3 November 2008

Results for the six months to 30 September 2008

Returns in line with objectives
Strong balance sheet with good liquidity

for the six months to	30 September 2008	30 September 2007
Total return	£50.3m	£33.6m
Total return on average shareholders' equity (1)	6.1%	4.8%
Diluted net asset value per share	111.3p	103.1p
Interim dividend per share	2.1p	2.0p
Diluted net asset value per share after deducting interim dividend	109.2p	101.1p
New investment and commitments (2)	£105.2m	£512.8m
Percentage of raised proceeds invested and committed since inception (3)	84%	74%
Total portfolio value	£576.4m	£426.4m

Note: the financial information above has been prepared according to the investment basis of reporting, which accounts for majority investments and subsidiaries formed specifically for investment purposes in the same way as minority investments and does not consolidate these investments as is required under IFRS.

(1) Time-weighted average shareholders' equity is the average of: (i) opening shareholders' funds less the prior year dividend and; (ii) proceeds raised through the placing and open offer less costs associated with the fundraising.

(2) The September 2007 comparative includes the acquisition of the seed portfolio at IPO and full commitment to the 3i India Infrastructure Fund.

(3) The September 2007 comparative is stated as a percentage of net IPO proceeds only.

Commentary

- 3i Infrastructure delivered a total return for the first six months of the year of 6.1% on weighted average shareholders' equity, in line with its 12% annual return objective
- This return was achieved against a very volatile market backdrop, reflecting the quality of the portfolio, which generated strong income and capital gains
- Based on this performance, the Board of Directors has announced an interim dividend of 2.1 pence per share
- The Company invested £102.9 million over the period. Slowing investment rates reflect the Investment Adviser's cautious and highly selective approach to investment in challenging markets
- The market outlook for infrastructure investment remains positive, with increasingly resource-constrained governments requiring private funding for necessary infrastructure expenditure
- The Company has a strong balance sheet and ample liquidity to invest. As at 30 September 2008 the Company had cash balances of £329 million and a £225 million undrawn credit facility

Peter Sedgwick, Chairman of 3i Infrastructure plc, said: "3i Infrastructure has continued to achieve its return objectives in spite of the volatile market backdrop. With limited refinancing requirements in the underlying portfolio, no company level leverage and ample liquidity, 3i Infrastructure is well placed to take advantage of market opportunities."

Michael Queen, Managing Partner, Infrastructure, 3i Investments plc, added: "In the current market we have been cautious investors, maintaining a very high quality threshold and aiming to minimise portfolio risk. Focused portfolio management is critical to the delivery of 3i Infrastructure's return objectives and this has been a priority for us in this financial period."

– ends –

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For further information regarding the announcement of results for 3i Infrastructure plc please see www.3i-infrastructure.com. The analyst presentation will be made available on this website during the day.

Notes to editors

3i Infrastructure plc is a Jersey-incorporated, closed-ended investment company that invests in infrastructure businesses and assets and is regulated by the Jersey Financial Services Commission. The Company listed on the London Stock Exchange in March 2007, raising £703 million in an initial public offering and a further £115 million in a subsequent placing and open offer in July 2008. The Company is a constituent of the FTSE 250 index.

3i Investments plc, a wholly-owned subsidiary of 3i Group plc, which is regulated in the UK by the Financial Services Authority, acts as Investment Adviser to 3i Infrastructure plc.

Chairman's statement

"3i Infrastructure has continued to achieve its return objectives in spite of the volatile market backdrop. With limited refinancing requirements in the underlying portfolio, no Company-level leverage and ample liquidity, 3i Infrastructure is well placed to take advantage of market opportunities."

3i Infrastructure made good progress towards achieving its return objective during the first half of the financial year. The Company achieved a total return, on a Consolidated IFRS basis, of £50.4 million, representing a 6.1% return on average shareholders' funds.

On an investment basis, which the Board uses as the primary basis to monitor performance, the Company delivered a total return of £50.3 million, or 6.1% on average shareholders' funds.

On the basis of this performance, the Directors are proposing an interim dividend of 2.1 pence per share. This is in line with the Company's dividend policy and represents an increase of 5% when compared with the 2007 interim dividend.

The return was achieved against an increasingly volatile market backdrop and reflects the quality of the Company's portfolio of assets. The portfolio generated significant income from dividends and interest, as well as good realised and unrealised gains, as outlined in more detail in the Investment Adviser's review.

The Company invested £102.9 million over the period, bringing the total amount invested since inception to £545.0 million, or 68% of the aggregate net proceeds raised at IPO and through the subsequent placing and open offer. Including undrawn commitments, the Company has invested and committed £674.3 million, or 84% of the aggregate proceeds, since inception.

Investment activity was slower in this first half compared to the same period last year, as the Investment Adviser, as directed by the Board, has further increased its quality threshold in more challenging markets.

Difficulties in the credit markets have become more severe over the period. However, due to prudent financing structures and the strong relationships of the Investment Adviser with a number of key lending banks, the Company has not experienced difficulties in financing within its existing portfolio and new investment.

Refinancing risk in the portfolio remains low, with only a small proportion of the portfolio debt due to be refinanced in the short to medium term. In addition, infrastructure assets remain relatively attractive to debt providers, due to their defensive characteristics. In light of the above, the Board remains confident that the Company is well placed to continue to deliver its return objectives, even in current markets.

The Board and the Investment Adviser have continued to adopt a highly selective approach to investment and to take advantage of the opportunities deriving from current market conditions. The Company has been able to take advantage of the dislocation in the credit markets to invest in debt instruments at a significant discount to face value. These investments are already generating very attractive yields and are contributing to the Company's capacity to deliver its dividend objectives.

The market outlook for infrastructure investment remains positive, with significant opportunities to deploy capital selectively. Budgetary constraints are further reducing the ability of governments, in both the developed and developing world, to finance infrastructure projects solely with public funds, thereby increasing opportunities for private capital involvement. Difficulties in the financing of transactions, moreover, may reduce the competitive pressure for available assets, which will be of advantage to long-term investors such as 3i Infrastructure.

The Company is in a strong financial position, having raised, with the support of many of its shareholders, £115 million in new equity in July of this year. This new funding, combined with the £225 million revolving credit facility put in place in March 2008, which remains undrawn, puts 3i Infrastructure in a strong position to take advantage of this market opportunity.

Peter Sedgwick
Chairman
2 November 2008

Company objectives

Returns
3i Infrastructure's overall objective is to provide its shareholders with a total return of 12% per annum on the annualised aggregate shareholders' net funds raised, to be achieved over the long term.

Within this overall objective, the Company will also target an annual distribution yield, on full investment of the aggregate net funds raised, of approximately 5% of adjusted opening net asset value, to be achieved through a combination of regular dividends and capital returns.

Portfolio
3i Infrastructure aims to invest the net proceeds from IPO and further funds raised within two years of those proceeds being raised.

The Company intends to make equity, or equivalent, investments in infrastructure businesses and, for most investments, the Company will seek to obtain board representation.

Infrastructure businesses and assets are defined as asset-intensive businesses, providing essential services over the long term, often on a regulated basis, or with a significant component of revenues and costs that are subject to long-term contracts.

Investment Adviser's review

"In the current market we have been cautious investors, maintaining a very high quality threshold and aiming to minimise portfolio risk. Focused portfolio management is critical to the delivery of 3i Infrastructure's return objectives and this has been a priority for us in this financial period."
Michael Queen, Managing Partner, Infrastructure, 3i Group

About the Investment Adviser
3i Investments, a wholly-owned subsidiary of 3i Group, acts as Investment Adviser to the Company through its infrastructure investment team (the "investment advisory team"). The investment advisory team provides advice to the Company on the origination and completion of new investments, on the realisation of investments and on funding requirements, as well as on the management of the investment portfolio.

The investment advisory team operates as a separate business line within 3i Group and at 30 September 2008 was staffed by 25 dedicated infrastructure investment professionals of whom 13 are based in London, three in Frankfurt, six in Mumbai and Delhi and three in New York. All have significant experience in investing in, or advising on, infrastructure or private equity assets.

The investment advisory team can also draw on 3i Group's network of more than 250 investment professionals, based in 14 countries, to originate infrastructure investments.

3i Group was among the subscribers to 3i Infrastructure's initial public offering and subsequent placing and currently owns 43% of the equity in the Company.

Market
Equity and credit markets have become increasingly volatile over the last six months. The international banking system has suffered a collapse in confidence, triggered by the accumulation of underperforming assets on and off bank balance sheets, which has resulted in a near freezing up of interbank lending and in a significant decline in the availability of credit, for both corporate and retail borrowers.

Within this market context, the outlook for infrastructure investment remains relatively positive. Despite the economic slowdown, in the medium term, the Investment Adviser believes spending on infrastructure will continue to be significant, fuelled by demographic trends in developing economies and by the necessity to upgrade ageing infrastructure and to respond to the challenge of climate change in the developed world.

The opportunity for private investors in infrastructure going forward will derive from:
(i) downward pressure on pricing and; (ii) the inability of resource-constrained governments, which have had to borrow heavily to implement financing plans for the banking industry, to spend public resources on infrastructure.

This opportunity will, however, be constrained by the credit markets. Infrastructure financing is reliant on the availability of bank credit. While the infrastructure asset class has shown greater resilience than others to the credit contraction, it is unclear when banks will increase lending in the current climate.

3i Infrastructure is in the strong position of having liquidity to fund investment. As at 30 September 2008, the Company had cash balances of £328.7 million and a £225 million credit facility in place, which remains undrawn.

Investment activity

Performance indicator
Objective: to invest the net proceeds from IPO and further equity funds raised within two years of those proceeds being raised.
Measurement: cash invested and committed (before cost returned through divestments) as a percentage of aggregate net proceeds raised.
Status: aggregate proceeds 68% invested and 84% invested or committed since inception. Net equity proceeds (including cost returned through divestment proceeds) available for new investment and funding existing commitments totalled £305.4 million.

Summary of investment activity

3i Infrastructure has invested £545.0 million since inception, of which £102.9 million was invested in the six months to 30 September 2008 (September 2007: £412.7 million). The amount invested is lower compared to the amount invested in the equivalent period in the prior year, which included the acquisition of the initial seed portfolio for £234.4 million.

The slowdown in investment activity is driven by the cautious investment approach adopted during the period, which, in light of volatile market conditions throughout the period, has focused on high-quality assets which lower total portfolio risk, while allowing the Company to deliver its return objective.

Including undrawn commitments, and before taking account of any cost returned through disposals, the Company has invested or committed £674.3 million since inception, representing 84% of the aggregate net proceeds raised at IPO and through the subsequent placing and open offer, completed in July 2008. Including the cost returned from divestment proceeds, the net equity proceeds available for new investment and for funding the existing commitments, at 30 September 2008, were £305.4 million. The total cash balance at 30 September 2008 was £328.7 million (September 2007: £296.7 million).

Table 1 - Summary of investment activity
for the six months to 30 September 2008 (£m)

Portfolio asset (investment basis)	Sector	New investment	Further investment	**Total investment**	New commitments
Equity investments					
I^2	Social Infrastructure – PFI Fund	-	12.4	**12.4**	-
Alpha Schools	Social Infrastructure – PFI school	-	4.7	**4.7**	-
Alma Mater Fund	Social Infrastructure – PFI university	-	1.9	**1.9**	-
3i India Infrastructure Fund	Power and Transport Fund(1)	-	(2.8)	**(2.8)**	-
Debt investments					
Viridian	Utilities – Power	28.9	-	**28.9**	-
Thames Water	Utilities – Water	14.5	-	**14.5**	-
NGW/Arqiva	Utilities – Communications	32.4	-	**32.4**	-
Télédiffusion de France	Utilities – Communications	10.9	-	**10.9**	2.3
Total		**86.7**	**16.2**	**102.9**	2.3

(1) The Fund held two investments at 30 September 2008, in the power and infrastructure construction sectors. Due to the current weighting of the underlying assets the Fund has been classified as a Utilities investment in table 2.

New investment

Investment activity in the first half of the financial year of £102.9 million relates mainly to the investment of £86.7 million into a portfolio of junior debt instruments. The persisting dislocation in the credit markets has provided the Company with an opportunity to invest in a portfolio of junior debt issued by infrastructure businesses with strong credit credentials, at prices below par value.

The portfolio has been carefully selected on the basis of a detailed assessment by the Investment Adviser of the underlying assets, their business model and credit worthiness. This portfolio consists of investments in facilities issued by Viridian, a company based in Northern Ireland, focusing on the generation, transmission and distribution of electricity (£28.9 million), Thames Water, the UK's largest water utility company (£14.5 million), NGW/Arqiva, a UK wireless broadcast business (£32.4 million) and Télédiffusion de France, the leading French broadcast network operator (£10.9 million).

Each of these assets has been purchased at pricing levels which provide a yield to maturity above the Company's return objectives. The acquisition of these assets, moreover, has strengthened the yield of the portfolio.

Further investments

The Company invested a further £12.4 million in Infrastructure Investors ("I^2"). Alpha Schools also drew down a further £4.7 million from existing commitments made by the Company, and as this project continues to progress well and in line with budget, it is expected that the remaining commitments of £2.7 million will be drawn down during the current financial year.

A further investment of £1.9 million was made into the Alma Mater Fund before it was sold in July 2008.

Finally, an amount of £2.8 million was returned by the 3i India Infrastructure Fund. This amount will remain available for draw down by the 3i India Infrastructure Fund for new investments.

Portfolio

Portfolio value and return

The value of the Company's investment portfolio at 30 September 2008 was £576.4 million (September 2007: £426.4 million). The portfolio is performing in line with expectations and the investment return – represented by dividends and interest yield, as well as realised and unrealised capital profits from the portfolio and cash balances – was £56.8 million, or 6.8% of average opening shareholders' equity (September 2007: £40.3 million, 5.8%).

The breakdown of 3i Infrastructure's portfolio by sector, maturity and geography is shown in tables 2, 3 and 4.

As set out in table 5, the key changes to the value of the portfolio in the period are accounted for by new investment of £102.9 million, asset disposals of £42.0 million, principally the disposal of the Alma Mater Fund for £41.9 million and, finally, the unrealised uplift in the value of the portfolio. The unrealised value uplift has been driven principally by the increase in the value of two assets, namely the 3i India Infrastructure Fund and I^2.

The investment valuations are calculated by the Investment Adviser and reviewed and approved by the Board of Directors. Valuations continue to be based on International Private Equity and Venture Capital valuation guidelines. The valuation policy is set out in full further on in this document.

At 30 September 2008, the implied weighted average discount rate decreased to 12.0% from 12.4% at 31 March 2008, due to the increased weighting of the value of I^2 (which has a discount rate lower than the average) and the reduction in the overall 3i India Infrastructure Fund discount rate, driven by the progress of the initial construction phase at Adani Power. The discount rate applied to T2C has been raised to reflect the increased risk arising from an anticipated project delay (the T2C asset review is set out further on in this document).

Portfolio management

Portfolio management has been a priority throughout the period, as highlighted in the asset reviews below. This has included a review of the refinancing requirements within the portfolio to ensure a manageable programme in the short to medium term.

Table 2 – Asset portfolio by sector
as at 30 September 2008

Social infrastructure	30%
Transportation	17%
Utilities	53%

Table 3 – Asset portfolio by maturity
as at 30 September 2008

Early stage	12%
Operational growth	30%
Mature	58%

Table 4 – Asset portfolio by geography
as at 30 September 2007

UK	71%
Continental Europe*	20%
Asia	9%

*Includes investment in Oystercatcher, with operations in the Netherlands, Malta and Singapore.

Table 5 – Reconciliation of movement in portfolio value
for the period to 30 September 2008 (£m)

Opening portfolio value	489.7
New/further investments	102.9
Divestments	(42.0)
Asset returns*	50.4
Income received	(24.6)
Closing portfolio value	576.4

* Includes unrealised exchange gains of £2.2 million.

Basis of preparation

In the following section, the Investment Adviser has presented the Company's net asset value and key financial statements to show the return on a pro forma investment basis, in addition to the consolidated financial statements, as required under International Financial Reporting Standards (IFRS). This pro forma investment basis presentation provides a more meaningful representation of the Company's net asset value, shows the Company's cash utilisation for investment and differentiates between non-recourse borrowings held within asset specific acquisition companies and borrowings which may be made at the Company level. The investment basis accounts for majority investments and subsidiaries formed specifically for investment purposes in the same way as minority investments, by determining a fair value for the investment, and therefore does not consolidate these entities line-by-line as is required under IFRS.

Several adjustments have been made in order to show returns on an investment basis, the main adjustments being:

3i Infrastructure holds 55.7% of 3i Osprey LP, the vehicle through which 3i Group also holds its investment in AWG. 3i Infrastructure is required under IFRS to consolidate the results and balance sheet of this LP into its accounts on a line-by-line basis. The remaining 44.3% of this entity is held by 3i Group and a third party. In the investment basis presentation, 3i Infrastructure has recognised only its share of the income and balance sheet of 3i Osprey LP.

3i Infrastructure holds two wholly-owned subsidiaries, Oystercatcher Luxco 1 S.àr.l. and Luxco 2 S.àr.l., to fund the minority investment into three subsidiaries of Oiltanking GmbH. External borrowings were made by Oystercatcher Luxco 2 to partly fund the investments. These borrowings are non-recourse to 3i Infrastructure. Under IFRS, the results and balance sheets of the Oystercatcher Luxco 1 and Luxco 2 subsidiaries are required to be consolidated into 3i Infrastructure's financial statements on a line-by-line basis. In the investment basis presentation the Oystercatcher Luxco 2 subsidiary is not consolidated but is accounted for as a portfolio asset held for investment purposes and is fair valued accordingly.

The Company invests in 3i India Infrastructure Holdings Limited through 3i India Infrastructure A LP, a limited partnership in which the Company is the sole investor. This partnership has not been consolidated in the investment basis and is treated as an investment and is fair valued accordingly.

Returns

Performance indicator
Objective: to provide shareholders with a total return of 12% per annum on aggregate annualised net equity raised, to be achieved over the long term.
Measurement: total return for the period expressed as a percentage of average shareholders' funds*.
Status: 6.1% total return for the six months to September 2008.

* Average shareholders' funds is the time-weighted average of (i) opening shareholders' funds less prior-year final paid dividend and (ii) net new funds raised in the financial year.

The commentary below analyses the key drivers of the Company's returns according to the investment basis of preparation.

3i Infrastructure achieved a total return in the first half of £50.3 million, 6.1% of time-weighted average shareholders' funds, which adjusts opening shareholders' equity for the new equity raised in July 2008 (September 2007: £33.6 million, 4.8%). This measure most closely equates, on an annualised basis, to the long-term objective for returns and incorporates new equity raised.

The diluted net asset value per share at 30 September 2008 (before deducting the proposed interim dividend) was 111.3 pence per share (September 2007: 103.1 pence).

The investment return was £56.8 million (September 2007: £40.3 million), of which £49.1 million was generated from the portfolio assets and £7.7 million was interest on financial assets. This return includes realised capital profits on the sale of assets of £4.1 million (September 2007: £nil), unrealised value movements on the revaluation of the portfolio (including foreign exchange movements) of £21.7 million (September 2007: £13.7 million) and income on the portfolio, which was strong during the period at £24.6 million (September 2007: £14.3 million). The interest income from financial assets of £7.7 million (September 2007: £13.0 million) was lower compared to the same period last year, due to the reduced average cash holdings over the period. A feature of this period's returns was that strong levels of cash were generated from the portfolio through both dividends and interest received and profitable divestment.

Capital return

Realised capital profits of £4.1 million (September 2007: £nil) were principally generated from the divestment of the interest in the Alma Mater Fund in July 2008. This sale generated a realised profit over the opening book value at 31 March 2008 of £4.0 million and a profit over cost of £15.0 million.

The unrealised value uplift of £19.5 million (September 2007: £11.3 million) is driven mainly by the revaluation of the 3i India Infrastructure Fund and I^2. The uplift in the value of the 3i India Infrastructure Fund was driven by the strong performance of Adani Power, which made significant progress in the initial construction phase of its power plant in the port of Mundra and is developing long-term generation capacity elsewhere in India. In the case of I^2, in addition to the further investment of £12.4 million, the value uplift takes into account income distributions retained in the fund and also recognises further portfolio efficiencies identified as part of the structural review of the assets. These uplifts are partly offset by a decrease in the value in the quoted elements of the portfolio, a reduction in the DCF valuation of AWG following the significant dividends received in the period and the change in discount rate applied to T2C, as a result of an expected delay to the completion of the construction phase of this project. A more detailed description of the developments of each portfolio asset is provided in the portfolio reviews.

Table 6 – Summary total return on an investment basis (£m)

	Six months to 30 September 2008	For the period from 16 January 2007 to 30 September 2007	For the period from 16 January 2007 to 31 March 2008	Consolidated basis six months to 30 September 2008
Realised profit over value on the disposal of investments	**4.1**	-	-	4.1
Unrealised profits on the revaluation of investments	**19.5**	11.3	48.5	14.8
Foreign exchange gains/(losses) on investments	**2.2**	2.4	18.1	(0.1)
Capital return	**25.8**	13.7	66.6	18.8
Portfolio income				
Dividends	**18.3**	10.6	17.3	33.1
Income from loans and receivables	**6.3**	3.7	10.5	8.0
Fees payable	**(1.3)**	(0.7)	(3.4)	(1.3)
Interest receivable	**7.7**	13.0	21.7	7.7
Investment return	**56.8**	40.3	112.7	66.3
Advisory, performance and management fees payable	**(4.6)**	(3.8)	(17.5)	(5.3)
Operating expenses	**(0.9)**	(3.2)	(3.9)	(0.9)
Finance costs	**(0.5)**	-	-	(5.2)
Other costs	**(0.3)**	-	(1.4)	(0.5)
Profit for the period	**50.5**	33.3	89.9	54.4
Exchange difference on translation of foreign operations	**(0.2)**	0.3	0.6	2.8
Profit attributable to minority interests for the period	**-**	-	-	(6.8)
Total recognised income and expense "Total return"	**50.3**	33.6	90.5	50.4

Portfolio income

Portfolio income, earned through dividends and interest income on loans to portfolio companies, was £24.6 million (September 2007: £14.3 million) mainly due to strong dividend flows from AWG and Oystercatcher and interest received on the junior debt portfolio.

Advisory fee, performance fees and operating costs

During the first six months of the financial year, the Company incurred advisory fees totalling £4.6 million (September 2007: £3.8 million). The advisory fee, payable to 3i plc, is calculated as 1.5% of Gross Investment Value, which is based on the opening portfolio value and the cost of new investment made during the period. No performance fee has been accrued or charged in the period. A more detailed explanation of how the advisory and performance fees are calculated is shown in note 8.

Operating expenses, comprising Board fees, service provider costs and other professional fees, totalled £0.9 million for the six months to 30 September 2008.

Finance costs and other costs include the arrangement and commitment fees for the revolving credit facility and the fair value movement on the foreign exchange hedging programme, which has been put in place to part hedge the euro exposure from the portfolio.

Professional fees and issue costs relating to the placing and open offer of £3.2 million have been charged directly against reserves.

Balance sheet

At 30 September 2008, the assets of the Company comprised the investment portfolio, valued at £576.4 million (September 2007: £426.4 million), cash and cash equivalents of £328.7 million (September 2007: £296.7 million) and other current assets, primarily relating to accrued income from portfolio investments and prepayments. There were no external borrowings on a recourse basis to the Company. At 30 September 2008, and at the time of reporting, the £225 million revolving multicurrency credit facility had not been drawn.

New equity raised of £114.6 million, net of the issue costs of £3.2 million, is held to the credit of the stated capital account.

Table 7 – Summary balance sheet on an investment basis (£m)

	As at 30 September 2008	As at 30 September 2007	As at 31 March 2008	Consolidated basis as at 30 September 2008
Assets				
Non-current assets				
Investment portfolio	**576.4**	426.4	489.7	846.0
Current assets				
Other current assets and derivative financial instruments	**10.3**	11.7	41.4	13.2
Cash and cash equivalents	**328.7**	296.7	253.7	333.3
Total current assets	**339.0**	308.4	295.1	346.5
Total assets	**915.4**	734.8	784.8	1,192.5
Borrowings	**-**	-	-	(149.8)
Total non-current liabilities	**-**	-	-	(149.8)
Current liabilities				
Trade and other payables and derivative financial instruments	**(5.2)**	(8.1)	(15.2)	(10.2)
Total current liabilities	**(5.2)**	(8.1)	(15.2)	(10.2)
Total liabilities	**(5.2)**	(8.1)	(15.2)	(160.0)
Net assets	**910.2**	726.7	769.6	1,032.5
Equity				
Stated capital account	**111.4**	693.1	-	111.4
Retained reserves	**798.3**	33.3	769.0	777.3
Translation reserve	**0.5**	0.3	0.6	20.3
Total shareholders' equity	**910.2**	726.7	769.6	909.0
Minority interests	**-**	-	-	123.5
Total equity	**910.2**	726.7	769.6	1,032.5

Net asset value

Performance indicator
Objective: to target an annual distribution yield of 5% on adjusted opening net asset value following full investment.
Measurement: dividend paid or declared relating to the financial year, as a percentage of average shareholders' funds*.
Status: interim dividend of 2.1 pence per share equates to a 2.1% distribution on average shareholders' funds.

*Average shareholders' funds is the time-weighted average of (i) opening shareholders' funds less prior-year final paid dividend and (ii) net new funds raised in the financial year.

The net asset value at 30 September 2008 was £910.2 million (September 2007: £726.7 million), which, as shown in table 8, reduces to £893.2 million (September 2007: £712.6 million) after the deduction of the proposed interim dividend, which will be paid in December 2008.

Diluted net asset value per share, adjusting for the 70.6 million warrants which were issued at IPO in March 2007, was 111.3 pence per share (September 2007: 103.1 pence). This reduces to 109.2 pence per share (September 2007: 101.1 pence) after the deduction of the proposed interim dividend of 2.1 pence per share.

Table 8 – Reconciliation of movements in net asset value
for the six months to 30 September 2008 (£m)

Opening NAV (post-2008 final dividend)	**748.5**
Funds raised	114.6
Fund raising costs	(3.2)
Total return	50.3
Proposed interim dividend	(17.0)
Closing NAV (post-interim dividend)	**893.2**

Risks and uncertainties
The principal risks and uncertainties faced by the Company are set out in the Risks and Uncertainties section of the Company's Annual Report for the period to 31 March 2008.
The principal external and strategic investment risks faced by the Company relate to the performance of underlying investment assets and market and transaction risks relating to the Company's ability to refinance its investments and to obtain debt financing for new investment, as well as to the time taken to deploy the Company's capital. The Company is highly dependent on 3i Investments and its Infrastructure investment advisory team. This half-yearly report also refers to specific risks and uncertainties and these should be viewed in conjunction with those principal risks.

Portfolio

Table 9 – Portfolio summary

	Equity interest	Date first invested	Cost £m	Directors' valuation Mar 2008 £m	Directors' valuation Sept 2008 £m	Income in the period £m	Asset total return in the period £m	Valuation basis
Anglian Water	9.0%	Mar 2007	140.0	159.6	152.1	16.5	9.0	DCF
I²	31.2%	Mar 2007	118.5	125.1	150.5	-	13.0	DCF
Oystercatcher (1)	45.0%	Aug 2007	84.5	98.3	97.5	3.9	3.1	DCF
Octagon	26.3%	Mar 2007	13.2	13.6	13.4	0.5	0.3	DCF
Novera	8.6%	Feb 2008	11.2	11.2	9.2	-	(2.0)	Quoted equity
Alpha Schools	50.0%	Mar 2007	5.0	0.3	7.6	0.1	2.7	DCF
T2C	16.7%	Aug 2007	6.5	7.9	5.8	(0.2)	(2.3)	DCF
3i India Infrastructure Fund	20.9% (2)	Sept 2007	33.6	37.7	53.9	0.3	19.3	LP share of fund
Junior debt portfolio	n/a	Apr 2008	86.7	-	86.4	3.5	3.3	Quoted debt

(1) 3i Infrastructure has a 45% interest in three of Oiltanking GmbH's subsidiaries through Oystercatcher Luxco 2 S.àr.l.
(2) 20.9% of final closing commitments.

Anglian Water Group Limited

Description
Anglian Water Group Limited is the parent company of the water and waste water business Anglian Water. Anglian Water is the fourth largest water supply and waste water company in England and Wales measured by regulatory capital value and is regulated by Ofwat. The investment is held through a limited partnership that is separately managed by 3i Investments and in which 3i Group also has an interest. The AWG group also includes Morrison Facilities Services, a support services business focused on local authority and social housing sectors, and a property development business.

Strategy
Anglian Water aims to deliver a reliable supply of clean, safe drinking water and effective waste water services at an affordable price, while meeting the challenges of growth and climate change.

Developments in the period
The sale of Morrison Utility Services was completed in May 2008, generating a high dividend return to shareholders in the period. AWG's Draft Business Plan, setting out its investment plans for 2010 to 2015, was submitted to Ofwat. This is now subject to consultation, leading to Ofwat's Final Determination in November 2009. The company also issued a €500 million eight-year bond in June 2008, providing sufficient funding to meet the business' needs for the remainder of the current regulatory period. The company has also complied with the Walker Code and its report and accounts are available on its website, www.awg.com.

Infrastructure Investors ("I²")

Description
I² makes and manages PFI investments, mainly acquired in the secondary market, in the UK and continental Europe. It is among the largest equity funds in this market and its 84 assets and projects include the Lewisham DLR extension, HM Treasury and HMRC offices, and King's College Hospital. These PFI projects benefit from long-term concession agreements with the public sector, with revenues largely generated by availability payments.

Strategy
I^2 aims to develop a diversified portfolio of PFI assets, generating stable returns for investors through identifying portfolio synergies, optimising operational efficiencies and developing appropriate financial structures.

Developments in the period
3i Infrastructure made further investments into I^2 during the period, for a total cost of £12.4 million. Of this, £9.1 million was invested in existing projects, while £3.3 million was invested in a stake in North Durham University Hospital.

During the first half of the year, income distributions due to shareholders have been retained in the fund while a structural review of the fund is conducted.

Oystercatcher

Description
Oystercatcher has a 45% interest in three subsidiaries of Oiltanking, based in the Netherlands, Malta and Singapore. These three businesses provide oil, petroleum and other oil-related and chemicals storage facilities and related services to a broad range of clients, including private and state oil companies, refiners, petrochemical companies and traders. Oiltanking is one of the world's leading independent storage partners for oils, chemicals and gases. Oiltanking owns and operates 62 terminals in 20 countries with a total storage capacity of more than 13 million cubic metres.

Strategy
Experienced local management teams, supported by Oiltanking's central management expertise and 3i Infrastructure's Board representatives, seek to maximise throughput by delivering high levels of customer service and to maintain strong safety and environmental standards.

Developments in the period
In Amsterdam, two new jetties were taken into operation in July 2008, increasing the terminal's vessel handling capacity and reducing waiting times for customers. In Singapore, construction of the expansion project is underway and scheduled to complete at the end of the second quarter of 2009.

Octagon

Description
Octagon is a concession company under a 35-year PFI contract to build, operate and maintain the Norfolk and Norwich University Hospital. Construction of the hospital was completed in August 2001. Octagon sub-contracts the provision of services to Serco. Octagon receives RPI-linked payments from the NHS Trust to cover services and buildings maintenance, which are subject to performance deductions for service failures and unavailability.

Strategy
Octagon's management team, with close shareholder involvement, focuses on ensuring the delivery of first-class service levels to the hospital and maintaining an excellent relationship with the NHS Trust and Regional Health Authority.

Developments in the period
Octagon maintained its record of having no service failures and no unavailability deductions since commencement of operations. Norfolk and Norwich University Hospital became a Foundation Trust in May 2008. New General Manager and Finance Director appointments were made to succeed the retiring incumbents in 2008.

Novera

Description
Novera is a listed renewable energy company which generates electricity from wind, hydro, waste and landfill gas from 57 sites across the UK, with a total capacity of 118MW.

Strategy
Novera operates in landfill gas and wind development, with the potential to develop new operations in energy from waste. The company is developing a portfolio of wind farms and has a target of 250MW in operation by 2011. Novera's strategy is to continue to grow scale to compete effectively in the rapidly expanding renewable energy market and to build on its established platform in its UK home market. Novera is also examining possibilities to use its expertise in selected overseas markets.

Developments in the period
3i Infrastructure acquired a 10% equity interest in Novera in February 2008. Following an equity placing by Novera in July, in which 3i Infrastructure did not participate, the Company's equity interest in Novera has now reduced to 8.6%.

Alpha Schools

Description
Alpha Schools is a concession company under a 30-year PFI contract to build, operate and maintain 11 new schools on ten sites in the Highland region of Scotland. Construction is underway under a subcontract with Morrison Construction. Alpha Schools subcontracts the provision of services to Morrison Facilities Services. Alpha Schools receives RPI-linked payments from the Highland Council to cover services and buildings maintenance, which are subject to performance deductions for service failures and unavailability.

Strategy
Alpha Schools' management team is focused on the timely completion of construction and handover of the schools for student occupation, ensuring delivery of first-class service levels to the schools and maintaining an excellent relationship with the Highland Council.

Developments in the period
A further five schools have been completed and handed over in the period. The eleventh and final school, Millburn Academy, was handed over on 6 October. Certain works will continue at various sites through to the end of October 2009.

Thermal Conversion Compound ("T2C")

Description
T2C is a special-purpose company established to build, operate and maintain a waste-to-energy plant on an industrial park near Frankfurt, Germany. The plant will generate heat and power from refuse-derived fuels. Construction is underway with the general contractor, Ebara (a Japanese environmental technology developer and provider), using existing technology. T2C subcontracts operation and maintenance of the plant to Infraserv GmbH & Co. Höchst KG ("ISH"), which manages the industrial park where T2C is located. T2C has contracted long-term revenues under a 15-year fixed-price "take or pay" contract with ISH, with an upwards-only price review after ten years.

Strategy
T2C's management team is focused on the timely completion of construction and commencement of operations, while managing uncertainties in waste supply and ash disposal through securing contracts with a range of suppliers and off-takers.

Developments in the period
The construction contractor is forecasting a delay in reaching completion, due to production delays with major subcontractors. 3i Infrastructure, through its Investment Adviser, is working closely with T2C's management and with the construction contractor to seek to minimise and mitigate the effects of the delay.

3i India Infrastructure Fund

Description
The 3i India Infrastructure Fund was established by 3i Group to make infrastructure investments in India focusing on ports, airports, roads and power. The final close of the Fund was announced by 3i Group on 16 April 2008 at US$1.2 billion.

3i Infrastructure made a commitment of US$250 million to the Fund. The Board recommended this investment to the Company's shareholders as it believed this would give the Company exposure to a larger and more diversified portfolio in India than the Company could achieve through direct investment, due to the scale of the Fund.

Since raising the Fund, and in this period, the 3i investment advisory team in India has been further strengthened. 3i Infrastructure benefits directly from this enhanced team through its investment in the Fund.

Unlike 3i Group and third-party investors, the Company will pay no advisory, management or performance fees in connection with its participation in the Fund, other than those which it is contracted to pay pursuant to the terms of the investment advisory agreement.

The Fund had completed two investments, at 30 September, in Adani Power Private Limited (US$227 million) and Soma Enterprise Limited (US$101 million).

Strategy
The Fund was established to apply the successful investment strategy of 3i Group's global infrastructure business to the attractive and rapidly growing Indian infrastructure market. The Fund's strategy is to build a diversified portfolio of equity (or equivalent) investments in entities owning infrastructure assets whose primary commercial operations are in India, with a primary focus on four sectors: ports, airports, roads and power. The Fund expects to make its investments over two to four years, and most individual investments will be in the range of US$25 million to US$150 million, although some selected investments will be larger.

Developments in the period
The Fund has continued to explore new investment opportunities and to work alongside the management teams of the existing investments.

Since the Fund invested, Adani Power has made significant advances in the initial phase of the construction of the power plant, which is estimated to become operational by June 2009.

Adani Power has also been developing a pipeline of new projects, which will significantly increase the long-term generation capacity to 9,900MW from the original 2,640MW. Adani Power has been granted a licence to apply for an IPO from the Securities and Exchange Board of India, and continues to monitor local market conditions closely, to select the best window of opportunity.

Soma Enterprise Limited has also made significant progress since investment, with around 30 projects across a number of segments currently being executed. Since the Fund invested, Soma Enterprise has posted strong revenue and profit growth.

Junior debt portfolio

Viridian
Electricinvest Holding Company Limited
£500 million Junior Facility

Viridian operates both regulated and unregulated businesses within the Irish energy market. The regulated business manages 42,000km of power transmission and distribution infrastructure, supplying nearly 800,000 homes and businesses within Northern Ireland. The unregulated business focuses on power generation within the Republic of Ireland. A third division of Viridian offers power-related services to the power industry.

Viridian was acquired by Arcapita through a public-to-private transaction in December 2006.

Thames Water
Kemble Water Structure Limited £835 million
Term Loan Facility

Thames Water is the UK's largest water and waste water services company, with over 13 million customers across London and the South East of England.

Thames Water was acquired by a consortium from RWE in 2006.

NGW/Arqiva
Macquarie UK Broadcast Enterprise Limited
£475 million Junior Facility

National Grid Wireless ("NGW") is the former wireless broadcast business of National Grid plc. The business comprises a national communications infrastructure network that provides broadcast transmission services for BBC television and radio, hosts wireless sites for major mobile network operators and owns and operates two Freeview digital TV multiplexes. NGW has around 5,500 active sites used for mobile communications and around 570 towers used for radio and television transmission broadcasts.

NGW was acquired by a Macquarie-led consortium in April 2007. Following the outcome of a regulatory review by the UK's Competition Commission in March 2008, the consortium has proceeded with its plans to merge NGW with Arqiva, a wireless business held within a fund managed by Macquarie.

Télédiffusion de France ("TDF")
Tyrol Acquisition 2 SAS €470 million
Second Lien Facility

Originally state-owned, TDF is the leading provider of broadcast transmission infrastructure and services and telecoms infrastructure in France. Following a number of acquisitions, it is currently the leading provider of mast infrastructure in Germany, Finland and Hungary. All of TDF's businesses enjoy large shares of the markets in which they operate.

TDF was part privatised in 2002, when France Télécom sold a majority stake to a number of investors. In 2006 there was a further change of ownership, which resulted in TDF being acquired by a consortium comprising TPG, AXA, Charterhouse, CDC and management/employees (2%). The transaction valued the company at €5.0 billion.

Strategy
To build a portfolio of junior debt investments in infrastructure businesses.

The underlying businesses are in core infrastructure sectors (eg water, electricity distribution and generation and communication networks) and are leading players in their respective markets.

The pricing of the junior debt, at values below par, delivers attractive equity-like returns and strong levels of cash yield.

Developments in the period
During the six months to September 2008 the Company has continued to build this portfolio, making opportunistic purchases when available pricing has met the return objectives of this portfolio.

Consolidated income statement
for the six months to 30 September 2008

	Notes	**Six months to 30 September 2008 (unaudited) £m**	Period from 16 January 2007 to 30 September 2007 (unaudited) £m	Period from 16 January 2007 to 31 March 2008 (audited) £m
Realised profits over value on the disposal of investments		**4.1**	-	-
Unrealised profits on the revaluation of investments		**14.8**	18.8	68.6
Foreign exchange (losses)/gains on investments		**(0.1)**	2.4	1.2
		18.8	21.2	69.8
Portfolio income				
Dividends		**33.1**	15.3	30.7
Income from loans and receivables		**8.0**	5.4	13.8
Fees payable		**(1.3)**	(4.5)	(7.5)
Interest receivable		**7.7**	13.0	21.8
Investment return	1	**66.3**	50.4	128.6
Advisory, performance and management fees payable	2	**(5.3)**	(3.8)	(19.0)
Operating expenses		**(0.9)**	(3.2)	(3.9)
Finance costs		**(6.6)**	(1.1)	(6.6)
Unrealised gain/(losses) on the fair value of derivative financial instruments		**1.4**	(2.1)	(4.8)
Other expenses		**(0.5)**	-	(1.8)
Profit before tax		**54.4**	40.2	92.5
Income taxes	3	**-**	-	-
Profit after tax and profit for the period		**54.4**	40.2	92.5
Attributable to:				
Equity holders of the parent		**47.6**	29.3	71.8
Minority interests		**6.8**	10.9	20.7
Earnings per share				
Basic earnings per share attributable to equity holders of the parent (pence)	5	**6.3**	4.2	10.2
Diluted earnings per share attributable to equity holders of the parent (pence)	5	**6.2**	4.2	10.2

Consolidated statement of recognised income and expense
for the six months to 30 September 2008

	Six months to 30 September 2008 (unaudited) £m	Period from 16 January 2007 to 30 September 2007 (unaudited) £m	Period from 16 January 2007 to 31 March 2008 (audited) £m
Profit for the period	**54.4**	40.2	92.5
Exchange differences on translation of foreign operations	**2.8**	0.3	17.5
Total recognised income and expense	**57.2**	40.5	110.0
Total recognised income and expense attributable to the parent	**50.4**	29.6	89.3
Total recognised income and expense attributable to minority interests	**6.8**	10.9	20.7

Consolidated reconciliation of movements in equity
for the six months to 30 September 2008

	Notes	**Six months to 30 September 2008 (unaudited) £m**	Period from 16 January 2007 to 30 September 2007 (unaudited) £m	Period from 16 January 2007 to 31 March 2008 (audited) £m
Opening total equity attributable to equity holders of the parent		**768.3**	-	-
Total recognised income and expense attributable to the parent		**50.4**	29.6	89.3
Issue of ordinary shares net of issue costs		**111.4**	693.1	693.1
Ordinary dividends		**(21.1)**	-	(14.1)
Total equity attributable to equity holders of the parent	4	**909.0**	722.7	768.3
Profit attributable to minority interests		**6.8**	10.9	20.7
Minority interests		**116.7**	111.3	107.0
Total equity attributable to minority interests	4	**123.5**	122.2	127.7
Closing total equity	4	**1,032.5**	844.9	896.0

Consolidated balance sheet
as at 30 September 2008

	Notes	**30 September 2008 (unaudited) £m**	30 September 2007 (unaudited) £m	31 March 2008 (audited) £m
Assets				
Non-current assets				
Investments				
Quoted equity investments		**9.2**	-	11.2
Unquoted equity investments		**629.1**	472.4	548.8
Loans and receivables		**207.7**	198.7	205.1
Investment portfolio	1	**846.0**	671.1	765.1
Total non-current assets		**846.0**	671.1	765.1
Current assets				
Other current assets		**13.0**	16.4	42.4
Derivative financial instruments		**0.2**	-	0.3
Cash and cash equivalents		**333.3**	300.3	259.6
Total current assets		**346.5**	316.7	302.3
Total assets		**1,192.5**	987.8	1,067.4
Liabilities				
Non-current liabilities				
Loans and borrowings		**(149.8)**	(132.7)	(151.0)
Total non-current liabilities		**(149.8)**	(132.7)	(151.0)
Current liabilities				
Trade and other payables		**(6.8)**	(8.1)	(15.3)
Derivative financial instruments		**(3.4)**	(2.1)	(5.1)
Total current liabilities		**(10.2)**	(10.2)	(20.4)
Total liabilities		**(160.0)**	(142.9)	(171.4)
Net assets		**1,032.5**	844.9	896.0
Equity				
Stated capital account		**111.4**	693.1	-
Retained reserves		**777.3**	29.3	750.8
Translation reserve		**20.3**	0.3	17.5
Total equity attributable to equity holders of the parent		**909.0**	722.7	768.3
Minority interests		**123.5**	122.2	127.7
Total equity		**1,032.5**	844.9	896.0

Directors
2 November 2008

Consolidated cash flow statement
for the six months to 30 September 2008

	Six months to 30 September 2008 (unaudited) £m	Period from 16 January 2007 to 30 September 2007 (unaudited) £m	Period from 16 January 2007 to 31 March 2008 (audited) £m
Cash flow from operating activities			
Purchase of investments	**(82.0)**	(534.7)	(571.2)
Proceeds from investments	**43.1**	-	19.0
Income received from loans and receivables	**5.0**	1.2	10.1
Dividends received	**33.1**	15.3	30.7
Fees paid on investment activities	**(2.9)**	(0.1)	(4.8)
Operating expenses paid	**(0.6)**	(3.0)	(3.6)
Interest received	**6.8**	12.8	21.2
Advisory, performance and management fees paid	**(13.7)**	(2.4)	(8.5)
Net cash flow from operations	**(11.2)**	(510.9)	(507.1)
Cash flow from financing activities			
Proceeds from issue of share capital	**114.6**	702,9	702.9
Fees paid on issue of share capital	**(2.8)**	(9.8)	(9.8)
Interest paid	**(5.3)**	(1.1)	(6.2)
Proceeds from long-term borrowings	**-**	128.1	128.1
Fees paid on financing activities	**(0.5)**	(3.0)	(5.9)
Dividend paid	**(21.1)**	-	(14.1)
Net cash flow from financing activities	**84.9**	817.1	795.0
Change in cash and cash equivalents	**73.7**	306.2	287.9
Cash and cash equivalents at beginning of the period	**259.6**	-	-
Cash in transit	**-**	(6.5)	(31.9)
Effect of exchange rate fluctuations	**-**	0.6	3.6
Cash and cash equivalents at the end of period	**333.3**	300.3	259.6

Notes to the accounts

1 Segmental analysis

for the six months to 30 September 2008 (unaudited)	**UK £m**	**Continental Europe £m**	**Asia £m**	**Total £m**
Investment return				
Realised profit over value on the disposal of investments	**4.1**	**-**	**-**	**4.1**
Unrealised profits/(losses) on the revaluation of investments	**0.7**	**(1.9)**	**16.0**	**14.8**
Foreign exchange losses on investments	**-**	**(0.1)**	**-**	**(0.1)**
Portfolio income	**32.2**	**7.3**	**0.3**	**39.8**
Interest receivable	**7.7**	**-**	**-**	**7.7**
	44.7	**5.3**	**16.3**	**66.3**
Balance sheet				
Value of investment portfolio as at 30 September 2008	**529.4**	**262.8**	**53.8**	**846.0**

for the period from 16 January 2007 to 30 September 2007 (unaudited)	UK £m	Continental Europe £m	Asia £m	Total £m
Investment return				
Unrealised profits/(losses) on the revaluation of investments	**21.9**	**(3.1)**	**-**	**18.8**
Foreign exchange gains/(losses) on investments	**-**	**2.6**	**(0.2)**	**2.4**
Portfolio income	**12.4**	**3.8**	**-**	**16.2**
Interest receivable	**13.0**	**-**	**-**	**13.0**
	47.3	**3.3**	**(0.2)**	**50.4**
Balance sheet				
Value of investment portfolio as at 30 September 2007	**398.7**	**216.2**	**56.2**	**671.1**

for the period from 16 January 2007 to 31 March 2008 (audited)	UK £m	Continental Europe £m	Asia £m	Total £m
Investment return				
Unrealised profits/(losses) on the revaluation of investments	**64.2**	**4.7**	**(0.3)**	**68.6**
Foreign exchange gains on investments	**-**	**1.2**	**-**	**1.2**
Portfolio income	**24.6**	**11.2**	**1.2**	**37.0**
Interest receivable	**21.8**	**-**	**-**	**21.8**
	110.6	**17.1**	**0.9**	**128.6**
Balance sheet				
Value of investment portfolio as at 31 March 2008	**472.6**	**254.8**	**37.7**	**765.1**

2 Advisory, performance and management fees payable

	Six months to 30 September 2008 (unaudited) £m	Period from 16 January 2007 to 30 September 2007 (unaudited) £m	Period from 16 January 2007 to 31 March 2008 (audited) £m
Advisory fee	(4.6)	(3.8)	(8.0)
Performance fee	-	-	(9.2)
Management fees	(0.7)	-	(1.8)
	(5.3)	(3.8)	(19.0)

Note 8 provides further details on the calculation of the advisory fee and the performance fee.

3 Income taxes

The Company currently has exempt company status in Jersey and is exempt from Jersey income tax on non-Jersey source income. Exempt company status will cease on the introduction of a general zero rate of corporate tax which is being introduced from 1 January 2009. Subsidiaries of 3i Infrastructure have provided for taxation at the appropriate rates in the countries in which they operate. As the Company and its subsidiaries' ("the Group") investment returns are primarily non-Jersey source and included in the Company, the total tax provided for the Group is minimal.

4 Equity

for the six months to 30 September 2008 (unaudited)	**Stated capital account* £m**	**Retained reserve £m**	**Translation reserve £m**	**Total Shareholders' equity £m**	**Minority interest £m**	**Total equity £m**
Opening balance	**-**	**750.8**	**17.5**	**768.3**	**127.7**	**896.0**
Total recognised income and expense	**-**	**47.6**	**2.8**	**50.4**	**6.8**	**57.2**
Issue of ordinary shares	**114.6**	**-**	**-**	**114.6**	**-**	**114.6**
Cost of share issue	**(3.2)**	**-**	**-**	**(3.2)**	**-**	**(3.2)**
Minority interest	**-**	**-**	**-**	**-**	**(11.0)**	**(11.0)**
Dividend paid to Company shareholders (3.0p per ordinary share)	**-**	**(21.1)**	**-**	**(21.1)**	**-**	**(21.1)**
Closing balance	**111.4**	**777.3**	**20.3**	**909.0**	**123.5**	**1,032.5**

for the period from 16 January 2007 to 30 September 2007 (unaudited)	Stated capital account £m	Retained reserve £m	Translation reserve £m	Total shareholders' equity £m	Minority interest £m	Total equity £m
Opening balance	-	-	-	-	-	-
Total recognised income and expense	-	29.3	0.3	29.6	10.9	40.5
Issue of ordinary shares	702.9	-	-	702.9	-	702.9
Cost of share issue	(9.8)	-	-	(9.8)	-	(9.8)
Minority interest	-	-	-	-	111.3	111.3
Closing balance	**693.1**	**29.3**	**0.3**	**722.7**	**122.2**	**844.9**

4 Equity continued

for the period from 16 January 2007 to 31 March 2008 (audited)	Stated capital account* £m	Retained reserve £m	Translation reserve £m	Total shareholders' equity £m	Minority interest £m	Total equity £m
Opening balance	-	-	-	-	-	-
Total recognised income and expense	-	71.8	17.5	89.3	20.7	110.0
Issue of ordinary shares	702.9	-	-	702.9	-	702.9
Cost of share issue	(9.8)	-	-	(9.8)	-	(9.8)
Transfer*	(693.1)	693.1	-	-	-	-
Dividend paid to Company shareholders (2.0p per ordinary share)	-	(14.1)	-	(14.1)	-	(14.1)
Minority Interest	-	-	-	-	107.0	107.0
Closing balance	**-**	**750.8**	**17.5**	**768.3**	**127.7**	**896.0**

* The stated capital account was reduced by Court order on 20 December 2007 with an amount of £693.1 million transferred to a new, distributable reserve which has been combined with retained reserves in these accounts. Following this transfer, at 31 March 2008 the amount remaining to the credit of the Company's stated capital account was £2. Through the placing and open offer in July 2008, 108,132,277 new shares were issued. The proceeds of this share issue have been credited to the stated capital account, which is distributable to shareholders.

5 Share information

The Company is authorized to issue an unlimited number of ordinary shares with no par value.

	As at 30 September 2008 (unaudited)		As at 30 September 2007 (unaudited)		As at 31 March 2008 (audited)	
	Number	**£m**	Number	£m	Number	£m
Issue and fully paid						
Opening balance	**702,859,804**	**702.9**	-	-	-	-
Issued on incorporation	-	-	2	-	2	-
Issued on IPO	-	-	700,000,000	700.0	700,000,000	700.0
Issued as part of over-allotment arrangement	-	-	2,859,802	2.9	2,859,802	2.9
Issued as part of placing and open offer	**108,132,277**	**114.6**	-	-	-	-
Closing balance	**810,992,081**	**817.5**	702,859,804	702.9	702,859,804	702.9

Under the initial public offering in March 2007, the ordinary shares were issued for £1.00, resulting in £702.9 million proceeds being received. For every ten shares issued as part of the IPO, one warrant was issued resulting in 70m being issued. A further 640,980 warrants were issued as part of the over-allotment arrangement. Each warrant entitles the holder to subscribe for one ordinary share at £1.00 at any time from 13 September 2007 to 13 March 2012. At 30 September 2008, there were 70,640,980 warrants in issue, with no conversions in the period.

On 9 July 2008 a further 108.1 million ordinary shares were issued as part of the placing and open offer for a price of £1.06, resulting in £114.6 million proceeds being received. No warrants were attached to these shares.

The earnings and net assets per share attributable to the equity holders of the parent are based on the following data:

	Six months to 30 September 2008 (unaudited)	Period from 16 January 2007 to 30 September 2007 (unaudited)	Period from 16 January 2007 to 31 March 2008 (audited)
Earnings per share (pence)			
Basic	**6.3**	4.2	10.2
Diluted	**6.2**	4.2	10.2
Earnings (£ million)			
Profit for the period attributable to equity holders of the parent	**47.6**	29.3	71.8
Number of shares (million)			
Weighted average number of shares in issue	**756.9**	702.9	702.9
Effect of dilutive potential ordinary shares – warrants	**9.7**	1.1	2.4
Diluted shares	**766.6**	704.0	705.3

	As at 30 September 2008 (unaudited)	As at 30 September 2007 (unaudited)	As at 31 March 2008 (audited)
Net assets per share (pence)			
Basic	**112.1**	102.8	109.3
Diluted	**111.1**	102.6	108.5
Net assets (£ million)			
Net assets attributable to equity holders of the parent	**909.0**	722.7	768.3

6 Dividends

	6 months to 30 September 2008 (unaudited) pence per share	**6 months to 30 September 2008 (unaudited) £m**	**Period from 16 January 2007 to 30 September 2007 (unaudited) pence per share**	**Period from 16 January 2007 to 30 September 2007 (unaudited) £m**	**Period from 16 January 2007 to 31 March 2008 (audited) pence per share**	**Period from 16 January 2007 to 31 March 2008 (audited) £m**
Interim dividend paid on ordinary shares	**-**	**-**	**-**	**-**	**2.0**	**14.1**
Final dividend paid on ordinary shares	**3.0**	**21.1**	**-**	**-**	**-**	**-**
Proposed dividend declared on ordinary shares	**2.1**	**17.0**	**2.0**	**14.1**	**3.0**	**21.1**

7 Contingent liabilities

At 30 September 2008, there was no material litigation or contingent liabilities outstanding against the Company or any of its subsidiary undertakings.

8 Related parties

Transactions between 3i Infrastructure and 3i Group

3i Group plc ("3i Group") holds 42.8% of the ordinary shares of the Company and also holds warrants which give it rights to acquire a further 32.5 million ordinary shares. This classifies 3i Group as a "substantial shareholder" of the Company as defined by the Listing Rules.

3i Investments plc ("3i Investments"), a subsidiary of 3i Group, acts as the exclusive investment adviser to the Company. It also acts as the manager of 3i India Infrastructure Holdings Limited, the investment vehicle for the 3i India Infrastructure Fund. 3i plc, another subsidiary of 3i Group, together with 3i Investments, provides support services to the Company and receives the Investment Advisory and Support Services fee from 3i Infrastructure.

3i Infrastructure has committed US$250 million to the 3i India Infrastructure Fund to invest in the India infrastructure market. 3i Group has also committed US$250 million to this fund. In total, commitments of US$69.2m (£33.6 million) had been drawn down at 30 September 2008 by 3i Infrastructure.

Under the Investment Advisory Agreement, an annual advisory fee is payable to 3i plc based on the Gross Investment Value of 3i Infrastructure at the end of each financial period. Gross Investment Value can be defined as the total aggregate value (including any subscription obligations) of the investments of the Company as at the start of a financial period plus any investment (excluding cash) made during the period valued at cost (including any subscription obligations). The applicable annual rate is 1.5%, dropping to an annual rate of 1.25% for investments that have been held by 3i Infrastructure for longer than five years. The advisory fee accrues throughout a financial period and quarterly instalments are payable on account of the advisory fee for that period. The advisory fee is not payable in respect of cash or cash equivalent liquid temporary investments held by 3i Infrastructure throughout a financial period. The cost incurred in the six months to 30 September is £4.6 million.

The Investment Advisory Agreement entitles an annual performance fee to be payable to 3i plc. This becomes payable when the Adjusted Total Return per ordinary share (being the movement in net asset value per share aggregated with any distributions made in the course of the financial period and any accrued performance fees relating to the financial period) for the period exceeds the Target Total Return per share, being the Net Asset Value per ordinary share equal to the opening Net Asset Value per ordinary share increased at a rate of 8% per annum ("the performance hurdle"). If the performance hurdle is exceeded, the performance fee will be equal to 20% of the Adjusted Total Return per share in excess of the performance hurdle for the relevant financial period, multiplied by the weighted average of the total number of shares in issue over the relevant financial period. The performance hurdle has not been exceeded for the six months to 30 September 2008, hence no performance fee is payable. For the period from 16 January 2007 to 31 March 2008, £9.2 million was payable to 3i plc, which was paid in June 2008.

Under the Investment Advisory Agreement, the Investment Adviser's appointment may be terminated by either the Company or the Investment Adviser giving the other not less than 12 months' notice in writing (provided however that neither party may give such notice during the first four years of the Investment Adviser's appointment, save that such 12 months' notice may be given at any time if the Investment Adviser has ceased to be part of 3i Group), or with immediate effect by either party giving the other written notice in the event of insolvency or material or persistent breach by the other party, or for certain regulatory reasons. The Investment Adviser may also give two months' notice if the Company is subject to a change of control, or six months' notice if the Company's Board changes its investment policy to a material extent and that has a material adverse effect on the Investment Adviser's ability to perform its duties.

Pursuant to the UK Support Services Agreement, the Company also pays 3i plc an annual fee for the provision of support services. Such remuneration is payable quarterly in arrears. The cost incurred in the six months to 30 September 2008 was £0.25 million.

Accounting policies

Basis of preparation
These financial statements are the unaudited condensed half-yearly consolidated financial statements (the "Half-yearly Financial Statements") of 3i Infrastructure plc, a company incorporated and registered in Jersey, and its subsidiaries (together referred to as the "Group") for the six-month period ended 30 September 2008. The Half-yearly Financial Statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting ("IAS 34") and should be read in conjunction with the consolidated financial statements for the period to 31 March 2008 ("Report and accounts 2008"), as they provide an update of previously reported information.

The Half-yearly Financial Statements were authorised for issue by the Directors on 2 November 2008.

The Half-yearly Financial Statements have been prepared in accordance with the accounting policies set out in the Report and accounts 2008 as the new and revised International Financial Reporting Standards ("IFRS") and interpretations effective in the period have had no impact on the accounting policies of the Group. The presentation of the Half-yearly Financial Statements is consistent with the Report and accounts 2008. Where necessary, comparative information has been reclassified or expanded from the previously reported Half-yearly Financial Statements to take into account any presentational changes made in the Report and accounts 2008. The Half-yearly Financial Statements do not constitute statutory accounts. The statutory accounts for the period to 31 March 2008, prepared under IFRS, have been filed with the Jersey Financial Services Commission Companies Registry on which the auditors issued a report, which was unqualified.

The preparation of the Half-yearly Financial Statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The accounting policies have been updated during the six months to 30 September 2008 to reflect the introduction of hedge accounting for net investment hedges. All other accounting policies used in the preparations of the Half-yearly Financial Statements are consistent with those stated in the Annual Report and Accounts to March 2008. Net investment derivatives will be accounted for as follows:

For those derivatives designated as hedges and for which hedge accounting is desired, the hedging relationship is documented at its inception. This documentation identifies the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how effectiveness will be measured throughout its duration. Such hedges are expected at inception to be highly effective.

For the purpose of hedge accounting, all hedges held by the Group are classified as net investment hedges and hedge the exposure of the Group to foreign currency risk due to movements in the re-translation of subsidiary undertakings that have a functional currency that is different to the presentational currency of the Group.

For net investment hedges, the effective portion of the gain or loss on the hedging instrument is recognised directly in equity, while the ineffective portion is recognised in the income statement. Amounts taken to equity are transferred to the income statement upon the realisation of the Group's investment in the subsidiary undertaking.

If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs and are transferred to the income statement as above.

Any gains or losses arising from changes in the fair value of derivatives that do not qualify for hedge accounting are taken to the income statement.

The most significant techniques for the valuation of the investment portfolio are described in "portfolio valuation methodology".

Statement of Directors' responsibilities

The Directors confirm to the best of their knowledge that:

a) the condensed set of financial statements have been prepared in accordance with IAS 34 as adopted by the European Union; and

b) the half-yearly report includes a fair review of the information required by the FSA's Disclosure and Transparency Rules (4.2.7 R and 4.2.8 R).

The Directors of 3i Infrastructure plc and their functions are listed below:

Peter Sedgwick Non-executive Chairman
Philip Austin Non-executive Director and Senior Independent Director
Martin Dryden Non-executive Director and Chairman of the Audit Committee
Peter Wagner Non-executive Director
Paul Waller Non-executive Director
Steven Wilderspin Non-executive Director

By order of the Board

Peter Sedgwick
Chairman

2 November 2008

Independent review report
to the members of 3i Infrastructure plc

We have been engaged by the Company to review the consolidated condensed set of financial statements in the Half-yearly Financial Statements for the six months to 30 September 2008 which comprise the consolidated income statement, consolidated statement of recognised income and expense, consolidated reconciliation of movements in equity, consolidated balance sheet, consolidated cash flow statement, notes 1 to 8 to the accounts and the accounting policy section. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements (UK and Ireland) 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors’ responsibilities
The half-yearly report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly report in accordance with the Disclosure and Transparency Rules of the United Kingdom’s Financial Services Authority.

As disclosed within the Basis of preparation, the annual financial statements of the Company are prepared in accordance with IFRSs. The condensed set of financial statements included in this half-yearly report has been prepared in accordance with International Accounting Standard 34, “Interim Financial Reporting”.

Our responsibility
Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly report based on our review.

Scope of review
We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion
Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Half-yearly report and accounts for the six months to 30 September 2008 is not prepared, in all material respects, in accordance with International Accounting Standard 34 and the Disclosure and Transparency Rules of the United Kingdom’s Financial Services Authority.

Ernst & Young LLP
Jersey
2 November 2008

Investments

The table below provides information on the investment portfolio, presented on the investment basis as at 30 September 2008.

Investment and description	Sector	Geography	Cost £m	Directors' valuation £m
Anglian Water Group Limited Water supply and waste water services	Utilities	UK		
			140.0	**152.1**
Infrastructure Investors LP (I^2) Secondary PFI Fund	Social Infrastructure	UK		
			118.5(1)	**150.5**
Oystercatcher Luxco 2 S.àr.l. Oil, petroleum products and chemicals storage	Transportation	Continental Europe (2)		
			84.5	**97.5**
3i India Infrastructure Holdings Limited Power and Transport fund	Utilities (3)	Asia		
			33.6	**53.9**
Octagon Healthcare Limited Norfolk and Norwich University Hospital	Social Infrastructure	UK		
			13.2	**13.4**
Novera Energy plc Renewable energy generation	Utilities	UK		
			11.2	**9.2**
Thermal Conversion Compound Industriepark Höchst GmbH Waste-to-energy power plant	Utilities	Continental Europe		
			6.5	**5.8**
Alpha Schools (Highland) Holdings Limited PFI schools in Scotland	Social Infrastructure	UK		
			5.0	**7.6**
Junior Debt Portfolio Investment in Thames Water, Viridian, TDF,NGW	Utilities	UK and Continental Europe		
			86.7	**86.4**
			499.2	**576.4**

(1) Investment of £137.5m net of £19.0m proceeds returned in the period to 31 March 2008.
(2) Operations in the Netherlands, Malta and Singapore.
(3) The fund held two investments as at 30 September 2008 in the Power and Infrastructure construction sectors. Due to the current weighting of the underlying assets, the Fund has been classified as a utility investment in the table above.

Investment policy

The Company aims to build a diversified portfolio of equity investments in entities owning infrastructure businesses and assets. The Company seeks investment opportunities globally, but with a focus on Europe, North America and Asia.

The Company's equity investments will often comprise share capital and related shareholder loans (or other financial instruments that are not shares but that, in combination with shares, are similar in substance). The Company may also invest in junior or mezzanine debt in infrastructure businesses or assets.

Most of the Company's investments are in unquoted companies. However, the Company may also invest in entities owning infrastructure businesses and assets whose shares or other instruments are listed on any stock exchange, irrespective of whether they cease to be listed after completion of the investment, if the Directors judge that such an investment is consistent with the Company's investment objectives.

The Company will, in any case, invest no more than 15% of its total gross assets in other investment companies or investment trusts which are listed on the Official List.

The Company may also consider investing in other fund structures (in the event that it considers, on receipt of advice from the Investment Adviser, that is the most appropriate and effective means of investing), which may be advised or managed either by the Investment Adviser or a third party. If the Company invests in another fund advised or managed by 3i Group, the relevant proportion of any advisory or management fees payable by the investee fund to 3i plc will be deducted from the annual advisory fee payable under the Investment Advisory Agreement and the relevant proportion of any performance fee will be deducted from the annual performance fee, if payable, under the Investment Advisory Agreement. For the avoidance of doubt, there will be no similar set-off arrangement where any such fund is advised or managed by a third party.

For most investments, the Company seeks to obtain representation on the board of directors of the investee company (or equivalent governing body) and in cases where it acquires a majority equity interest in a business, that interest may also be a controlling interest.

No investment made by the Company will represent more than 20% of the Company's gross assets, including cash holdings, at the time of the making of the investment. It is expected that most individual investments will exceed £50 million. In some cases, the total amount required for an individual transaction may exceed the maximum amount that the Company is permitted to commit to a single investment. In such circumstances, the Company may consider entering into co-investment arrangements with 3i Group (or other investors who may also be significant shareholders), pursuant to which 3i Group and its subsidiaries (or such other investors) may co-invest on the same financial and economic terms as the Company. The suitability of any such co-investment arrangements will be assessed on a transaction-by-transaction basis and would be subject to both Board and, where applicable, 3i Group and its subsidiaries approval. Depending on the size of the relevant investment and the identity of the relevant co-investor, such a co-investment arrangement may be subject to the related party transaction provisions contained in the Listing Rules and may therefore require shareholder consent.

The Company's Articles require its outstanding borrowings, including any financial guarantees to support subsequent obligations, to be limited to 50% of the gross assets of the Group (valuing investments on the basis included in the Group's accounts).

In accordance with Listing Rules requirements, the Company will only make a material change to its investment policy with the approval of shareholders.

Portfolio valuation methodology

A description of the methodology used to value the portfolio of 3i Infrastructure and its subsidiaries ("the Group") is set out below in order to provide more detailed information than is included within the accounting policies and the Investment Adviser's report for the valuation of the portfolio. The methodology complies in all material aspects with the "International Private Equity and Venture Capital valuation guidelines" which are endorsed by the British Private Equity and Venture Capital Association and the European Private Equity and Venture Capital Association.

Basis of valuation
Investments are reported at the Directors' estimate of fair value at the reporting date. Fair value represents the amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction.

General
In estimating fair value, the Directors seek to use a methodology that is appropriate in light of the nature, facts and circumstances of the investment and its materiality in the context of the overall portfolio. The methodology that is the most appropriate may consequently include adjustments based on informed and experience-based judgments, and will also consider the nature of the industry and market practice. Methodologies are applied consistently from period to period except where a change would result in a better estimation of fair value. Given the uncertainties inherent in estimating fair value, a degree of caution is applied in exercising judgments and making necessary estimates.

Quoted investments
Quoted equity investments are valued at closing bid price at the reporting date. In accordance with International Financial Reporting Standards, no discount is applied for liquidity of the stock or any dealing restrictions.

Quoted debt investments will be valued using quoted prices provided by third-party broker information where reliable or will be held at cost less fair value adjustments.

Unquoted investments
Unquoted investments are valued using one of the following methodologies:

– Discounted Cash Flow ("DCF")

– Limited Partnership share of fund net assets

– Sales basis: expected sales proceeds

– Cost less any fair value adjustments required

DCF
DCF is the primary basis for valuation. In using the DCF basis, fair value is estimated by deriving the present value of the investment using reasonable assumptions and estimation of expected future cash flows and the terminal value and date, and the appropriate risk-adjusted discount rate that quantifies the risk inherent to the investment. The discount rate will be estimated for each investment derived from the market risk-free rate, a risk-adjusted premium and information specific to the investment or market sector.

LP share of fund net assets
Where the Group has made investments into other infrastructure funds, the value of the investment will be derived from the Group's share of net assets of the fund based on the most recent reliable financial information available from the fund. Where the underlying investments within a fund are valued on a DCF basis, the discount rate applied may be adjusted by the Company to reflect its assessment of the most appropriate discount rate for the nature of assets held in the fund.

Sales basis
The expected sales proceeds methodology will be used in cases where offers have been received as part of an investment sales process. This may either support the value derived from another methodology or may be used as the valuation. A marketability discount is applied to the expected sale proceeds to derive the valuation where appropriate.

Cost less fair value adjustment
Any investment in a company that has failed or, in the view of the Board, is expected to fail within the next 12 months, has the equity shares valued at nil and the fixed income shares and loan instruments valued at the lower of cost and net recoverable amount.

Note A
The half-year report 2008 will be posted to shareholders on 12 November 2008.

Note B
The interim dividend is expected to be paid on 12 December 2008 to holders of ordinary shares on the register on 14 November 2008. The ex-dividend date will be 12 November 2008.