

Half-yearly results 2012



8 November 2012

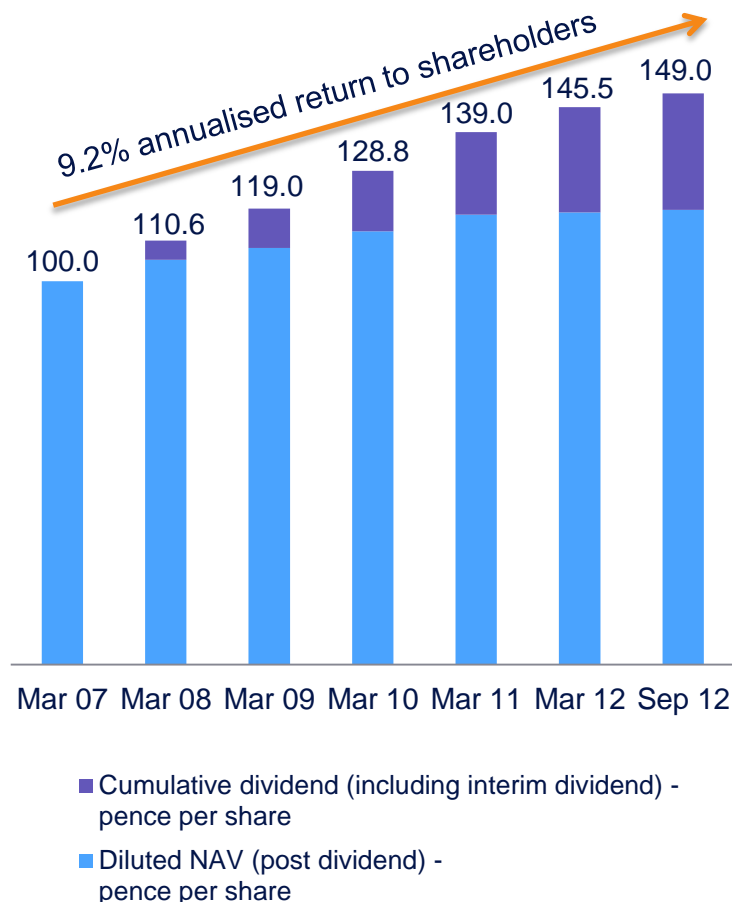
Presentation of the results for the six months to 30 September 2012

Financial highlights for the six months

3i Infrastructure plc



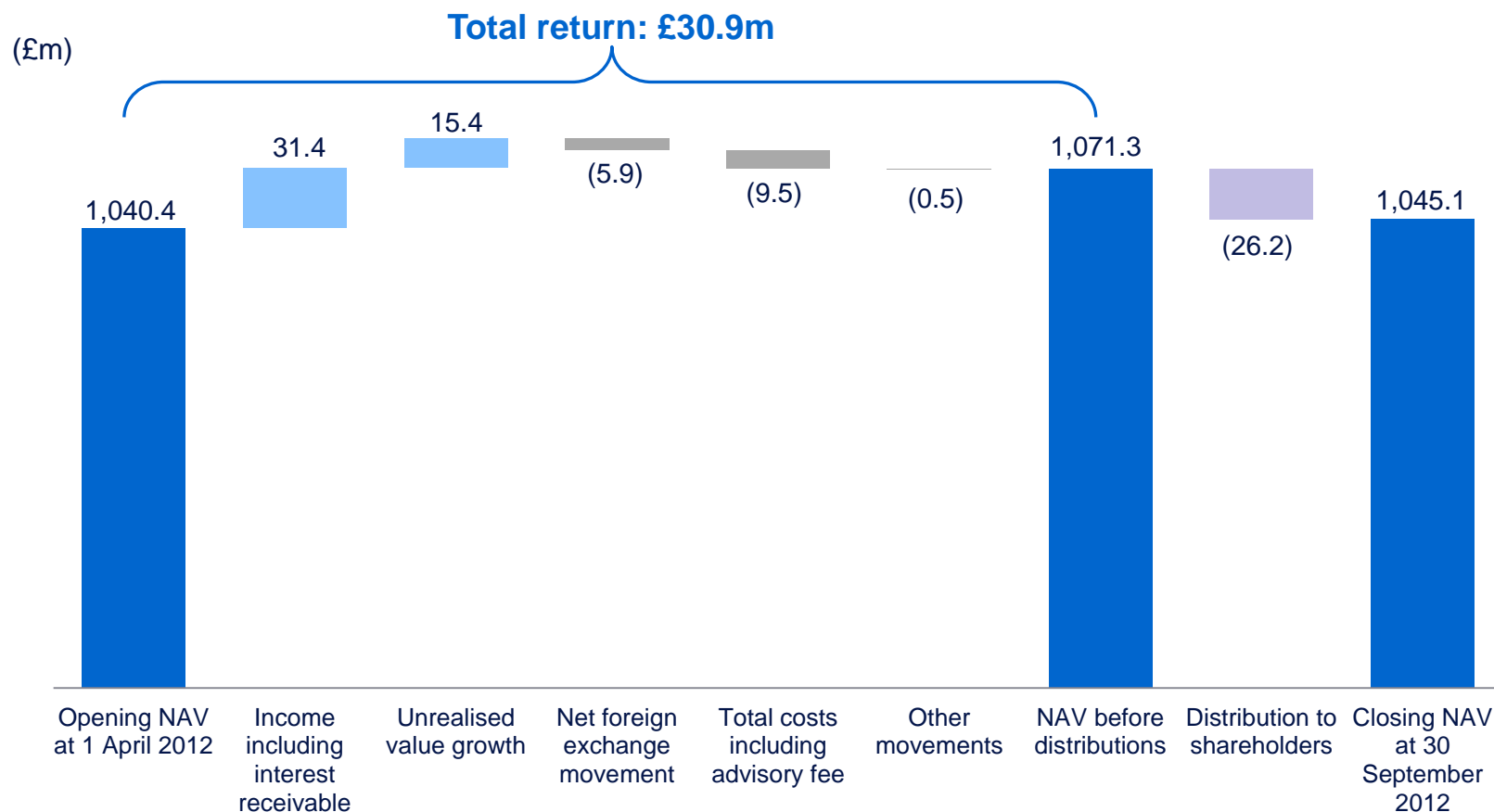
- Steady NAV growth – 3.0% total return on shareholders' equity
- Strong performance in European portfolio partly offset by weaker performance in India and losses from rupee exposure
- Growth in EBITDA of underlying operational assets of 3.1% period on period
- Portfolio income of £31m covers interim dividend
- Interim dividend per share of 2.97p meets target distribution



Continued growth in returns to shareholders

Reconciliation of movements in NAV

3i Infrastructure plc



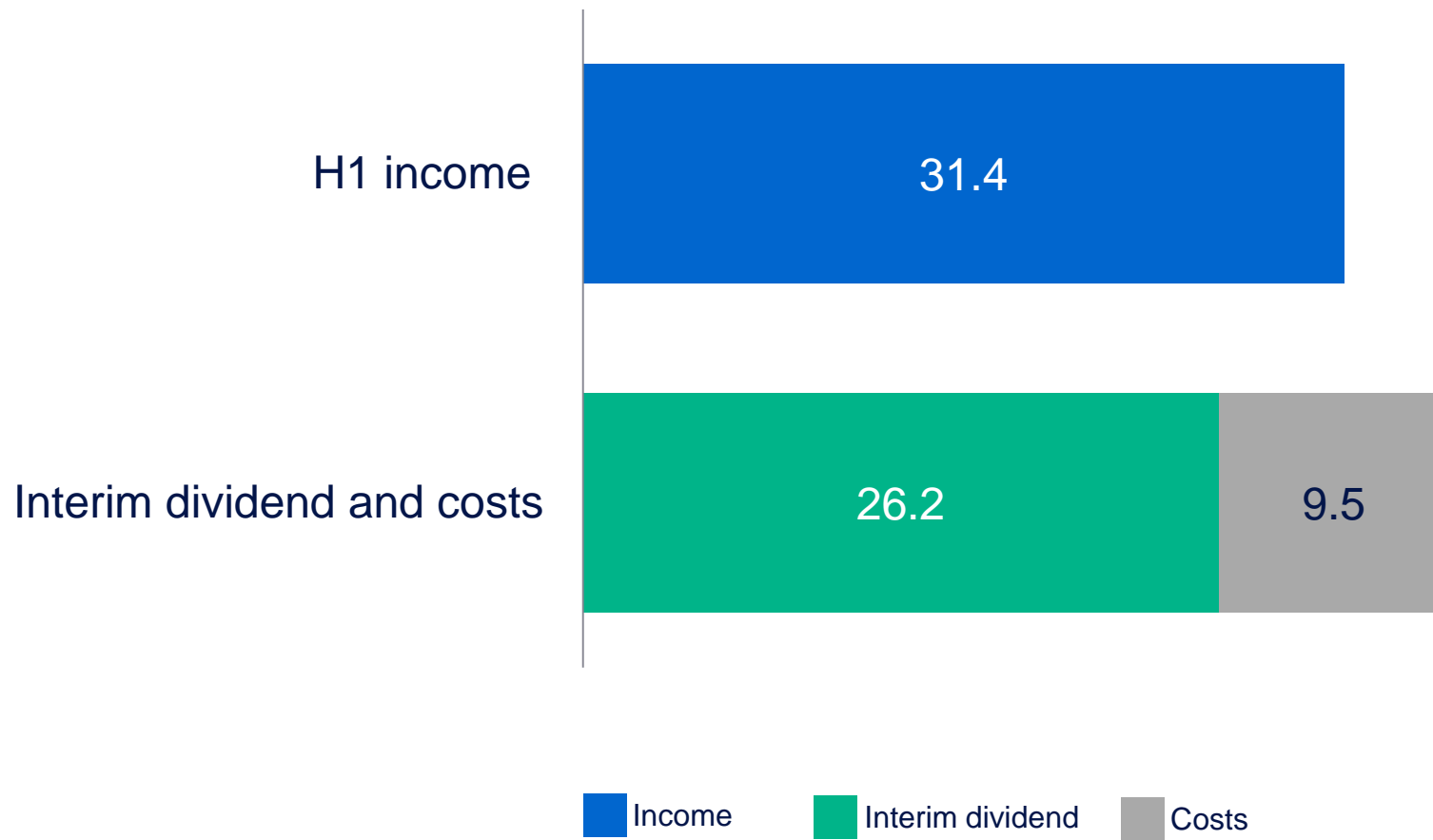
Return underpinned by good income generation and steady valuation gains. Volatility from foreign exchange

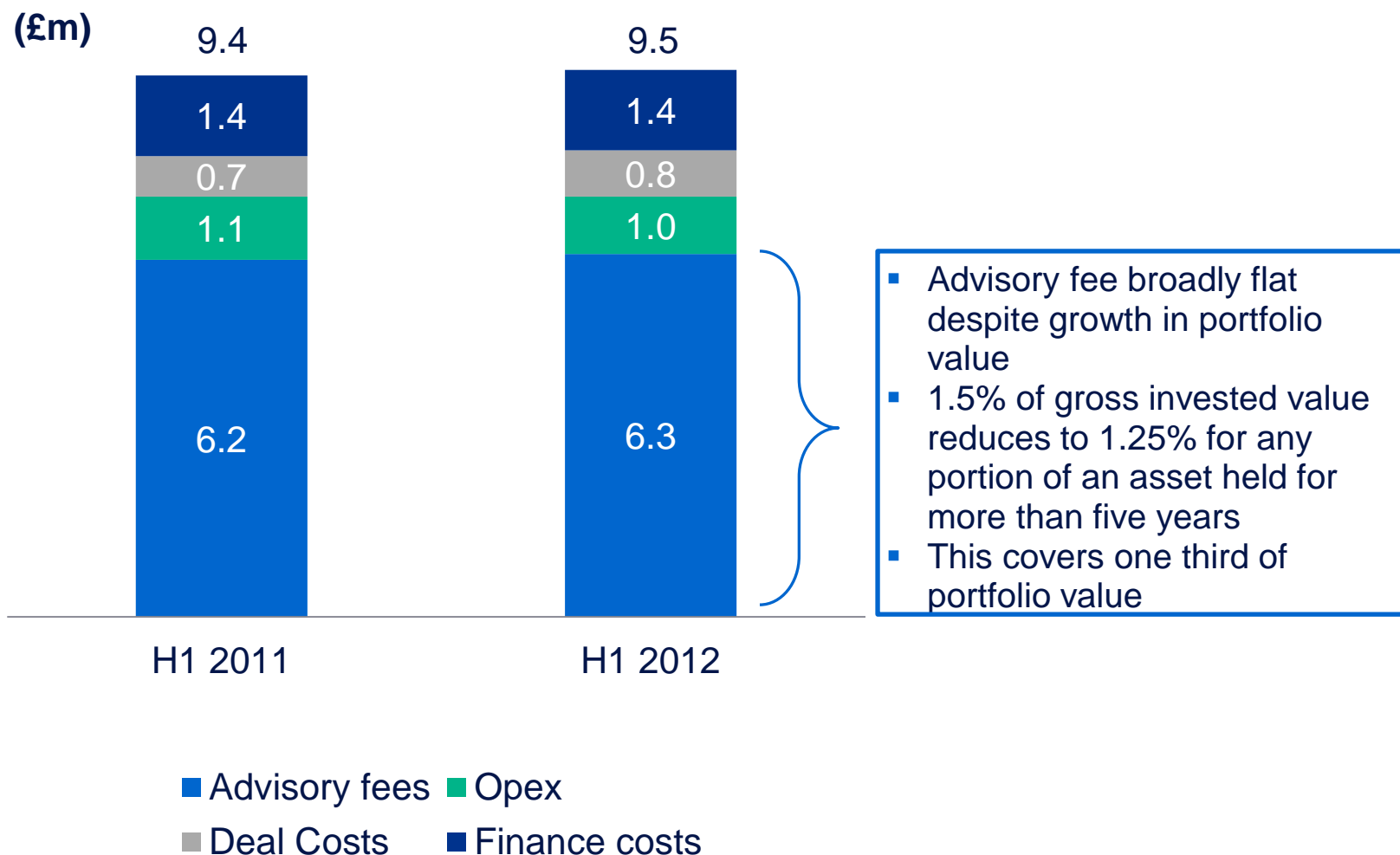
Income and dividend cover

3i Infrastructure plc



(£m)

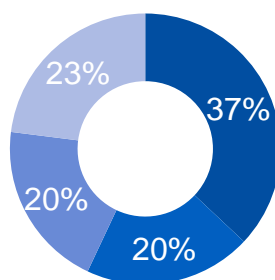




■ Inflation linkage

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)

Change in inflation over underlying assumption for next 2 years

**+1%
point**

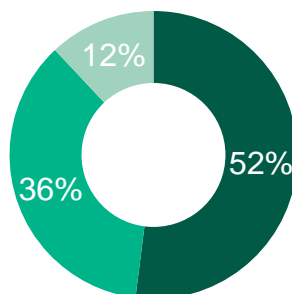
£18.3m

**-1%
point**

£(18.1)m

■ Foreign exchange

- Sterling
- Euro
- Rupee



Sensitivity

Change in foreign exchange rate

+5%

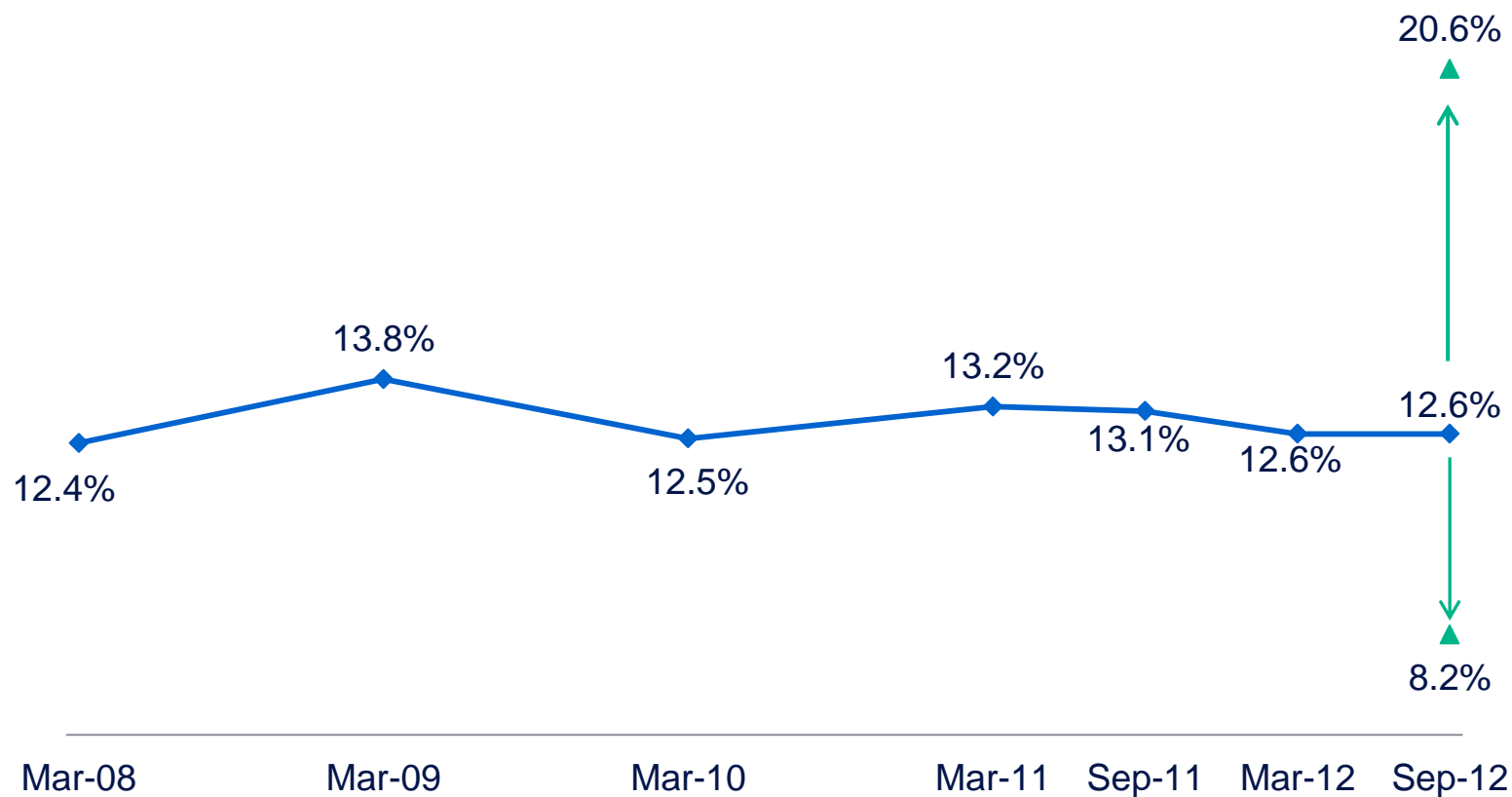
£7.7m

-5%

£(7.0)m

Weighted average discount rate

3i Infrastructure plc



No changes to the discount rates applied to assets in this period

Balance sheet

3i Infrastructure plc



(£m)	Investment basis as at Sep 2012	Investment basis as at Sep 2011	Cons. basis as at Sep 2012
Investment portfolio	885.8	715.8	1,172.8
Other net assets	15.6	3.8	4.9
Cash and cash equivalents	169.9	310.1	179.2
Borrowings	-	-	(151.7)
Net assets	1,071.3	1,029.7	1,205.2
Shareholders' equity	1,071.3	1,029.7	1,074.4
Minority interest	-	-	130.8
Total shareholders' equity	1,071.3	1,029.7	1,205.2
NAV per share (p)	121.6	119.4	121.9
NAV per share post dividend (p)	118.6	116.4	118.9

Our portfolio

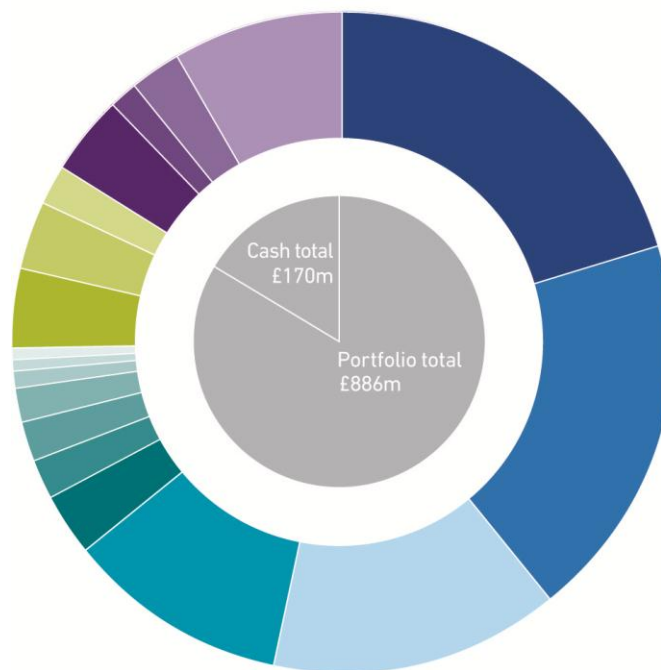
3i Infrastructure plc



15 assets

£886m portfolio value

£170m cash balances



	£m
Anglian Water Group	216
Elenia (formerly LNI)	200
Eversholt Rail Group	150
Oystercatcher	114
3i India Infrastructure Fund	
Krishnapatnam Port	32
Adani Power	21
GVK Energy	20
KMC Roads	16
Soma Enterprise	10
Ind-Barath Utkal	6
Supreme	5
PFI portfolio	
Elgin	43
Octagon	34
Alpha Schools	19
T2C	nil
Total portfolio value	886
Cash	
Cash committed to India	41
Cash to be committed to Dalmore	15
Cash committed to interim dividend	26
Free cash	88
Total cash	170

77% of portfolio value is in core infrastructure

New investment

Dalmore

Characteristics	<ul style="list-style-type: none">First close at £130mFund focused on UK secondary PFI£89.5m invested in a portfolio of 19 UK PFI assets (mainly hospitals and schools) acquired from Interserve plc
Terms	<ul style="list-style-type: none">£15m commitment announced on 12 October 2012 (post period end)£10m drawn in October 2012No additional fees payable by 3iN
Rationale	<ul style="list-style-type: none">PFI has delivered strong yield to the Company – maintain a degree of exposureInvestment in a diversified portfolioBacking core I² management team (I² delivered 24% IRR to 3iN)



Small investment, but good fit with investment strategy

New investment

Supreme Roads

3i Infrastructure plc



Characteristics	<ul style="list-style-type: none"> Minority holding in the BOT road portfolio of Supreme Infrastructure India Limited, a listed EPC company Assets include three BOT roads in the State of Maharashtra (total of 170kms), one of which is operational
Terms	<ul style="list-style-type: none"> US\$39.5m new investment for the Fund, completed in July 2012 US\$7.5m (£4.9m) contributed by 3iN
Rationale	<ul style="list-style-type: none"> Attractive asset class – Indian government targeting c. 50,000kms of road development by 2017 Strong promoter group with good track record Attractive road portfolio, involving the upgrade of existing roads, rather than new build



Third road investment for the India Fund

- Good progress in implementation of regulatory settlement, with focus on efficiency programme
- EBITDA up 3.1% compared to the prior comparable six-month period
- Income down on prior period, due mainly to incremental capex on drought mitigation
- Heavy rains of April-June have alleviated drought; water resources now fully replenished
- Strong performance against peers – ranked second in Service Incentive Mechanism for year to March 2012, and first in the three quarters to June 2012
- Performance of Morrison FS stabilised



Elenia (formerly LNI)

Operational highlights for the period

3i Infrastructure plc



- Full rebranding completed
- Governance enhanced through appointment of new independent chairmen for both businesses
- Further appointments to executive teams, including new FD at Elenia Verkko
- Capex plans for Elenia Verkko updated
- Small acquisition by Elenia Verkko reinforces thesis on consolidation opportunities
- Progress in the implementation of post-acquisition corporate reorganisation



Eversholt Rail Group

Operational highlights for the period

3i Infrastructure plc



- Strong performance, with EBITDA up 4.1% compared to the prior comparable six-month period
- Strong cash flows, allowing £6.6m unscheduled shareholder loan repayment, in addition to regular interest payments
- Business currently focused on refranchising and re-leasing current fleets
- West Coast franchise issues have also resulted in delays in other processes, but should not have a material impact on Eversholt's valuation or short-term profitability
- Several asset management opportunities being pursued



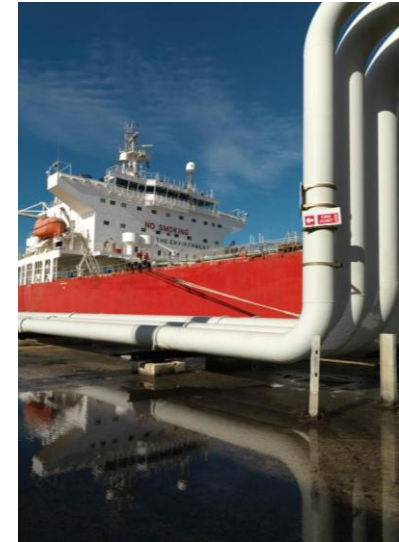
Oystercatcher

Operational highlights for the period

3i Infrastructure plc



- All three terminals have performed in line with expectations
- EBITDA up 9.9% compared to the prior comparable six-month period
- Storage capacity fully let, with strong contract renewal rates and high throughput levels
- In Malta, new LPG pipeline to transport imports to nearby facility completed in June
- Refinancing of Oystercatcher debt (expiring in 2014) underway – expected to be completed well before maturity



Social infrastructure investments

Operational highlights for the period

3i Infrastructure plc



Elgin

- All 16 projects performing in line with the investment case

Octagon

- Good operational and financial performance
- Received the top “excellent” rating for standards of cleanliness, food, privacy and dignity in July, in an annual inspection by patient representatives, members of the public and NHS staff

Alpha Schools

- All schools performing in line with expectations
- Remaining construction snagging items resolved
- Only one defect outstanding, for which a remedy has been agreed between all parties involved



3i India Infrastructure Fund

Operational highlights for the period

3i Infrastructure plc



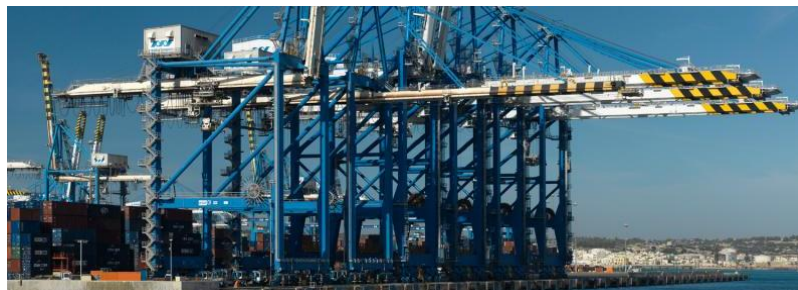
Power

- Performance affected by:
 - availability and pricing of fuel, exacerbated by rupee weakness
 - strain on State Electricity Boards' financial position and their ability to enter into new long-term PPAs
- Government taking action
 - Coal India to sign fuel supply agreements with producers with majority of output tied to PPAs, to cover 80% of annual fuel requirement
 - stronger penalties for non-compliance



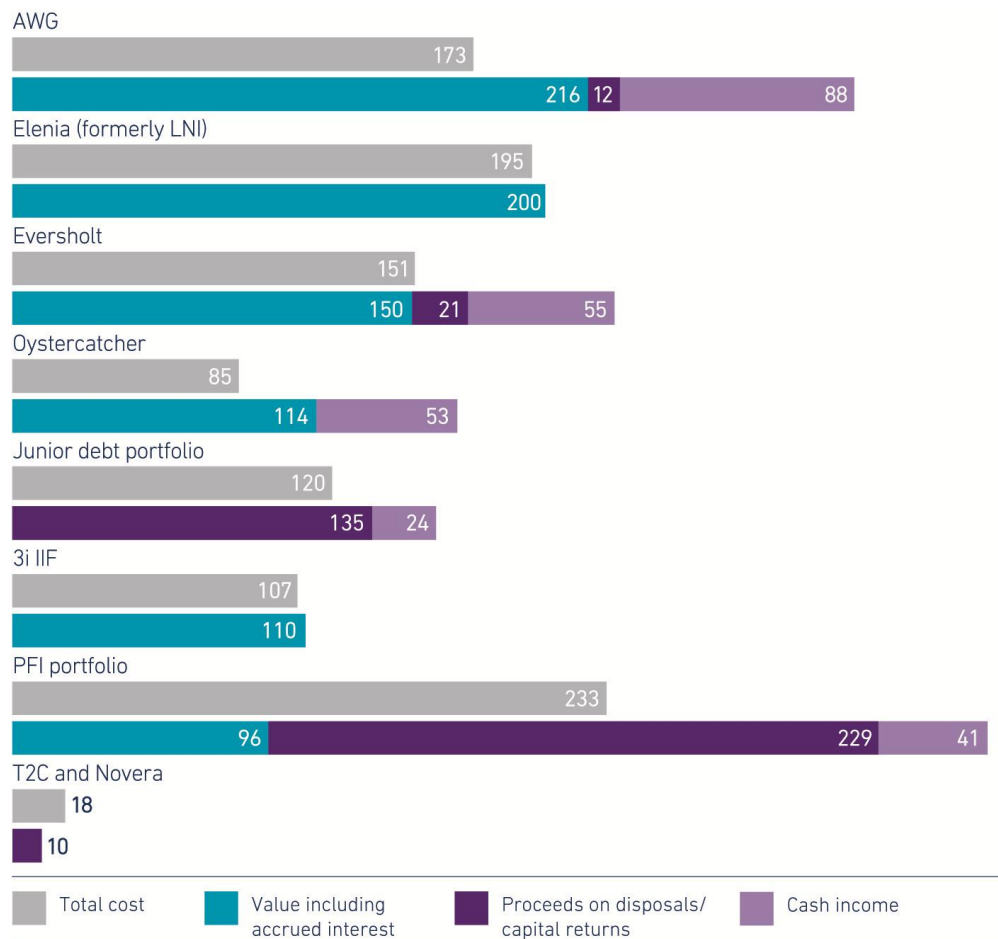
Transportation

- Krishnapatnam Port
 - still affected by iron ore export ban
 - resilient performance as business changes its cargo mix
- Road assets
 - Supreme Roads purchased in the period (£4.9m cost to 3iN)
 - Construction work progressing well
 - 55kms of new roads began tolling in the period





Portfolio asset returns throughout holding period (since inception, £m)



16%

Annualised asset IRR
since inception

Asset IRRs consistent
with return objectives



- Attractive assets changing hands in **Europe**, but
 - relative price points often high
 - strong competition from investors keen to build exposure to infrastructure
 - European infrastructure market continues to offer attractive opportunities
-
- Limited deal flow in **India**, due to slowing growth, currency volatility, high inflation and interest rates
 - 3i India Infrastructure Fund nearing the end of its investment period

Challenging market for investment activity



- Investing at the appropriate price points is key to maintaining consistent returns
- Retain focus on processes where we:
 - have a competitive advantage
 - can engage at an early stage
 - leverage our relationships



Summary for the period



- Good underlying portfolio performance
 - EBITDA up 3.1% period on period across the portfolio
 - portfolio income of £31m
- Prudent investment stance in challenging markets
 - Dalmore and Supreme completed since May
 - disciplined on pricing
- Focused on new investment, and on bringing Thameslink to financial close



Additional financial information



Valuation summary

3i Infrastructure plc



(£m)	Value Mar 2012	Invest- ment in period	Divest- ment in period	Value move- ment	Forex trans- lation	Value Sep 2012	Profit on disposal	Income in period	Asset TR in period
AWG	209.4			6.3		215.7		7.5	13.8
Elenia	201.0			7.6	(8.5)	200.1			(0.9)
Eversholt	154.2		(6.6)	2.3		149.9		9.0	11.3
Oystercatcher	118.2			1.1	(5.1)	114.2		11.2	7.2
3i India Infrastructure Fund	114.2	4.9		(7.9) ¹	(1.1)	110.1			(9.0)
Elgin	42.0		(0.2)	0.8		42.6		1.3	2.1
Octagon	33.3			0.5		33.8		1.0	1.5
Alpha Schools	18.5			0.9		19.4		0.8	1.7
T2C	-			-		-			-
	890.8	4.9	(6.8)	11.6	(14.7)	885.8		30.8	27.7

(1) Includes a £3.8m negative impact from US\$/rupee movements



Impact of foreign exchange movements on returns (£m)

	Sterling /rupee	Sterling /euro	Net impact
Translation of assets £/US\$	(1.1)		(1.1)
Translation of assets £/€		(13.6)	(13.6)
Reported foreign exchange losses on investments			(14.7)
Asset valuation US\$/rupee	(3.8)		(3.8)
Movement in fair value of derivative financial instruments (£/€ hedging)		12.6	12.6
Other foreign exchange movements			8.8
Net foreign exchange losses	(4.9)	(1.0)	(5.9)

Total return for the six months to 30 September 2012

3i Infrastructure plc



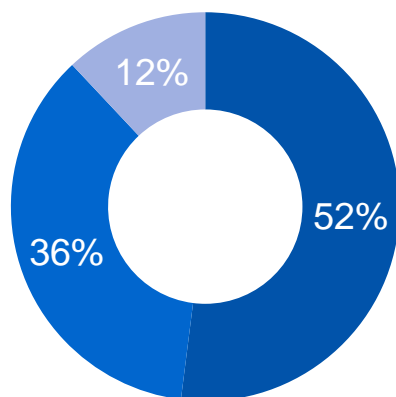
(£m)	Investment basis 30 Sep 2012	Investment basis 30 Sep 2011	Consolidated basis 30 Sep 12
Realised profits over fair value on disposal of investments	-	2.1	-
Unrealised profits/(losses) on the revaluation of investments	11.6	(18.1)	15.0
Foreign exchange (losses)/gains on investments	(14.7)	0.7	-
Capital (loss)/return	(3.1)	(15.3)	15.0
Portfolio income	30.8	36.8	39.5
Fees payable on investment activities	(0.8)	(0.7)	(0.8)
Interest receivable	0.6	0.8	0.6
Investment return	27.5	21.6	54.3
Fees and operating expenses	(8.7)	(8.7)	(14.3)
Movements in the fair value of derivative financial instruments	12.6	2.9	12.9
Other net income	(0.5)	0.1	(0.4)
Profit before tax	30.9	15.9	52.5
Income taxes	-	-	-
Profit after tax and profit for the period	30.9	15.9	52.5
Exchange difference on translation of foreign operations	-	-	(16.5)
Profit attributable to non-controlling interests for the period	-	-	(5.5)
Total comprehensive income ("Total return")	30.9	15.9	30.5
Total return as a % of shareholders' equity	3.0%	1.6%	2.9%

Asset diversification at 30 September 2012

3i Infrastructure plc

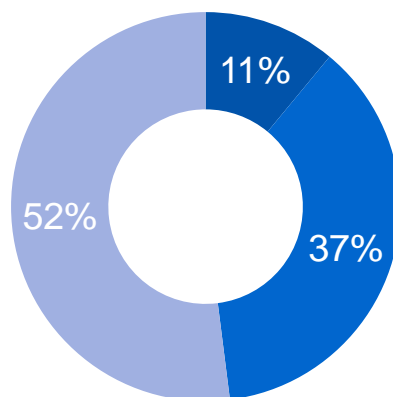


By geography



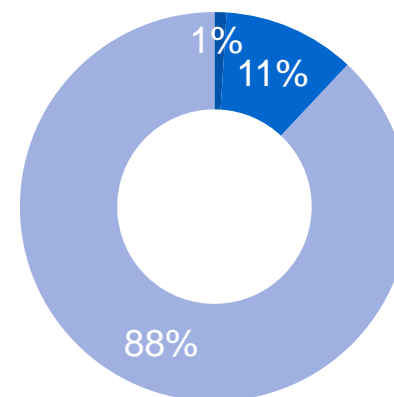
- UK and Ireland
- Continental Europe
- Asia

By sector



- Social infrastructure
- Transportation
- Utilities

By maturity



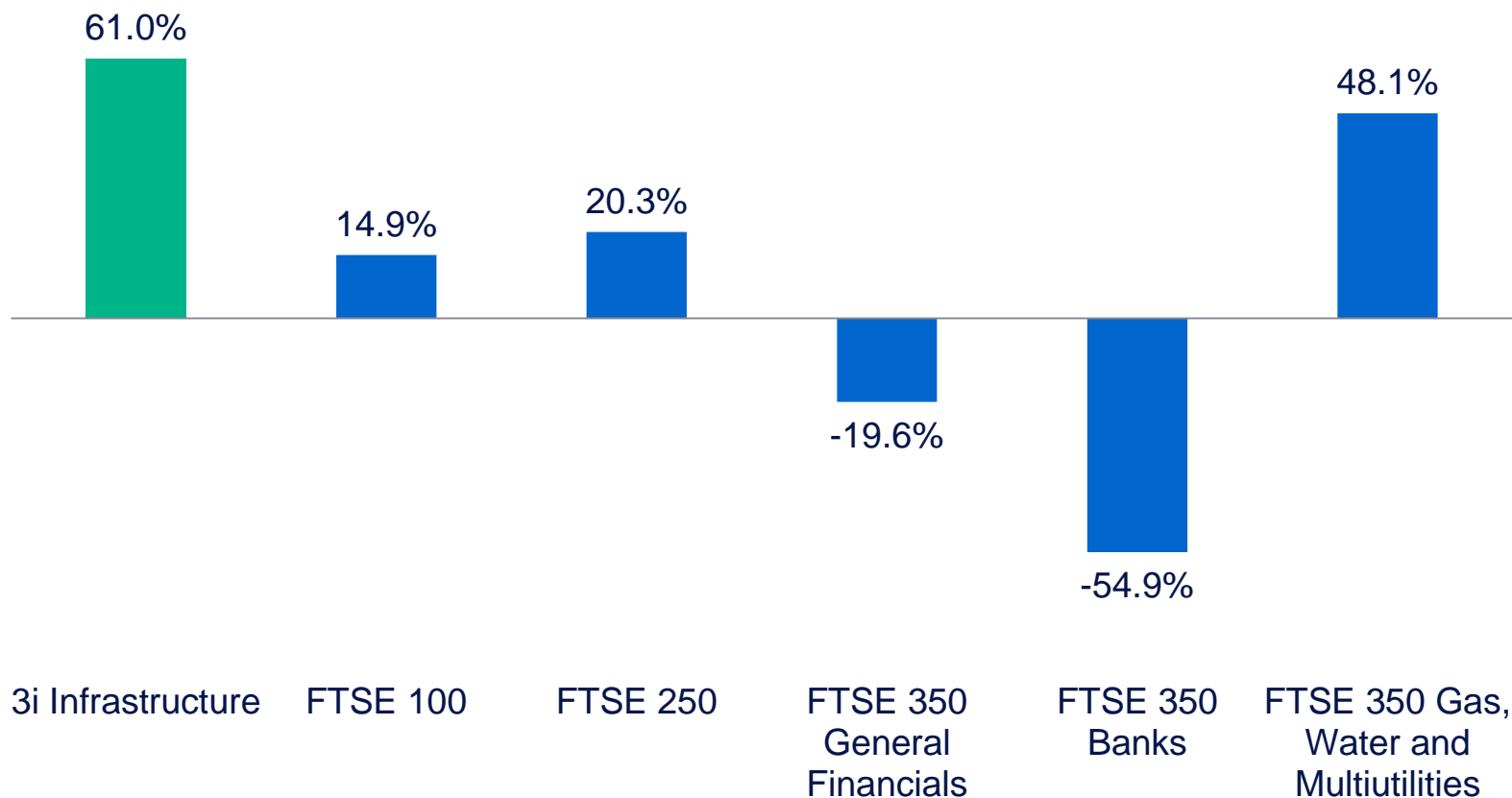
- Early stage
- Operational growth
- Mature

Total shareholder return

3i Infrastructure plc



Total shareholder return (31 March 2007 – 30 September 2012)



About 3i Infrastructure





Board of Directors	<ul style="list-style-type: none">▪ Independent Chairman, five 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▪ Performance fee of 20% of the growth in Net Asset Value, above a hurdle of 8%

Senior members of the London Investment Advisory team



Cressida Hogg
Managing Partner

- 17 years at 3i, Managing Partner of the Infrastructure business line since 2009
- Co-founded 3i's Infrastructure business in 2005 with Michael Queen
- Manages the team and leads relationship with 3i Infrastructure's Board
- Member of the AWG board of directors



Neil King
Partner

- Joined 3i in 2005 at the foundation of the Infrastructure business line
- More than 20 years of experience in infrastructure market
- Responsible for origination activities
- Member of the Eversholt board



Phil White
Partner

- Joined 3i in 2007 shortly after 3i Infrastructure's IPO
- 20 years of experience in infrastructure market
- Responsible for portfolio management activities
- Member of the Elenia, Eversholt and Oiltanking boards



Scott Moseley
Partner

- Joined 3i in 2007 shortly after 3i Infrastructure's IPO
- 12 years of experience in infrastructure market
- Focused on investment origination and execution
- Member of the Elenia board



Stephen Halliwell
CFO

- 14 years at 3i, joined the Infrastructure team in 2007 shortly after 3i Infrastructure's IPO
- 21 years of experience in various finance roles
- Manages the operational, financial and reporting requirements of the Infrastructure business line

A stable team in place since 2007

Asset intensive businesses, providing essential services

Transport

- Airports
- Ports
- Toll roads
- Rail
- Oil transportation and storage



Utilities

- Water
- Electricity and gas distribution
- Midstream energy
- Waste processing
- Communication networks



Social infrastructure

- Healthcare
- Education
- Defence
- Government accommodation

