

30 September 2011

## 3i Infrastructure plc – Pre-close update

3i Infrastructure plc (“3i Infrastructure” or “the Company”) announces the following pre-close trading update for the six months ending 30 September 2011, covering the period from 1 April 2011 to 29 September 2011.

### Highlights

- The assets continue to perform well operationally, demonstrating resilience across the portfolio
- Strong income generation in the period of £36.7 million, covering the Company’s target interim dividend distribution
- Reduced share price of Adani Power Limited impacts the valuation of the Company’s share of the 3i India Infrastructure Fund
- Realisation proceeds of £91.2 million, of which £35.7 million since the July IMS update, resulting in current cash balances of £310 million

Peter Sedgwick, Chairman of 3i Infrastructure, said: “3i Infrastructure’s portfolio continues to generate strong income, amply covering the Company’s interim dividend objective.”

Cressida Hogg, Managing Partner, Infrastructure, 3i Investments plc, added: “Against the recent market backdrop, the infrastructure asset class continues to offer good opportunities for investment. We are working to bring the Thameslink transaction to financial close, and are pursuing a number of other attractive opportunities.”

### 1. Portfolio and returns

3i Infrastructure’s portfolio continues to perform well operationally. In the period from 1 April 2011 to 29 September 2011, the Company generated income of £36.7 million across its European portfolio with strong contributions from the core infrastructure assets. This more than covers the Company’s distribution objectives for the half year.

As usual, the valuation exercise carried out on the investment portfolio as at 30 September 2011 will be key to determining the half-yearly results.

The half-yearly results will also be influenced by a number of market factors, including the valuation of the quoted elements of the portfolio, foreign exchange fluctuations and will benefit from inflation linkage.

The mark-to-market valuation of Adani Power Limited has declined as a result of the 23% reduction in its share price in the period, reflecting falls in the Indian equity markets and specifically the quoted power sector. In addition, sterling appreciated by 7% against the Indian rupee in the period, resulting in foreign exchange losses for the Company through the holding in the 3i India Infrastructure Fund, which is unhedged.

The junior debt portfolio benefited from well timed exits early in the period, as detailed below. However, reflecting declines in junior debt market pricing over the last two months, the mark-to-market value of the holding in Télédiffusion de France has declined by £6.6 million since 1 April 2011.

The Company will be reporting its results for the six months to 30 September 2011, including its net asset value as at that date, in early November.

## 2. Realisations

The Company generated realisation proceeds of £91.2 million in the period from 1 April 2011 to 29 September 2011. This includes proceeds of £55.5 million from the sale of the NGW Arqiva junior debt holding and from the full repayment at par of the Thames Water junior debt holding. More detail on these realisations was included in 3i Infrastructure's latest Interim Management Statement, issued on 5 July 2011.

In August 2011, Barclays Integrated Infrastructure Fund LP made a partial repayment of the Company's holding of I<sup>2</sup> vendor loan notes, generating proceeds of £26.4 million. The balance of the loan notes of £5.8 million remains due to 3i Infrastructure, and will continue to earn a fixed 8% annual interest rate.

The balance of realisation proceeds of £9.3 million was attributable to a partial repayment, in August, of the shareholder loan by Eversholt Rail Group. The structure of the investment in Eversholt Rail Group includes both equity and shareholder loans. Eversholt is performing well and generating strong operating cash flows, and as a result was able to repay a small portion of the shareholder loan in addition to its regular interest income payments.

## 3. Balance sheet

At 29 September 2011 the Company had cash balances of £310 million, up from £248 million at 30 June 2011. The change in the cash balances reflects: (i) realised proceeds of £35.7 million from I<sup>2</sup> and Eversholt in the quarter; (ii) receipt of £5.0 million in relation to the conversion of 5 million warrants since 30 June 2011; (iii) income receipts from the portfolio, net of costs.

There are currently no external borrowings on a recourse basis to the Company.

Ends

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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. It aims to build a diversified portfolio of infrastructure investments across the globe, but with an initial focus on Europe and Asia.

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

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**This statement aims to give an indication of material events and transactions that have taken place during the period from 1 April 2011 to 29 September 2011 and their impact on the financial position of 3i Infrastructure plc. These indications reflect the Board’s current view. They are subject to a number of risks and uncertainties and could change. Factors which could cause or contribute to such differences include, but are not limited to, general economic and market conditions and specific factors affecting the financial prospects or performance of individual investments within the portfolio of 3i Infrastructure plc.**