



[Press Release]

CKI-led Consortium Completed Acquisition of UK Wales & West Utilities

(14 October, 2012, Hong Kong) - Cheung Kong Infrastructure Holdings Limited (“CKI” or the “Company”) announced today that a consortium led by the Company has completed the acquisition of Wales & West Utilities (“WWU”).

The timing of this latest transaction coincided with the second anniversary of Cheung Kong Group’s investment in UK Power Networks and the first anniversary of the Group’s acquisition of Northumbrian Water.

The acquisition of WWU represents the third regulated business investment in the United Kingdom that CKI together with other member companies of the Cheung Kong Group have made in the past 24 months. Total enterprise value of the three investments is over GBP 12.5 billion (approximately HK\$155 billion).

The Cheung Kong Group currently owns a portfolio of public utilities in the United Kingdom. They include UK Power Networks, Northumbrian Water, WWU, Seabank Power and Northern Gas Networks (“NGN”).

WWU and NGN together provide gas distribution service to around a quarter of the population in the United Kingdom, with service area covering about 27% of the nation’s total area. UK Power Networks distributes approximately 30% of the country’s electricity and Northumbrian Water provides water to more than 7% of the population.

The United Kingdom regulated businesses have generated good returns to the Cheung Kong Group. In 2011, CKI’s profit contribution from the United Kingdom was HK\$3,735 million, an increase of 216% over the previous year; while profit contribution from United Kingdom operations to Power Assets Holdings Limited (“PAH”) was HK\$3,558 million, a 256% increase over 2010.

On the day of the completion of acquisition, Mr H L Kam, Group Managing Director of CKI, together with senior management of Cheung Kong (Holdings) Limited (“CKH”), CKI and PAH made a special trip to the United Kingdom to meet with the management and employees of WWU.

“We are happy to see the completion of the acquisition of WWU. WWU is a quality asset which is poised to generate steady income and immediate profit contributions,” Mr Kam said.

“Following the completion of the acquisition, CKI has approximately HK\$8 billion cash on hand and a net debt to equity ratio of 7%. We will continue to seek suitable investment opportunities around the world,” Mr Kam added.

About WWU

WWU is one of the eight major gas distribution networks in the United Kingdom. It has a service coverage area of 42,000 sq kilometers, and provides service to a population of approximately 7.4 million in Wales and the South West of England. WWU’s gas distribution system consists of 35,000 km of pipelines and 18 gas storage sites.

Shareholders of WWU include CKI, PAH, and CKH, each holding a 30% stake in the investment, and Li Ka Shing Foundation Limited holding the remaining 10%.

WWU’s enterprise value is about GBP1.957 billion (approximately HK\$24.265 billion) – this is made up of an acquisition consideration of GBP 645 million (approximately HK\$7.997 billion) and a net debt of about GBP 1.312 billion (approximately HK\$16.268 billion).

Cheung Kong Group’s Business Portfolio in the United Kingdom

The Cheung Kong Group is involved in a wide range of businesses in the UK including infrastructure, telecommunications, ports, retail and property, with a combined investment exceeding GBP 30 billion (approximately HK\$372 billion), and a staff force of over 36,000. In the infrastructure sector, the Cheung Kong Group’s investments in the UK comprise of gas and electricity distribution, power generation, as well as water and waste water services.

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Photo Captions

Photo 1: Mr H L Kam, Group Managing Director of CKI (left), met with Mr Graham Edwards, Chief Executive of WWU (right), in the United Kingdom.



Photo 2: Mr Graham Edwards, Chief Executive of WWU (right) and Mr H L Kam, Group Managing Director of CKI (left) inspect the gas pipe work on one of the WWU coil trailers.



Photo 3: Mr H L Kam, Group Managing Director of CKI (back row, right) and Mr Andrew Hunter, Deputy Managing Director of CKI (back row, left), discussed daily operations with employees of WWU (front row), accompanied by Mr Graham Edwards, Chief Executive of WWU (back row, centre).

