

AIG Investments & Highstar Capital Announce Sale of Interests in InterGen

by PR-Newswire

NEW YORK, June 24 /PRNewswire-FirstCall/ -- AIG Investments and Highstar Capital (Highstar) today announced that AIG Highstar Capital II, L.P. (AIG Highstar II) and certain of its investment affiliates have agreed to sell their 50% ownership interest in InterGen N.V. (InterGen) to GMR Infrastructure Limited (GMR), one of India's leading private sector infrastructure developers, for an undisclosed amount.

InterGen N.V., headquartered in the Netherlands, is a leading global power generation company with operating power plants located across five countries with total gross capacity of 12,766 MW (8,086 MW of operational capacity and 4,680 MW of projects under development). InterGen's operating plants are located in the UK, The Netherlands, Mexico, Australia and the Philippines. These facilities include 5,280 net equity MW in operation, 428 MW under construction, 523 MW under agreement.

InterGen was formed in 1995 and was purchased by Highstar and the Ontario Teachers' Pension Plan (Teachers') in 2005.

Commenting on the transaction, Highstar Founder and Managing Partner Christopher H. Lee stated, "The sale of our interests in InterGen continues a decade-long track record of successfully investing in infrastructure assets and businesses with sustainable downside protection, coupled with upside potential."

Lee added that, "The investment was led for Highstar by Partners John Stokes and Michael Miller, who were instrumental in working with InterGen management to add value, including hands-on practical input to the business' operations. We exit our investment leaving InterGen as a strong, well-capitalized company under the exceptional leadership of current CEO Neil H. Smith and his very capable team. We have greatly enjoyed working with management and our partners at OTPP during our ownership of InterGen. We are confident that GMR will be a great new partner for InterGen as it continues to the next level of well-deserved success."

The transaction is expected to close in the third quarter of 2008, subject to regulatory approvals.

Lehman Brothers acted as financial advisor to Highstar and Sidley Austin LLP acted as Highstar's legal council.

About Highstar

Highstar is a leader in value added infrastructure investing with a decade long track record. Since the closing of its first fund in 2000, Highstar has led or co-led a number of significant, diversified infrastructure investments, including in power generation, water and waste water, natural gas transmission and storage, waste management, waste-to-energy, transportation logistics, inter modal and port concessions and operations. Highstar currently manages over \$4.5 billion of capital commitments from leading institutional investors globally, including through its third generation private equity fund, AIG Highstar Capital III (AIG Highstar III). Both AIG Highstar II and AIG Highstar III are sponsored by AIG Investments.

About AIG Investments

AIG Investments is a global leader in asset management with extensive capabilities in equity, fixed income, hedge, private equity, and real estate investments. Member companies of AIG Investments manage more than US \$750 billion in assets and employ over 2,500 professionals in 46 offices around the world as of March 31, 2008. AIG Investments is the asset management arm of American International Group, Inc. (NYSE:AIG) .

Source: AIG Investments

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