment arm of M&G Investments, has successfully reached a final closing of its latest fund, Infracapital Greenfield Partners I LP (“the Greenfield Fund” or “the Fund”), with total commitments of £1.25 billion. This is well in excess of its £1 billion target and in line with Infracapital’s internal hard cap.

The Greenfield Fund’s strategy is to invest in the later stage development, construction and expansion stages of projects and companies across a variety of sectors including communications, energy, renewables, social infrastructure, transport and utilities. This strategy is expected to generate a premium return profile and is well-suited to meet the liability-matching requirements of pension schemes and other institutional investors.

The fundraising generated a high level of demand from institutional capital, with 85% of the fund committed by pension funds and insurance companies. The fund also attracted new investors from new geographies with 50% of the capital coming from overseas.

As a long-term owner of assets, Infracapital aims to create value through its proven capabilities spanning origination, execution, project delivery and operational enhancement. Infracapital has a dedicated greenfield team, led by industry expert Andy Matthews, that sources and delivers projects and actively manages assets for the Fund.

Infracapital has already committed 43% of the Greenfield Fund in five assets:

- **Gigaclear**, a broadband developer providing high-speed fibre optic broadband networks to the UK’s underserved rural communities
- **Bioenergy Infrastructure Group (BIG)**, a UK biomass and Energy from Waste aggregation platform with potential generation capacity in excess of 100MW
- **C2i**, a diversified portfolio comprising five social infrastructure assets in Italy, providing core public services in the health, transport and security sectors
- **Infram Energy**, a joint venture with Amarenco Solar to invest in greenfield renewable energy assets across France, Ireland and other European markets
- **A joint venture with Nokia** to invest in a Polish government sponsored initiative to roll out broadband infrastructure in the country

Infracapital expects to close two further projects imminently, taking the fund to over 50% committed by the end of year.

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Andy Matthews, Head of Greenfield, Infracapital, said:

“We are delighted with the strong level of investor support we have seen for our first greenfield fund. This reflects the fund’s differentiated strategy of investing in greenfield assets to drive premium returns over the long-term.”

“We have already made a strong start, investing in a diversified portfolio of highly attractive assets, and we see significant pipeline opportunities in the greenfield market, both in the UK and Continental Europe.”

Martin Lennon and Ed Clarke, Co-Founders of Infracapital, said:

“We are one of the first managers to offer investors a dedicated cross sector greenfield fund, building on our excellent track record of investing in and actively managing brownfield infrastructure assets. The significant interest from investors, both existing and new, across the globe is testament to the team’s sourcing capabilities and reputation in the market.”

Clifford Chance advised Infracapital on legal aspects of the fund raise and Deloitte advised on tax aspects.

- Ends -

Notes to Editors:**Enquiries**

If you require any further information please contact:

Infracapital
Tom Murray/Samantha Chiene
Tulchan Communications
+44 207 353 4200

About Infracapital

Infracapital is a leading European infrastructure investor, and is part of M&G Investments, the European investment management arm of Prudential plc. Infracapital has raised and managed over £3.4 billion across four European infrastructure funds to date, and has a team of over 30 professionals with investment, management and operational expertise. Infracapital’s approach to investment offers long-term value through the acquisition and active management of a diversified portfolio of core European infrastructure assets in both the operating and greenfield space. Target sectors include essential transportation, utilities, renewables and communications infrastructure.

Note that the value of investments will fluctuate and investors may not get back the original amount they invested.

www.infracapital.co.uk

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