

23<sup>rd</sup> September 2019**M&GPrudential's Infracapital acquires leading UK freight rail operator GB Railfreight**

- *Acquisition of the UK's third-largest rail freight operator for M&GPrudential's £60 billion private assets portfolio*
- *Rail freight is a diverse, resilient and growing market, providing essential services and supported by attractive long-term trends*

Infracapital, the infrastructure equity investment arm of M&GPrudential, today announced that it has acquired GB Railfreight Limited ("GB Railfreight"), one of the UK's leading rail freight operators, from EQT Infrastructure for an undisclosed sum.

GB Railfreight is the fourth investment by the Infracapital Partners III Fund, which closed to fund raising in the middle of 2018.

GB Railfreight is the UK's third-largest rail freight operator, providing essential freight and non-freight haulage services to customers in a number of the country's critical industries. The company, which employs 900 people, moves approximately 23% of the UK's rail cargo and operates well above 1,000 trainloads a week. Its fleet comprises more than 150 locomotives and almost 1,500 wagons, transporting goods for a wide range of customers, including Network Rail, MSC, Bombardier, Drax, Tarmac and Aggregate Industries. The company has a presence in several larger deep-sea ports in the UK, including Felixstowe, Southampton and London Gateway.

Rail freight is a resilient and growing segment of UK freight haulage market, providing a vital role in supporting UK economic growth. The UK is seeing a shift from road to rail as a mode of freight transportation, driven by the relative environmental benefits of rail over road, increasing rail capacity and pressure on the national road network. Infracapital intends to support GB Railfreight's existing management team to further grow the business and pursue this opportunity.

Infracapital manages £4.5 billion of unlisted equity in infrastructure companies on behalf of institutional clients including the life funds of M&GPrudential. M&GPrudential is one of Europe's largest investors in private assets with a portfolio of £60 billion across infrastructure, real estate, private debt and other real assets.

**Thomas Crawley, Transaction Director at Infracapital, said:**

*"GB Railfreight perfectly fits our mission of investing in essential infrastructure assets and businesses which are key to economic growth. The company's high quality, modern fleet is ideally-positioned to capitalise on its strong position and further increase its share of the diverse, resilient and growing UK rail freight market."*

***Martin Lennon, Head of Infracapital, said:***

*“This is an attractive fourth addition to our Infracapital Partners III portfolio. Infracapital has significant expertise of successfully managing transport assets and we look forward to working closely with GB Railfreight’s excellent management team to drive further sustainable growth in the years ahead.”*

The transaction is expected to close mid-October 2019. Macquarie Capital and Freshfields advised Infracapital on the transaction.

**ENDS**

**Media enquiries**

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**About Infracapital**

Infracapital, the unlisted infrastructure equity arm of M&G Prudential, invests in, builds and manages a diverse range of essential infrastructure to meet the changing needs of society and support long-term economic growth. We take an active role in all of our investments, whether nascent or large, to fulfil their potential and ensure they are adaptable and resilient. Our approach creates value for our investors, as we target investments with the scope for stable and sustainable growth. Our portfolio companies work closely with the communities where they are based, to the benefit of all stakeholders. Infracapital is well positioned to deliver the significant investment required to help build the future. The founder-led team of experienced specialists has worked with 50 companies around Europe and has raised and managed over £5 billion across five funds.

M&G Prudential is a leading savings and investments business which was formed in 2017 through the merger of Prudential plc’s UK and Europe savings and insurance operation and M&G, its wholly-owned international investment manager. In March 2018, Prudential plc announced its intention to demerge M&G Prudential and give it a premium listing on the London Stock Exchange. In August 2019, M&G Prudential announced its intention to list its shares under the name M&G plc when it demerges from Prudential plc in the fourth quarter of this year.

[www.infracapital.co.uk](http://www.infracapital.co.uk)