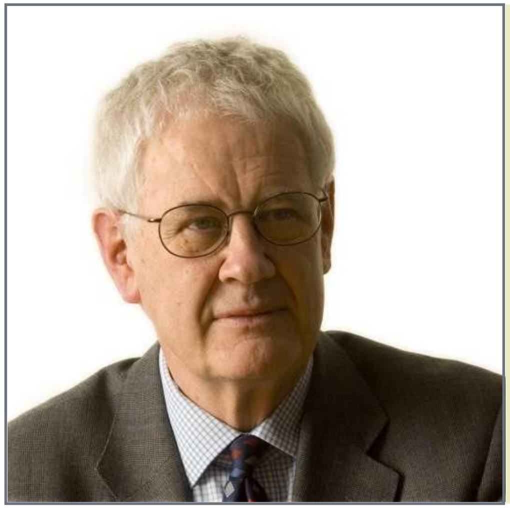
Annual results to 31 March 2009

7 May 2009



Introduction

Peter Sedgwick
Chairman, 3i Infrastructure plc

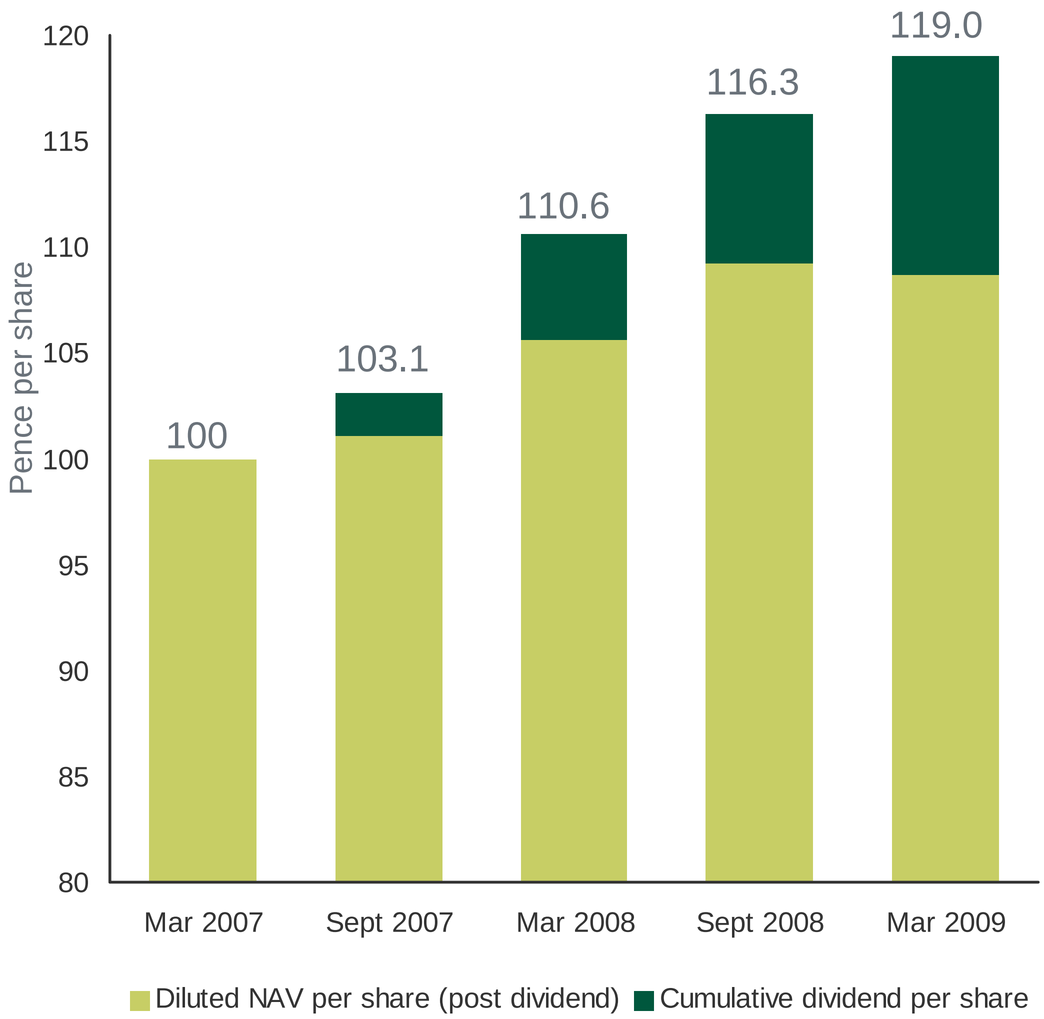
Agenda

Chairman's highlights	**Peter Sedgwick** Chairman, 3i Infrastructure plc
Investment review	**Cressida Hogg** Managing Partner, Infrastructure, 3i Investments plc
Financial review	**Stephen Halliwell** CFO, Infrastructure, 3i Investments plc
Closing remarks	**Cressida Hogg** Managing Partner, Infrastructure, 3i Investments plc

Chairman's highlights

- Total return of 8.8% on average shareholders' equity, underpinned by strong portfolio income
- Portfolio assets continue to perform well operationally
- Final dividend of 3.2p per share, bringing total dividend to 5.3p per share, or 5.2% on average shareholders' equity
- Strong balance sheet (£387m net cash)

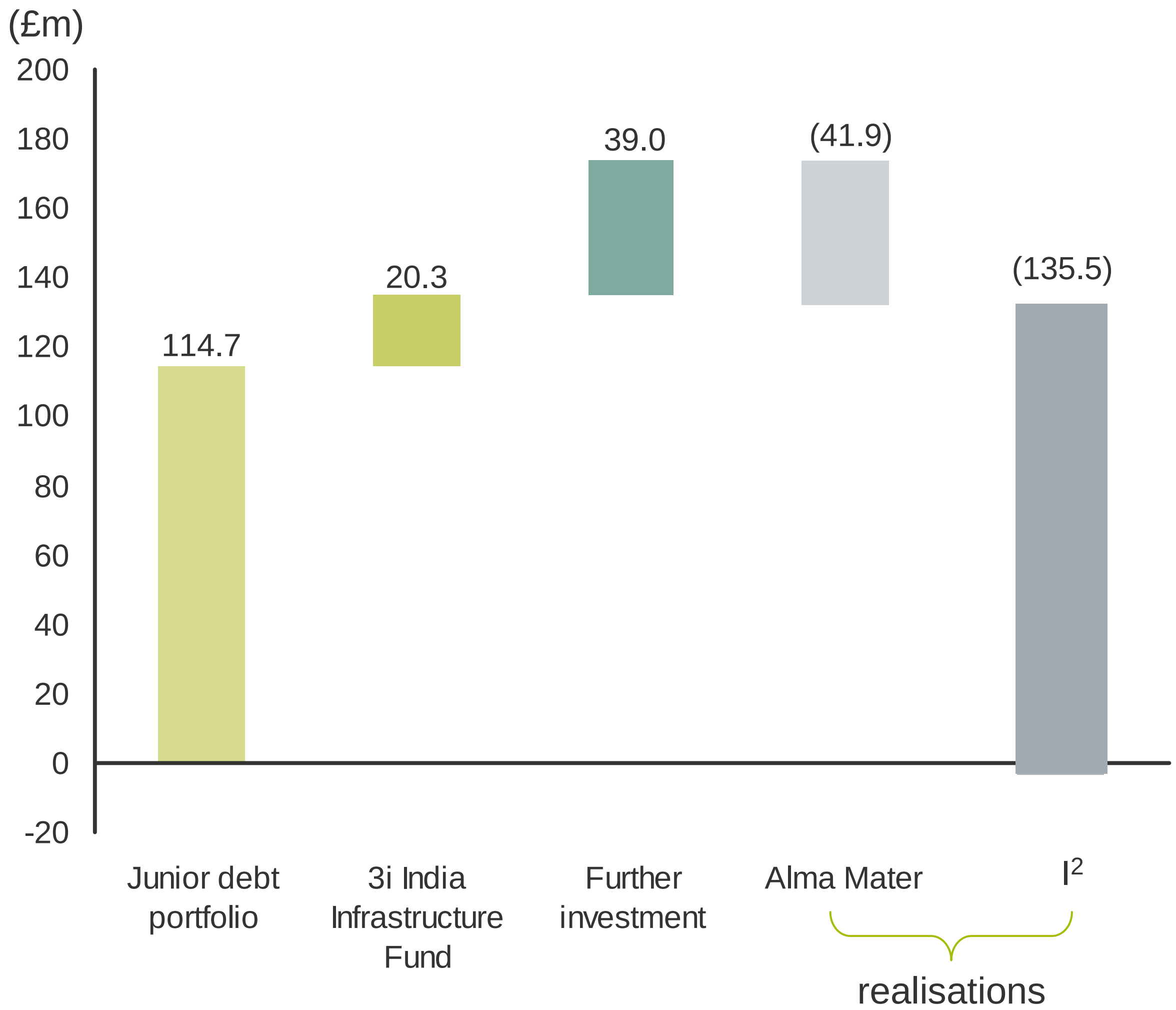
Strong growth in net assets



Investment review

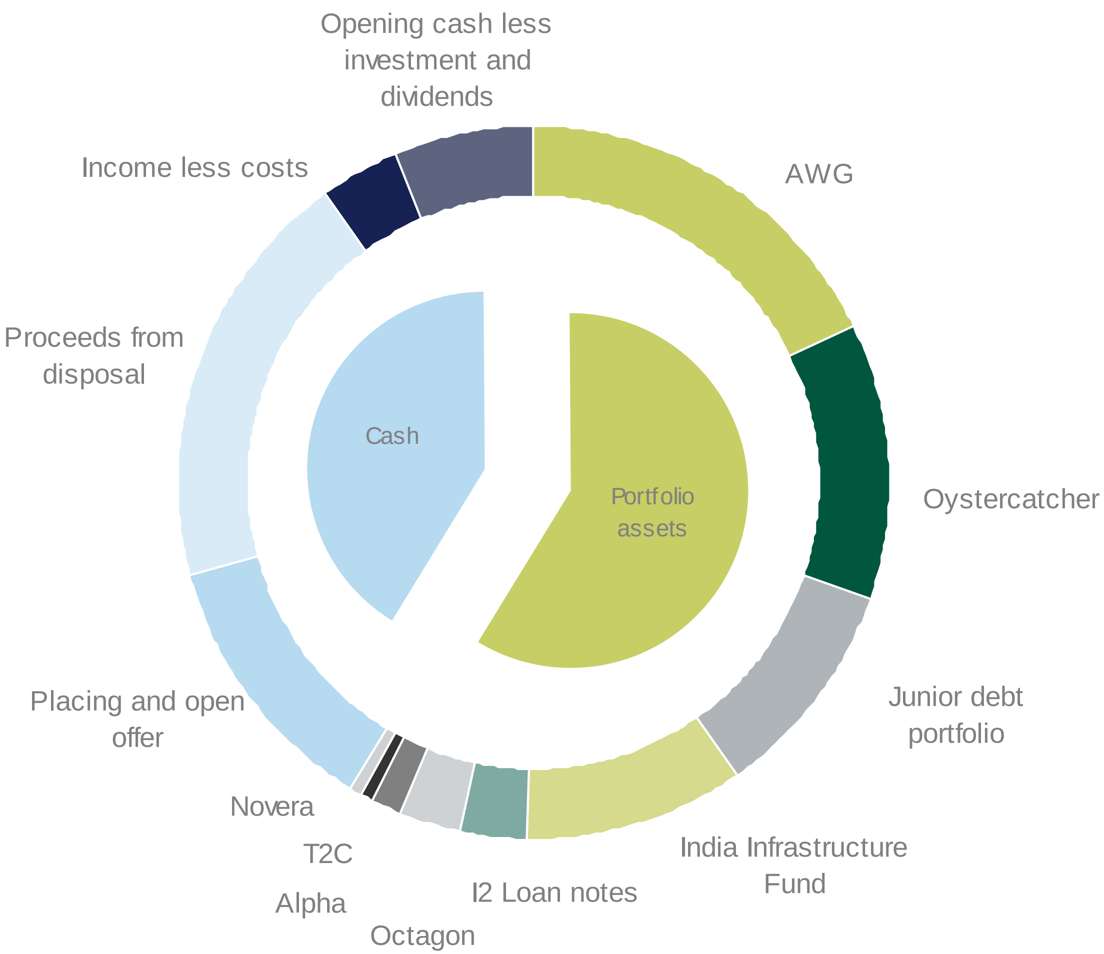
Cressida Hogg
Managing Partner, Infrastructure, 3i Investments plc

Investment and realisation activity



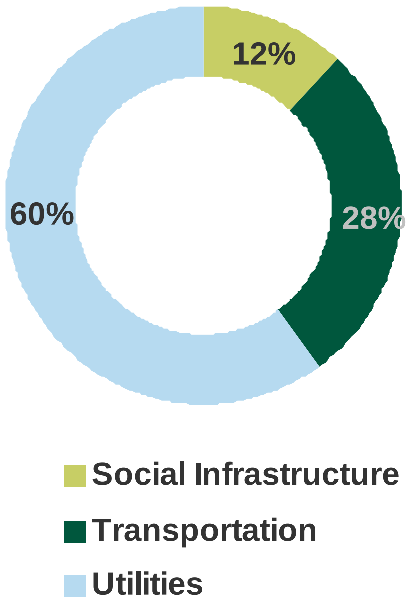
- Cautious investment strategy dictated by volatile markets
- Pragmatic approach to realisations: I^2 and Alma Mater sold during the year at 42% uplift over cost and 17% uplift over value

Our portfolio

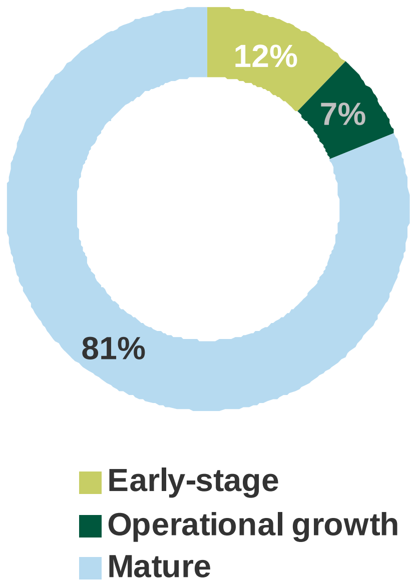


Asset	Value at 31 March 2009
Anglian Water Group	£162.9m
Oystercatcher	£114.3m
Junior debt portfolio	£91.9m
3i India Infrastructure Fund	£90.3m
I^2 vendor loan notes	£28.2m
Octagon	£26.0m
Alpha Schools	£12.0m
T2C	£7.3m
Novera	£3.8m
Total	**£536.7m**

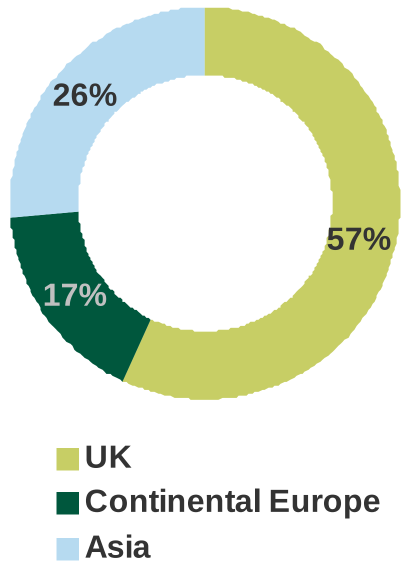
By sector



By maturity



By geography



(as at 31 March 2009, breakdown by value)

Portfolio performance

- Robust **EBITDA growth** for underlying equity assets: +**13.6%** on average on a like-for-like basis on previous reporting period [(1)], including
  - Oystercatcher companies (+20% on average)
  - AWG (+5.8% [(2)])
- Portfolio income of £41.2 million (dividend and loan interest income), or **7.2% of portfolio value**
- Engaged portfolio management approach

(1) Excludes junior debt portfolio, as well as investments that are not yet operational (T2C, Adani Power) and investments held for less than one year (Krishnapatnam Port Company)

(2) Based on unaudited management accounts

Anglian Water Group

Equity interest	9.0%
Further investment in the year	£10.3m
Income in the period	£18.7m
Asset total return	£11.7m

Description

- Owner of Anglian Water, fourth largest water/waste water company in England and Wales, Morrison Facilities Services and a small property development business in Scotland

Strategy

- Deliver a reliable supply of clean, safe drinking water and effective wastewater services at an affordable price
- Meet the key challenges of regional growth and impact of climate change

Developments in the period

- Ranked first among water and sewerage companies in Ofwat's Overall Performance Assessment for second consecutive year
- Submitted operating and investment plans for the 2010-2015 regulatory period, including plans to spend £2.2bn
- Issued £115m of senior preference shares in March 2009, due to dramatic fall in RPI and its impact on RCV, to maintain sufficient headroom in debt facilities
- EBITDA up 5.8% [1] in year ended 31 March 2009

(1) Like-for-like, adjusted for sale of Morrison Utility services

Oystercatcher

Equity interest	45.0%
Further investment in the year	-
Income in the period	£8.8m
Asset total return	£24.8m*

* Includes £16.7m of unrealised exchange gains

Description

- Provider of third-party storage facilities for oil and petroleum products in the Netherlands, Malta and Singapore
- Contracts on a use-or-pay basis with fixed terms up to 10 years, often with tariffs linked to inflation

Strategy

- Experienced management teams, supported by Oystercatcher board representatives and Oiltanking expertise, seek to maximise throughput by delivering high-value customer service and to maintain strong safety and environmental standards

Developments in the period

- Favourable market conditions, with demand for storage facilities underpinned by volatility in oil price and shape of forward curve
- Two new jetties operating in Amsterdam, with construction of expansion project in Singapore near completion
- New CEO appointed for Malta business
- All three businesses operating at or near full capacity, with EBITDA up 20% on average

Junior debt portfolio

Further investment in the year	£114.7m
Income in the period	£8.7m
Asset total return	£(14.1)m

Description

- Investment in junior debt instruments issued by Viridian, NGW Arqiva, Télédiffusion de France, Thames Water and Associated British Ports

Strategy

- Build a portfolio of debt investments in core infrastructure businesses
- Underlying businesses are leading players in the markets in which they operate
- Investment Adviser had previously diligenced the equity of these businesses, or knows their respective sectors very well
- Pricing at values below par delivers equity-like returns and strong levels of cash yield

Developments in the period

- Significant pricing volatility, triggered by forced selling
- Company continued to acquire assets incrementally
- Pricing more stable now, as forced selling subsided and performance in financial sector improves
- Robust underlying company performances, in line with Company's expectations

3i India Infrastructure Fund

Equity interest	20.9%
Further investment in the year	£20.3m
Income in the period	£0.3m
Asset total return	£32.6m*

* Includes £17.4m of unrealised exchange gains

Description

- US$1.2 billion fund set up by 3i Group to invest in Indian infrastructure
- Cornerstone commitments of US$250 million by 3i Group and 3i Infrastructure – no additional fees payable to 3i Group

Strategy

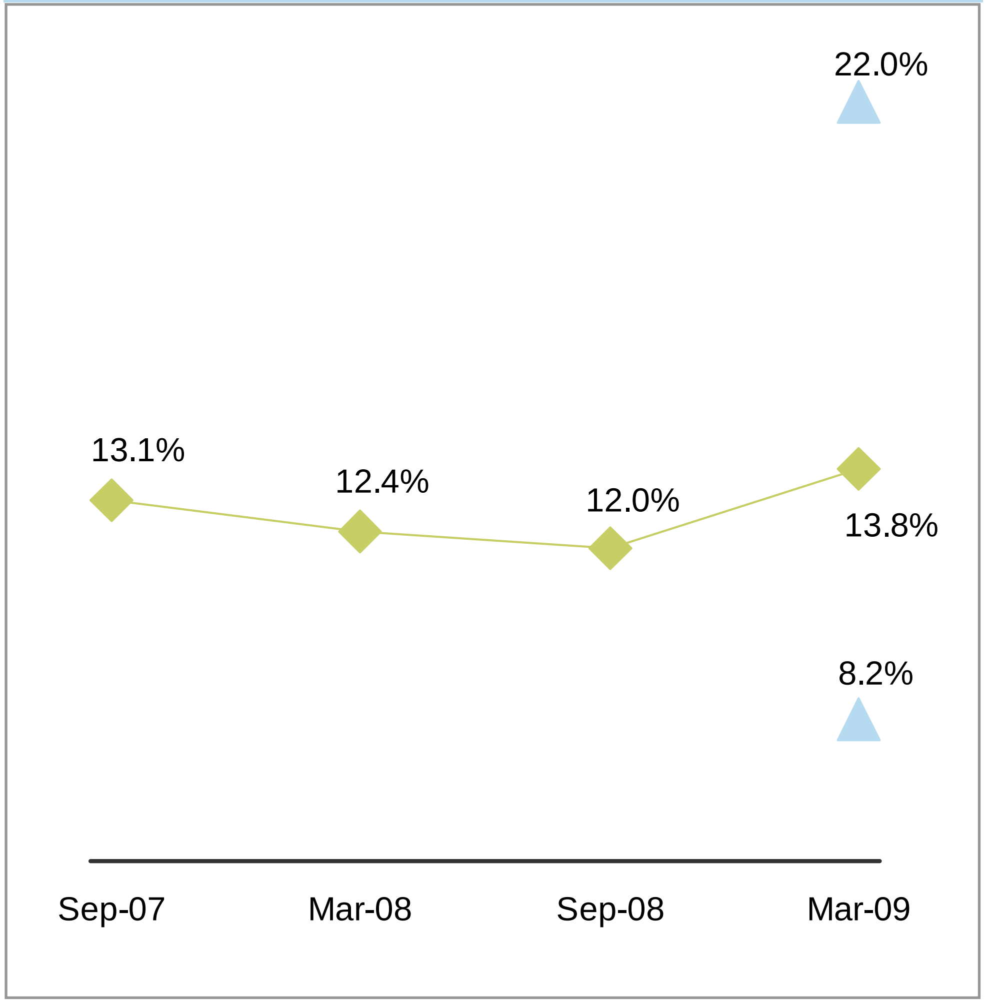
- Build a diversified portfolio of assets with a primary focus on ports, airports, roads and power
- Fund expects to make its investments over two to four years

Developments in the period

- US$161m investment in Krishnapatnam Port completed in February 2009
- Adani Power – first project reached first fire in March 2009. New projects started, increasing generation capacity to 9,900MW (from original 2,640MW)
- Soma - continues to increase its order book (+85% compared to previous year)
- Strong pipeline of potential investment opportunities
- Deep network of contacts and relationship with the India Infrastructure Finance Company

Portfolio valuation

Weighted average discount rate

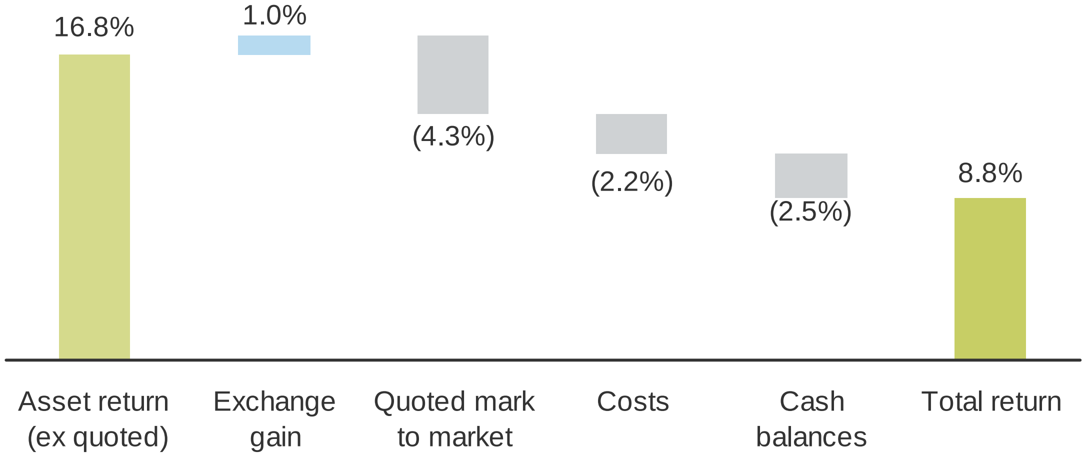


	Valuation methodology	Value per share (p)
Unquoted assets	• DCF • Average discount rate increased to 13.8%	54.4
Quoted assets	• Mark-to-market • Closing bid prices or third-party broker information	11.8
Cash		46.7
Undiluted NAV per share		112.9
Diluted NAV per share		111.9
Final dividend		(3.2)
Diluted post-dividend NAV		108.7

Financial review

Stephen Halliwell
CFO, Infrastructure, 3i Investments plc

Key performance indicators

	Objective	Performance against objective
Return	• **12% total return per annum** on average shareholders' equity, to be achieved over the long term	
Dividend	• Annualised **distribution yield of 5%** on opening NAV, once fully invested	• **Dividend return of 5.2%** on average shareholders' equity
Investment	• IPO proceeds fully invested within **two years**	• Achieved during the year

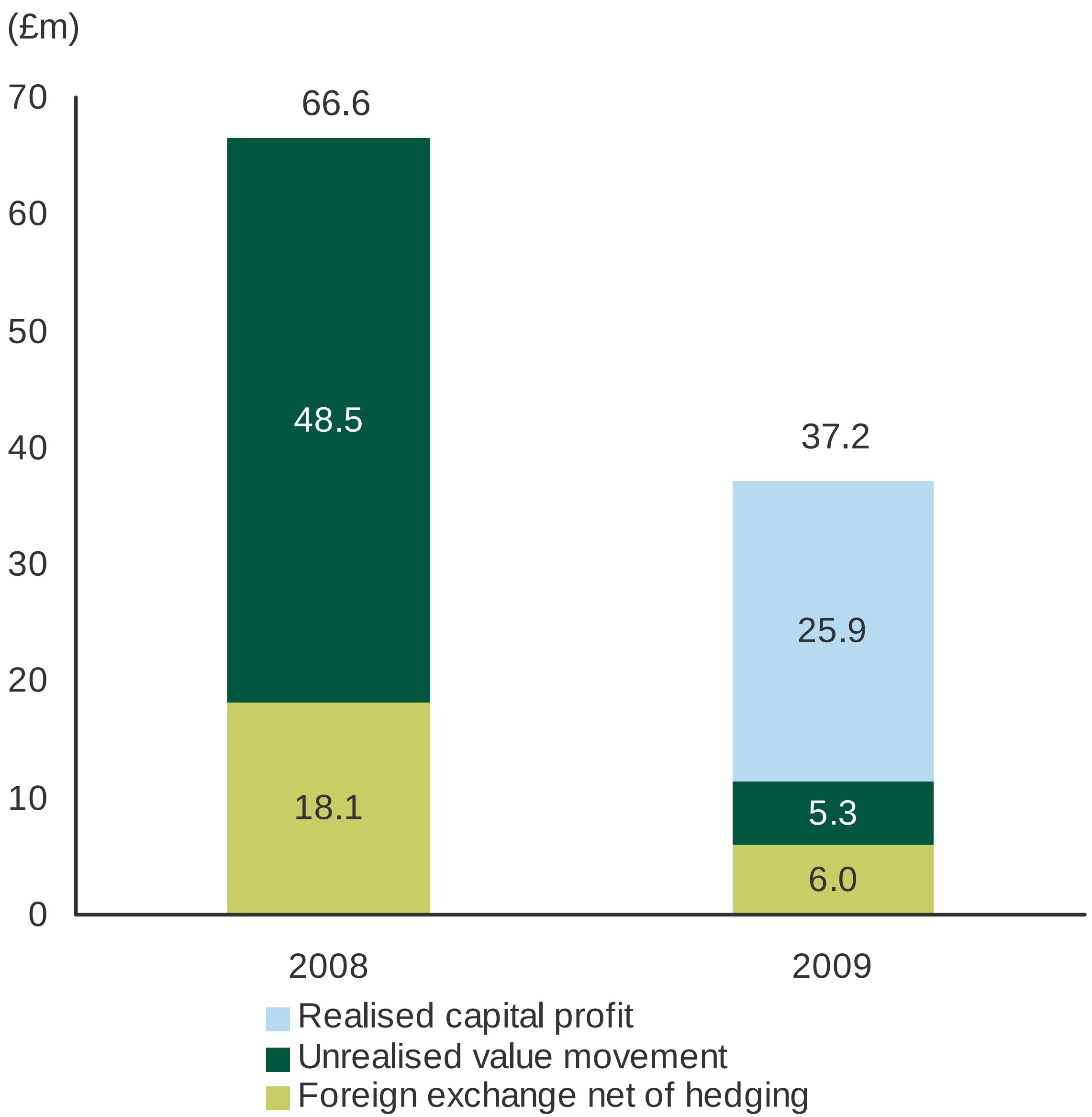
Total return

(£m)	Investment basis 31 March 2009	Investment basis 31 March 2008	Consolidated basis 31 March 2009
Capital return [1]	37.2	66.6	54.6 [2]
Portfolio income and interest	52.3	46.1	76.6
Investment return	**89.5**	**112.7**	**131.2**
Fees and operating expenses	(16.3)	(22.2)	(42.3)
Profit attributable to minority interests	-	-	(9.8)
Total return	**73.2**	**90.5**	**79.1**

(1) Net of hedging

(2) Includes translation reserve

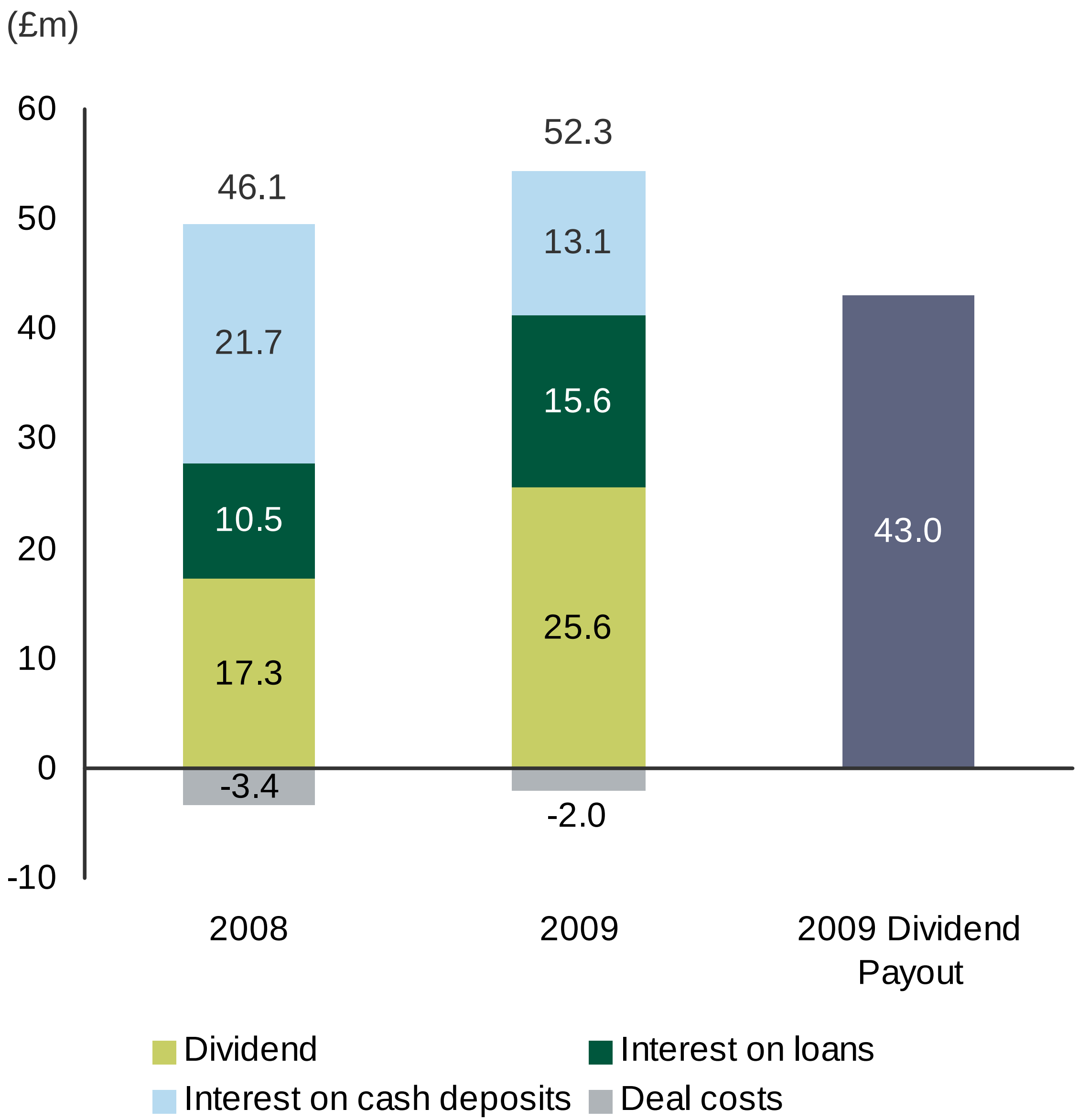
Capital return



- Unrealised value movement impacted negatively by market volatility
- Capital return in the period underpinned by profitable realisations

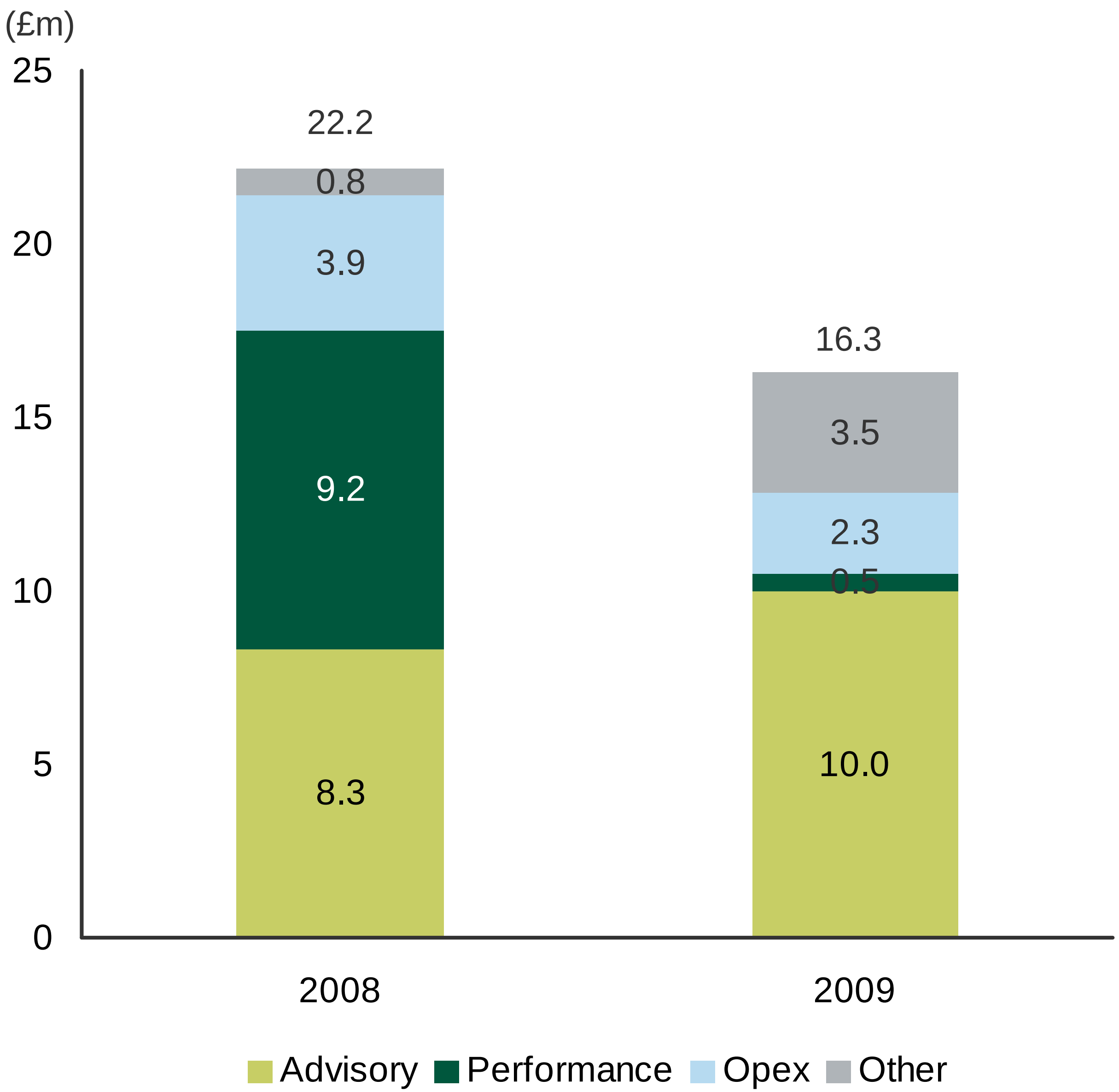
Portfolio income and interest

3i Infrastructure plc



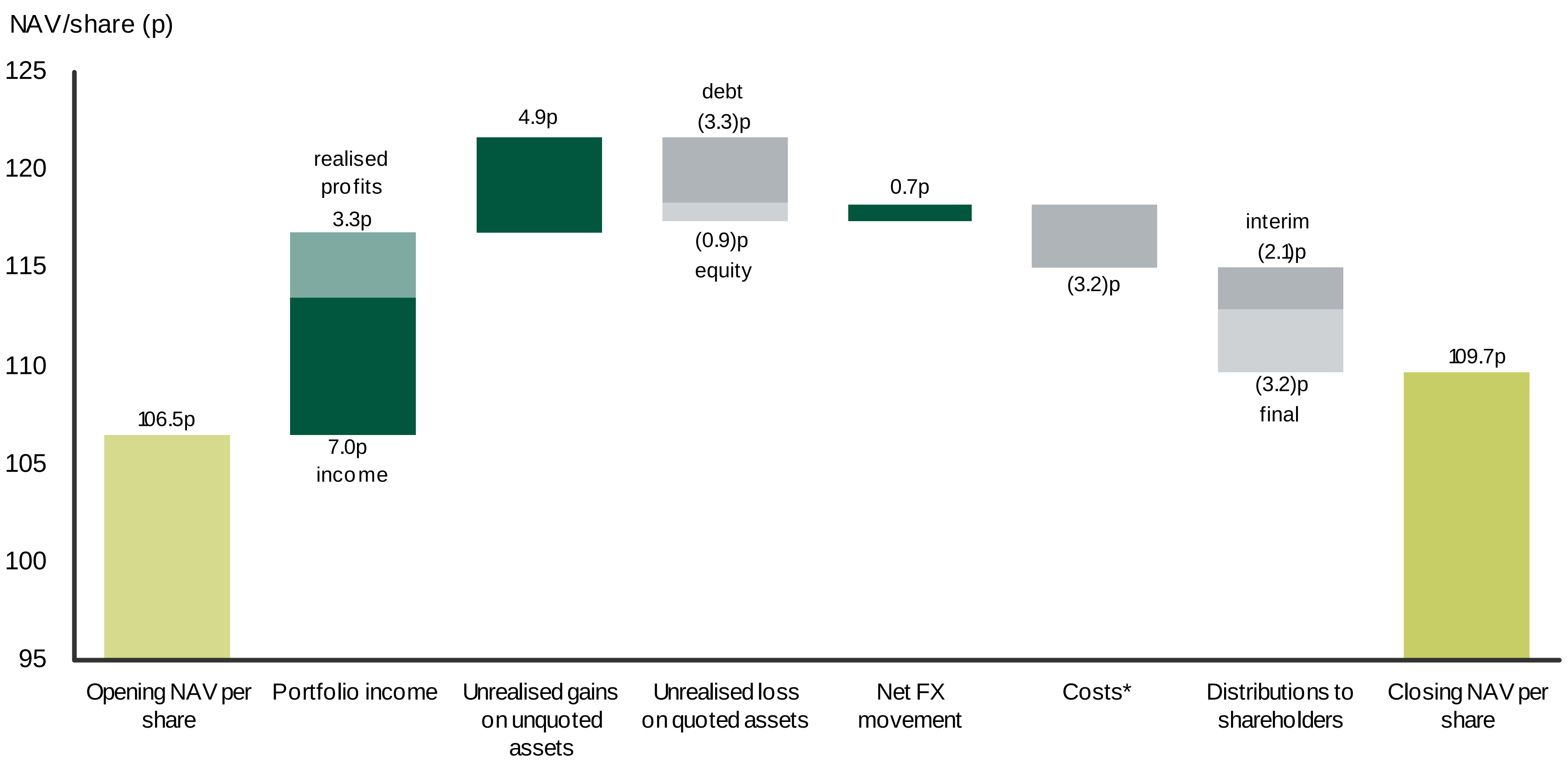
- Dividend payout fully covered by
  - strong income generation from the portfolio
  - interest on cash balances

Fees and operating expenses



- Reduced performance fee, in line with lower return

Reconciliation of movements in NAV



* Includes a 0.9p per share dilution of cost from the cost of equity raised, which is not reflected in the total return

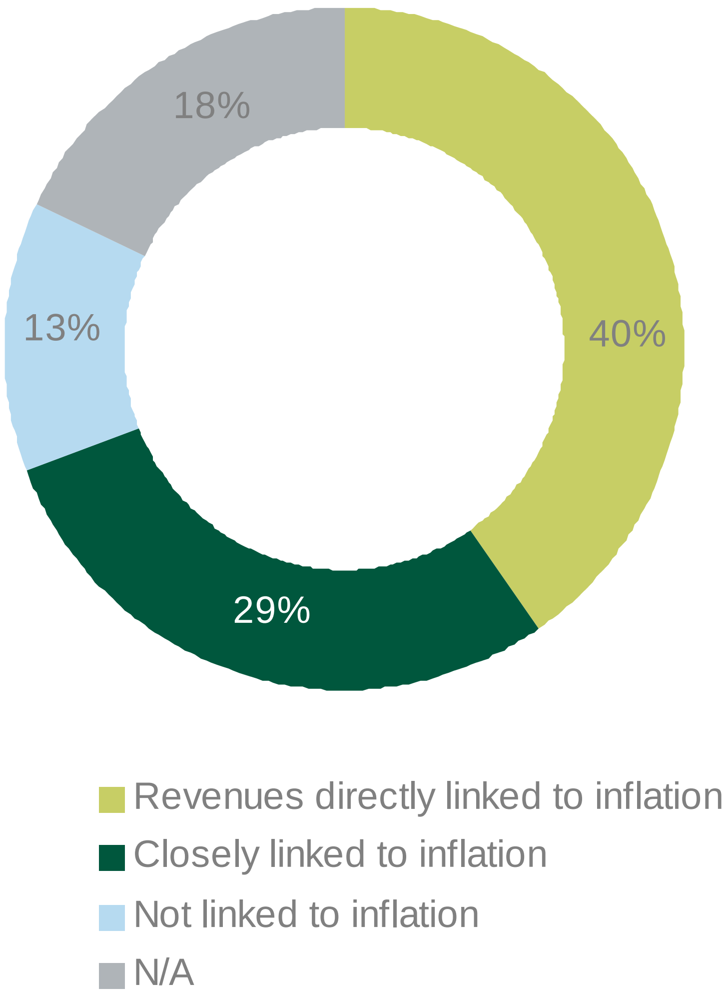
Balance sheet

(£m, except per share information)	As at 31 March 2009	As at 31 March 2008	Consolidated – As at 31 March 2009
Investment portfolio	536.7	489.7	862.4
Other net assets / (liabilities)	(7.4)	26.2	(26.4)
Cash and cash equivalents	386.8	253.7	393.7
Borrowings	-	-	(176.7)
Net assets	**916.1**	**769.6**	**1,053.0**
Shareholders' equity	916.1	769.6	920.7
Minority interest	-	-	132.3
Total shareholders' equity	**916.1**	**769.6**	**1,053.0**
Diluted NAV per share	**111.9**	**108.6**	**112.4**

Diluted NAV per share after payment of final dividend of 3.2p per share is 108.7p

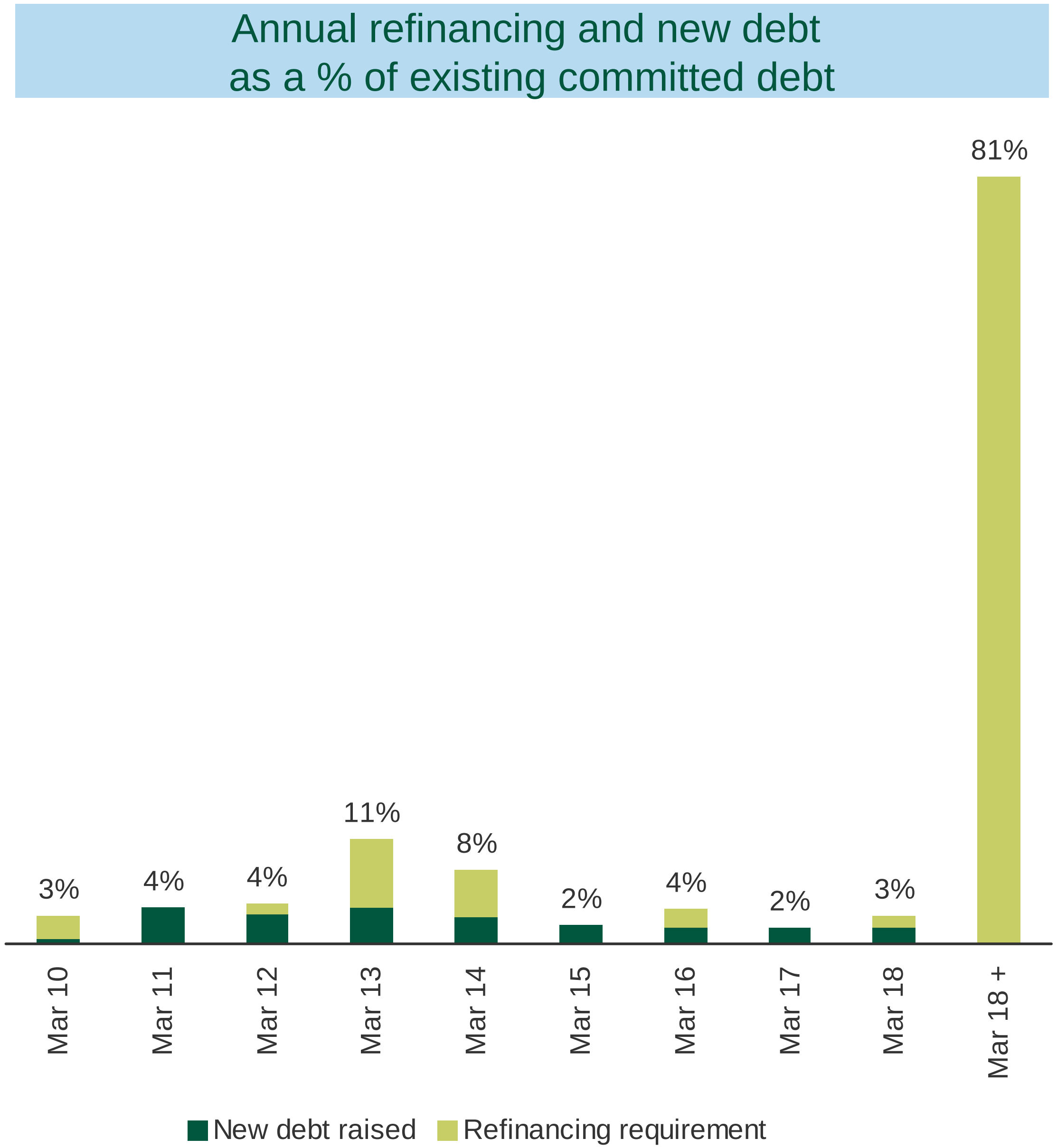
Inflation exposure

Asset exposure to inflation by value



- 2009 inflation assumptions are prudent
- European (including UK) long term inflation assumption is 2.5%
- European inflation of 0% in 2010 has a valuation impact of £(8) million (1% of NAV)
- European inflation of 0% in 2010 & 2011 has a valuation impact of £(15) million (2% of NAV)

Refinancing requirement



- Very limited refinancing / new debt required in the short term
- Already raised £269m of the £379m debt needed in 2010
- > 80% of refinancing due post 2018

Closing remarks

Cressida Hogg
Managing Partner, Infrastructure, 3i Investments plc

Strong performance during the year

- Solid financial performance in challenging economic environment, with total return of 8.8% on average shareholders' equity
- Portfolio performance robust, with 13.6% growth in EBITDA of underlying equity investments [(1)]
- Strong income generation, covering full dividend of 5.2% on average shareholders' equity
- Profitable realisations despite challenging market conditions, at 42% uplift over cost
- Steady growth in net assets
- Strong balance sheet position, with cash balances of £387m at 31 March 2009

(1) Excludes junior debt portfolio, as well as investments that are not yet operational (T2C, Adani Power) and investments held for less than one year (Krishnapatnam Port Company)

Market

Previously	Now

Previously

- Stable valuation metrics
- Steady state performance
- Due diligence “confirmatory”
- Oversupply of debt, at low cost and long tenors
- Strong competition from infrastructure investors and banks

Now

- Significant volatility in asset pricing, with vendor pricing expectations lagging
- Performance issues in some infrastructure assets (volumes, inflation)
- Availability of debt reduced, cost increased, shorter tenors
- Liquidity at a premium, competitive environment relatively benign
- Opportunities from:
  - Asset sales from distressed vendors
  - De-leveraging of corporate and bank balance sheets

Strategy

- Asset management remains key to drive value from the portfolio
- Good pipeline, but no compromise in quality threshold of opportunities submitted to the Board
- Continued focus on assets that:
  - Improve yield, or
  - Provide scope for capital growth
- Long-term holder of assets, but pragmatic disposals will be considered
- Market conditions and strong liquidity position provide a great opportunity to build on current portfolio
- Balance sheet management remains a priority

Outlook

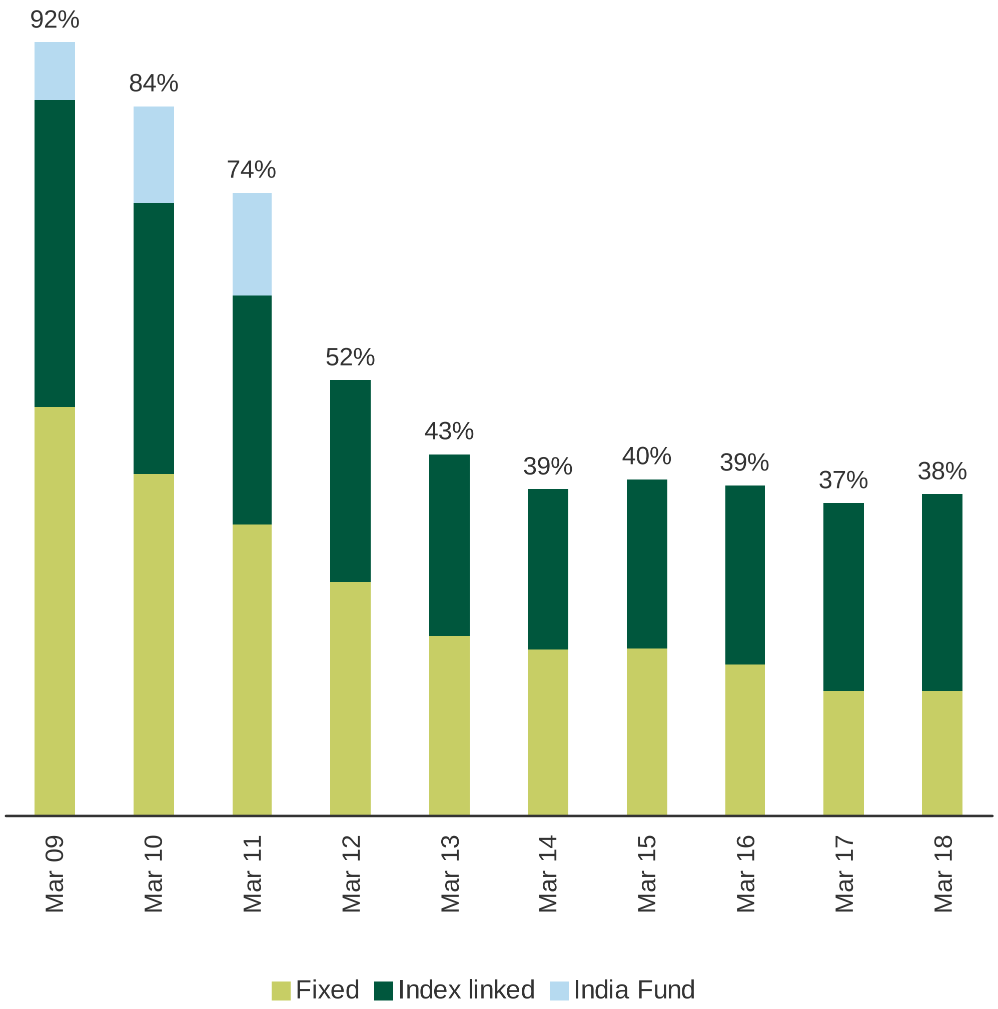
- The requirement for infrastructure investment remains undiminished
- The market is stabilising, with asset pricing adjusting to new levels
- With liquidity at a premium, the competitive environment is increasingly benign
- Opportunities from asset sales from distressed vendors, or those seeking to deleverage balance sheets

"As the market opportunity develops, we are confident that the Company will be able to invest its liquidity in assets that enhance returns in the long term and bring diversity to the portfolio."

Additional financial information

Interest rate profile

Hedged debt as a % of total balance



- Majority of debt is fixed-rate or index linked
- 1% increase has a valuation impact of £(21) million on European portfolio (2% NAV)

Case studies

Octagon

Equity interest	36.8%
Further investment in the year	£7.0m
Income in the period	£1.0m
Asset total return	£6.4m

Description

- Concession company under a 35-year PFI contract to build, operate and maintain the Norfolk and Norwich University Hospital
- Receives RPI-linked payments from the NHS Trust to cover services and building maintenance

Strategy

- Management team, with close shareholder involvement, focuses on ensuring delivery of first-class service levels to the hospital

Developments in the period

- Maintained record of no service failures and unavailability deductions since commencing operations
- In May 2008 the NHS Trust became a Foundation Trust and was rated first in the country for quality of care survey conducted by the Healthcare Commission
- New General Manager and Finance Director appointed during the year
- 3i Infrastructure acquired a further 10.5% interest in Octagon through the disposal by one of the original shareholders

Alpha Schools

Equity interest	50.0%
Further investment in the year	£7.4m
Income in the period	£0.6m
Asset total return	£4.9m

Description

- Concession company under a 30-year PFI contract to build, operate and maintain 11 new schools on 10 sites in the Highland region of Scotland
- Receives RPIX-linked payment from the Highland Council to cover services and building maintenance

Strategy

- Delivery of first-class service levels to schools
- Maintaining excellent relationship with Highland Council
- Timely completion of remaining minor construction works

Developments in the period

- All schools have been handed over for student occupation
- Certain works continue at various sites as planned, including the demolition and clearance of old school buildings and the completion of external works
- 3i Infrastructure invested its remaining commitment in Alpha Schools in February 2009

T2C

Equity interest	16.7%
Further investment in the year	-
Income in the period	£(0.2)m
Asset total return	£(0.8)m*

* Includes £1.0m of unrealised exchange gains

Description

- Construction of a new-build waste to energy plant on an industrial park near Frankfurt to generate heat and power from refuse-derived fuels
- 15-year fixed-price ‘take or pay’ contract

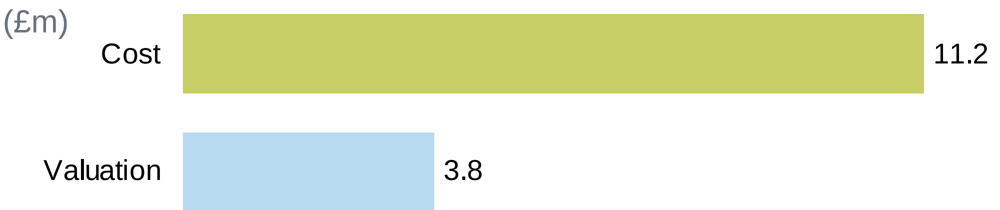
Strategy

- Management team focused on the timely completion of construction and commencement of operations
- Managing fuel procurement and ash disposal through placing contracts with suppliers and off-takers

Developments in the period

- Construction running behind the original timetable, with completion forecast by the contractor for December 2009
- 3i Infrastructure, through its Investment Adviser, has ensured that the T2C management has engaged closely with the contractor to minimise and mitigate the effects of the delay

Novera



Equity interest	8.6%
Further investment in the year	-
Income in the period	-
Asset total return	£(7.4)m

Description

- Established, UK-focused renewable energy company
- Generates electricity from wind, hydro, waste and landfill gas

Strategy

- Novera operates in landfill gas and wind development, with potential to develop new operations in energy from waste
- Novera's strategy is to continue to grow scale domestically and to expand internationally

Developments in the period

- In July 2008, an equity placing by Novera in which 3i Infrastructure did not participate reduced the Company's equity interest to 8.6%
- In February 2009, Novera's 30MW Lissett Airfield Wind Farm, located in the East Riding of Yorkshire, started production and sales
- Novera received planning consent for two further wind farms with a potential capacity of up to 73MW

About 3i Infrastructure plc

Governance and fees

Board of Directors

- Independent Chairman, five independent non-executive directors and 3i Group appointed non-executive director
- Committed to observe requirements of the Combined Code
- Responsibilities:
  - Acts as investment committee / approves investment opportunities
  - Responsible for determination and supervision of investment policy
  - Supervises the monitoring of investments

3i Investments
(Investment Adviser)

- Advises the Board on:
  - Origination and completion of investments
  - Realisation of investments
  - Funding requirements
  - Management of the portfolio

Fees

- Advisory fee of 1.5% of Gross Investment Value, reducing to 1.25% for assets held for more than five years
- Performance fee of 20% of the growth in Net Asset Value, above a hurdle of 8%

Significant investment opportunities across all our regions

UK & Europe

Well-established role for private investors in infrastructure

- Mature assets in the utilities sector with stable regulatory regimes
- Variety of opportunities across road, rail, sea and air transport
- Increasing focus on social infrastructure due to public sector budget constraints

North America

Potentially the world's largest infrastructure market

- Legacy of underinvestment
- Limited private sector role at the moment
- Opportunities to refurbish existing assets in transport and utilities
- Potential to become the world's largest infrastructure market

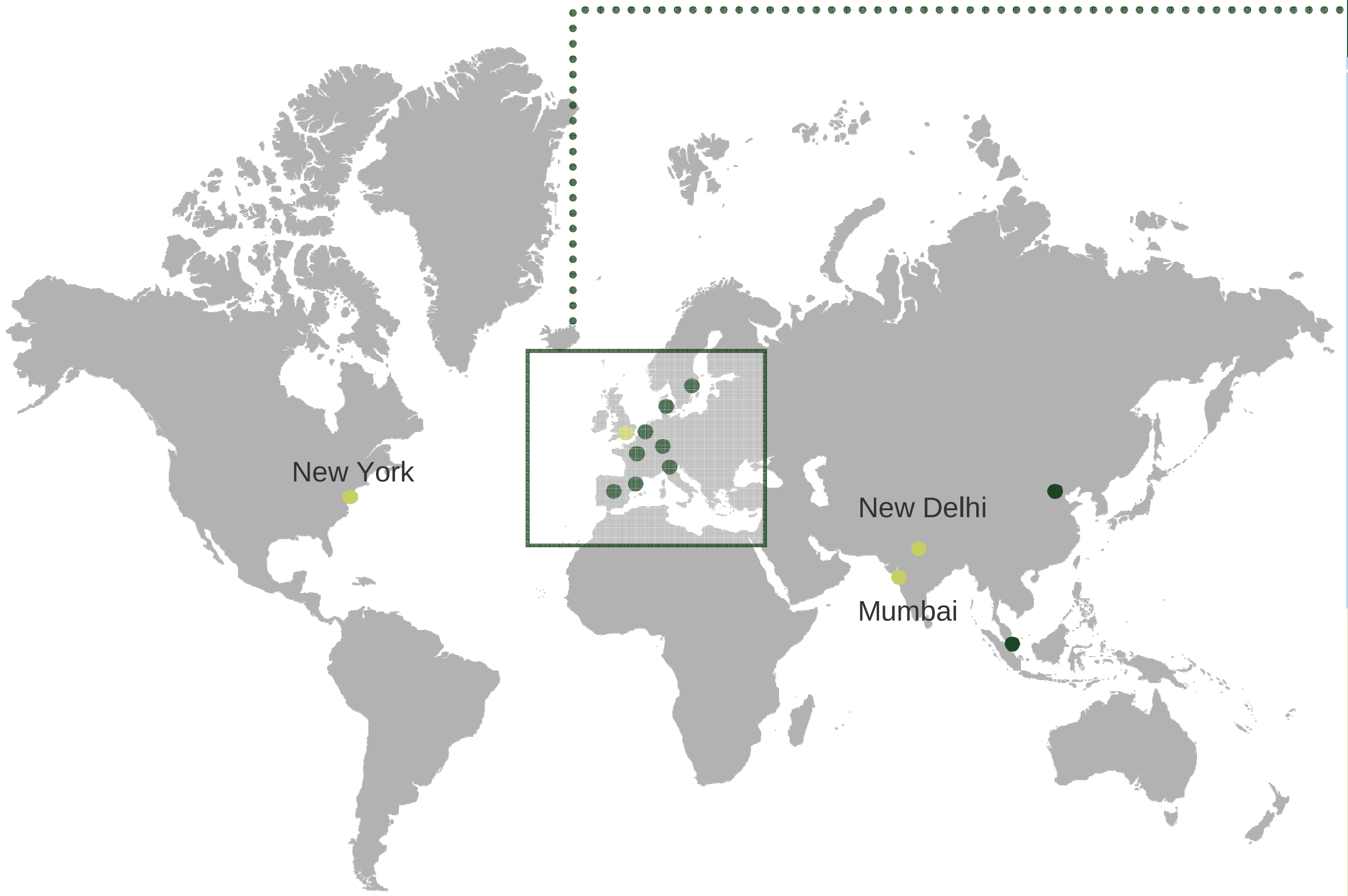
Asia

We have identified India as the most attractive geography in Asia

- Indian government estimates investment of $450 billion by 2012
- 3i India Infrastructure Fund focused on four sectors: power, roads, ports and airports
- Early-stage / greenfield developments
- Opportunity for private equity returns from infrastructure

A strong market and a growing asset class

Internationally connected



21 executives in London, New York, Mumbai and New Delhi

Europe

- Infrastructure Team operates from 4 offices in key markets
- Access to a global network of 15 offices in 12 countries
- Access to wider network of over 200 investment professionals worldwide

Asset intensive businesses that provide essential services

Transport	Utilities	Social Infrastructure
Airports	Power generation	Primary and secondary PFI
Ports	Power transmission	Public Private Partnerships
Ferries	Electricity & gas distribution	Government accommodation
Toll roads	Waste processing	Healthcare
Rail & bus	Water	Education
Oil transportation & storage	Communication networks	Defence

Predictable cashflows match investors' long-term liabilities

Diversification of risk/return across asset life

Early stage/construction

Greenfield projects

New build PFI/PPP

- Accessing the most attractive deal flow
- Managing development risk

Operational growth

Buy & build portfolios

Privatisations

- Optimising the financial structure
- Robust asset management

Mature/steady state

Corporate acquisitions

Steady state operations

- Focus on cash yield and value growth
- Aligning management with investors' interests

Yield from operational assets...

...and stronger growth potential from earlier-stage assets

Balancing returns between capital and yield

Delivering on the pipeline

3i Infrastructure plc

Strategic approach

Evaluate target sectors and geographies

Systematic origination process

Continuous re-assessment of strategy

Identify most attractive deals

Dynamic approach

Ability to move quickly and with confidence

Take advantage of market dislocations

Identify “distressed seller” opportunities

Ongoing dialogue with key intermediaries

Skill to execute effectively

Established global resources and sector expertise

Private equity skills very relevant

Equity buyers with liquidity in a strong position

Strong relationships with debt providers

An experienced investor, positioned to succeed in difficult markets

Senior members of the investment advisory team

Cressida Hogg

Neil King

Phil White

Girish Baliga

Samir Palod

Stephen Halliwell

Anil Ahuja