

# First State European Diversified Infrastructure Fund FCP-SIF

## Agreement to acquire Ferngas Nordbayern GmbH



Section of the pipeline network.

### Overview

- First State European Diversified Infrastructure Fund FCP-SIF (“EDIF”) has entered into a binding agreement to acquire 100% of Ferngas Nordbayern GmbH (“FGN”) including its participations in GasLINE from E.ON.
- FGN is the owner of a high pressure gas distribution network located in the north-eastern part of the Federal State of Bavaria, Germany.
- Gas distribution in Germany benefits from a stable, well established and transparent regulatory framework creating a low risk operating environment.
- FGN benefits from highly visible, inflation-linked cash flows due to the stable and predictable nature of the regulated income.

## Geographical presence



## Asset Overview

- Owner of a high pressure gas distribution network located in the north-eastern part of the Federal State of Bavaria, Germany.
- Connected to both the Trans Europa Naturgas Pipeline (TENP) and Mittel-Europäische-Gasleitung (MEGAL) transmission pipelines.
- Total length of the network is more than 2,100km, with over 160 gas pressure reduction and metering stations.
- Regulated by the Bundesnetzagentur (BNetzA) through regulatory asset base (RAB) regulation.
- Stable and predictable long term inflation linked cash flows. Current regulatory period started in 2013 and lasts until the start of 2018.
- 2012 Revenue and EBITDA of €25.9 million and €13.8 million, respectively.
- FGN owns 5% of GasLINE, the owner of a 10,000km long nationwide fibre-optic grid, which it leases to national and international telecommunication companies.

## Transaction Overview

- EDIF will acquire 100% of the share capital in FGN, which in turn owns participations in GasLine GmbH & Co. KG and GasLine GmbH.
- Consideration to be funded through a combination of EDIF's existing resources and debt facilities.
- Completion subject to German regulatory approval. A decision is expected in December 2013.

## Benefits of Acquisition to EDIF

- Euro denominated, high quality infrastructure asset situated in one of the strongest economies in Europe.
- Further diversification for EDIF in terms of geography, currency and sector.
- FSI can strongly leverage its asset management capabilities which should enhance long term value for investors.
- Attractive anticipated cash yield profile.
- Potential to make follow-on investments and consolidate a fragmented market.

## Structural data of FGN network

All data as at 31 Dec 2012	
Length of distribution network	2,117km
Annual quantities transported	27,800 gWh
Gas pressure regulating and metering stations	163
Entry points	24
Interconnection points	265
Exit points	119

### About EDIF

EDIF held a first close in August 2009 and currently has committed capital of c. €1.3 billion from investors from Europe, North America, Asia and Australia. EDIF currently holds investments in Anglian Water Group, Digita, Electricity North West and Reganosa. EDIF is a 15 year closed-end fund with a geographical focus on Europe and a strategy to target mature economic infrastructure.

### First State Investments

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