



JLIF Buys E18 Road PPP, Another Acquisition Likely in 2011

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John Laing Infrastructure Fund (JLIF) has completed the acquisition of the E18 road PPP in Finland from John Laing for GBP16.6m.

The latest acquisition makes JLIF fully invested in a portfolio of 19 PFI/PPP infrastructure projects, which was its aim upon listing on the London Stock Exchange on Nov. 29 2010. The fund raised GBP270m as part of the listing, the maximum end of its target range.



With the latest acquisition, the fund is now GBP259m invested. The fund spent GBP5m on stock exchange issue costs, including a GBP1.5m-GBP2m fee paid to broker Cazenove. JLIF is expected to use GBP5-6m in leftover cash for another UK-based PPP acquisition in the New Year. It is currently considering a number of options, including buying an asset from John Laing or from a third party source. The former option is more likely given that the fund will not have to undertake due diligence.

Projects in JLIF's portfolio are all fully operational, supported by contracted, government-backed revenue streams, with inflation-linked revenues.

Projects in the portfolio also include the Abbotsford Hospital in British Columbia, Canada, a section of the M40 in England, three street lighting projects in Manchester, Wakefield and Walsall, two social housing projects in Brockley and Canning Town in London and Sirhowy Way road in Wales.

JLIF targets a 6% dividend yield and has an investment rate of return target of 7-8% over the longer term.



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