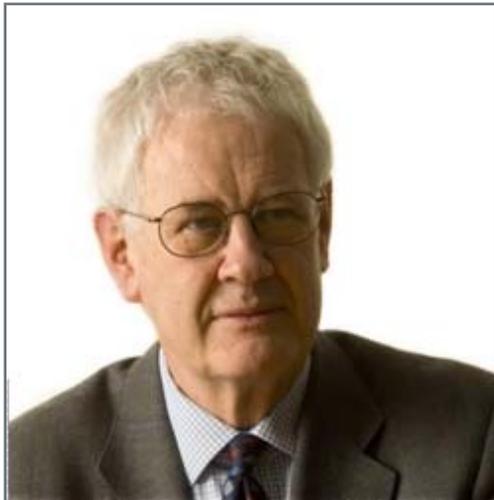




Results for the six months to 30 September 2010

9 November 2010



Chairman's highlights

Peter Sedgwick

Chairman, 3i Infrastructure plc



Chairman's highlights

Peter Sedgwick

Chairman, 3i Infrastructure plc

Financial review

Stephen Halliwell

CFO, Infrastructure, 3i Investments plc

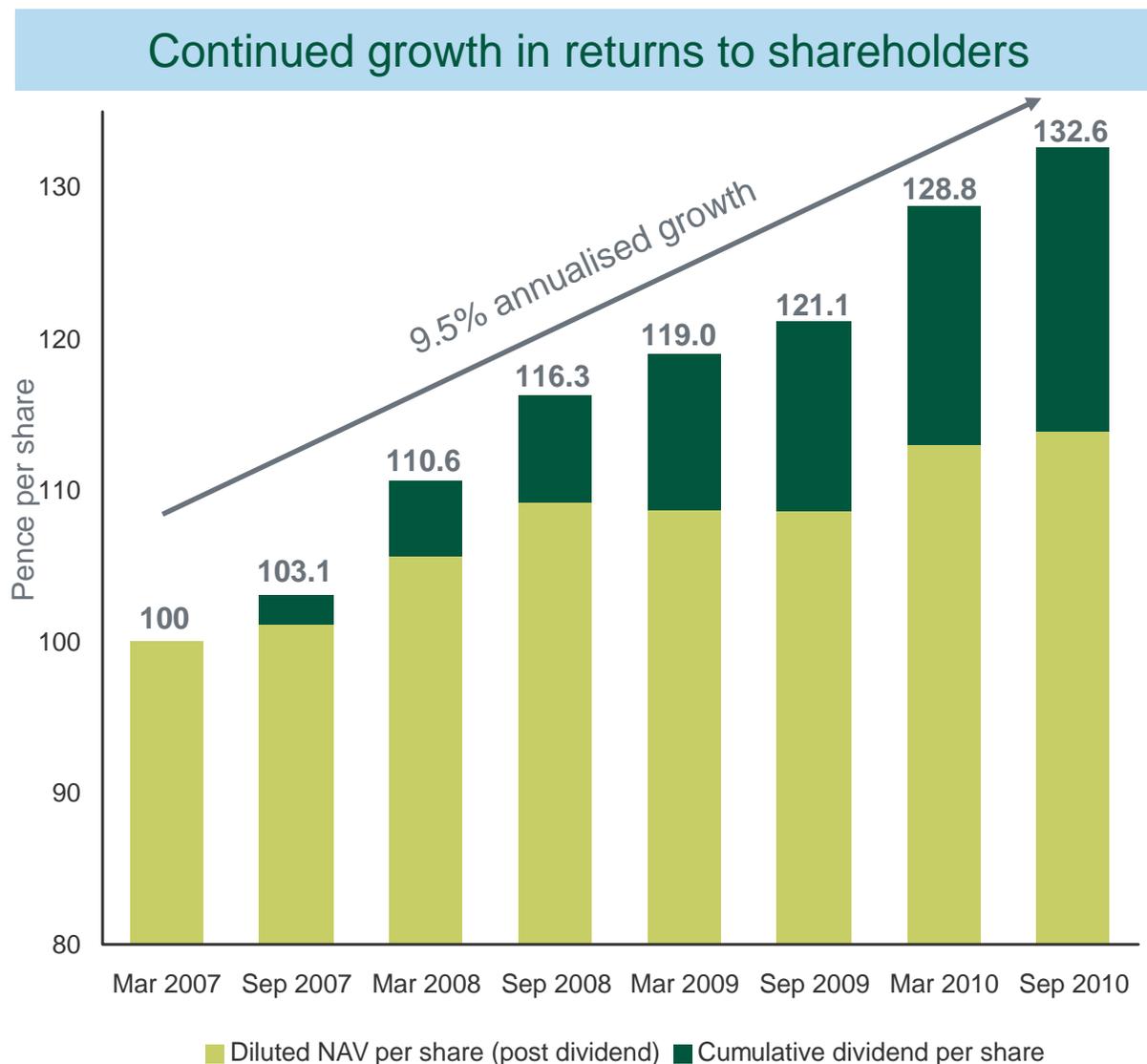
Portfolio and strategy update

Cressida Hogg

Managing Partner, Infrastructure, 3i Investments plc



- Steady increase in net asset value – 3.4% total return on shareholders' equity
- Strong portfolio income generation - £30.5 million
- Interim dividend of 2.86p - 2.5% of opening NAV
- Significant momentum – new investments in Eversholt Rail Group and GVK Energy



Significant momentum since the period end



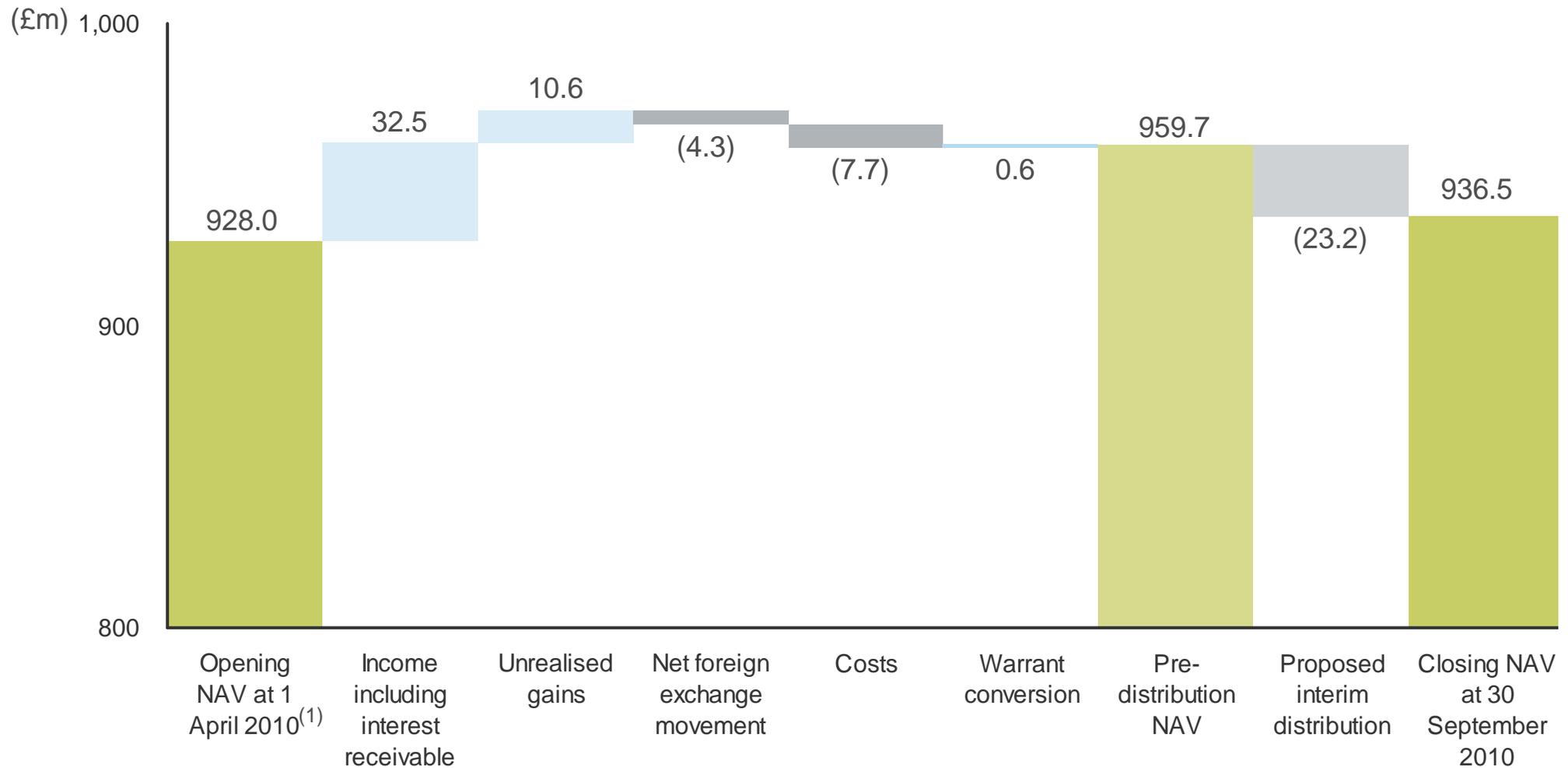
Financial review

Stephen Halliwell

CFO, Infrastructure, 3i Investments plc



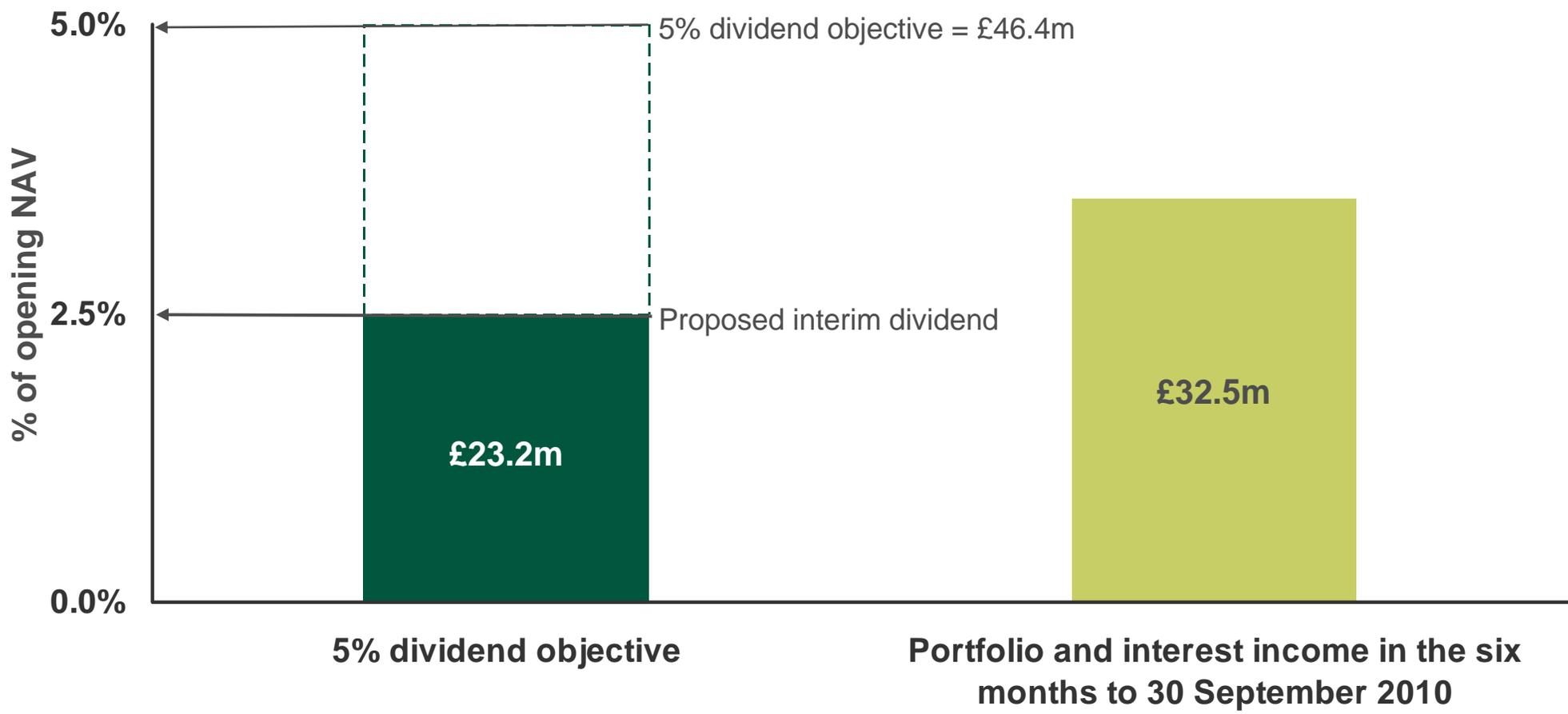
➔ Total return of £31.1m, or 3.4% of shareholders' equity



(1) Net of the £26.8m prior year final dividend paid

Return driven by strong income generation

➔ Interim dividend of 2.86p per share, or 2.5% of shareholders' equity



Interim dividend covered by strong portfolio income in the period



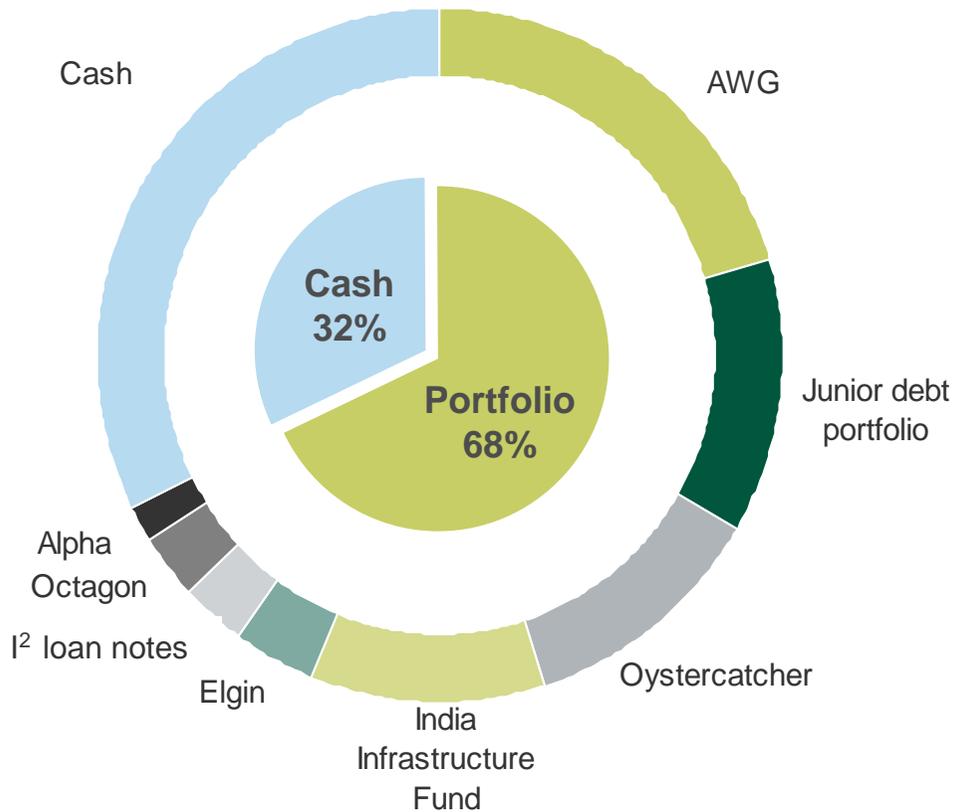
(£m)	Investment basis As at 30 September 2010	Investment basis As at 30 September 2009	Consolidated basis As at 30 September 2010
Investment portfolio	651.1	573.5	927.2
Other net assets/(liabilities)	0.8	2.9	(15.5)
Cash and cash equivalents	307.8	330.0	308.5
Borrowings	-	-	(164.7)
Net assets	959.7	906.4	1,055.5

Shareholders' S2 gs0.552 COI93001 0.710 Td(7)TjEMC /P 6/GS92.I5S2 65.2 00i1 T Tf1 1n/00039 Tw -5a3 0.239 1/GS2 gs1.10



➔ Weighted average EBITDA growth for the period of 1.8%⁽¹⁾

➔ Weighted average discount rate of 12.5%, unchanged since March



Asset	Value at 30 Sep 2010	Value at 31 Mar 2010
Anglian Water Group	£195.7m	£193.6m
Junior debt portfolio	£123.1m	£123.7m
Oystercatcher	£113.8m	£118.8m
3i India Infrastructure Fund	£104.7m	£97.9m
Elgin	£37.1m	£38.7m
I ² (vendor loan notes)	£31.0m	£30.4m
Octagon	£29.3m	£28.8m
Alpha Schools	£16.4m	£16.2m
T2C	£nil	£nil
Total	£651.1m	£648.1m

(1) Compared to prior corresponding six-month period

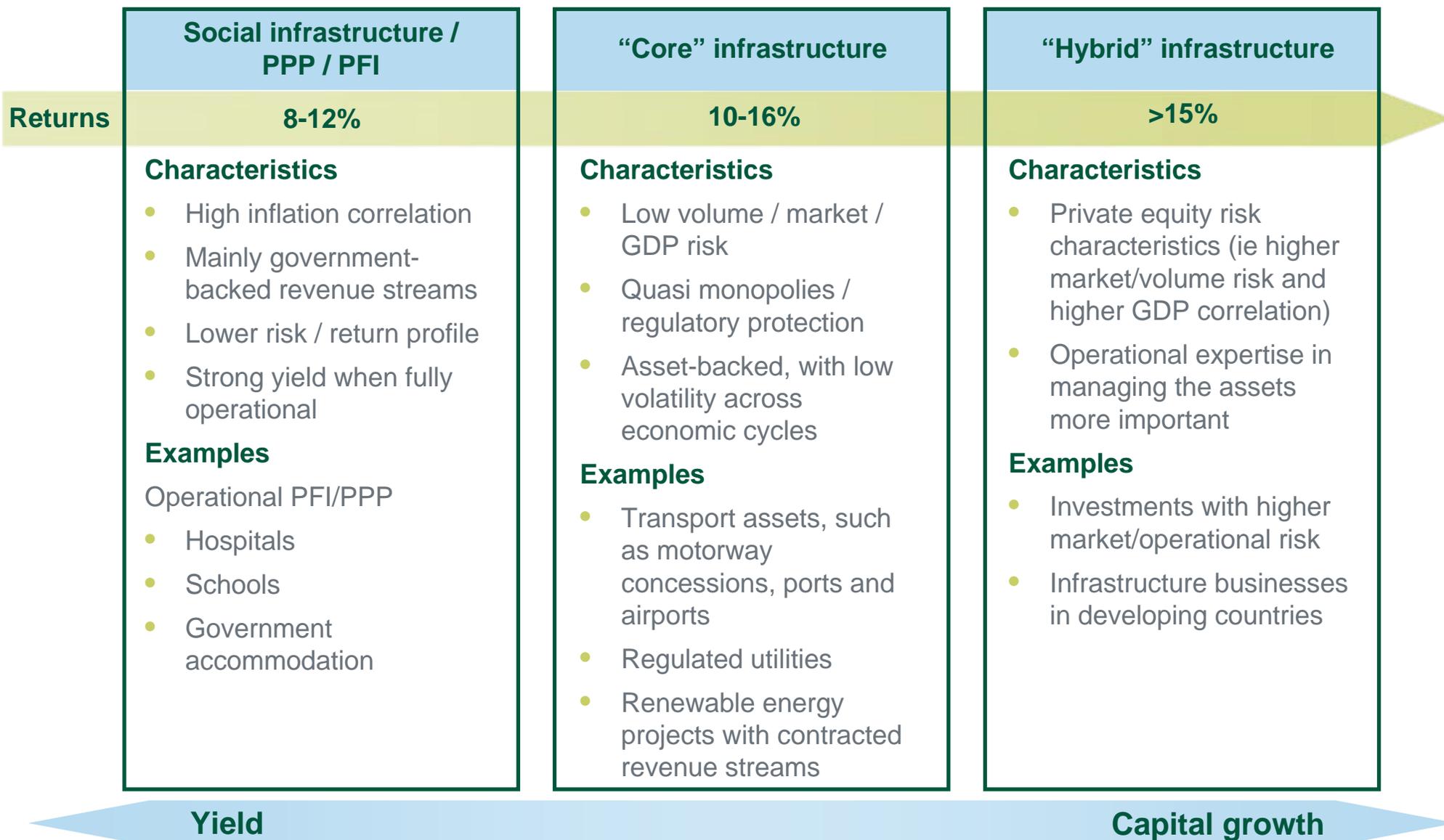
Stable underlying asset performance



Portfolio and strategy update

Cressida Hogg

Managing Partner, Infrastructure, 3i Investments plc



3i Infrastructure aims to build a diversified portfolio, generating both yield and capital growth



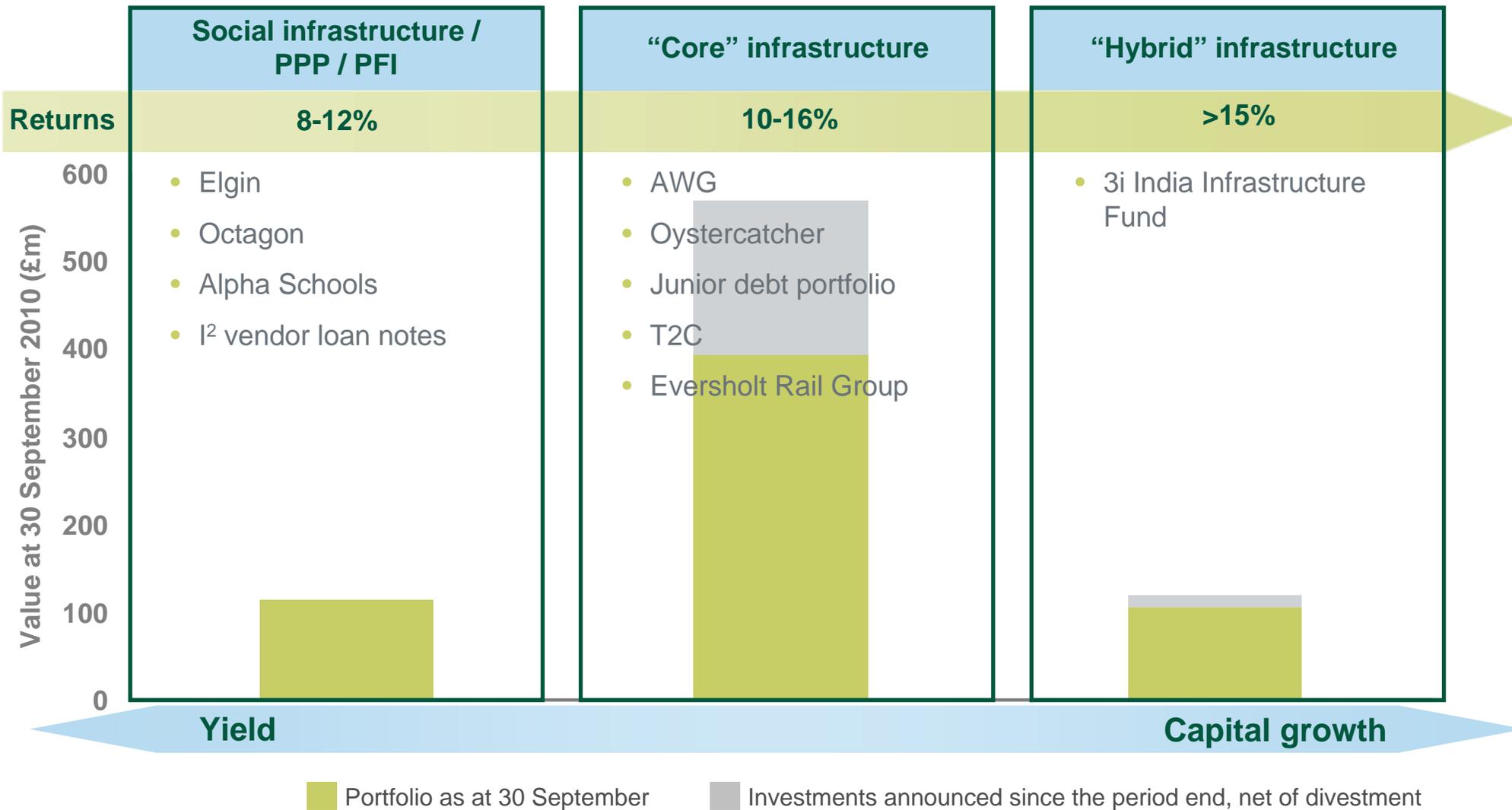
Investment

- Investment of up to £176m in Eversholt Rail Group
 - “Core” infrastructure asset, immediately accretive to NAV and income
- Investment of £15m in GVK Energy Limited through 3i India Infrastructure Fund
 - Increased exposure to attractive Indian power generation sector

Realisation

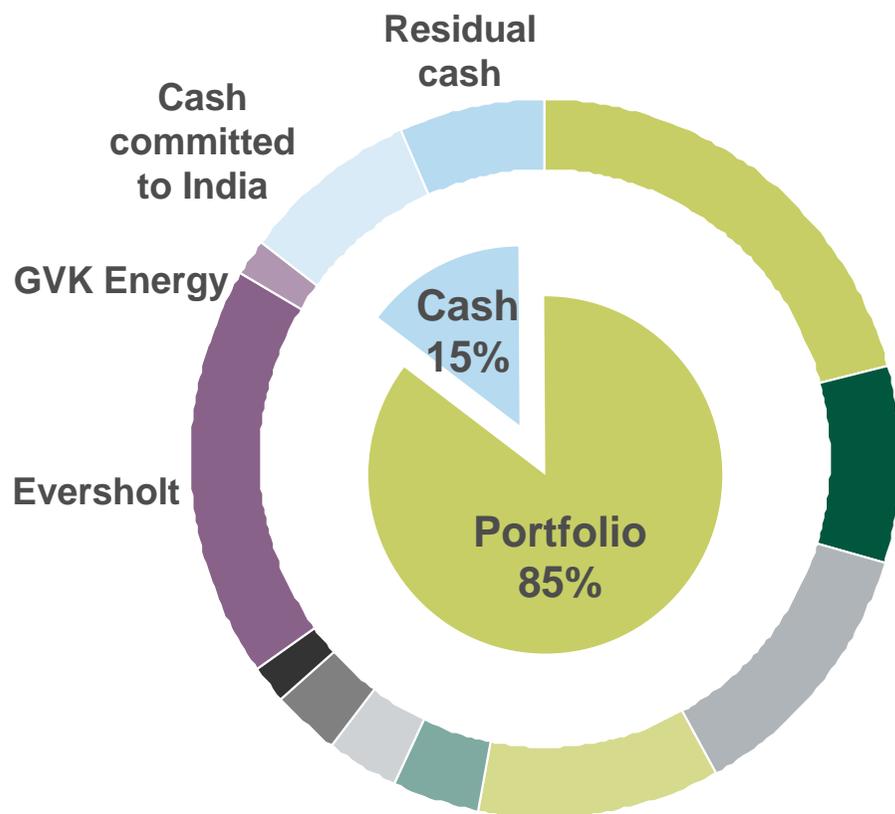
- Partial divestment of junior debt portfolio
- Divestment achieved at attractive terms – further details to be disclosed in the future

Intense investment and realisation activity since the period end



Note: Pro forma portfolio. Adjusted for the investments in Eversholt Rail Group and GVK Energy, and for the divestment of a portion of the junior debt portfolio. New investments are included at cost, junior debt portfolio as at 31 October value, and all other assets at September value.

A "core" infrastructure portfolio



Pro forma portfolio	£803.1m
Pro forma cash balance	£138.4m

Note: Pro forma portfolio. Adjusted for the investments in Eversholt Rail Group and GVK Energy, and for the divestment of a portion of the junior debt portfolio. New investments are included at cost, junior debt portfolio as at 31 October value, and all other assets at September value.

Pro forma cash balance includes new investments at cost, the proceeds from divestment and all other cash measurements up to 31 October 2010, and is **after** the payment of the £23.2m interim dividend.

Improved portfolio diversification and significantly reduced cash balances



What

- One of the three leading rail rolling stock companies in the UK
- Owns 29% of the total British rail fleet
- 19 fleets on lease to 7 Train Operating Companies (“TOCs”), heavily weighted towards electric trains
- Primary revenue stream - monthly rental payments from TOCs
- Assets fully operational, with the exception of one fleet, in the process of being delivered

How

- 100% of the asset purchased in consortium with Morgan Stanley Infrastructure Partners and STAR Capital Partners – equal stakes
- Transaction values Eversholt’s assets at approximately £2.1bn – 3i Infrastructure to contribute up to £176m in equity instruments
- Complex deal suited to Investment Adviser’s strong transactional skills

A “core” infrastructure asset



Why

→ **Strong market fundamentals**

- Rolling stock fleets an **integral part** of UK's transportation infrastructure
- **Fully utilised**, following decade of high passenger growth and low investment in new stock
- Likely to **retain value** as budgetary constraints restrict procurement of new stock

→ **High quality cash flows, contracted in medium term**

- Medium-term contracted revenues with TOCs, **due irrespective of availability or usage**
- Amounts due under leases **secured** by Government's obligations as operator of last resort

→ **Profitable, with a low cost base**

- **Subcontracted** maintenance arrangements
- **Limited** direct overheads

→ **Defensive, diversified fleet portfolio**

- Fleet with an **impressive operational history**, let to a diversified TOC base
- Weighting of fleet towards electric trains **mitigates risks** from further track electrification

Exposure to transportation sector with low GDP correlation. Stable revenues, highly cash generative



What

- GVK Energy is a subsidiary of GVK Power and Infrastructure
- Developing a coal and gas-fired power generation portfolio
- Portfolio comprises operational capacity of 901MW , with a further 4,200MW in various stages of development

How

- Acquiring a substantial minority stake in GVK Energy
- Partnership with an operator with an impressive track record

Why

- Attractive fundamentals determined by:
 - Power demand/ supply gap expected to endure for next 7-10 years
 - Defensive portfolio in terms of fuel mix and geography
 - Strong promoter with established track record

Exposure to the attractive Indian power generation sector



1

Public sector budget constraints

- Increased flow of government disposals / privatisations
- Opportunities for private investment in government-led projects (PFI/PPP) in active markets
- Requirement for P3 in the US now more acute / some political support centrally

2

Non-core disposals

- Financial institutions and corporates still deleveraging
- Regulatory pressures
- Change in tax status for MLPs

3

Cyclical recovery?

- Volume risk subsiding with economic recovery, favouring pro-cyclical plays, such as some transportation assets
- Earnings rebased and GDP decline priced in
- A pick-up in inflation should favour most infrastructure assets

4

Policy drivers

- “Green economy” – eg “green investment bank” highlighted in UK Comprehensive Spending Review / solar subsidies
- Increasing use of government infrastructure spending as an economic stimulus tool



1

**Strong
projected
growth**

- Strong GDP growth trajectory – 7-10%, not export dependent
- “Demographic dividend” driving consumption – youth is increasingly urbanised and with rising disposable income

2

**Infrastructure
deficit**

- Power – supply-demand mismatch leading to peak shortage of 12%
- Roads – target of adding 20km of roads per day and programme to cover all villages with population of over 1,000 with all-weather roads
- Ports – 387 port projects in the pipeline

3

**Political
momentum**

- Progressive economic reforms
- US\$450bn of investment scheduled in current 5-year plan
- Strong emphasis on private sector participation



→ Transformational activity since the half year

- New investment in Eversholt Rail Group - a “core” infrastructure asset, immediately accretive to NAV and income
- New investment in GVK Energy through the India Fund, providing increased exposure to the attractive Indian power generation market
- Crystallising value from the junior debt portfolio

→ Promising new investment opportunities in the pipeline

- Good market opportunity, environment for investment remains relatively supportive
- Maintaining pricing discipline will be key

→ Progressing to the next phase of the Company’s development

- Cash balances now substantially invested – which addresses cash dilution issues
- Financing flexibility to take advantage of market opportunity

Build on positive momentum, adding new assets to the Company’s strong portfolio



1. Strong track record of NAV growth
2. Established track record of outperformance against the market
3. Increasingly differentiated compared to UK listed peers
4. Robust “core” infrastructure asset portfolio
 - Inflation linkage
 - Strong income generation
 - Opportunities for capital growth
5. Significant investment momentum
6. Premium market access and experienced investment team, offering comprehensive coverage of target sectors and regions

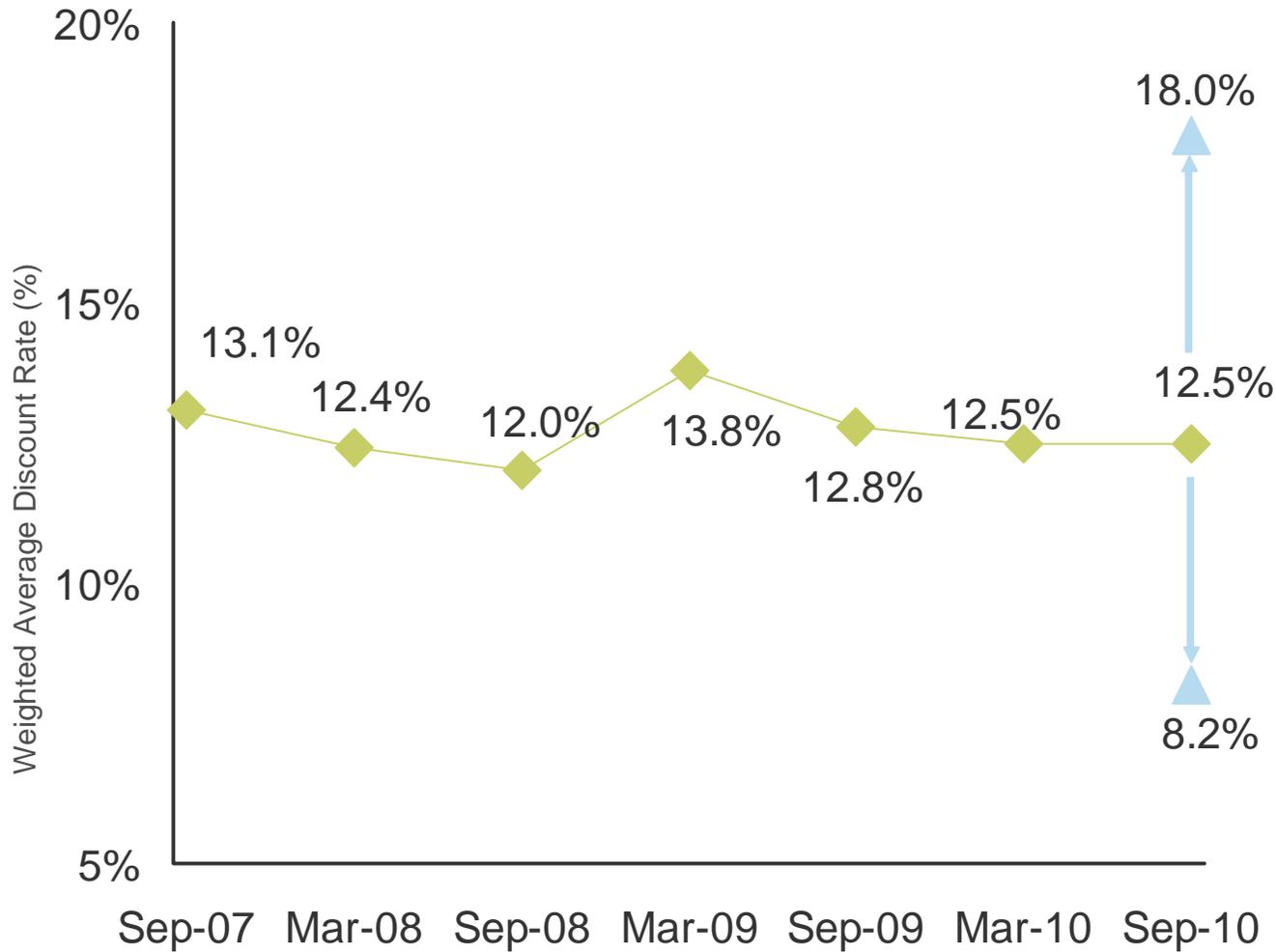


Additional financial information



(£m)	Valuation (Mar 10)	Investment in the six months	Value movement	Foreign exchange translation	Valuation (Sep 10)	Income in the six months	Asset total return in the six months
AWG	193.6	-	2.1	-	195.7	13.7	15.8
Junior Debt Portfolio	123.7	-	0.4	(1.0)	123.1	3.6	3.0
Oystercatcher	118.8	-	(1.8)	(3.2)	113.8	9.3	4.3
3i India Infrastructure Fund	97.9	-	10.7	(3.9)	104.7	-	6.8
Elgin	38.7	-	(1.6)	-	37.1	2.1	0.5
I ² (loan notes)	30.4	0.6 ⁽¹⁾	-	-	31.0	1.2	1.2
Octagon	28.8	-	0.5	-	29.3	1.3	1.8
Alpha Schools	16.2	-	0.2	-	16.4	0.5	0.7
T2C	-	-	-	-	-	-	-
	648.1	0.6	10.5	(8.1)	651.1	31.7	34.1

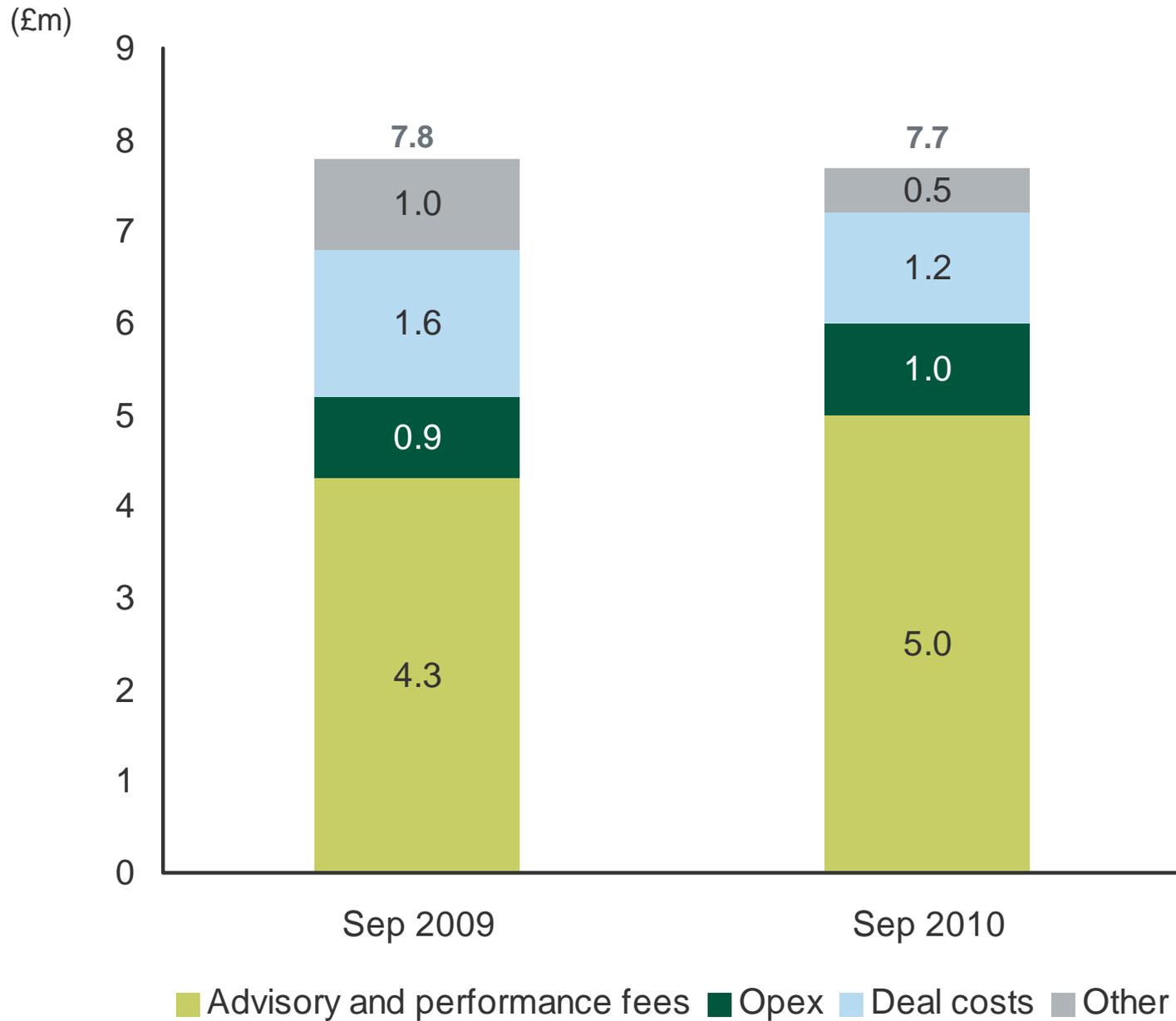
⁽¹⁾ Capitalised loan note interest



- Two thirds of the portfolio valued on a DCF basis
- Weighted average discount rate unchanged since March 2010 – no change in underlying discount rates



Impact of foreign exchange movements on portfolio value	(£m)
Six months to 30 September 2010	
Translation of asset £ / €	(4.2)
Translation of asset £ / \$	(3.9)
Foreign exchange losses on investments	(8.1)
Asset valuation \$ / rupee	(0.1)
Movement in the fair value of derivative financial instruments (£/€ hedging)	3.9
Other foreign exchange movements	3.8
Net foreign exchange loss	(4.3)



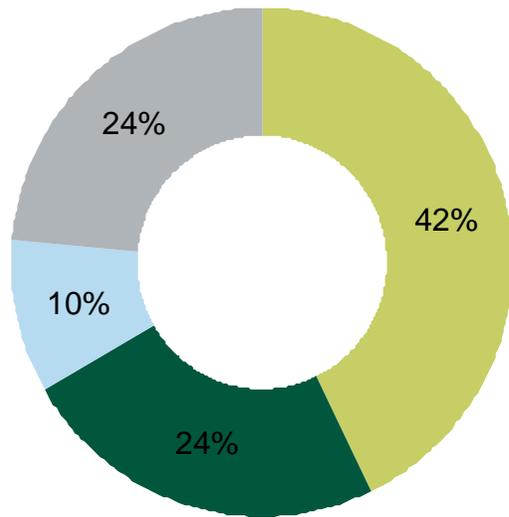


(£m)	Investment basis 30 Sep 2010	Investment basis 30 Sep 2009	Consolidated basis 30 Sep 2010
Realised profits	-	0.9	-
Unrealised profits	10.5	18.1	13.9
Foreign exchange losses	(8.1)	(13.4)	(1.1)
Capital return	2.4	5.6	12.8
Portfolio income	30.5	13.9	42.7
Interest receivable	0.8	1.5	0.8
Investment return	33.7	21.0	56.3
Fees and operating expenses	(6.5)	(6.2)	(12.5)
Movements in the fair value of derivative financial instruments	3.9	1.5	1.3
Exchange difference on translation of foreign ops	-	-	(6.8)
Profit attributable to minority interests	-	-	(6.9)
Total return	31.1	16.3	31.4
Total return as a % of shareholders' equity	3.4%	1.8%	3.4%



Inflation

Asset exposure to inflation by value



- Revenues directly linked to inflation
- Closely linked to inflation
- Not linked to inflation
- N/A

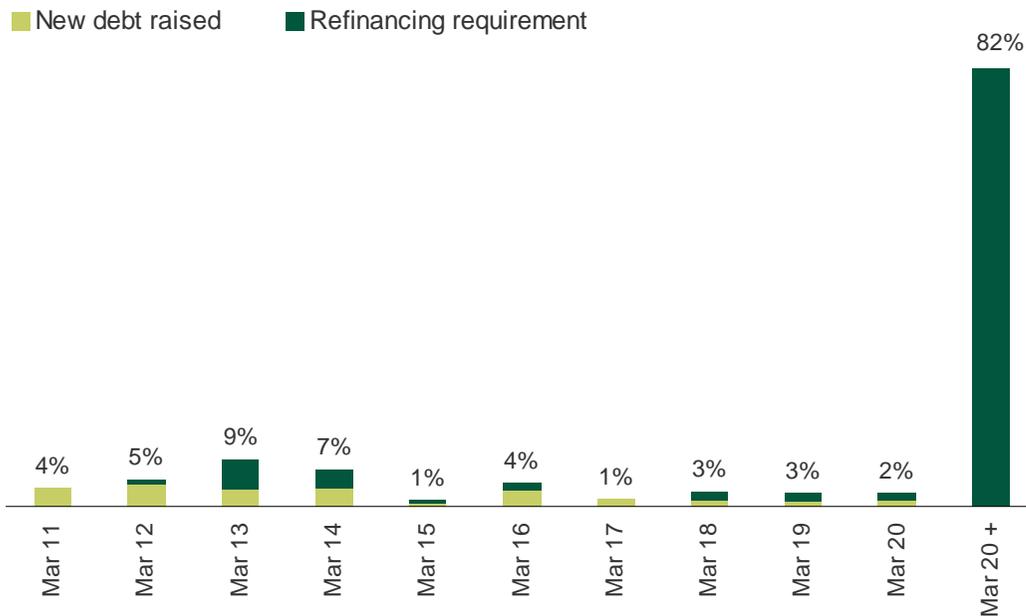
- An increase of 1% in inflation over the next two years results in an £8.6 million increase in NAV

Foreign exchange

- Euro position 85% hedged
- Rupee position currently unhedged
- Hedging policy monitored by the Board and Investment Adviser on a regular basis



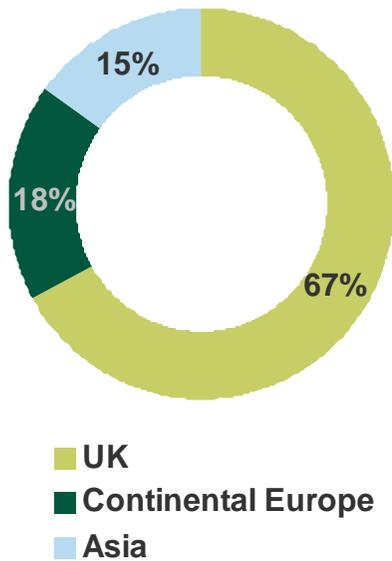
Annual refinancing and new debt as a % of existing committed debt



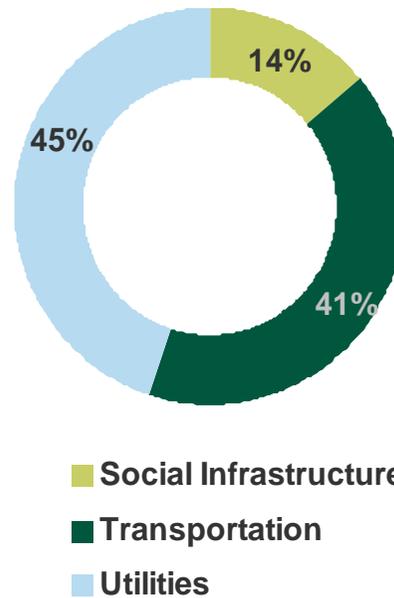
- Very limited refinancing / new debt required in the short term
- 82% of existing committed debt due post 2020



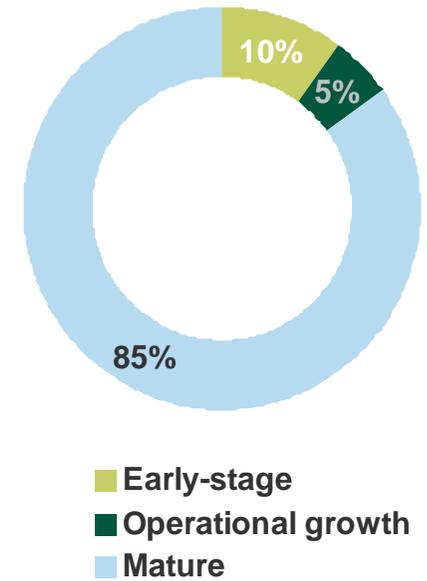
By geography



By sector



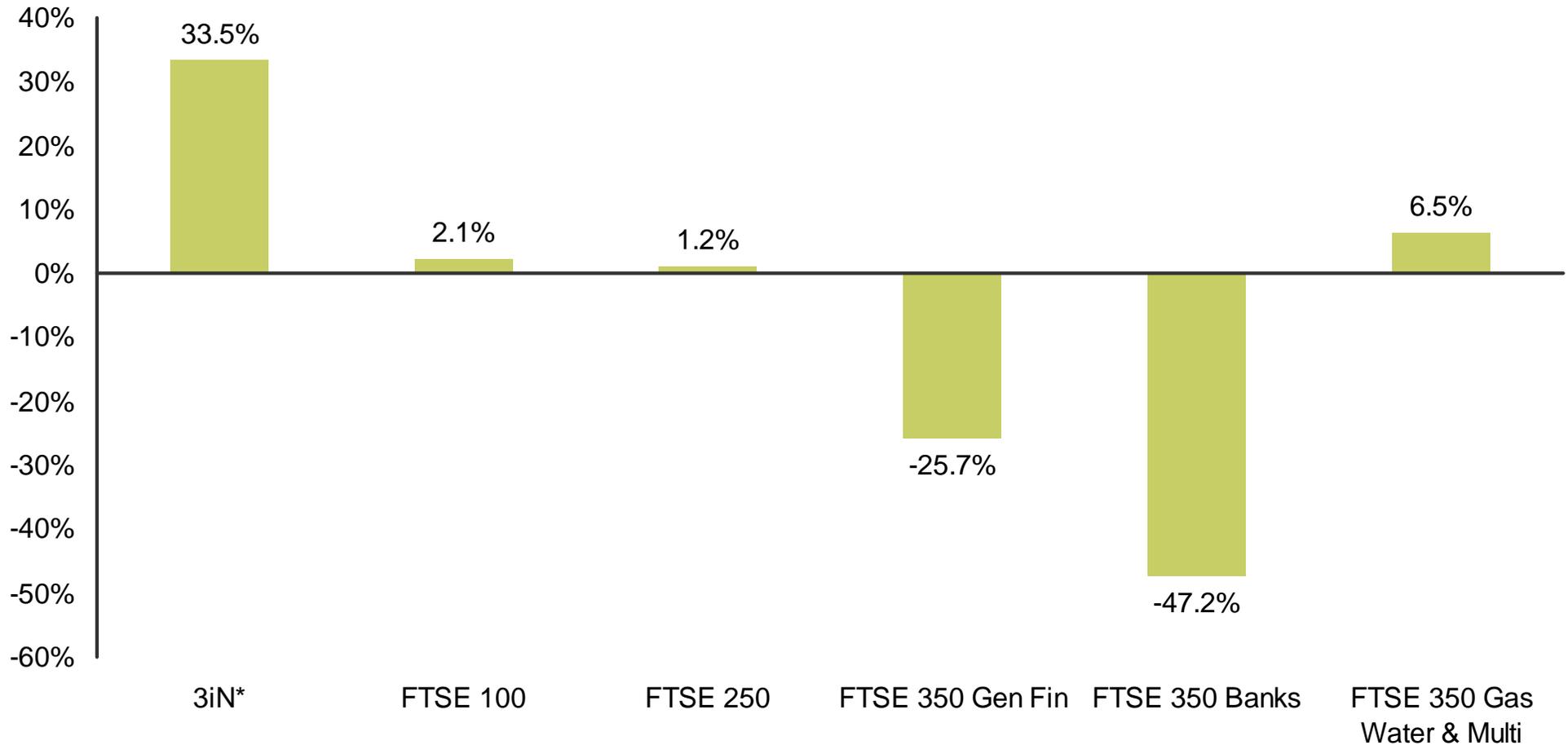
By maturity



Note: Pro forma portfolio. Adjusted for the investments in Eversholt Rail Group and GVK Energy, and for the divestment of a portion of the junior debt portfolio. New investments are included at cost, junior debt portfolio as at 31 October value, and all other assets at September value.



Total shareholder return (31 March 2007 – 30 September 2010)



*3i Infrastructure TSR calculated using IPO price of 100 pence per share

Note: calculated as share price performance with net dividends reinvested in security /index (source: Bloomberg)



Case studies



(£m)



Equity interest	10.3%
Income in the period	£13.7m
Asset total return in the period	£15.8m

Investment rationale

- Regulated near-monopoly position in its geographical area for provision of water supply and sewerage treatment
- Stable and predictable earnings through RPI-linked tariffs
- Largely predictable operating costs

Valuation drivers

- Strong income generation
- Positive inflation trends
- Implementation of new regulatory settlement for 2010-2015 period

Other developments

- EBITDA for the six months to 30 September 2010 down by 1.5% over the prior corresponding period due to the rebasing of earnings from regulatory review



Income in the period	£3.6m
Asset total return in the period ⁽¹⁾	£3.0m

(1) Includes a £1.0 million exchange loss.

Investment rationale

- Core infrastructure businesses
- Investment at prices below par, delivering attractive equity-like returns and strong levels of cash yield

Valuation drivers

- Mark-to-market valuation of underlying tranches broadly flat in the period
- Yield on portfolio running at average of 5.9% on 30 September 2010 valuation. Yield to maturity was 13.8% on valuation at 30 September 2010
- Reported financial performance of underlying investments in line with Company's expectations

Other developments

- A portion of the junior debt portfolio was sold in October



Equity interest	45.0%
Income in the period	£9.3m
Asset total return in the period ⁽¹⁾	£4.3m

(1) Includes a £3.2m unrealised exchange loss.

Investment rationale

- Long-term demand for oil storage capacity, coupled with shortage of competing supply and low customer turnover
- Strong market position in key trading hubs
- Defensive position, reliable cash flows

Valuation drivers

- Income received in the period
- High throughput levels and full capacity utilisation
- Foreign exchange fluctuations weighed on sterling valuation

Other developments

- EBITDA up by 9.2% for the six months to June 2010 compared to prior corresponding period



Partnership interest	20.9%
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Asset total return in the period ⁽¹⁾	£6.8m
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(1) Includes a £4.0m unrealised exchange loss.

Investment rationale

- Favourable macro outlook in India
- Infrastructure deficit in India provides opportunity for private investment
- Fund investment at no additional cost to the Company

Valuation drivers

- MTM increase in valuation of Adani Power (up 15.5% since March)
- Soma and Krishnapatnam Port performing well, according to plan
- Foreign exchange fluctuations weighed on sterling valuation

Other developments

- New investment in GVK Energy announced in November



Equity interest	49.9%
Income in the period	£2.1m
Asset total return in the period	£0.5m

Investment rationale

- Delivered on expressed intention of increasing exposure to social infrastructure
- Lower risk, index-linked cash flows from a largely operational portfolio
- Strong partner in Robertson

Valuation drivers

- Stable operational performance
- Income received in the period

Other developments

- Midlothian Hospital, still in construction at acquisition, completed and handed over in August 2010, six weeks ahead of schedule



(£m)



Equity interest	36.8%
Income in the period	£1.3m
Asset total return in the period	£1.8m

Investment rationale

- Investment in a mature asset
- Provides the Company with a stable, long-term income stream with RPI linkage

Valuation drivers

- Stable operational performance
- Income received in the period

Other developments

- Hospital awarded the top “excellent” rating by National Patient Safety Agency in all categories of assessment (catering, cleanliness, privacy & dignity) for third year running



Equity interest	50.0%
Income in the period	£0.5m
Asset total return in the period	£0.7m

Investment rationale

- Investment in a portfolio of operational assets
- Provides the Company with a stable, long-term revenue stream with RPIX linkage

Valuation drivers

- Stable operational performance
- Income received in the period

Other developments

- All schools operating successfully
- Remaining external works nearing completion as planned



Valuation drivers

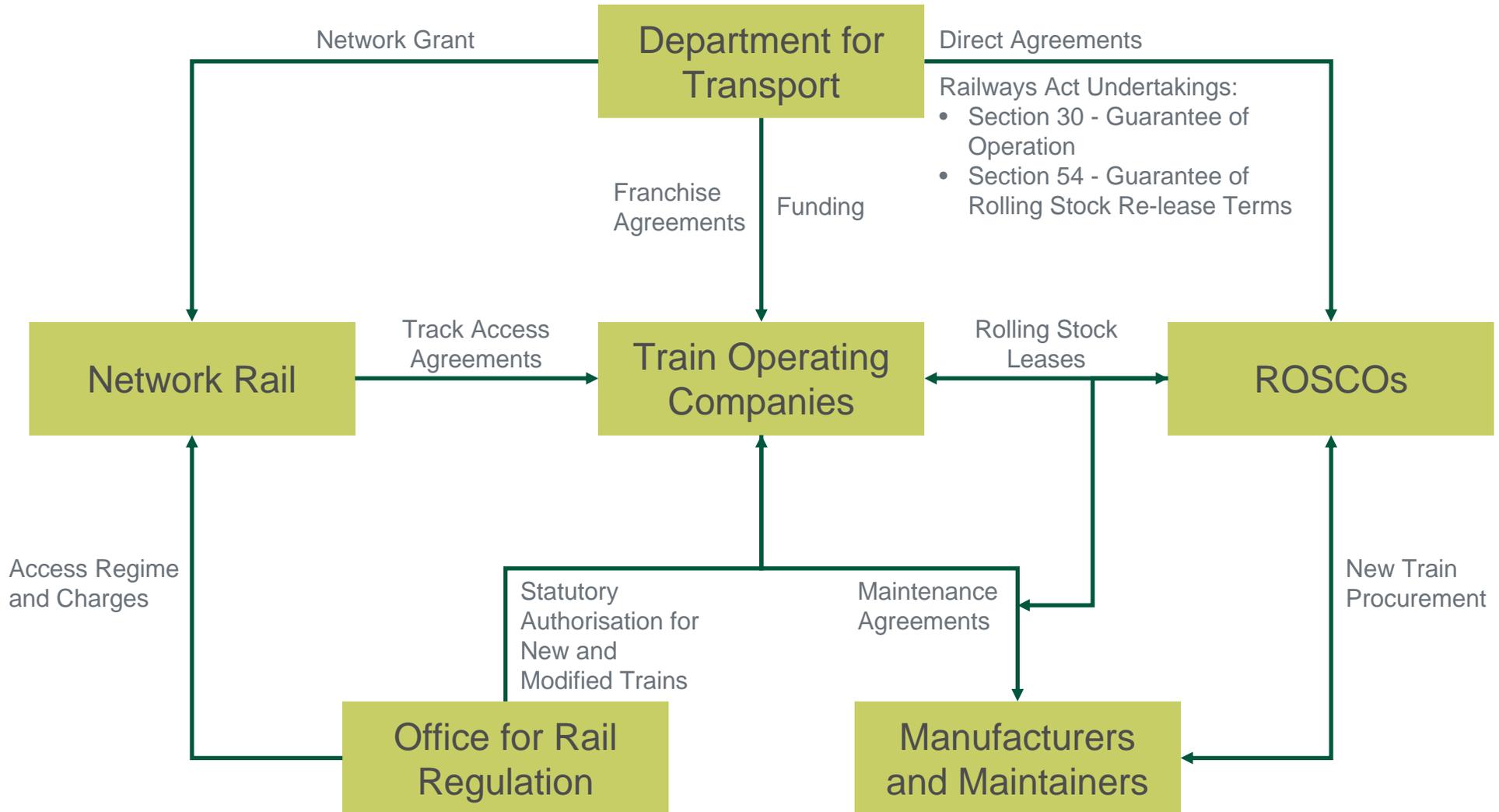
- Full provision taken against the asset in March 2010, which remains valued at £nil reflecting delays in construction
- Significant progress achieved in construction and cold commissioning of the plant – expected to commence production by the end of the calendar year
- Discussions over necessary restructuring of financing arrangements are ongoing

(£m) Cost  6.5

Opening value £nil

Closing value £nil

Equity interest	16.7%
Asset total return in the period	-





About 3i Infrastructure plc



Board of Directors

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

3i Investments (Investment Adviser)

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

Fees

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



Asset intensive businesses that provide essential services

Transport

Airports

Ports

Ferries

Toll roads

Rail & bus

Oil transportation & storage



Utilities

Power generation

Power transmission

Electricity & gas distribution

Waste processing

Water

Communication networks



Social Infrastructure

Primary and secondary PFI

Public Private Partnerships

Government accommodation

Healthcare

Education

Defence



Predictable cashflows match investors' long-term liabilities



Europe



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

Executives based in London, New York, Mumbai and New Delhi



Cressida Hogg



Neil King



Phil White



Girish Baliga



Samir Palod



Stephen Halliwell



Anil Ahuja



Deepak Bagla