

Infrastructure



Powercor is the largest electricity distributor in the state of Victoria, Australia, supplying electricity to regional and rural centres in central and western Victoria, and Melbourne's outer western suburbs.



Canada

The Netherlands

United Kingdom

Mainland China

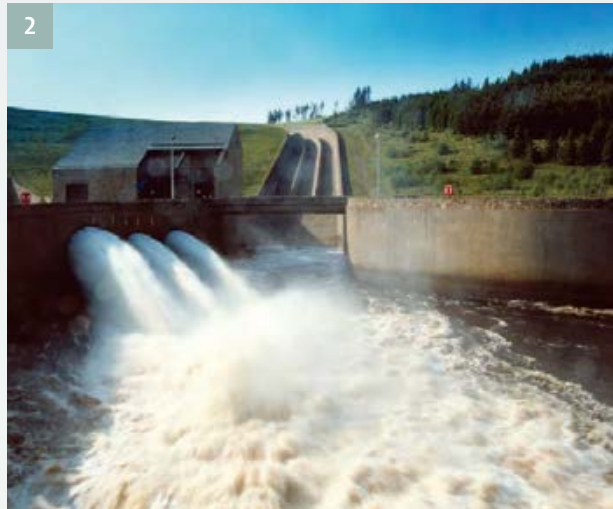
Hong Kong

Thailand

Australia

New Zealand

- CKI announced profit attributable to shareholders of HK\$31,782 million.



- 1. Park'N Fly is the largest off-airport car park provider in Canada, and the only national operator. The company provides off-airport car park solutions in Toronto, Vancouver, Montreal, Edmonton and Ottawa.
- 2. Northumbrian Water is one of the 10 regulated water and sewerage companies in England and Wales.
- 3. UK Power Networks distributes approximately 30% of the total power demand in the United Kingdom, representing one of the largest electricity distribution network owners in the country.
- 4. AVR is one of the largest energy-from-waste players in the Netherlands, operating two waste treatment plants.



The infrastructure division comprises the Group's interest in Cheung Kong Infrastructure Holdings Limited ("CKI"), a leading investor in the infrastructure sectors in Hong Kong, the Mainland, the UK, the Netherlands, Australia, New Zealand and Canada.

As at 31 December 2014, the Group held a 78.16%⁽¹⁾ interest in CKI, which contributed 11%, 25% and 28% respectively to the total revenue, EBITDA and EBIT of the Group's businesses during the year.

	2014 HK\$ millions	2013 HK\$ millions	Change
Total Revenue	45,419	42,460	+7%
EBITDA	24,483	22,841	+7%
EBIT	18,215	17,528	+4%

CKI is one of the largest publicly listed infrastructure companies on the SEHK, with diversified investments in energy infrastructure, transportation infrastructure, water infrastructure, waste management and infrastructure-related businesses.

CKI announced profit attributable to shareholders of HK\$31,782 million, an increase of 173% from 2013, primarily due to its share of the gain, after consolidation adjustments, arising from Power Assets separately listing its Hong Kong electricity business, by way of the listing of share stapled units jointly issued by HK Electric Investments and HK Electric Investments Limited (collectively as "HKEI") on the Main Board of the SEHK in January 2014. Power Assets currently holds 49.9% of HKEI.

CKI's total revenue, EBITDA and EBIT, after consolidation adjustments, increased by 7%, 7% and 4% in 2014 respectively, which excluded the gains reported within the Group's "Profits on disposal of investments & others, after tax", relating to the IPO of HKEI and the marked-to-market gain on the AGN acquisition mentioned previously. CKI reported strong growth from the underlying operations, the full-year profit contribution from the business acquired in 2013 including Enviro Waste Services Limited in New Zealand, and AVR-Afvalverwerking BV ("AVR") in the Netherlands, as well as the accretive income of businesses acquired during 2014 as discussed below.

Power Assets, a company listed on the SEHK and in which CKI holds a 38.87% interest, announced profit attributable to shareholders of HK\$61,005 million, an increase of 446% compared to last year's profit of HK\$11,165 million due to the gain on IPO of HKEI as well as the growth from its share of the results of AGN and AVR, partly offset by its reduced share of the results of the Hong Kong electricity business subsequent to the IPO of HKEI and deferred tax credits recorded in 2013 as result of a reduction in the UK corporate tax rate.

In July 2014, a CKI-led joint-venture with Cheung Kong completed the acquisition of Park'N Fly, the largest off-airport car park business in Canada for approximately C\$381 million (approximately HK\$2,720 million).

In October 2014, a CKI-led joint-venture with Cheung Kong and Power Assets completed its takeover bid for AGN, a distributor of natural gas in Australia, for a cash consideration of A\$1.32 per share. CKI, together with Power Assets currently owns approximately 72.5% of AGN.

In January 2015, a CKI-led joint-venture with Cheung Kong entered into an agreement to acquire Eversholt Rail Group ("Eversholt") in the UK. Eversholt is a major rolling stock operating company in the UK, leasing to train operators a diverse range of rolling stock including regional, commuter and high-speed passenger trains as well as freight locomotives and wagons on long-term contracts. The acquisition has an enterprise value of approximately £2,500 million (approximately HK\$29,300 million) and is expected to complete around April 2015.

Note 1: In January 2015, CKI completed a share placement and share subscription transaction that resulted in the Group's interest in CKI reducing from 78.16% to 75.67%.