3i Infrastructure plc

Annual results 2012

9 May 2012

Our five-year track record

3i Infrastructure plc

9.4%

Annualised return to shareholders

5%

Dividend objective achieved in each year

16%

Annualised asset IRR

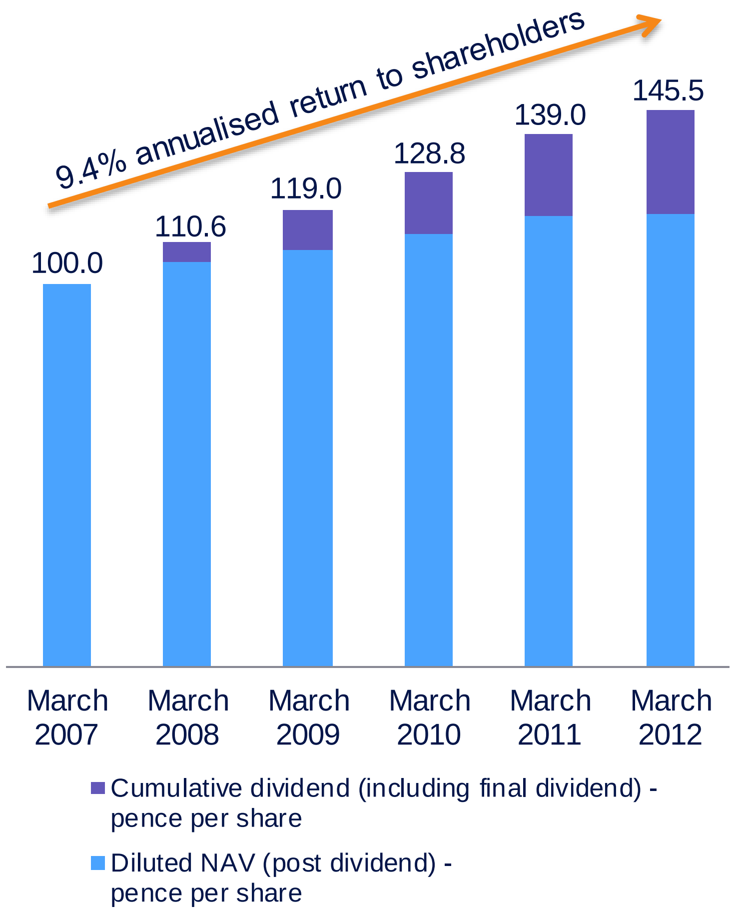
>£1bn

Growth in NAV to over £1bn in five years

Track record of robust and steady returns over five years

Financial highlights for 2012

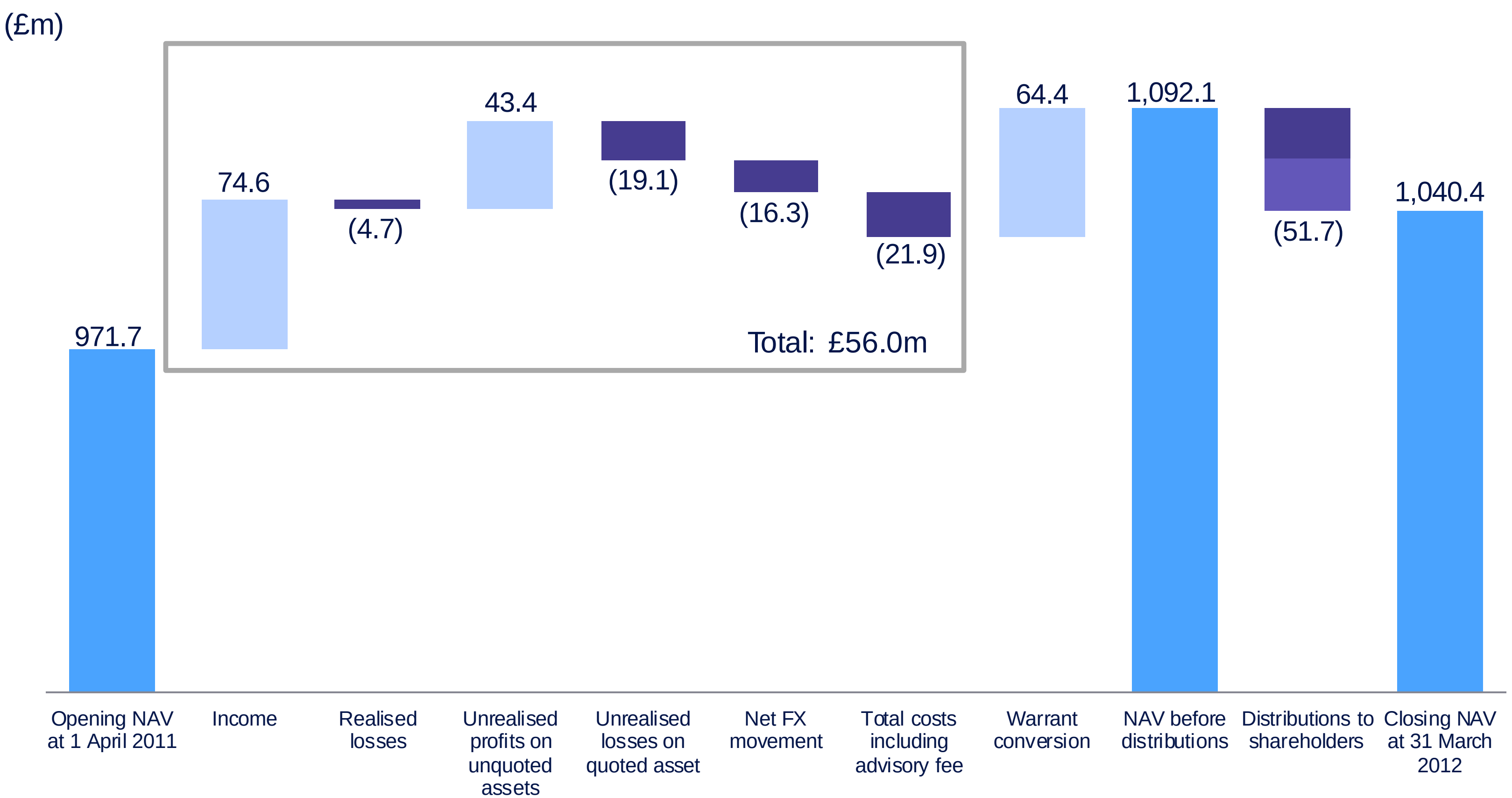
- Steady NAV growth – 5.6% total return on shareholders' equity
- Strong portfolio income generation of £73m fully covers dividend and costs
- Total dividend per share of 5.94p meets dividend objective
- £204m invested in the year
- Divestment proceeds of £133m
- £64m in new equity raised through the exercise of warrants



Five years of dividend growth

Reconciliation of movements in NAV

3i Infrastructure plc



Return underpinned by strong income generation. Volatility from macro and market factors

Cash flows in the year

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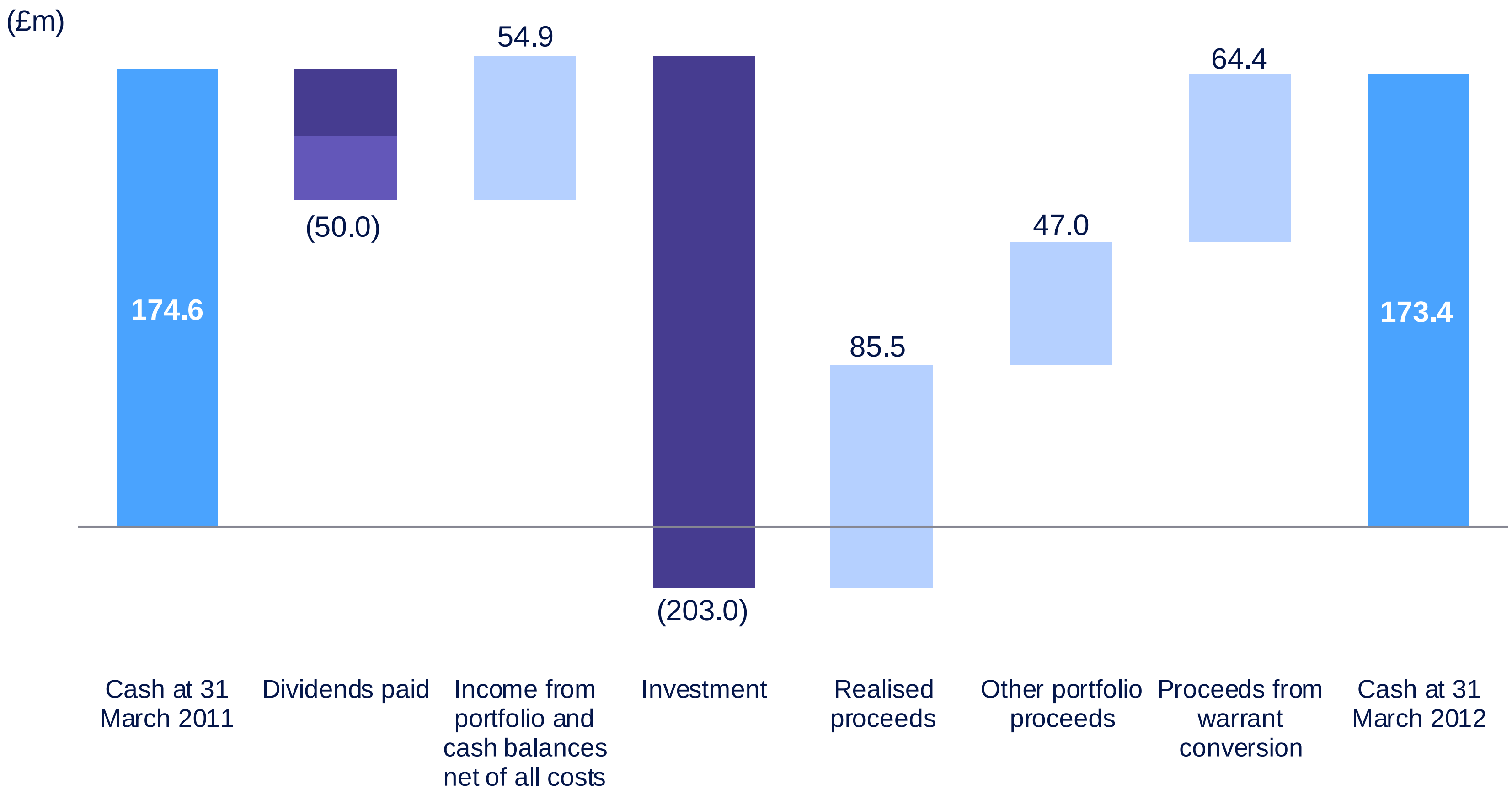


Investment outflows offset by income, realised proceeds and proceeds from warrant conversion

Balance sheet

3i Infrastructure plc

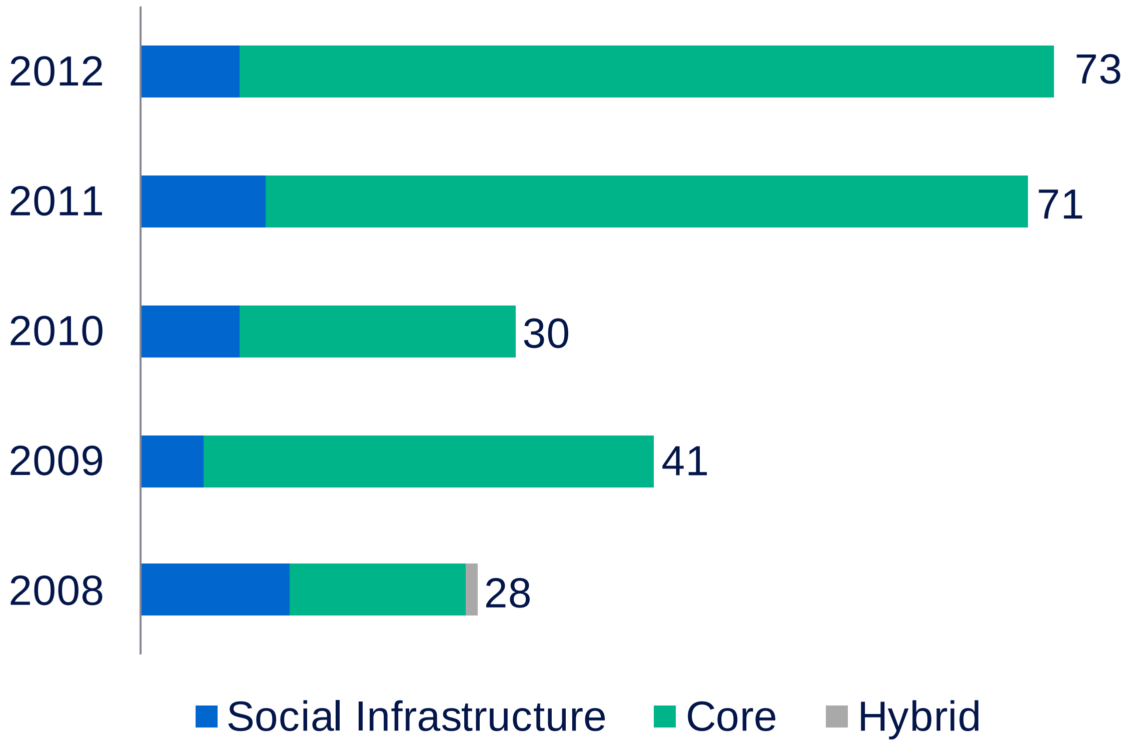
(£m)	Investment basis as at Mar 2012	Investment basis as at Sep 2011	Cons. basis as at Mar 2012
Investment portfolio	890.8	715.8	1,182.2
Other net assets / (liabilities)	2.4	3.8	(10.2)
Cash and cash equivalents	173.4	310.1	183.6
Borrowings	-	-	(158.3)
Net assets	**1,066.6**	**1,029.7**	**1,197.3**
Shareholders' equity	1,066.6	1.029.7	1,070.1
Minority interest	-	-	127.2
Total shareholders' equity	**1,066.6**	**1,029.7**	**1,197.3**
NAV per share (p) *	**121.0**	**119.4**	**121.4**
NAV per share post dividend (p) *	**118.0**	**116.4**	**118.4**

* The NAV at 30 September 2011 was diluted to take into account the impact of the warrants outstanding at that date.

Build-up of portfolio income

3i Infrastructure plc

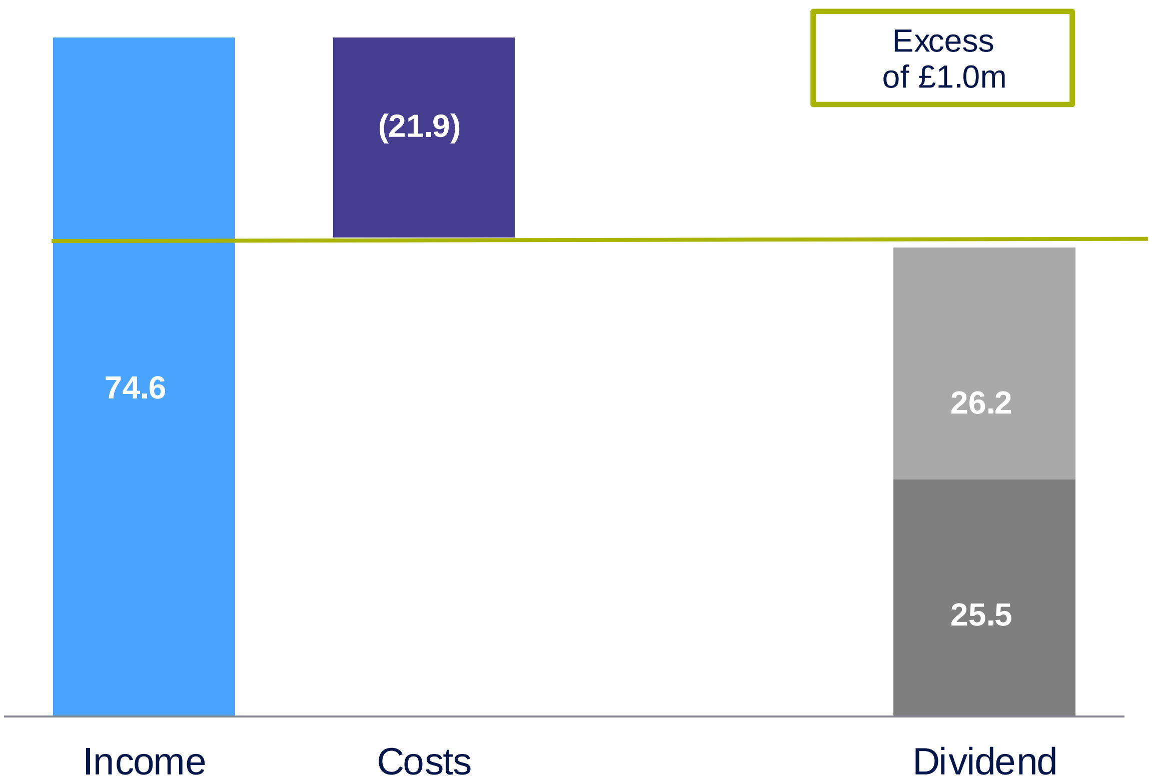
Portfolio income by category (£m)

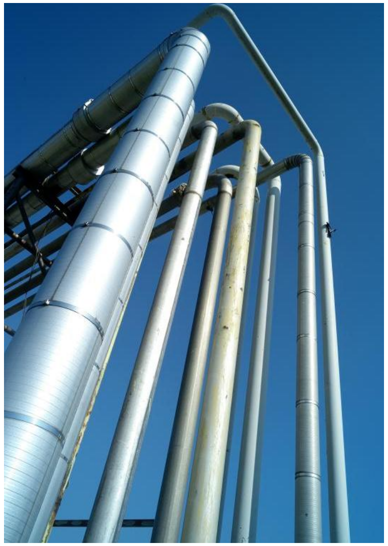


Increase in core assets has strengthened the income generation of the portfolio

Dividend cover

Year to 31 March 2012

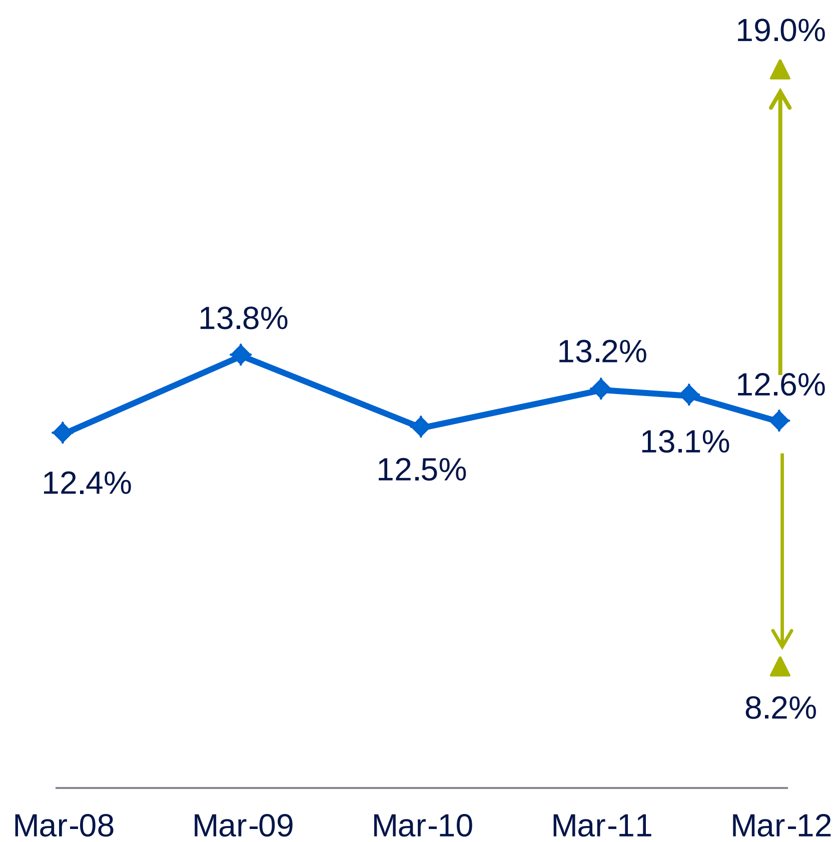




Dividends and costs comfortably covered

* Adjusted as final dividend paid was greater than disclosed due to shares issued post year end.

Weighted average discount rate



Key changes to discount rates include:

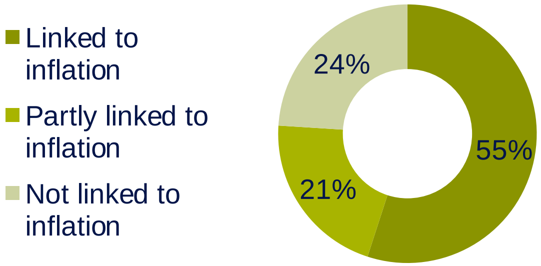
- AWG – decreased to reflect recent deal values in water sector, good operational track record and continued reduction in AWG bond yields
- Oystercatcher – increased to reflect refinancing risk as maturity of acquisition debt facility approaches. Underlying performance remains robust

Weighted average discount rate lower following inclusion of LNI

Drivers of unrealised value movement

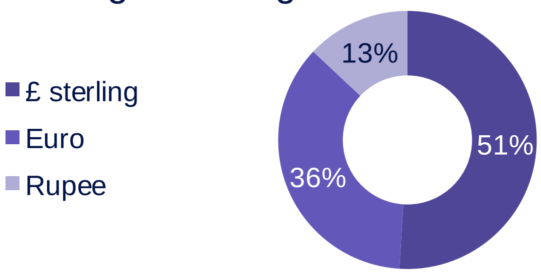
Macro

Inflation - assets with revenues:



Sensitivity (for European assets only)	+1% point	-1% point
Change in inflation over underlying assumption for next 2 years	£16.4m	£(18.9)m

Foreign exchange



Sensitivity	+5%	-5%
Change in foreign exchange rate compared to sterling	£6.7m	£(6.4)m

Asset-specific

- India power sector
- Operational performance
- Income
- Proof of value from market transactions

Investment strategy

Social infrastructure / PPP / PFI

Expected return

8-12%

- High inflation correlation
- Mainly government-backed revenue streams
- Lower risk/return profile
- Strong yield when fully operational

11%

£94m portfolio value at 31 March 2012

Core infrastructure

Expected return

10-16%

- Dynamic businesses, owning their asset base, not finite concessions
- Low cyclical volatility
  - low volume / GDP risk
  - strong market position
- Asset management skills key to driving value
  - operational expertise
  - financing skills
  - management incentives

76%

£683m portfolio value at 31 March 2012

Hybrid infrastructure

Expected return

>15%

- Higher risk characteristics
  - country risk
  - market/volume risk
  - GDP correlation
- Operational expertise in building out the assets and running the business more important

13%

£114m portfolio value at 31 March 2012

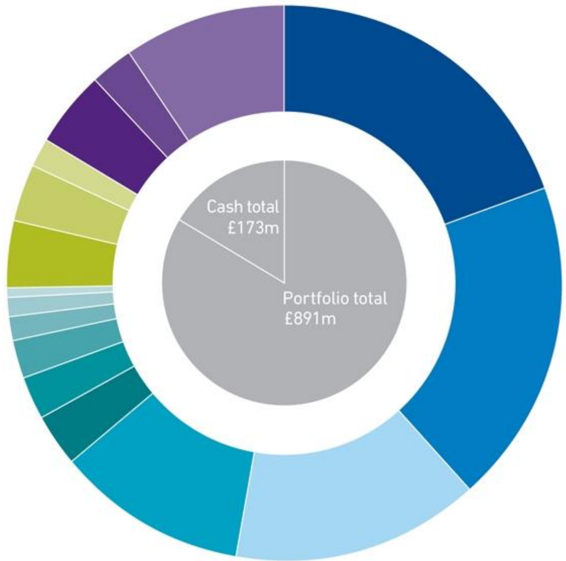
Focus on core infrastructure, adding value to dynamic businesses

Our portfolio

14
assets

£891m
portfolio value

£173m
cash balances

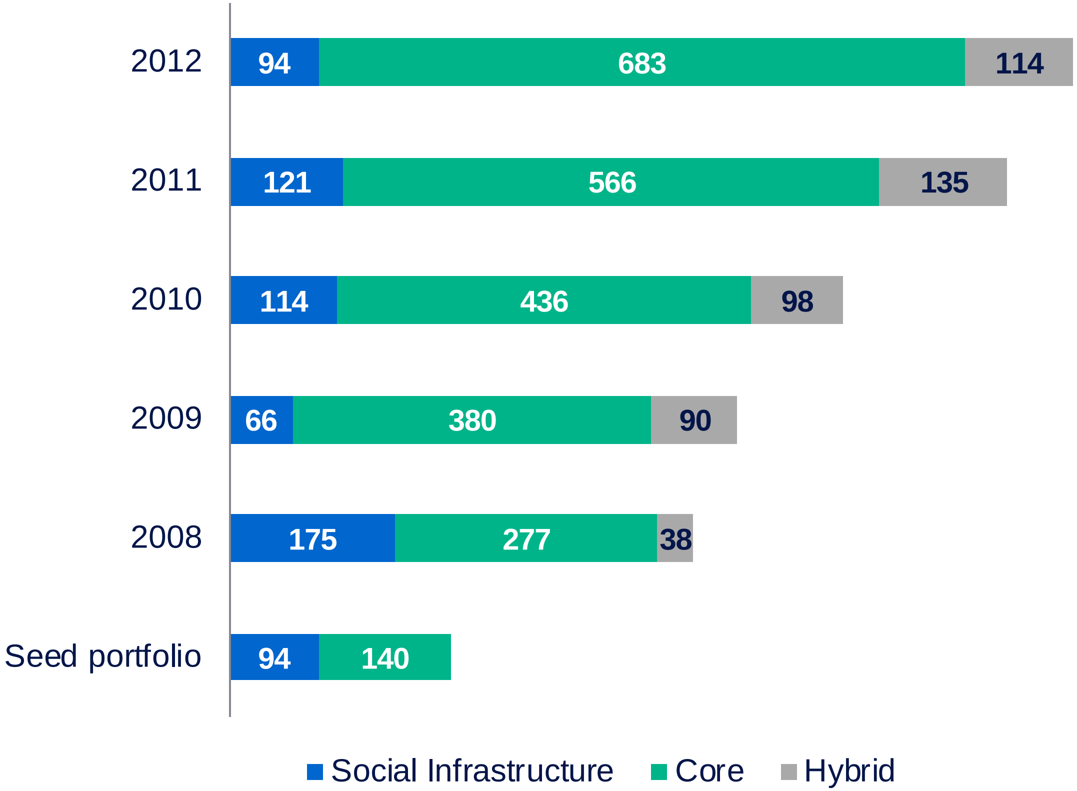


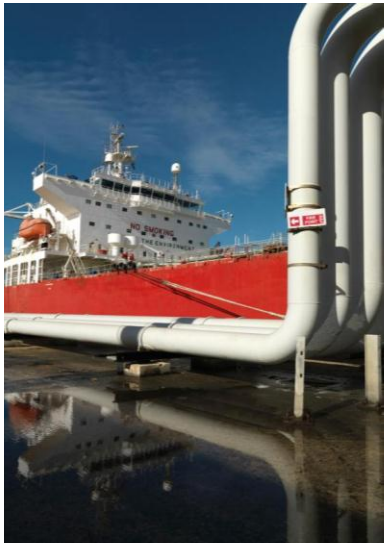
	£m
Anglian Water Group	209
Lakeside Network Investments ("LNI")	201
Eversholt Rail Group	154
Oystercatcher	118
3i India Infrastructure Fund	
Krishnapatnam Port	31
Adani Power	28
GVK Energy	22
KMC Roads	16
Soma Enterprise	12
Ind-Barath Utkal	6
PFI portfolio	
Elgin	42
Octagon	33
Alpha Schools	19
T2C	nil
Total portfolio value	**891**
Cash	
Cash committed to India	47
Cash committed to final dividend	26
Free cash	100
Total cash	**173**

NAV of over £1bn

Building the core portfolio

Asset distribution, value at 31 March (£m)





Bedrock of core portfolio built over time

Adding value post investment - Our portfolio management approach

3i Infrastructure plc

- The management of core infrastructure investments requires focus, engagement and skill
- The Investment Adviser works closely with management teams to deliver

1	Strategies that support growth in the long term
2	Continued improvements in operational performance
3	Disciplined cash management
4	Efficient, flexible capital structures
5	Alignment of interests with shareholders through management incentive schemes

Managing infrastructure investments is about creating and maintaining value over the long term

Building the core portfolio – Investing in LNI (1)

3i Infrastructure plc

The businesses

- LNI Verkko (~85% of value)
  - second largest electricity distribution network in Finland, with a 12% market share
  - serves around 400,000 customers in SW Finland
  - regulated on a 4-year cycle

- LNI Lämpö (~15% of value)
  - operates 17 district heating businesses
  - strong market position in its localities

Attractive businesses with strong fundamentals

Building the core portfolio – Investing in LNI (2)

1

Stable and transparent regulatory environment for LNI Verkko

- New regulatory period started in Jan 2012 - clarity over the medium term
- Attractive near-term incentives for investment
- Highly efficient, with strong track record of technical innovation
- Investment and innovation likely to remain key aspects of future incentives

2

Profitable, with inflation linkage and attractive yield

- Both businesses generate high EBITDA margins
- This will support a robust yield
- Returns for LNI Verkko linked to inflation through annual reviews (RAB + costs)
- LNI Lämpö has been able to increase its charges at least in line with inflation

3

Attractive market, with opportunities for growth

- Finland among largest electricity consumers in Europe
- Electricity demand expected to grow steadily
- LNI Verkko may be able to leverage efficiencies and technological innovation to create consolidation opportunities

4

Sector and geographic diversification

- New sector and geography for 3iN
- Diversification of risks
- Finland is an AAA rated sovereign with strong fundamentals

A compelling investment case, confirmed through the implementation of our 100-day post acquisition plan

Building the core portfolio – Investing in LNI (3)

Executing the deal

- Identified opportunity early, and began working on it before a formal process was started, with
  - a stable consortium and banking group
  - advisers (including strong local advisers) on board
  - dialogue with management already underway

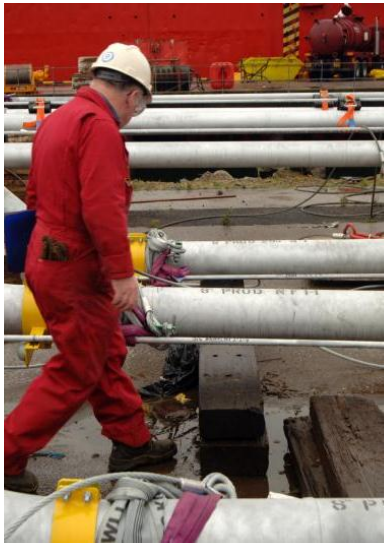
Investment structure

- Acquired from Vattenfall AB in January 2012 for an EV of ~€1.54bn, as part of a consortium comprising
  - 3i Infrastructure (39%) and 3i Group (6%)
  - GS Infrastructure Partners (45%)
  - Ilmarinen Mutual Pension Insurance Company (10%)

Early mover advantage was key to winning the deal

AWG
Operational highlights for the year

- Good income in the year
- Significant capex to help mitigate the impact of drought
- Adoption of private sewers well managed
- Progress in implementation of the regulatory settlement
- Strong rankings in customer satisfaction surveys



AWG
Our value added

3i Infrastructure plc

Continued improvements in operational performance

- Shareholders have supported:
  - early capex to help mitigate impact of drought
  - stronger focus on reducing leakage
  - drive to improve health & safety and environmental performance
  - continued emphasis on operational efficiency and customer service
- Implementation of 5-year business plan (>£2bn capex vs £5bn RAB at start of AMP5) ahead of regulatory determination

Alignment of interests

- Long-term incentive plans for executive management changed post acquisition, with link to long-term value
- Annual incentive scheme links to financial and operational objectives, as well as personal objectives
- All employees able to participate in cash savings scheme linked to long-term value

Eversholt
Operational highlights for the year

- Completed acceptance of 380 fleet for First Scotrail (£187m investment)
- Completed first refranchising since investment for Greater Anglia franchise for three years
- EBITDA up 11.4% compared to previous year
- Strong performance allowed Eversholt to repay part of its shareholder loan in addition to making regular dividend / interest payments

Eversholt
Our value added

Strategies that support growth in the long term

- New Siemens 380 fleet delivered in the year
- Shareholders assessing opportunities to
  - add further trains to the overall fleet
  - invest in existing trains to extend useful life and improve service

Alignment of interests

- Combination of two different long-term schemes put in place post acquisition
  - one linked exclusively to value (for top management)
  - the other having both value and operational objectives (for wider management team)

Oystercatcher
Operational highlights for the year

3i Infrastructure plc

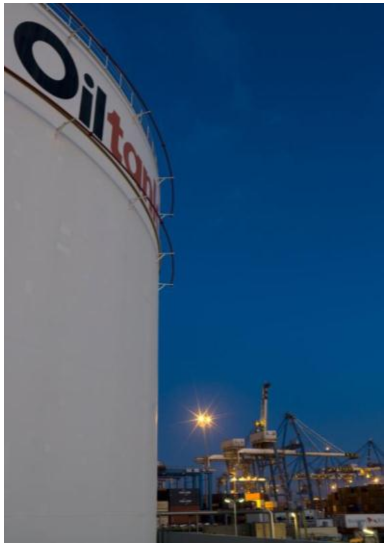
- All three terminals performed in line with or ahead of expectations
- Storage capacity fully let in the year, with strong contract renewal rates and high throughput levels
- Market conditions less favourable, due to shallower forward curve and lower volatility
- Expansion projects in Malta and Amsterdam completed
- Work on refinancing of acquisition debt facility underway

Oystercatcher
Our value added

3i Infrastructure plc

Strategies that support growth in the long term

- Investment Adviser involved in the assessment of a range of capital expenditure project proposals
- Since investing
  - total storage capacity at the three terminals increased by 23%
  - throughput increased by 22%



Social infrastructure investments
Operational highlights for the year

3i Infrastructure plc

Elgin

- Good levels of income
- All 16 projects performing in line with the investment case
- Service providers performing well
- No significant operational issues in the year

Octagon

- Good operational and financial performance
- Strong relationship with NHS Trust and Serco maintained
- Serco continues to provide good levels of service
- Unannounced inspection by the Care Quality Commission concluded that hospital meets all essential quality and safety standards inspected

Alpha Schools

- All schools operating well and providing high standard facilities
- Financial performance in line with expectations
- Performance deductions levied in the year relating to construction snagging items, passed through to the contractors
- Alpha Schools worked with the Council, facilities services provider and building contractor to resolve these issues

3i India Infrastructure Fund
Operational highlights for the year

Power sector

- Performance negatively affected by
  - coal shortage in India
  - merchant power prices
  - pricing achieved on PPAs
- Government directed Coal India to sign supply agreements with power plants with a majority of offtake tied up in long-term PPAs
  - this covers Adani and GVK
  - Ind-Barath Utkal working on increasing long-term PPAs

Roads sector

- For KMC Roads and Soma, 517km of road projects began tolling during the year, taking total of roads tolling to 1,050km
- Advances in construction of other projects
- 455km of new projects awarded during the year

Port sector

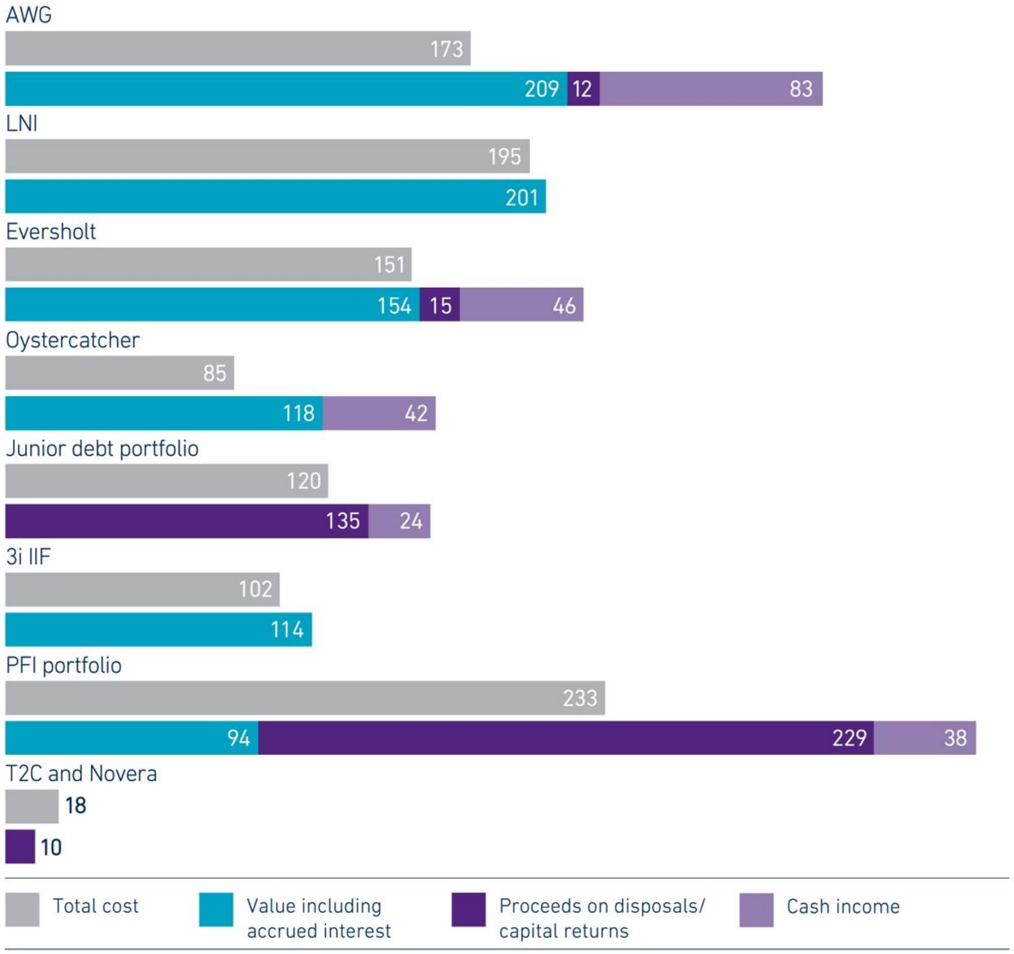
- Krishnapatnam Port continued to be affected by the iron ore export ban
- Non iron ore cargo volumes have continued to grow over the year, as it changes its cargo mix

Macroeconomic and market environment challenging

Driving value from the portfolio (1)

3i Infrastructure plc

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



16%

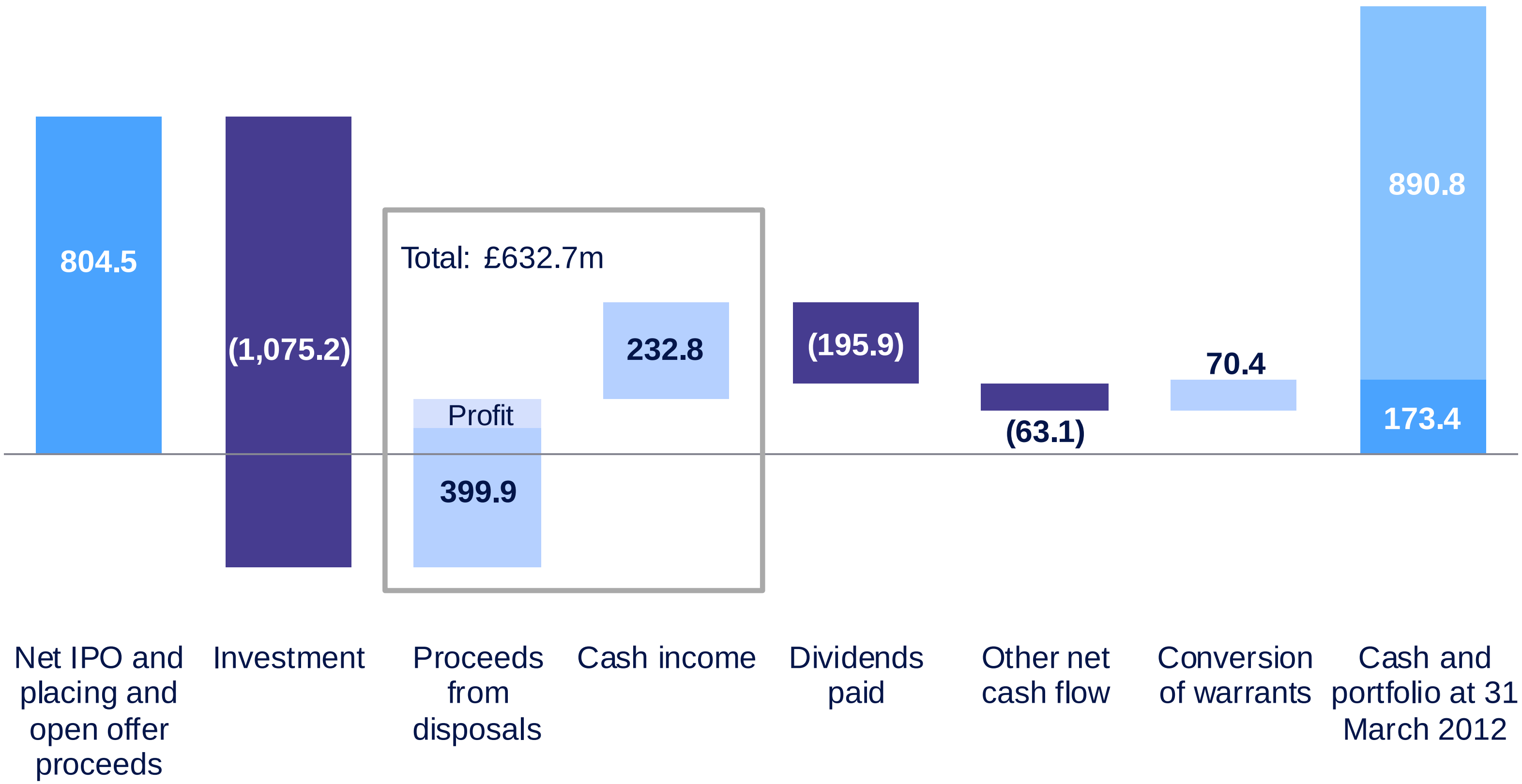
Annualised asset IRR since inception

Asset IRRs consistent with return objectives

Driving value from the portfolio (2)

3i Infrastructure plc

Portfolio cash flows (five years since inception, £m)



Strong cash generation and profitable disposals proving valuations

Market outlook

Challenging conditions for investment

- Overall M&A volumes down and markets remain volatile
- Uncertain outlook for growth
- Competition for assets from financial and trade buyers

But

- Several large deals completed, including LNI
- Debt still available for strong infrastructure assets
- Robust performance for asset class

✓ **Networked in our markets**

- Target chosen opportunities early
- Build relationships with intermediaries, providers of finance and investing partners

✓ **Strongly focused on core opportunities**

- Sector knowledge
- Understanding of market dynamics

✓ **Disciplined on pricing**

- Clarity on long-term value drivers
- Mindful of competitive dynamics

✓ **Portfolio resilience across the cycle**

- Inflation linkage
- Strong sovereigns
- Long-term capex supporting growth

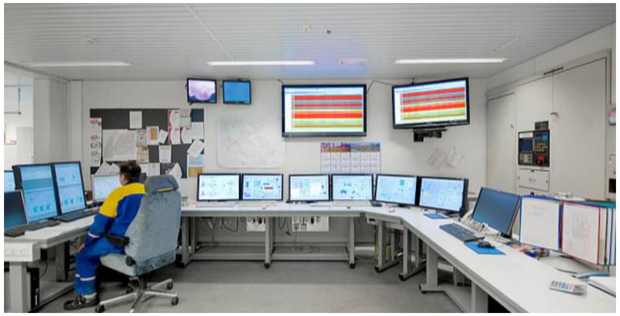
Summary for the year

3i Infrastructure plc

- Total return of 5.6% underpinned by a robust yield
- Strong performance from core portfolio
  - yield on opening value of 12.9% (ex-LNI)
- India Fund weighed on returns
  - adverse macro and market conditions
  - underlying asset performance stable
- Investment in LNI a key event
  - attractive core asset
  - will contribute to yield from next year

Core portfolio delivering steady returns for shareholders

Additional financial information



Valuation summary

3i Infrastructure plc

(£m)	Value Mar 2011	Invest-ment in year	Divest-ment in year	Value move-ment	Forex trans-lation	Value Mar 2012	Loss on disposal	Income in the year	Asset TR in the year
AWG	195.9	-	-	13.5	-	**209.4**	-	20.2	**33.7**
LNI	-	194.8	-	4.6	1.6	**201.0**	-	-	**6.2**
Eversholt	160.7	-	(14.7)	8.2	-	**154.2**	-	33.1	**41.3**
Oystercatcher	119.6	-	-	5.8	(7.2)	**118.2**	-	9.5	**8.1**
3i India Infrastructure Fund	134.7	8.2	-	(30.0)	1.3	**114.2**	-	-	**(28.7)**
Elgin	40.2	-	(0.1)	1.9	-	**42.0**	-	3.2	**5.1**
Octagon	31.1	-	-	2.2	-	**33.3**	-	2.9	**5.1**
Alpha Schools	17.7	-	-	0.8	-	**18.5**	-	1.3	**2.1**
Junior debt portfolio	90.2	-	(90.2)	-	-	**-**	(4.7)	1.8	**(2.9)**
I^2 loan notes	31.6	0.6[1]	(32.2)	-	-	**-**	-	1.1	**1.1**
T2C	-	-	-	-	-	**-**	-	-	**-**
	821.7	**203.6**	**(137.2)**	**7.0**	**(4.3)**	**890.8**	**(4.7)**	**73.1**	**71.1**

(1) Capitalised loan note interest

Foreign exchange impact

Impact of foreign exchange movements on returns (£m)

	Sterling /rupee	Sterling /euro	Net impact
Translation of assets £/US$	1.3		1.3
Translation of assets £/€		(5.6)	(5.6)
Reported foreign exchange losses on investments			**(4.3)**
Asset valuation US$/rupee	(17.3)		(17.3)
Movement in fair value of derivative financial instruments (£/€ hedging)		5.3	5.3
Other foreign exchange movements			**(12.0)**
Net foreign exchange losses	**(16.0)**	**(0.3)**	**(16.3)**

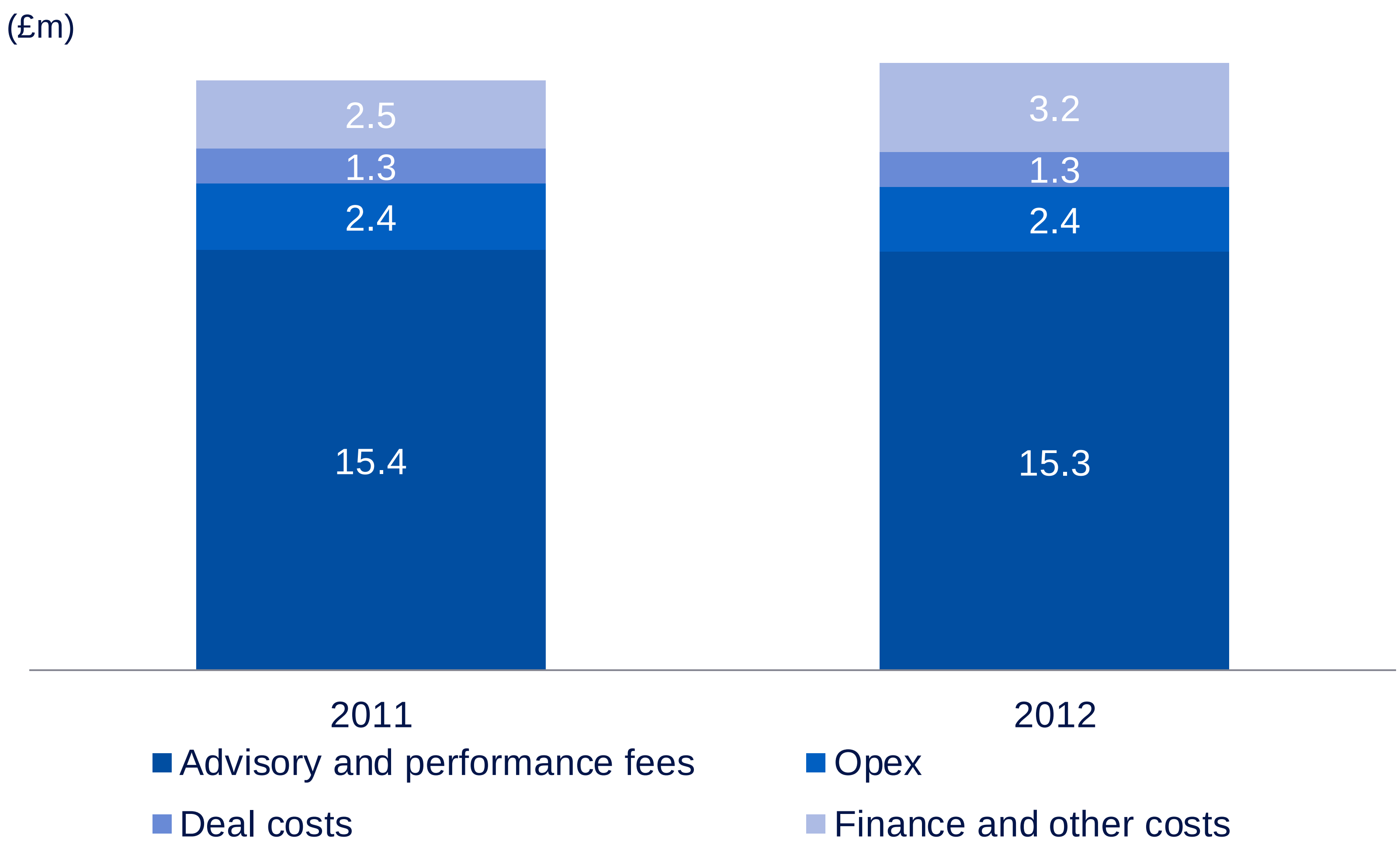
Total return for the year to 31 March 2012

3i Infrastructure plc

(£m)	Investment basis 31 March 2012	Investment basis 31 March 2011	Consolidated basis 31 March 2012
Realised (losses)/profits over fair value on disposal of investments	(4.7)	3.6	(4.7)
Unrealised profits on the revaluation of investments	7.0	36.5	8.5
Foreign exchange losses on investments	(4.3)	(7.2)	-
Capital (loss)/return	**(2.0)**	**32.9**	**3.8**
Portfolio income	71.8	69.3	101.3
Interest receivable	1.5	1.5	1.5
Investment return	**71.3**	**103.7**	**106.6**
Fees and operating expenses	(20.6)	(20.0)	(32.1)
Movements in the fair value of derivative financial instruments	5.3	2.1	0.7
Other net income	0.3	-	0.4
Profit before tax	**56.3**	**85.8**	**75.6**
Income taxes	(0.3)	(0.3)	(0.3)
Profit after tax and profit for the year	**56.0**	**85.5**	**75.3**
Exchange difference on translation of foreign operations	-	-	(4.4)
Profit attributable to non-controlling interests for the year	-	-	(15.9)
Total comprehensive income (“Total return”)	**56.0**	**85.5**	**55.0**
Total return as a % of shareholders’ equity	5.6%	9.2%	5.5%

Costs

3i Infrastructure plc



Refinancing requirement at 31 March 2012

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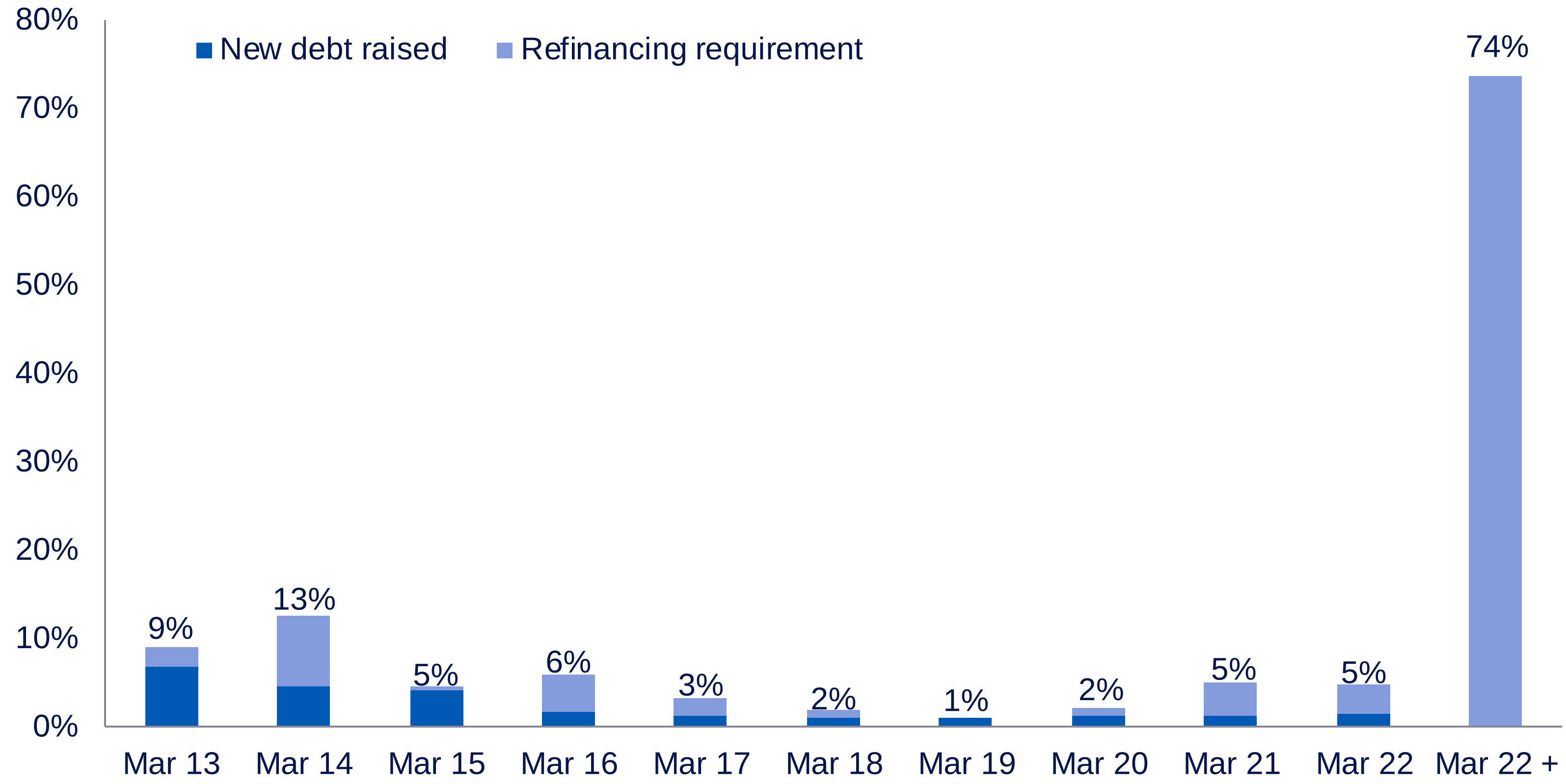
Annual refinancing of new debt as a % of committed debt

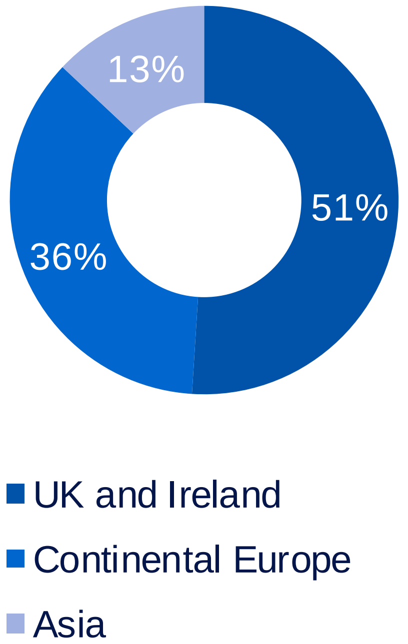


74% of all debt due post 2022

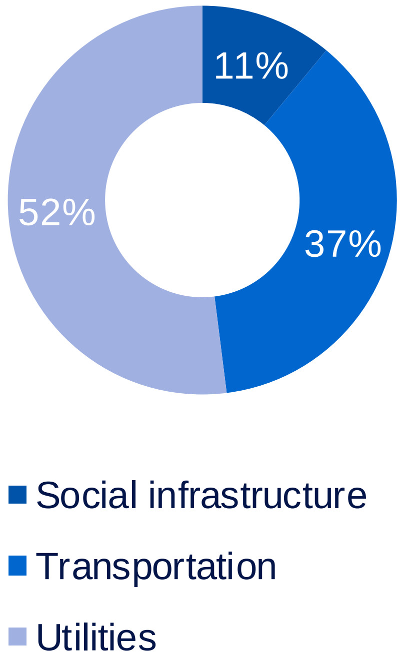
Asset diversification at 31 March 2012

3i Infrastructure plc

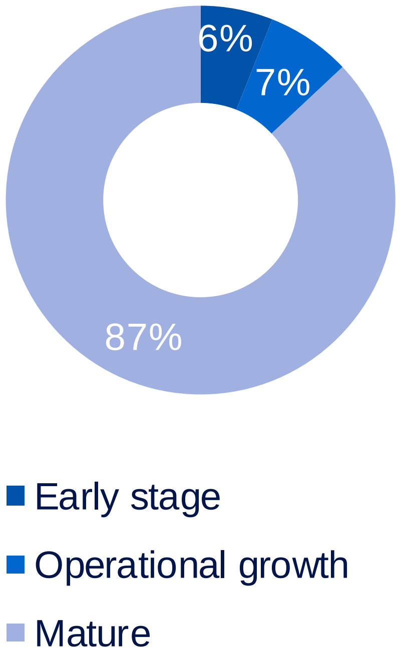
By geography



By sector



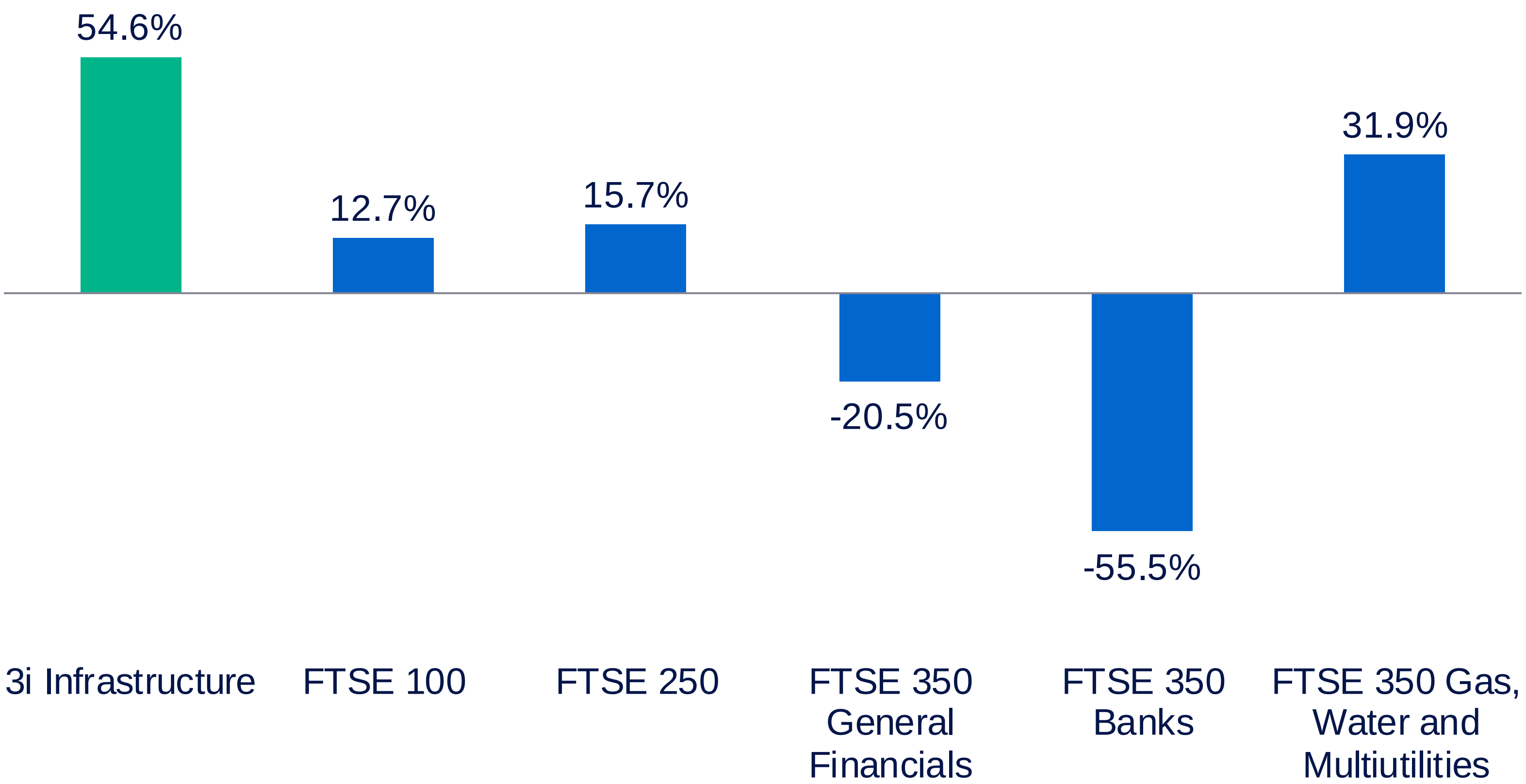
By maturity



Total shareholder return

3i Infrastructure plc

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



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

About 3i Infrastructure



Governance and fees

Board of Directors	▪ 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 - acts as investment Committee / approves investment opportunities - responsible for determination and supervision of investment policy - supervises monitoring of 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 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

Neil King, Partner

Phil White, Partner

Stephen Halliwell, CFO

Andrew Cox, Director

Scott Moseley, Director

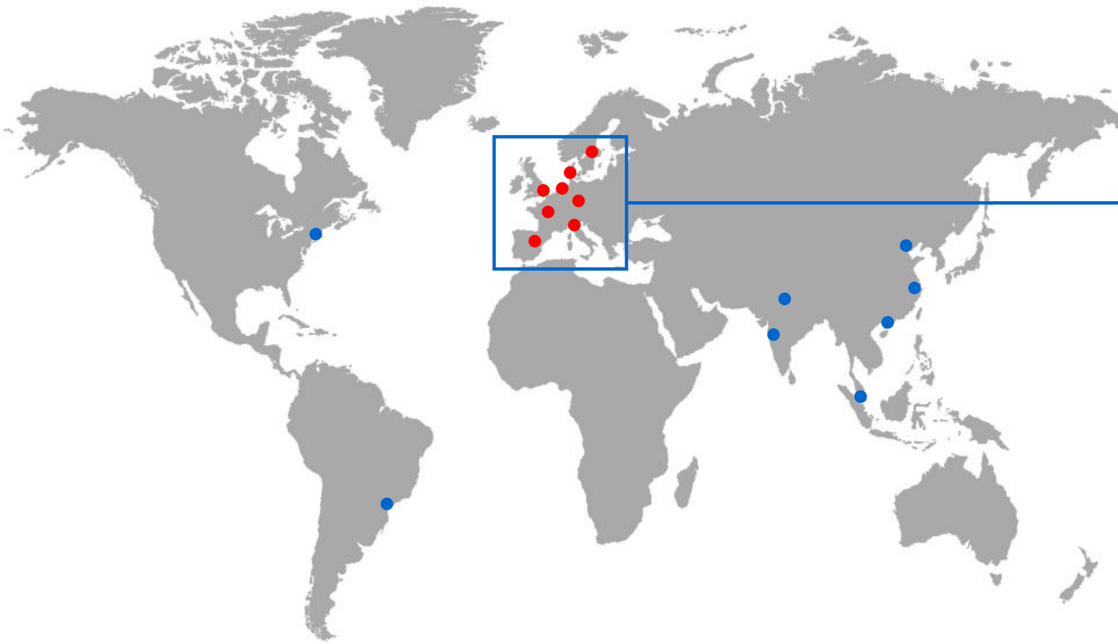
Sector focus

Asset intensive businesses, providing essential services

Transport	Utilities	Social infrastructure
▪ Airports ▪ Ports ▪ Ferries ▪ Toll roads ▪ Rail and bus ▪ Oil transportation and storage	▪ Power generation ▪ Power transmission ▪ Electricity and gas distribution ▪ Waste processing ▪ Water ▪ Communication networks	▪ Healthcare ▪ Education ▪ Defence ▪ Government accommodation

Internationally connected

3i Infrastructure plc



- Infrastructure team operates from 3 offices in key markets
- Access to a global network based in 12 countries

Executives based in London, Mumbai and Delhi