

Results for the six months to 30 September 2014



6 November 2014



Chairman's introduction

Peter Sedgwick
Chairman





Introduction

Peter Sedgwick

Market and business review

Ben Loomes

Financial review

Stephen Halliwell

Closing remarks

Phil White

Q&A

All



Strong net asset value progression

£117m total return **10.8%** total return on opening NAV

136.3 NAV per share

Portfolio income in line with prior period

£33m portfolio income in the period

Good momentum in primary PPP investment

£13m commitments to three new primary PPP investments in the period

£50-60m pipeline of three project investments at preferred bidder stage

Interim dividend in line with target distribution

3.38p interim dividend per share, or 2.75% on opening NAV



Market and business review

Ben Loomes
Managing Partner and
Co-head of Infrastructure
3i Investments plc





Focus on the Core infrastructure market, while building over time further exposure to primary projects with attractive risk-adjusted returns

Target markets

Core infrastructure

Dynamic businesses that own their asset base in perpetuity, not concessions with a finite life. These have low volatility across economic cycles.

Objective: at least 75% of portfolio value

82%
of portfolio

Primary PPP / low-risk energy projects

Concession-based primary PPP projects, mainly in education, healthcare and public sector accommodation, as well as low-risk energy projects.

Objective: build further exposure

12%
of portfolio

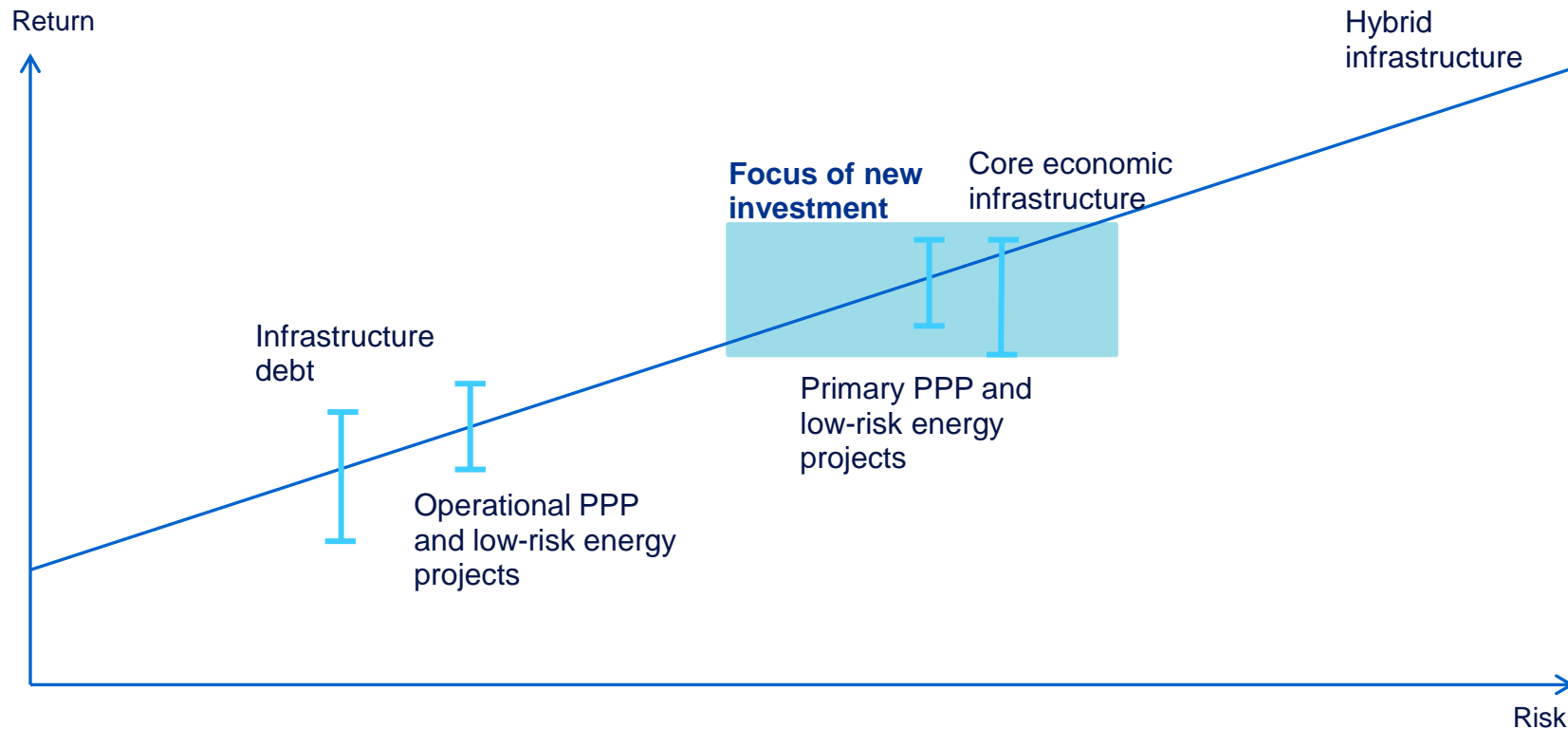
India infrastructure

Higher risk characteristics, through exposure to increased market or geopolitical risk.

Objective: realise investments over time

6%
of portfolio

We focus on a distinct segment of the risk-return spectrum



Note: The bars indicate the Investment Adviser's estimated range of returns for each category of infrastructure investment



Supply/demand imbalance pushing up prices

Growing investor universe

- 2,200 institutions investing in infrastructure in 2014, vs. 900 in 2010¹
- SWFs, pension funds and insurers building direct investing capabilities

Increasing allocations

- Average actual allocation of 4.3% in 2014 vs. 3.5% in 2011¹
- Investors remain under-invested relative to target allocations

Favourable debt market conditions

- Bank and capital markets debt readily available to finance infrastructure businesses and assets

Compression of market returns

Positive impact on existing portfolio value



The market opportunity

- Approximately £1bn per annum of equity opportunity in Europe
- Growth as European governments increasingly adopt PPP and expand existing programmes

Competition

- Competitive, with c.3-5 bidders per project
- Few players with international reach and capabilities

Returns

- Returns for primary projects relatively stable over the last five years at 9-12%

Steady flow of opportunities and stable returns. Few market participants with the skills and network to access these opportunities across Europe

Good momentum in new PPP and energy project investing



A12 (Netherlands)

Motorway connecting the German border to the Hague

RIVM (Netherlands)

New laboratories and office accommodation for national public health authorities



Ayrshire College (UK)

Consolidation of further education facilities in Kilmarnock, Scotland



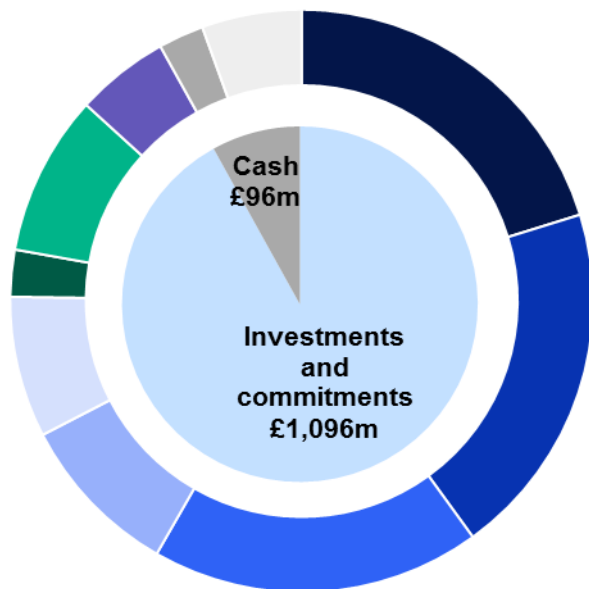
£13m committed to three new primary PPP investments in the period. Pipeline of three investments at preferred bidder stage, with aggregate commitments of approximately £50-60m

Our portfolio offers differentiated access to the infrastructure asset class, delivering income yield and capital growth

3i Infrastructure plc



20 Investments
£1,096m Portfolio
£96m Net cash balances



| Invested and committed capital | (£m) | % of total |
|------------------------------------|--------------|-------------|
| Core portfolio | 897 | 82% |
| Eversholt Rail | 241 | |
| Anglian Water Group ("AWG") | 236 | |
| Elenia | 218 | |
| Oystercatcher | 109 | |
| Cross London Trains ("XLT") | 93 | |
| PPP portfolio | 137 | 12% |
| Primary projects | 31 | |
| Operational projects | 106 | |
| India Fund | 62 | 6% |
| Total investments | 1,096 | 100% |
| Cash | | |
| Cash committed to interim dividend | 30 | |
| Cash available for new investment | 66 | |
| Total net cash balances | 96 | |

Portfolio management: key value drivers

Rolling stock investments performing strongly

- Strong valuation uplifts for Eversholt and XLT
 - **positive fundamentals:** Eversholt successful in securing extended leases for a number of key fleets
 - **shift in market conditions:** evidence of competitive pricing and consequential return compression in recent bids for new build
- Discount rate reductions for both investments



Oystercatcher

- Increased capex requirements in Amsterdam driven by health and safety regulations
- Refinancing completed since the period end a significant achievement

AWG

- Regulatory review for AMP6 in process; Final Determination in December 2014

India

- Continued weakness despite improvement in political/market outlook
- Sale of approximately 40% of Adani Power holding in the period



Strong long-term performance

Portfolio asset return throughout holding period (£m)

3i Infrastructure plc



Existing portfolio



Realised assets



■ Total cost
■ Value including accrued income
■ Proceeds on disposals/capital returns
■ Cash income

16%

Annualised asset IRR
from inception to
30 September 2014



- Strong return, driven by
 - underlying performance of the portfolio
 - reduction of the discount rate for rolling stock investments, reflecting business and market developments
- Actively driving value from our portfolio
- Good momentum in primary PPP investing in the first half
- Busy new investment pipeline across Core and primary PPP



Financial review

Stephen Halliwell
CFO, Infrastructure
3i Investments plc



Strong performance against our KPIs



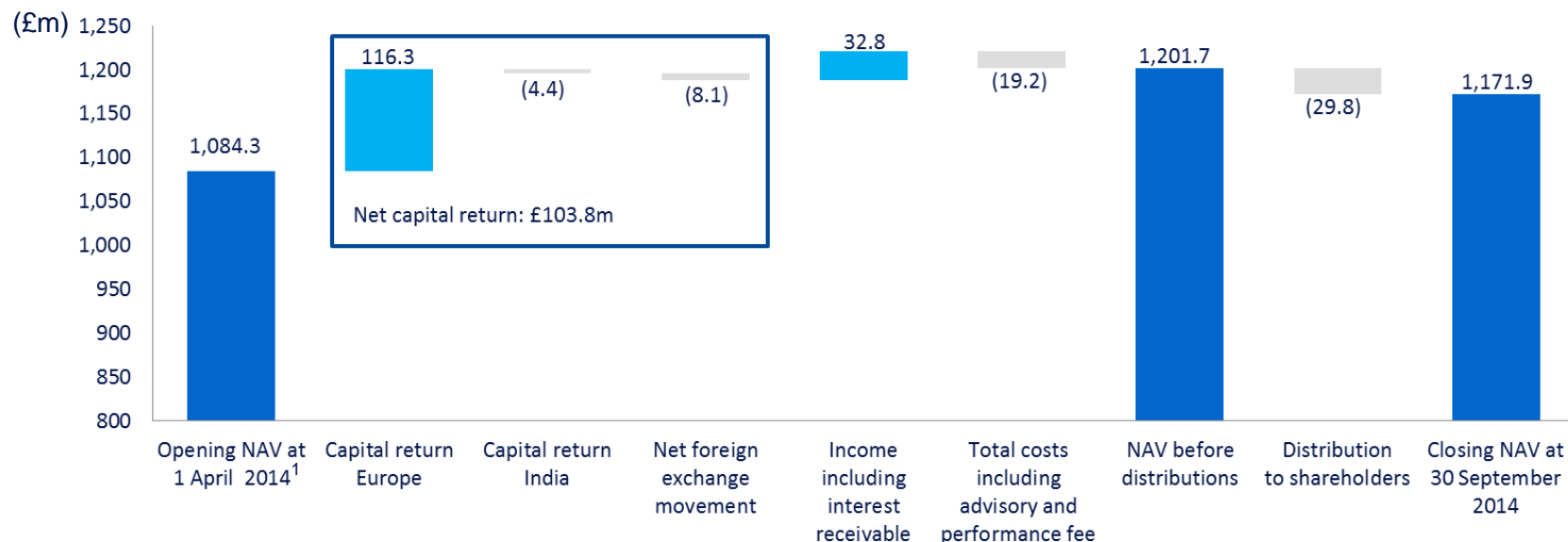
Return underpinned by the strong performance of the European portfolio, which achieved a gross asset return of 15.3% in the first half

On track to meeting annual dividend objective

| | Objective for the year | Six months to 30 September 2014 | |
|---------------------|--|---------------------------------|----------|
| Total Return | 10% per annum of opening net asset value | 10.8% for the half year | On track |
| Annual distribution | 5.5% of opening net asset value | 3.38p, or 2.75% | On track |
| Portfolio balance | At least 75% in core infrastructure | 82% | On track |



Strong value growth in the Company's rolling stock assets and good income receipts



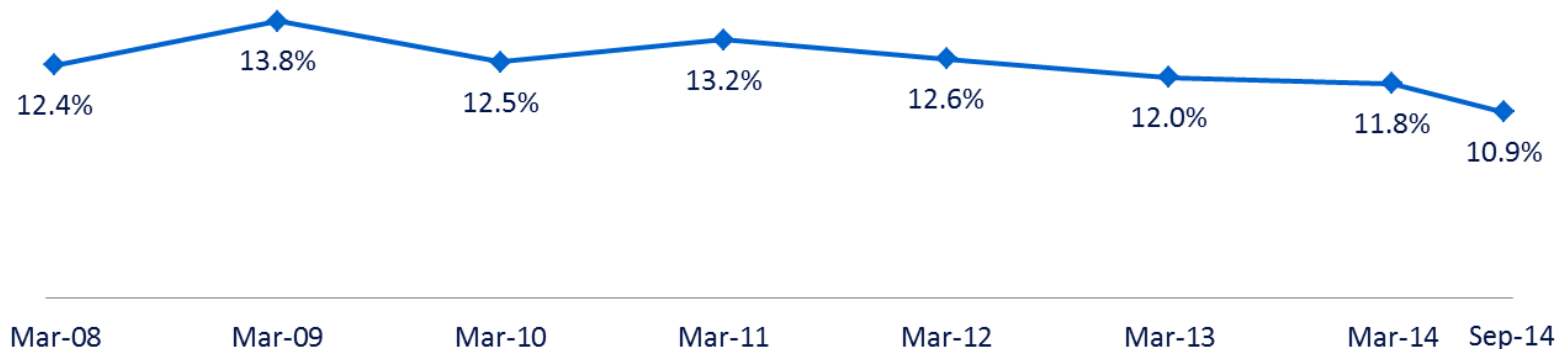
¹ Net of prior year final dividend

Weighted average discount rate reduced in the period



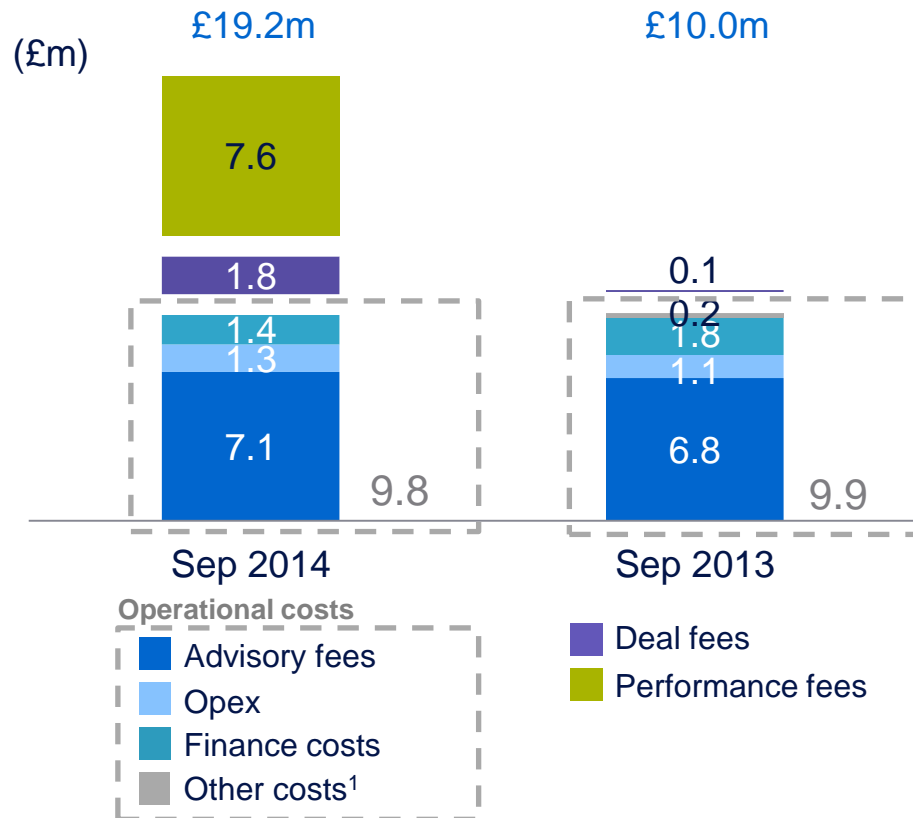
£57.1 million¹, from a total gross asset return of £136.4 million, driven by discount rate movements

Portfolio weighted average discount rate (%)



Change in the weighted average discount rate driven by the reduction in the discount rate used to value of Eversholt and XLT

¹ Full analysis of value growth movement set out on slide 28



- Provision of performance fee of £7.6 million due to strong performance
- Increase in deal fees driven by momentum in origination activity
- Reduction in finance costs flagged last year, and driven by improved RCF terms



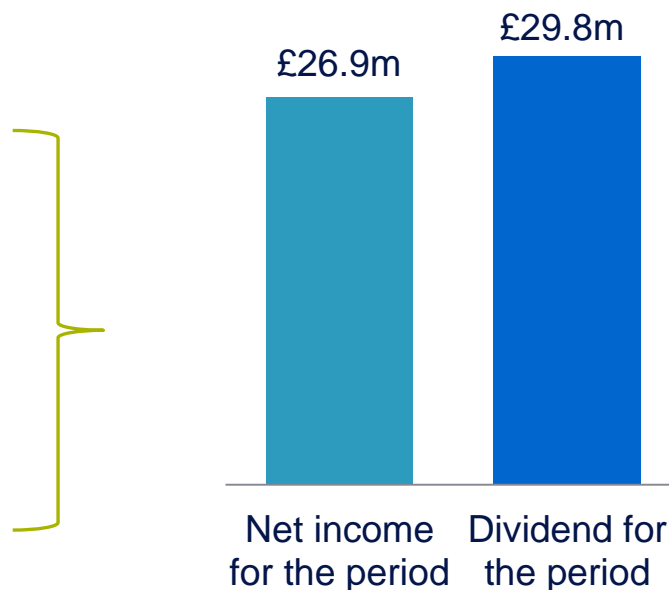
Inflows £36.7m

- Income from portfolio and interest on cash balances accrued
- Non-income cash distributions from the portfolio

less

Operational costs £9.8m

- Advisory fees
- Operating expenses
- Finance costs



Strong balance sheet with good liquidity



| (£m) | As at 30 September 2014 (IFRS basis) | As at 30 September 2013 (restated) |
|--|---|---------------------------------------|
| Investments at fair value | 1,068.5 | 977.7 |
| Other net assets | 35.7 | 14.0 |
| Cash and cash equivalents | 97.5 | 86.5 |
| Net assets | 1,201.7 | 1,078.2 |
| NAV per share (p) | 136.3 | 122.3 |
| NAV per share post dividend (p) | 133.0 | 119.0 |
| Undrawn RCF balance | 192.0 | 200.0 |



Closing remarks and Q&A

Phil White

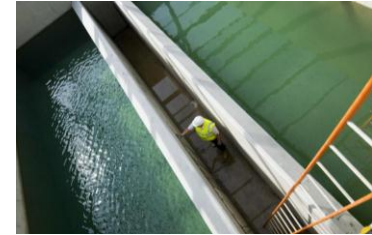
Managing Partner and
Co-head of Infrastructure
3i Investments plc



3i Infrastructure plc



Appendix



Our portfolio offers differentiated access to the infrastructure asset class, delivering income yield and capital growth

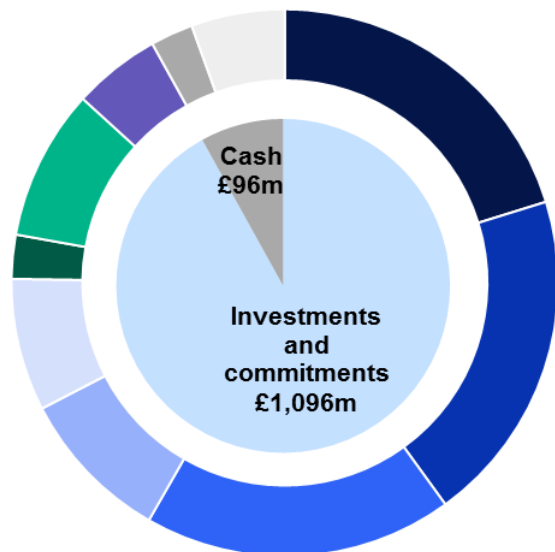
3i Infrastructure plc



20
Investments

£1,096m
Portfolio¹

£96m
Net cash balances



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| Primary projects | 31 | |
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| 3i India Infrastructure Fund ("India Fund") | 62 | 6% |
| Total investments | 1,096 | 100% |
| Cash | | |
| Cash committed to interim dividend | 30 | |
| Cash available for new investment ² | 66 | |
| Total net cash balances³ | 96 | |

¹ Includes the portfolio of investments, valued at £1,067.9 million, and undrawn commitments of £28.2 million made to the National Military Museum ("NMM"), Mersey Gateway Bridge, Ayrshire College, A12 and RIVM primary PPP projects.

² In addition, the Company has an undrawn balance of £192.0 million on its £200 million revolving credit facility.

³ Includes cash of £97.5 million and "other financial assets" of £17.8 million held by the Company and cash balances of £1.1 million held within intermediate unconsolidated holding companies and is net of undrawn commitments to primary PPP investments in Mersey Gateway Bridge, Ayrshire College and NMM, of £20.2 million. The Company's £200 million RCF has been utilised to issue letters of credit totalling €5.1 million (£3.9 million) for the undrawn commitment to the RIVM primary PPP investment and €5.3 million (£4.1million) for the undrawn commitment to the A12 primary PPP investment.

Portfolio summary

30 September 2014



| Portfolio assets | Directors' valuation 31 Mar 2014 | Investment in the period | Divestment in the period | Value movement | Foreign exchange translation | Directors' valuation 30 Sep 2014 | Profit/(loss) on disposal | Underlying portfolio income in the period | Asset total return in the period |
|---|-------------------------------------|-----------------------------|-----------------------------|-------------------|------------------------------------|-------------------------------------|------------------------------|--|--|
| Core infrastructure | | | | | | | | | |
| Eversholt Rail Group | 160.3 | - | (3.9) | 84.4 | - | 240.8 | - | 7.8 | 92.2 |
| Anglian Water Group | 234.5 | - | - | 2.1 | - | 236.6 | - | 8.1 | 10.2 |
| Elenia | 235.7 | - | (8.2) | 4.4 | (14.1) | 217.8 | (0.1) | 10.3 | 0.5 |
| Oystercatcher | 119.8 | - | - | (5.1) | (6.0) | 108.7 | - | - | (11.1) |
| Cross London Trains | 64.0 | - | - | 29.2 | - | 93.2 | - | 2.4 | 31.6 |
| | 814.3 | - | (12.1) | 115.0 | (20.1) | 897.1 | (0.1) | 28.6 | 123.4 |
| Primary PPP | | | | | | | | | |
| NMM | 2.8 | - | - | 0.1 | (0.2) | 2.7 | - | - | (0.1) |
| Mersey Gateway Bridge | - | - | - | - | - | - | - | 0.2 | 0.2 |
| Ayrshire College | - | - | - | - | - | - | - | 0.4 | 0.4 |
| A12 | - | - | - | - | - | - | - | - | - |
| RIVM | - | - | - | - | - | - | - | - | - |
| | 2.8 | - | - | 0.1 | (0.2) | 2.7 | - | 0.6 | 0.5 |
| Secondary PPP | | | | | | | | | |
| Elgin | 46.8 | - | - | (0.5) | - | 46.3 | - | 1.5 | 1.0 |
| Octagon | 42.6 | - | - | 0.2 | - | 42.8 | - | 1.4 | 1.6 |
| Dalmore | 15.6 | - | - | 1.6 | - | 17.2 | - | 0.5 | 2.1 |
| | 105.0 | - | - | 1.3 | - | 106.3 | - | 3.4 | 4.7 |
| India | | | | | | | | | |
| 3i India Infrastructure Fund | 73.9 | - | (6.5) | (5.3) | (0.3) | 61.8 | 0.9 | - | (4.7) |
| Total portfolio | 996.0 | - | (18.6) | 111.1 | (20.6) | 1,067.9 | 0.8 | 32.6 | 123.9 |
| Cash and other net assets held in unconsolidated subsidiaries | 0.6 | - | - | - | - | 0.6 | - | - | - |
| Income statement adjustments related to unconsolidated subsidiaries ¹ | | | | | | - | - | (2.1) | (2.1) |
| Reported in the Consolidated financial statements | 996.6 | - | (18.6) | 90.5 | | 1,068.5 | 0.8 | 30.5 | 121.8 |

1 Income statement adjustments are explained on slide 37

Unrealised value movement

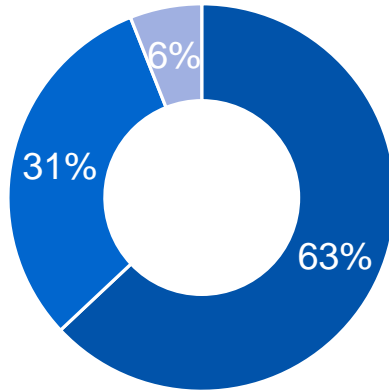
Six months to 30 September 2014



| Value movement component | Value movement in the period (£m) | Description |
|---|-----------------------------------|--|
| Planned value growth | 28.4 | Net value movement resulting from the passage of time, consistent with the discount rate at the beginning of the period less distributions received in the period. |
| Asset performance | 40.1 | Net movement arising from actual performance in the period and changes to future cash flow projections, including financing assumptions. |
| Discount rate movement | 57.1 | Value movement relating to changes in the discount rate applied to the valuations. |
| Macro economic assumptions | (14.5) | Value movement relating to changes to macro economic out-turn or assumptions, eg inflation, interest rates on deposit accounts and taxation rates. This includes changes to regulatory returns that are directly linked to macro economic variables. |
| Total value movement before exchange | 111.1 | |
| Foreign exchange retranslation | (20.6) | Movement in value due to currency retranslation to period-end rate. |
| Total value movement | 90.5 | |

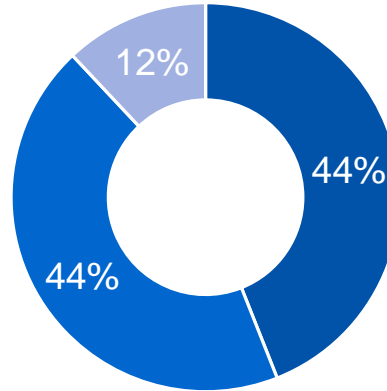


By geography



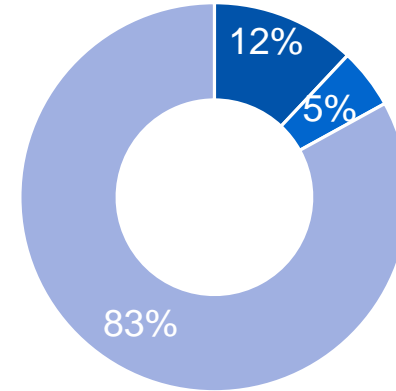
- UK and Ireland
- Cont. Europe and Singapore
- India

By sector



- Utilities
- Transportation
- PPP

By maturity



- Early stage
- Operational growth
- Mature

Eversholt Rail Group

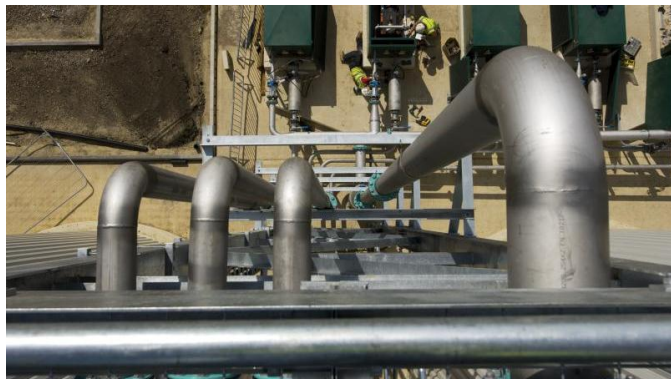
Operational highlights for the period



| | | |
|----------------------------------|--------------------------|--------------------------|
| Cost | Closing cost: £115.0m | Opening cost: £118.9m |
| Opening value | £160.3m | |
| Closing value | £240.8m | |
| Equity interest | 33.3% | |
| Income in the period | £7.8m | |
| Loan repayment in the period | £(3.9)m | |
| Asset total return in the period | £92.2m | |

- Strong performance and cash flow generation
- Business successful in securing extended leases for a number of key fleets; actively working on re-leasing proposals for new franchises
- Discount rate reduced, supported by market return compression in the financing of the procurement of new train fleets
- Keith Ludeman appointed as Chairman; David Stickland appointed as CFO

Operational highlights for the period



| | |
|----------------------------------|---------|
| Cost | £161.9m |
| Opening value | £234.5m |
| Closing value | £236.6m |
| Equity interest | 10.3% |
| Income in the period | £8.1m |
| Asset total return in the period | £10.2m |

- Operational performance and income broadly in line with expectations
- Ranked joint first among water and water recycling companies in Ofwat's SIM for year ending 31 March 2014
- Regulatory review in progress; Final Determination expected in December 2014
- Water Act became law in the period; expect increased management focus on working towards non-household retail market opening in April 2017

Operational highlights for the period



| | |
|----------------------------------|--------------------|
| Cost | £194.8m |
| Opening value | £235.7m |
| Closing value | £217.8m |
| Equity interest | 39.3% |
| Income in the period | £10.3m |
| Asset total return in the period | £0.5m ¹ |

- Good operational and financial performance, despite warmer than average weather conditions
- Reduction in WACC in line with Finnish 10-year government bond yield, with negative value implications
- New bond issues within WBS framework on attractive terms
- First electricity distribution network in Europe and second in the world to receive ISO 55001 certification

¹ Includes an unrealised foreign exchange loss of £14.1m



| | |
|---|----------|
| Cost | £84.5m |
| Opening value | £119.8m |
| Closing value | £108.7m |
| Equity interest | 45.0% |
| Income in the period | - |
| Asset total return in the period ¹ | £(11.1)m |

- Market conditions remained difficult for trading customers due to shallower forward curve for oil prices
- However, capacity remains substantially let, with contract renewals on good terms
- Valuation lower due to impact on near-term cash flows of increased capex at Amsterdam terminal, driven by new health and safety regulations
- Debt refinanced since the period end, extending maturity profile and reducing interest costs

¹ Includes an unrealised foreign exchange loss of £6.0m

Cross London Trains

Operational highlights for the period



- Manufacturing of the trains progressing ahead of schedule
- Thameslink franchise expired in September 2014
- DfT appointed Govia Thameslink Railway to replace First Capital Connect; XLT worked with FCC and GTR on franchise transition
- Discount rate reduced, supported by market return compression in the financing of the procurement of new train fleets

| | |
|----------------------------------|--------|
| Cost | £61.8m |
| Opening value | £64.0m |
| Closing value | £93.2m |
| Equity interest | 33.3% |
| Income in the period | £2.4m |
| Asset total return in the period | £31.6m |

Operational highlights for the period



| | |
|----------------------------------|---------|
| Cost | £75.8m |
| Opening value | £107.8m |
| Closing value | £109.0m |
| Income in the period | £4.0m |
| Asset total return in the period | £5.2m |

- All assets in the operational PPP portfolio performed well, delivering good levels of income
- £13m committed to new primary PPP investments in the period in the UK and the Netherlands
- Achieved preferred bidder stage for two further primary PPP investments in the Netherlands and France and one OFTO investment in the UK, for total commitments of £50-60m

3i India Infrastructure Fund

Operational highlights for the period



Transportation

- Road assets: performance affected by funding constraints, slow project execution and increase in raw material costs
- Krishnapatnam Port successful in broadening cargo mix and witnessing strong growth in traffic, mainly due to increase in coal imports

Power

- Performance continues to be affected by availability and pricing of domestic coal and gas
- Supreme Court ruled against proposed changes to PPAs to allow power producers to pass increased fuel costs to customers; government response awaited
- Fund sold approx. 40% of holding in Adani Power

| | | |
|---|-----------------------------------|-----------------------|
| Cost | Closing cost: £95.6m ¹ | Opening cost: £106.8m |
| Opening value | £73.9m | |
| Closing value | £61.8m | |
| Partnership interest | 20.9% | |
| Asset total return in the period ² | £(4.7)m | |

¹ Cost disposed relates to the partial sale of Adani Power

² Includes an unrealised foreign exchange loss of £0.3m

IFRS 10 – total return adjustments

Six months to 30 September 2014



| Summary total return (£m) | Underlying portfolio asset aggregate returns and costs | Adjustments for transactions in unconsolidated subsidiaries | Financial Statements |
|---|--|---|----------------------|
| Capital return | 91.3 | - | 91.3 |
| Movement in the fair value of derivatives | 12.5 | - | 12.5 |
| Income | 32.8 | (2.1) ¹ | 30.7 |
| | 136.6 | (2.1) | 134.5 |
| Costs | (19.2) | 2.1 ¹ | (17.1) |
| Total return | 117.4 | - | 117.4 |

¹ £2.1m of costs incurred within unconsolidated subsidiaries, comprising principally fees paid directly to 3i Group and operating expenses and transaction fees. These are reflected in income as they reduced the income distributed from these subsidiaries

IFRS 10 – balance sheet adjustments

As at 30 September 2014



| Summary balance sheet (£m) | Underlying aggregate portfolio amounts and other balances | Adjustments for transactions in unconsolidated subsidiaries ¹ | Financial Statements |
|----------------------------------|---|--|----------------------|
| Portfolio assets | 1,067.9 | 0.6 | 1,068.5 ² |
| Cash balances | 98.6 | (1.1) | 97.5 |
| Financial assets | 17.8 | - | 17.8 |
| Derivative financial instruments | 13.5 | - | 13.5 |
| Other net assets | 3.9 | 0.5 | 4.4 |
| Net asset value | 1,201.7 | - | 1,201.7 |

1. “Investments at fair value through profit and loss” includes £1.1m of unrestricted cash balances and £(0.5)m of net liabilities within intermediate unconsolidated holding companies. These adjustments reclassify these balances to show the underlying value of the portfolio assets, the total cash holdings and the net assets/(liabilities) position, as monitored by the Board
2. Described as “Investments at fair value through profit and loss” in the Financial statements

Consolidated statement of comprehensive income

Six months to 30 September 2014

3i Infrastructure plc



| (£m) | Six months to 30 Sep 2014 | Six months to 30 Sep 2013 (restated) |
|---|------------------------------|---|
| Realised gains over fair value on disposal of investments | 0.8 | — |
| Net gains/(losses) on investments at fair value through profit or loss | 90.5 | (15.2) |
| | 91.3 | (15.2) |
| Portfolio income | 29.9 | 24.7 |
| Net transaction fees (payable)/receivable | (1.2) | 1.0 |
| Interest receivable | 0.2 | 0.3 |
| Investment return | 120.2 | 10.8 |
| Advisory, performance and management fees payable | (12.6) | (4.7) |
| Operating expenses and finance costs | (2.7) | (2.9) |
| Unrealised gains on the fair value of derivative financial instruments | 12.0 | 2.8 |
| Net realised gains/(losses) over fair value on the settlement of derivative financial instruments | 0.5 | (0.3) |
| Other net income | — | 0.2 |
| Profit before tax | 117.4 | 5.9 |
| Income taxes | — | — |
| Total comprehensive income for the period ("Total return") | 117.4 | 5.9 |
| Total return as a % of opening net asset value | 10.8% | 0.6% |

Foreign exchange impact

Six months to 30 September 2014



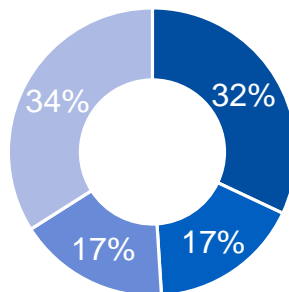
| Impact of foreign exchange movements on portfolio value (£m) | £/rupee | £/€/SGD | Net impact |
|--|--------------|---------------|---------------|
| Translation of assets (£/rupee) | (0.3) | | (0.3) |
| Translation of assets (£/€/SGD) | | (20.3) | (20.3) |
| Reported foreign exchange losses on investments | (0.3) | (20.3) | (20.6) |
| Movement in the fair value of derivative financial instruments (£/€/SGD hedging) | | 12.5 | 12.5 |
| Net foreign exchange losses | (0.3) | (7.8) | (8.1) |



Inflation linkage

Assets with revenues:

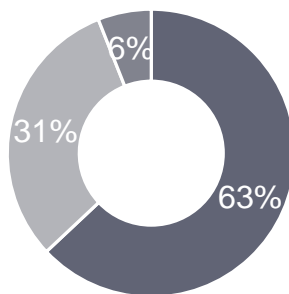
- Directly linked to UK inflation
- Directly linked to Finnish inflation
- Partly linked to inflation
- Not linked to inflation



| Sensitivity (for European assets only) | +1% point | -1% point |
|--|--------------|--------------|
| Change in inflation over underlying assumption for next 2 years | £16.0m | £(17.2)m |

Foreign exchange

- Sterling
- Euro
- Rupee



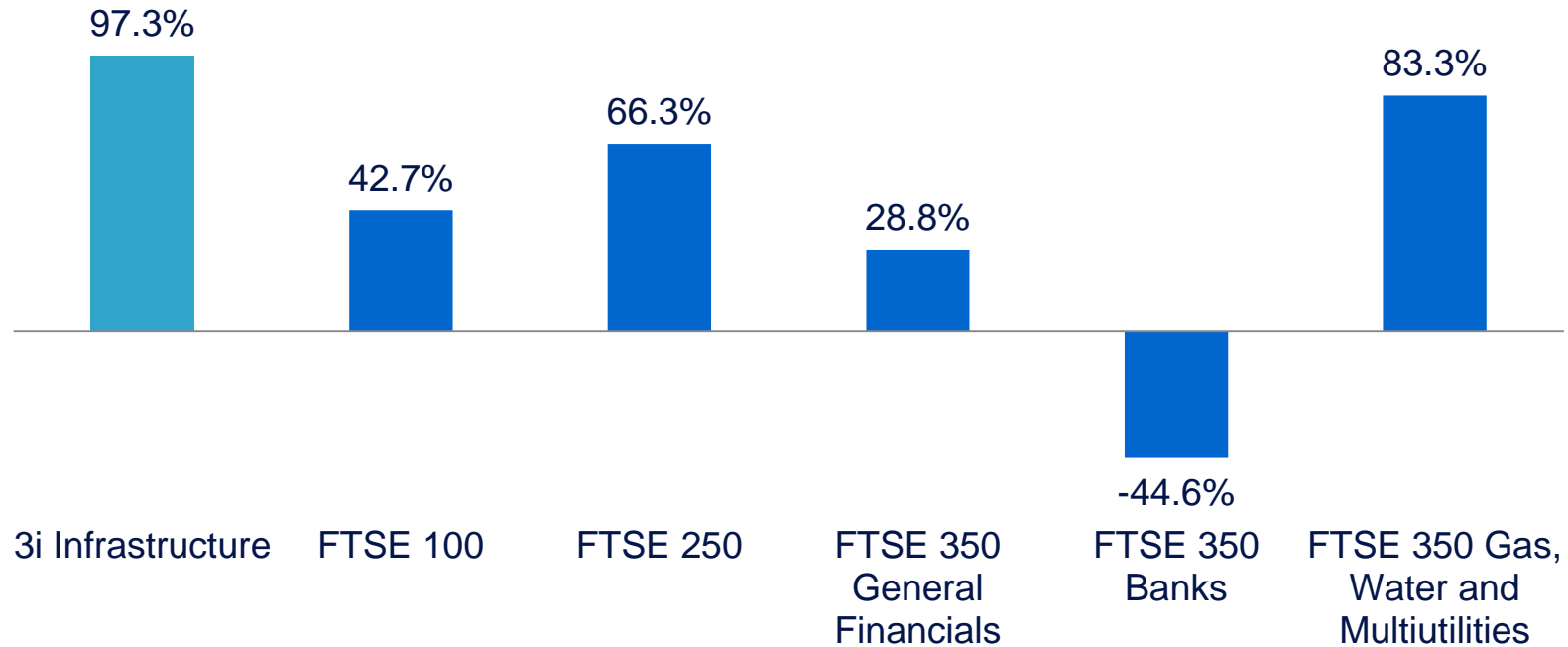
| Sensitivity | +5% | -5% |
|--|-------|---------|
| Change in foreign exchange rate ¹ | £4.6m | £(4.4)m |

¹ The sensitivity calculation assumes that the hedging programme movements are fully effective

Total shareholder return

31 March 2007 – 30 September 2014

3i Infrastructure plc



Source: Bloomberg
Calculated as share price performance with net dividends reinvested in security / index



| | |
|---------------------------|---|
| Board of Directors | <ul style="list-style-type: none">▪ Independent Chairman, four independent non-executive directors and one 3i Group appointed non-executive director▪ Committed to observe requirements of the UK Corporate Governance Code▪ Responsibilities<ul style="list-style-type: none">- acts as Investment Committee / approves investment opportunities- responsible for determination and supervision of investment policy- supervises monitoring of investments |
| Investment Adviser | <ul style="list-style-type: none">▪ Advises the Board on<ul style="list-style-type: none">- origination and completion of investments- realisation of investments- funding requirements- management of the portfolio |
| Fees | <ul style="list-style-type: none">▪ Advisory fee of 1.5% of Gross Investment Value, reducing to 1.25% for any portion of an asset held for more than five years▪ Advisory fee of 1% for new primary PPP and renewable energy project investments▪ Performance fee of 20% of the growth in Net Asset Value, above a hurdle of 8%, with a high water mark requirement |