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**MEDIA RELEASE**

**23<sup>rd</sup> January 2012**

**First State European Diversified Infrastructure Fund  
achieves €673m in total client commitments**

First State Investments International ('First State') has today announced that it has secured total commitments of over €673m to its European Diversified Infrastructure Fund ('EDIF'), having attracted over €305m during its third fundraising period from a number of leading European institutional investors, including pension funds and insurance companies.

EDIF is a closed-ended fund with a 15-year life, which is designed to provide investors with an effective way of accessing the growing European unlisted infrastructure sector. The Fund's investment focus is on mature, income-generating infrastructure assets in the utilities, transportation and essential services sectors which can offer attractive risk-adjusted returns.

The Fund's objective is to build a diversified portfolio throughout European OECD countries by targeting low risk, stable assets that are expected to generate attractive internal rates of return (IRR) of 10% to 15% per annum and stable, predictable cash yields of 5% to 7% per annum. The Fund will provide a high quality portfolio with a minimum of eight assets once it reaches its target size of €1.5 billion.

EDIF has already invested €301m at cost in three well-established European infrastructure assets, Anglian Water Group, the UK's fourth largest water and sewerage service provider; Electricity North West Limited (formerly United Utilities Electricity), the sixth largest electricity distribution network in the UK; and Reganosa, a Spanish Liquefied Natural Gas regasification plant and gas transmission network.

Philippe Taillardat, First State's Co-Head of Infrastructure Investment, Europe comments:

'The successful conclusion of our latest round of fundraising gives us sufficient capacity to successfully execute the next couple of investments. We are ideally positioned to exploit the investment opportunities arising from governments which are increasingly under pressure to

free up capital, mandated regulated divestitures and the continued strategic repositioning by corporates.

‘We will be seeking to acquire material stakes in companies, allowing us to have meaningful representation on their boards. Our asset management philosophy is based on having effective influence over each of our assets’ business strategy, operations and governance, which in turn helps us to generate sustainable income yield and capital value growth for our investors.’

EDIF has performed strongly since its inception in August 2009, with total returns post all fees and expenses in excess of 33%, including cash returns of over 12% (as at 30 September 2011).

Gary Withers, Regional Managing Director for EMEA at First State Investments added:

‘Infrastructure is now seen by many investors as an asset class in its own right with significant diversification benefits. It offers a stable income stream and lowly correlated total returns in relation to the broader market. We are very pleased with the level of interest we have seen from investors in our strategy.’

**- Ends -**

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**Notes to editors:**

**About European Diversified Infrastructure Fund (EDIF)**

EDIF is advised by First State Investments. The Group has a track record of successfully investing and managing infrastructure assets over the last 17 years. In recognition of the team’s investment and management capabilities, we have been awarded “Best Infrastructure Provider” by *Global Pensions* for the last two consecutive years (2011 and 2010).

The European team consists of 13 infrastructure investment professionals with a cumulative experience in infrastructure investing and operational management in excess of 100 years. The team is further supported by 16 infrastructure professionals who are based in Sydney.

### **About First State Investments**

First State Investments provides specialist asset management services to wholesale and institutional investors across a diverse range of asset classes, including Asia Pacific and global emerging market equities, global equities, property securities, infrastructure, global natural resources and emerging markets debt.

First State Investments forms part of the asset management division of the Commonwealth Bank of Australia. In Australia we operate as Colonial First State Global Asset Management ('CFSGAM'). First State and CFSGAM collectively manage £87.7 billion on behalf of investors worldwide (as at 30<sup>th</sup> September 2011) and have offices in Sydney, New York, London, Edinburgh, Hong Kong, Singapore, Jakarta and Tokyo. In London and Edinburgh it has more than 200 staff.

The Group has been actively investing in and managing infrastructure investments on behalf of institutional clients since 1994. Across the business, we have €2.0 billion of infrastructure assets under management, the majority of which are European based, with the current portfolio comprising 19 investments.

CFSGAM (including First State) is a signatory to the United Nations' Principles for Responsible Investment, a voluntary program which encourages best practice in environmental, social and corporate governance issues.

### **Important Information**

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