IMPORTANT NOTICE

PROSPECTUS

NOT TO BE FORWARDED TO ANY OTHER PERSON

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This document, which has been issued by 3i Infrastructure Limited, a limited company with registered number 95682, formed under the laws of Jersey (the "**Company**"), has been prepared solely in connection with the proposed offering ("**Offer**") of ordinary shares ("**Ordinary Shares**") and warrants ("**Warrants**") (together the "**Securities**") in the Company and the proposed admission of the Ordinary Shares and Warrants to the official list of the UK Listing Authority and admission to trading on the London Stock Exchange's main market for listed securities.

Hard copies of this document are available from the Company's registered office at 22 Grenville Street, St Helier, Jersey, Channel Islands JE4 8PX and from the offices of Citigroup Global Markets Limited ("**Citigroup**"), Citigroup Centre, Canada Square, London E14 5LB.

Confirmation of Your Representation: You have been sent the following document on the basis that you have confirmed that (i) you and any customer that you may represent are (a)) U.S. persons (as defined in Regulation S under the U.S. Securities Act of 1933 ("**Securities Act**") ("**U.S. Persons**") or "**U.S. Residents**" (as defined below) and you and such person are"**qualified institutional buyers**" (as defined in Rule 144A under the U.S. Securities Act of 1933) and "qualified purchasers" (within the meaning of Section 2(a)(51) of the U.S. Investment Company Act of 1940) in the United States; or (b) not U.S. Persons or U.S. Residents but "**qualified investors**" (within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC)) in the European Economic Area and who is not in Denmark, Italy or Greece (excluding persons in the United Kingdom who receive the following document once it has been approved by the FSA); or (c) not U.S. Persons or U.S. Residents and not obtaining the document with a view to offering or reselling Securities to, persons in any Relevant Member State other than qualified investors or in circumstances in which the prior consent of the Citigroup has been given to the offer or resale; and (ii) that you consent to access of this document in an electronic form. For the purposes of the foregoing, a "U.S. Resident" means any U.S. Person, as well as (i) any natural person who is only temporarily residing outside the United States, (ii) any account of a U.S. Person over which a non-U.S. fiduciary has investment discretion or any entity, which, in either case, is being used to circumvent the registration requirements of the Investment Company Act and (iii) any employee benefit or pension plan that does not have as its participants or beneficiaries persons substantially all of whom are not U.S. Persons.

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Restrictions: Recipients of this document who intend to purchase securities are reminded that any purchase may only be made subject to and on the basis of the information contained in this document. The securities have not been and will not be registered under the Securities Act or the securities laws of any state of the United States or any other jurisdiction and the securities may not be offered or sold in the United States (as such term is defined in Regulation S under the Securities Act) unless registered under the Securities Act or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Company will not be registered under the US Investment Company Act of 1940, as amended, and investors will not be entitled to the benefits of such Act.

Within the European Economic Area (with the exception of the United Kingdom, where the Offer is also made to certain intermediaries), this document and the Offer are only addressed to and directed at persons in the member states who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive (Directive 2003/71/EC) and who are not in Denmark, Greece or Italy.

The materials relating to the Offer do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the Offer be made by a licensed broker or dealer and Citigroup or any affiliate of Citigroup is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by Citigroup.

Citigroup Global Markets Limited is acting exclusively for the Company and no one else in connection with the Offer. Citigroup will not regard any other person (whether or not a recipient of this document) as its respective clients in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients nor for giving advice in relation to the Offer or any transaction or arrangement referred to in this document.

3i Infrastructure Limited

Initial public offering of ordinary shares and warrants

citigroup
corporate and
investment banking

Global Co-ordinator, Sponsor and Underwriter

CONTENTS

THIS DOCUMENT, THE REGISTRATION DOCUMENT AND THE SECURITIES NOTE ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, the Registration Document and the Securities Note, or the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 ("FSMA").

THIS DOCUMENT, THE REGISTRATION DOCUMENT AND THE SECURITIES NOTE DATED WITH TODAY'S DATE together comprise a prospectus (the "Prospectus") relating to 3i Infrastructure Limited ("3i Infrastructure" or the "Company") prepared in accordance with the Prospectus Rules of the Financial Services Authority (the "FSA") made under section 73A of FSMA and approved by the FSA under section 87A of FSMA. The Prospectus has been filed with the FSA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

This summary should be read as an introduction to the Prospectus. Any decision to invest in the ordinary shares at an offer price of £1 each (the "Offer Price") in the Company (the "Ordinary Shares") and the warrants with a subscription price of £1 each (the "Subscription Price") in the Company (the "Warrants") should be based on consideration of the Prospectus as a whole by the investor. Following the implementation of the relevant provisions of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive") in each member state of the European Economic Area (the "EEA"), civil liability attaches to those persons responsible for the summary including any translation of the summary, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus, namely the Registration Document and the Securities Note. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EEA states, have to bear the costs of translating the Prospectus before legal proceedings are initiated. The full Prospectus may be obtained free of charge from the Company as set out in "Additional information" below.

General risks relating to the Ordinary Shares, the Warrants and the Global Offer include that (i) the price of Ordinary Shares may fluctuate significantly and Shareholders could lose all or part of their investment; (ii) Ordinary Shares may trade at a discount to net asset value; and (iii) the market price of the Ordinary Shares may fall below the Subscription Price and the market for the Warrants may be illiquid.

Applications will be made to the UK Listing Authority for all of the Ordinary Shares and the Warrants issued and to be issued in connection with the Global Offer (as defined below) to be admitted to the Official List of the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Ordinary Shares and Warrants to be admitted to trading on the London Stock Exchange's main market for listed securities (together, "Admission"). Admission to the Official List, together with admission to trading on the London Stock Exchange's main market for listed securities, constitutes admission to official listing on a regulated market. As at the date of the Prospectus, no Ordinary Shares or Warrants are admitted to trading on a regulated market. Conditional dealings in the Ordinary Shares and the Warrants are expected to commence on the London Stock Exchange on 8 March 2007. It is expected that Admission will become effective and that unconditional dealings in the Ordinary Shares and the Warrants will commence on the London Stock Exchange at 8.00 a.m. (London time) on 13 March 2007. All dealings in the Ordinary Shares and Warrants before the commencement of unconditional dealings will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned. No applications have been or are currently intended to be made for the Ordinary Shares or the Warrants to be admitted to listing or dealt in on any other exchange.

A copy of the Prospectus has been delivered to the Jersey registrar of companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and the Jersey registrar has given, and has not withdrawn, consent to its circulation. The Jersey Financial Services Commission ("JFSC") has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958 to the issue of securities in the Company. It must be distinctly understood that, in giving these consents, neither the Jersey registrar of companies nor the JFSC takes any responsibility for the financial soundness of the Company or for the correctness of any statements made, or opinions expressed, with regard to it.

The Company constitutes and is regulated as a collective investment fund under the Collective Investment Funds (Jersey) Law 1988 (as amended) (the "Jersey Funds Law"). The Company, Mourant & Co. Limited (in its capacity as the Company's Jersey administrator) and Capita Registrars (Jersey) Limited (in its capacity as the Company's registrar) have all obtained permits under Article 7 of the Jersey Funds Law from the JFSC to operate as functionaries within the Island of Jersey. The JFSC is protected by the Jersey Funds Law against liability arising from the discharge of its functions under the Jersey Funds Law.

Citigroup Global Markets Limited ("Citigroup"), which is authorised and regulated in the United Kingdom by the FSA, is acting for the Company and no one else in connection with the Global Offer and will not regard any other person as its client in relation to the Global Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the Global Offer or any transaction or arrangement referred to in the Prospectus.

Prospective investors should read the whole of this document, together with the Registration Document and the Securities Note, including the discussion of certain risks and other factors that should be considered in connection with an investment in the Ordinary Shares and the Warrants as set out in Part I - "Risk Factors" of the Registration Document and the Securities Note, a summary of such risk factors being set out on page 6 of this document.

3i Infrastructure Limited

(incorporated in Jersey with registered no. 95682)

Global Offer of Ordinary Shares at an Offer Price of £1 per Ordinary Share and Warrants with a Subscription Price of £1 each issued in respect of every 10 Ordinary Shares purchased and Admission to the Official List and trading on the London Stock Exchange

Investment Adviser

3i Investments plc

Sole Global Co-ordinator, Sponsor and Underwriter

Citigroup

The Ordinary Shares and the Warrants have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws in the United States. Subject to certain exceptions, the Ordinary Shares and the Warrants may not be offered or sold (or, in the case of the Warrants, exercised) within the United States or to (or by) any national, resident or citizen of the United States. Pursuant to the Global Offer the Ordinary Shares and the Warrants may not be offered or sold (or, in the case of the Warrants, exercised) in the United States, or to, or for the account or benefit of (or by), US Persons as defined in Regulation S under the Securities Act ("Regulation S") or US Residents (as defined below) except that the Ordinary Shares and the Warrants may be offered or sold to (i) persons who are both "Qualified Institutional Buyers" as defined in Rule

144A under the Securities Act ("Rule 144A") and "Qualified Purchasers" as defined in the US Investment Company Act of 1940, as amended (the "Investment Company Act"), and related rules, in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A, and (ii) non-US Residents in offshore transactions in reliance on Regulation S. The Company has not been and will not be registered under the Investment Company Act and investors will not be entitled to the benefits of that Act. "US Resident" for these purposes means any US Person, as well as (i) any natural person who is only temporarily residing outside the United States, (ii) any account of a US Person over which a non-US fiduciary has investment discretion or any entity, which, in either case, is being used to circumvent the registration requirements of the Investment Company Act and (iii) any employee benefit or pension plan that does not have as its participants or beneficiaries persons substantially all of whom are not US Persons. In addition, for these purposes, if an entity either has been formed for or operated for the purpose of investing in the Ordinary Shares or the Warrants, or facilitates individual investment decisions, such as a self-directed employee benefit or pension plan, the Ordinary Shares or the Warrants will be deemed to be held for the account of the beneficiaries or other interest holders of such entity, and not for the account of the entity.

The actual number of Ordinary Shares offered and Warrants issued in the Global Offer will be determined after taking into account the conditions and factors described in Part VI of the Securities Note, subject (prior to the exercise, if any, of the Over-allotment Option described below) to a minimum of 700,000,000 Ordinary Shares and 70,000,000 Warrants and a maximum of 1,300,000,000 Ordinary Shares and 130,000,000 Warrants. The actual number of Ordinary Shares and Warrants to be issued in the Global Offer will be announced in an offer size statement expected to be published by the Company on or around 8 March 2007.

In connection with the Global Offer, the Company has granted to Citigroup an Over-allotment Option which is exercisable in whole or in part, on notice by Citigroup, for the period commencing on 8 March 2007 and ending on 7 April 2007 (the "Over-allotment Option"). Pursuant to the Over-allotment Option, Citigroup may require the Company to issue additional Ordinary Shares at the Offer Price and additional Warrants to cover over-allotments, if any, made in connection with the Global Offer and to cover any short positions resulting from such over-allotments and/or from sales of Ordinary Shares and Warrants effected by it during the stabilisation period. The maximum number of additional Ordinary Shares and Warrants that may be issued pursuant to the Over-allotment Option will be equal to 10% of the Ordinary Shares and 10% of the Warrants issued in the Global Offer (before any exercise of the Over-allotment Option). Any Ordinary Shares and Warrants issued by the Company following exercise of the Over-allotment Option will be issued on the same terms and conditions as the Ordinary Shares and Warrants being issued in the Global Offer.

Prospective investors are hereby notified that sellers of the Ordinary Shares and/or the Warrants may be relying on the exemption from the provisions of section 5 of the Securities Act provided by Rule 144A. The Ordinary Shares and the Warrants are not transferable except in compliance with the restrictions described in Part XIII of this document. Further, no purchase, sale or transfer of the Ordinary Shares and/or the Warrants may be made unless such purchase, sale or transfer will not result in (a) any assets of the Company constituting "plan assets" within the meaning of section 3(42) of the US Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or assets subject to other applicable US laws or regulations that are substantially similar to section 406 of ERISA or section 4975 of the US Internal Revenue Code of 1986, as amended (the "Code") (any such substantially similar laws being referred to herein as "similar US Laws"); or (b) the Company being required to register as an investment company under the Investment Company Act or being or potentially being in violation of such Act or the rules and regulations promulgated thereunder. Each purchaser or transferee of the Ordinary Shares and/or the Warrants will be required to represent or will be deemed to have represented that it (a) is not an employee benefit plan subject to Part 4 of Subtitle B of Title I of ERISA, a plan to which section 4975 of the Code applies, an entity whose underlying assets include plan assets by reason of a plan's investment in such entity (as determined in accordance with section 3(42) of ERISA); or a plan or entity subject to similar US Laws, and (b) is not using "plan assets" (within the meaning of section 3(42) of ERISA) subject to Title I of ERISA or section 4975 of the Code, or assets of a plan subject to similar US Laws. Prospective investors are also notified that the Company believes that it will be classified as a passive foreign investment company for United States federal income tax purposes but does not expect to provide to holders of Ordinary Shares and/or the Warrants the information that would be necessary in order for such persons to make a qualified electing fund election with respect to the Ordinary Shares and/or the Warrants. For further details, see Part I and Part XIII of this document.

Notice to New Hampshire Residents only

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE IMPLIES THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT ANY EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Prospective investors should rely only on the information contained in this document, the Registration Document and the Securities Note. No person has been authorised to give any information or make any representations other than as contained in this document, the Registration Document and the Securities Note and, if given or made, such information or representations must not be relied on as having been so authorised by the Company, the directors of the Company named herein (the "Directors"), 3i Investments plc, 3i Group plc or Citigroup. Without prejudice to the Company's obligations under the Prospectus Rules, the Listing Rules and the Disclosure Rules, neither the delivery of this document nor any subscription made under this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company and its holding entities (the "Group") since the date of this document, the Registration Document and the Securities Note or that the information in it or them is correct as at any time after the date of the Prospectus.

Figures contained in this document relating to the performance of the infrastructure transactions of 3i Group plc and its subsidiary undertakings (the "3i Group") are sourced from its unaudited management accounts and financial accounting systems.

Following Admission the Company intends to apply to the Royal Court of the Island of Jersey and seek an order reducing its stated capital account (the account into which amounts paid up on the Ordinary Shares are credited) by an amount of up to £1,300,000,000. Following that reduction of capital, the amount standing to the credit of the Company's stated capital account will be £2. The purpose of the reduction will be to create a distributable reserve, which the Company may apply to pay dividends on the Ordinary Shares and to repurchase Ordinary Shares. The corresponding advantage to shareholders is that this will enable the Company to pay dividends in accordance with the dividend policy of the Company at times when capital or other losses may otherwise prevent it from doing so. A further advantage to shareholders is that the reserve will also enable the Company to repurchase Ordinary Shares in the event that the market price of the Ordinary Shares of the Company are trading at a significant discount to their net asset value. Prospective investors should note that payment of interim dividends and repurchases of Ordinary Shares will be carried out at the discretion of the directors and there can be no guarantee that such payments or repurchases will be made, notwithstanding the creation of the distributable reserve described above.

SUMMARY

Key Features

The Company

The Company (a newly-established, Jersey-incorporated, public closed-ended investment company) intends to raise between £700 million and £1,300 million (in each case before fees and expenses and assuming no exercise of the Over-allotment Option) through an institutional and focused intermediaries offer of its Ordinary Shares (the "Global Offer"). 3i Group will subscribe for 325 million Ordinary Shares at the Offer Price as part of the Global Offer. Depending on the size of the Global Offer (and assuming no exercise of the Over-allotment Option), 3i Group's shareholding on Admission will represent between 25% and 46.43% of the Company's issued shares.

The Company will issue to each investor one Warrant for every 10 Ordinary Shares purchased under the Global Offer. Each Warrant will entitle the holder to subscribe for one Ordinary Share at the Subscription Price at any time from six months after Admission to five years after Admission.

The Company has been formed to make equity (or equivalent) investments in infrastructure businesses and assets. It intends to invest globally, but with an initial focus on the members of the European Union, Switzerland and Norway (together, "Europe"), the United States and Canada ("North America") and Asia.

The Company's Ordinary Shares and Warrants will be listed on the Official List and admitted to trading on the London Stock Exchange.

3i Group involvement

3i Investments plc ("3i Investments"), which is regulated in the UK by the FSA, will act as investment adviser to the Company through its infrastructure investment team (the "Infrastructure Investment Team"). When considering potential investment opportunities, the Infrastructure Investment Team will have access to the global network of 3i Group, with offices located within 14 countries worldwide and over 300 investment professionals.

3i Investments has established an incentive scheme for the members of the Infrastructure Investment Team, designed to align their financial interests with those of the Company. Members of the team will invest in Ordinary Shares through the Global Offer.

The Company will have an exclusive right of first refusal over infrastructure investment opportunities generated by 3i Group's international network within Europe and North America and an exclusive advisory arrangement with 3i Investments within those jurisdictions, in each case until the earlier of five years after Admission or full investment of the initial net proceeds of the Global Offer (the "Net Proceeds"). Outside these jurisdictions the Company will have a similar right of first refusal unless 3i Group raises another infrastructure fund in a particular jurisdiction, when the Company will be offered the chance to participate in that fund.

3i Group may co-invest alongside the Company in the future, on a transaction-by-transaction basis, where the size or nature of the investment means that the Company would otherwise be unable to invest due to applicable investment restrictions.

The Company will acquire an initial portfolio of UK infrastructure investments from 3i Group (the "Initial Portfolio"). The Initial Portfolio comprises an interest in substantially all of 3i Group's unrealised infrastructure investments (see below), including a stake in AWG plc ("AWG"), a large UK water company.

The purchase price for the Initial Portfolio (of up to £345.7 million) will be met from the proceeds of the Global Offer (including 3i Group's subscription) and has been independently reported on by KPMG LLP.

Infrastructure

Nature of business

Infrastructure businesses tend to be asset-intensive businesses providing essential services over the long-term, often on a regulated basis or with a significant component of revenue and costs that are subject to long-term contracts. Examples of infrastructure asset classes are shown below:

Transport infrastructure

- Toll roads, bridges, tunnels and road maintenance
- Ports
- Airports and air traffic control
- Rail
- Ferries
- Bus and light rail franchises

Utilities

- Water treatment and distribution
- Electricity distribution
- Power generation
- Oil and gas distribution and storage
- Waste processing
- Communications infrastructure

Social infrastructure

- Healthcare facilities
- Education facilities
- Judicial and correctional facilities
- Government accommodation
- Defence support facilities

The Directors believe that infrastructure investments may offer a level of risk that is lower than equities in most other sectors, although higher than investments such as gilts and investment grade bonds. The Company will seek to maintain a balanced risk profile within the sector, targeting returns on individual investments that reflect each investment's level of risk.

Source of investments

Access to infrastructure investment opportunities may arise from the private or the public sector. In the private sector, opportunities may arise from take-private acquisitions of listed infrastructure companies (such as AWG) or from disposals by private sector companies (including contractors which may seek to realise capital from mature PFI investments). In the public sector, governments may privatise existing infrastructure assets or may procure new infrastructure involving the private sector.

The Company believes that Europe, North America and Asia currently provide the strongest source of infrastructure investment opportunities.

The Initial Portfolio

The Initial Portfolio comprises:

- an investment in AWG – Anglian Water is the fourth largest water supply and waste water company in England and Wales, measured by regulatory capital value, with 4.2 million water and 5.9 million waste water customers;
- an interest in Infrastructure Investors LP ("I^2"), one of the largest UK equity funds investing in secondary PFI projects; and
- investments in two other PFI projects, one being a hospital in Norwich and the other a series of schools in Scotland.

3i Investments continues to be involved in the initial stages of a number of other potential investment opportunities. Before Admission, any bids or applications for such opportunities will be made by a member of 3i Group, but with the intention that they (together with a small recently acquired German investment) should be passed over to the Group following Admission, subject to any consents required.

Investment objective

The Company will make investments with an overall objective of providing its shareholders (the "Shareholders") with a total return (comprising the increase in net asset value, plus distributions, per Ordinary Share ("Total Return")) of approximately 12% per annum on the Company's Net Proceeds, to be achieved over the long-term. There can be no assurance that the Company will achieve its investment objective.

Distribution policy

Within this overall objective, the Company will target an annual distribution yield of approximately 5% on the Net Proceeds, once fully invested, through a combination of regular dividends and capital returns. Thereafter, the Company will target a progressive distribution policy. Dividends are expected to be paid twice a year, normally in respect of the six months to 31 March and 30 September. The initial dividend is

anticipated to be paid in November 2007. There can be no assurance that the Company will achieve its distribution objectives.

The Company's intention is to re-invest the capital proceeds of any realisation, although it retains the discretion to return such capital proceeds from time to time.

Investment policy

The Directors will endeavour to invest the Net Proceeds in infrastructure investments over the two-year period following Admission.

The Directors expect that most of the Company's investments will be made directly in unquoted companies. However, the Company may also invest in listed companies if the Directors consider that such an acquisition is consistent with the Company's investment objectives.

Most of the Company's investments will be investments of a sufficient size to obtain representation on the board of the investee company. While the current Listing Rules apply, the Company will not take management control of the investee company, even if it acquires a majority interest.

Any investment made by the Company will not represent more than 20% of the Company's gross assets at the time of investment.

3i Investments

3i Group is a leading European private equity group, established in 1945, and listed on the London Stock Exchange in 1994. As at 30 September 2006, 3i Group managed over £7 billion of assets.

3i Group started investing in a wide range of infrastructure businesses in the UK in the late 1980s and more recently has widened its focus into continental Europe. In May 2005, infrastructure investment was established as a separate business line and the Infrastructure Investment Team was formed. The members of the team are all highly experienced and all of the investments in the Initial Portfolio have been made and are managed by members of the Infrastructure Investment Team.

In total, 3i Group has invested over £530 million since 1987 in over 30 infrastructure transactions of the type that would fall within the investment policy of the Company. On these transactions, 3i Group has returned a multiple of cost of 1.6x and an IRR of 59.3%. However, the realisation of these investments is not an indication of the future performance of the Company.

An annual advisory fee will be payable based on the fair value of the Company's investments (including outstanding subscription obligations but excluding cash held throughout a financial period) at rates determined by the holding period for relevant investments. The applicable annual rate is 1.5% for investments when initially acquired but 1.25% for investments held for the Group for longer than five years. A performance fee will also be payable if the Total Return at the end of a financial period exceeds a target equal to the opening net asset value per Ordinary Share, increased at a rate of 8% per annum (the "performance hurdle"). If the increase is achieved, 3i Investments is entitled to 20% of the Total Return in excess of the performance hurdle.

Directors

The Directors, all of whom are independent and non-executive, are Peter Sedgwick (Chairman), Peter Wagner, Philip Austin and Martin Dryden. All of the Directors have an appropriate level of experience in the infrastructure market or in management of investment vehicles similar to the Company. It is proposed that Paul Waller, a member of 3i Group's management committee, will also join the board in due course.

The Directors, Paul Waller and the Company accept responsibility for the information contained in the Prospectus. To the best of the knowledge of the Directors, Paul Waller and the Company (who have each taken all reasonable care to ensure that such is the case), the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Global Offer and timing

Institutions and certain other investors in the UK, including certain intermediaries, and elsewhere may apply for Ordinary Shares in the Global Offer. The number of Ordinary Shares and Warrants to be offered in the Global Offer will be determined on the basis of demand.

The Global Offer will open on 20 February 2007. The latest time for receipt of applications will be 5.00 p.m. on 7 March 2007. It is expected that the offer size will be announced on 8 March 2007.

The expenses of the Global Offer are expected to be approximately 2% of the initial proceeds of the Global Offer. The Company intends to use the Net Proceeds to purchase the Initial Portfolio and further to implement its investment objectives.

The Company has granted Citigroup the Over-allotment Option, which may be exercised, in whole or in part, for the period commencing on 8 March 2007 and ending on 7 April 2007.

Lock-up arrangements

The Company has agreed with Citigroup not to issue or agree to issue any Ordinary Shares for a period of 12 months from Admission, subject to certain exceptions. 3i Group has also agreed not to sell or transfer any Ordinary Shares for the same period (subject to certain limited exceptions) without the prior written consent of Citigroup. The Infrastructure Investment Team has agreed with 3i Group not to sell any Ordinary Shares before 31 March 2008.

Purchase of own shares

If the Ordinary Shares are trading at a discount to Net Asset Value for an extended period and the Directors consider that Shareholder value would be enhanced as a result, the Company may, at the sole discretion of the Directors but subject to applicable laws and regulations, make market purchases of up to 14.99% of the then issued share capital of the Company per year, or make tender offers for, its Ordinary Shares.

Risk factors

Investment in the Company, the Ordinary Shares and the Warrants carries a degree of risk. All of the risks which are currently considered by the Company to be material are set out in the Registration Document and the Securities Note and include, but are not limited to, the following general areas:

- *Risks relating to the Company and its investment strategy:* Including that: (i) the Company is newly formed and has no operating history; (ii) it may take time to deploy the Company's capital or to replace investments that have been realised, potentially leading to lower returns; and (iii) the value of the Company's assets (as estimated and reported by the Company) may not ultimately be realised.
- *Risks relating to 3i Investments:* Including that: (i) the Company is highly dependent on 3i Investments and its performance, and the departure of members of the Infrastructure Investment Team could have an adverse effect on the Company; (ii) 3i Investment's liability is limited and the Company has given indemnities in its favour, meaning that 3i Investments may be inclined to take greater risks when making investment-related decisions; and (iii) there may be conflicts of interest in relation to 3i Group and other clients.
- *Risks relating to the Initial Portfolio:* Including that: (i) the Company will not have the benefit of full commercial warranties in respect of the transfer of the Initial Portfolio; and (ii) the Company's investment in I^2 may expose it to risks associated with I^2's fund structure and the Company's indirect economic interest in I^2.
- *Risks relating to new investments:* Including that: (i) the Company's investments are likely to be in entities that are highly leveraged; (ii) other investors may insist on provisions that potentially require divestment of assets if 3i Investments ceases to advise the Company; (iii) the investment portfolio may comprise relatively few investments, increasing the risk of loss associated with underperforming investments; and (iv) investee entities may be exposed to client default and demand risk.
- *General risks relating to the Ordinary Shares, the Warrants and the Global Offer:* Including that: (i) the price of the Ordinary Shares may fluctuate significantly and Shareholders could lose all or part of their investment; (ii) Ordinary Shares may trade at a discount to net asset value; (iii) the market price of the Ordinary Shares may fall below the Subscription Price and the market for the Warrants may be illiquid; and (iv) 3i Group's significant shareholding of up to 46.43% on Admission (assuming no exercise of the Over-allotment Option), could give it the ability to exercise significant influence in relation to the Company and gives rise to the risk of 3i Group having to make a compulsory offer for the Company.
- *Risks relating to taxation:* Including that there may be adverse changes in the Company's tax position, including changes in applicable tax legislation.
- *Risks relating to the US Employee Retirement Income Security Act of 1974, as amended ("ERISA"):* Including that the Company cannot guarantee that the underlying assets of the Company will not be subject to regulation under ERISA.

Additional information

Copies of the complete Prospectus will be on display during normal business hours until 13 March 2007 at Slaughter and May, One Bunhill Row, London EC1Y 8YY.

The complete Prospectus will be published in printed form and available free of charge at the Company's registered office, 22 Grenville Street, St. Helier, Jersey JE4 8PX Channel Islands and the offices of Citigroup, Citigroup Centre, Canada Square, London E14 5LB.

Dated 20 February 2007

imprima — C95753

THIS DOCUMENT, THE SECURITIES NOTE AND THE SUMMARY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, the Securities Note or the Summary, or the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 ("FSMA").

THIS DOCUMENT, THE SECURITIES NOTE AND THE SUMMARY DATED WITH TODAY'S DATE together comprise a prospectus (the "Prospectus") relating to 3i Infrastructure Limited ("3i Infrastructure" or the "Company") prepared in accordance with the Prospectus Rules of the Financial Services Authority (the "FSA") made under section 73A of FSMA and approved by the FSA under section 87A of FSMA. The Prospectus has been filed with the FSA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

Applications will be made to the UK Listing Authority for all of the ordinary shares in the Company (the "Ordinary Shares") and the warrants with a subscription price of £1 each (the "Subscription Price") in the Company (the "Warrants") issued and to be issued in connection with the Global Offer to be admitted to the Official List of the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Ordinary Shares and Warrants to be admitted to trading on the London Stock Exchange's main market for listed securities (together, "Admission"). Admission to the Official List, together with admission to trading on the London Stock Exchange's main market for listed securities, constitutes admission to official listing on a regulated market. As at the date of the Prospectus, no Ordinary Shares or Warrants are admitted to trading on a regulated market. Conditional dealings in the Ordinary Shares and the Warrants are expected to commence on the London Stock Exchange on 8 March 2007. It is expected that Admission will become effective and that unconditional dealings in the Ordinary Shares and the Warrants will commence on the London Stock Exchange at 8.00 a.m. on 13 March 2007. All dealings in the Ordinary Shares and Warrants before the commencement of unconditional dealings will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned. No applications have been or are currently intended to be made for the Ordinary Shares or the Warrants to be admitted to listing or dealt in on any other exchange.

A copy of the Prospectus has been delivered to the Jersey registrar of companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and the Jersey registrar has given, and has not withdrawn, consent to its circulation. The Jersey Financial Services Commission ("JFSC") has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958 to the issue of securities in the Company. It must be distinctly understood that, in giving these consents, neither the Jersey registrar of companies nor the JFSC takes any responsibility for the financial soundness of the Company or for the correctness of any statements made, or opinions expressed, with regard to it.

The Company constitutes and is regulated as a collective investment fund under the Collective Investment Funds (Jersey) Law 1988 (as amended) (the "Jersey Funds Law"). The Company, the Jersey Administrator and the Registrar have all obtained permits under Article 7 of the Jersey Funds Law from the JFSC to operate as functionaries within the Island of Jersey. The JFSC is protected by the Jersey Funds Law against liability arising from the discharge of its functions under the Jersey Funds Law.

Citigroup Global Markets Limited ("Citigroup"), which is authorised and regulated in the United Kingdom by the FSA, is acting for the Company and no one else in connection with the Global Offer and will not regard any other person as its client in relation to the Global Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the Global Offer or any transaction or arrangement referred to in the Prospectus.

Prospective investors should read the whole of this document, together with the Securities Note and the Summary, including the discussion of certain risks and other factors that should be considered in connection with an investment in the Ordinary Shares and the Warrants as set out in Part I of this document – "Risk Factors" and Part I – "Risk Factors" of the Securities Note. Prospective investors should be aware that an investment in the Company involves a degree of risk and that, if certain of the risks described in the Prospectus occur, investors may find their investment may be materially adversely affected. Accordingly, an investment in the Ordinary Shares and the Warrants is only suitable for investors who are particularly knowledgeable in investment matters and who are able to bear the loss of the whole or part of their investment.

3i Infrastructure Limited

(incorporated in Jersey with registered no. 95682)

Global Offer of Ordinary Shares at an Offer Price of £1 per Ordinary Share and Warrants with a Subscription Price of £1 each issued in respect of every 10 Ordinary Shares purchased and Admission to the Official List and trading on the London Stock Exchange

Investment Adviser

3i Investments plc

Sole Global Co-ordinator, Sponsor and Underwriter

Citigroup

The Ordinary Shares and the Warrants have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws in the United States. Subject to certain exceptions, the Ordinary Shares and the Warrants may not be offered or sold (or, in the case of the Warrants, exercised) within the United States or to (or by) any national, resident or citizen of the United States. Pursuant to the Global Offer the Ordinary Shares and the Warrants may not be offered or sold (or, in the case of the Warrants, exercised) in the United States, or to, or for the account or benefit of (or by), US Persons as defined in Regulation S under the Securities Act ("Regulation S") or US Residents (as defined below) except that the Ordinary Shares and the Warrants may be offered or sold to (i) persons who are both "Qualified Institutional Buyers" as defined in Rule 144A under the Securities Act ("Rule 144A") and "Qualified Purchasers" as defined in the US Investment Company Act of 1940, as amended (the "Investment Company Act"), and related rules, in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A, and (ii) non-US Residents in offshore transactions in reliance on Regulation S. The Company has not been and will not be registered under the Investment Company Act and investors will not be entitled to the benefits of that Act. "US Residents" for these purposes means any US Person, as well as (i) any natural person who is only temporarily residing outside the United States, (ii) any account of a US Person over which a non-US fiduciary has investment discretion or any

entity, which, in either case, is being used to circumvent the registration requirements of the Investment Company Act and (iii) any employee benefit or pension plan that does not have as its participants or beneficiaries persons substantially all of whom are not US Persons. In addition, for these purposes, if an entity either has been formed for or operated for the purpose of investing in the Ordinary Shares or the Warrants, or facilitates individual investment decisions, such as a self-directed employee benefit or pension plan, the Ordinary Shares or the Warrants will be deemed to be held for the account of the beneficiaries or other interest holders of such entity, and not for the account of the entity.

The actual number of Ordinary Shares offered and Warrants issued in the Global Offer will be determined after taking into account the conditions and factors described in Part VI of the Securities Note, subject (prior to the exercise, if any, of the Over-allotment Option described below) to a minimum of 700,000,000 Ordinary Shares and 70,000,000 Warrants and a maximum of 1,300,000,000 Ordinary Shares and 130,000,000 Warrants. The actual number of Ordinary Shares and Warrants to be issued in the Global Offer will be announced in an offer size statement expected to be published by the Company on or around 8 March 2007.

In connection with the Global Offer, the Company has granted to Citigroup an Over-allotment Option which is exercisable in whole or in part, on notice by Citigroup, for the period commencing on 8 March 2007 and ending on 7 April 2007 (the "Over-allotment Option"). Pursuant to the Over-allotment Option, Citigroup may require the Company to issue additional Ordinary Shares at the Offer Price and additional Warrants to cover over-allotments, if any, made in connection with the Global Offer and to cover any short positions resulting from such over-allotments and/or from sales of Ordinary Shares and Warrants effected by it during the stabilisation period. The maximum number of additional Ordinary Shares that may be issued pursuant to the Over-allotment Option will be equal to 10% of the Ordinary Shares and 10% of the Warrants issued in the Global Offer (before any exercise of the Over-allotment Option). Any Ordinary Shares and Warrants issued by the Company following exercise of the Over-allotment Option will be issued on the same terms and conditions as the Ordinary Shares and Warrants being issued in the Global Offer.

Prospective investors are hereby notified that sellers of the Ordinary Shares and/or the Warrants may be relying on the exemption from the provisions of section 5 of the Securities Act provided by Rule 144A. The Ordinary Shares and the Warrants are not transferable except in compliance with the restrictions described in Part XIII of this document and Parts VII and VIII of the Securities Note. Further, no purchase, sale or transfer of the Ordinary Shares and/or the Warrants may be made unless such purchase, sale or transfer will not result in (a) any assets of the Company constituting "plan assets" within the meaning of section 3(42) of the US Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or assets subject to other applicable US laws or regulations that are substantially similar to section 406 of ERISA or section 4975 of the US Internal Revenue Code of 1986, as amended (the "Code") (any such substantially similar laws being referred to herein as "similar US Laws"); or (b) the Company being required to register as an investment company under the Investment Company Act or being or potentially being in violation of such Act or the rules and regulations promulgated thereunder. Each purchaser or transferee of the Ordinary Shares and/or the Warrants will be required to represent or will be deemed to have represented that it (a) is not an employee benefit plan subject to Part 4 of Subtitle B of Title I of ERISA, a plan to which section 4975 of the Code applies, an entity whose underlying assets include plan assets by reason of a plan's investment in such entity (as determined in accordance with section 3(42) of ERISA); or a plan or entity subject to similar US Laws, and (b) is not using "plan assets" (within the meaning of section 3(42) of ERISA) subject to Title I of ERISA or section 4975 of the Code, or assets of a plan subject to similar US Laws. Prospective investors are also notified that the Company believes that it will be classified as a passive foreign investment company for United States federal income tax purposes but does not expect to provide to holders of Ordinary Shares and/or the Warrants the information that would be necessary in order for such persons to make a qualified electing fund election with respect to the Ordinary Shares and/or the Warrants. For further details, see Part I and Part XIII of this document.

Notice to New Hampshire Residents only

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE IMPLIES THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT ANY EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Prospective investors should rely only on the information contained in this document, the Securities Note and the Summary. No person has been authorised to give any information or make any representations other than as contained in this document, the Securities Note and the Summary and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors, the Investment Adviser, 3i Group or Citigroup. Without prejudice to the Company's obligations under the Prospectus Rules, the Listing Rules and the Disclosure Rules neither the delivery of this document nor any subscription made under this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Group since the date of this document, the Securities Note and the Summary or that the information contained in it or them is correct as at any time after the date of the Prospectus.

Prospective investors must not treat the contents of this document or any subsequent communications from the Company, the Directors, 3i Investments, 3i Group or Citigroup or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters. Prospective investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Ordinary Shares. Prospective investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment therein.

Figures contained in this document relating to the performance of the infrastructure transactions of 3i Group plc and its subsidiary undertakings (the "3i group") are sourced from its unaudited management accounts and financial accounting systems.

Following Admission the Company intends to apply to the Royal Court of the Island of Jersey and seek an order reducing its stated capital account (the account into which amounts paid up on the Ordinary Shares are credited) by an amount of up to £1,300,000,000. Following that reduction of capital, the amount standing to the credit of the Company's stated capital account will be £2. The purpose of the reduction will be to create a distributable reserve, which the Company may apply to pay dividends on the Ordinary Shares and to repurchase Ordinary Shares. The corresponding advantage to shareholders is that this will enable the Company to pay dividends in accordance with the dividend policy of the Company at times when capital or other losses may otherwise prevent it from doing so. A further advantage to shareholders is that the reserve will also enable the Company to repurchase Ordinary Shares in the event that the market price of the Ordinary Shares are trading at a significant discount to their net asset value. Prospective investors should note that payment of dividends and repurchases of Ordinary Shares will be carried out at the discretion of the directors and there can be no guarantee that such payments or repurchases will be made, notwithstanding the creation of the distributable reserve described above.

CONTENTS

PART I

RISK FACTORS

Investment in the Company carries a degree of risk including the risks in relation to the Company and its investment strategy, risks relating to the Investment Adviser, risks relating to taxation and ERISA and risks relating to the Ordinary Shares, the Warrants and the Global Offer referred to in Part I of the Securities Note and below. The risks referred to below are all of the risks which are considered by the Company to be material. However, there may be additional risks that the Company and the Directors do not currently consider to be material or of which the Company and the Directors are not currently aware. Potential investors should review this document, the Securities Note and the Summary carefully and in its or their entirety and consult with their professional advisers before acquiring any Ordinary Shares. Without prejudice to the working capital statement in Part IX of the Securities Note, if any of the risks referred to in this document and/or the Securities Note were to occur, the financial position and prospects of the Company could be materially adversely affected. If that were to occur, the trading price of the Ordinary Shares and/or the Warrants, and/or the Net Asset Value of the Company, and/or the level of dividends or distributions (if any) received from the Ordinary Shares could decline significantly. Further, investors could lose all or part of their investment.

A. Introduction

An investment in the Company is suitable only for investors who are capable of evaluating the risks and merits of such investment, who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company. Typical investors in the Company are expected to be institutional and sophisticated investors.

The Ordinary Shares and the Warrants are designed to be held over the long-term and may not be suitable as a short-term investment. They are therefore suitable only for investors for whom an investment in Ordinary Shares and/or Warrants constitutes part of a diversified investment portfolio. There is no guarantee that any appreciation in the value of the Ordinary Shares and/or the Warrants will occur and investors may not get back the full value of their investment. Investors should have sufficient resources to bear any loss (which may be equal to the amount invested).

Any investment objectives of the Company are targets only and should not be treated as assurances or guarantees of performance.

Investors should consult an independent financial adviser, such as a stockbroker, bank manager, solicitor, accountant or other independent financial adviser which, if you are taking advice in the United Kingdom, is duly authorised under FSMA, before making an investment in the Company.

B. Risks relating to the Company and its investment strategy

The Company is a newly-formed investment company with no separate operating history and the track record of 3i Group is not necessarily a guide to the Investment Adviser's or the Company's future performance

The Company has not yet commenced operations and does not have any historical financial statements or other meaningful operating or financial data. It is therefore difficult to evaluate the performance of future investments, the effectiveness of the Company's investment strategy, or the Company's prospects. The Company will be dependent on the performance of the Investment Adviser and its ability to identify sufficient and suitable investment opportunities for the Company. The historical returns of the Investment Adviser and 3i Group are not necessarily a guide to the future performance of the Investment Adviser or the Company.

The Investment Adviser has not yet identified all of the potential investments that it may recommend to the Company and it is expected that the Company will generate lower returns while the Company's capital is not fully deployed

While the Investment Adviser has identified a number of potential investment opportunities for the Company, it has not yet identified all of the potential investments that the Company could make with the proceeds of the Global Offer. Suitable investment opportunities may not be available at the time of completion of the Global Offer and, although it has targeted a 24-month period following Admission for full investment of the initial proceeds, the Company cannot definitively predict how long it will take to fully deploy its capital in infrastructure investments, which may take a significantly longer period. In addition, the Company may not be able to re-invest the proceeds of any investments that are subsequently realised in

other suitable infrastructure assets. Although the Company will adopt a policy of active management of its cash and liquid investments portfolio to enhance returns pursuant to the Company's treasury management policy, the investments in which the Company will invest its cash are expected to generate returns that are substantially lower than the returns that the Company anticipates receiving from infrastructure investments.

There can be no assurance that the value of investments that the Company reports from time to time will, in fact, be realised

The Company anticipates that a substantial portion of the investments that it makes will be in the form of investments for which market quotations are not readily available. The Investment Adviser will be required to make good faith determinations as to the fair value of these investments on a semi-annual basis and (after approval by the Board) the resulting valuations will be used, among other things, in the Company's financial statements and for determining the basis on which Ordinary Shares are repurchased and additional capital raised. There is no single standard for determining fair value in good faith and, in many cases, fair value is best expressed as a range of fair value from which a single estimate may be derived. Although the Investment Adviser will evaluate all such information and data, it may not be in a position to confirm the completeness, genuineness or accuracy of such information or data. In addition, the financial reports typically provided by Project Companies or other such investment vehicles are provided only on a quarterly or half-yearly basis and generally are issued one to four months after their respective valuation dates. Consequently, each quarterly Net Asset Value will contain information that may be out of date and require updating and completing. Shareholders should bear in mind that the actual Net Asset Value may be materially different from these quarterly estimates. Because such valuations are inherently uncertain, they may fluctuate over short periods of time and are based on estimates, determinations of fair value may differ materially from the values that would have resulted if a liquid market had existed. Even if market quotations are available for the Company's investments, such quotations may not reflect the value that the Company would actually be able to realise because of various market factors, including the possible illiquidity associated with a large ownership position. Changes in values attributed to investments from time to time may result in volatility of Net Asset Values and results of operations that the Company reports from period to period. There can be no assurance that the investment values that the Company records from time to time will ultimately be realised and the Net Asset Value of the Company could be adversely affected if the values of investments that the Company records are materially higher than the values that are ultimately realised upon disposal.

The Company will operate in a highly competitive market for investment opportunities

The Company will be competing for infrastructure investment opportunities with a number of entities from a wide range of business areas – for example, from private equity funds to large multi-national conglomerates – and not just with investment funds of a similar nature to the Company. Many of these competitors may be substantially larger, have access to greater capital and have considerably greater financial, technical and marketing resources than are available to the Company. Some of the Company's competitors may also have a lower cost of capital and access to funding or deal sources that are not available to the Company, which may create competitive disadvantages for the Company. In addition, some of these competitors may have higher tolerances or different risk assessments, which could allow them to consider a wider variety of investments. The Company may lose investment opportunities in the future if it does not match investment prices, structures and terms offered by competitors. Alternatively, the Company may experience decreased rates of return and increased risk of loss if it matches investment prices, structures and terms offered by competitors.

The Company expects to incur indebtedness in the future, including borrowings drawn under one or more credit facilities, which will be in addition to indebtedness that is incurred by companies or other entities in which the Company's investments are made and will subject Shareholders to additional risks

Without prejudice to the working capital statement in Part IX of the Securities Note, the Company expects to incur indebtedness in the future to fund its liquidity needs, to leverage its investments and potentially to leverage certain of its treasury management activities. This indebtedness, which may be incurred under one or more credit facilities, will be in addition to any indebtedness that is incurred by companies or other entities in which the Company makes investments (see further the relevant risk factors under section E below). While incurring this indebtedness may positively affect the Company's Net Asset Value when the values of underlying investments increase, it will negatively impact the Company's Net Asset Value when the values of underlying investments decline. This indebtedness would increase the exposure of the Company to adverse economic factors and would give rise to additional costs. Credit facilities may also include financial and operating covenants, which could affect the Company's ability to engage in certain

types of activities or to make distributions in respect of equity. Failure to satisfy any debt service obligations or breach of related financial or operating covenants could lead to a lender declaring the full amount of any indebtedness to be immediately due and payable and seeking to enforce any security that it has taken over assets of the Company, its subsidiaries or any investee companies or entities. Any of these factors could materially adversely affect the value of an investment in the Company.

Without prejudice to the working capital statement in Part IX of the Securities Note, the Company's ability to achieve attractive rates of return on its infrastructure investments will depend on the Company's ability to access sources of indebtedness at attractive rates, and a significant increase in prevailing interest rates could have a material adverse effect on the Company's financial condition and results of operations

Without prejudice to the working capital statement in Part IX of the Securities Note, the Company's ability to achieve attractive rates of return on its investments will depend on its ability to access sources of indebtedness at attractive rates. An increase in either the general levels of interest rates or in the risk spread demanded by sources of indebtedness would make it more expensive to finance such investments. Increases in interest rates could also make it more difficult to locate and consummate infrastructure investments because other potential buyers, including, for example, operating companies acting as strategic buyers, may be able to bid for an asset at a higher price due to a lower overall cost of capital.

In addition, the Company will be required to repay borrowings from time to time, which may require such borrowings to be refinanced. Many factors, including circumstances beyond the Company's control, such as changes in interest rates, conditions in the banking market and general economic conditions, may make it difficult for the Company to obtain such new finance on attractive terms or even at all. If the Company's borrowings become more expensive relative to the income it receives from its investments, then the Company's profits will be adversely affected. Further, if the Company is not able to obtain new finance at all, it may be required to alter its investment strategy and it may suffer losses, which could be substantial, as a result of having to dispose of investments on unfavourable terms.

Failure to restructure infrastructure assets acquired with that purpose may lead to increased risk and cost to the Company as well as reduced returns

If the Company makes an investment with the expectation of restructuring, refinancing or selling a portion of the capital structure thereof, there is a risk that the Company will be unable to complete successfully such a restructuring, refinancing or sale. Any such failure could lead to increased risk and cost to the Company and reduced returns.

The Company is entirely dependent on the provision of investment advisory, administrative and other support services by third parties and those third parties will be subject to certain operational risks

The Company has no employees. It is therefore entirely dependent on third parties to provide investment advisory, administrative and other support services. To mitigate this risk, the Company has entered into the Investment Advisory Agreement, the Jersey Corporate Administration Agreement and the Support Services Agreement, although the agreements are terminable, subject to certain terms and conditions, by the relevant counterparties.

The relevant counterparties will themselves be subject to operational risks, which can arise from inadequate or failed processes, people and systems or from external factors affecting these. The information technology and treasury systems of such counterparties, or their business processes and procedures on which the Company may depend, may not perform as expected. This includes the ability to recover from unanticipated disruptions to their business.

Changes in laws or regulations, or a failure to comply with any laws or regulations, may adversely affect the Company's business, investments and/or results of operations

The Company and the Investment Adviser are subject to laws and regulations enacted by national and local governments. In particular, the Company will be required to comply with certain licensing and regulatory requirements that are applicable to a Jersey investment fund, including laws and regulations supervised by the JFSC. The Investment Adviser is subject to regulation in the UK by the FSA. Additional laws and regulations will apply to the infrastructure companies, businesses and assets in which the Company makes investments. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application may also change from time to time and those changes could have a material adverse effect on the Company's business, investments and/or results of operations. In addition, failure to comply with applicable

laws or regulations, as interpreted and applied by any of the persons referred to above, could have a material adverse effect on the Company's business, investments and/or results of operations.

Laws and regulations governing non-UK investments may place a number of restrictions on the Company

Laws and regulations of non-UK countries may impose restrictions that would not exist in the United Kingdom or Jersey. Investments in foreign entities may require significant government approvals under corporate, securities, exchange control, foreign investment and other similar laws (which may not be granted) and may require financing and structuring alternatives that differ significantly from those customarily used in the United Kingdom. In addition, foreign governments from time to time impose restrictions intended to prevent capital flight, which may, for example, involve punitive taxation (including high withholding taxes) on certain securities, transfers or the imposition of exchange controls, making it difficult or impossible to exchange or repatriate foreign currency. These and other restrictions may make it impracticable for the Company to distribute the amounts realised from such investments at all or may force the Company to distribute such amounts other than in sterling.

Risk management activities may adversely affect the Company's total return on its investments

When managing its exposure to market risks, the Company may use forward contracts, options, swaps, caps, collars and floors or pursue other strategies or use other forms of derivative instruments to limit the Company's exposure to changes in relative values of investments that may result from market developments, including changes in prevailing interest rates and currency exchange rates. The Company anticipates that the scope of risk management or hedging activities undertaken by it will vary based on the level and volatility of interest rates, prevailing foreign currency exchange rates, the types of investments that are made and other changing market conditions. The use of hedging transactions and other derivative instruments to reduce the effects of a decline in the value of a position does not eliminate the possibility of fluctuations in the value of the position or prevent losses if the value of the position declines. However, such activities can establish other positions designed to gain from those same developments, thereby offsetting the decline in the value of the position. Such transactions may also limit the opportunity for gain if the value of a position increases. Moreover, it may not be possible to limit the exposure to a market development that is so generally anticipated that a hedging or other derivative transaction cannot be entered into at an acceptable price.

The success of any hedging or other derivative transactions that the Company enters into will generally depend on the Company's ability to predict market changes correctly. As a result, while the Company may enter into such transactions to reduce its exposure to market risks, unanticipated market changes may result in poorer overall investment performance than if the transaction had not been executed. In addition, the degree of correlation between price movements of the instruments used in connection with hedging activities and price movements in a position being hedged may vary. Moreover, for a variety of reasons, the Company may not seek, or be successful in establishing, a perfect correlation between the instruments used in a hedging or other derivative transactions and the position being hedged. An imperfect correlation could prevent the Company from achieving the intended result and could give rise to a loss, which, in turn, could reduce the Company's earnings and funds available for distribution to investors. In addition, it may not be possible fully or perfectly to limit the Company's exposure against all changes in the value of its investments, because the value of investments is likely to fluctuate as a result of a number of factors, some of which will be beyond the Company's control.

Although the Company will select the counterparties with which it enters into hedging arrangements with due skill and care, there will be residual risk that the counterparty may default on its obligations. Although the Company may use the various risk management strategies described above, it may also choose not to, even under volatile market conditions, so no assurances can be made that such strategies will be used, or if used, will be successful.

The Company may invest in other investment funds over which it would not have direct control

The Company may invest in other investment funds. Any such funds would be separately advised or managed (either by the Investment Adviser or a third party) and, other than any shareholder rights to attend and vote at meetings, the Company would have no direct control over such investment funds. Any such investment fund may invest in underlying assets which the Directors may not have considered an attractive investment proposition. If the Company invests in other investment funds managed or advised by 3i Group, any advisory and performance fees charged by 3i Group as a result of such an investment will be deducted from the advisory and performance fees (if any) owing to 3i Investments under the Investment Advisory Agreement. However, in the limited circumstances in which the Company may invest

in funds advised or managed by a third party, no such deductions from the fees that 3i Investments would receive under the Investment Advisory Agreement would be made.

C. Risks relating to the Investment Adviser

The Company is highly dependent on the Investment Adviser and the Infrastructure Investment Team. The departure or reassignment of key members of the Infrastructure Investment Team could adversely affect the Company's ability to achieve its investment objectives

The Company does not have any employees and will depend on the Investment Adviser for the provision of investment advice. Details of the services that the Investment Adviser will provide to the Company pursuant to the Investment Advisory Agreement are set out in Parts VII and XII of this document. The Company is subject to the risk that the Investment Adviser may terminate the Investment Advisory Agreement and that no suitable replacement will be found. The Investment Adviser may terminate the Investment Advisory Agreement by giving the Company not less than 12 months' notice in writing to expire no earlier than the fifth anniversary of the date of Admission (or may terminate on 12 months' notice given at any time if the Investment Adviser has ceased to be a member of 3i Group), or may terminate with immediate effect in the event of the Company's default in the performance of any material term or condition and failure to remedy that default within a 30-day remedy period, or if the Company ceases to be permitted as a collective investment scheme for the purposes of Jersey law. If the Company comes under the control of any entity other than 3i Group, the Investment Adviser may terminate the Investment Advisory Agreement on two months' notice. In addition, the Investment Adviser may terminate the Investment Advisory Agreement on six months' notice if the Board materially changes the investment policy of the Company to such an extent that the Investment Adviser cannot properly perform its services under the Investment Advisory Agreement.

In addition, if any event should occur within 3i Group which materially adversely affects the perception of 3i Group's brand, this may have an effect on the Company's share price by association, as the Company uses the "3i" name.

Furthermore, the Company will depend to a significant extent on the experience, diligence, skill and network of business contacts of the Infrastructure Investment Team and the information and deal flow that they generate during the normal course of their activities. Members of the Infrastructure Investment Team do not have lengthy contractual notice periods. 3i Group has experienced departures of key investment professionals in the past and may do so in the future and the Company cannot predict the impact that any such departures will have on the Company's ability to achieve its investment objectives. The departure of a number of members of the Infrastructure Investment Team, or the failure to appoint qualified or effective successors in the event of such departures, could have a material adverse effect on the Company's ability to achieve its investment objectives. The Investment Advisory Agreement does not prevent the Investment Adviser from redeploying members of the Infrastructure Investment Team to other areas of 3i Group's business.

The Company's ability to achieve its investment objectives is also highly dependent on the Investment Adviser's performance

The Company's ability to achieve its investment objectives will depend on its ability to grow its investment base, which will, in turn, depend on the Investment Adviser's ability to identify, recommend to the Board and then monitor a suitable number of investments in accordance with the Company's investment strategy. The Investment Adviser's ability to make a correct assessment as to future values that can be realised in connection with investments will be very important to the Company, particularly in the case of investments that are made in infrastructure businesses and assets in which the Company has only limited interest. Any failure to manage the Company's future growth or effectively to implement the Company's investment strategy could have a material adverse effect on the Company's business and financial condition.

In relation to certain investments, it may be a required term of the investment that, if 3i Investments ceases to be the Investment Adviser, the Company is required either to transfer its investment back to 3i Group or sell its investment to the other investment parties

In relation to certain investments, it may be a required term of an investment that, if 3i Investments ceases to be the Investment Adviser, the Company is obliged either to transfer its investment back to 3i Group or to offer to sell its investment to other parties. Any such agreement to transfer back to 3i Group would be subject to the related party transaction requirements of the Listing Rules. Such a sale may be at an earlier time than the Company would otherwise dispose of its assets, which may in turn crystallise a premature gain or loss.

3i Group is a quoted company and could be subject to a successful takeover bid by a third party who would be able to exercise significant control over investment activities, which could result in a change in the way that 3i Group carries on its business and investment activities and could have an effect on how its investment professionals act

The Company has no ability to prevent shareholders of 3i Group from transferring their control over 3i Group's business to a third party. If the shareholders of 3i Group were to transfer their control over 3i Group's business, the new owner would effectively control the Investment Adviser, which, in turn, could provide the new owner with a substantial degree of influence over the sourcing of investment opportunities for the Company. A new owner could have a different investment philosophy to 3i Group, which it could use to influence the investment objectives of the Company, and it may employ investment professionals who are less experienced or who may be unsuccessful in identifying investment opportunities. If any of the foregoing were to occur, the Company's business, its results of operations and/or financial condition could be materially adversely affected.

It may be difficult for the Company to terminate the Investment Advisory Agreement

The Investment Adviser's appointment pursuant to the Investment Advisory Agreement is intended to be long-term. The Company may terminate the Investment Advisory Agreement by giving the Investment Adviser not less than 12 months' prior notice in writing. However, such notice may not expire before the fifth anniversary of the date of Admission (unless the Investment Adviser ceases to be owned by 3i Group, in which case the 12 months' notice may be given at any time). Consequently, the Investment Advisory Agreement has an initial five-year term. While the Board does not have to accept advice from the Investment Adviser and remains in control of investment decisions and policy, the Investment Advisory Agreement may only be terminated by the Company before this date with immediate effect in the event of the Investment Adviser's default in the performance of any material term or condition and failure to remedy that default within a 30-day remedy period, if the Investment Adviser ceases to be authorised by the FSA or suffers an insolvency-type event or if the Investment Adviser's ability to carry out its services is seriously inhibited by a change in the law. Poor investment performance would not, of itself, constitute an event allowing the Company to terminate the Investment Advisory Agreement on short notice. If the Investment Adviser's performance does not meet the expectations of investors and the Company is unable to terminate the Investment Advisory Agreement, the Net Asset Value could suffer and the Company's business, results and/or financial condition could be adversely affected.

The liability of the Investment Adviser and its associates is limited under the Company's arrangements with them and the Company has agreed to indemnify the Investment Adviser and its associates against claims that they may face in connection with such arrangements, which may lead them to assume greater risks when making investment-related decisions than they otherwise would if investments were being made solely for their own account

Pursuant to the Investment Advisory Agreement, the Investment Adviser and its associates will not be liable for any loss, claim, damage, expense or liability suffered or incurred by the Company, or any profit or advantage of which the Company may be deprived, which arises, directly or indirectly, from or in connection with any advice or other services provided by the Investment Adviser or its associates in connection with the proper performance of the Investment Adviser's duties under the Investment Advisory Agreement (including, without limitation, any depreciation in the value of any investment or the income derived from it), unless such a loss arises as a result of the fraud, negligence, wilful misconduct or illegal act of, or breach of the terms of the Investment Advisory Agreement by the Investment Adviser, its associates or any of their officers or employees.

The Company has also agreed to indemnify the Investment Adviser, its associates and its or their agents and their respective officers and employees against any claims, actions, damages, demands or proceedings (and associated losses, expenses and liabilities) which may be brought against them or suffered or incurred by them in connection with the Investment Advisory Agreement unless such claims result from the fraud, negligence, wilful misconduct or illegal acts of such persons, or a breach of the terms of the Investment Advisory Agreement by such persons.

The protections described above may result in the Investment Adviser and its associates tolerating greater risks when making investment-related proposals than otherwise would be the case, including, possibly, in relation to the types of investments identified and also when determining whether to advise on the use of leverage in connection with investments. The indemnification arrangements to which such persons are a party may also give rise to legal claims for indemnification that are adverse to the Company and its Shareholders.

3i Group's other client relationships and investment activities may give rise to conflicts of interest with the Company

3i Group has its own large portfolio of investments in quoted and unquoted companies and other entities and in a variety of different areas and engages in a range of investment, investment management, investment advisory and other activities for itself and other funds. Situations may therefore arise in which the Investment Adviser has a duty or an interest which potentially conflicts with its duties to, or the interests of, the Company. While 3i Investments has agreed to an initial period of exclusivity with the Company, outside Europe and North America, it is free at any time to establish, manage or advise other funds that make, or invest in third party funds that make, infrastructure investments in one or more specified infrastructure investment markets. Following the period of exclusivity, it will also be free to make, or to manage or advise other funds that make, infrastructure investments within the specified jurisdictions as well.

Notwithstanding the exclusivity period, 3i Group may from time to time acquire and operate other private equity management and advisory businesses or mandates whose investment policies overlap with the investment policy of the Company or any companies or other entities in which it has invested, notwithstanding any conflict with its duties to, or the interests of, the Company.

Wherever there is an overlap between mandates, 3i Group will be free to allocate investment opportunities between the Company, its investee companies or other entities and such other businesses or mandates as it deems appropriate, having regard, among other things, to their respective investment policies and the nature of the contractual or other terms applicable to them, and to applicable FSA rules and regulations.

In addition, 3i Group will be free to pursue any investment opportunity that falls outside the investment mandate of the Company and to effect, or advise on, or participate in, any transaction arising out of such opportunity on its own behalf and/or on behalf of any other person. Further, 3i Group will be free to provide advice or other services to any other person, notwithstanding any conflict with its duties to, or the interests of, the Company. 3i Group will be under no duty or obligation to disclose to, or use for the benefit of, the Company any information in relation to any transaction in which it, or any person to whom it owes a duty, has an interest.

The Investment Adviser is authorised and regulated by the FSA and is therefore subject to regulatory requirements that may affect its ability to provide services under the Investment Advisory Agreement

The Investment Adviser is authorised and regulated in the UK by the FSA and is subject to certain restrictions and other regulatory requirements placed on it by the FSA (which has the authority to review and investigate the conduct of the Investment Adviser and its employees). Changes to statutes, regulations or regulatory policies (including changes in interpretation or implementation thereof) may adversely affect the Investment Adviser and/or its ability to provide the services under the Investment Advisory Agreement.

Although the Investment Adviser has implemented systems and controls requiring employees to comply with applicable laws, regulations and regulatory policies (including but not limited to applicable rules of the FSA), there can be no assurance that all employees will abide by these and any failure by the Investment Adviser or its employees to do so could adversely affect the Investment Adviser and could adversely affect the Company and its share price.

D. Risks relating to the Initial Portfolio

Limited commercial warranties or representations in respect of the Initial Portfolio will be given by 3i Group, which means that the Company will have to rely on its own financial due diligence to ascertain and evaluate risks associated with the Acquisition

Pursuant to the terms of the Acquisition Agreement, 3i Group will not provide wide-ranging comfort to the Company in the form of general commercial warranties or representations, (for example, as to the condition of the assets being sold, financial data in respect of the assets and other commercial matters), but only in relation to certain matters relevant to the assumptions in the KPMG Opinion Letter. The Company has had to rely on its own financial due diligence into the Initial Portfolio to satisfy itself in respect of any other issues and to ascertain and evaluate any risks associated with the Initial Portfolio, and it should be noted that its ability to carry out forensic due diligence on the underlying assets in the Initial Portfolio has been limited. The Company has also taken advice on the overall acquisition of the Initial Portfolio from the Investment Adviser, who is affiliated to 3i Group and which therefore has a conflict of interest which has been fully disclosed to the Board. The Investment Adviser's advice will be given on the basis that 3i Group is only prepared to transfer the entirety of the Initial Portfolio to the Group so that the material issue for the Group is the suitability of the Initial Portfolio rather than selection of investments. In the event that any

defects or other issues are not taken into account in the valuation of the Initial Portfolio, the Company may suffer a loss as a result of the value of the Initial Portfolio being less than it might otherwise have been had the relevant defect not existed. Although the Company may be able to mitigate the effect of any such diminution in the value of the Initial Portfolio, for example, by claiming against any professional advisers perceived to be responsible for the relevant deficiency in the due diligence, if any, it may not be possible to bring such claims or may be difficult or otherwise undesirable to bring such claims and the Company may therefore not be able to recover an amount equivalent to the diminution in value of the Initial Portfolio, exposing it to a loss on the Acquisition and, in turn, adversely affecting the Net Asset Value of the Company, its results of operations and financial condition.

The investments comprising the Initial Portfolio will be illiquid

The underlying investments comprising the Initial Portfolio are in infrastructure businesses and assets and therefore require a long-term commitment of capital. As more fully described in Section E below, the illiquidity of the underlying investments comprising the Initial Portfolio may make it difficult to sell such investments if the need arises or if the Directors determine, given the advice of the Investment Adviser, that such sale would be in the best interests of the Company.

If 3i Investments ceases to be the Investment Adviser (or ceases to manage the Partnership, or other entity holding an investment), the Company may be required to transfer its holding in certain of the investments comprising the Initial Portfolio back to 3i Group or to the other investment parties

In relation to AWG, the investment itself is held by a limited partnership in which the Company will be a limited partner but where a 3i entity will be the general partner and 3i Investments will be the manager. If 3i Investments ceases to be manager of the partnership, there would be a requirement to transfer the investment back to 3i Group or offer it at market value to the other investors (if no prior consent has been given to the change of control). However, 3i Investments will not automatically cease to be manager of the partnership even if it ceases to advise the Company, as separate provisions govern this relationship. In relation to Alpha Schools, if 3i Investments ceases to manage the Partnership, the terms of the investment agreement require (unless a waiver is received from the other parties) the holding entity to transfer its interest in Alpha Schools back to 3i Group or to offer to sell at fair value its investment in Alpha Schools to the other investment parties (and 3i Infrastructure would lose dividend, interest and other rights pending such occurrence). In such circumstances, fair value would be calculated as a sum equal to the fair value per share in the capital of Alpha Schools as determined by the auditor for the time being of Alpha Schools by valuing the total number of shares in issue at the relevant valuation date and dividing such valuation by the total number of such shares. The Acquisition Agreement requires 3i Group to take certain steps to mitigate the effect of this position on the Group but ultimately provides that the Alpha Schools asset may be transferred back to 3i Group at market value. In either case, any such sale may be at an earlier time than the Company would otherwise dispose of its assets, which may in turn crystallise a premature gain or loss.

If the other investors in certain of the assets in the Initial Portfolio decide to sell to a third party, or in certain other limited circumstances, the Group's interest may be subject to obligations which would require a compulsory sale.

The Group's interests in AWG and Octagon are ultimately subject to so-called 'drag-along' rights whereby, if investors holding a high enough proportion of the equity decided to sell to a third party, the Group's interests would also have to be sold for an equivalent price. Such sale may be at an earlier time than the Company would otherwise dispose of its assets, which may in turn crystallise a premature gain or loss. In the case of AWG, the partnership through which the Company is investing may also be required to transfer its interest in AWG in the event that 3i Group were to fail to fulfil its obligations under a secondary tax indemnity entered into by 3i Group (3i Group has undertaken to fulfil these obligations and has provided a full indemnity against any failure to comply).

The Company may be exposed to certain specific risks as a result of its interest in I^2, an infrastructure investment fund

I^2 is an English limited partnership fund which makes investments in secondary market infrastructure projects in the UK and Continental Europe. There are a number of risks associated with the Company's investment in I^2, which include, but are not limited to, the following:

- Infrastructure Investors Limited (the "I^2 Manager"), the company which is responsible for managing the affairs of I^2 and operating it on a day-to-day basis, is controlled by two other shareholders in addition to 3i Group; BPE and SG. In order for I^2 to be managed and operated successfully, input

from and co-operation between all three of these parties is required. The absence or withdrawal of such input or co-operation from any one of these partners, for any reason, could therefore have an adverse effect on the management and affairs of I^2;

- 3i Group will refer all 'secondary market' investments in project vehicles owning public sector or private sector infrastructure projects first to I^2 and not to the Company;
- the Company has no ability to exercise influence or control over the business strategy of the underlying investments;
- I^2 may make investments which the Company considers less attractive for commercial, tax, legal or other reasons;
- by acquiring its interest in I^2 through an assignment of 3i Group's economic interest in 3i Carry Partnership (I^2), the Company will not have a direct interest in I^2, although it will have a right to 3i Group's share of the returns from 3i Carry Partnership (I^2), the investments of which solely comprise the limited partnership and carried interests in I^2;
- certain events, such as the sale or insolvency of 3i Group's shareholder in the I^2 Manager, or certain breaches of the shareholders' agreement relating to the I^2 Manager, could have an adverse effect on the carried interest payable by I^2 to 3i Carry Partnership (I^2). The Company has received undertakings and indemnities from 3i Group relating to these events; and
- the Company will also be acquiring the general partner in 3i Carry Partnership (I^2), which has previously had a role in other 3i Group partnerships and will continue to be a limited partner in I^2. The Company has also received full undertakings and indemnities from 3i Group relating to any such past activities and associated liabilities, and against any future liabilities arising from I^2 other than in its role as limited partner (for example, if its liabilities in I^2 were to be or become unlimited in nature).

E. Risks relating to new investments

The Company's investments are likely to be in companies or entities that are highly leveraged

The Company expects to make equity investments (and investments in junior and subordinated debt instruments) in infrastructure companies, businesses and assets which may have a significant degree of leverage. The incurrence of a significant amount of indebtedness by such companies or businesses may, among other things:

- give rise to an obligation to make mandatory prepayments of senior debt using excess cash flow, which may limit the company's ability to respond to changing industry conditions, to make unplanned but necessary capital expenditure or to take advantage of growth opportunities that may be necessary to generate attractive returns or future growth; and
- limit the company's ability to obtain additional financing or increase the cost of obtaining such financing, including for capital expenditure, working capital or general corporate purposes, including construction or development costs, which would also place it at a competitive disadvantage to competitors with relatively less debt.

A leveraged company's income and net assets also tend to increase or decrease at a greater rate than would otherwise be the case if money had not been borrowed. As a result, the risk of loss associated with a leveraged company is generally greater than for companies with comparatively less debt.

The ability of infrastructure companies to achieve attractive rates of return will depend on their ability to access sources of indebtedness at attractive rates, and a significant increase in prevailing interest rates could have a material adverse effect on their financial condition and results of operations

As a result of the fact that infrastructure companies and businesses tend to rely quite heavily on the use of leverage, their ability to achieve attractive rates of return on their activities will depend on their ability to access sources of indebtedness at attractive rates. An increase in either the general levels of interest rates or in the risk spread demanded by sources of indebtedness would make it more expensive to finance their activities. In addition, a portion of the indebtedness used to finance infrastructure investments frequently includes subordinated debt securities issued in capital markets transactions. Availability of capital from debt capital markets is subject to significant volatility and infrastructure companies may not be able to access those markets at attractive rates, or at all. Any of the foregoing circumstances could have a material adverse effect on an infrastructure company's financial condition and/or results of operations.

In addition, infrastructure companies may be required to refinance borrowings from time to time. The same issues would apply to re-financing within the investee companies as to a refinancing at the Company level (see the relevant risk factor under paragraph B above). If infrastructure companies' borrowings become more expensive relative to the income they receive from their investments, then their profits will be adversely affected, which will have a consequential adverse effect on the value of any investment made by the Company in them. Further, if such infrastructure companies are not able to obtain new finance at all then they may suffer losses, which may be substantial, as a result of having to dispose of assets on unfavourable terms, which, again, may have an adverse effect on the value of any investment made by the Company in such companies.

The covenants provided by an infrastructure company in connection with its senior debt are normally extensive and detailed. If certain covenants are breached, payments on infrastructure are suspended and the senior lender may be entitled to 'step in' and take responsibility for, or appoint a third party to take responsibility for, the infrastructure company's rights and obligations under any relevant project agreement.

The Company's investments may be relatively few in number or concentrated in particular areas which will increase the risk of loss associated with underperforming investments

The Company may be exposed to a relatively small number of individual investments. The Initial Portfolio consists of four investments. The Company has also entered into the Alma Mater Option. In addition to the Initial Portfolio and the Alma Mater Option, the number of investments held by the Company at any one time is expected to be limited and consequently the aggregate returns that the Company realises may be adversely affected if any of these investments perform poorly or the value of any of these investments is substantially written down. Except for provisions in the Company's current investment policies and procedures which limit the amount of capital that may be used for investments and its stated overarching objective to achieve a diversified portfolio of equity investments, the Company does not generally have any fixed requirements for investment diversification. The Company's investments could therefore be materially concentrated in relatively few investments, focused on a limited number of areas within the wider infrastructure sector or concentrated in a single geographic region.

Clients of infrastructure companies or other entities in which the Company may invest may default on their obligations under the relevant contractual arrangements

As described in Part VI of this document, the concessions granted to infrastructure companies or other entities in which the Company may invest, particularly those involved in PFI or PPP projects, are from a variety of public and private sector clients.

On the public sector side this may include central government departments, local government bodies, quasi-government agencies and NHS Trusts (or similar overseas bodies). Although the creditworthiness and power of each such body to enter into contractual arrangements will be considered on a case-by-case basis with the benefit of legal advice, the possibility of a default remains. It cannot be assumed that central government will in all cases assume liability for the obligation of quasi-government agencies without a specific guarantee or that central government departments will themselves not default on their obligations.

The Company may also make investments in infrastructure companies or other entities which have concessions from private sector clients. Although the Company will carry out prudent due diligence on the good standing and financial resources of the relevant client, there is an increased risk of default by private sector clients compared with public sector clients.

The Company's investments may expose it to 'demand-based' concessions where payments received are dependent on the level of use made of the assets

The Company may make investments in infrastructure companies or other entities which have 'demand-based' concessions where the payments received by such infrastructure companies or other entities depend on the level of use made of the infrastructure assets. There is a risk that the level of use of such assets and therefore the returns from such companies or other entities will be lower than expected.

In addition, even infrastructure companies or entities operating 'availability-based' projects may assume that they can earn additional revenue from ancillary activities, for example, sales of surplus land, car parking revenue or retailing. The amount of income received from any such third party, revenue-generating activities will itself frequently be dependent on occupancy or usage of the facilities (although the risk associated with these revenue receipts may sometimes be guaranteed by the client or a third party or be shared with the client and/or subcontractors).

The Company's investments in certain infrastructure businesses and assets or infrastructure projects may expose it to various risks associated with construction

Investments in new infrastructure in the construction phase are likely to retain some residual risk that the project will not be completed within budget, within the agreed timeframe and to the agreed specifications. During the construction phase, the major risks include a delay in the projected completion of the project and a resultant delay in the commencement of cash flows, an increase in the capital needed to complete construction and the insolvency of the head contractor, a major subcontractor and/or key equipment supplier. Although frequently the main risks of any delay in completion of the construction or any 'overrun' in the costs of construction will have been passed on by the relevant investee company contractually to the relevant subcontractor, there is some risk that the anticipated returns of infrastructure companies or other entities in which the Company may invest may be adversely affected in this way. Resulting unexpected increases in costs may also result in increased debt service costs and in funds being insufficient to complete construction, which may result in the inability of project owners to meet the higher interest and principal repayments arising from the additional debt required.

Should any of the foregoing risks materialise in relation to any company, other entity or business in which the Company has invested, they could have a material adverse effect on the value of that investment, which could, in turn, have a corresponding effect on the Net Asset Value of the Company, its financial position and/or its results.

The Company may be exposed to underlying life cycle and asset maintenance costs associated with its investments in infrastructure companies, other entities or projects

The operations of infrastructure projects are exposed to unplanned interruptions caused by significant catastrophic events such as floods, earthquakes, fires, major plant breakdowns, pipeline or electricity line rupture or other disasters. Operational disruption, as well as supply disruption, could adversely affect the cash flows available from these assets.

In addition, the cost of repairing or replacing damaged assets could be considerable. Repeated or prolonged interruption may result in a permanent loss of customers, substantial litigation or penalties or regulatory or contractual non-compliance. Moreover, any loss from such events may not be recoverable under relevant insurance policies. Business interruption insurance is not always available, or economic, to protect the business from these risks.

During the period of a concession, components of the project facility or building (such as elevators, roofs and air handling plant) may need to be replaced or undergo a major refurbishment. The timing of such replacements or refurbishments is forecast based upon manufacturers' data and warranties and specialist advisers are usually retained by the relevant infrastructure company to assist in such forecasting of life cycle timings and costs. However, shorter than anticipated asset lifespans or higher costs or inflation than forecast may result in life cycle costs being more than anticipated. Any cost implication, not otherwise passed down to subcontractors, will generally be borne by the infrastructure company.

The Company's infrastructure investments are likely to be subordinated to investments made by others

The Company expects to make equity and/or subordinated debt investments in infrastructure companies which have indebtedness or equity securities, or that may be permitted to incur indebtedness or to issue equity securities, that rank senior to the Company's investment. By their terms, such instruments may provide that their holders are entitled to receive payments of dividends, interest or principal on or before the dates on which payments are to be made in respect of the Company's investment. Also, in the event of insolvency, liquidation, dissolution, reorganisation or bankruptcy of an entity in which an investment is made, holders of securities ranking senior to the Company's investment in the entity would typically be entitled to receive payment in full before distributions could be made in respect of the Company's investment. After repaying senior security holders, the entity may not have any remaining assets to use for repaying amounts owed in respect of the Company's investment. To the extent that any assets remain, holders of claims that rank equally with the Company's investment would be entitled to share on an equal basis in distributions that are made out of those assets.

The Company's infrastructure investments are likely to be illiquid

The Company's investments will be in infrastructure businesses and assets and will require a long-term commitment of capital. In addition, a substantial amount of the Company's infrastructure investments will also be subject to legal and other restrictions, such as pre-emption rights and the requirement to obtain consents and approvals on resale, or will otherwise be less liquid than publicly traded securities. The illiquidity of these investments may make it difficult to sell investments if the need arises or if the Directors determine, given the advice of the Investment Adviser, that such sale would be in the best interests of the Company. In addition, if the Company were to liquidate all or a portion of an investment quickly, it might

realise significantly less than the value at which the investment was previously recorded, which would result in a decrease in the Net Asset Value of the Company.

The Company's investments may not appreciate in value or generate investment income or capital growth

The Company intends to build a diversified portfolio of equity investments in infrastructure businesses and assets with a view to giving investors access to the potential for long-term, predictable cash flows and capital growth. However, investments that the Company makes may not appreciate in value and, in fact, may decline in value. Therefore, there can be no assurance that the Company's investments will generate gains or income or that any gains or income generated will be sufficient to offset any losses that may be sustained.

The due diligence process that the Investment Adviser intends to undertake in connection with the Company's investments may not reveal all facts that may be relevant in connection with an investment

Before the Company makes an infrastructure investment, the Investment Adviser will arrange due diligence to be conducted for the Company that it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. The objective of the due diligence process will be to identify attractive investment opportunities based on the facts and circumstances surrounding an investment. When considering the due diligence, the Investment Adviser will be expected to evaluate a number of important business, financial, tax, accounting, environmental and legal issues in determining whether or not to recommend that the Company proceeds with an investment. External consultants, legal advisers, accountants and investment banks are expected to be involved in the due diligence process in varying degrees depending on the type of investment. Nevertheless, when conducting due diligence, the Investment Adviser, and ultimately the Company, will be required to rely on resources available to it, including information provided by the target of the investment and, in some cases, third party investigations. The due diligence process may at times be subjective with respect to newly organised companies or other entities for which only limited information is available. Accordingly, there can be no assurance that the due diligence process carried out with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating such investment opportunity. There can also be no assurance that such an investigation will result in an investment being successful. If a potential investee company is publicly quoted, due diligence may be limited to information in the public domain for the reason that access may not be granted to the potential investee company's records. Any warranties provided by the selling shareholders or indemnity cover given may be limited or unavailable because the investment is a primary investment, because of market practice or because the potential investee company is publicly quoted. As a result, the Company's due diligence into a potential investee company may be the only comfort it receives before committing to a transaction and there can be no assurance that following the consummation of a transaction or the making of an investment, liabilities or other unforeseen matters of an adverse nature, such as larger than expected deficits in defined benefit pension schemes, may come to light which had not been revealed by the due diligence carried out in respect of such transaction or investment. Were this to happen in relation to any of the investments made by the Company, it could have an adverse effect on the investment in question, the Company's Net Asset Value, its financial condition and/or results of operations.

It is anticipated that the Company's infrastructure investments will be in companies or other entities that the Company does not control and project agreements may contain restrictions on freedom of certain of such entities

The Company's infrastructure investments will comprise investments in debt instruments and equity securities of companies, or interests in partnerships or other entities, that are not controlled by the Company. Those investments will be subject to the risk that the company or other entity in which the investment is made may make business, financial or management decisions with which the Company does not agree or that the majority stakeholders (if any) or the management of the company or other entity may take risks or otherwise act in a manner that does not serve the Company's interests. If any of the foregoing were to occur, the values of investments could decrease and the Company's financial condition and results of operations could suffer as a result.

In relation to entities which carry on PFI projects (and entities carrying on similar projects), the freedom of such entities to carry on its business will, in any case, effectively be limited to the performance of a fixed, long-term concession with restrictive financing arrangements and long term service contracts. This again, may have an impact on the value of such interests.

The Company's infrastructure investments may expose it to a variety of financial budgeting, modelling and planning risks

Infrastructure projects rely on large and detailed financial models. There is a risk that errors may be made in the assumptions or methodology used in a financial model. In such circumstances the returns generated by the relevant infrastructure company or other entity may be less than expected.

The Company will make investments based on estimates or projections of investment cash flows. There can be no assurance that the actual investment cash flows will equal or exceed those expected and that the stated targeted return to Shareholders will be achieved.

The financial modelling for an infrastructure company or other entity often assumes an annual rate of inflation. If actual inflation is lower than expected or there is deflation, the nominal investment return from such company or other entity will tend to be lower than anticipated.

A PFI project will usually contain benchmarking and/or market-testing regimes in respect of the cost of providing certain services. These mechanisms may expose the relevant infrastructure company or other entity to the potential losses or gains arising from changes in some of its costs relative to the charges that it is then entitled to receive from the relevant client as a result of the benchmarking/market-testing regimes.

The Company's infrastructure investments may be exposed to risks in respect of the availability of insurance cover for projects

An infrastructure company or other entity will usually be responsible for maintaining insurance cover for, among other things, buildings, contents and third party risks (for example, arising from fire, flood or terrorism). Typically, the infrastructure company or other entity takes the risk that the cost of maintaining the insurance may be greater than expected or that in some circumstances it may not be able to obtain the necessary insurance. Given the nature of the assets operated by infrastructure companies, they may be more exposed to risks in the insurance market that lead to limitations on coverage and/or increases in premium. While not a risk borne by the Company directly, the ability of an infrastructure company to obtain the required insurance coverage at a competitive price may have an impact on the returns generated by the infrastructure company and accordingly the returns received by the Company.

Changes in tax law and practice may have a material adverse effect on the Company's investments and, as a consequence, the Net Asset Value of the Company

Financing structures of infrastructure companies or other entities are typically based on assumptions regarding prevailing taxation law and practice. Any change in such a company or entity's tax status or in tax legislation (including in relation to taxation rates) could adversely affect the investment return of such company or entity. In particular, if returns from infrastructure reach a high level, there is a risk that governments may seek to recoup returns that they deem to be excessive either on individual projects or more generally.

The Company's ability to invest in particular assets or in particular territories may be affected by the applicable tax regime

The Company will always seek to maximise returns from investments by sourcing the most favourable tax treatment of income and gains. The provisions of then current applicable legislation will be taken into account when an investment decision is made so that a proper comparison can be drawn with returns available on alternative investments. This may mean that the Company finds it difficult to support investment decisions in a particular territory or in certain asset classes in any such territory for a period of time.

Changes in government policy may have a material adverse effect on the Company's investments and, as a consequence, the Net Asset Value of the Company

At the current time, PFI and PPP are key structures favoured by present government policy, at least in the UK and increasingly in Continental Europe, for privatising existing infrastructure and procuring new infrastructure. However, they are not the only means of funding infrastructure projects and the use of such funding mechanisms in future may decrease, particularly should there be a change of incumbent government in any of the jurisdictions referred to above. If there is such a change in policy, there is a risk that clients may seek to terminate existing PFI and PPP type projects. Similar risks apply in relation to other types of infrastructure investment.

The Company's investments may be exposed to a limited number of subcontractors and the dependence of infrastructure companies or other entities on subcontractors has a number of other risks

If a subcontractor fails to perform the services which it has agreed to provide, the relevant infrastructure company or other entity may fail to meet any service standards it has agreed with its client and there may be a reduction in the payments that such company or entity is entitled to receive and/or claims by the client for damages. These reductions and/or claims are typically passed on to the relevant subcontractor, subject to any liability caps.

If there is a subcontractor service failure and the relevant subcontractor or its guarantors or insurers fail to meet their obligations in respect of the liabilities that have been passed on to them then, to the extent it is unable to set off the liability against service fees, the relevant infrastructure company or other entity will not be compensated for any reductions in payments and/or claims made by the client which it suffers as a result of the subcontractor's service failure.

In some instances, a single subcontractor is responsible for providing services to various infrastructure companies or other entities in which the Company invests. In those circumstances, the default or insolvency of a single subcontractor could adversely affect a number of the Company's investments.

If there is a subcontractor service failure which is sufficiently serious to cause the relevant infrastructure company or other entity to terminate the subcontract, or the client to require the relevant company or other entity to do so, there may be a loss of revenue during the time taken to find a replacement subcontractor and the replacement subcontractor may levy a surcharge to assume the subcontract or charge more to provide the services. There will also be costs associated with the re-tender process. These may not be covered by any recovery from the defaulting subcontractor.

Participation by the Group in consortium acquisitions may expose the Group to obligations to the other consortium members, as well as in respect of its investment

The Group may acquire investments as part of a consortium. In such cases, as a prerequisite to participation in the consortium, the Group may be required to enter into various arrangements with the other consortium members which may include the Group being required to indemnify other consortium members against certain liabilities. Failure to honour such commitments could, in extreme cases, result in the loss of the Group's investment.

Defects in contractual arrangements may result in unexpected costs or a reduction in expected revenues and their complexity may result in the increased likelihood of legal actions

The contractual arrangements relating to infrastructure projects may not be as effective in passing on risks to the subcontractors of an infrastructure company or other entity as intended and this may result in unexpected costs or a reduction in expected revenues for the relevant infrastructure company or other entity. In addition, as a result of the fact that infrastructure project contractual documentation is typically quite complex, there is a higher risk of dispute over interpretation of such legal documentation.

Companies or other entities in which the Company invests may be exposed to higher levels of regulation than in other sectors

In many instances, the provision or acquisition of infrastructure assets involves an ongoing commitment to a governmental agency. The nature of these commitments exposes the owners of infrastructure assets to a higher level of regulatory control than typically imposed on other businesses. The risk that a governmental agency will repeal, amend, enact or promulgate a new law or regulation or that a governmental authority will issue a new interpretation of the law or regulations, can affect a project substantially. There is also the risk that a project does not have, or might not obtain, permits necessary for the construction or operation of the project. Permits or special rulings may be required on taxation, financial and regulatory related issues. Even though most permits and licences are obtained before the commencement of full project operations, many of these licences and permits have to be maintained over the life of the project.

Investments in privatised infrastructure assets may have specific risks

The Company may seek to make investments in infrastructure businesses or assets which have been, or are in the process of being, privatised by government. Further information in relation to the privatisation of existing infrastructure by government and the ways in which this is achieved is set out in Part VI of this document. As a result of the way in which governments tend to structure privatisations of existing infrastructure assets, it is frequently the case that governments may, at least for an initial period, post-privatisation, retain a significant equity interest, which they may then gradually reduce and eventually fully

divest. Where governments retain such stakes in privatised assets in which the Company makes investments, this may have a number of consequences, principal among which is that the government or governmental agency which retains the stake may be able, through the exercise of their individual voting rights and positions associated with their stake, to influence the outcome of matters submitted for a vote by shareholders (including, possibly, the election or removal of directors and the approval or rejection of significant transactions). In exercising these voting rights, these government shareholders may be motivated by interests that are different from those of the Company or other shareholders. In addition, where such governmental agencies retain significant stakes in privatised infrastructure assets, future sales of shares by such shareholders may depress the share price of the asset, which could have a consequential adverse effect on the Net Asset Value of the Company.

Breaches of environmental or health and safety laws or regulations could expose infrastructure companies to claims for financial compensation and adverse regulatory consequences and could damage their reputation

Aspects of certain infrastructure companies' activities, particularly those in the utilities sector, are inherently dangerous, such as the operation and maintenance of electricity lines and the transmission and distribution of natural gas. Certain infrastructure activities may also use and generate in their operations hazardous and potentially hazardous products and by-products. Accordingly, infrastructure companies are subject to laws and regulations relating to pollution and the protection of the environment. They are also subject to laws and regulations governing health and safety matters, protecting both the public and their employees. Any breach of these obligations, or even incidents relating to the environment or health and safety that do not amount to a breach, could adversely affect the results of operations of infrastructure companies and their reputations. This, in turn, could have an adverse effect on the Company's investments, its Net Asset Value, its financial condition and/or results of operations.

The performance of the Company may be affected, directly or indirectly, by reason of force majeure events or terrorist attack

The performance of the Company's investee companies or other entities may, directly or indirectly, be affected by reason of events such as war, civil war, riot or armed conflict, radioactive, chemical or biological contamination, pressure waves and acts of terrorism which are outside their control and not generally covered by insurance. The occurrence of such events may result in an asset of an investee company or other entity being unavailable for use.

If the force majeure event or consequences of a terrorist attack continues or is likely to continue to affect the performance of the services by the relevant investee company or other entity for a long period of time (for example, six months or longer) it is likely that both the company or entity and the public/private sector client will have the right to terminate the contractual documentation in respect of the relevant infrastructure project.

F. Risks Relating to Taxation

There is a risk of adverse changes in the Company's tax position, including changes in applicable tax legislation

Investors should consider the information given in Part X of this document and should take professional advice about the consequences for them of investing in the Company.

The Company's ability to make distributions will depend on it receiving sufficient earnings from its underlying investments, including any cash balances

The Company structure through which the Company makes investments has been designed, among other things, to minimise the level of taxation suffered on income received and gains realised, directly or indirectly, by the Company. The structure is based on the Directors' understanding of the current tax law and the practice of the tax authorities of the UK, Jersey and Luxembourg (where the Company's subsidiary undertakings are located). Such law or tax authority practice is subject to change, and any such change could affect the value of investments held by the Company or affect the Company's ability to achieve its investment objective or may reduce the post-tax return to investors. Any such change could adversely affect the net amount of any distributions payable to Shareholders. Furthermore, the Company may incur costs in taking steps to mitigate this effect.

In determining the most efficient structure for the Group from a taxation perspective, consideration was given and professional advice sought in relation to the local tax implications in territories and jurisdictions outside the UK where the Company may invest at a later date, including western Europe and North America (with regard also being given to the likely concentration of investments in, or spread of

investments across, such territories and jurisdictions). Notwithstanding the Company structure, taxes may be imposed with respect to any of the investments, or the Company may be subject to tax on its income, profits or gains in any jurisdiction. If either of these occurs, the Company's cash flow available for distribution as dividends may be materially reduced. For example, there may be certain adverse withholding and property disposal tax consequences for the Company were it to make significant numbers of investments in the US. Although these potential US tax issues were considered in determining the most efficient structure for the Group, the additional structuring required to minimise such potential liabilities was considered to be disproportionately expensive and commercially unattractive in light of the envisaged geographical investment profile of the Company. Instead, the Company proposes that future US investments will be assessed on a case-by-case basis and, where possible and commercially viable, structured so as to minimise any adverse US tax consequences for the Company as a result of making such investments.

In addition, if the Company were to be treated as having a permanent establishment or as otherwise being engaged in a trade or business, in the UK or in any country in which it invests, income attributable to or effectively connected with such permanent establishment or trade or business may be subject to tax in that country. Management errors or omissions could potentially lead to the Company being considered UK tax-resident, which may negatively affect its financial and operating results.

Changes in the Company's non-UK tax residence status would adversely affect the Company

To maintain its non-UK tax residence status, the Company is required to be controlled and managed outside the UK. While the Board is experienced and independent, and intends to exercise strategic management and control from Jersey, continued attention must be paid to ensure that major decisions by the Company are not made in the UK, otherwise the Company may lose its non-UK tax residence status. The composition of the Board, the place of residence of the Board's individual members and the location(s) in which the Board makes decisions will be important in determining and maintaining the non-UK tax residence status of the Company. If the Company were to be considered a resident in the UK for taxation purposes, it would be subject to UK corporation tax on its profits, which may negatively affect its financial and operating results.

Tax deductions for accrued interest on debt may be denied in certain circumstances, which may have a negative effect on an investee company's cash flow and therefore the Company's cash flow

To the extent that a UK-resident infrastructure investee company does not pay accrued interest on debt owed to parties not subject to UK corporation tax within 12 months of the end of the accounting period in which the interest accrues, then in certain circumstances a UK tax deduction for such interest will be denied until the interest is paid. This would have a negative effect on the cash flow expected from such investee company because tax would be paid earlier than expected.

The Company may be exposed to transfer pricing risks

To the extent that interest paid by infrastructure companies on debt provided by parties interested in the equity of such company (for example, the subordinated debt element of any infrastructure investment) exceeds arm's length rates, the relevant tax authorities may seek to restrict the allowable deduction to arm's length rates. This could result in more tax being paid by the relevant infrastructure company and therefore reduce the return to investors.

The Company and its subsidiary undertakings are expected to be passive foreign investment companies for US federal income tax purposes

The Company expects that it and each of its subsidiary undertakings that are treated as corporations for US federal income tax purposes will be passive foreign investment companies for US federal income tax purposes for the current taxable year and the foreseeable future. In addition, the Company and its subsidiary undertakings may make other investments that are treated as an equity interest in a passive foreign investment company. Accordingly, US investors may be subject to adverse US federal income tax consequences on a disposition of Ordinary Shares or a deemed disposition of shares in the subsidiary undertakings or other equity interests in passive foreign investment companies and on certain distributions made by the Company, its subsidiary undertakings or such other entities. Certain elections may be available to US investors which may help to mitigate some of the adverse US federal income tax consequences of owning Ordinary Shares, but such elections may require the payment of US federal income tax for a taxable year with respect to the Ordinary Shares in excess of cash received with respect to such Ordinary Shares for such taxable year. In addition, the Company does not intend to provide information sufficient for taxable US investors to make a qualified electing fund election. US investors

should consult their own tax advisers regarding the US federal income tax consequences that will apply to them as Shareholders in passive foreign investment companies and any US federal income tax elections that may be available to them, which may help to mitigate such consequences. Prospective investors should refer to Part X of this document for further information.

G. Risks relating to ERISA

Investors may, in certain circumstances, be exposed to adverse ERISA consequences

Ordinary Shares and Warrants may not be acquired under the Global Offer, and should not otherwise be acquired, by investors that are subject to section 406 of ERISA or section 4975 of the Code. However, the Company cannot guarantee that equity interests in the Company will not be acquired by, or transferred to, such an investor. If 25% or more of the total value of any class of equity interest in the Company (determined after the most recent acquisition of any equity interest in the Company and subject to certain computational rules affecting fund or insurance company investors and investors with discretionary authority or control with respect to Company assets or who provide investment advice for a fee (direct or indirect) with respect to Company assets) were to be held by investors subject to section 406 of ERISA or section 4975 of the Code, an undivided portion of the Company's assets could be required to be treated as "plan assets" subject to ERISA or the Code. In such a case, the Company and those responsible for managing the Company and its assets could become subject to applicable requirements of ERISA and the Code and could be obligated to cause the operations and investments of the Company to be administered, consistent with those requirements, other than as the Company and its managers might otherwise think advisable. Moreover, it is not clear that, in such a case, the Company or its managers could comply with all applicable requirements of ERISA or the Code. A failure of the Company or its managers to comply with any such applicable provision could result in injunctive or other relief that could adversely affect the Company, its managers and its investors and in the assertion of a tax or penalty with respect to transactions involving the "plan assets" deemed held by the Company.

If prospective investors are in any doubt as to the consequences of their acquiring, holding or disposing of Ordinary Shares or Warrants, they should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under FSMA.

PART II

IMPORTANT INFORMATION

Prospective investors should rely only on the information contained in this document, the Securities Note and/or the Summary. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors, the Investment Adviser or Citigroup. Without prejudice to the Company's obligations under the Prospectus Rules, the Listing Rules and the Disclosure Rules, neither the delivery of the Prospectus nor any subscription made under the Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information contained herein is correct as at any time after its date.

Prospective investors must not treat the contents of this document, the Securities Note and/or the Summary or any subsequent communications from the Company, the Investment Adviser, 3i Group or Citigroup or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters. Prospective investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Ordinary Shares and/or Warrants; and (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Ordinary Shares and/or Warrants. Prospective investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment therein.

Apart from the responsibilities and liabilities, if any, which may be imposed on Citigroup by FSMA or the regulatory regime established thereunder, Citigroup makes no representations, express or implied and accepts no responsibility whatsoever for the contents of this document nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares, the Warrants or the Global Offer. Citigroup accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

Citigroup and any affiliate acting as an investor for its own account may retain, purchase or sell Ordinary Shares and Warrants for its own account and may offer or sell such securities otherwise than in connection with the Global Offer. Citigroup does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any applicable legal or regulatory requirements.

The Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any Ordinary Shares and Warrants by any person in any jurisdiction: (a) in which such offer or invitation is not authorised; or (b) in which the person making such offer or invitation is not qualified to do so; or (c) to any person to whom it is unlawful to make such offer or invitation. The distribution of the Prospectus and the offering of the Ordinary Shares and the Warrants in certain jurisdictions may be restricted. Accordingly, persons outside the United Kingdom into whose possession this document comes are required by the Company and Citigroup to inform themselves about, and to observe any restrictions as to the offer or sale of Ordinary Shares and Warrants and the distribution of, this document, the Securities Note and the Summary under the laws and regulations of any territory in connection with any applications for Ordinary Shares and Warrants, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Company, Citigroup, the Investment Adviser or the Jersey Administrator that would permit a public offering of the Ordinary Shares and the Warrants in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document other than in any jurisdiction where action for that purpose is required.

Neither the Ordinary Shares nor the Warrants have been approved or disapproved by the US Securities and Exchange Commission, any federal or state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities confirmed the accuracy or determined the adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States. In making an investment decision investors must rely on their own examination of the Company and the terms of the Global Offer, including the merits and risks involved.

The distribution of this document and the offer, sale and/or issue of the Ordinary Shares and the Warrants have not been and will not be registered under the Securities Act, or with any securities regulatory

authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged, exercised or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws and except as permitted by the Articles of Association, the terms of the Warrants and the Prospectus. See Part XII of this document.

The Prospectus is being furnished by the Company in connection with an offering exempt from registration under the Securities Act solely to enable a prospective investor to consider the purchase of Ordinary Shares and Warrants. Any reproduction or distribution of the Prospectus, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Ordinary Shares and Warrants offered hereby is prohibited. Each offeree of the Ordinary Shares and the Warrants, by accepting delivery of the Prospectus, agrees to the foregoing.

Available information

To the extent required to facilitate the transfer of Ordinary Shares and the Warrants, if at any time the Company is neither subject to section 13 or 15(d) of the US Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, the Company will furnish, upon request, to any holder of the Ordinary Shares or the Warrants, any owner of any beneficial interest in the Ordinary Shares or the Warrants or any prospective purchaser designated by such a holder or such an owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Data protection

The information that a prospective investor in the Company provides in documents in relation to a subscription for Ordinary Shares and Warrants or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("personal data") will be held and processed by the Company (and any third party in Jersey to whom it may delegate certain administrative functions in relation to the Company) in compliance with the relevant data protection legislation and regulatory requirements of Jersey. Such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company) for the following purposes:

(a) verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;

(b) contacting the prospective investor with information about other products and services provided by the Investment Adviser, or its affiliates, which may be of interest to the prospective investor;

(c) carrying out the business of the Company and the administering of interests in the Company;

(d) meeting the legal, regulatory, reporting and/or financial obligations of the Company in Jersey or elsewhere; and

(e) disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate it may be necessary for the Company (or any third party, functionary, or agent appointed by the Company) to:

(a) disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and

(b) transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as Jersey.

If the Company (or any third party, functionary or agent appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data are disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

Prospective investors are responsible for informing any third party individual to whom the personal data relates for the disclosure and use of such data in accordance with these provisions.

Regulatory information

The Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, Ordinary Shares and Warrants in any jurisdiction in which such offer or solicitation is unlawful. Issue or circulation of the Prospectus may be prohibited in some countries.

Prospective investors should consider (to the extent relevant to them) the notices to residents of various countries set out in Part XIII of this document.

Investment considerations

The contents of the Prospectus are not to be construed as advice relating to legal, financial, taxation, investment decisions or any other matter. Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares and the Warrants;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares and the Warrants which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares and the Warrants. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's investment objectives will be achieved.

It should be remembered that the price of the Ordinary Shares and the Warrants, and the income from such Ordinary Shares, can go down as well as up.

The Prospectus should be read in its entirety before making any investment in the Ordinary Shares and the Warrants. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Memorandum of Association and Articles of Association of the Company which investors should review.

Forward-looking statements

The Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company and the Investment Adviser concerning, among other things, the investment objective and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects and dividend policy of the Company and the markets in which it, directly and through special-purpose funding vehicles, invests and issues securities. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, liquidity, dividend policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the investment performance, results of operations, financial condition, liquidity and dividend policy of the Company, and the development of its financing strategies, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions generally and in the infrastructure market specifically; changes in interest rates and currency fluctuations, as well as the success of the Company's hedging strategies in relation to such changes and fluctuations (if such strategies are in fact used); impairments in the value of the Company's investments; legislative/regulatory changes; changes in taxation regimes; the Company's continued ability to invest the cash on its balance sheet and the proceeds of the Global Offer in suitable investments on a timely basis; the availability and cost of capital for future investments; the availability of suitable financing; the continued provision of services by the Investment Adviser and its ability to attract and retain suitably qualified personnel; and competition within the infrastructure asset class. For the avoidance of doubt, nothing in this paragraph constitutes a qualification of the working capital statement contained in paragraph 2 of Part IX of the Securities Note.

These forward-looking statements apply only as of the date of the Prospectus. Subject to any obligations under the Listing Rules, Disclosure Rules and Prospectus Rules the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future

developments or otherwise. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

In addition, the Prospectus includes information relating to the Company's share capital following Admission which assumes that 1,000,000,000 Ordinary Shares are issued at the Offer Price and 100,000,000 Warrants are issued in connection with the Global Offer. The actual number of Ordinary Shares and Warrants to be issued will be determined by Citigroup and the Company and may differ from this expected number. In such event, the information in the Prospectus should be read in light of the actual number of Ordinary Shares and Warrants to be issued in the Global Offer.

Currency presentation

Unless otherwise indicated, all references in this document to "sterling", "£" or "p" are to the lawful currency of the UK, all references to "$", "US$" or "US dollars" are to the lawful currency of the US and all references to "€" or "euro" are to the lawful currency of the Eurozone countries.

Service of process and enforcement of civil liabilities

The Company is incorporated under Jersey law. Service of process on Directors, all of whom reside outside the United States, may be difficult to effect within the United States. Furthermore, since most directly-owned assets of the Company are expected to be outside the United States, any judgment obtained in the United States against the Company may not be enforceable in practice within the United States. There is doubt as to the enforceability outside the United States, in original actions or in actions for enforcement of judgments of US courts, of civil liabilities predicated upon US federal securities laws. In addition, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in Jersey or the United Kingdom.

No incorporation of website

The contents of 3i Group's website (including those sections relating to the Investment Adviser) do not form part of the Prospectus. The contents of the Company's website (which is in the process of being created) will also not form part of the Prospectus.

Definitions

A list of defined terms used in the Prospectus are set out at pages 100 to 105 of this document and pages 43 to 47 of the Securities Note.

Governing Law

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

PART III

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Global Offer opens	20 February 2007
Latest time and date for bids from institutions and receipt of applications from Intermediaries to be received by the Receiving Agent	5.00 p.m. on 7 March 2007
Announcement of Global Offer statistics	8 March 2007
Conditional dealings expected to commence on the London Stock Exchange	8.00 a.m. on 8 March 2007
Admission to the Official List and commencement of unconditional dealings in the Ordinary Shares and Warrants to commence on the London Stock Exchange	8.00 a.m. on 13 March 2007
CREST accounts credited against payment	13 March 2007
Certificates in respect of Ordinary Shares and Warrants issued in certificated form to be despatched	as soon as practicable after 13 March 2007

All references to time in the Prospectus are to London time unless otherwise stated.

The dates and times specified above are subject to change. In particular, Citigroup may, with the prior approval of the Company, bring forward or postpone the closing time and date for the Global Offer by up to two weeks. If such date is changed, the Company will notify investors who have applied for Ordinary Shares of changes to the timetable either by post, by electronic mail or by the publication of a notice through a Regulatory Information Service provider to the London Stock Exchange.

It should be noted that, if Admission does not occur, all conditional dealings will be of no effect and such dealings will be at the risk of the parties concerned.

PART IV

GLOBAL OFFER STATISTICS

Offer Price per Ordinary Share	£1
Minimum number of Ordinary Shares being issued*	700 million
Minimum number of Warrants being issued	70 million
Minimum initial proceeds of the Global Offer*	£700 million
Maximum number of Ordinary Shares being issued**	1,300 million
Maximum number of Warrants being issued	130 million
Maximum initial proceeds of the Global Offer**	£1,300 million
Maximum number of Ordinary Shares subject to the Over-allotment Option***	130 million
Maximum number of Warrants subject to the Over-allotment Option****	13 million
Maximum net proceeds from the Over-allotment Option	£130 million

* Assuming a minimum subscription of the Global Offer (but excluding no exercise of the Warrants). This figure does not include the two subscriber Ordinary Shares.

** Assuming that the Global Offer is fully subscribed (but excluding the Over-allotment Option and no exercise of the Warrants). This figure does not include the two subscriber Ordinary Shares.

*** The number of Ordinary Shares to be subject to the Over-allotment Option is expected to be, in aggregate, equal to 10% of the total number of Ordinary Shares to be issued in the Global Offer.

**** The number of Warrants to be subject to the Over-allotment Option is expected to be, in aggregate, equal to 10% of the total number of Warrants to be issued in the Global Offer.

PART V

DIRECTORS, AGENTS AND ADVISERS

Directors (all Non-executive)	Peter Sedgwick (Chairman) Peter Wagner Philip Austin Martin Dryden
Administrator to the Company, Company Secretary and Registered Office	Mourant & Co. Limited P O Box 87 22 Grenville Street St. Helier Jersey JE4 8PX Channel Islands
Registrar	Capita Registrars (Jersey) Limited P O Box No 378 St. Helier Jersey JE4 0FF Channel Islands
UK Transfer Agent and Receiving Agent	Capita IRG Plc The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Investment Adviser and Custodian	3i Investments plc 16 Palace Street London SW1E 5JD
Sole Global Co-ordinator, Sponsor and Underwriter	Citigroup Global Markets Limited Citigroup Centre Canada Square London E14 5LB
Reporting Accountants and independent adviser as to the Purchase Price	KPMG LLP (38th Floor) 1 Canada Square Canary Wharf London E14 5AG
Auditors	Ernst & Young LLP Unity Chambers 28 Halkett Street St. Helier Jersey JE1 1EY Channel Islands
Legal Advisers to the Company and the Investment Adviser as to English law	Slaughter and May One Bunhill Row London EC1Y 8YY
Legal Advisers to the Company and the Investment Adviser as to Jersey law	Mourant du Feu & Jeune 8th Floor 68 King William Street London EC4N 7DZ
Legal Advisers to the Company and the Investment Adviser as to US law	Ropes & Gray LLP 1211 Avenue of the Americas New York NY 10036-8704 USA
Legal Advisers to the Global Co-ordinator as to English and US law	Freshfields Bruckhaus Deringer 65 Fleet Street London EC4Y 1HS

PART VI

INFORMATION ON THE COMPANY

Introduction

The Company (a newly-established, Jersey-incorporated, public closed-ended investment company) intends to raise between £700 million and £1,300 million (in each case before fees and expenses and assuming the Over-allotment Option is not exercised) through the Global Offer. The Company will issue to each investor one Warrant for every 10 Ordinary Shares purchased under the Global Offer. Each Warrant will entitle the holder to subscribe for one Ordinary Share at the Subscription Price at any time during a period commencing six months after Admission and ending five years after Admission.

3i Group will subscribe for 325 million Ordinary Shares at the Offer Price as part of the Global Offer. Depending on the size of the Global Offer, 3i Group's shareholding in the Company on Admission will represent between 25% and 46.43% of the Company's issued shares (assuming the Over-allotment Option is not exercised, or between 22.73% and 42.21% if it is fully exercised). 3i Group will also receive Warrants giving it rights to acquire up to 32.5 million additional Ordinary Shares, taking its maximum holding up to 48.8% (if no other Warrants are exercised).

The Company has been set up to make equity (or equivalent) investments in entities owning infrastructure businesses and assets. It intends to invest globally, but with an initial focus on Europe, North America and Asia. Its purpose is to build a diversified portfolio of infrastructure investments for investors. On Admission, the Group will acquire the Initial Portfolio from 3i Group. 3i Investments, which is regulated in the UK by the FSA, will act as investment adviser to the Company through members of its Infrastructure Investment Team. The Infrastructure Investment Team will also have access to the wider 3i Group network, consisting of offices in 14 countries worldwide and over 300 investment professionals. Further information about 3i Investments, including information about the Company's exclusivity arrangements and 3i Group's conflicts management policy, is set out in Part VII of this document.

Applications will be made to the UK Listing Authority for all of the Ordinary Shares and Warrants (issued and to be issued in connection with the Global Offer) to be admitted to the Official List, and to the London Stock Exchange for all of the Ordinary Shares and Warrants to be admitted to trading on the London Stock Exchange's main market for listed securities. Conditional dealings in the Ordinary Shares and Warrants are expected to commence on the London Stock Exchange on 8 March 2007. It is expected that Admission will become effective, and that unconditional dealings in the Ordinary Shares and Warrants will commence, at 8.00 a.m. on 13 March 2007. All dealings in the Ordinary Shares and Warrants before commencement of unconditional dealings will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned.

Neither the Ordinary Shares or the Warrants are dealt in on any other recognised investment exchanges and no applications for the Ordinary Shares or the Warrants to be traded on such other exchanges have been made or are currently expected.

Investment objective

The Company will make investments with an overall objective of providing Shareholders with a Total Return of approximately 12% on the Net Proceeds, to be achieved over the long-term. There can be no assurance that the Company will achieve its investment objective.

Within this overall objective, the Company will also target an annual distribution yield, on full investment of the Net Proceeds, of approximately 5% on the Net Proceeds through a combination of regular dividends and capital returns. Thereafter, the Company will target a progressive distribution policy (meaning that, if followed, the annual distributions would steadily increase in absolute terms over time). Further information is set out in the section headed "Distribution Policy" in this Part VI. There can be no assurance that the Company will achieve its distribution objectives.

Investment policy

The Company intends to build a diversified portfolio of equity (or equivalent) investments in entities owning infrastructure businesses and assets (as described below). The Company will seek investment opportunities globally, but with an initial focus on Europe, North America and Asia.

Following the Acquisition, the Directors will endeavour to invest the remaining Net Proceeds in infrastructure investments over the two-year period following Admission.

The Directors expect that most of the Company's investments will be made directly 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 set out above.

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 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 Group 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.

Most of the Company's investments will be of a sufficient size to obtain representation on the board of directors of the investee company (or equivalent governing body). While the current Listing Rules apply, in circumstances where the Company acquires a majority equity interest in infrastructure businesses, it will not take management control of the investee company.

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, usually in cases where it is also an equity investor.

Any investment made by the Company will not, at the time of the making of the investment, represent more than 20% of the Company's gross assets, including cash holdings. 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, or the investment opportunity will require investment in equity giving management control. 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 (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 the Board and, where applicable, 3i Group 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.

To the extent that the requirements of the Listing Rules applicable to listed investment companies change, the Company will consider reflecting such changes, which may include making some or all of the Company's investment policy more flexible. Any such changes to the Company's investment policy would be notified to Shareholders. In accordance with current Listing Rules requirements, the Company will only make a material change to its investment policy with the approval of Shareholders.

Infrastructure

Introduction

The Directors define infrastructure as asset-intensive businesses providing essential services over the long-term, often on a regulated basis or with a significant component of revenue and costs that are subject to long-term contracts. The Directors believe infrastructure investments may offer a level of risk that is lower than equities in most other sectors, although higher than other investments such as gilts and investment grade bonds. The Directors also believe that the returns achievable are commensurate with this lower level of risk and that the historically stable, predictable and low-growth nature of most infrastructure investments means that they are likely to offer higher dividend yields than equity investments in most other sectors. The Company will seek to maintain a balanced risk profile within the sector, targeting returns on individual investments that reflect each investment's level of risk.

The level of risk may vary between one potential infrastructure investment and another. The Company will therefore seek to maintain a balanced risk profile within the infrastructure sector, targeting returns on individual investments that reflect each investment's level of risk.

Infrastructure investments typically display the following characteristics:

- significant underlying asset base, whether through ownership of, or contractual or concession-based rights to the economic benefits of, the asset base;
- relatively low volatility return, given that, in general, the main risks to cash flows can be quantified and mitigated through contractual arrangements and other means;
- primary value creation through optimisation of capital structure with less of a focus on planned transformational and operational change than would typically be seen with a private equity asset;
- low correlation of returns to macro-economic cycles, given the essential nature of assets and services provided by the businesses, which leads to high barriers to entry and relative price inelasticity;
- partial correlation of returns to inflation; and
- potential for material capital growth including gains from refinancings.

Examples of infrastructure asset classes are shown below:

Transport infrastructure	**Utilities**	**Social infrastructure**
● Toll roads, bridges, tunnels and road maintenance ● Ports ● Airports and air traffic control ● Rail ● Ferries ● Bus and light rail franchises	● Water treatment and distribution ● Electricity distribution ● Power generation ● Oil and gas distribution and storage ● Waste processing ● Communications infrastructure	● Healthcare facilities ● Education facilities ● Judicial and correctional facilities ● Government accommodation ● Defence support facilities

However, businesses which fall within the asset classes listed above may not necessarily be classed as infrastructure investments unless they also satisfy a range of the infrastructure investment characteristics referred to above.

Access to infrastructure opportunities

The Directors aim to build an investment portfolio that balances the different yield and capital growth characteristics of its underlying assets. In doing so it will consider assets across the different stages of the asset life cycle, including:

- assets that are at an early stage of development, most likely to be PFI/PPPs, where the potential for capital growth exists, but yields tend to be limited until operational ramp-up;
- assets, including PPP projects and privatisations, that are undergoing a period of operational ramp-up following construction, and which generate yields and also capital growth; and
- mature assets that are in a steady operational state and which generate predictable returns and yields, often correlated to gross domestic products, with some capital growth.

While the Directors generally intend to hold most of the Group's investments on a long-term basis, the Company does not rule out the possibility of disposing of investments, including some or all of the investments within the Initial Portfolio, should an appropriate opportunity arise where, in the Directors' reasonable opinion having received appropriate advice from the Investment Adviser, the value that could be realised from such disposal would represent a satisfactory return on the initial investment and/or otherwise enhance the value of the Company, taken as a whole. Where investments are realised, the capital proceeds will generally be re-invested.

Access to infrastructure investment opportunities at different stages of the asset life cycle may arise from the private sector or the public sector in a number of ways.

Take-private acquisitions of listed infrastructure companies

There are significant volumes of infrastructure held by listed companies on the public markets which represent acquisition opportunities for the Company. The Directors believe that these assets may often be more effectively managed by optimising the capital structure to include higher proportions of debt and by running the businesses to maximise the cash yield to investors. Consequently, the Directors believe that sufficient value may potentially be created by restructuring post-acquisition to justify the takeover premiums that are typically required to complete an acquisition of a listed company.

There are listed specialist companies across several sectors including, transport infrastructure, utilities and social infrastructure. Many of these companies are viable targets for the Company, particularly as part of a

larger equity consortium; however, the very large size of some of these companies may preclude acquisition by the Company, even as part of a consortium.

Disposals by private sector companies

The Directors believe there is a strong likelihood of future infrastructure disposals by companies seeking to realise value from their infrastructure assets, and from contractors, who are often obliged to invest equity in infrastructure projects to secure operating and construction contracts but will subsequently seek to exit their investments to release capital for new projects.

There are several large integrated utility companies with a range of utility infrastructure assets within their portfolios that they may wish to divest. Similar opportunities may also arise in the future from operators of transport infrastructure. Alternatively, companies may be willing to sell a minority stake in a particular infrastructure asset to the Company, thereby realising some value but maintaining operational control.

Equity interests in special-purpose companies holding assets under PFI concessions may be acquired from the private sector entities that originally entered into the concessions, who are often contractors with no interest in holding the equity over the long-term. These transactions, often termed 'secondary' opportunities, would initially benefit the Company through its interest in I^2. Such assets would typically fall within the social infrastructure category but may include other types of asset such as toll road concessions or waste water facilities.

Governments privatising existing infrastructure

In Continental Europe and North America, governments are increasingly seeking to transfer existing infrastructure assets to the private sector because, the Directors believe, they recognise the high equity valuations and attractive debt terms currently available through private sector finance. Transfer of infrastructure to the private sector also alleviates pressure on government spending elsewhere from public sector borrowing requirements.

Governments may privatise any of the types of assets in the table above, except that social infrastructure assets are more typically structured as PPP (including PFI) structures as opposed to an outright sale of the assets. In some instances, governments may privatise assets progressively, initially retaining a significant equity interest and then potentially fully divesting once the private sector has demonstrated that it can run the asset successfully. These second-stage government divestments represent further investment opportunities for the Company. Operators holding equity in partially privatised assets generally welcome financial investors, such as the Company, as partners in such situations, as opposed to rival operators.

Governments procuring new infrastructure

As discussed above, there are significant amounts of infrastructure in the private sector already, representing potential acquisition opportunities for the Company. However, in the longer term, the supply of infrastructure investment opportunities globally is ultimately a function of government spending on infrastructure and also of governments procuring that infrastructure through the private sector. Following several decades of perceived under-investment in infrastructure in many countries, the Directors believe that governments will continue the more recent trend and spend very significant amounts on infrastructure in the coming years.

The Directors believe that government procurement of infrastructure and finance for infrastructure will increasingly turn towards the private sector for similar reasons as for privatisations: strong private sector appetite ensuring competition and to mitigate public sector borrowing requirements. Investments in new assets may be made by collaborating with suitable contractors and bidding for new projects as governments bring them to the market.

Governments frequently employ concession structures to procure new infrastructure, such as PFI schemes or similar arrangements. The concession is typically granted to special-purpose companies which subcontract construction and service provision. The special-purpose companies typically carry relatively little of the project risk and it is these types of entities in which the Company may seek to invest. The majority of social infrastructure assets procured through the private sector are currently structured in this way.

The building of new infrastructure, or 'greenfield' assets, includes an additional degree of risk associated with the construction of the assets (e.g. cost over-runs and delays). The risk to the infrastructure company is typically mitigated by passing on the risks to the subcontractors; however, the infrastructure company retains some residual construction risk. Greenfield projects are also exposed to additional risks related to the absence of operating history, implying a greater level of uncertainty in operating costs and revenues relative to established projects. Companies intending to engage in greenfield opportunities typically undertake a significant amount of due diligence, beyond the level normally undertaken for established

assets, to mitigate the risk of future costs and revenues proving to be materially different than expected. The risk profile of infrastructure companies decreases significantly once construction of the assets is complete and the revenues are established.

Geographic focus

The Company will seek investment opportunities globally and will not be subject to any specific geographic constraints. The Company will primarily focus its efforts in Europe, North America and Asia, but the Company will also look at investments elsewhere, subject, in each case, to certain economic restraints relating to investments in emerging markets. The Directors believe that Europe, North America and Asia provide the strongest source of infrastructure investment opportunities.

The UK has a well-established record of infrastructure in the private sector. Power, gas, water, rail, airports and ports are almost all within the private sector, including a number of listed companies. The UK is also the leader in PPP: as at March 2006, there had been over 700 PFI transactions for infrastructure assets worth over £46 billion. The growth in the pipeline for PPP projects in the UK appears to have levelled off; however, the Directors anticipate that volumes will still be significant in the medium term. The UK is widely recognised as an excellent investment environment for infrastructure, with well-established regulatory frameworks and an open attitude to private investment in infrastructure.

Outside the UK, the Directors anticipate that the greatest flow of opportunity from Europe is likely to originate from the other large economies in Europe, particularly Germany, France, Spain and Italy, all of whom are making progress with privatisation and PPP programmes. Furthermore, Spain has had programmes of toll road concessions since the 1960s and Portugal since the 1990s; and both countries are expanding the involvement of the private sector into other areas of infrastructure. Within the EU generally, there is pressure to use private sector procurement due to the public sector borrowing restrictions.

In the United States, changes in federal and state government policy have resulted in an increasing flow of opportunities for equity investors (especially in the toll road sector). The Directors believe this increasing flow of opportunity is likely to continue in future, although there will be particular structuring issues with ensuring the full benefit of returns from such investments for the Company.

In Canada, the private sector is increasingly involved in PPP transactions, particularly in the transportation and healthcare sectors.

In Asia, economic growth is driving strong demand for new infrastructure with potential for attractive returns for investors. The Directors expect that the demand for capital to invest in infrastructure will be particularly strong in India, where inadequate levels of existing infrastructure investment are estimated to be holding back the country's rapid economic growth by up to 2% per annum, and where the government is actively pursuing the development of PPP models of investment with private investors.

Distribution policy

The Company will target an annual distribution yield, on full investment of the Net Proceeds, of approximately 5% on the Net Proceeds, through a combination of regular dividends and capital returns. The Company will thereafter target a progressive distribution policy.

Dividends or other ordinary course distributions on Ordinary Shares are expected to be paid twice a year, normally in respect of the six months to 31 March and to 30 September.

The Company intends to hold most of its investments on a long-term basis and, where investments are realised, the capital proceeds will generally be re-invested. However, the Company retains the discretion to return such capital proceeds to Shareholders from time to time.

The Company's intention regarding distribution policy is a target only and there is no guarantee that it will be realised.

Investment by 3i Group and the Initial Portfolio

3i Group will subscribe for 325 million Ordinary Shares as part of the Global Offer. Depending on the total number of Ordinary Shares issued in the Global Offer, 3i Group's shareholding in the Company on Admission will be between 25% and 46.43% of its issued share capital, prior to the exercise (if any) of the Over-allotment Option. 3i Group's investment will remain at £325 million (and therefore vary in percentage shareholding terms) whether the Global Offer is at the minimum of £700 million or the maximum of £1,300 million. However, if the Over-allotment Option is fully exercised, 3i Group's interest will be diluted such that its maximum percentage shareholding will be between 22.73% and 42.21%.

With effect from Admission, 3i Group will transfer the Initial Portfolio to the Group. The Initial Portfolio (together with the Alma Mater Option) comprises an interest in all of 3i Group's unrealised infrastructure investments of any value that are available for transfer, other than the investment referred to under "Further opportunities" below.

The Initial Portfolio is made up of the following (described in more detail in Part IX of this document):

- *Osprey:* Osprey was formed by a consortium in August 2006 as a special-purpose company to bid for AWG, which it now owns. The principal business of AWG is Anglian Water, the group's water and waste water company which is regulated by Ofwat. Anglian Water is the fourth largest water and waste water company in England and Wales, measured by regulatory capital value.

  The investment in AWG through Osprey provides the Company with what is expected to be a stable, long-term earnings stream generated by a regulated utility company.

  3i Group has agreed to transfer its 16.13% holding in Osprey to an English limited partnership. 3i Group is the limited partner in this partnership, which is managed by 3i Investments. The Company will acquire a limited partnership interest from 3i Group with a value equal to 20% of the Company's initial gross proceeds from the Global Offer (subject to 3i Group's maximum 16.13% interest).

- *I^2:* I^2 is an English limited partnership formed in November 2003 to make investments in secondary market public and private infrastructure projects in the UK and Continental Europe. It has committed funds of £481.3 million and is one of the largest UK equity funds in this market. The investors in the I^2 fund are parties connected with 3i Group, BPE, SG and FF&P.

  The Company will benefit from any investments which fall within I^2's investment policy solely through its indirect interest in I^2, as 3i Group will refer any such opportunities first to I^2. However, if I^2 does not take up the opportunity, 3i Investments may instead offer such an investment opportunity to the Company, where 3i Investments considers such an investment to be appropriate.

  3i Group holds its interests in the I^2 fund (a 31.17% limited partnership interest and a 26% share of the partnership carry) through 3i Carry Partnership (I^2), an entity set up to provide an interest to certain investment executives involved in the initial I^2 investment. Of 3i's committed funds of £150 million, £97.5 million had been drawn down by I^2 as at 31 December 2006. The Group will effectively take the benefit of 3i Group's holding in 3i Carry Partnership (I^2), providing it with the same economic interest in I^2 as 3i Group currently has. (3i Group also has an interest in the general partner and the manager of I^2, which it will retain).

- *Octagon:* Octagon is a special-purpose company which was formed to design, build and operate a new 980-bed acute hospital in Norwich on behalf of the Norfolk and Norwich NHS Trust with a concession to run the hospital for a period of 35 years. 3i Group has an investment alongside Secondary Market Infrastructure Fund, Innisfree Partners Limited, John Laing plc and Serco Investments Limited. Construction of the hospital has been successfully completed and the project has subsequently been expanded and refinanced. 3i Group has mezzanine debt of £7.9 million yielding 12.1% per annum and a 25% interest in the equity, both of which it is transferring to the Partnership.

- *Alpha Schools:* Alpha Schools is a special-purpose company which holds a 31-year PFI contract (which commenced in 2006) for the refurbishment and new build of 11 schools for Highland Council in Scotland. Incorporated in March 2006, the company is owned as a joint venture between Morrison Project Investments Limited and Northern (a 3i Group entity). 3i Group will transfer its interests in Northern into the Partnership, along with its commitment to invest £7.6 million in Alpha Schools. The interests transferred will be subject to a carry interest of the 3i investment executives involved in the Alpha Schools acquisition and certain payments to be made to members of the Noble Group.

Further details of the Holding Entities through which certain of these investments are to be held by the Group are set out in paragraphs 3 and 4 of Part XII of this document. In addition to the investment referred to under "Further Opportunities" below, three unrealised infrastructure investments have not been included in the Initial Portfolio or placed under option to the Company. One has been written down to zero in 3i Group's books, one is financially negligible and one is subject to co-investment/carry-arrangements that make it impracticable to transfer it.

The Alma Mater Option

The Company has also been granted an option by 3i Group to acquire all of 3i Group's limited partnership interests in the Alma Mater Fund (which, for commercial reasons, does not form part of the Initial Portfolio). In 2003, 3i Group invested £33 million in the Alma Mater Fund, an £81 million fund financed by

3i Group, BPE associates, and Dexia, and managed by 3i Investments and BPE. The fund undertakes the design, construction (or refurbishment), financing and operation of student accommodation at universities across the UK.

The Company may elect to exercise the option granted by 3i Group at any time up to and including 31 December 2007, after which time the option lapses. Following such election, an independent valuer will be appointed (at the Company's expense) to value 3i Group's interests in the fund. The Company will have the right to withdraw the exercise of its election once the value has been determined. If the exercise of its election is confirmed by the Company, 3i Group and the Company will be bound by an acquisition agreement, but conditional on receipt of any necessary consents to the transfer (including consent from BPE). There can be no certainty that such consents would necessarily be forthcoming.

Further opportunities

3i Investments continues to be involved in the initial stages of a number of other potential investment opportunities. Before Admission, any bids or applications for such opportunities will be made by a member of 3i Group, but with the intention that they should be passed over to the Company and its Group following Admission, subject to any consents required.

In particular, 3i Group has just completed a small investment in Germany. 3i Group has agreed to invest €9.6 million into the construction and subsequent operation of a waste-to-energy plant at a large industrial park in Frankfurt-am-Main, Germany. The plant will incinerate Refuse-Derived-Fuel to generate electricity and heat for use by the industrial park's customers. In view of the very recent nature of this investment, it has not been practicable to include it in the Initial Portfolio. However, 3i Group intends to make it available to the Company in the near future, if the Board decides it wishes to acquire the investment. At that point, any transfer would be subject to the related party provisions of the Listing Rules (although Shareholder approval is not likely to be required).

Holding entities

The Company has set up a series of newly-formed, wholly-owned Holding Entities for the purpose of holding the Group's interests in I^2, Octagon and Alpha Schools. Details of the Holding Entities are set out in paragraph 3 of Part XII of this document.

Future infrastructure investments may be made either directly, or through the existing Holding Entity structure, or by means of additional structures designed to minimise the taxation to which the Group may be subject.

The Chairman also sits on the board of the two Luxembourg corporate Holding Entities. If assets with a value of more than 20% of the Company's gross assets are in future acquired through these Holding Entities, the Company will ensure it appoints a majority of its Directors to the relevant boards.

The Company's capital structure and life

The Company was incorporated with an unlimited life and an unlimited number of Ordinary Shares which have no nominal value.

Details of the Shareholders' voting rights and their entitlements to dividends and other distributions and on the winding-up of the Company are described in Part XII of this document.

Shareholders may seek to realise their holdings through disposal in the market or through share purchases which the Company may make in the market from time to time, at its discretion (see "Purchase of own shares" below for further information).

Purchase of own shares

If the Ordinary Shares are trading at a discount to Net Asset Value for an extended period and, in the view of the Directors, Shareholder value would be enhanced by a purchase by the Company of Ordinary Shares then, subject to applicable laws, regulations and obtaining prior Shareholder approval, the Company may, at the sole discretion of the Directors:

- make market purchases of up to 14.99% per annum of its issued Ordinary Shares; and/or
- make tender offers for the Ordinary Shares.

Initial Shareholder approval to implement such a strategy has already been obtained, with replacement Shareholder approvals being sought in the future, as required under Jersey law. There can, however, be no assurance that any such share buy-backs or tender offers will be implemented and any such buy-backs or tender offers will be entirely at the discretion of the Directors. Investors should not expect that they will

necessarily be able to realise, within a period which they would otherwise regard as reasonable, their investment in the Company, nor can they be certain that they will be able to realise their investment on a basis that necessarily reflects the value of the underlying investments held by the Company.

Relationship Agreement

3i Group and the Company have entered into a Relationship Agreement which will govern the relationship between 3i Group, as a significant Shareholder, and the Company on an ongoing basis post-Admission. 3i Group has undertaken to the Company that, for so long as it holds 30% or more of the rights to vote at general meetings of the Company, it will use its reasonable endeavours as a Shareholder to procure (*inter alia*) that: (i) without prejudice to the existence of the various advisory and other agreements between the Company and 3i Group, the Company will otherwise be capable at all times of carrying on its business independently of 3i Group; and (ii) all transactions between 3i Group and the Company will be effected on arm's length commercial terms.

3i Group has further agreed to exercise its voting rights with a view to ensuring that the independence of the Board is maintained in line with the requirements of the Listing Rules. The agreement also allows 3i Group, so long as it holds 20% or more of the Company's share capital: (i) to nominate one non-executive Director to the Board; and (ii) to remove and replace such nominee Director. Subject to prior approval by the JFSC, 3i Group proposes to exercise this power shortly after Admission in order to appoint Paul Waller, a member of 3i Group management committee, to the Board.

The Relationship Agreement also contains additional provisions designed to ensure that 3i Group is not required to make a general offer for the Company under Rule 9 of the City Code.

Further details of the terms of the Relationship Agreement are in Part XII of this document.

Financing strategy

Borrowings

Although the Company will not have any credit facilities in place at the date of Admission, it would in appropriate circumstances consider making prudent use of leverage to attempt to enhance returns to investors, to finance the acquisition of investments and to satisfy working capital requirements.

The Company will determine whether, and to what extent, to leverage its investments based on the cash flow profile of each investment, the diversification of the overall asset portfolio, the availability of financing on attractive terms and other factors which the Company may consider appropriate.

The Articles require the Company's outstanding borrowings, including any financial guarantees to support subscription obligations, to be limited to 50% of the gross assets of the Group (valuing investments on the basis included in the Group's accounts). For this purpose, outstanding borrowings exclude intra-group borrowings and the debt of investee companies.

The forms of financing to be used by the Company may include bank or capital market financing, although no such financing or arrangements will be in place at Admission. Such financing may be in currencies other than sterling as part of its current hedging strategy as described in the "Risk Management and Hedging" section below.

Cash management

The Company and the Group will hold liquid funds pending the completion of investment transactions. In addition, distributions and realisations from investments may from time to time be received. The Company's cash management policy will be to maintain sufficient liquid funds to meet the sterling and other currency cash flow commitments of the Company's core investment activities as they fall due and to deploy its uninvested funds so as to provide an interest rate return close to the sterling base rate, investing in a range of maturities with a selection of highly-rated banks or equivalent rated entities, for example, AA-rated banks or AAA-rated liquidity funds.

Risk management and hedging

The principal risks to which the Company and the Group will be exposed are market risk, financing and interest rate risk, currency risk, re-investment risk and liquidity risk. The Company will take steps to mitigate certain of these risks as described below, but no assurances can be given that such risks will be mitigated. Hedging transactions will only be used for the purposes of efficient portfolio management.

Market risk

The Company's exposure to market risk generally consists of the risk of the value of its investments being affected by the markets in which they operate. This will depend on the type of investment, but may

include an exposure to changes in traffic or usage where the returns for businesses have some correlation to such variables.

Financing and interest rate risk

Changes in interest rates can affect the Company's net income by increasing costs of servicing debt drawn down by the Company to finance its investments. Changes in the level of interest rates can also affect, among other things: (i) the cost and availability of debt financing and hence the Company's ability to achieve attractive rates of return on its investments; (ii) the Company's ability to consummate infrastructure investments when competing with other potential buyers who may be able to bid for an asset at a higher price due to a lower overall cost of capital; (iii) the debt financing capability of the infrastructure investments and businesses in which the Company is invested; and (iv) the rate of return on the Company's uninvested cash balances.

The Company's general financing strategy seeks to reduce exposure to interest rate risk by limiting borrowings to 50% of the gross assets of the Group as described in "Borrowings" above. This exposure may also be reduced by introducing a combination of a fixed and floating interest rate cost, allowing continued flexibility but creating some certainty on funding costs going forward. In addition, the Company may enter into hedging transactions (such as derivative transactions, including swaps or caps). The Company may instead decide that a certain level of interest rate risk would be acceptable for the Company, even if it could otherwise be hedged. Interest rate hedging transactions will only be undertaken for the purpose of efficient portfolio management and will not be carried out for speculative purposes. Hedging transactions, if used, involve costs and may result in losses.

Currency risk

A portion of the Company's underlying investments may be denominated in currencies other than sterling. However, any dividends or distributions in respect of the Ordinary Shares will generally be made in sterling and the market prices and Net Asset Value of the Ordinary Shares will be reported in sterling. Changes in rates of exchange may have an adverse effect on the value, price or income of the Company's investments. A change in foreign currency exchange rates may adversely impact returns on the Company's non-sterling denominated investments. The Company's principal non-sterling currency exposures are expected to be to the euro and US Dollars, but this may change from time to time.

Currency hedging will have the sole purpose of efficient portfolio management and will mainly be carried out to seek to provide protection for the level of sterling dividends and other distributions that the Company aims to pay on the Ordinary Shares, and to reduce the risk of currency fluctuations and the volatility of returns that may result from such currency exposure. This may involve the use of foreign currency borrowings to finance foreign currency assets, foreign exchange swaps or foreign exchange contracts and other similar transactions. Spot, forward or option transactions may also be used as part of the currency hedging strategy. Currency hedging transactions will only be undertaken for the purpose of efficient portfolio management and will not be carried out for speculative purposes. Hedging transactions, if used, involve costs and may result in losses.

Re-investment risk

Where the Company realises an investment and is seeking an alternative investment in which to re-invest the capital realised, suitable investment opportunities may not always be available. As a result it may take a significant amount of time to re-invest the Company's capital. Although the Company will adopt a policy of active management of its cash and liquid investments portfolio to enhance returns pursuant to the Company's treasury management policy, the investments in which the Company will invest its cash are expected to generate returns that are substantially lower than the returns that the Company anticipates receiving from infrastructure investments. There may also be a high degree of variability between the returns generated by different types of investments forming part of the Company's surplus cash and liquid investments portfolio.

Liquidity risk

The Company may face liquidity risks. As the Company's investments will be in infrastructure businesses and assets, and will require a long-term commitment of capital, they will be relatively illiquid. The Company can seek to manage liquidity needs by borrowing, but turns in market sentiment may make credit expensive or unavailable. Liquidity may also be addressed by selling the more liquid assets in the Company's portfolio, but selling those assets first may not in some circumstances be advantageous to the Company. The Company would anticipate that a committed facility would assist in mitigating some of the liquidity risk.

PART VII

MANAGEMENT OF THE COMPANY

Directors

The Directors will be responsible for the overall management and strategic control of the Company. The Directors, all of whom are non-executive, are listed below:

Peter Sedgwick (63), Non-executive Chairman

From 2000 until he retired in June 2006, he served as a member of the management committee and a Vice President of the European Investment Bank ("EIB"), one of the largest multi-national lending institutions in the world. He was also a director of the European Investment Fund from 2002 to 2006. At the EIB, his principal responsibilities included the lending programme in the UK (nearly €4 billion of loan approvals per annum on PPP, schools, universities, transport, hospitals, the water sector, urban regeneration and social housing), corporate governance and policies on the environment. Before the EIB, he was a career HM Treasury civil servant in the UK. At the Treasury, he served as Deputy Director in the Public Spending Directorate from 1995 to 1999 and as Head of the International Finance Group from 1990 to 1994.

Peter Wagner (60), Non-executive Director

He qualified as an accountant and then from 1977 to 1989 worked in Switzerland, the US and Germany for Kuehne & Nagel, latterly as CFO. He then worked for Danzas Holding AG from 1989 until 2001, latterly as CEO and also as a member of the board of management of Deutsche Post AG. In 2001, he retired from Danzas and took up a number of non-executive positions, which have included serving as a director of Swiss International Airlines Limited (2002), serving as Chairman of Vontobel Holding AG and Bank Vontobel (from 2001 to 2005), and as a director of Neptune Orient Lines of Singapore (since 2005).

Philip Austin (57), Non-executive Director

He became Managing Director of the Channel Islands operations of Equity Trust (a leading independent trust and fiduciary services group) in May 2006. From 2001 to May 2006, he was Chief Executive of Jersey Finance, the body representing Jersey's finance industry on a worldwide basis. Before that, he worked for HSBC for over 20 years in London and (since 1993) in Jersey, where he became Deputy Chief Executive of Offshore Islands.

Martin Dryden (49), Non-executive Director and Chairman of Audit Committee

Since June 2006, he has been a non-executive director at Mourant International Finance Administration, which will act as company secretary/administrator to the fund in Jersey and Luxembourg. He was previously a director of Maples Finance Jersey, a company which provides fiduciary, accounting and fund administration services to structured finance and investment fund clients in Europe and Asia. Before that, he worked for the Gartmore investment group for over 20 years (from 1983 to 2004), 16 of which were as Managing Director of its Jersey operations. Gartmore Jersey acted as manager, secretary and registrar of Capital Strategy, a London Stock Exchange listed vehicle and the world's first umbrella fund.

All of the Directors have an appropriate level of experience in the infrastructure market or in management of investment vehicles similar to the Company. All of the above Directors are independent of 3i Group for the purposes of Listing Rule 15.2.7R.

3i Group has been granted a contractual right to nominate one Director on to the Board in the future, for so long as it holds at least 20% of shares in the Company, and it proposes to exercise this power after Admission in order to appoint Paul Waller, a member of the 3i Group management committee, to the Board (subject to approval of the JFSC).

Paul Waller (52), Proposed Non-executive Director

He is a Managing Partner at 3i Group and has specific responsibility for fundraising and managing 3i Group's global relationships with the fund investor community. He is a member of the 3i Group management committee, a director of 3i Investments and he chairs 3i Group investment committee. He was a Director of the European Private Equity & Venture Capital Association ("EVCA") from June 1995 to June 2000 and Chairman of the Investor Relations Committee from 1996 to 1998. He was Chairman of the EVCA from 1998 to 1999.

Subject to the overall maximum of six Board members, the Directors will continue to keep the composition and balance of the Board under review.

Further details of the Directors' current and previous directorships are set out in Part XII of this document.

Board Responsibilities

The Board as a whole currently acts as the Company's investment committee and is responsible for the determination and supervision of the investment policy of the Company and for the approval of investment opportunities sourced by the Investment Adviser. The Board will also supervise the monitoring of existing investments and approve divestments and refinancings.

Where the Board considers it appropriate, it may delegate the approval of more detailed decisions relating to a particular investment, divestment or refinancing to a committee of the Board established for that purpose. In addition, the Board may in future consider setting up a separate investment committee including all of the non-3i Group related directors.

Board Committees

The Company has established an Audit Committee, with formally delegated duties and responsibilities.

The Audit Committee, which comprises at least three Directors including Martin Dryden as Chairman, will consider the appointment of auditors and the audit fee, ensuring that the financial performance of the Company is properly monitored and reported on, and reviewing the Company's financial statements, its regulatory returns and any formal statements on financial performance as well as reports from the Company's auditors on such financial statements. In addition, the Audit Committee will review the Company's internal control systems to assist the Board in fulfilling its responsibilities relating to the effectiveness of such systems. The Audit Committee will meet twice a year, or more frequently if required to do so.

Given the size and composition of the Board, the Company will not have nomination or remuneration committees. The Board as a whole will instead consider all possible appointments and review the scale and structure of the Directors' remuneration, taking into account the interests of Shareholders and the performance of the Company.

Corporate Governance

There is no published corporate governance regime in Jersey; however, the Directors recognise the importance of sound corporate governance and intend to observe the requirements of the Combined Code on Corporate Governance as published by the Financial Reporting Council (the "Combined Code") to the extent that they consider it appropriate having regard to the Company's size, stage of development and resources. The Board has adopted a code of directors' dealings in Ordinary Shares, which is based on the Model Code for directors' dealings contained in the Listing Rules (the "Model Code"). The Board will be responsible for taking all proper and reasonable steps to ensure compliance with the Model Code by the Directors.

Relationship with the Investment Adviser

Investment Advisory Agreement

Under the Investment Advisory Agreement, 3i Investments has been appointed by the Company as Investment Adviser, conditional on Admission. 3i Investments is a wholly-owned subsidiary of 3i Group.

Members of the Infrastructure Investment Team, as set out in Part VIII of this document, will be responsible for carrying out 3i Investments' functions as Investment Adviser. The Infrastructure Investment Team is a separate business line within 3i Group, alongside similar teams managing its other activities in buyouts, growth capital, venture capital and quoted private equity. The Infrastructure Investment Team is currently led by 10 partners and directors, who will principally be responsible for seeking out, evaluating and proposing investment opportunities to the Company.

The investment advisory services will be provided by 3i Investments in return for certain fees, which are described in detail below. These services will include, among others: (i) advising the Company on the origination and completion of new investments; (ii) advising on funding requirements; (iii) advising on the management of the Initial Portfolio and new investments completed; (iv) advising on the realisation of investments; (v) providing treasury management advice in connection with the treasury management services referred to in the UK Support Services Agreement; and (vi) providing updated valuations of the Company's investments on a half-yearly basis to 3i Group for the purposes of the interim and final accounts.

Under the Investment Advisory Agreement, the Investment Adviser's appointment may be terminated, including 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 a member of 3i Group), or with immediate effect by either party giving the other written notice in the event of the insolvency or material or persistent breach of its terms by the other party.

Further details of the Investment Advisory Agreement are set out in Part XII of this document.

Exclusivity arrangements

On the basis set out below, the Investment Advisory Agreement will be an exclusive arrangement within Europe, North America and (subject to the provisions set out below) the rest of the world for an initial period ending on the earlier of five years after Admission or the Net Proceeds becoming fully invested.

With respect to infrastructure investments in Europe and North America, 3i Investments will not advise or manage any entity with a substantially similar investment policy to the Company (other than I^2 and the Alma Mater Fund and subject to the provisos set out under "Freedom to Deal" in Part VIII of this document) during this initial period, without the consent of the Company.

In addition, during this initial period, all potential investments available to 3i Group within Europe and North America which the Investment Adviser considers fall within the Company's investment policy will first be offered by 3i Investments to the Company. (For the avoidance of doubt, this excludes investments which fall within the investment mandate of either I^2 or Alma Mater, unless 3i Investments is free to recommend such investments to the Company). If any such potential investment is declined by the Company, 3i Group (and, where appropriate, funds, entities or investors managed or advised by 3i Group) shall be free to make such investment on its or their own account. Any follow-on investments into entities which are not transferred to the Company (as part of the Initial Portfolio or pursuant to the Alma Mater Option) will, however, be made by 3i Group and, where relevant, funds, entities or investors managed or advised by 3i Group. Investments which the Investment Adviser considers do not fall within the Company's investment policy may, for the avoidance of doubt, be pursued by 3i Group or funds, entities or investors managed or advised by 3i Group.

With respect to infrastructure investments outside Europe and North America, the Company will have a similar right of first refusal over all potential direct investments available to 3i Group during this initial period which the Investment Adviser considers fall within the Company's investment policy. However, 3i Group shall be free at any time to promote, advise or manage other infrastructure funds with a focus on one or more specified infrastructure investment markets. 3i Group shall also be free to invest in any infrastructure investment funds advised or managed by a third party with a similar jurisdiction focus outside Europe and North America. If 3i Group invests in, or commences advising or managing, such a fund, the Company will lose its exclusivity in the jurisdiction(s) targeted by the relevant fund. However, the Company will have the right to invest (to an extent to be determined by the Board, subject to compliance with the parameters and terms and conditions in relation to such investment recommended by the Investment Adviser) in any such 3i Group advised or managed fund and, if such a fund is advised or managed by a third party, 3i Investments will use reasonable endeavours to provide the Company with an opportunity to co-invest in the third party advised or managed fund. In each case, this will be subject to the related party transaction provisions of the Listing Rules.

Conflicts of Interest

Situations may arise in which 3i Investments has a duty or an interest which potentially conflicts with its duties to, or the interests of, the Company. Details of how these situations will be managed are set out in Part VIII of this document.

Investment Adviser fees and expenses

Under the Investment Advisory Agreement, an annual advisory fee is payable based on the Gross Investment Value of the Company at the end of each financial period. The applicable annual rate is 1.5%, dropping to an annual rate of 1.25% for investments once they have been held by the Group for longer than five years. The advisory fee accrues throughout the year and quarterly instalments are payable in advance 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 the Group throughout a financial period.

The advisory fee will be reduced by an amount equal to (i) any distributions (net of tax) received by 3i Group in relation to its retained interest in the manager and general partner of I^2 and (ii) the Relevant Proportion of any other fees (or distributions attributable to such fees) (net of tax) received by any member of 3i Group in relation to management or advisory services provided to another infrastructure fund in which the Company invests.

The Investment Advisory Agreement also provides for a performance fee calculated by reference to the Adjusted Total Return per Ordinary Share over the course of a financial period. A performance fee will be payable only if the Adjusted Total Return at the end of the financial period exceeds a target NAV per Ordinary Share (the "performance hurdle") equal to the Opening NAV per Ordinary Share increased at a rate of 8% per annum. The Opening NAV per Ordinary Share used for the purposes of the calculation of the performance hurdle for any particular financial period may fall below the NAV per Ordinary Share at Admission.

If the performance hurdle is exceeded, the performance fee will be equal to 20% of the Adjusted Total Return in excess of the performance hurdle for the relevant financial period, multiplied by the time weighted average of the total number of Ordinary Shares in the capital of the Company in issue over the relevant financial period, as calculated and provided by the Investment Adviser to the Company.

If a performance hurdle is not met in any financial period, no performance fee will be payable and there will be no catch-up in fees in subsequent years.

The performance fee, if applicable, will be reduced by an amount equal to the Relevant Proportion of any performance fees received by any member of 3i Group from any infrastructure funds (other than I^2 and Alma Mater) held by the Company from time to time in respect of which a member of 3i Group performs investment management or advisory services.

The Company will reimburse the Investment Adviser for expenses incurred, including due diligence costs and professional fees incurred in relation to investments and disposals (and aborted investments and disposals), provided they are incurred within any guidelines that may be set out by the Board from time to time, or otherwise with Board approval. The Investment Adviser has in return agreed to offset any transaction fees or commissions it may receive in relation to investments (or potential investments) made by the Group against the advisory fees otherwise payable.

Other Agreements

UK Support Services Agreement

Under the UK Support Services Agreement, 3i plc (and 3i Investments in relation to certain regulatory services) have each been appointed by the Company to provide certain support services in relation to the Company and its subsidiary undertakings including, among other things, back-office, treasury and accounting services. The UK Support Services Provider's appointment is for an initial term of two years commencing on Admission, such term to be renewed for successive one-year periods unless the Company provides notice to the UK Support Services Provider no later than 90 days before the end of the term. However, the UK Support Services Agreement may be terminated with immediate effect by either party giving the other written notice in the event of the insolvency or material or persistent breach of its terms by the other party and, if the default is capable of remedy, failing to remedy it to the reasonable satisfaction of the other party within 30 days.

Further details of the UK Support Services Agreement are set out in Part XII of this document.

Jersey Administrator, Registrar, Transfer Agent and Custodian

Mourant & Co. Limited has been appointed as Jersey Administrator to the Company and will provide company secretarial services and a registered office to the Company. Mourant Luxembourg SA has also separately been appointed to provide services to the Holding Entities in Luxembourg and furthermore, Mourant & Co. Capital SPV Limited has been appointed to provide such services to the Company's subsidiary undertakings in the UK.

Capita Registrars (Jersey) Limited has been appointed as Registrar to the Company and Capita IRG Plc will act as the Company's UK Transfer Agent.

3i Investments has been appointed as custodian of securities owned by the Group.

Further details of these agreements are set out in Part XII of this document.

Other services

Given that the Company has no employees, should the Directors require the services of advisers, the Directors shall, from time to time, enter into agreements to satisfy such requirements.

Net proceeds and other fees and expenses

Net Proceeds

Assuming a Global Offer of 1,000 million Ordinary Shares, the Company would receive approximately £981.8 million from the Global Offer, net of fees and expenses of approximately £18.2 million, as set out below.

Global Offer expenses

The expenses incurred in connection with the Global Offer are those incurred in the establishment of the Group (including incorporation expenses of the Company and the Holding Entities) and in connection with the Global Offer and include fees payable under the Underwriting Agreement, legal, registration, printing, advertising and distribution costs and any other applicable expenses. The expenses associated with the Global Offer will be met by the Company from the proceeds of the Global Offer and charged to reserves and deducted from Net Asset Value in the first financial year of the Company. (To the extent such expenses arose before Admission, they will be recharged to the Company by 3i Group). Assuming a Global Offer of 1,000 million Ordinary Shares, the expenses associated with the Global Offer (including amounts in respect of VAT where relevant) are estimated to be approximately £15.9 million.

Acquisition costs

The Acquisition costs are those costs (predominantly legal and due diligence costs and stamp duty or reserve tax) incurred by the Group in connection with the Acquisition. Assuming a Global Offer of 1,000 million Ordinary Shares, the Acquisition costs (including any amounts in respect of VAT where relevant) are estimated to be approximately £2.3 million. These will be paid out of the Net Proceeds and charged to the Company's profit and loss account and deducted from Net Asset Value in the first financial period of the Company.

Other fees and expenses

The Company will also be responsible for other ongoing operational costs and expenses which will include (but will not be limited to) the fees and expenses of the UK Support Services Provider, the Jersey Administrator, the Registrar, the Transfer Agent and the Custodian (described in sections 11 and 13 of Part XII of this document), the Directors and the Auditors, as well as listing fees, regulatory fees, expenses associated with any purchases of or tender offers for the Ordinary Shares, printing and legal expenses and other expenses (including insurance and irrecoverable amounts in respect of VAT).

It is estimated that the Group's ongoing costs and expenses for its first financial year (excluding the Global Offer expenses, the costs associated with the Acquisition, initial expenses and advisory fees described in more detail in section 11 and 13 of Part XII of this document) and any interest on borrowings made by the Group (assuming a Global Offer of 1,000 million Ordinary Shares and that there is no growth in the value of the Group's assets) will be approximately £1.3 million.

Due diligence, advisers' fees and other costs relating to new investments, portfolio matters and realisations (and aborted investments and realisations) will be subject to Board approval from time to time.

PART VIII

3i GROUP'S TRACK RECORD AND THE INFRASTRUCTURE INVESTMENT TEAM

3i Group

3i Group is a leading European private equity and venture capital group. It focuses on buyouts, growth capital, venture capital, infrastructure and quoted private equity and invests across Europe, the United States and Asia. With over 300 investment professionals and offices in 14 countries worldwide, 3i Group has both a local and global presence.

3i Group was established in 1945, and listed on the London Stock Exchange in 1994. It is a constituent of the FTSE 100 and MSCI Europe indices. As at 30 September 2006, 3i Group managed over £7 billion of assets, comprising its own balance sheet of approximately £4.1 billion and private equity limited partnerships of approximately £2.9 billion which invest alongside it.

Infrastructure Track Record

3i Group began investing in infrastructure businesses in the UK in the late 1980s. Over the years, it has invested in a wide range of companies and projects, which have included privatisations, PFI and PPP transactions. In recent years, 3i Group has commenced investing in Continental Europe, which is expected to become a larger part of the investment business of the Company in the future.

3i Group established infrastructure investment as a separate business line in May 2005. This resulted in the formation of a specialist investment team (the "Infrastructure Investment Team"). All new infrastructure investments since May 2005 have been made through this team.

Set out below is certain information relating to the experience of 3i Group in making infrastructure investments, including certain historical performance information. The Company has no investment history. For a variety of reasons, some of which are described below, the comparability of 3i Group investments to the investments that the Company proposes to make is limited.

In total, 3i Group has invested over £530 million since 1987 in over 30 infrastructure transactions of the type that would fall within the investment policy for the Company as set out in Part VI of this document. Twenty-two of these investments have been fully realised with aggregate realisation proceeds to date of approximately £398.5 million. The eight remaining unrealised investments were valued at 31 December 2006 at £477.7 million.[1]

Summary of Investment Returns

Infrastructure investments[2] *by 3i Group from 1 June 1987 to 31 December 2006 (£ millions)*

				Returns		
	Cost	**Realised value**	**Unrealised value**	**Total value**	**IRR**	**Multiple of cost**
Fully realised	121.2	398.5	—	398.5	60.6%	3.3x
Unrealised	411.2	103.8	373.9	477.7	22.8%	1.2x
Infrastructure investments[2]	**532.4**	**502.3**	**373.9**	**876.2**	**59.3%**	**1.6x**

Note: Figures set out in table above are unaudited and are sourced from 3i Group's financial accounting systems.

1 This does not include the recent small German investment referred to below the track record table.

2 As defined in Part VI of this document.

The investments that comprise 3i Group's track record are, as at 31 December 2006, as follows:

Company	Business description	Investment date
Wiretel	Design, installation and maintenance of Italian networks	Oct-00
Alert Communications	Royal Navy submarine fleet communications services	Jun-00
Grupo Maritum (Grupo TCB#)	Operator of ports in Spain	Dec-99
Sheffield City Airport and Heliport	Property development and operation of Sheffield City Airport and Heliport	Apr-98
Merlin Communications	Operation of communications services and infrastructure for the MoD	Mar-97
Altram (Metrolink)	Manchester tram operator	Mar-97
Chiltern Railways	Chiltern railways operating franchise	Jul-96
Yorkshire Link	Construction and operation of a motorway	Apr-96
First Motorway	Motorway service area operator	Apr-96
Great Western	Holder of Great Western trains operating franchise	Feb-96
Durham Port Holdings	Port operator	Jan-96
Blue Boar	Motorway service area operator	Nov-95
Derwent Hospitals	Build and operate private wing of hospital	Nov-95
Exxtor Group Holdings	Operator of roll-on roll-off terminal at Immingham	Aug-95
London United Busways	London bus operator	Nov-94
Takeabreak	Motorway service area operator	Oct-94
Lincwaste	Landfill and waste recycling	Nov-93
Medway Ports	Port authority – Sheerness and Chatham	Apr-92
Clydeport	Port operator	Mar-92
Teesside Ports	Port operator	Jan-92
Firstgroup	Bus and coach operators	Jan-89
Wilts and Dorset	Bus and coach operators	Jun-87
	Subtotal fully-realised	22
Osprey/AWG	Water supply and waste water	Dec-06
Alpha Schools (Highland Schools)	Construction and delivery of schools (PFI)	Mar-06
I^2	Secondary PFI and Infrastructure fund	Jun-05
Octagon	New general hospital in Norwich	Oct-03
Alma Mater Fund	Student accommodation for universities	Sep-03
Tramtrack Croydon (Tramlink)	Croydon tram operator	Nov-96
Freightliner	Rail freight operator of intermodal services	May-96
Greater Nottingham Rapid Transit	Light railway for Nottingham	Dec-91
	Subtotal unrealised/partly realised	8
	Total	30

Three unrealised investments referred to above have not been included in the Initial Portfolio or placed under option to the Company. One has been written down to zero in 3i Group's books, one is financially negligible and one is subject to co-investment/carry-arrangements that make it impracticable to transfer it. In addition, one very recent small German investment is to be made available separately to the Company after Admission and is not included in the above table.

When considering the information set out above, you should note that the historical results of other infrastructure investments by 3i Group are not representative of the performance of all of the investments by 3i Group and are not indicative of the future results of the Company. Differences between the structure, term, leverage, currency exposure, target investments, performance targets, investment horizons and other investment policies and objectives, including (but not limited to) management and performance or incentive fee arrangements, can affect returns and impact the usefulness of performance comparisons. Because of these differences, none of the investments referred to above are directly comparable to the investments proposed to be made by the Company. Furthermore, the historical information relates to infrastructure investments made by 3i Group as a whole, rather than by a dedicated infrastructure team. In addition, it should be noted that the returns on 3i Group's investments have been aggregated and presented on a weighted basis. Certain of the individual investments contained in the aggregate figures have been considerably more successful than the aggregate return levels and certain investments have been less successful.

The Investment Adviser and the Investment Team

3i Investments, a subsidiary of 3i Group, has been appointed by the Company as Investment Adviser. The principal objective of 3i Investments is to identify acquisition targets and to recommend investments, transactions and portfolios.

In May 2005, 3i Group established a specialist team in London to focus exclusively on infrastructure investment and this has since been enlarged through external recruitment. The team is headed by Michael Queen, Managing Partner of 3i Group's Infrastructure business and an Executive Director of 3i Group. Cressida Hogg, an experienced 3i Group investment professional, is Senior Partner.

At the beginning of January 2007, following the recent recruitment of Uwe Danziger and transfer to the team of Stefan Elsser, a team has been established based in 3i Group's Frankfurt office. In addition, a team has been established in the growth market in India, headed by Girish Baliga. Plans are being formalised to establish a team based in 3i Group's New York office from autumn 2007.

In total, the team currently has 14 investment professionals, with over 60 years of combined experience in infrastructure investment and approximately 60 years with 3i Group. Its skills include private equity project and structured finance, and construction and facilities management. The team has four support staff.

The members of the Infrastructure Investment Team are all highly experienced and all of the investments in the Initial Portfolio have been made and are managed by members of the Infrastructure Investment Team.

The partners and directors in the team are:

Michael Queen (45), Managing Partner, Head of Infrastructure

Michael Queen joined 3i Group in 1987 as an investment executive. From 1994 to 1996 he was seconded to HM Treasury. While there, he established and led the Private Finance Unit within the NHS to champion the roll-out of PFI across health capital projects. This involved developing a contractual framework for large hospitals and other key health infrastructure. He was also a member of the Private Finance Panel Executive which developed PFI projects in the education, transport, prisons and water sectors. He became an executive director of 3i Group in 1997, since when he has been a member of 3i Group's Investment Committee. He was Group Finance Director from 1997 until April 2005, when he became Managing Partner of 3i Group's Growth Capital investment business. He is a past Chairman of the British Venture Capital Association and a non-executive director of Northern Rock plc. Before joining 3i Group, he qualified as a Chartered Accountant with Coopers & Lybrand. He has a degree in Industrial Economics from the University of Nottingham.

Cressida Hogg (37), Senior Partner

Cressida Hogg joined 3i Group in 1995. She was appointed head of the Infrastructure Investment Team when it was set up in May 2005, before which she was a director in the UK growth and buyout business. Infrastructure transactions on which she has worked include Merlin Communications, Alert Communications, Alma Mater Fund, I^2 and AWG. Before 3i Group, she worked for JP Morgan. She has an MA in Politics, Philosophy and Economics from Oxford University and an MBA from London Business School.

Neil King (43), Partner

Neil King joined 3i Group in 2005. He has more than 15 years of infrastructure project financing experience, having previously worked at Innisfree, WestLB, Barclays Capital and Lloyds Bank. During his career he has arranged many major infrastructure deals, including Tubelines PPP, Wembley Stadium, Premier Prisons Group, the Cross Israel Highway, Cornwall Schools PFI and the SELCHP waste plant. Since joining the Infrastructure Investment Team, he has worked on the consortium bid for AWG by Osprey. He holds a degree in Mathematics from Durham University.

Girish Baliga (33), Partner

Girish Baliga joined 3i Group in December 2005. Before transferring to the Infrastructure Team in 2007, he helped to establish and build 3i's growth capital business in India. Before joining 3i Group, he worked at JP Morgan before moving to Whitefield Capital Investment Advisors and subsequently to Chryscapital Investment Advisors, one of the largest independent private equity funds in India. He is a qualified Chartered Accountant and holds a BA degree from Mumbai University.

John Barry (39), Director

John Barry joined 3i Group in 1996. He transferred to the Infrastructure Investment Team when it was set up in May 2005, before which he worked in 3i Group's UK growth and buyout business. Infrastructure transactions on which he has worked include the consortium bid for AWG by Osprey, I^2, Alpha Schools and the Alma Mater Fund. Before 3i Group he spent seven years with Ernst & Young in audit and corporate finance. He has a BSc (Hons) in Physics from Southampton University and is a Chartered Accountant.

Andrew Bell (58), Director

Andrew Bell joined 3i Group in 1996. Before 3i Group he spent 17 years in the asset financing and leasing industry, specialising in tax-based structures for the financing of trains, ships, aircraft and other transportation assets in the UK and Continental European market. From 1985 to 1995 he was Managing Director of Svenska Finans, the asset finance subsidiary of Svenska Handelsbanken, and before that worked

for a US commercial bank. Transactions on which he has worked include Altram (Manchester), Freightliner, Alert Communications, Octagon Healthcare, Croydon Tramlink and the sale of Commodore Shipping. He has a BSc (Econ) from London University and an MBA from Warwick Business School.

Andrew Cox (39), Director

Andrew Cox joined 3i Group in November 2006. He previously worked at Ambac Assurance UK Limited as a director in its European Infrastructure and Structured Finance teams from 2003 to 2006. He led an initiative to extend Ambac's business in Continental Europe, which resulted in several transactions including the Alte Liebe Wind Farm securitisation in Germany. From 1997 to 2003 he worked at Schroder Salomon Smith Barney, latterly as a Director in the infrastructure advisory group. Before that, he qualified as a solicitor with Ashurst Morris Crisp in London. He has an MA in history from Cambridge University.

Uwe Danziger (38), Director

Uwe Danziger joined 3i Group at the beginning of January 2007. He previously worked at the Corporate Finance unit of Macquarie Bank Limited in Frankfurt from 2002 to 2006 on a variety of infrastructure finance transactions. These included toll road projects undertaken by a Blifinger Berger/Laing consortium under the German A-Program, the acquisition of the Deukalion Tanklager business from Lehnkering GmbH, and the acquisition of the Umwelt Windrad windfarm portfolio. Prior to that he worked at Deutsche Bank AG from 1998 to 2002 in London, Frankfurt and Berlin in corporate and project finance. He has an MA in Business Administration (Dipl. – Kfm) from the University of Marburg.

Stefan Elsser (45), Director

Stefan Elsser joined 3i Group in Germany in 2000 on the acquisition of Technologieholding GmbH, which he had joined in 1999. Before that he worked for Kreditanstalt für Wiederaufbau ("KfW") from 1993 to 1999. At KfW, he worked on project and structured finance transactions, including the construction of a major waste treatment plant in Slovenia and the privatisation of "Tank und Rast", an owner of German motorway service stations. At 3i Group, he has been responsible for portfolio management in Germany and joined the Infrastructure Investment Team at the beginning of 2007. He has a degree in economics from the University of Tübingen and a PhD from the University of Stuttgart.

Alistair Ray (33), Director

Alistair Ray joined 3i Group in 2005. Before 3i Group he spent eight years transacting equity investments in infrastructure with The British Linen Bank, Edison Capital and Noble Fund Managers and has been involved in over 20 deals in the PFI, power and general infrastructure sectors. In 2001, he was a key member of the team which bought out the Edison Capital assets and took them to Noble Fund Managers. In 2004, he led the team that sold the Noble PFI fund to I^2 in what was at the time the largest secondary market exit. His infrastructure experience includes power generation, ports, roads, hospitals, schools, prisons, MoD and airports. He has a BEng (Hons) in Computing and Electronics from Heriot-Watt University.

Incentivisation of the Infrastructure Investment Team

3i Group has established an incentive scheme for the executives in the Infrastructure Investment Team, which has been benchmarked against market comparable schemes elsewhere. The objective of the scheme is to align the financial interests of the executives with those of the Shareholders and to motivate and retain the team.

Under the incentive scheme arrangements between 3i Group and the Infrastructure Investment Team, a substantial proportion of the advisory fee and performance fee (if any) payable under the Investment Advisory Agreement will be allocated to the executives. Amounts so allocated will entitle executives to deferred payments contingent on their continued employment by 3i Group.

An initial investment of up to £800,000 in the Ordinary Shares will be made by certain personnel in the Infrastructure Investment Team at the Offer Price, as part of the Global Offer. Those investing will be deemed to be Concert Parties of 3i Group for the purpose of the City Code and the maximum holding of 3i Group and its Concert Parties for these purposes (assuming exercise of Warrants solely by such parties) will therefore be up to 48.92%. Except in limited circumstances, the Infrastructure Investment Team executives have committed to 3i Group not to sell any of these Ordinary Shares before 31 March 2008.

3i Group also intends to set up a co-investment scheme whereby members of the Infrastructure Investment Team will in future be required to purchase further Ordinary Shares from 3i Group at market value, in order to align their interests with the Company. It is expected that the Infrastructure Investment Team will invest approximately £3 million over the first three years, including the initial investment above. This will be

subject to further discussion with the Takeover Panel and would not involve any additional increase in the size of the Concert Party holdings.

Investment Process

The partners in the Infrastructure Investment Team apply a rigorous and consistent process for deal selection and execution. They place great emphasis on achieving the highest quality process and ensuring that the expertise of the team and wider 3i Group network is used over the life of each opportunity.

Deal Flow

New investment opportunities are originated by 3i Group's specialist Infrastructure Investment Team and through 3i Group's global office network. The following channels are used for origination:

- People: over 300 investment professionals working in 14 countries worldwide, individual managers, CEOs, entrepreneurs, senior industrialists and chairmen involved with public and private companies have proved to be invaluable resources to the Infrastructure Investment Team. Key members of each local network are selected to join 3i Group's Chairmen's Board in Europe and Industrialists-in-Residence programmes.
- Intermediaries: due to 3i Group's scale and the patronage it offers, the Infrastructure Investment Team leverages its broad global network of advisers such as investment banks, consultants, public relations firms, accountants and legal advisers.
- Co-investors: the Infrastructure Investment Team has built up a network of relationships with co-investors active in the infrastructure market, both in the UK and elsewhere (including the US), and works closely with key partners in developing deal opportunities.
- Corporates: the Infrastructure Investment Team seek to identify likely divestments from larger corporations and standalone companies, both listed and unlisted, where it can bring a differentiated angle.
- Secondaries: operating on a similar basis to the corporates channel, the Infrastructure Investment Team actively reviews the portfolios of contractors and operators that hold infrastructure assets and wish to sell or reduce their holdings, other financial investors, and distressed sellers.

The Infrastructure Investment Team is currently exploring a significant volume of investment opportunities, in line with the Company's statement that it will endeavour to invest the remaining Net Proceeds within two years after Admission.

Investment Appraisal

The Infrastructure Investment Team's process for identifying investments that will be recommended to the Company comprises a series of carefully planned stages, as follows:

Initial screening

The Infrastructure Investment Team conducts the initial screening of potential investments that it sources, drawing on its knowledge of the infrastructure market and, in many cases, from across 3i Group's networks, to analyse market position, growth and yield prospects and explore angles for value creation.

Initial partners' review

An initial investment paper is drafted by the team and a formal discussion is convened with a minimum of two partners and two other team members.

Investment committee approval

The 3i investment committee includes members of 3i Group management committee and may review potential investments at any point during the investment process. At a minimum it will review investment recommendations before they are made to the Board.

Deal team

A deal team is configured comprising a deal sponsor (a 3i Group partner), who may also act as the deal leader to manage the investment process, and further investment professionals with relevant experience and/or relationships. This team is assembled to reflect the scale and complexity of the investment opportunity. The scope of the validation process and the resource requirements to fulfil it are considered. In relation to each investment, the Investment Adviser will propose a tailored diligence programme for approval by the Board.

Deal structuring and due diligence

This involves principally the deal team. In addition, another 3i Group partner who has been involved in the initial partners' review typically remains actively involved in vendor, management and diligence interactions and in debating key commercial issues. The process is iterative and continuously revised as circumstances change to ensure 3i Group network is fully utilised.

Partners' recommendation

A partner in the Infrastructure Investment Team will be responsible for making 3i Investments' final investment recommendation to the Board of the Company.

Board involvement

In addition to the process outlined above, the Infrastructure Investment Team will make regular representations to the Board concerning the pipeline of investment opportunities under consideration and the general market environment for investing in infrastructure assets. The Investment Team will bear in mind the Board's wishes at every stage of the investment process.

Monitoring

During the lifetime of each investment, monitoring is carried out in the following ways:

Board representation

The Company will typically be represented by one or more members of the Infrastructure Investment Team on the board of portfolio companies. In each case, the Directors appointed on behalf of the Company will generally comprise a minority of the directors on such board but will contribute to the shaping of important Board decisions.

Information flows

The Infrastructure Investment Team holds periodic meetings with the operating managers, reviews and discusses the management reports, and receives regular information on the business, to enable it to effectively monitor the implementation of the business plan on behalf of the Company. The Infrastructure Investment Team will keep the Board regularly briefed on its findings.

Board and shareholder approvals

The board of directors of a portfolio company will typically pass standing orders for the management of the company, which include a catalogue of important management actions that require board approval. Key decisions of portfolio companies are subject to shareholder approval.

Corporate Responsibility

3i Group aims to conduct its business in a socially responsible manner. It endeavours to comply with the laws, regulations and rules applicable to its business and to conduct its business in accordance with established 'best practice' in each relevant investee country. Environmental, ethical and social responsibility issues and standards are also taken into consideration in every aspect of 3i Group's business. The interpretation and application of such practices will be entirely at the discretion of 3i Group.

3i Group believes it is important to invest in companies whose owners and managers act responsibly on environmental, ethical and social matters. 3i Group aims to recommend investment in companies which:

- respect human rights;
- comply with current environmental, ethical and social legislation;
- have proposals to address defined future legislation; and
- seek to comply with their industry standards and best practice.

The Investment Adviser will seek to propose to the Company investments which adhere to 3i Group's best practices. However, no assurances can be given that all businesses and assets in which the Company invests will adhere to such policies.

Management of conflicts of interest by the Investment Adviser

Management of conflicts with Investment Adviser

3i Group has its own large portfolio of investments in quoted and unquoted companies and engages in a range of investment, investment management, investment advisory and other activities for itself, other funds and other third party investors. Situations may therefore arise in which the Investment Adviser has a duty or an interest which potentially conflicts with its duties to, or the interests of, the Company, although

a conflict will not exist simply because 3i Group or one of 3i Group's customers stands to gain or avoid a loss if there is no potential detriment or loss to another customer.

The Investment Adviser has in place a policy for managing conflicts of interest in relation to its investment business, the overriding principle of which is that the Investment Adviser will treat its customers fairly and will at all times act in accordance with its fiduciary position as manager or adviser (as appropriate) and in accordance with applicable FSA principles as to treatment of regulatory customers. The Investment Adviser has also established a conflicts committee to consider and determine how to manage all actual and potential conflicts of interest in relation to its investment business. The detailed conflicts policy (which is subject to amendment by 3i Investments) has been disclosed to, and agreed with, the Company.

Freedom to deal

For the avoidance of doubt, 3i Group shall be free to pursue any investment opportunity that otherwise does not come within the investment objectives of the Company and to effect, or advise on, or participate in, any transaction arising out of such opportunity on its own behalf and/or on behalf of any other person. Following the initial exclusivity period (or during such period if the Board rejects an investment proposal put forward by 3i Investments), 3i Group shall be free to pursue any investment opportunity within the Company's investment objectives at its discretion and to effect, or advise on, or participate in, any transaction arising out of such opportunity on its own behalf and/or on behalf of any person. Outside Europe and North America, 3i Group shall be free to establish, promote, manage or advise other funds, entities or investors with a view to making, and make, investments on their behalf which come within the investment policy of the Company (subject only to the commitments referred to under the heading "Exclusivity arrangements" in Part VII above).

Subject to the exclusivity provisions summarised above, 3i Group shall be free to provide advice or other services to any other person, notwithstanding any conflict with its duties to, or the interests of, the Company. 3i Group shall be under no duty or obligation to disclose to, or use for the benefit of the Company, any information in relation to any transaction in which it, or any person to whom it owes a duty, has an interest.

Furthermore, 3i Group may from time to time acquire and operate management and advisory businesses or mandates whose investment policies overlap with the investment policy of the Company, notwithstanding any conflict with its duties to, or the interests of, the Company. In such event, 3i Group shall be free to allocate investment opportunities between the Company and such other businesses or mandates as it deems appropriate, having regard, among other things, to their respective investment policies and the nature of the contractual or other terms applicable to them and to applicable FSA rules and regulations.

PART IX

THE INITIAL PORTFOLIO

Interests comprising the Initial Portfolio

The Initial Portfolio comprises investments or interests in Osprey (a consortium vehicle which owns AWG), I^2 (a fund which invests in companies that own or operate public and private sector infrastructure projects in the UK and Continental Europe), Octagon (a group which undertakes the maintenance of a new hospital in Norwich) and Alpha Schools (a group which undertakes the design, construction, finance and maintenance of certain schools and associated services in the Highlands area).

A breakdown of the interests comprising the Initial Portfolio is set out below:

	% ownership interest	Amount of Purchase Price
Osprey	8.98 – 16.13% underlying equity and subordinated debt[1]	£140 – 251.3 million
I^2	Interests in a 31.17% limited partnership interest and a 26% carried interest[2]	£82.0 million
Octagon	25% equity and subordinated debt	£12.2 million
Alpha Schools	Interests in 50% equity and subordinated debt[3]	£0.2 million
		£234.4 – 345.7 million

1 The final percentage will depend on the eventual size of the Global Offer, as the Company can only acquire an interest with a maximum value of 20% of the gross proceeds of the Global Offer or £251.3 million, whichever is the lesser.

2 The Group will take an indirect interest in the limited partnership and carried interests set out above, as described below under "I^2".

3 The Group's interests in Alpha Schools will also be subject to certain arrangements which are described below under "Alpha Schools".

Note: Figures set out in table above are unaudited and are sourced from 3i Group's financial accounting systems or are referable to the Acquisition Agreement.

Osprey

Osprey was formed by a consortium in August 2006 as a special-purpose company to bid for AWG, which it now owns.

The principal business of AWG is Anglian Water, the group's water and waste water company which is regulated by Ofwat. The group also includes Morrison plc, a support services business, and a separate property development business. Anglian Water is the fourth largest water and waste water company in England and Wales measured by regulatory capital value. It has 4.2 million water customers and 5.4 million waste water customers and covers the largest geographic area of any water company in the UK. Its customer base is largely residential and rural, and East Anglia is one of the fastest growing regions in the UK, with approximately 200,000 new homes planned in the next ten years. Anglian Water also serves the North Eastern towns of Hartlepool and Grimsby.

AWG's regulated business, Anglian Water Services, is one of 10 water and waste water companies that were formed, along with 11 smaller water only companies, during the privatisation of the UK's water sector in 1989. As an effective local monopoly, Anglian Water Services is regulated by Ofwat. Under the existing regulatory regime, Ofwat and Anglian Water Services agree performance requirements for five-year regulatory periods (the current period runs from 2006-2010) and Ofwat sets annual price limits for Anglian Water Services sufficient to deliver the agreed performance outputs. AWG's financial performance is driven by, among other things, its performance against the targets set by Ofwat.

3i Group's capital commitment of £251 million represents its largest single investment by nominal value. The investment was originally made by way of shares and loan notes issued by holding companies of Osprey. 3i Group has agreed to transfer its 16.13% holding in Osprey to an English limited partnership (but will retain any income from such holding that relates to the period prior to Admission). 3i Group is the limited partner in this partnership, which is managed by 3i Investments. The Company will acquire a limited partnership interest from 3i Group and the final percentage will depend on the eventual size of the Global Offer, as the Company can only acquire an interest with a maximum value of 20% of the gross proceeds of the Global Offer or £251.3 million, whichever is the lesser.

For so long as the Company holds its interest in the Osprey partnership, the Company cannot acquire or seek to acquire any interest in another UK water business which would or could reasonably be expected to confer a material influence in a UK water company.

The investment in AWG through Osprey should provide the Company with the potential for a stable, long-term earnings stream generated by a regulated utility company.

I^2

I^2 is an English limited partnership which was formed in November 2003 to seek, make, monitor and manage investments in secondary market public and private infrastructure projects in the UK and Continental Europe. It is one of the largest equity funds in the UK investing in secondary PFI projects, with committed funds of £481.3 million.

I^2 has a diversified portfolio of 50 operating infrastructure projects in the healthcare, education, transport, utilities and Ministry of Defence sectors. The portfolio includes the following investments: Highland Wastewater, HM Treasury and HMRC Offices, DLR Lewisham Extension, HPC King's College Hospital and Lossiemouth-MEIL. I^2 has also recently entered into a strategic PFI investment partnership with Serco Group plc, allowing it to provide equity investment for future PFI projects.

The four investors in the I^2 fund are associates of 3i Group, BPE, SG and FF&P. 3i Group, BPE and SG also hold equal stakes in the fund's manager and general partner. (3i Group will retain its interests in the general partner and the I^2 Manager, and also its related obligations in relation to the running of the I^2 Manager).

3i Group holds its interests in the I^2 fund (a 31.17% limited partnership interest and a 26% share of the partnership carry) through 3i Carry Partnership (I^2), an entity set up to provide a carried interest of 3.75% (on returns above an 8% hurdle, after repayment of capital to 3i Group) to certain investment executives involved in the initial I^2 investment. Of 3i's committed funds of £150 million, £97.5 million had been drawn down by I^2 as at 31 December 2006. The Group will take the benefit of 3i Group's holding in 3i Carry Partnership (I^2) through an assignment of its economic interest in that partnership. This assignment, together with the acquisition of the general partner in 3i Group Partnership (I^2), will effectively provide the Group with the same economic interest in I^2 as 3i Group currently has.

All investments within I^2's mandate will initially be referred by 3i Group to the I^2 Manager. Therefore, while I^2 continues to have funds to invest, the Company will benefit from any investments which fall within I^2's investment policy solely through its indirect interest in I^2 (although the Company may be entitled to make an investment directly in certain circumstances where I^2 does not take up the opportunity).

The Group's indirect interest in I^2 gives it exposure to a diversified portfolio of PFI projects.

Octagon

Octagon Healthcare Limited was formed in January 1998 as a special-purpose company to design, build and maintain a new hospital on the outskirts of Norwich which was completed in September 2001.

The PFI contract gave Octagon Healthcare Limited a 30-year concession period (which was extended in 2003 for a further five years) during which it makes available and maintains the hospital. During this period, the NHS Trust is committed to make RPI-linked payments to cover the use and maintenance of the hospital buildings. The NHS Trust is responsible for the provision of all clinical services and takes the revenue risk.

Octagon Healthcare Limited is ultimately a wholly-owned subsidiary of Octagon. The current shareholders in Octagon are: 3i Group (25%); Secondary Market Infrastructure Fund (25%); Innisfree Partners Limited (25%); John Laing plc (20%); and Serco Investments Limited (5%). Octagon has also issued £50 million of unsecured loan notes of which 3i Group holds £7.9 million yielding 12.0% per annum. The Partnership will acquire 3i Group's equity and loan notes interest in the project.

The acquisition of 3i Group's shareholding in Octagon gives the Company an equity interest in a mature PFI project and its long-term cash flows.

Alpha Schools

Alpha Schools was formed in March 2006 as a special-purpose company. It has entered into a PFI contract with Highland Council to build and refurbish 11 new schools in Scotland at a total cost of £176 million and to maintain them for a 30-year period to commence in 2007. Construction has commenced and the target date for final completion of all schools is 2010.

3i Group will transfer to the Partnership its interests in Northern, which holds a 50% interest in Alpha Schools. The other 50% shareholder is Morrison Project Investments Limited. Each shareholder has committed to invest a further £7.6 million in loan notes.

The transferred interests in Northern comprise a 56.25% membership interest held directly and a 43.75% membership interest held through 3i Carry Partnership (Alpha), an entity set up to provide a carried interest of 20% (on returns above an 8% hurdle, after repayment of capital to 3i Group) to certain investment executives involved in the initial purchase. (The carried interest equates to an 8.75% interest in Northern's overall interest in Alpha Schools). The Group's returns will also be reduced by certain contractual interests of members of the Noble Group. The Noble Group provided 3% of Northern's financing (on which they will earn a 10% return) and also provided certain other services. As a result, they have a right to an aggregate share of 17.55% of future returns (after repayment of the initial funding). (The Noble Group also has a right to receive payments based on a notional realisation of the Alpha Schools asset if it has not been realised by 30 March 2013).

The acquisition of 3i Group's shareholding in Alpha Schools gives the Company an equity interest in an early stage PFI project, which should help balance the risk profile of its portfolio.

General

Aside from the investment referred to below under "Further opportunities", three unrealised investments have not been included in the Initial Portfolio or placed under option to the Company. One has been written down to zero in 3i Group's books, one is financially negligble and one is subject to co-investment/ carry-arrangements that make it impracticable to transfer it.

Prior to their acquisition by 3i Group, all investments in the Initial Portfolio were subject to due diligence as part of 3i Group's normal procedures on investment.

The Acquisition

The Purchase Price and the KPMG Opinion Letter

The purchase price for the Initial Portfolio is £234.4 to £345.7 million (depending on the proportion of the Osprey interest acquired) (the "Purchase Price"). In proposing the Purchase Price, 3i Group has based its valuation of the assets included in the Initial Portfolio on the following methodologies:

- the interest in Osprey has been valued at the acquisition price that was accepted by AWG's original shareholders in 2006. (For the avoidance of doubt, 3i Group will retain any income from this interest that relates to a period prior to Admission);
- the indirect interest in I^2 has been valued on the basis of valuations that use an established discounted cash flow ("DCF") methodology applying different discount rates to the underlying assets of the fund or valuing assets acquired within 12 months at cost; and
- the interests in both Alpha Schools and Octagon have been valued according to a DCF methodology using a discount rate of 11% for Alpha Schools and 8% for Octagon.

The Directors believe that the Purchase Price proposed by 3i Group for the Initial Portfolio is fair and reasonable. On reaching this opinion, the Directors have, among other things, taken into account the fairness and reasonableness opinion on the proposed Purchase Price produced by KPMG as independent valuation adviser (the "KPMG Opinion Letter"). The Directors have also received the advice of the Investment Adviser, which has been given on the basis that 3i Group is only prepared to transfer the entire Initial Portfolio, has been limited in scope to the suitability of the overall portfolio and has not extended to the fairness or reasonableness of the Purchase Price.

The Purchase Price is subject to upward adjustment in the case of any additional subscription amount which may be paid by 3i Group, or downward adjustment in the case of certain returns which may be made to 3i Group, in each case in respect of any investment in the Initial Portfolio between the date of this document and completion of the Acquisition Agreement. The Purchase Price (or part thereof) will effectively be funded by amounts subscribed by 3i Group in the Global Offer.

The KPMG Opinion Letter is reproduced in the Appendix to this Part IX of this document.

Other terms of the Acquisition

Acquisition Agreement

Pursuant to the Acquisition Agreement, 3i Group has agreed to sell and the Company and the Partnership (the "3i Infrastructure Parties") have agreed to acquire, or to nominate any other person or persons within the Group to acquire, the Initial Portfolio with effect from Admission for the Purchase Price.

Completion of the Acquisition will be conditional only on Admission occurring by 30 April 2007. No consents or approvals are required to effect the transfer of the Initial Portfolio.

There are also conditions in the Underwriting Agreement that require no material adverse change to have occurred in the Initial Portfolio. In the event that such a charge was to occur, the Underwriting Agreement could be terminated and Admission would not occur, which would also mean that completion of the Acquisition would not occur.

Warranties

The Acquisition Agreement contains limited warranties usual for a transaction of this nature concerning the Initial Portfolio. These comprise warranties as to title and rights/ability to sell, authority and capacity of 3i Group, and also certain commercial warranties (subject to 3i Group's awareness) relating to information provided by 3i Group and certain assumptions used by KPMG in their KPMG Opinion Letter. Claims by the Company against 3i Group in respect of the commercial warranties are subject to the following limitations: (i) a time limit of 18 months from the date of the Acquisition Agreement; (ii) a cap of £50 million, to step down to £12.5 million after a period of 12 months; and (iii) limitations relating to the minimum amount of a claim before it can be brought and an aggregate threshold which all such claims must exceed before any can be brought. Other warranties are not subject to any time limit on the making of claims and are capped only at the Purchase Price.

Indemnities

The Acquisition Agreement also contains certain specific indemnities from 3i Group relating to historic liabilities in the company that acts as general partner in both 3i Carry Partnership (I^2) and 3i Carry Partnership (Alpha) (which is also being acquired by the Company) not connected with the Initial Portfolio, and undertakings and related indemnities concerning certain actions or defaults by 3i Group that could adversely affect the Initial Portfolio in future.

It also contains undertakings and indemnities from the Company to 3i Group in relation to certain contractual obligations retained by 3i Group in relation to the Initial Portfolio.

Other

The Acquisition Agreement also contains provisions dealing with any future change of control in relation to Alpha Schools which would arise if 3i Investments ceases to be the manager of the Partnership.

The Company will be responsible for any stamp duty or stamp duty reserve tax payment on the transfer of the Initial Portfolio.

The Alma Mater Option

The Alma Mater Fund

The Alma Mater Fund was established in September 2003 for the purpose of engaging in the business of venture and development capital investment in companies (quoted or unquoted) which operate in the area of the design, construction (or refurbishment), financing and operation of student accommodation at universities across the UK. For commercial reasons, the Alma Mater Fund does not form part of the Initial Portfolio.

3i Group has committed £33 million to the Alma Mater Fund and 3i Investments is also one of the managers of the Alma Mater Fund (along with BPE). The other investors in the Alma Mater Fund are associated companies of BPE and Dexia.

The accommodation provided is marketed by the relevant university as a modern, well-maintained facility while permitting the university to concentrate on its "core" activities of teaching and research. 3i Group decided to invest in the Alma Mater Fund because it believed that the student accommodation market is an under-serviced sector set to grow over the coming years.

The Investment Adviser, as one of the managers of the Alma Mater Fund, refers to the Alma Mater Fund any and all UK investment opportunities which relate to university student accommodation projects. Therefore, any investments which fall within the Alma Mater Fund's investment policy will not be made available to the Company except in certain circumstances where the Alma Mater Fund does not take up the opportunity.

The Alma Mater Option

The Company has been granted an option to acquire all of 3i Group's limited partnership interest in the Alma Mater Fund. The Company may elect to exercise the option granted by 3i Group at any time up to and including 31 December 2007, after which the option lapses. In the event of such election, the

acquisition price will be determined by an independent valuer appointed (at the Company's expense) to value the limited partnership interest. The Company will have the right to withdraw its exercise election once the value has been determined. If the exercise is confirmed by the Company, 3i Group and the Company will enter into an acquisition agreement to acquire 3i Group's interest in the Alma Mater Fund, and the acquisition will be subject to the obtaining of all necessary consents (including the consent of BPE). There can be no certainty that such consent would necessarily be forthcoming. The price will be paid in cash on completion of the acquisition. 3i Group will continue to own one of the general partners in the fund and 3i Investments will continue to act as a manager.

Exercise of the Alma Mater Option by the Company will be subject to the related party provisions of the Listing Rules, which may (depending on the application of the class test ratios) require the Company to obtain Shareholder approval before exercise.

Further opportunities

3i Investments continues to be involved in the initial stages of a number of other potential investment opportunities. Before Admission, any bids or applications for such opportunities will be made by a member of 3i Group, but with the intention that they should be passed over to the Company and its Group following Admission, subject to any consents required. As more fully described in Part VI of this document, 3i Group has very recently acquired a small investment which it intends to make available to the Company after Admission, if the Board decides it wishes to acquire the investment.

APPENDIX TO PART IX

KPMG OPINION LETTER

The Directors
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19 February 2007

Dear Sirs

We are writing to provide to 3i Infrastructure Limited ("the Company") our opinion ("Opinion") as to the fairness and reasonableness, so far as the Company is concerned, of the proposed purchase price for the interests set out in Appendix 1 hereto (the "Purchase Price") at which the Company intends to acquire the Initial Portfolio (the "Acquisition") from 3i Group plc (the "3i Group").

Capitalised terms used but not defined herein have the meanings given to them in the Prospectus issued by the Company on 20 February 2007.

Assumptions, limitations and reliances

Assumptions

Our Opinion is based on the following assumptions:

- the Purchase Price assumes a willing buyer and seller, dealing at arm's length;
- the Purchase Price has been calculated by the 3i Group based on the latest 3i Group directors' quarterly valuation;
- the Purchase Price for the interest in Osprey assumes no minority discount;
- the financial models for the individual assets (or groups thereof) included in the Initial Portfolio and used by the 3i Group to determine the Purchase Price accurately reflect in all material respects the terms of all agreements relating to the individual assets (or groups thereof) and each such model presents a fair and reasonable estimation of future cash flows accruing to the holders of subordinated debt and equity of each individual asset;
- the accounting policies applied in the financial models for each individual asset (or groups thereof) included in the Initial Portfolio are in accordance with the relevant local accounting standards;
- the tax treatment applied in the financial models for each individual asset (or groups thereof) included in the Initial Portfolio is in accordance with the applicable tax legislation and does not materially misstate the future liability of the individual asset to pay tax;
- the individual assets (or groups thereof) included in the Initial Portfolio have legal title to all assets which are assumed in the financial models for each of the individual assets and the individual assets (or groups thereof) are entitled to receive income assumed to be realised in the relevant financial models;
- the relevant financial model reflects a fair and reasonable estimation of the obligation of each individual asset (or groups thereof), as applicable, to pay future insurance costs, costs associated with general and other changes in law, life cycle maintenance costs and employee, professional advisory and any other costs;
- there are no material disputes with parties contracting directly or indirectly with each individual project entity nor any going concern issues, credit issues or performance issues as regards contracting parties nor any other contingent liabilities, in each case, which as at the date of this Opinion are reasonably likely to give rise to a material adverse effect on the future cash flows of such individual asset (or groups thereof) as set out in the relevant financial models provided to us;
- the Company will use its reasonable endeavours to manage the interests being acquired (both in equity and debt) in such a way that aggregate cash flows to it will be maximised and not trapped by legal, financial or regulatory restrictions within each underlying individual asset;

- where cost to the 3i Group has been used as the basis of the Purchase Price for a particular asset, no event has occurred between the date of acquisition of such asset by the 3i Group and 31 December 2006 that could have had a material impact on the value of that asset; and
- there have been no events relating to the individual assets (or groups thereof) subsequent to 31 December 2006, up to and including the date of our Opinion, that could have had a material impact on the value and hence the Purchase Price.

Limitations

- If any of the assumptions outlined above proves to be incorrect this may have a significant impact on our Opinion.
- Our review of the Purchase Price is based on economic, market and other similar conditions as in effect on, and the information available to us as of, 19 February 2007 (being the latest practicable date prior to the publication of this document).

Reliances

In formulating our Opinion we have relied upon the following:

- the accuracy and completeness in all material respects of all information that has been furnished to us by the Company and the Group or otherwise reviewed by us or which is publicly available (without carrying out any independent verification thereof); and
- the Company's directors' and the Group's commercial assessment of a number of issues, including the markets in which the individual assets (or groups thereof) included in the Initial Portfolio operate, and upon the representations received from the Company in relation to the assumptions underlying the projected financial information which has been provided to us and for which we are not responsible.

Opinion

KPMG Corporate Finance advises the directors of the Company that, based on economic, market and other similar conditions on 19 February 2007 (being the latest practicable date prior to the publication of this document), and on the assumptions, limitations and reliances stated above, in our opinion the Purchase Price for the Acquisition, is fair and reasonable so far as the Company is concerned.

Declaration

For the purposes of Prospectus Rule 5.5.3(2)(f) we are responsible for this letter as part of the Prospectus and declare that we have taken all reasonable care to ensure that the information contained in this letter is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import. This declaration is included in the Prospectus in compliance with item 1.2 of Annex 1 of the Prospectus Directive Regulation.

Responsibility

Save for any responsibility arising under Prospectus Rule 5.5.3(2)(f) to any person as and to the extent there provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this letter or our statement, required by and given solely for the purposes of complying with paragraph 23.1 of Annex I of the Prospectus Directive Regulation (No.809/2004), consenting to its inclusion in the Prospectus.

Yours faithfully

Doug McPhee
Partner

Jonathan White
Director

For and on behalf of KPMG Corporate Finance

Appendix 1

Acquired Interests

A breakdown of the interests comprising the Initial Portfolio is set out in the table below:

Investment	**% ownership interest**
Osprey	8.98%–16.13%[1] underlying equity and subordinated debt
I[2]	31.17% interest in 3i Group's Limited Partnership Interest and 26.0% interest in 3i Group's Carried Interest Partnership[2]
Octagon	25% equity and subordinated debt
Alpha	50% equity and subordinated debt[3] Schools

1 The final percentage will depend on the eventual size of the Global Offer as the Company can only acquire an interest with a maximum value of 20% of the gross proceeds of the Global Offer or £251m whichever is the lesser

2 The Company will take an indirect interest in the limited partnership and carried interests set out above

3 The Company's interests in Alpha Schools will also be subject to certain arrangements which are described further in the prospectus under Alpha Schools

PART X

TAXATION

The following summary is given as a general guide to the tax treatment of the Company and certain types of investors. It does not purport to cover all taxation issues which might be applicable to the Company or such investors and is not intended to be, nor should be construed to be, legal, tax or investment advice to any particular investor. The summary is based on current laws and tax authority practices in the UK, Jersey, Luxembourg and the US which may change, but the summary is believed to be correct at the date hereof. Nevertheless, prospective investors are strongly advised to seek their own advice on the taxation consequences of an investment in the Company, especially those prospective investors who are not resident for tax purposes in the UK as they may be subject to taxation law in their respective jurisdictions.

Taxation of the Company

The Directors intend to manage and conduct the affairs of the Company in Jersey in such manner that the Company does not, at any time, become resident in the United Kingdom for UK tax purposes.

Jersey Taxation

The Company has "exempt company" status within the meaning of Article 123A of the Income Tax (Jersey) Law 1961, as amended, for the calendar year ended 2007. The Company will be required to pay an annual exempt company charge which is currently £600 in respect of each calendar year during which it wishes to continue to have "exempt company" status for so long as such status is available. The retention of "exempt company" status is conditional on the Jersey Controller of Income Tax being satisfied that no Jersey resident has a beneficial interest in the Company, except as permitted by concessions granted by the Jersey Controller of Income Tax, and disclosure of beneficial ownership being made to the JFSC.

As an "exempt company", the Company will not be liable to Jersey income tax other than on Jersey source income (except by concession bank deposit interest on Jersey bank accounts).

Holders of any Ordinary Shares issued by the Company (other than residents of Jersey) are not subject to any tax in Jersey in respect of the holding, sale or other disposition of such Ordinary Shares. So long as the Company maintains its "exempt company" status, dividends on the Ordinary Shares may be paid by the Company without withholding or deduction for or on account of Jersey income tax.

In the event of the death of an individual Shareholder, a Jersey grant of probate or administration may be required in respect of which certain fees will be payable to the Court.

No stamp or other transfer tax will be payable in Jersey on the issue or transfer of the Ordinary Shares or the Warrants.

EU Directive on the Taxation of Savings Income

As part of an agreement reached in connection with the EU directive on the taxation of savings income in the form of interest payments, and in line with steps taken by other relevant third countries, Jersey introduced with effect from 1 July 2005 a retention tax system in respect of payments of interest, or other similar income, made to an individual beneficial owner resident in the EU by a paying agent established in Jersey. The retention tax system applies for a transitional period before the implementation of a system of automatic communication to the EU of information regarding such payments. During this transitional period, such an individual beneficial owner resident in the EU will be entitled to request a paying agent not to retain tax from such payments but instead to apply a system by which the details of such payments are communicated to the tax authorities of the EU in which the beneficial owner is resident. The retention tax system in Jersey is implemented by means of bilateral agreements with the EU, the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005 and Guidance Notes issued by the Policy & Resources Committee of the States of Jersey. Based on these provisions and our understanding of the current practice of the Jersey tax authorities (and subject to the transitional arrangements described above), dividend distributions to Shareholders by the Company and income realised by Shareholders upon the sale, refund or repurchase of Ordinary Shares do not constitute interest payments for the purposes of the retention tax system and therefore neither the Company nor any paying agent appointed by the Company in Jersey is obliged to levy retention tax in Jersey under these provisions in respect thereof. However, the retention tax system could apply if an individual resident in the EU otherwise receives an interest payment in respect of a debt claim (if any) owed by the Company to the individual.

EU Code of Conduct on Business Taxation

On 3 June 2003, the EU Council of Economic and Finance Ministers reached political agreement on the adoption of a Code of Conduct on Business Taxation. Jersey is not a member of the EU, however, the Policy & Resources Committee of the States of Jersey has announced that, in keeping with Jersey's policy of constructive international engagement, it intends to propose legislation to replace the Jersey exempt company regime by 1 January 2009 with a general zero rate of corporation tax.

Taxation of the Luxcos

Luxco 1 and Luxco 2 (the "Luxcos") will be fully taxable companies resident for tax purposes in Luxembourg. It is expected that the Luxcos will be subject to minimal taxation in Luxembourg on the basis of internal financing arrangements based on arm's length thin capitalisation (debt/equity rules).

Financing margin

The Luxcos' interest income will be fully taxable in Luxembourg. Interest expense is fully deductible subject to an arm's length margin on the financing activity. The Luxcos will be liable to Luxembourg corporate income tax (currently at a rate of 29.63%) on their financing activities.

Withholding tax

Luxco 1 should be entitled to receive dividend and interest payments from Luxco 2 without a withholding on account of taxation, provided that the conditions set out in the applicable domestic tax rules are met. Luxco 1 can make interest payments to the Company without a withholding on account of taxation as there is in principle no requirement to withhold tax on interest payments under Luxembourg law and save the possible application of the Luxembourg laws of 21 June 2005 implementing the EU Savings Directive in Luxembourg law of 23 December 2005 (the "Luxembourg Laws"). The Company should not fall within the scope of the Luxembourg Laws as the Company is a Jersey registered company with legal personality under the laws of Jersey. Dividends payable by Luxco 1 to the Company will be subject to a 20% withholding tax in Luxembourg.

Net worth tax

Net worth tax of 0.5% on the Luxcos' worldwide net worth is payable annually. However, the amount charged should be nominal on the basis that the debts of the Luxcos are *a priori* tax deductible for net worth tax purposes.

Capital duty

Capital duty of 1% is charged on the contribution of capital to the Luxcos.

Taxation of the Partnership

As previously stated, Luxco 2 and the Company will invest in the Partnership which is transparent for UK tax purposes and should be treated as a transparent entity for Luxembourg tax purposes.

UK Taxation of Shareholders

The information below concerning the tax treatment of Shareholders applies only to persons who are resident or ordinarily resident in the United Kingdom for taxation purposes and who hold Ordinary Shares as an investment (rather than as securities to be realised in the course of a trade). It does not apply to persons who hold their Ordinary Shares as trustees or who otherwise hold their Ordinary Shares in some capacity other than that of beneficial owner; nor does it apply to persons who carry on a banking, financial or insurance trade. Persons who are resident for tax purposes in jurisdictions other than the UK will be taxed according to the rules of that jurisdiction and should seek specialist advice.

Individual Shareholders

Dividends and income distributions

Where a UK-resident individual receives a dividend from the Company this will be a foreign source dividend and will be subject to income tax at (generally) 10% if the individual is a basic rate taxpayer or 32.5% if the individual is a higher rate taxpayer.

If the individual is not domiciled in the UK and if he makes a claim for his foreign income to be taxed on the remittance basis for a particular year of assessment, he will be subject to UK income tax on dividends received only to the extent that sums are received in the UK in respect of those dividends ("the remittance basis"). The rate of income tax on remitted foreign dividends is 22% if the individual is a basic rate taxpayer and 32.5% if he is a higher rate taxpayer.

Disposals of Ordinary Shares and capital distributions

Shareholders who are resident or ordinarily resident in the United Kingdom for taxation purposes will, subject to their individual circumstances, be liable to UK capital gains tax on any gains which accrue to them on a disposal of their Ordinary Shares. As the Company will be a closed-ended company it will not be a collective investment scheme and therefore the rules relating to "offshore funds" in Chapter V of Part XVII of the UK Income and Corporation Taxes Act 1988 will not apply.

Individuals holding Ordinary Shares should not expect to qualify for business asset taper relief in relation to those Ordinary Shares, as the Company is not expected to qualify as the holding company of a trading group.

Where a UK-resident individual Shareholder receives a capital distribution this will be treated as a part disposal of their holding. The capital gain or loss is calculated as proceeds less base cost. As this is deemed to be a part disposal only part of the base cost can be brought into account. The fraction of base cost which is allowable as a deduction is A/(A+B), where A is the consideration and B is the value of the part retained.

Where the distribution is small compared with the value of the holding in respect of which it is made, it is not treated for capital gains purposes as giving rise to a part disposal. In such a case, the amount of the distribution is deducted from any expenditure allowable as a deduction in computing a gain or loss on a subsequent disposal by the recipient. Therefore the charge is postponed until a subsequent disposal of the holding. This treatment is not compulsory; the recipient can elect to have the distribution treated as a part disposal.

HMRC automatically treats a distribution as being "small" if it is 5% or less than the value of the shares at the date of distribution or it is not more than £3,000 (irrespective of whether the 5% test is satisfied). Where a distribution does not fall within the above categories, HMRC considers each case on its merits.

If the individual is not domiciled in the UK, he will be taxable in respect of capital gains from the disposal of assets situated outside the UK, such as the Ordinary Shares, on the amounts remitted to the UK. Where he remits to the UK only a part of the proceeds of a disposal or part disposal of the Ordinary Shares, a proportionate part of the gain is treated as remitted.

Section 739 Taxes Act

The attention of individuals that are ordinarily resident in the UK for tax purposes is drawn to the provisions of section 739 of the Income and Corporation Taxes Act 1988 *et seq*. Broadly under these provisions a UK tax resident individual may be charged to income tax on certain amounts following a transfer of assets to a person not resident or domiciled within the UK for tax purposes. Shareholders should take professional advice if they are concerned about possible exposure under section 739.

ISAs, PEPs and SIPPs

It is not expected that the Ordinary Shares acquired in the Global Offer will be eligible for inclusion in PEPs and ISAs. It is, however, expected that the Ordinary Shares will be eligible for inclusion in PEPs and ISAs (subject to applicable subscription limits) provided that they have been acquired by purchase in the market. The Warrants will not be eligible for inclusion in PEPs or the stock and shares component of ISAs. The Ordinary Shares acquired on the exercise of the Warrants will be eligible for inclusion in PEPs and ISAs (subject to applicable subscription limits) if at the time of the exercise those Ordinary Shares are officially listed on a recognised stock exchange and their terms have not been altered such that Shareholders receive a secured minimum return. The Ordinary Shares and the Warrants may be held for the purposes of a SIPP (where the rules of the SIPP allow) and it is not expected that they will be "taxable property" for these purposes.

Corporate Shareholders

The following assumes that a corporate Shareholder will not be holding the investment to realise profits under Schedule D Case I (as defined in section 18(3) of the Income and Corporation Taxes Act 1988).

Dividends and income distributions

Where a UK-resident corporate Shareholder receives a dividend from the Company this will be a foreign source dividend and will be subject to UK corporation tax.

The UK will give credit relief for underlying tax where the Company is in receipt of a dividend from a company which owns, directly or indirectly, 10% or more of the voting power of the company paying the dividend.

"Underlying tax" means foreign tax which is borne by the foreign company on the profits out of which a dividend is deemed to be paid. If the foreign company (or a company of which it is a subsidiary) controls, directly or indirectly, 10% or more of the voting power of another company, the underlying tax applicable to dividends received by the foreign company from that other company may also be taken into account and so on through any number of companies so long as the 10% chain of control is maintained. The chain of companies can include a company which is resident in the UK, but no account may be taken of any tax paid by that company other than UK corporation tax paid by it plus the tax credit relief given to it.

Disposals and capital distributions

Corporate Shareholders who are resident in the United Kingdom for taxation purposes will, subject to their individual circumstances, be liable to UK corporation tax on any gains which accrue to them on a disposal of their Shares. As the Company will be a closed-ended company it will not be a collective investment scheme and therefore the rules relating to "offshore funds" in Chapter V of Part XVII of the UK Income and Corporation Taxes Act 1988 will not apply.

Where a UK-resident corporate Shareholder receives a capital distribution this will be treated as a part disposal of its holding. The capital gain or loss is calculated as proceeds less base cost. As this is deemed to be a part disposal, only part of the base cost can be brought into account. The fraction of base cost which is allowable as a deduction is A/(A+B), where A is the consideration and B is the value of the part retained.

Certain other provisions of UK tax legislation

Section 13 of the Taxation of Chargeable Gains Act 1992

These paragraphs apply to Shareholders who are resident or ordinarily resident (and, if individuals, domiciled) in the UK and whose proportionate interest in the chargeable gains of the Company (or in certain circumstances the chargeable gains of the Luxcos or other subsidiary or investee companies of the Company) exceeds one-tenth of the gain. In calculating whether a Shareholder has an interest in more than one-tenth of the gain, the interests of that Shareholder will be aggregated with the interests of any persons who are "connected" with them for tax purposes. Persons who would be "connected" with a Shareholder for UK tax purposes include, where the Shareholder is a company, any other company that is under the control of the Shareholder, or that has control of the Shareholder, or which is under common control with the Shareholder; and where the Shareholder is a member of a partnership (or is a company under the direct control of another company that is itself a member of a partnership), any other member of that partnership.

In the event that the Company would be treated as 'close' under UK tax legislation if it were resident in the UK, then part of any chargeable gain accruing to the Company (or, as appropriate, the relevant Luxco or other subsidiary or investee company of the Company) may be attributed to such a Shareholder and the Shareholder may (in certain circumstances) be liable to UK tax on capital gains. The part of the capital gain attributed to the Shareholder corresponds to the Shareholder's proportionate interest in the Company.

Controlled foreign company rules

As it is possible that the Company will be owned by a majority of persons resident in the UK, the UK legislation applying to controlled foreign companies may apply to any corporate holders of Ordinary Shares who are resident in the UK. Under these rules, part of any undistributed income profits accruing to the Company (or in certain circumstances to a subsidiary or investee company of the Company) may be attributed to such a Shareholder, and may in certain circumstances be chargeable to UK corporation tax in the hands of the Shareholder. However, this will only apply if the apportionment to that Shareholder (when aggregated with persons "associated" with them) is at least 25% of the relevant profits of the controlled foreign company (or, as appropriate, of a subsidiary or investee company of the Company). For these purposes, the persons who may be treated as "associated" with each other are, so far as here material, essentially the same as those who may be treated as "connected" with each other for UK tax purposes, as discussed under "Section 13 of the Taxation of Chargeable Gains Act 1992" above.

If the Company, and, where appropriate, the relevant subsidiary or investee company and all intermediate holding companies follow an acceptable distribution policy (i.e. if they distribute at least 90% of income profits arising in each accounting period ultimately to UK resident persons within 18 months of the end of that accounting period) then the controlled foreign company rules will not apply. It is not possible to know at this stage what the profile of investors will be and therefore whether the Company will satisfy this policy.

Warrants and chargeable gains

The cost to a Shareholder or Warrantholder of acquiring Ordinary Shares and Warrants will be apportioned between the Ordinary Shares and Warrants on the basis of their respective values at the date of allotment, which basis should not be significantly different from the ratio which the market value of the Ordinary Shares bears to the market value of the Warrants, as derived from the Daily Official List of the London Stock Exchange on the first day of trading.

A disposal of Warrants may, depending on the holder's circumstances and subject to any available exemption or relief, give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax or, as the case may be, corporation tax on chargeable gains.

A Warrantholder who exercises the subscription rights conferred by the Warrants will not thereby be treated as disposing of the Warrants. The amount that such Warrantholder paid to acquire the Warrant that he exercises (as determined by the apportionment explained above), together with the amount he pays for the Ordinary Shares acquired pursuant to such exercise, shall constitute that person's acquisition cost in the Ordinary Shares thus acquired.

If a Warrant is not exercised and is instead allowed to lapse, the holder of the Warrant will be treated as making a disposal of the Warrant if the Warrant is, at the time of the lapse, quoted on a recognised stock exchange (which includes the London Stock Exchange). Such a disposal may give rise to an allowable loss for the purposes of capital gains tax or, as the case may be, corporation tax on chargeable gains and the full cost of those Warrants will be allowed in computing such loss.

Stamp Duty and Stamp Duty Reserve Tax (''SDRT'')

The following comments are intended as a guide to the general stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply.

No UK stamp duty or SDRT will be payable on the issue of the Ordinary Shares or the Warrants.

Transfers of Ordinary Shares or Warrants will not be liable to stamp duty unless the instrument of transfer is executed within the United Kingdom or, wherever executed, relates to any matter or thing done or to be done within the United Kingdom. In such a case, *ad valorem* UK stamp duty is charged at the rate of 0.5% of the amount of the value of the consideration for the transfer rounded up where necessary to the nearest multiple of £5. Provided that neither the Ordinary Shares nor the Warrants are registered in a register kept in the UK by or on behalf of the Company and the transfer is settled electronically via CREST, any agreement to transfer Ordinary Shares or Warrants will not be subject to UK SDRT.

United States Taxation of Shareholders

The following discussion addresses certain (i) US federal income tax considerations that may be relevant to Shareholders who (a) are citizens or residents of the United States, or corporations, partnerships or other business entities created or organised under the laws of the United States or any political subdivision thereof, trusts subject to the control of a US Person and the primary supervision of a US court or estates that are subject to United States federal income taxation regardless of the source of their income, and (b) that hold Ordinary Shares issued by the Company as a capital asset (''US investors'') and (ii) US federal income tax consequences to a US investor in regard to its acquiring, holding or disposing of the Ordinary Shares.

IRS Circular 230 Notice

To ensure compliance with requirements imposed by the IRS, investors are hereby notified that the US tax advice contained herein (i) is written in connection with the promotion or marketing by the Company of the transactions or matters addressed herein and (ii) is not intended or written to be used, and cannot be used, by any taxpayer, to avoid US tax penalties. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax adviser.

The following discussion does not address the US tax treatment of Shareholders that are not US investors or that are subject to special tax regimes such as certain financial institutions, insurance companies, dealers in securities or foreign currencies, US investors whose functional currency (as defined in section 985 of the Code) is not the US dollar, persons subject to alternative minimum tax, and persons that hold Ordinary Shares as part of a ''straddle'', ''conversion transaction'', ''hedge'', or other integrated investment strategy. All such prospective Shareholders are urged to consult their own tax advisers with respect to the US tax treatment of an investment in Ordinary Shares of the Company.

The Company has not sought a ruling from the US Internal Revenue Service ("IRS") or an opinion of legal counsel as to any specific US tax matters. The discussion below as it relates to US federal tax consequences is based upon the Code, and regulations, rulings and judicial decisions thereunder as of the date hereof; such authorities may be repealed, revoked or modified (possibly on a retroactive basis) so as to result in US federal income tax consequences different from those discussed below.

This discussion is for general information purposes only. Prospective Shareholders should consult their own tax advisers with respect to their particular circumstances and the effect of state or local or foreign tax laws to which they may be subject.

US Income Tax Treatment of Taxable US investors

US investors receiving dividends with respect to Ordinary Shares are required to include in gross income for United States federal income tax purposes the gross amount of such dividends. For United States tax purposes, a distribution by the Company with respect to Ordinary Shares owned by a US investor will be treated as a dividend to the extent of the Company's current and accumulated earnings and profits. Distributions in excess of earnings and profits will generally be considered on a non-taxable return of tax basis, and distributions in excess of such Shareholder's tax basis will generally be treated as gain from the sale or exchange of the Ordinary Shares. Since the Company will not calculate its earnings and profits under US federal income tax principles, US investors generally will be unable to establish that distributions are not dividend income. Dividends paid or deemed paid by the Company to US investors will not be eligible for the dividends-received deduction available to corporations receiving dividends from certain United States corporations. As discussed below, such dividends will also not be eligible for the lower tax rate applicable to "qualified dividend income" and may be subject to additional US tax as discussed below. Shareholders that are US investors will generally not be entitled to a foreign tax credit for foreign withholding or income taxes paid by the Company or the companies in which it invests.

Dividends paid in sterling will be included in income in a US dollar amount calculated by reference to the exchange rate in effect on the date the US investor actually or constructively receives the dividend, regardless of whether the payment is in fact converted into US dollars. If the dividend is converted into US dollars on the date of receipt, the US investor generally should not recognise foreign currency gain or loss in respect of the dividend. A US investor may have foreign currency gain or loss if the holder does not convert the amount of such dividend into US dollars on the date of receipt.

A US investor selling to or exchanging Ordinary Shares with third parties will recognise a gain or loss for United States federal income tax purposes equal to the difference, if any, between the amount realised from the sale or exchange and such US investor's tax basis in the Ordinary Shares that are sold. A US investor's adjusted tax basis in an Ordinary Share will generally be its US dollar cost. The US dollar cost of an Ordinary Share purchased with foreign currency will generally be the US dollar value of the purchase price paid in the Global Offer. The gain or loss will generally be treated as arising from sources within the United States.

The amount realised on a sale or other disposition of Ordinary Shares for an amount in foreign currency will be the US dollar value of this amount on the date of sale or disposition. On the settlement date, a US investor will recognise US source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the US dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. However, in the case of Ordinary Shares traded on an established securities market that are sold by a cash basis US investor (or an accrual basis US investor that so elects), the amount realised will be determined using the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognised at that time.

Subject to the discussions below, this amount will be treated as a long-term capital gain or loss if the relevant Ordinary Shares were held as capital assets for more than one year. Long-term capital gains are currently subject to a maximum individual tax rate of 15%. The deduction of capital losses may be subject to limitation. Similar rules will apply to a US investor that sells to the Company a sufficient percentage of its Ordinary Shares so as to qualify under one of several "safe harbours" for exchange treatment or to cause a "meaningful reduction" in its share interest and so qualify for sale or exchange treatment. If a US investor sells its Ordinary Shares to the Company in a transaction or transactions not qualifying for exchange treatment, the proceeds received by such US investor will be treated as a dividend to the extent of the Company's earnings and profits, thereafter as a return of capital, and thereafter as capital gain. In that case, there is a risk that other US investors selling smaller percentages of or no Ordinary Shares back to the Company may be deemed to have received distributions subject to the same treatment.

US Income Tax Treatment of Tax-Exempt US investors

US investors that are organisations generally exempt from United States federal income tax, including pension funds, charitable organisations and educational institutions ("US Tax-Exempt Investors"), will generally not be subject to United States federal income tax with respect to dividends received (or deemed received) from or gains from the sale or other disposition of Ordinary Shares. However, if the relevant Ordinary Shares are "debt-financed property", all or a portion of the income with respect to the Ordinary Shares will be required to be included in income as "unrelated business taxable income". The Ordinary Shares would generally be considered debt-financed property in the hands of a US Tax-Exempt Investor if such investor incurred indebtedness to acquire them.

Passive Foreign Investment Company Status

The Company expects that it will be a passive foreign investment company ("PFIC"), and that any subsidiary undertakings and certain entities in which the Company or any Subsidiary undertaking makes an equity investment that are organised as "foreign corporations" for purposes of US federal income tax will be classified as PFICs (such subsidiary undertakings and entities referred to as "lower-tier PFICs"). Unless one of the elections described below is made, a US investor that is a shareholder in the Company will be required to treat any gain on disposition of any of the Ordinary Shares as allocated rateably to each day in such taxpayer's holding period. With respect to the portion of gain which is allocated to any portion of the taxpayer's holding period before the year of disposition, the taxpayer generally is subject to a tax equal to the sum of (i) a tax calculated at the highest rate of tax in effect for each respective prior taxable year, and (ii) interest thereon. The tax is not reduced by other losses or deductions, including loss carry-forwards. Any gain not subject to the interest charge would be included in the taxpayer's gross income as ordinary income. Generally any distribution in excess of 125% of the average distributions amount received from the Company during the three preceding taxable years (or, if shorter, such taxpayer's holding period) also would be subject to the foregoing rules. Any dividends paid by a PFIC will not be eligible for the lower tax rate applicable to "qualified dividend income". The PFIC rules will not apply to a US Tax-Exempt Investor unless dividends paid by the Company to such US Tax-Exempt Investor would be taxable as unrelated business taxable income under section 512 of the Code.

The above tax treatment does not apply to an investment in any PFIC that is covered by either a qualified electing fund (a "QEF") election or a mark-to-market election. The QEF election will only apply if (i) the US investor makes an election to have each PFIC treated as a QEF with respect to that US investor and (ii) the Company complies with certain reporting requirements. The Company does not intend to provide information sufficient for taxable US investors to make a QEF election.

US tax law also provides a mark-to-market election for holders of "marketable" PFIC stock. The Company expects that its Ordinary Shares will qualify as "marketable" PFIC stock for the purposes of this election. Under such an election, the direct or indirect US investor would include in its income, as ordinary income, any excess of the fair market value of the Ordinary Shares held at the close of the tax year over such US investor's adjusted basis in the Ordinary Shares. Subject to certain limitations, a US investor that makes the mark-to-market election may also deduct the excess of its adjusted tax basis in the Ordinary Shares over the fair market value of such Ordinary Shares at the close of the tax year to the extent of such unreversed inclusions from prior years.

Under certain attribution rules, US investors will be deemed to own their proportionate share of lower-tier PFICs, and will be subject to the adverse tax consequences described above, and any mark to market election that is made with respect to the Ordinary Shares will not apply to such investments. In addition, because the value of each lower-tier PFIC interest held by the Company is reflected in the market price of the Shares, a US Holder that makes a mark-to-market election with respect to the Company could be subject to mismatches in timing of and character of income realised through its investment in the Shares.

US investors are urged to consult with their tax advisers regarding the effects of the PFIC rules on an investment in Ordinary Shares, as well as the procedures for making an effective and timely mark-to-market election.

Controlled Foreign Corporation Status

A US investor would be subject to a separate anti-deferral regime (and not the PFIC rules described above) with respect to certain investments in a controlled foreign corporation (a "CFC"). In general, a foreign corporation is classified as a CFC if "10% US Shareholders" own more than 50% of the total combined voting power of all classes of stock of such foreign corporation, or the total value of all stock of such corporation. A "10% US Shareholder" is a United States person who owns at least 10% of the total

combined voting power of all classes of stock of the foreign corporation entitled to vote. The Company does not expect that it will be classified as a CFC for US federal income tax purposes.

Information Reporting Rules

Certain US investors may be subject to information reporting requirements with respect to Ordinary Shares held in the Company. As a result, such US investors could be required to file information returns (e.g. Form 926) with the IRS with respect to Ordinary Shares held in the Company. These reporting requirements are generally triggered if a US investor's investment in the Company exceeds certain thresholds specified in the Code. For example, certain US investors acquiring 10% by vote or value of the Company's stock may be required to report their acquisitions or dispositions of Ordinary Shares or proportional changes in their respective interests in the Company. In the event a US investor fails to file any such required form, the US investor could be subject to a penalty equal to 10% of the gross amount paid for the Ordinary Shares subject to a maximum penalty equal to U.S.$100,000 (except in cases of intentional disregard). The information reporting requirements are complicated, and all prospective investors in the Company are urged to consult their own tax advisers regarding them.

In addition, US investors may be required to file with the IRS a disclosure statement on Form 8886 in certain cases, including for example where substantial losses are recognised with respect to Ordinary Shares. Under these rules, the Company may also be required to provide to its advisers identifying information about certain of the Company's investors and their participation in the Company, and the Company or its advisers may disclose this information to the IRS upon its request. Prospective investors are encouraged to consult their tax advisers to determine the applicability of these rules.

Backup Withholding and Information Reporting

Distributions on Ordinary Shares and proceeds from the sale or other disposition of Ordinary Shares may be reported to the US Internal Revenue Service unless the Shareholder is a corporation or otherwise establishes a basis for exemption. Backup withholding tax may apply to amounts subject to reporting if the Shareholder fails to provide an accurate taxpayer identification number. The amount of any backup withholding tax will be refunded or allowed as a credit against the Shareholder's US income tax liability if the holder furnishes the appropriate information to the Internal Revenue Service.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE ORDINARY SHARES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

PART XI

SHARE CAPITAL AND FINANCIAL INFORMATION ON THE COMPANY

Share capital

As at the date of the Prospectus, the share capital of the Company is as follows:

Issued share capital	2
Issued Warrants	—
Authorised share capital	An unlimited number of Ordinary Shares
Legal reserve	—
Other reserves	—

The Ordinary Shares do not have a nominal value.

Since incorporation there have been no changes to the authorised and issued share capital of the Company.

The Memorandum of Association provides for an unlimited number of Ordinary Shares of no par value. The Global Offer and the issue of Ordinary Shares pursuant to it was approved by the Board on 15 February 2007. The allotment and issue of Ordinary Shares will be approved by a sub-committee of the Board.

On 16 February 2007, special resolutions were passed by means of written resolution pursuant to which it was resolved (conditional on Admission and, in the case of (i), the approval of the Royal Court of Jersey):

(i) THAT the Company, and the Directors on behalf of the Company, be and are hereby generally and unconditionally authorised to make any number of distributions out of the Company's unrealised profits less its losses, whether realised or unrealised, provided that:

  (a) the Directors reasonably believe that the Company shall be able to meet the solvency tests prescribed by the Law and make the statement required by Article 55 of the Law; and

  (b) the authority hereby conferred shall expire at the Annual General Meeting of the Company in 2008, unless such authority is varied, revoked or renewed prior to such time by the Company in general meeting by special resolution;

(ii) THAT (a) subject to the registration by the Registrar of Companies in Jersey of an Act of the Royal Court of Jersey confirming the reduction of the Company's share capital and of a Minute approved by the Royal Court of Jersey and pursuant to Article 61 of the Law, that the stated capital account of the Company established in respect of ordinary shares be reduced after the proposed issue by the Company of up to, and full payment of up to, 1,300,000,000 ordinary shares (which are to be issued at a price of £1.00 per share) (the "Issue") by transferring the entire proceeds of the Issue then standing to the credit of the said stated capital account to the credit of the distributable reserves of the Company, to be available (subject to the deduction of any relevant losses in accordance with the Law) for distribution as distributable profits of the Company to the holders of ordinary shares in the capital of the Company and (b) following the confirmation of the reduction as aforesaid, the holders of ordinary shares shall not be liable to make any further contributions or pay any calls in respect of their ordinary shares; and

(iii) THAT pursuant to the Articles and in accordance with the Laws, the Company was authorised to make market purchases of up to 14.99% of the Ordinary Shares in issue following Admission. Further to such authority, the maximum price (exclusive of expenses) that may be paid will not be more than the higher of (a) 105% above the average of the middle market quotations for the Ordinary Shares for the five business days before the purchase is made; and (b) the higher of the last independent trade and the highest independent bid on the London Stock Exchange. The minimum price (exclusive of expenses) that may be paid will be 1 pence. This authority expires not later than 18 months from the date on which the resolution was passed unless such authority is renewed prior to such time. The Company will seek renewal of this authority from Shareholders at the annual general meeting in 2008 and thereafter at subsequent annual general meetings. The making and timing of any buy-backs will be at the absolute discretion of the Board.

Impact of the Global Offer on the assets and earnings of the Company

If successful, the Global Offer will provide the Company with funds to apply towards its investment policy and therefore will result in an increase in the assets of the Company, which will consist of investments and cash or cash equivalents. As described elsewhere in this document, a proportion of the net proceeds of the Global Offer will be used immediately to acquire the Initial Portfolio. The remaining proceeds of the Global Offer will be held in cash or cash equivalents pending investment in accordance with the Company's investment policy.

In addition, investment of the net proceeds of the Global Offer should result in an increase in the Company's total operating income and net profit, although the fees and expenses payable to the Company's service providers will also increase the Company's total operating expenses.

Financial information and reports to Shareholders

The Company was incorporated on 16 January 2007 and has not yet commenced operations. No financial statements have been made by the Company since its incorporation. As the Company has only recently been formed, it has not published any consolidated financial information.

The Company's annual reports will be prepared up to 31 March each year and it is expected that copies will be sent to Shareholders in the following June. The first annual report will cover an extended period from incorporation to 31 March 2008, and is expected to be despatched in June 2008. Shareholders will also receive an unaudited interim report covering the six-month period ending 30 September each year, the first such interim report to be released for the period from incorporation to 30 September 2007. The annual general meeting of the Company will be held in the UK in each year, the first being expected to be held in July 2007.

The audited accounts of the Company will be drawn up in sterling and prepared under IFRS. Under IFRS, the Company is likely to prepare an income statement which, unlike a statement of total return, does not differentiate between revenue and capital. The Company's management and administration fees, peformance fees, finance costs and all other expenses will be charged through the income statement. Fair market value changes of equity investments in Project Companies will be recognised in the Company's income statement.

Valuation Policy

The Investment Adviser will produce and submit to the Board updated fair market valuations of the Company's investments on a semi-annual basis (subject to any future requirements of the Listing Rules). The valuation principles used in the valuation methodology adopted by the Investment Adviser for the valuation of the Group's infrastructure assets will be based on IPEVC guidelines generally using a discounted cashflow methodology as being most appropriate for the nature of such investments.

The Investment Adviser will calculate the Net Asset Value of an Ordinary Share for reporting to Shareholders twice a year in the Company's annual report and interim financial statements. All valuations made by the Investment Adviser will be based, in part, on valuation information provided by the Project Companies or other investment vehicles in which the Company has invested. Although the Investment Adviser will evaluate all such information and data, it may not be in a position to confirm the completeness, genuineness or accuracy of such information or data. In addition, the financial reports typically provided by the Project Companies or other investment vehicles are provided only on a quarterly or half yearly basis and generally are issued one to four months after their respective valuation dates. Consequently, each reported Net Asset Value will contain information that may be out of date and require updating and completing. Shareholders should bear in mind that the actual Net Asset Value may be materially different from these reported estimates.

The Directors do not envisage any circumstances in which valuations will be suspended.

Accounting policies

The Directors are responsible for selecting suitable accounting policies which follow generally accepted accounting practice. These policies will be applied consistently, follow applicable accounting standards and comply with IFRS as adopted by the EU as at Admission. Reasonable and prudent judgements and estimates will be used in the preparation of the Company's financial statements.

A. Basis of consolidation

(i) **Subsidiaries** Subsidiaries are entities controlled by the Group. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefit from its activities. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) **Joint Ventures** Joint ventures are those entities over whose activities the Group has joint control, established by contractual agreement. Interests in joint ventures through which the Group carries on its business are classified as jointly controlled entities and are accounted for using the equity method.

Interests in joint ventures that are held as part of the Group's investment portfolio are carried in the balance sheet at fair value. This treatment is permitted by IAS 31 Interests in Joint Ventures ("IAS 31"), which requires joint venturers' interests held by venture capital organisations to be excluded from its scope when those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IAS 39, with changes in fair value recognised in profit or loss in the period of the change. The Group has no joint ventures through which it carries on its business.

(iii) **Associates** Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Investments that are held as part of the Group's investment portfolio are carried in the balance sheet at fair value even though the Group may have significant influence over those companies. This treatment is permitted by IAS 28 Investment in Associates ("IAS 28"), which requires investments held by a venture capital organisation to be excluded from its scope where those investments are designated, upon initial recognition, as at fair value through profit or loss and accounted for in accordance with IAS 39, with changes in fair value recognised in the income statement in the period of the change. The Group has no interests in associates through which it carries on its business.

(iv) **Transactions eliminated on consolidation** Intragroup balances, and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with jointly-controlled entities are eliminated to the extent of the Group's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

B. Exchange differences

(i) **Foreign currency transactions** Transactions in currencies different from the functional currency of the Group entity entering into the transaction are translated at the exchange rate ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to sterling at the exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to sterling using exchange rates ruling at the date the fair value was determined.

(ii) **Financial statements of non-sterling operations** The assets and liabilities of operations whose functional currency is not sterling, including fair value adjustments arising on consolidation, are translated to sterling at exchange rates ruling at the balance sheet date. The revenues and expenses of these operations are translated to sterling at rates approximating to the exchange rates ruling at the date of the transactions. Exchange differences arising on retranslation are recognised directly in a separate component of equity, the translation reserve, and are released upon disposal of the non-sterling operation.

C. Investment portfolio

(i) **Recognition and measurement** Investments are recognised and de-recognised on a date where the purchase or sale of an investment is under a contract whose terms require the delivery or settlement of the investments. The Group manages its investments with a view to profiting from the receipt of interest and dividends and changes in fair value of equity investments. Therefore, all quoted investments and unquoted equity investments are designated as at fair value through profit or loss and subsequently carried in the balance sheet at fair value. Other investments include loan investments and fixed income shares are classified as loans and receivables and subsequently carried

in the balance sheet at amortised cost less impairment. All investments are initially recognised at the fair value of the consideration given and held at this value until it is appropriate to measure fair value on a different basis, applying the Group's valuation policies. Acquisition costs are attributed to equity investments and recognised immediately in the income statement. Subsidiaries in the separate financial statements of the Company are accounted for at cost less provision for impairment.

(ii) **Income**

(a) Realised profits over value on the disposal of investments is the difference between the fair value of the consideration received less any directly attributable costs, on the sale of equity and the repayment of loans and receivables, and its carrying value at the start of the accounting period, converted into sterling using the exchange rates in force at the date of disposal;

(b) Unrealised profits on the revaluation of investments is the movement in the carrying value of investments between the start and end of the accounting period converted into sterling using the exchange rates in force at the end of the movement;

(c) Portfolio income is that portion of income that is directly related to the return from individual investments. It is recognised to the extent that it is probable that there will be an economic benefit and the income can be reliably measured. The following specific recognition criteria must be met before the income is recognised:

- Income from loans and receivables is recognised as it accrues by reference to the principal outstanding and the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash flows through the expected life of the financial asset to the asset's carrying value;
- Dividends from equity investments are recognised in the income statement when the shareholders' rights to receive payment have been established to the extent that dividends, paid out of pre-acquisition reserves, adjust the fair value of the equity investment;
- Fee income is earned directly from investee companies when an investment is first made and through the life of the investment. Fees that are earned on a financing arrangement are considered to relate to a financial asset measured at fair value through profit or loss and are recognised when that investment is made. Fees that are earned on the basis of providing an ongoing service to the investee company are recognised as that service is provided.

D. Fees

(i) **Advisory fee** An annual advisory fee is payable based on the Gross Investment Value of the Company. The fee is payable quarterly in advance and is accrued in the period it is incurred.

(ii) **Performance fee** A performance fee is also payable based on the Adjusted Total Return generated in the period in excess of a performance hurdle. The fee is payable annually in arrear and is accrued in the period it is incurred.

E. Treasury assets and liabilities

Short-term treasury assets and short and long-term treasury liabilities are used to manage cash flows and overall costs of borrowing. Financial assets and liabilities are recognised in the balance sheet when the relevant Group entity becomes a party to the contractual provisions of the instrument.

(i) **Cash and cash equivalents** Cash and cash equivalents in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less. For the purposes of the cash flow statement, cash and cash equivalents comprise cash and short-term deposits as defined above and other short-term, highly liquid investments that are readily convertible into cash and are subject to insignificant risk of changes in value, net of bank overdrafts.

(ii) **Deposits** Deposits in the balance sheet comprise longer-term deposits with an original maturity of greater than three months.

(iii) **Bank loans, loan notes and borrowings** All loans and borrowings are initially recognised at the fair value of the consideration received net of issue costs associated with the borrowings. After initial recognition, these are subsequently measured at amortised cost using the effective interest method, which is the rate that exactly discounts the estimated future cash flows through the expected life of the liabilities. Amortised cost is calculated by taking into account any issue costs and any discount or premium on settlement.

(iv) **Derivative financial instruments** Derivative financial instruments are used to manage the risk associated with foreign currency fluctuations of the investment portfolio and changes in interest rates on its borrowings. This is achieved by the use of foreign currency contracts, currency swaps and interest rate swaps. Such instruments shall be used for the sole purpose of efficient portfolio management. All derivative financial instruments are held at fair value.

Derivative financial instruments are recognised initially at fair value on the contract date and subsequently remeasured to the fair value at each reporting date. The fair value of forward exchange contracts is calculated by reference to current forward exchange contracts for contracts with similar maturity profiles. The fair value of currency swaps and interest rate swaps is determined with reference to future cash flows and current interest and exchange rates. All changes in the fair value of derivative financial instruments are taken to the income statement.

F. Other assets

Assets, other than those specifically accounted for under a separate policy, are stated at their cost less impairment losses. They are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated based on expected discounted future cash flows. Any change in levels of impairment is recognised directly in the income statement. An impairment loss is reversed at subsequent balance sheet dates to the extent that the asset's carrying amount does not exceed its carrying value, had no impairment been recognised.

G. Other liabilities

Liabilities, other than those specifically accounted for under a separate policy, are stated based on the amounts which are considered to be payable in respect of goods or services received up to the balance sheet date.

H. Equity instruments

Equity instruments issued by the Group are recognised at the proceeds or fair value received with the excess of the amount received over nominal value being credited to the share premium account. Direct issue costs net of tax are deducted from equity.

I. Provisions

Provisions are recognised when the Group has a present obligation of uncertain timing or amount as a result of past events, and it is possible that the Group will be required to settle that obligation and a reliable estimate of that obligation can be made. The provisions are measured at the Directors' best estimate of the amount to settle the obligation at the balance sheet date, and are discounted to present value if the effect is material. Changes in provisions are recognised in the income statement for the period.

J. Income taxes

Income taxes represent the sum of the tax currently payable, withholding taxes suffered and deferred tax. Tax is charged or credited in the income statement, except where it relates to items charged or created directly to equity, in which case the tax is also dealt with in equity.

PART XII

ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names appear in paragraph 6.1 below, the Proposed Director and the Company accept responsibility for the information contained in this document. To the best of the knowledge of the Directors, the Proposed Director and the Company (who have each taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

2.1 3i Infrastructure Limited was incorporated with limited liability in Jersey under the Laws as a closed-ended investment company on 16 January 2007 with registered number 95682. The Company has been incorporated with an indefinite life.

2.2 The registered office of the Company is 22 Grenville Street, St. Helier, Jersey JE4 8PX Channel Islands. The Company operates under the Laws and the regulations and orders made thereunder.

2.3 A copy of the Prospectus has been delivered to the Jersey registrar of companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and the Jersey registrar has given, and has not withdrawn, consent to its circulation. The JFSC has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958 to the issue of securities in the Company. It must be distinctly understood that, in giving these consents, neither the Jersey registrar of companies nor the JFSC takes any responsibility for the financial soundness of the Company or for the correctness of any statements made, or opinions expressed, with regard to it.

2.4 The Company's accounting periods terminate on 31 March of each year, the first such period ending on 31 March 2008.

2.5 There have been no changes in the authorised and issued share capital of the Company since incorporation as summarised in Part XI of this document.

3. Holding Entities

3.1 The Company has set up a series of newly-formed, wholly-owned Holding Entities through which it will hold the Initial Portfolio (other than its investment in Osprey/AWG, which will be held by the Company through a newly-formed English limited partnership set up by 3i Group). Since incorporation, none of the Holding Entities have traded.

3.2 **Luxcos**: Two of the Holding Entities are Luxembourg companies, each being a "*société à responsabilité limitée*" ("S.à r.l") (broadly the equivalent of a private company). One of the Luxembourg Companies ("Luxco 1") will be a directly, wholly-owned subsidiary of the Company and the other will be a wholly-owned subsidiary of Luxco1 ("Luxco 2"). Luxco 2 will acquire a limited partnership interest in the Partnership at Admission.

3.3 **The Partnership**: The Company is (and Luxco 2 will be) a limited partner in an English limited partnership (the "Partnership") which also has a special purpose UK subsidiary of the Company as its general partner (the "General Partner"). The General Partner, for itself and on behalf of the Partnership, has appointed the Investment Adviser as manager and operator of the Partnership and its assets (the "Manager"). The Partnership will (through nominees, where appropriate) hold the Group's interests in I^2, Alpha Schools and Octagon.

4. Further details of the Partnership

4.1 The Partnership was established on 14 February 2007 as a limited partnership under the Limited Partnerships Act 1907 of the United Kingdom with the name 3i Infrastructure Seed Assets Limited Partnership with registered number LP11861. The principal place of business of the Partnership is at 16 Palace Street, London SW1E 5JD. The Partnership is governed by a limited partnership agreement dated 8 February 2007 between 3i Infrastructure GP Limited, as general partner and the Company, as limited partner. As stated above, Luxco 2 will be admitted as a limited partner and a party to the partnership agreement with effect from Admission. The partnership agreement will also be amended

with effect from Admission to reflect the Acquisition and to provide for Luxco 2 to receive all debt related income and capital of the Partnership (other than from Northern), with the Company receiving all other income and capital.

4.2 Under the associated management agreement effective on Admission, the Manager has full discretion to manage the assets of the Partnership and will have full power and authority on behalf of the Partnership to enter into contracts and do all such other acts and things as it may deem necessary or advisable in connection with the management of the Partnership. Notwithstanding (and without prejudice to) its discretionary powers, the Manager may take into account advice given to the Board by the Investment Adviser and the views of the Board on such advice.

4.3 The management agreement also provides that the Manager will not be liable for losses suffered by, or profits denied to, the Partnership in the absence of fraud, negligence or wilful misconduct, or breach of the terms of the management agreement by the Manager. The Manager and its agents, officers and employees are entitled to be indemnified out of the Partnership assets against claims, costs, damages or expenses incurred by them by reason of the Manager acting as manager and operator of the Partnership, subject to the same exceptions.

4.4 The Partnership has an unlimited life. The Partnership has no assets or liabilities at the date of this document, other than a nominal amount of partnership capital contributed by the partners, and has not traded. After Admission and following the Acquisition, the Partnership will own the Group's interests in I^2, Alpha Schools and Octagon and the Manager will manage these assets on the Partnership's behalf.

4.5 The Manager will receive nominal fees from the Company under the associated management agreement, which will be offset against the advisory fee payable under the Investment Advisory Agreement.

5. Investment restrictions under the Listing Rules

5.1 The Company will comply with the investment restrictions imposed by the Listing Rules from time to time. As at the date of this document, the Listing Rules require that the Company must not:

(A) invest more than 10% in aggregate of the value of the total assets of the Company, at the time of Admission, in other investment companies or investment trusts which are listed on the Official List (save to the extent that those investment companies or investment trusts have stated policies to invest no more than 15% of their total gross assets in other investment companies or investment trusts which are listed on the Official List);

(B) conduct a trading activity which is significant in the context of the Group as a whole;

(C) lend to any one company or group, or invest in the securities of any one company or group, more than 20% of its total assets (at the time the investment or loan is made);

(D) pay dividends unless they are covered by income received from underlying investments; and

(E) distribute as dividends, surpluses arising from the realisation of investments.

5.2 The Company has adopted a policy to invest no more than 15% of its total gross assets in other investment companies or investment trusts which are listed on the Official List.

5.3 The Listing Rules require that the Company is a passive investor, and to meet this requirement the Company will, unless otherwise agreed by the UK Listing Authority, only acquire a majority equity interest in infrastructure businesses if it does not take management control of the investee company.

5.4 The Listing Rules may be amended or replaced over time. To the extent that the above investment restrictions are no longer imposed under the Listing Rules, those investment restrictions shall no longer automatically apply to the Company.

5.5 In the event of any breach of the investment restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Company by notice sent to the registered addresses of the Shareholders in accordance with the Articles or by an announcement issued through a Regulatory Information Service approved by the FSA.

6. Directors' and other interests

6.1 The Directors and their respective roles are:

Peter Sedgwick (Non-executive Chairman)
Peter Wagner (Non-executive Director)
Philip Austin (Non-executive Director)
Martin Dryden (Non-executive Director and Chairman of the Audit Committee)

6.2 So far as is known to the Company, none of the Directors, including any connected person, the existence of which is known to, or could with reasonable diligence be ascertained by, that Director, will have any interest, whether or not held through another party, in the share capital of the Company or any option in respect of such capital immediately following the Global Offer.

6.3 As at the date of this document and except as set out in paragraphs 6.7 and 6.8 below, there are no potential conflicts of interest between duties owed by the Directors to the Company and any of their private interests and/or other duties.

6.4 The Directors shall be remunerated for their services at such rate as the Directors shall determine from time to time. The aggregate remuneration and benefits in kind of the Directors in respect of the Company's accounting period ending on 31 March 2008 which will be payable out of the funds of the Company are not expected to exceed £500,000. It is expected that each of the Directors will receive directors' fees of £40,000 per annum save for the Chairman, who will receive £100,000 per annum, and Peter Wagner, who will receive £70,000 per annum. For the Company's first financial period, the fees will be payable as if the Directors had been appointed as at 1 October 2006. In the case of Martin Dryden, who is an employee of Mourant Limited, his director's fees will be paid on to Mourant Limited while he remains their employee. Any fee payable to the Proposed Director would be paid to 3i Group. No Director of the Company has waived or agreed to waive future emoluments nor has any Director waived any such emolument during the current financial year. No commissions or performance-related payments have been, and it is expected that none will be, made to the Directors of the Company. Notwithstanding the foregoing, pursuant to the Articles, the Directors are entitled to be reimbursed for expenses properly incurred in the performance of their duties as Directors and if by arrangement with the Board a Director performs or renders special duties or services outside his ordinary duties or services as a Director, he may be paid such reasonable additional remuneration as the Board may determine. The aggregate remuneration of the Directors shall not exceed £500,000 per annum (or such sum as the Company in a general meeting shall determine).

6.5 No Director has a service contract with the Company, nor are any such contracts proposed. The Directors were appointed as non-executive Directors by the subscribers to the Memorandum of Association of the Company or at a subsequent board meeting. Their appointment was confirmed by letters dated 29 January 2007 (and in respect of Peter Wagner dated 16 February 2007) and their appointment is expressed to be subject to the Articles. The Directors' appointments can be terminated in accordance with the Articles. One-third of the Directors are required to retire by rotation at each annual general meeting of the Company but may be subject to re-election on retirement.

6.6 No loan has been granted to, nor any guarantee provided for the benefit of, any Director of the Company.

6.7 Peter Wagner is a senior business person in Switzerland who is presently a non-executive director of one listed and seven private companies, as well as advising one other company. 3i Group has a minority shareholding in one of the private companies and, in common with many of its investments, a right to nominate one member of the board. 3i Group appointed Mr Wagner to the board as a non-executive director in 2005. Mr Wagner has an agreement for services with the investee company, although, in lieu of annual remuneration, he is entitled to receive a bonus payable upon a sale or other exit event in relation to the investee company of which 50% will be funded by 3i Group.

6.8 Martin Dryden is an employee of a subsidiary of Mourant Limited. Mourant Limited is the holding company of Mourant & Co. Limited, the Jersey Administrator. The Jersey Administrator also provides ongoing administrative services to certain Jersey entities associated with 3i Group at commercial rates (which in the year to 30 September 2006 will be charged at approximately £33,000). In addition, the Jersey Administrator is affiliated with Mourant du Feu & Jeune ("MdFJ"), who provide Jersey legal services to the Company. MdFJ have also provided Jersey legal advice to 3i Group in the past on a transaction-by-transaction basis.

6.9 None of the Directors has, or has had, a significant interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or which has been effected by the Company since its incorporation.

7. Other Directorships

7.1 In addition to their directorships of the Company, the Directors are or have been, members of the administrative, management or supervisory bodies ("Directorships") or partners of the following companies or partnerships, at any time in the previous five years:

Peter Sedgwick (Chairman)
Current Directorships and Partnerships
None

Past Directorships and Partnerships
European Investment Bank
European Investment Fund

Martin Dryden (Non-executive Director and Chairman of Audit Committee)
Current Directorships and Partnerships
Actera Group Limited
Alcentra Jersey GP Limited
Alpha Associates Management Limited
AXA PE Asia Manager Limited
Blueleaf Limited
Britel Jersey Manager Limited
DEFI EuroCap III Partners Limited
Kingsbridge Capital Management GP Limited
Morley (Jersey Unit Trusts) Management Limited
Morley (Jersey Nominee) Limited
Mourant Fund Services Jersey Limited
Nordic Food Services Limited
Nordic Manila Beta Limited
Nordic Manila Cecilia Two Limited
Nordic Manila Delta Limited
Possfund Jersey Manager Limited
Talke (General Partner (Jersey)) Limited
Talke (Nominee 1) Limited
Talke (Nominee 2) Limited
Tynet Limited

Past Directorships and Partnerships
Gartmore Managers (Jersey) Limited
Gartmore Fund Managers International Limited
Gartmore Sicav
Maples Finance Jersey Limited

Philip Austin (Non-executive Director)
Current Directorships and Partnerships
E Q Holdings (Jersey) Limited
E Q Trust (Jersey) Limited
E Q Trust Holdings (Jersey) Limited
Equity Trust (Jersey) Limited
Equity Trust Group Services (Jersey) Limited
Equity Trust Services Limited
Equity Trust (Guernsey) Limited

Past Directorships and Partnerships
Jersey Finance Limited

Peter Wagner (Non-executive Director)
Current Directorships and Partnerships
Neptune Orient Lines Limited
Wild Group Management AG
Goldbach Media AG

Simmen Architektur AG
Simmen Immobilien GmbH
Management & Consulting Services AG
Arthur D. Little (Switzerland) Limited (Advisor)
Kaiser Ritter Partner Holdings Anstalt
Sercia Bank AG

Past Directorships and Partnerships
Mondi Business Paper
Acquila Roth & Partner AG
Hexapro International AG
Swiss International Air Lines AG, Basel
Swiss International Air Lines AG Crossair AG, Kloten
Swiss International Air Lines AG Crossair AG, Bern
Swiss International Air Lines AG Crossair SA, Lausaane
Swiss International Air Lines AG Crossair AG, St. Gallen
Swiss International Air Lines AG Crossair SA, Genéve
Vontobel Holding AG
Bank Vontobel AG
Banque Vontobel Genève SA
Vontobel-Stiffung
Centratex AG
Helvetia Holding AG
Helvetia Schweizerische Versicherungsgesellschaft AG
Helvetia Schweizerische Lebensversicherungsgesellschaft AG

At the date of the Prospectus none of the Directors:

(a) has any convictions in relation to fraudulent offences for at least the previous five years;

(b) has been bankrupt, a director of any company or been a member of the administrative, management or supervisory bodies of an issuer or a senior manager of an issuer at the time of any receivership or compulsory or creditors' voluntary liquidation for at least the previous five years; or

(c) has been subject to any official public incrimination and/or sanction of him by any statutory or regulatory authority (including any designated professional bodies) nor has ever been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.

7.2 The Company maintains directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

7.3 The business address of each of the Directors is 22 Grenville Street, St. Helier, Jersey JE4 8PX Channel Islands.

8. Major interests

8.1 Other than as set out below, at the date of the Prospectus and on the basis that the Global Offer proceeds, the Company is not aware of any persons who, immediately following Admission, will be interested, directly or indirectly, in 3% or more of the issued share capital of the Company:

Shareholder	Number of Ordinary Shares	Number of Warrants	Percentage of Ordinary Share Capital
3i Group	325,000,000	32,500,000	Between 25% and 46.43% (depending on the size of the Global Offer and assuming the Over-allotment Option is not exercised)

8.2 Those interested, directly or indirectly, in 3% or more of the issued share capital of the Company do not now and, following the Global Offer, will not have different voting rights from other holders of Ordinary Shares. However, so long as 3i Group holds 20% or more of the Ordinary Shares, 3i Group will have the contractual right, subject to the fiduciary duties of the Directors and the requirements of the Listing Rules, to nominate one person to the Board (see paragraph 13 below).

8.3 The Company is not aware of any person who, directly or indirectly, jointly or severally, will exercise or could exercise control over the Company immediately following the Global Offer.

9. Memorandum of Association

The doctrine of *ultra vires* in its application to Jersey companies was abolished by the Companies (Jersey) Law 1991. The capacity of a Jersey company is not, therefore, limited to anything in its memorandum of association or articles of association. Accordingly, the memorandum of association of the Company does not have an "objects" clause or equivalent provision. A copy of the memorandum of association is available for inspection at the address specified in paragraph 15 of this Part XII.

10. Articles of Association

The Company's Articles contain (among other things) provisions to the following effect:

Share Capital

The authorised share capital of the Company at the date of adoption of its Articles is an unlimited number of Ordinary Shares which have no nominal value.

Share Rights

Subject to the provisions of the Articles and the Statutes and to any special rights conferred on the holders of any of the Ordinary Shares, any Ordinary Share may be issued with or have attached to it such rights and restrictions as the Company may by ordinary resolution decide or, if no such resolution has been passed, or so far as the resolution does not make specific provision, as the Board may decide.

Voting Rights

Subject to any special rights and restrictions as to voting for the time being attached to any Ordinary Shares, on a show of hands, every member who (being an individual) is present in person or (being a corporation) by a duly authorised representative (that is not a member) shall have one vote; and on a poll, every member who is present in person or by proxy shall have one vote for every Ordinary Share in the Company held by him.

In the case of joint holders of an Ordinary Share the vote of the senior who tenders a vote shall be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the relevant Ordinary Share.

Restrictions

Unless the Board otherwise decides, a member shall not be entitled to vote, either in person or by proxy, at any general meeting or at any separate general meeting of the holders of any class of shares in the Company in respect of any ordinary share held by him unless all calls and other sums presently payable by him in respect of that Ordinary Share have been paid.

Dividends and other distributions

Subject to the provisions of the Listing Rules from time to time and the provisions of the Laws from time to time, the Company may, by ordinary resolution, declare a dividend to be paid to its members, according to their respective rights and interest in the profits, and may fix the time for payment of such dividend, but no dividend shall exceed the amount recommended by the Board.

For so long as the relevant Listing Rules restriction to such effect remains in force and is applicable to the Company, any surplus derived from the sale or realisation of an investment held directly by the Company shall not be available for dividends. In addition, in compliance with the Listing Rules, dividends will not be paid unless they are covered by income received from underlying investments.

The Board may pay such interim dividends as appear to the Board to be justified by the financial position of the Company and may also pay any dividend payable at a fixed rate at intervals settled by the Board, whenever the financial position of the Company, in the opinion of the Board, justifies its payment.

No dividend or other monies payable by the Company on or in respect of any Ordinary Share shall bear interest as against the Company unless otherwise provided by the rights attached to the Ordinary Share.

All unclaimed dividends, interest or other sums payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All dividends unclaimed for a period of six years after having been declared or become due for payment shall be forfeited and cease to remain owing by the Company.

Variation of Rights

Whenever the capital of the Company is divided into different classes of shares, all or any of the rights for the time being attached to any class of shares in issue may from time to time (whether or not the Company is being wound up) be varied in such manner (if any) as may be provided by those rights or with the consent in writing of the holders of two-thirds in number of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of those shares.

Unless otherwise expressly provided by the terms of their issue, the rights attached to any class of shares shall not be deemed to be varied or abrogated by the creation or issue of further shares ranking *pari passu* with them but in no respect in priority thereto or the purchase by the Company of any of its own shares in accordance with the provisions of the Law and the Articles.

Transfer of Shares

Subject to the Articles and the restrictions on transfers described below, a member may transfer all or any of his Ordinary Shares in any manner which is permitted by the Statutes or in any other manner which is from time to time approved by the Board.

A transfer of a certificated Ordinary Share shall be in writing in the usual common form or in any other form permitted by the Statutes or approved by the Board. The instrument of transfer shall be signed by or on behalf of the transferor and, if the certificated share is not fully paid, by or on behalf of the transferee.

Subject to the Articles and the restrictions on ownership described below, a member may transfer an uncertificated share by means of CREST or in any other manner which is permitted by the CREST regulations and is from time to time approved by the Board.

The Board may, in its absolute discretion and without giving any reason, refuse to register any transfer of any share in certificated form or uncertificated form (save as described below) which is not fully paid or on which the Company has a lien provided that, where any such shares are admitted to trading on the London Stock Exchange, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

The Board may also refuse to register any transfer of a share unless (i) the transfer is in respect of only one class of shares, (ii) is in favour of no more than four transferees, (iii) the instrument of transfer is delivered for registration at the registered office of the Company or such other place as the Board may decide, accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer, and (iv) in the case of certificated shares, if the transfer is not in favour of any holder who (or whose holding of shares), as determined by the Directors, would or might result in the Company being required to register as an "investment company" under the Investment Company Act or being or potentially being in violation of such Act or the rules or regulations promulgated thereunder or the assets of the Company being deemed to be assets of an "ERISA Plan Investor" (being a "benefit plan investor" as defined in section 3(42) of ERISA, or a plan or entity that would be a "benefit plan investor" as so defined except that it is not subject to Part 4 of Subtitle B of Title I of ERISA, in either case that is subject to section 406 of ERISA or section 4975 of the US Code or any US federal state, local or other US laws or regulations that are substantially similar to such provisions of ERISA or the US Code or any similar US laws).

The Board may refuse to register any transfer of an uncertificated share where permitted by the CREST regulations.

The Articles further provide that if, among other things, any Ordinary Shares are owned directly or beneficially by an ERISA Plan Investor or any person, as determined by the Directors, to whom a sale or transfer of Ordinary Shares, or in relation to whom the direct or beneficial holding of Ordinary Shares, would or might result in the Company being required to register as an "investment company" under the Investment Company Act or being or potentially being in violation of such Act or the rules or regulations promulgated thereunder or the assets of the Company being deemed to be assets of an ERISA Plan Investor, the Directors may give notice to the registered and beneficial holders (as applicable) requiring them either: (a) to provide the Directors within 30 days with sufficient satisfactory documentary evidence to satisfy the Directors that (i) such person or persons, or the holding of Ordinary Shares by such person or persons (or such persons having an interest in Ordinary Shares either directly or beneficially as the case may be) shall not cause the Company to be required to be registered as an investment company under the Investment Company Act or the Company to be in or potentially to be in violation of such Act or the rules and regulations promulgated thereunder, or the Company's assets to be deemed to be "plan assets" for the purposes of ERISA or the US Code and (ii) such person (or persons) is not an ERISA Plan Investor; or (b) to sell or transfer the Ordinary Shares to a person qualified to own the same within 30 days and within such 30 days to provide the Directors with satisfactory evidence of such sale or transfer.

If after the expiration of the 30 day period the Board is not reasonably satisfied that satisfactory evidence has been provided or a disposal made, the Board may arrange for the sale of the Ordinary Shares on behalf of the registered holder. The manner, timing and terms of any such sale of Ordinary Shares by the Board shall be as the Board determines to be reasonably obtainable having regard to all of the circumstances. If the Company cannot effect a sale of Ordinary Shares within a period of five business days then upon the expiration of such period the Directors may apply the procedures relating to forfeiture of Ordinary Shares set out in the Articles.

If the Directors refuse to register a transfer they shall send to the transferee notice of the refusal: in the case of a certificated share, within two months of the date on which the transfer was lodged with the Company; or, in the case of an uncertificated share which is transferred by means of CREST to a person who is to hold it thereafter in certificated form, within two months of the date on which an instruction in respect of such transfer was duly received by the Company through CREST, and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.

Alteration of Share Capital

The Company may, by altering its Memorandum of Association by special resolution, consolidate all or any of its shares into fewer shares; or sub-divide its shares, or any of them, into more shares. Subject to the provisions of the Statutes and to any rights conferred on the holders of any class of shares, the Company may by special resolution reduce its capital accounts in any way.

General Meetings

The Board shall convene and the Company shall hold annual general meetings in accordance with the requirements of the Statutes and extraordinary general meetings whenever it thinks fit.

An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a Director shall be called by not less than 21 clear days' notice. All other extraordinary general meetings shall be called by not less than 14 clear days' notice. The notice shall specify the place, day and time of the meeting and the general nature of the business to be transacted.

Notice of every general meeting shall be given to all members other than any who, under the provisions of the Articles or the terms of issue of the Ordinary Shares which they hold, are not entitled to receive such notices from the Company, and also to the Auditors (or, if more than one, each of them) and to each Director.

Directors

(a) Number of Directors

The Directors (other than alternate directors) shall not, unless otherwise determined by an ordinary resolution of the Company be less than two or exceed six. At all times a majority of the Directors must be resident for tax purposes outside the UK.

(b) Directors' shareholding qualification

A Director need not be a member of the Company. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at general meetings.

(c) Appointment of Directors

Subject to the provisions of the Articles, Directors may be appointed by the Company by ordinary resolution (either to fill a vacancy or as an additional director) or by the Board. No person (other than a Director retiring by rotation or otherwise) shall be appointed or re-appointed a Director at any general meeting unless: he is recommended by the Board; or not less than seven nor more than 42 clear days before the date appointed for the meeting there has been given to the Company, by a member (other than the person proposed) entitled to vote at the meeting, notice of his intention to propose a resolution for the appointment of that person.

(d) Retirement of Directors

Subject to the provisions of the Articles, at each annual general meeting any Director who has been appointed by the Board since the previous annual general meeting and any Director selected to retire by rotation shall retire from office.

A retiring Director shall be eligible for re-appointment and (unless he is removed from office or his office is vacated in accordance with the Articles) shall retain office until the close of the meeting at which he retires or (if earlier) when a resolution is passed at that meeting not to fill the vacancy or to appoint another person in his place or the resolution to re-appoint him is put to the meeting and lost.

If at any meeting at which the appointment of a Director ought to take place the office vacated by a retiring Director is not filled, the retiring Director, if willing to act, shall be deemed to be re-appointed, unless at the meeting a resolution is passed not to fill the vacancy or to appoint another person in his place or unless the resolution to re-appoint him is put to the meeting and lost.

(e) Removal of Directors

Subject to the provisions of the Articles, the Company may by ordinary resolution remove any Director before his period of office has expired. A Director may also be removed from office by written notice served on him to that effect signed by all the other Directors.

(f) Vacation of office

The office of a Director shall be vacated if:

- he is prohibited by law from being a director; or
- he becomes bankrupt or he makes any arrangement or composition with his creditors generally; or
- he is, or may be, suffering from mental disorder and in relation to that disorder either he is admitted to hospital for treatment or an order is made by a court for his detention or for the appointment of some person to exercise powers with respect to his property or affairs; or
- for more than six months he is absent (whether or not an alternate director attends in his place), without special leave of absence from the Board, from meetings of the Board held during that period and the Board resolves that his office be vacated; or
- he serves on the Company notice of his wish to resign, in which event he shall vacate office on the service of that notice on the Company or at such later time as is specified in the notice; or
- he becomes resident for tax purposes in the United Kingdom, and, as a result thereof, a majority of the Directors would, if he were to remain a Director, be tax resident in the United Kingdom.

(g) Alternate Director

Any Director may appoint another director (other than a director appointed by 3i Group) or any other person who is willing to act as his alternate and who meets certain tax residence criteria and may remove him from that office. The appointment as an alternate director of any person who is not himself a Director shall be subject to the approval of a majority of the Directors or a resolution of the Board.

Every appointment or removal of an alternate director shall be by notice in writing signed by the appointor (or in any other manner approved by the Board) and shall be effective (subject to the Articles) on delivery at the registered office, to the secretary or at a meeting of the Board.

(h) Proceedings of the Board

The Board may meet for the despatch of business, adjourn and otherwise regulate its meetings as it thinks fit. The Board shall meet at least four times a year. A Director at any time may, and the secretary at the request of a Director at any time shall, summon a Board meeting. Board meetings shall be held in Jersey, unless, in exceptional circumstances, it is not practicable to hold the meeting in Jersey, in which case, they shall not be held anywhere within the UK.

The chairman shall, if present and willing, preside at all meetings of the Directors but, if no chairman is present within five minutes after the time fixed for holding the meeting or is unwilling to act as chairman of the meeting, the Directors present shall choose one of their number (other than a director appointed by 3i Group) to act as chairman of the meeting.

Questions arising at any meeting shall be determined by a majority of votes.

The quorum necessary for the transaction of the business of the Board may be fixed by the Board and, unless so fixed at any other number shall be two.

(i) Remuneration of Directors

The Directors (other than any Director who for the time being holds an executive office of employment with the Company or a subsidiary of the Company) shall be paid out of the funds of the Company by way of remuneration for their services as Directors, such fees not exceeding in aggregate £500,000 per annum (or such larger sum as the Company may, by ordinary resolution, determine) as the Directors may decide to be divided among them in such proportion and manner as they may agree or, failing agreement, equally. Any fee payable in this manner shall be distinct from any remuneration or other amounts payable to a Director under other provisions of the Articles and shall accrue from day to day.

The Board may grant special remuneration to any Director who performs any special or extra services to or at the request of the Company. Further, a Director shall be paid out of the funds of the Company all travelling, hotel and other expenses properly incurred by him in and about the discharge of his duties, including his expenses of travelling to and from meetings of the Board, committee meetings, general meetings and separate meetings of the holders of any class of securities of the Company.

(j) Pensions and gratuities for Directors

The Board may exercise all the powers of the Company to pay, provide or procure the grant of pensions or other retirement or superannuation benefits and death, disability or other benefits, allowances or gratuities to any person who is or has been at any time an executive Director of the Company or in the employment or service of the Company or of any company which is or was a subsidiary of or associated with the Company or of the predecessors in business of the Company or any such subsidiary or associated company or the relatives or dependants of any such person. For that purpose, the Board may procure the establishment and maintenance of, or participate in or contribute to, any non-contributory or contributory pension or superannuation fund, scheme or arrangement and pay insurance premiums.

(k) Permitted interests of Directors

Subject to the provisions of the Statutes and the Listing Rules, a Director shall not be disqualified by his office from entering into any contract with the Company, either with regard to his tenure of any office or position in the management, administration or conduct of the business of the Company or as vendor, purchaser or otherwise. Subject to the interest of the

Director being duly declared, a contract entered into by or on behalf of the Company in which any Director is in any way interested shall not be liable to be avoided; nor shall any Director so interested be liable to account to the Company for any benefit resulting from the contract by reason of the Director holding that office or of the fiduciary relationship established by his holding that office.

A Director (other than a director appointed by 3i Group) may hold any other office or place of profit with the Company (except that of auditor) in conjunction with his office of director for such period (subject to the provisions of the Statutes).

A Director may be or become a member or director of, or hold any other office or place of profit under, or otherwise be interested in, any other company in which the Company may be interested and shall not be liable to account to the Company for any benefit received by him as a member or director of, or holder of any other office or place of profit under, or his other interest in, that company.

A Director may not act by himself or his firm in a professional capacity for the Company.

A Director who to his knowledge is in any way, whether directly or indirectly, interested in a contract with the Company shall declare the nature and extent of his interest at the meeting of the Board at which the question of entering into the contract is first taken into consideration, if he knows his interest then exists, or in any other case at the first meeting of the Board after he knows that he is or has become so interested.

(l) Restrictions on voting

A Director shall not vote (or be counted in the quorum at a meeting) in respect of any resolution concerning his own appointment (including fixing or varying its terms), or the termination of his own appointment, as the holder of any office or place of profit with the Company or any other company in which the Company is interested but, where proposals are under consideration concerning the appointment (including fixing or varying its terms), or the termination of the appointment, of two or more Directors to offices or places of profit with the Company or any other company in which the Company is interested, those proposals may be divided and a separate resolution may be put in relation to each Director and in that case each of the Directors concerned (if not otherwise debarred from voting under the Articles) shall be entitled to vote (and be counted in the quorum) in respect of each resolution unless it concerns his own appointment or the termination of his own appointment.

A Director shall also not vote (or be counted in the quorum at a meeting) on any resolution relating to any contract or arrangement or any other proposal whatsoever in which he knows he has a material interest and, if he purports to do so, his vote shall not be counted, but this prohibition shall not apply and a Director may vote (and be counted in the quorum) in respect of any resolution concerning any one or more of the following matters:

(i) the giving of any guarantee, security or indemnity in respect of money lent or obligations incurred by him or by any other person at the request of or for the benefit of the Company or any of its subsidiary undertakings;

(ii) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiary undertakings for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(iii) any contract concerning an offer of shares, debentures or other securities of or by the Company or any of its subsidiary undertakings for subscription or purchase in which offer he is or may be entitled to participate as a holder of securities or he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

(iv) any contract in which he is interested by virtue of his interest in shares, debentures or other securities of the Company or otherwise in or through the Company;

(v) any contract concerning any other company in which he is interested, directly or indirectly, and whether as an officer, shareholder, creditor or otherwise, unless the Company is one in which he has a relevant interest;

(vi) any contract relating to an arrangement for the benefit of the employees of the Company or any of its subsidiary undertakings which does not award him any privilege or benefit not generally awarded to the employees to whom such arrangement relates; and/or

(vii) any proposal concerning the purchase or maintenance of insurance for the benefit of persons including Directors.

(m) Borrowing powers

Subject to the provisions of the Statutes and to the Articles, the Board may exercise all the powers of the Company to borrow money and to mortgage or charge all or any part of its undertaking, property and assets (both present and future) and uncalled capital and to issue debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

The Board is to restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiary undertakings (if any) so as to secure (but as regards subsidiary undertakings only so far as by such exercise it can secure) that the aggregate principal amount outstanding at any time in respect of all borrowings by the Group (exclusive of any Group company's borrowings which are owed to another Group company) will not at the point of drawdown of any borrowings exceed 50% of the gross assets of the Group (valuing investments on the basis included in the Group accounts).

(n) Indemnity of Directors

Subject to the provisions of the Statutes, every Director or other officer of the Company or any associated company shall be indemnified out of the assets of the Company against all liabilities and expenses incurred by him in the actual or purported execution or discharge of his duties.

Untraced shareholders

The Company may sell any Ordinary Share of a member, or any Ordinary Share to which a person is entitled by transmission, by giving to a person authorised to conduct business on the London Stock Exchange an instruction to sell it at the best price reasonably obtainable, if:

(i) during the relevant period at least three dividends have become payable in respect of the Ordinary Share to be sold and have been sent by the Company in accordance with the Articles;

(ii) no dividend payable during the relevant period in respect of the Ordinary Share has been claimed;

(iii) during the relevant period no warrant or cheque in respect of the Ordinary Share sent to the registered address and in the manner provided by the Articles for sending such payments has been cashed;

(iv) during the relevant period no communication has been received by the Company from the member or the person entitled by transmission to the Ordinary Share;

(v) after expiry of the relevant period the Company has published advertisements in both a national newspaper and in a newspaper circulating in the area in which the registered address is located, in each case giving notice of its intention to sell the Ordinary Share; and

(vi) during the period of three months following the publication of those advertisements and after that period until the exercise of the power to sell the Ordinary Share, the Company has not received any communication from the member or the person entitled by transmission to the share.

For these purposes the "relevant period" means the period of 12 years immediately preceding the date of publication of the first of any advertisement published pursuant to the Articles.

The Company shall account to the person entitled to the Ordinary Share at the date of sale for a sum equal to the net proceeds of sale and shall be deemed to be his debtor, and not a trustee for him, in respect of them.

Winding up

On a liquidation, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Statutes, divide among the Shareholders the whole or any part of the assets of the Company. This applies whether the assets consist of property of one kind or different kinds.

Disclosure of ownership

The Company may send out notices to those it knows or has reasonable cause to believe have an interest in its shares. In the notice the Company will ask for details of those who have an interest and the extent of their interest in a particular holding of shares. The Articles provide that where any member fails to provide the requisite information pursuant to such notice, the Company can decide to direct by a default notice (as defined by the Articles) that the identified shares no longer give the Shareholder any right to attend or vote either personally or by proxy at a Shareholder's meeting or to exercise any other right in relation to Shareholders' meetings.

11. General

11.1 The Company is a closed-ended investment company. The Company is not (and is not required to be) regulated or authorised by the FSA but, in common with other investment companies admitted to the Official List, is subject to the Listing Rules and is bound to comply with applicable law such as the relevant parts of FSMA.

11.2 No member of the Group is, or has been since its establishment, involved in any governmental, legal or arbitration proceedings. So far as the Group is aware, there are no governmental, legal or arbitration proceedings pending or threatened by or against it which may have, or have since establishment of the Group had, a significant effect on the Group's financial position or profitability.

11.3 There has been no significant change in the financial or trading position of the Company since its incorporation on 16 January 2007.

11.4 The Investment Adviser was incorporated as a limited liability company under the Companies Act 1985 (as amended) in England and Wales on 13 April 2000. The Investment Adviser is authorised and regulated by the FSA.

11.5 3i Investments is the custodian of the Company's assets. It was incorporated as a public limited company under the Companies Act 1985, as amended, in England and Wales on 13 April 2000 with registered number 03975789. The registered office of the Custodian is 16 Palace Street, London SW1E 5JD. It took over the authorised business of 3i Group from 3i plc on 18 March 2001. 3i Investments is authorised and regulated by FSA.

11.6 The founder Shareholders of the Company are Juris Limited and Lively Limited (the nominees of the trustees of The Infrastructure Trust, a trust established under the laws of Jersey for charitable purposes), whose registered offices are 22 Grenville Street, St. Helier, Jersey JE4 8PX, Channel Islands.

11.7 Where information contained in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

11.8 KPMG has given and has not withdrawn its consent to the inclusion of the KPMG Opinion Letter in Appendix to Part IX of this document in the form and context in which it is included and has authorised the contents of the KPMG Opinion Letter for the purposes of item 5.5.32(f) of the Prospectus Rules of the UK Listing Authority. It has no material interest in the Company. KPMG's address is Canary Wharf, (38th Floor) 1 Canada Square, London E14 5AG.

11.9 Neither the Company nor any member of the Group has had any employees since its incorporation and no member of the Group owns any premises.

11.10 As referred to in Part VII of this document, in respect of the services provided by 3i Investments as Investment Adviser to the Company, the Company will be required to pay an advisory fee and a performance fee.

11.11 3i plc, as Support Services Provider to the Company, will receive from the Company a fee in consideration for its acting as Support Services Provider. The fee will be £450,000 per annum payable by the Company to the Support Services Provider pursuant to the terms of the Support Services Agreement. The fee will be increased in line with the UK retail price index each year.

11.12 Mourant & Co. Limited, as Jersey Administrator, will receive from the Company a fee in consideration for its acting as Jersey Administrator. The fee will be calculated at an annual rate in accordance with the fees schedule to the Jersey Administration Agreement, subject to an annual adjustment with reference to the cost of living index published in relation to Jersey. The fee will be payable monthly in arrear. During the first year, it is anticipated that the fees payable to the Jersey

Administrator will be approximately £143,500 plus any additional time incurred by the Jersey Administrator at the Jersey Administrator's hourly rate. This first annual fee includes amounts payable in respect of initial costs incurred in connection with the Global Offer.

11.13 3i Investments, as Custodian, will receive payment for out-of-pocket expenses incurred pursuant to the Custody Agreement for so long as 3i Investments remains the Investment Adviser.

11.14 The Company will also pay its other operational costs which include Directors' expenses, audit, legal and share registration fees and other administration expenses. The total fixed annualised operational costs for the Company's financial period ending on 31 March 2008 (excluding any fees payable under the Investment Advisory Agreement) are not expected to exceed approximately £1.3 million (inclusive of any amounts in respect of VAT properly chargeable on the supplies to which such costs relate).

11.15 The Company's auditors are Ernst & Young LLP, whose registered office is at Unity Chambers, 28 Halkett Street, St. Helier, Jersey JE1 1EY. Ernst & Young LLP are Chartered Accountants, a member of the Institute of Chartered Accountants in England and Wales and registered auditors and will audit the Company's accounts in accordance with IFRS.

12. City Code on Takeovers and Mergers

The City Code is issued and administered by the Takeover Panel. The Takeover Panel has been designated as the supervisory authority to carry out certain regulatory functions in relation to takeovers pursuant to the Directive on Takeover Bids (2004/25/EC) (the "Directive"). Following the implementation of the Directive by the Takeovers Directive (Interim Implementation) Regulations 2006, the rules set out in the City Code which are derived from the Directive now have a statutory basis.

The City Code applies to all takeovers and merger transactions, however effected, where *inter alia* the offeree company has its registered office in the UK, the Isle of Man or the Channel Islands or if the company has its securities admitted to trading on a regulated market in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man. The City Code will therefore apply to the Company from Admission and therefore its Shareholders will be entitled to the protection afforded by the City Code.

Under Rule 9 of the City Code, where (a) any person acquires, whether by a series of transactions over a period of time or not, an interest as defined in the City Code in shares which (taken together with shares in which persons in which he is already interested and in which persons acting in concert with him are interested) carry 30% or more of the voting rights of a company subject to the City Code, or (b) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30% but not more than 50% of the voting rights of such a company, if such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then, except with the consent of the Takeover Panel, he, and any person acting in concert with him, must make a general offer in cash to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights to acquire the balance of the shares not held by him and his concert party.

An offer under Rule 9 of the City Code must be in cash and at the highest price paid within the 12 months prior to the announcement of the offer for any shares in the company by the person required to make the offer or any person acting in concert with him. Offers for different classes of equity share capital must be comparable; the Takeover Panel should be consulted in advance in such cases.

3i Group will, on Admission (and assuming no exercise of the Over-allotment Option), be interested in 325 million Ordinary Shares, representing between 25% and 46.43% of the issued share capital of the Company on a Global Offer size of between £700 million to £1,300 million (assuming no exercise of the Over-allotment Option). In addition, Concert Parties of 3i Group intend to subscribe for up to a further 800,000 Ordinary Shares, representing a further maximum 0.12% of the issued share capital, making a maximum total percentage holding of 3i Group and its Concert Parties of 46.55%. 3i Group and its Concert Parties will also hold a maximum of 32.58 million Warrants, giving them a potential maximum holding on exercise of the Warrants of 48.92% (assuming no other exercise of Warrants).

13. Material contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or any member of the Group since the Company's incorporation and are, or may be, material and there are no other contracts entered into by the Company or any member of the Group which include an obligation or entitlement which is material to the Company at the date of this document:

(a) Investment Advisory Agreement

On 20 February 2007, the Investment Advisory Agreement was entered into between the Company and the Investment Adviser. The Investment Advisory Agreement is expressed to be conditional on Admission occurring on or before 30 April 2007. Under the terms of the Investment Advisory Agreement, the Investment Adviser has agreed from the date of Admission to provide certain investment advisory services to the Company, subject to the overall supervision of the Board. Pursuant to the terms of the Investment Advisory Agreement, although the Board may reject investment opportunities recommended to it by the Investment Adviser, the Board may not make any investments which have not first been recommended to it by the Investment Adviser. The investment advisory services provided under the Investment Advisory Agreement include, without limitation, advising the Company on the origination and completion of new investments, advising on funding requirements, advising on the management of the Initial Portfolio and new investments completed, providing treasury management advice in connection with the treasury management services referred to in the UK Support Services Agreement and liaising with 3i Group in execution of such advice, providing valuations of the Company's investments on a half yearly basis and advising on the realisation of investments.

The Investment Advisory Agreement may be terminated by either the Company or the Investment Adviser giving the other party not less than 12 months' written notice to expire no earlier than the fifth anniversary of the date of Admission (although either party may terminate on 12 months' notice given at any time if the Investment Adviser has ceased to be a member of 3i Group). The Investment Advisory Agreement may also be terminated by either party giving the other written notice with immediate effect in the event of an insolvency-type event occurring in respect of the other party or the material or persistent breach of its terms by the other party. The Investment Adviser may also terminate the agreement by giving the Company not less than six months' written notice in the event that the Board changes the investment policy of the Company so that it differs from the investment policy in effect on Admission to such a material extent that it has a material adverse effect on the Investment Adviser's ability to perform its duties under the Investment Advisory Agreement. The Company may also terminate the agreement with immediate effect if the Investment Adviser ceases to be an authorised person under FSMA or ceases to be authorised to perform its duties under the Investment Advisory Agreement.

The Investment Adviser and its associates will not be liable for any loss, claim, damage, expense or liability suffered or incurred by the Company (or any of its subsidiary undertakings), or any profit or advantage of which the Company may be deprived, which arises directly or indirectly from or in connection with any advice or other services provided by the Investment Adviser or its associates in connection with the proper performance of the Investment Adviser's duties under the Investment Advisory Agreement (including, without limitation, any depreciation in the value of any investment or the income derived from it), unless such a loss arises as a result of the illegal act of recklessness, fraud, negligence, illegal act or wilful default of, or breach of the terms of the Investment Advisory Agreement by, the Investment Adviser, its associates or any of their officers or employees. The Investment Advisory Agreement also provides that the Investment Adviser will not be liable under the agreement for any default of the Custodian, any other custodian, brokers, market makers, the Support Services Provider or the Jersey Administrator.

The Company has agreed to indemnify the Investment Adviser, its associates and its or their agents and their respective officers and employees against any claims, actions, damages, demands or proceedings (and associated losses, expenses and liabilities) which may be brought against them or suffered or incurred by them in connection with the Investment Advisory Agreement unless such claims result from the fraud, negligence, illegal acts or wilful misconduct of, or a breach of the terms of the Investment Advisory Agreement by such persons.

In relation to the Investment Advisory Agreement, the Company will pay an advisory fee and a performance fee as well as certain expenses reasonably incurred by it in connection with the performance of its duties as described in Part VII of this document.

The Investment Advisory Agreement is governed by English law.

(b) Underwriting Agreement

Under the terms of the Underwriting Agreement entered into on 20 February 2007 between the Company, the Directors, the Proposed Director, the Investment Adviser and the Sponsor/ Global Co-ordinator/Underwriter, subject to certain conditions, the Underwriter has agreed to purchase at the Offer Price, the Ordinary Shares and the Warrants (other than those to be issued to 3i Group) to be issued by the Company in the Global Offer for resale to investors in the Global Offer.

The Underwriting Agreement contains, among others, the following provisions:

(i) The Company has appointed Citigroup as Global Co-ordinator and bookrunner to the Global Offer.

(ii) The Company has agreed that the Global Co-ordinator may deduct from the proceeds of the Global Offer payable to the Company a commission of 2% of the amount equal to the Offer Price multiplied by the aggregate number of Offer Shares to be issued by the Company in the Global Offer, including Ordinary Shares to be issued under the Over-allotment Option, if any, but excluding Ordinary Shares issued to 3i Group, pursuant to the terms of the Underwriting Agreement. In addition, the Company may in its sole discretion decide to pay to the Underwriter an additional commission of up to 0.25% of the amount equal to the Offer Price multiplied by the aggregate number of Offer Shares to be issued by the Company in the Global Offer and under the Over-allotment Option, if any, but excluding Ordinary Shares issued to 3i Group. All commissions will be paid together with any VAT chargeable thereon.

(iii) The obligation of the Company to issue the Ordinary Shares and Warrants as described above and the obligations of the Underwriter to subscribe for or purchase the Ordinary Shares and Warrants as described above is conditional upon certain conditions that are typical for an agreement of this nature. These conditions include, among others, determination of the number of Ordinary Shares and Warrants the subject of the Global Offer and execution of the purchase memorandum annexed to the Underwriting Agreement by the Company, the Investment Adviser and the Underwriter, 3i Group subscribing for the Ordinary Shares and Warrants that 3i Group will acquire in the Global Offer, the accuracy of the representations and warranties under the Underwriting Agreement and Admission occurring by not later than 8.00 a.m. on 2 April 2007 or such later time and/or date as the Global Co-ordinator may agree with the Company and there having been no material adverse change in the Initial Portfolio (taken as a whole) before Admission. The Underwriter may terminate the Underwriting Agreement before Admission in certain specified circumstances that are typical for an agreement of this nature. These include certain changes in financial, political or economic conditions (as more fully set out in the Underwriting Agreement). If any of the above-mentioned conditions are not satisfied (or waived, where capable of being waived) by, or the Underwriting Agreement is terminated before, Admission, then the Global Offer will lapse. The Underwriting Agreement cannot be terminated after Admission.

(iv) The Company has agreed to pay or cause to be paid (together with certain related VAT) certain costs, charges, fees and expenses of, or in connection with, or incidental to, the Global Offer and/or Admission. In addition, the Company has, in certain circumstances, agreed to pay and/or reimburse any stamp duty or SDRT arising out of or in connection with the arrangements that are the subject of the Underwriting Agreement.

(v) The Company and the Investment Adviser have given certain representations and warranties to the Underwriter relating to matters such as the business to be carried on by the Company, the preparation of the Prospectus and related Global Offer documents and compliance with applicable laws and regulations. The Company has agreed to provide customary indemnities to the Underwriter. The Investment Adviser has agreed to indemnify the Underwriter against any losses that it may suffer as a result of (i) any untrue or misleading statement in the Prospectus or certain other offering documents

produced in connection with it to the extent that such statement was made in reliance on certain specified written information provided by the Investment Adviser for inclusion therein; and (ii) breaches by the Investment Adviser of its obligations under the Underwriting Agreement.

(vi) The Directors and Proposed Director have given certain representations and warranties to the Underwriter relating to matters such as the information pertaining to them contained in the Prospectus. These representations and warranties are subject to customary financial caps and time limits on the making of claims in respect of them.

(vii) Certain lock-up agreements, as described further under "Lock-up arrangements" in Part VI of the Securities Note.

(viii) The Company has granted to Citigroup the Over-allotment Option pursuant to which Citigroup may subscribe for, or procure subscribers for, Ordinary Shares (the "Over-allotment Shares") at the Offer Price representing 10% of the number of Ordinary Shares comprised in the Global Offer (before exercise of the Over-allotment Option), to allow it to cover short positions arising from such over-allotments and stabilising transactions. The Over-allotment Option may be exercised in whole or in part, on notice by Citigroup, at any time during the period commencing on allocation of the Ordinary Shares and ending 30 days thereafter.

(viii) The Underwriting Agreement is governed by English law.

(c) UK Support Services Agreement

The Company, 3i plc and 3i Investments (in relation to certain regulatory services) have entered into a support services agreement (the "UK Support Services Agreement") dated 20 February 2007, pursuant to which 3i plc and 3i Investments have agreed to provide certain support services, comprising tax, accounting and treasury management and investor relations services to the Company and its subsidiary undertakings.

In consideration for providing the support services, 3i plc is entitled to receive a fee as set out in paragraph 11.11 above.

The UK Support Services Agreement is for an initial term of two years commencing from Admission, such term to be renewed to successive one-year periods unless the Company provides written notice to 3i plc and 3i Investments 90 days before the end of the term. The UK Support Services Agreement may also be terminated at any time if any party suffers an insolvency-type event. The agreement shall also terminate immediately in the event that the Investment Advisory Agreement is terminated.

3i plc's and 3i Investments' liability under the UK Support Services Agreement for providing the services is limited other than in relation to liabilities arising from their fraud, negligence or wilful default in respect of their duties under the UK Support Services Agreement. The UK Support Services Agreement also contains an indemnity in favour of 3i plc and 3i Investments to indemnify them from and against all third party actions, proceedings, claims, demands, losses, liabilities, damages, costs and expenses arising out of or in connection with the performance or non-performance of their duties to the greatest extent permitted by law other than liabilities arising from their fraud, wilful default and negligence.

The UK Support Services Agreement is governed by English law.

(d) Jersey Corporate Administration Agreement

A Jersey secretarial and administration agreement (the "Jersey Corporate Administration Agreement") dated 20 February 2007 between the Company and Mourant & Co. Limited (the "Jersey Administrator") has been entered into whereby the Jersey Administrator has agreed to act as secretary and to provide certain company secretarial and other administrative services to the Company in relation to their business and affairs.

For the provision of services under the Jersey Corporate Administration Agreement, the Jersey Administrator is entitled to receive fees which are calculated in accordance with the fees schedule to the Jersey Corporate Administration Agreement (subject to an annual adjustment with reference to the cost of living index published in relation to Jersey and review on the first anniversary of the date of this agreement and every three year period thereafter). In addition to these fees, the Jersey Administrator, its officers and employees shall be entitled to reimbursement of all out of pocket expenses reasonably incurred by them in the proper

performance of the administrative services. The Company will pay these expenses in arrears within 30 days of receipt by the Company of an invoice from the Jersey Administrator in respect of such fees.

The Jersey Corporate Administration Agreement has no expiry date and may, instead, be terminated upon the expiry of 120 days', written notice given by either party (provided that such termination shall not take effect until a replacement administrator is appointed on substantially the same terms), or immediately in certain limited circumstances, such as material breach by either party of the terms of the Jersey Corporate Administration Agreement and such breach (if capable of remedy) has not been remedied within 30 days.

Under the Jersey Corporate Administration Agreement, the Jersey Administrator is entitled to delegate the whole or any part of its duties to any associate or any other person or corporation with the prior written consent of the Company, but shall remain liable to the Company in respect of the performance or non-performance of such duties and no such delegation shall reduce or otherwise affect such liabilities.

The Jersey Corporate Administration Agreement is governed by Jersey law.

(e) Luxembourg Corporate Administration Agreement

A Luxembourg secretarial and administrative agreement (the "Luxembourg Corporate Administration Agreement") dated 20 February 2007 between 3i Infrastructure (Luxembourg) S.à r.l ("Luxco") and Mourant Luxembourg S.A. (the "Luxembourg Administrator") has been entered into whereby the Luxembourg Administrator has agreed to provide domiciliation services, including certain administrative and secretarial services to the Luxco.

For the provision of services under the Luxembourg Corporate Administration Agreement the Luxco shall remunerate the Luxembourg Administrator in advance in accordance with the fee schedule to the Luxembourg Corporate Administration Agreement (subject to an annual adjustment and reviewed on the first anniversary of the date of this agreement and every third year period thereafter). In addition to these fees, the Luxembourg Administrator, its officers and employees shall be entitled to reimbursement of all out of pocket expenses reasonably incurred by them in the proper performance of the domiciliation, administrative and secretarial services. 3i Infrastructure (Luxembourg) S.à r.l will pay these expenses in arrears within 30 days of receipt by 3i Infrastructure (Luxembourg) S.à r.l of an invoice from the Luxembourg Administrator in respect of such fees.

The Luxembourg Corporate Administration Agreement has no expiry date and may, instead, be terminated upon the expiry of 120 days', written notice given by either party (provided that such termination shall not take effect until a replacement administrator is appointed on substantially the same terms), or immediately in certain limited circumstances, such as material breach by either party of the terms of the Luxembourg Corporate Administration Agreement and such breach (if capable of remedy) has not been remedied within 30 days.

Under the Luxembourg Corporate Administration Agreement, the Luxembourg Administrator is entitled to delegate the whole or any part of its duties to any associate or any other person or corporation with the prior written consent of the Company, but shall remain liable to the Company in respect of the performance or non-performance of such duties and no such delegation shall reduce or otherwise affect such liabilities.

The Luxembourg Corporate Administration Agreement is governed by Luxembourg law and any litigation relating to the agreement will be subject to the jurisdiction of the courts of Luxembourg.

(f) UK Corporate Administration Agreement

A UK administrative and secretarial services agreement (the "UK Corporate Administration Agreement") dated 20 February 2007 between 3i Infrastructure Seed Assets GP Limited (the "Company"), 3i Infrastructure Seed Assets LP and Mourant & Co. Capital SPV Limited (the "UK Administrator") has been entered into whereby the UK Administrator has agreed to provide certain company secretarial and other administrative services to the Company.

For the provision of services under the UK Corporate Administration Agreement the UK Administrator shall be remunerated in accordance with the fees schedule to the UK Corporate Administration Agreement. In addition to these fees, the UK Administrator, its officers and employees shall be entitled to reimbursement of all out of pocket expenses reasonably incurred

by them in the proper performance of the administrative services. 3i Infrastructure Seed Assets GP Limited will pay these expenses in arrears within 30 days of receipt by 3i Infrastructure Seed Assets GP Limited of an invoice from the UK Administrator in respect of such fees.

The UK Corporate Administration Agreement has no expiry date and may, instead, be terminated upon the expiry of 120 days', written notice given by either party (provided that such termination shall not take effect until a replacement administrator is appointed on substantially the same terms), or immediately in certain limited circumstances, such as material breach by either party of the terms of the UK Corporate Administration Agreement and such breach (if capable of remedy) has not been remedied within 30 days.

Under the UK Corporate Administration Agreement, the UK Administrator is entitled to delegate the whole or any part of its duties to any associate or any other person or corporation with the prior written consent of the Company, but shall remain liable to the Company in respect of the performance or non-performance of such duties and no such delegation shall reduce or otherwise affect such liabilities.

(g) Offshore Registrar Agreement

The Company is party to an Offshore Registrar Agreement with Capita Registrars (Jersey) Limited (the "Registrar") dated 20 February 2007, pursuant to which the Registrar will provide registration services to the Company which will entail, among other things, the Registrar having responsibility for the maintenance of the share register, maintenance of dividend payment instructions and arranging the issue, allotment, transfer and/or purchase of shares in accordance with the articles of association of the Company (including the receipt and processing of applications for Ordinary Shares and Warrants).

Under the Offshore Registrar Agreement, the Registrar is entitled to receive a basic fee based on the number of Shareholder accounts, subject to an annual minimum charge of £5,500 (payable quarterly in arrear). In addition to this basic fee, the Registrar is entitled to receive additional fees for specific actions. The Registrar is further entitled to an annual fee of £2,500 for the maintenance of the share register in Jersey and for the provision of a UK transfer agent.

The Offshore Registrar Agreement will continue unless six months' notice to terminate has been given by the Registrar or the Company. The Offshore Registrar Agreement may be terminated immediately by the Company if the Registrar ceases to be the holder of any licence, consent, permit or registration enabling it to act as a registrar of the Company under any law applicable to it. The Offshore Registrar Agreement may be terminated immediately by either party on the occurrence of certain insolvency-related events or if the other party is materially in breach of the Offshore Registrar Agreement and fails (in the case of a breach capable of remedy) to remedy such breach within 30 days of receipt of notice from the other requiring it to do so.

The Company has indemnified the Registrar and its agents, officers and employees against all and any liabilities which may be suffered or incurred by the Registrar or its agents, officers and employees in connection with the performance of its or other duties under the Offshore Registrar Agreement save to the extent that such liabilities may be due to the fraud, negligence or wilful default of the Registrar or its agents, officers or employees.

The aggregate liability of the Registrar and its agents, officers or employees to the Company under the Offshore Registrar Agreement is limited, except in the case of fraud and wilful default, to the lesser of £1 million or an amount equal to ten times the Registrar's annual fee.

The Offshore Registrar Agreement is governed by Jersey law.

(h) Custody Agreement

A custody agreement (the "Custody Agreement") dated 20 February 2007 between the Company and 3i Investments (the "Custodian") has been entered into pursuant to which the Custodian will hold the legal documents relating to the securities held by the Company and will be responsible for providing custodial services which include, among other things, being global custodian of all the investments of the Company and liaising with 3i plc and 3i Investments to ensure that they comply with their back office obligations under the UK Support Services Agreement.

For so long as 3i Investment is engaged as investment adviser to the Company, for the provision of services under the Custody Agreement, the Custodian is entitled to the reimbursement of out-of-pocket expenses incurred in providing such services. The expenses will be payable within 30 Business Days from the date an invoice is sent. The Custodian is entitled to retain any other remuneration or profit received by it from any third party in connection with transactions effected by the Custodian for the Company. The Custodian is permitted to delegate its obligations under the Custody Agreement to other sub-custodians and members of 3i Group with the prior written consent of the Company.

The Custody Agreement may be terminated by either party giving 30 days' written notice to the other. The Custody Agreement will be terminated automatically on the occurrence of certain specified events, including the termination of the UK Support Services Agreement and insolvency-related events.

The Custodian will not be liable for any loss, damage or expense directly or indirectly suffered or incurred by the Company or any other person in connection with the Custodian's performance of its duties, unless such loss or damage arises directly from some act of negligence, fraud or wilful default on the part of the Custodian in the performance of its obligations. The Company has indemnified the Custodian against all actions, proceedings, claims and demands (including various costs and expenses directly incidental thereto) which may be brought or made against the Custodian in respect of any loss or damage sustained or suffered by it in connection with the performance of its duties under the Custodian Agreement save to the extent that such losses arise directly out of the negligence, fraud or wilful default of the Custodian or to the extent that they arise as a result of any taxes imposed on fees, expenses or commission to which the Custodian is entitled under the Custody Agreement.

The Custody Agreement is governed by English law.

(i) Acquisition Agreement

The Acquisition Agreement in respect of the Initial Portfolio dated 20 February 2007 has been entered into between (*inter alia*) 3i Group, the Company and the Partnership.

Pursuant to the Acquisition Agreement, 3i Group has agreed to sell and the Company and the Partnership (the "3i Infrastructure Parties") have agreed to acquire the Initial Portfolio on Admission for the Purchase Price, as described below. The Company has also agreed to acquire the share capital of the company that acts as general partner in both 3i Carry Partnership (I^2) and 3i Carry Partnership (Alpha) (the "GP Company") for a nominal consideration.

The completion of the Initial Portfolio under the Acquisition Agreement is expressed to be conditional on Admission occurring by 30 April 2007. No consents or approvals are required to effect the transfer of the Initial Portfolio.

Should the Partnership cease to be managed by 3i Investments or another member of 3i Group (a "Relevant Event"), this will trigger a change in control under the Alpha Schools shareholders' agreement and Northern will, *inter alia*, cease to have any rights under the Alpha Schools shareholders' agreement, including any rights to any dividend or other participations in Alpha Schools. In addition, Morrison Education (Highland) Limited will have the right to purchase Northern's shares and loan notes in Alpha Schools at fair value. The Acquisition Agreement provides that, prior to a Relevant Event taking place, 3i Group and the Company will endeavour to prevent the change of control being triggered, which may ultimately require 3i Group to acquire (or procure the acquisition of), the rights held by the 3i Infrastructure Parties in Northern at a market value to be determined by an independent valuer (subject to any related party requirements). The parties have agreed that they shall use their best endeavours to procure that 3i Investments will continue to act as the manager of Northern pending resolution of the issue.

The Purchase Price for the Initial Portfolio will be between £234.4-£345.7 million (depending on the proportion of the Osprey interest acquired) and it is the subject of the KPMG Opinion Letter which is set out in the Appendix to this Part IX of this document. The Company will be responsible for any stamp duty or stamp duty reserve tax payable on the transfer of the Initial Portfolio. The Purchase Price is subject to upward adjustment in the case of any additional subscription amount which may be paid by 3i Group, or downward adjustment in the case of certain returns which may be made to 3i Group, in each case in respect of any investment in

the Initial Portfolio between the date of execution and of and completion of the Acquisition Agreement. The Purchase Price (or part thereof) will effectively be funded by amounts subscribed by 3i Group in the Global Offer.

The Acquisition Agreement contains limited warranties usual for a transaction of this nature concerning the Initial Portfolio. These comprise warranties as to title and rights/ability to sell the Initial Portfolio, authority, capacity of 3i Group and certain commercial warranties (subject to 3i Group's awareness) relating to information provided by 3i Group and certain of the assumptions used by KPMG in the KPMG Opinion Letter. Claims by the Company against 3i Group in respect of the commercial warranties are subject to the following limitations: (i) a time limit of 18 months from the date of the Acquisition Agreement; (ii) a cap of £50 million, to step down to £12.5 million after a period of 12 months; and (iii) limitations relating to the minimum amount of a claim before it can be brought and an aggregate threshold which all such claims must exceed before any can be brought. Other warranties are not subject to any time limit on the making of claims and only to a financial cap equal to the Purchase Price.

The Acquisition Agreement also contains certain specific indemnities from 3i Group relating to historic liabilities in the GP Company not connected with the Initial Portfolio, and undertakings and related indemnities concerning certain actions or defaults by 3i Group that could adversely affect the Initial Portfolio in future.

It also contains undertakings and indemnities from the Company to 3i Group in relation to certain contractual obligations retained by 3i Group in relation to the Initial Portfolio.

The Acquisition Agreement is governed by English law.

(j) Alma Mater Option

The Company has been granted an option dated 20 February 2007 by 3i Group to acquire 3i Group's entire limited partnership interest in the Alma Mater Fund (the "Alma Mater Option").

The Company may elect to exercise the option at any time up to and including 31 December 2007, after which the option lapses. In the event of such election, the acquisition price will be determined by an independent valuer appointed (at the Company's expense) to value the limited partnership interest. The Company will have the right to withdraw its exercise election once the value has been determined.

If the exercise of the option is confirmed by the Company, 3i Group and the Company will enter into an acquisition agreement on similar terms to the Acquisition Agreement to acquire 3i Group's interest in the Alma Mater Fund, and the acquisition will be conditional on obtaining of the consent of BPE, pursuant to the partnership agreement in respect of the Alma Mater Fund. There can be no certainty that such consent would be forthcoming.

Exercise of the Alma Mater Option by the Company will be subject to the related party provisions of the Listing Rules, which may (depending on the application of the class test ratios) require the Company to obtain Shareholder approval before exercise.

The Alma Mater Option is governed by English law.

(k) Receiving agency letter

A receiving agency letter (the "Receiving Agency Letter") dated 20 February 2007 between the Company and Capita IRG Plc (the "Receiving Agent") has been entered into pursuant to which the Receiving Agent will be responsible for providing certain services to the Company in connection with the Global Offer.

For the provision of services under the Receiving Agency Letter, the Receiving Agent is entitled to receive a fee, subject to a minimum fee of £3,500. The Company shall also reimburse the Receiving Agent for all reasonable out-of-pocket expenses properly incurred in connection with the services rendered.

The Receiving Agency Letter may be terminated by either party giving written notice no later than two weeks before the Global Offer Period commencing from and including the date two weeks prior to the publication of the Prospectus and during the Global Offer period, by either party giving written notice if there has been, or is likely to be, a breach of the Receiving Agency Letter or of the relevant financial regulations.

The Company has agreed to indemnify the Receiving Agent (including its subsidiary and parent undertakings from time to time) against all reasonable losses, costs and expenses which the Receiving Agent may suffer or incur (including all reasonable legal costs and expenses) as a direct result of the Company's and/or any authorised persons' negligent, wilful or fraudulent act or omission in connection with the Receiving Agency Letter provided the Receiving Agent uses its reasonable endeavours to mitigate such losses, costs and expenses.

The Receiving Agent shall not be liable for any liability arising as a result of events beyond its reasonable control or arising from any act or omission of the Receiving Agent in the proper exercise of, or incidental to, its function as receiving agent to the Global Offer and the Company has agreed to indemnify the Receiving Agent (including its subsidiary and parent undertakings from time to time) against all reasonable losses, costs and expenses which the Receiving Agent may suffer or incur (including all reasonable legal costs and expenses) as a direct result thereof to the extent that such loss, costs and expenses do not result from any negligence, wilful default or fraud of the Receiving Agent. The Company has further agreed to indemnify the Receiving Agent against all reasonable losses, costs and expenses, which it may suffer or incur as a result of any breach and/or non-compliance by the Company with any legal, quasi-legal or regulatory requirement applicable to the Global Offer.

The Receiving Agency Letter is governed by English law.

(l) Trade mark licence agreement

A trade mark licence (the "TM Licence") dated 20 February 2007 between 3i plc and the Company has been entered into pursuant to which 3i Group has granted to the Company, for the fee of £1,000 per trade mark per annum, a non-exclusive licence in Europe and North America to use the name "3i Infrastructure Limited" in connection with the Company's business.

The TM Licence terminates with immediate effect if the Investment Advisory Agreement terminates, if the Company is in material breach of the TM Licence and such breach has not been remedied within 10 days, or as a result of an insolvency-type event occurring in respect of the Company. Where the TM Licence is terminated for any reason, the Company must hold a general meeting to change its name to one which (i) does not include, allude or refer to the mark "3i" and (ii) is not confusingly or deceptively similar to the mark "3i".

The TM Licence is governed by English law.

(m) Relationship Agreement

Pursuant to the Relationship Agreement dated 20 February 2007 between 3i Group and the Company, 3i Group has undertaken to the Company to exercise its powers as a Shareholder of the Company such that, for so long as it holds 30% or more of the rights to vote at general meetings of the Company, it will use its reasonable endeavours as a Shareholder to procure (*inter alia*) that: (i) without prejudice to the existence of the various advisory and other agreements between the Company and 3i Group, the Company will otherwise be capable at all times of carrying on its business independently of 3i Group; and (ii) all transactions between 3i Group and the Company will be effected on arm's length commercial terms.

3i Group has further agreed to exercise its voting rights with a view to ensuring that the independence of the Board is maintained in line with the requirements of the Listing Rules.

The Company has agreed that, provided that 3i Group holds 20% or more of the Company's issued share capital and subject to the fiduciary duties of the Directors, 3i Group shall be entitled: (i) to appoint one non-executive Director to the Board provided that such appointment shall only be made where it would not cause the Company or any of its Directors to breach any applicable law or regulation including, without limitation, the Listing Rules (which prohibit the Company from having more than one director, partner, employee, officer or professional adviser to 3i Group serving as a director); and (ii) by notice to the Company at any time to remove any such nominee Director and to nominate an alternative person in his or her place. If 3i Group nominates a non-executive Director to the Board and its investment falls below 20%, 3i Group would be required to take steps to remove immediately its nominated non-executive Director from the Board. Any Director appointed by 3i Group will be subject to retirement by rotation, in accordance with the Articles, and their appointment to the Board will be subject to the Shareholders' right to vote against their appointment or re-election to the Board at any general meeting. If any person nominated by 3i Group to the Board is not re-

elected by the Company's Shareholders, 3i Group remains entitled under the agreement to nominate an alternative person to the Board to take the place of the person not re-appointed or re-elected.

Furthermore, the Company has agreed that, subject to any necessary consent of the Takeover Panel being obtained and subject to the Directors' overriding duties to act in the best interests of the Company and whilst 3i Group and its Concert Parties hold 30% or more of the voting rights of the Company, the Company will procure that: (i) at its first and each subsequent annual general meeting, it will put to its independent Shareholders by poll a resolution to waive any obligation on 3i Group to make a general offer to its independent Shareholders under Rule 9 of the City Code as a result of the Company making any market repurchases of its Ordinary Shares which would otherwise trigger such an obligation (the "Annual Whitewash Resolution") and (ii) that if the Company proposes to issue new Ordinary Shares for cash, and the participation by 3i Group in a subscription would or might reasonably compel 3i Group to make a mandatory cash offer for the Company, the Company will convene a general meeting of its Shareholders at which it will put to its independent Shareholders by poll a resolution to waive any obligation on 3i Group to make such an offer.

In addition, the Company undertakes under the agreement that, subject to its Directors' duties to act in the best interests of the Company, it will not make any purchases of its Ordinary Shares unless: (i) prior to making such purchase, the Company's independent Shareholders have passed an Annual Whitewash Resolution which remains in force; or (ii) the purchase is carried out in such a way that following such purchase 3i Group and any Concert Parties will not hold a higher percentage, either of the voting rights or the total value of the Company's nominal share capital, than it held before the purchase; and (iii) in either case, the purchase does not increase 3i Group's holding (in either the voting rights or the total value of the nominal share capital of the Company) above 47% (if such holding is at that stage below 47%).

The Company also agrees that at every annual general meeting of the Company's Shareholders it will propose: (i) that the Company's Shareholders consider the Annual Whitewash Resolution prior to any special resolution authorising the Company to purchase its Ordinary Shares (the "Annual Buy-Back Resolution"), and (ii) that the Annual Buy-Back Resolution shall be in force for a maximum period of 12 months from the date of the relevant annual general meeting.

The Relationship Agreement terminates immediately if 3i Group ceases to hold at least 20% of the Company, and it and its Concert Parties cease to hold 30% of the Company, in each case for a period of at least one month. In addition, all rights and benefits of 3i Group under the agreement (including its right to appoint a nominee Director to the Board) immediately cease if 3i Group is in material breach of the agreement and this breach is not remedied for a period of 30 business days after the Company has notified 3i Group of the relevant breach.

The Relationship Agreement is governed by English law.

(n) Warrant Instrument

The Warrant Instrument in respect of the Warrants dated 20 February 2007 has been entered into by the Company.

The Warrant Instrument contains the terms and conditions of the Warrants, as summarised in Part VII of the Securities Note.

The Warrant Instrument is governed by English law.

14. Availability of the Prospectus

Copies of this document are available for viewing only during normal business hours, free of charge, at the Document Viewing Facility, the Financial Services Authority, 25 North Colonnade, Canary Wharf, London E14 6HS.

Copies of this document may be collected, free of charge during normal business hours, from either of the following:

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
London E14 5LB

3i Infrastructure Limited
22 Grenville Street
St. Helier
Jersey JE4 8PX
Channel Islands

The Prospectus is also available from the Document Viewing Facility, UK Listing Authority, The Financial Services Authority, 25 The North Colonnade, Canary Wharf, London E14 5HS.

15. Documents for inspection

Copies of the following documents may be inspected at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY and at the registered office of the Company during usual business hours on any day (except Saturdays, Sundays and public holidays) from the date of this document until 13 March 2007:

(a) the Articles of Association of the Company;

(b) the KPMG Opinion Letter; and

(c) the Prospectus.

Dated 20 February 2007

PART XIII

NOTICES TO PROSPECTIVE INVESTORS

This document has been approved by the FSA as a prospectus which may be used to offer securities to the public for the purposes of section 85 of the FSMA and of the Directive 2003/7/EC. No arrangement has however been made with the competent authority in any other EEA state (or any other jurisdiction) for the use of this document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdiction. Issue or circulation of this document may be prohibited in countries other than those in relation to which notices are given below. This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for, or buy, shares in any jurisdiction in which such offer or solicitation is unlawful.

For the attention of Australian investors

The Prospectus has not been and will not be lodged with the Australian Securities and Investments Commission and is not a product disclosure statement or disclosure document for purposes of the Australian Corporations Act 2001 (Cth). The Prospectus may not be issued or distributed in Australia and no offer, invitation or recommendation may be made in relation to the issue, sale or purchase of any Ordinary Shares or Warrants in Australia (including an offer, invitation or recommendation received by a person in Australia) and no Ordinary Shares or Warrants may be sold in Australia, unless the offer, invitation or sale does not need disclosure to investors under Part 6D.2 of the Corporations Act 2001 (Cth). Accordingly, the Prospectus may not be distributed in Australia to retail clients (as defined in the Corporations Act 2001 (Cth)).

If a recipient on-sells their Ordinary Shares or Warrants within 12 months of their issue, that person will be required to lodge a disclosure document with ASIC unless either:

(a) the sale is pursuant to an offer received outside Australia or is made to a sophisticated investor or professional investor within the meaning of Part 6D.2 of the Corporations Act 2001 (Cth); or

(b) it can be established that the Company issued, and the recipient subscribed for, the Ordinary Shares or Warrants without the purpose of the recipient on-selling them or granting, issuing or transferring interests in, or options or warrants over them.

For the attention of Austrian investors

No public offer within the meaning of section 24 of the Austrian Investment Funds Act (Investmentfondsgesetz) or section 33 of the Austrian Investment Funds Act or section 1 para. 1 no. 1 of the Austrian Capital Market Act (Kapitalmarktgesetz) of the Ordinary Shares and Warrants are being made in Austria. The Ordinary Shares and Warrants are not registered or authorised for distribution under the Austrian Investment Funds Act. The Ordinary Shares and Warrants are being offered by way of a private placement in Austria to a limited number of addresses in Austria whereby the Company has determined the identity of the addresses of the Global Offer by name before the marketing was commenced.

The Company is not under the supervision of the Austrian Financial Market Authority (Finanzmarktaufsichtsbehorde) or any other Austrian supervision authority. In particular, the structure of the Company, its investment objectives, investors' participation therein, etc. may differ from the structure, investment objectives, investors' participation, etc. of investment vehicles provided for in the Austrian Investment Funds Act or the Austrian Capital Market Act.

Neither the Prospectus nor any other document in connection with the Ordinary Shares and Warrants is a prospectus according to the Austrian Investment Funds Act or the Austrian Capital Market Act and has therefore not been drawn up, audited and published in accordance with such acts. Neither the Prospectus nor any other document connected with the Ordinary Shares and Warrants may be distributed, passed on or disclosed to any other person in Austria, save as specifically agreed with the Company. No steps may be taken that would constitute a public offer of the Ordinary Shares and Warrants in Austria and the Global Offer may not be advertised in Austria. This document is distributed under the condition that the above obligations are accepted by the recipient and that the recipient undertakes to comply with the above restrictions.

For the attention of Belgian investors

The Global Offer does not constitute a public offering in Belgium. The Global Offer may not be advertised and Shares may not be offered or sold, and the Prospectus or any other offering material relating to the

Ordinary Shares and Warrants may not be distributed, directly or indirectly, to any persons in Belgium other than to (i) qualified investors as defined in article 10 of the Act of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on a regulated market, or (ii) other investors in circumstances which do not require the publication by the Company of a prospectus, information circular, brochure or similar document pursuant to Article 3 of the aforementioned Act. The Global Offer has not been and will not be notified to, and this document or any other offering material relating to the Ordinary Shares and Warrants has not been and will not be approved by, the Belgian Banking, Finance and Insurance Commission (''Commission bancaire, Financiefire et des assurances/ Commissie voor het Bank-, Financie- en Assurantiewezen''). Any representation to the contrary is unlawful.

For the attention of Dutch investors

The Ordinary Shares and Warrants may not be offered, sold, transferred or delivered, directly or indirectly, in the Netherlands, as part of their initial distribution or at any time thereafter, other than:

(a) to individuals or legal entities which are considered to be ''qualified investors'' (*gekwalificeerde beleggers*) within the meaning of Section 1:1 of the Financial Supervision Act (*Wet op het financieel toezicht, Wft*);

(b) to fewer than 100 individuals or legal entities within the Netherlands (other than the ''qualified investors'' as described above);

(c) for a total consideration of at least €50,000 per investor; or

(d) in circumstances where another exemption or dispensation from both the prohibition of Section 2:65 Wft and Section 5:2 Wft applies under either Section 2:74 Wft in conjunction with Section 4 of the Exemption Regulation Wft (*Vrijstellingsregeling Wft*) or Section 5:3 Wft or 5:5 Wft in conjunction with Sections 53, 54, or 55 of the Exemption Regulation Wft.

For the attention of EEA Member State investors

Subject as stated to the contrary in this Part XIII in respect of certain jurisdictions in relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a ''Relevant Member State'') an offer to the public of any shares and warrants which are the subject of the Global Offer contemplated by the Prospectus (the ''Securities'') may not be made in that Relevant Member State, other than the offers contemplated in the Prospectus in the United Kingdom once the Prospectus has been approved by the United Kingdom Listing Authority and published in accordance with the Prospectus Rules as implemented in United Kingdom, except that an offer to the public in that Relevant Member State of any Securities may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;

(b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000; and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts;

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Securities shall result in a requirement for the publication by the Company or any Underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an ''offer to the public'' in relation to any Securities in the Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Securities to be offered so as to enable an investor to decide to purchase any Securities, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression ''Prospectus Directive'' means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Each person in a Relevant Member State (and in the case of (a) below, other than persons in the United Kingdom who receive the prospectus once it has been approved by the FSA) receiving the offer contemplated in this document who receives any communication in respect of, or who acquires any Securities under the Global Offer completed by the Prospectus, will be deemed to have represented, warranted and agreed to and with the Underwriter and the Company that:

(a) it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive; and

(b) in the case of any Securities acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the Securities acquired by it in the Global Offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the Underwriter has been given to the offer or resale; or (ii) where Securities have been acquired by it on behalf of persons in a Relevant Member State other than qualified investors, the offer of those Securities to it is not treated under the Prospectus Directive as having been made to such persons.

For the attention of French investors

Neither the Prospectus nor any other offering material relating to the Ordinary Shares described in the Prospectus has been prepared in the context of a public offer of securities in the Republic of France within the meaning of article L.411-1 of the French Code monétaire et financier and articles 211-1 et seq. of the General Regulations of the Autorité des marchés financiers and has been and will be submitted to the clearance procedures of the Autorité des marchés financiers or the competent authority of another Member State of the EEA and notified to the Autorité des marchés financiers. The Ordinary Shares have not been and will not be offered or sold or otherwise transferred, directly or indirectly, to the public in the Republic of France and any offer, sale or other transfer of the Ordinary Shares in the Republic of France will be made in accordance with article L.411-2 of the French Code monétaire et financier only to:

(i) qualified investors (investisseurs qualifiés) acting for their own account except as otherwise stated under French laws and regulations; and/or

(ii) a restricted circle of investors (cercle restreint d'investisseurs) acting for their own account,

all as defined in and in accordance with articles L.411-2, D.411-1 to D.411-4, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code monétaire et financier; and/or

(iii) persons providing portfolio management services on a discretionary basis (personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers); and/or

(iv) in a transaction that, in accordance with article L.411-2-II-1̊ -or-2̊ – or 3̊ of the French Code monétaire et financier and article 211-2 of the General Regulations of the Autorité des marchés financiers, does not constitute a public offer.

The Ordinary Shares may be resold, directly or indirectly, only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French Code monétaire et financier.

The Company and Investment Adviser have represented and agreed that they have not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France the Prospectus or any other offering material relating to the Ordinary Shares described in the Prospectus, other than to investors to whom offers, sales or other transfers of the Ordinary Shares in the Republic of France may be made as described above.

The Prospectus, and any other offering material relating to the Ordinary Shares described in the Prospectus, are not to be further distributed or reproduced (in whole or in part) by the addressee and have been distributed on the basis the addressee invests for its own account, as necessary, and does not resell or otherwise retransfer, directly or indirectly, the Ordinary Shares to the public in the Republic of France, other than in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 to L.621-8-3 of the French Code monétaire et financier.

For the attention of German investors

The Ordinary Shares which are the subject of the Prospectus are neither registered for public distribution with the BaFin according to the German Investment Act nor listed on a German exchange. No sales prospectus pursuant to the German Securities Prospectus Act has been filed with the BaFin. Consequently, the Ordinary Shares in the Company must not be distributed within Germany by way of a public offer, public advertisement or in any similar manner, and this document and any other document relating to the Ordinary Shares in the Company, as well as information or statements contained therein, may not be supplied to the public in Germany or used in connection with any offer for subscription of the Ordinary Shares in the Company to the public in Germany or by any other means of public marketing.

Any resale of the Ordinary Shares in the Federal Republic of Germany may not be made by way of a public offer, public advertisement or in any similar manner and should only be made in accordance with

the German Securities Prospectus Act and any other laws applicable in the Federal Republic of Germany governing the sale and offering of shares. No view on taxation is expressed. Prospective investors in Germany are urged to consult their own tax advisers as to the tax consequences that may arise from an investment in the Ordinary Shares.

For the attention of Italian investors

The offering of the Ordinary Shares has not been authorised by the relevant Italian authorities pursuant to Article 42 and Article 94 *et seq*. of Legislative Decree no. 58, dated 24 February 1998, as amended, and, accordingly, no Ordinary Shares may be offered, sold, delivered or marketed to investors of any kind in the Republic of Italy, nor may copies of the Prospectus or of any document relating to the Ordinary Shares be distributed in the Republic of Italy.

For the attention of Japanese investors

The Shares have not been and will not be registered under the Securities and Exchange Law of Japan and will not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Securities and Exchange Law of Japan and any other applicable laws and regulations of Japan.

For the attention of Luxembourg investors

The Ordinary Shares and Warrants may not be offered or sold in the Grand Duchy of Luxembourg, except for the Ordinary Shares and Warrants which are offered in circumstances that do not require the approval of a prospectus by the Luxembourg financial regulatory authority and the publication of such prospectus in accordance with the Law of July 10, 2005 on prospectuses for securities. The Ordinary Shares and Warrants are offered to a limited number of investors or to institutional investors, in all cases under circumstances designed to preclude a distribution that would be other than a private placement. The Prospectus may not be reproduced or used for any purpose, or furnished to any person other than those to whom copies have been sent.

For the attention of Portuguese investors

The Ordinary Shares and Warrants have not been offered, advertised, sold or delivered and will not be directly or indirectly offered, advertised, sold, re-sold, re-offered or delivered in circumstances which could qualify as a public offer pursuant to the Código dos Valores Mobiliários or as distribution (comercializa cao), pursuant to Decree-Law n. 252/2003, of 15 March.

The Global Offer qualifies as a private offer, under the Código dos Valores Mobiliários and cannot be considered as a distribution (comercializa cao) pursuant to Decree-Law n. 252/2003, of 15 March and is directed only to institutional investors, as defined in the said Code, acting for their own account.

All applicable provisions of the Código dos Valores Mobiliários, of Decree-Law n. 252/2003, of 15 March and of any applicable CMVM Regulations have been complied with regarding the Ordinary Shares and Warrants in any matter involving Portugal.

For the attention of Saudi Arabian investors

The Ordinary Shares and Warrants may only be offered and sold in the Kingdom of Saudi Arabia in accordance with Article 16 of the Offers of Securities Regulations 2004 (the "Regulations"). Article 16(a)(3) of the Regulations states that, if securities are offered to no more than 60 offerees in the Kingdom of Saudi Arabia and the minimum consideration payable is not less than Saudi Riyals 1 million or an equivalent amount in another currency, such offer of securities shall be deemed an "exempt offer" for the purposes of the Regulations. Investors are informed that Article 19 of the Regulations places restrictions on secondary market activity with respect to such securities.

Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document you should consult an authorised financial adviser.

For the attention of Spanish investors

The Ordinary Shares and Warrants referred to in the Prospectus are not offered as a public offer of securities in Spain, but to qualifying investors as defined in article 39.1 of Royal Decree 1310/2005, of 4 November 2005 on the basis of the exemption to file a prospectus under article 38(a) of the Royal Decree.

For the attention of Swiss investors

The Prospectus is being communicated in Switzerland to a limited number of selected investors only.

The Company has not been authorised for public offering in or from Switzerland by the Swiss Federal Banking Commission pursuant to Article 120 of the Collective Investment Schemes Act of 23 June 2006 ("CISA"). Accordingly, the Ordinary Shares and Warrants may not be offered to the public in or from Switzerland, and neither the Prospectus, nor any other offering materials relating to the Shares may be distributed in connection with any such public offering. The Ordinary Shares and Warrants may only be offered in or from Switzerland to qualified investors as defined in Article 10 (3) and (4) CISA and to a limited number of other investors, without any public offering.

For the attention of United Arab Emirates investors

This document is not intended to constitute an offer, sale or delivery of shares or other securities under the laws of the United Arab Emirates ("UAE"). The Ordinary Shares have not been and will not be registered under Federal Law No. 4 of 2000 Concerning the Emirates Securities and Commodities Authority and the Emirates Security and Commodity Exchange, or with the UAE Central Bank, the Dubai Financial Market, the Abu Dhabi Securities Market or with any other UAE exchange. The Global Offer and the Ordinary Shares have not been approved or licensed by the UAE Central Bank or any other relevant licensing authorities in the UAE, and do not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise. This document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the Ordinary Shares may not be offered or sold directly or indirectly to the public in the UAE.

For the attention of US investors

Eligible investors

The Ordinary Shares and the Warrants are being offered (A) in the United States or to, or for the account or benefit of, US Persons or US Residents, only to persons who (i) are both Qualified Institutional Buyers and Qualified Purchasers, and (ii) have executed a US Purchaser's Letter in the form set forth in Appendix A to the Securities Note, in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A and (B) outside the United States to investors that are not US Persons or US Residents or persons acquiring for the account or benefit of US Persons or US Residents and which have executed a Non-US Purchaser's Letter in the form set forth in Appendix B to the Securities Note, in offshore transactions pursuant to Regulation S. In addition, Ordinary Shares and the Warrants may not be acquired in this offering, and should not otherwise be acquired, by investors that are subject to section 406 of ERISA or section 4975 of the Code or Similar US Laws. A description of the transfer restrictions applicable to the Ordinary Shares and the Warrants initially sold and the Ordinary Shares issuable upon exercise of the Warrants in the United States or to, or for the account or benefit of, or by, US Persons or US Residents, is set forth below in the section entitled "Transfer Restrictions".

Transfer Restrictions

The Ordinary Shares and the Warrants have not been and will not be registered under the Securities Act, any state securities laws in the United States or the securities laws of any other jurisdiction and, accordingly, may not be reoffered, resold, pledged or otherwise transferred in the United States or to, or for the account or benefit of, US Persons or US Residents unless the Ordinary Shares and/or the Warrants are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available, and except in accordance with the Company's Articles of Association and the restrictions described below.

Under the Articles of Association, the Directors have the power to require the sale or transfer of Ordinary Shares in certain circumstances. Such power may be exercised (i) to prevent the Company from being in violation of, or required to register under, the Investment Company Act and (ii) to avoid the assets of the Company being treated as "plan assets" for the purposes of ERISA.

An initial purchaser of Ordinary Shares and the Warrants that is located in the United States or that is a US Person or a US Resident or has acquired Ordinary Shares and the Warrants for the account or benefit of a US Person or a US Resident or a holder of Ordinary Shares issued upon exercise of Warrants in the United States or by a US Person or US Resident, may only sell, transfer, assign, pledge, or otherwise dispose of such Ordinary Shares and/or the Warrants in compliance with the Securities Act and other applicable securities laws outside the United States in an offshore secondary market transaction complying

with the provisions of Regulation S (including, for the avoidance of doubt, a *bona fide* sale on the London Stock Exchange), without the direct or indirect involvement of the Company, its affiliates, agents or intermediaries, provided that the transferor executes an Offshore Transaction Letter in the form of Annex I to Appendix A to this document and delivers such letter to the Company. Such transferor agrees to notify any subsequent transferee or executing broker, as applicable, of the restrictions that are applicable to the Ordinary Shares and/or the Warrants being sold. An initial purchaser of Ordinary Shares and the Warrants that is located in the United States or that is a US Person or a US Resident or has acquired Ordinary Shares and the Warrants for the account or benefit of a US Person or a US Resident or a holder of Ordinary Shares issued upon exercise of Warrants in the United States or by a US Person or US Resident, may not sell, transfer, assign, pledge, or otherwise dispose of such Ordinary Shares or the Warrants within the United States or to a US Person or a US Resident.

Legend

Any Ordinary Shares or the Warrants initially sold in the United States or to, or for the account or benefit of, US Persons or US Residents and any Ordinary Shares issued upon exercise of the Warrants in the United States or by a US Person or US Resident where the investor elects to receive Ordinary Shares or the Warrants in certificated form, or, in the event Ordinary Shares are held in certificated form, such certificated Ordinary Shares or the Warrants shall bear the legend set out below.

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), ANY STATE SECURITIES LAWS IN THE UNITED STATES OR, EXCEPT AS SET OUT IN THE COMPANY'S PROSPECTUS (THE "PROSPECTUS"), THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED BY THIS LEGEND. THE HOLDER HEREOF, BY ITS ACCEPTANCE OF THIS SECURITY, REPRESENTS, ACKNOWLEDGES AND AGREES THAT IT WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) OUTSIDE THE UNITED STATES TO A TRANSFEREE WHO IS PURCHASING THIS SECURITY IN AN OFFSHORE SECONDARY MARKET TRANSACTION COMPLYING WITH THE PROVISIONS OF RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT (INCLUDING, FOR THE AVOIDANCE OF DOUBT, A BONA FIDE SALE ON THE LONDON STOCK EXCHANGE), WITHOUT THE DIRECT OR INDIRECT PARTICIPATION OF THE COMPANY, ITS AFFILIATES, AGENTS OR INTERMEDIARIES, AND IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE SECURITIES LAWS AND (B) UPON DELIVERY OF ALL OTHER CERTIFICATIONS, OPINIONS AND OTHER DOCUMENTS THAT THE ISSUER OF THIS SECURITY MAY REQUIRE.

FURTHER, NO PURCHASE, SALE OR TRANSFER OF THIS SECURITY MAY BE MADE UNLESS SUCH PURCHASE, SALE OR TRANSFER WILL NOT RESULT IN (A) ANY ASSETS OF THE ISSUER OF THIS SECURITY CONSTITUTING "PLAN ASSETS" WITHIN THE MEANING OF SECTION 3(42) OF THE US EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), OR ASSETS SUBJECT TO APPLICABLE OTHER US LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE US INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") (ANY SUCH SUBSTANTIALLY SIMILAR LAWS BEING REFERRED TO HEREIN AS "SIMILAR US LAWS"), OR (B) THE ISSUER OF THIS SECURITY BEING REQUIRED TO REGISTER AS AN INVESTMENT COMPANY UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED, (THE "US INVESTMENT COMPANY ACT"), OR THE ISSUER OF THIS SECURITY BEING OR POTENTIALLY BEING IN VIOLATION UNDER THE INVESTMENT COMPANY ACT OR THE RULES AND REGULATIONS PROMULGATED THEREUNDER. EACH PURCHASER OR TRANSFEREE OF THIS SECURITY WILL BE REQUIRED TO REPRESENT OR WILL BE DEEMED TO HAVE REPRESENTED THAT IT (A) IS NOT AN EMPLOYEE BENEFIT PLAN SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE CODE APPLIES, AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN SUCH ENTITY (AS DETERMINED IN ACCORDANCE WITH SECTION 3(42) OF ERISA), OR A PLAN OR ENTITY SUBJECT TO SIMILAR US LAWS, AND (B) IS NOT USING "PLAN ASSETS" (WITHIN THE MEANING OF SECTION 3(42) OF ERISA) SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE, OR ASSETS OF A PLAN SUBJECT TO SIMILAR US LAWS.

THIS SECURITY IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THIS SECURITY AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE PROSPECTUS TO THE TRANSFEREE AND TO ANY EXECUTING BROKER."

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

"3i Carry Partnership (Alpha)"	means 3i Primary Infrastructure 2005-06 LP which is the beneficial holder of part of 3i Group's interest in Alpha Schools and provides a carried interest to certain investment executives of 3i Investments;
"3i Carry Partnership (I^2)"	means 3i Infrastructure 2005-06 LP, a limited partnership set up for the purposes of holding 3i Group's interest in I^2 and providing a carry interest to certain investment executives of 3i Investments;
"3i Group"	means 3i Group plc and, where the context so requires, all or any of its subsidiary undertakings;
"3i Investments"	means 3i Investments plc;
"Acquisition"	means the acquisition of the Initial Portfolio by the Company on the terms and conditions summarised in Part IX of this document;
"Acquisition Agreement"	means the sale and purchase agreement relating to the Acquisition to be entered into between the Company and 3i Group in connection with the Acquisition;
"Adjusted Total Return"	means the Total Return for a financial period of the Company, PROVIDED THAT the closing Net Asset Value on the basis of which such Total Return is calculated shall be adjusted to add back (i) any accrued performance fees relating to that financial period; (ii) in the case of the Company's first financial period, the acquisition costs of the Initial Portfolio; and (iii) any charge to the Company's profit and loss account made in respect of unexercised Warrants to the extent it otherwise reduces the Net Asset Value;
"Admission"	means admission of the Ordinary Shares and the Warrants to be issued pursuant to the Global Offer to the Official List and/or to trading on the London Stock Exchange as the context may require;
"Alma Mater Fund"	means the Alma Mater Fund LP;
"Alma Mater Option"	means the option agreement between the Company and 3i Group, further details of which are set out in Part IX of this document;
"Alpha Schools"	means Alpha Schools (Highland) Holdings Limited;
"Anglian Water"	means Anglian Water Services Limited;
"Application"	means an application to subscribe for the Ordinary Shares and the Warrants;
"Articles of Association" or "Articles"	means the articles of association of the Company in force from time to time;
"Auditors" or "Ernst & Young"	means Ernst & Young LLP or such other auditors as may be appointed by the Company from time to time;
"AWG"	means Anglian Water Group plc;
"BPE"	means Barclays Private Equity Limited;
"certificated" or "in certificated form"	means in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in certificated form (that is, not in CREST);
"Citigroup"	means Citigroup Global Capital Markets Limited;
"City Code"	means the City Code on Takeovers and Mergers;
"Code"	means the US Internal Revenue Code of 1986, as amended;
"Company" or "3i Infrastructure"	means 3i Infrastructure Limited;
"Concert Party"	means a person or persons deemed to be acting in concert with 3i Group in relation to the Company under the terms of the City Code;
"Continental Europe"	means Europe, excluding the UK;

"Court"	means the Royal Court of the Bailiwick of Jersey;
"CREST" or "CREST System"	means the paperless settlement procedure operated by CRESTCo Limited enabling system securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument;
"Custodian"	means 3i Investments;
"Custody Agreement"	means the custody agreement dated 20 February 2007 between the Company and 3i Investments as further described in Part XII of this document;
"Dexia"	means Dexia Credit Local (London Branch);
"Directors" or "Board"	means the directors of the Company, whose names appear in Part XII of this document, or the board of directors from time to time of the Company, as the context require, and "Director" is to be construed accordingly;
"Disclosure Rules"	means the disclosure and transparency rules of the UK Listing Authority made in accordance with section 73A of FSMA;
"EEA"	means the European Economic Area;
"ERISA"	means the US Employee Retirement Income Security Act of 1974, as amended;
"EU"	means the member states of the European Union;
"Europe"	means the EU, Switzerland and Norway;
"Exchange Act"	means the US Securities Exchange Act of 1934, as amended;
"FF&P"	means Fleming Family & Partners;
"FSA"	means the UK Financial Services Authority;
"FSMA"	means the Financial Services and Markets Act 2000 of the UK, as amended;
"Global Co-ordinator"	means Citigroup;
"Global Offer"	means the offer of Ordinary Shares and Warrants to institutions and certain other investors in the UK, including certain Intermediaries, and elsewhere, on the terms and subject to the conditions set out in Part VI of the Securities Note;
"Gross Investment Value"	means for any date on which it falls to be calculated, the total aggregate value of the investments of the Company (excluding cash and cash equivalent temporary liquid investments but including any outstanding subscription obligations) as at the start of the Company's then current financial period plus any investment (excluding cash and cash equivalents) made during the course of that financial period to date valued at cost (including any outstanding subscription obligations), the value at the start of the initial financial period being the Purchase Price paid for the Initial Portfolio plus outstanding subscription obligations;
"Group"	means the Company and the Holding Entities;
"HMRC"	means HM Revenue and Customs of the UK;
"Holding Entities"	means all or any of Luxco 1, Luxco 2 and/or the Partnership;
"I^2"	means Infrastructure Investors Limited Partnership;
"I^2 Manager"	means Infrastructure Investors Limited;
"IFRS"	means International Financial Reporting Standards;
"Infrastructure Investment Team"	means the infrastructure investment team of 3i Group from time to time, whose current details are set out in Part VIII of this document;

"Initial Portfolio"	means the initial portfolio of infrastructure investments which the Company intends to acquire from 3i Group under the Acquisition Agreement as further described in Part IX of this document;
"Intermediaries"	means member firms of the London Stock Exchange and other securities houses regulated by the FSA;
"Investment Adviser"	means 3i Investments acting in its capacity as Investment Adviser to the Company pursuant to the Investment Advisory Agreement;
"Investment Advisory Agreement"	means the investment advisory agreement between 3i Investments and the Company, further details of which are set out in Part XII of this document;
"Investment Company Act"	means the US Investment Company Act of 1940, as amended;
"IPEVC"	means International Private Equity and Venture Capital;
"IRR"	means internal rate of return;
"ISA"	means Individual Savings Account;
"Jersey Administrator"	means Mourant & Co. Limited;
"Jersey Corporate Administration Agreement"	means the Jersey Corporate Administration Agreement between the Company and Mourant & Co. Limited, further details of which are set out in Part XII of this document;
"JFSC"	means the Jersey Financial Services Commission;
"KPMG"	means KPMG LLP;
"KPMG Opinion Letter"	means the opinion letter prepared by KPMG in relation to the fairness and reasonableness of the proposed purchase price of the Initial Portfolio;
"Law" or "Laws"	means the Companies (Jersey) Law 1991, as amended;
"Listing Rules"	means the listing rules made by the UK Listing Authority under section 73A of FSMA;
"London Stock Exchange"	means the London Stock Exchange plc;
"Luxco 1"	means 3i Infrastructure (Luxembourg) Holdings S.à r.l;
"Luxco 2"	means 3i Infrastructure (Luxembourg) S.à r.l;
"Manager"	means the Investment Adviser in its capacity as manager and operator of the Partnership;
"Memorandum of Association"	means the memorandum of association of the Company;
"Net Asset Value" or "NAV"	means the net asset value of the Company in total or (as the context requires) per Ordinary Share from time to time calculated in accordance with the Company's valuation policies and as described in this document;
"Net Proceeds"	means the initial proceeds of the Global Offer being the funds actually received on closing under the Global Offer, including funds received on exercise of the Over-allotment Option but excluding any proceeds on exercise of the Warrants, less expenses payable in connection with the Global Offer and the Acquisition;
"NHS"	means the National Health Service of the UK;
"Noble Group"	means the group of companies including Noble Financial Holdings Limited and Noble Fund Managers Limited;
"Non-US Purchaser's Letter"	means a letter in the form set out in Appendix B to the Securities Note;
"North America"	means the United States and Canada;
"Northern"	means Northern Infrastructure LLP, a limited liability partnership substantially owned by 3i Group;
"Octagon"	means Octagon Healthcare Group Limited;
"Offer Price"	means £1 per Ordinary Share;

"Official List"	means the official list maintained by the UK Listing Authority;
"Offshore Registrar Agreement"	means the offshore registrar agreement between the Company and the Registrar, further details of which are set out in Part XII of this document;
"Ofwat"	means the Water Services Regulation Authority, the economic regulator of the water and waste water industry in England and Wales;
"Opening NAV per Ordinary Share"	means, (i) for the Company's first financial period, the NAV as at Admission less any Global Offer expenses or acquisition expenses relating to the purchase of the Initial Portfolio which occur in the first financial period, or (ii) for any subsequent financial period, the NAV at the end of the previous financial period, adjusted downwards, as necessary to reflect any dividends paid during the previous period which have not been reflected in such NAV and further adjusted to take account of any share restructuring or issue of Ordinary Shares at less than NAV during the period;
"Ordinary Shares"	means ordinary shares in the Company;
"Osprey"	means Osprey Acquisitions Limited;
"Over-allotment Option"	means the option granted by the Company to Citigroup pursuant to which Citigroup may require the Company to allot additional Ordinary Shares at the Offer Price and additional Warrants;
"Partnership"	means 3i Infrastructure Seed Assets LP;
"PEP"	means Personal Equity Plan;
"PFI"	means Private Finance Initiative, a form of PPP in which the public and private sectors join to design, build or refurbish, finance and operate new or improved facilities and services to the general public;
"PPP"	means Public Private Partnership, an umbrella term for government schemes involving the private business sector in public sector projects;
"Proposed Director"	means Paul Waller, who it is proposed will be appointed a director of the Company some time after Admission;
"Prospectus"	means the prospectus issued by the Company in relation to the Global Offer, comprising this document, the Securities Note and the Summary, prepared, published and approved by and filed with the FSA in accordance with the Prospectus Rules;
"Prospectus Rules"	means the prospectus rules of the UK Listing Authority made in accordance with section 73A of FSMA;
"Purchase Price"	means the purchase price for the Initial Portfolio proposed by 3i Group;
"Qualified Purchaser"	means a qualified purchaser for the purposes of section 3(c)(7) of the Investment Company Act;
"Receiving Agent"	means Capita IRG Plc;
"Registrar"	means Capita Registrars (Jersey) Limited;
"Registration Document"	means this document issued in relation to the Global Offer, produced under the Prospectus Rules, which, together with the Securities Note and the Summary, constitutes the Prospectus;
"Regulation S"	means Regulation S under the Securities Act;
"Regulatory Information Service"	means a regulatory information service approved by the FSA and on the list of Regulatory Information Services maintained by the FSA;
"Relationship Agreement"	means the relationship agreement dated 20 February 2007 between 3i Group and the Company governing the relationship between 3i Group and the Company following Admission, details of which are in paragraph 13(m) of Part XII of this document;

"Relevant Proportion"	means a proportion equal to the value of an interest held by the Group in any infrastructure fund in respect of which a member of 3i Group performs investment management or advisory services, compared to the value of the overall infrastructure fund, as determined by the Investment Adviser;
"Rule 144A"	means Rule 144A under the Securities Act;
"Securities Act"	means the US Securities Act of 1933, as amended;
"Securities Note"	means the securities note in relation to the Global Offer, produced under the Prospectus Rules, which, together with this document and the Summary, constitute the Prospectus;
"SG"	means Société Générale;
"Shareholders"	means the holders of the Ordinary Shares;
"SIPP"	means Self-Invested Personal Pension;
"Sponsor"	means Citigroup;
"Subscription Price"	means the price at which the Warrants can be exchanged for Ordinary Shares, being £1;
"Summary"	means the summary in relation to the Global Offer produced under the Prospectus Rules, which, together with this document and the Securities Note, constitute the Prospectus;
"Takeover Panel"	means the UK Panel on Takeovers and Mergers;
"Total Return"	means an increase in Net Asset Value per Ordinary Share plus any dividends paid (and any other distributions including, without limitation, cash returns) per share;
"UK Listing Authority"	means the FSA in its capacity as the competent authority for listing in the UK pursuant to Part VI of FSMA;
"UK Support Services Agreement"	means the support services agreement between the Company and 3i Group, further details of which are set out in Part XII of this document;
"UK Support Services Provider"	means 3i plc and 3i Investments;
"uncertificated" or in "uncertificated form"	means, in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST;
"Underwriter"	means Citigroup;
"Underwriting Agreement"	means the agreement between the Company and Citigroup, further details of which are set out in Part XII of this document;
"United Kingdom" or "UK"	means the United Kingdom of Great Britain and Northern Ireland;
"United States" or "US"	has the meaning given in Regulation S;
"US Person"	has the meaning given in Regulation S;
"US Purchaser's Letter"	means a letter in the form set out in Appendix A to the Securities Note;
"US Resident"	means any US Person, as well as: (i) any natural person who is only temporarily residing outside the United States, (ii) any account of a US Person over which a non-US fiduciary has investment discretion or any entity, which, in either case, is being used to circumvent the registration requirements of the Investment Company Act, and (iii) any employee benefit or pension plan that does not have as its participants or beneficiaries persons substantially all of whom are not US Persons. In addition, for the purposes of this definition, if an entity either has been formed for or operated for the purpose of investing in the Ordinary Shares or the Warrants, or facilitates individual investment decisions, such as a self-directed employee benefit or pension plan, the

	Ordinary Shares or the Warrants will be deemed to be held for the account of the beneficiaries or other interest holders of such entity, and not for the account of the entity;
''VAT''	means value added tax;
''Warrant Instrument''	means the warrant instrument dated 20 February 2007 creating the Warrants and entered into by the Company; and
''Warrants''	means the warrants issued subject to the terms and conditions set out in the Securities Note, as amended.

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THIS DOCUMENT, THE REGISTRATION DOCUMENT AND THE SUMMARY ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document, the Registration Document and the Summary, or the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is duly authorised under the Financial Services and Markets Act 2000 ("FSMA").

THIS DOCUMENT, THE REGISTRATION DOCUMENT AND THE SUMMARY DATED WITH TODAY'S DATE together comprise a prospectus (the "Prospectus") relating to 3i Infrastructure Limited ("3i Infrastructure" or the "Company") prepared in accordance with the Prospectus Rules of the Financial Services Authority (the "FSA") made under section 73A of FSMA and approved by the FSA under section 87A of FSMA. The Prospectus has been filed with the FSA and made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

Applications will be made to the UK Listing Authority for all of the ordinary shares in the Company (the "Ordinary Shares") and the warrants with a subscription price of £1 each (the "Subscription Price") in the Company (the "Warrants") issued and to be issued in connection with the Global Offer to be admitted to the Official List of the UK Listing Authority (the "Official List") and to the London Stock Exchange plc (the "London Stock Exchange") for such Ordinary Shares and Warrants to be admitted to trading on the London Stock Exchange's main market for listed securities (together, "Admission"). Admission to the Official List, together with admission to trading on the London Stock Exchange's main market for listed securities, constitutes admission to official listing on a regulated market. As at the date of the Prospectus, no Ordinary Shares or Warrants are admitted to trading on a regulated market. Conditional dealings in the Ordinary Shares and the Warrants are expected to commence on the London Stock Exchange on 8 March 2007. It is expected that Admission will become effective and that unconditional dealings in the Ordinary Shares and the Warrants will commence on the London Stock Exchange at 8.00 a.m. on 13 March 2007. All dealings in the Ordinary Shares and Warrants before the commencement of unconditional dealings will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned. No applications have been or are currently intended to be made for the Ordinary Shares or the Warrants to be admitted to listing or dealt in on any other exchange.

A copy of the Prospectus has been delivered to the Jersey registrar of companies in accordance with Article 5 of the Companies (General Provisions) (Jersey) Order 2002, and the Jersey registrar has given, and has not withdrawn, consent to its circulation. The Jersey Financial Services Commission ("JFSC") has given, and has not withdrawn, its consent under Article 2 of the Control of Borrowing (Jersey) Order 1958 to the issue of securities in the Company. It must be distinctly understood that, in giving these consents, neither the Jersey registrar of companies nor the JFSC takes any responsibility for the financial soundness of the Company or for the correctness of any statements made, or opinions expressed, with regard to it.

The Company constitutes and is regulated as a collective investment fund under the Collective Investment Funds (Jersey) Law 1988 (as amended) (the "Jersey Funds Law"). The Company, the Jersey Administrator and the Registrar have all obtained permits under Article 7 of the Jersey Funds Law from the JFSC to operate as functionaries within the Island of Jersey. The JFSC is protected by the Jersey Funds Law against liability arising from the discharge of its functions under the Jersey Funds Law.

Citigroup Global Markets Limited ("Citigroup"), which is authorised and regulated in the United Kingdom by the FSA, is acting for the Company and no one else in connection with the Global Offer and will not regard any other person as its client in relation to the Global Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the Global Offer or any transaction or arrangement referred to in the Prospectus.

Prospective investors should read the whole of this document, together with the Registration Document and the Summary, including the discussion of certain risks and other factors that should be considered in connection with an investment in the Ordinary Shares and the Warrants as set out in Part I of this document – "Risk Factors" and Part I – "Risk Factors" of the Registration Document. Prospective investors should be aware that an investment in the Company involves a degree of risk and that, if certain of the risks described in the Prospectus occur, investors may find their investment may be materially adversely affected. Accordingly, an investment in the Ordinary Shares and the Warrants is only suitable for investors who are particularly knowledgeable in investment matters and who are able to bear the loss of the whole or part of their investment.

3i Infrastructure Limited

(incorporated in Jersey with registered no. 95682)

Global Offer of Ordinary Shares at an Offer Price of £1 per Ordinary Share and Warrants with a Subscription Price of £1 each issued in respect of every 10 Ordinary Shares purchased and Admission to the Official List and trading on the London Stock Exchange

Investment Adviser

3i Investments plc

Sole Global Co-ordinator, Sponsor and Underwriter

Citigroup

The Ordinary Shares and the Warrants have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws in the United States. Subject to certain exceptions, the Ordinary Shares and the Warrants may not be offered or sold (or, in the case of the Warrants, exercised) within the United States or to (or by) any national, resident or citizen of the United States. Pursuant to the Global Offer the Ordinary Shares and the Warrants may not be offered or sold (or, in the case of the Warrants, exercised) in the United States, or to, or for the account or benefit of (or by), US Persons as defined in Regulation S under the Securities Act ("Regulation S") or US Residents (as defined below) except that the Ordinary Shares and the Warrants may be offered or sold to (i) persons who are both "Qualified Institutional Buyers" as defined in Rule 144A under the Securities Act ("Rule 144A") and "Qualified Purchasers" as defined in the US Investment Company Act of 1940, as amended (the "Investment Company Act"), and related rules, in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A, and (ii) non-US Residents in offshore transactions in reliance on Regulation S. The Company has not been and will not be registered under the Investment Company Act and investors will not be entitled to the benefits of that Act. "US Resident" for these purposes means any US Person, as well as (i) any natural person who is only temporarily residing outside the United States, (ii) any account of a US Person over which a non-US fiduciary has investment discretion or any entity,

which, in either case, is being used to circumvent the registration requirements of the Investment Company Act and (iii) any employee benefit or pension plan that does not have as its participants or beneficiaries persons substantially all of whom are not US Persons. In addition, for these purposes, if an entity either has been formed for or operated for the purpose of investing in the Ordinary Shares or the Warrants, or facilitates individual investment decisions, such as a self-directed employee benefit or pension plan, the Ordinary Shares or the Warrants will be deemed to be held for the account of the beneficiaries or other interest holders of such entity, and not for the account of the entity.

The actual number of Ordinary Shares offered and Warrants issued in the Global Offer will be determined after taking into account the conditions and factors described in Part VI of this document, subject (prior to the exercise, if any, of the Over-allotment Option described below) to a minimum of 700,000,000 Ordinary Shares and 70,000,000 Warrants and a maximum of 1,300,000,000 Ordinary Shares and 130,000,000 Warrants. The actual number of Ordinary Shares and Warrants to be issued in the Global Offer will be announced in an offer size statement expected to be published by the Company on or around 8 March 2007.

In connection with the Global Offer, the Company has granted to Citigroup an Over-allotment Option which is exercisable in whole or in part, on notice by Citigroup, for the period commencing on 8 March 2007 and ending on 7 April 2007 (the "Over-allotment Option"). Pursuant to the Over-allotment Option, Citigroup may require the Company to issue additional Ordinary Shares at the Offer Price and additional Warrants to cover over-allotments, if any, made in connection with the Global Offer and to cover any short positions resulting from such over-allotments and/or from sales of Ordinary Shares and Warrants effected by it during the stabilisation period. The maximum number of additional Ordinary Shares and Warrants that may be issued pursuant to the Over-allotment Option will be equal to 10% of the Ordinary Shares and 10% of the Warrants issued in the Global Offer (before any exercise of the Over-allotment Option). Any Ordinary Shares and Warrants issued by the Company following exercise of the Over-allotment Option will be issued on the same terms and conditions as the Ordinary Shares and Warrants being issued in the Global Offer.

Prospective investors are hereby notified that sellers of the Ordinary Shares and/or the Warrants may be relying on the exemption from the provisions of section 5 of the Securities Act provided by Rule 144A. The Ordinary Shares and the Warrants are not transferable except in compliance with the restrictions described in Parts VII and VIII of this document and Part XIII of the Registration Document. Further, no purchase, sale or transfer of the Ordinary Shares and/or the Warrants may be made unless such purchase, sale or transfer will not result in (a) any assets of the Company constituting "plan assets" within the meaning of section 3(42) of the US Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or assets subject to other applicable US laws or regulations that are substantially similar to section 406 of ERISA or section 4975 of the US Internal Revenue Code of 1986, as amended (the "Code") (any such substantially similar laws being referred to herein as "similar US Laws"), or (b) the Company being required to register as an investment company under the Investment Company Act or being or potentially being in violation of such Act or the rules and regulations promulgated thereunder. Each purchaser or transferee of the Ordinary Shares and/or the Warrants will be required to represent or will be deemed to have represented that it (a) is not an employee benefit plan subject to Part 4 of Subtitle B of Title I of ERISA, a plan to which section 4975 of the Code applies, an entity whose underlying assets include plan assets by reason of a plan's investment in such entity (as determined in accordance with section 3(42) of ERISA), or a plan or entity subject to similar US Laws, and (b) is not using "plan assets" (within the meaning of section 3(42) of ERISA) subject to Title I of ERISA or section 4975 of the Code, or assets of a plan subject to similar US Laws. Prospective investors are also notified that the Company believes that it will be classified as a passive foreign investment company for United States federal income tax purposes but does not expect to provide to holders of Ordinary Shares and/or the Warrants the information that would be necessary in order for such persons to make a qualified electing fund election with respect to the Ordinary Shares and/or the Warrants. See further Part I and Part VIII of this document.

Notice to New Hampshire Residents only

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENCE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE IMPLIES THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT ANY EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

Prospective investors should rely only on the information contained in this document, the Registration Document and the Summary. No person has been authorised to give any information or make any representations other than as contained in this document, the Registration Document and the Summary and, if given or made, such information or representations must not be relied on as having been so authorised by the Company, the Directors, 3i Investments, 3i Group or Citigroup. Without prejudice to the Company's obligations under the Prospectus Rules, the Listing Rules and the Disclosure Rules, neither the delivery of this document nor any subscription made under this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Group since the date of this document, the Registration Document and the Summary or that the information in it or them is correct as at any time after the date of the Prospectus.

Prospective investors must not treat the contents of this document or any subsequent communications from the Company, the Directors, 3i Investments, 3i Group or Citigroup or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters. Prospective investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Ordinary Shares; and (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Ordinary Shares. Prospective investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment therein.

Figures contained in this document relating to the performance of the infrastructure transactions of 3i Group are sourced from its unaudited management accounts and financial accounting systems.

Following Admission the Company intends to apply to the Royal Court of the Island of Jersey and seek an order reducing its stated capital account (the account into which amounts paid up on the Ordinary Shares are credited) by an amount of up to £1,300,000,000. Following that reduction of capital, the amount standing to the credit of the Company's stated capital account will be £2. The purpose of the reduction will be to create a distributable reserve, which the Company may apply to pay dividends on the Ordinary Shares and to repurchase Ordinary Shares. The corresponding advantage to shareholders is that this will enable the Company to pay dividends in accordance with the dividend policy of the Company at times when capital or other losses may otherwise prevent it from doing so. A further advantage to shareholders is that the reserve will also enable the Company to repurchase Ordinary Shares in the event that the market price of the Ordinary Shares of the Company are trading at a significant discount to their net asset value. Prospective investors should note that payment of interim dividends and repurchases of Ordinary Shares will be carried out at the discretion of the directors and there can be no guarantee that such payments or repurchases will be made, notwithstanding the creation of the distributable reserve described above.

CONTENTS

PART I

RISK FACTORS

Investing in and holding the Ordinary Shares and/or the Warrants involves a degree of financial risk. Prospective investors in the Ordinary Shares and the Warrants should carefully review the information contained in this document, the Registration Document and the Summary and should pay particular attention to:

- *Part I of the Registration Document entitled "Risk Factors" which lists risks related to the Company and its investment strategy, risks relating to the Investment Adviser, risks relating to taxation and ERISA; and*
- *the following risks associated with an investment in the Ordinary Shares, the Warrants and the Global Offer.*

If one or more of the following risks were to occur, it could have a material adverse effect on the Company's share price and investors could lose all or part of their investment. The risks set out below are all of the risks which are considered by the Company to be material.

A. Introduction

An investment in the Company is suitable only for investors who are capable of evaluating the risks and merits of such investment, who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company. Typical investors in the Company are expected to be institutional and sophisticated investors.

The Ordinary Shares and the Warrants are designed to be held over the long-term and may not be suitable as a short-term investment. They are therefore suitable only for investors for whom an investment in Ordinary Shares and/or Warrants constitutes part of a diversified investment portfolio. There is no guarantee that any appreciation in the value of the Ordinary Shares and/or the Warrants will occur and investors may not get back the full value of their investment. Investors should have sufficient resources to bear any loss (which may be equal to the amount invested).

Any investment objectives of the Company are targets only and should not be treated as assurances or guarantees of performance.

Investors should consult an independent financial adviser, such as a stockbroker, bank manager, solicitor, accountant or other independent financial adviser which, if you are taking advice in the United Kingdom, is duly authorised under FSMA before making an investment in the Company.

B. General Risks relating to the Company's Ordinary Shares, Warrants and the Global Offer

The price of the Ordinary Shares and/or the Warrants may fluctuate significantly and Shareholders could lose all or part of their investment

The Offer Price may not be indicative of the market price of the Ordinary Shares after the Global Offer and related transactions. The market price of the Ordinary Shares and/or the Warrants may fluctuate significantly and Shareholders may not be able to resell Ordinary Shares at or above the price at which they purchased them. Factors that may cause the price of the Ordinary Shares and/or Warrants to vary include:

- changes in the Company's financial performance and prospects or in the financial performance and prospects of companies engaged in businesses that are similar to the Company's;
- changes in the underlying values and trading volumes of the investments that the Company makes, including investments that are made in, or through, funds, particularly when the Company announces its semi-annual results and updates the aggregate unrealised values of its investments;
- the termination of the Investment Advisory Agreement or the departure of some or all of the members of the Infrastructure Investment Team from 3i Group;
- sales of the Ordinary Shares and/or Warrants by Shareholders;
- general economic trends and other external factors, including those resulting from war, incidents of terrorism or responses to such events;
- speculation in the press or investment community regarding the Company's business or its investments, or factors or events that may directly or indirectly affect its business or investments; and
- a loss of a significant funding source.

Securities markets in general have experienced extreme volatility that has often been unrelated to the operating performance of particular companies or other entities. Any broad market fluctuations may adversely affect the trading price of the Ordinary Shares and Warrants.

In addition, the shareholding of 3i Group, although not to be disposed of for the next 12 months, may have an impact on the Company's share price.

The Ordinary Shares may trade at a discount to Net Asset Value

The Ordinary Shares could trade at a discount to Net Asset Value for a variety of reasons, including market conditions or investors undervaluing the Investment Adviser's investment advisory activities. Additionally, unlike a number of other investment funds, the Company intends to continuously re-invest the capital proceeds it receives, except in limited circumstances. Therefore, the only way for investors to realise their investment is to sell their Ordinary Shares for cash, which could have the effect of lowering the price of the Company's Ordinary Shares. Accordingly, if a Shareholder requires immediate liquidity, or otherwise seeks to realise the value of its investment in the Company through a sale of Ordinary Shares, the amount received by the Shareholder upon such sale may be less than the underlying Net Asset Value of the Ordinary Shares.

The market price of the Ordinary Shares may fall below the Subscription Price and the market for the Warrants may be illiquid

The market price of the Ordinary Shares may fall below the Offer Price, in which case the Subscription Price for the Warrants would be greater than the market value of the underlying Ordinary Shares and the Warrants would be 'under water'. A consequence of such a fall in the market value of the Ordinary Shares may be that the market in the Warrants may be illiquid.

Neither the Ordinary Shares or the Warrants have ever been publicly traded and an active and liquid trading market in the Ordinary Shares may not develop

Before the Global Offer and Admission, there has not been a market for the Ordinary Shares or the Warrants. After the Global Offer, the Company expects that the principal trading market for the Ordinary Shares and the Warrants will be the London Stock Exchange's main market for listed securities. The Company cannot predict the extent to which investor interest will lead to the development of an active and liquid trading market in the Ordinary Shares or the Warrants or, if such market develops, whether it will be maintained. Market-makers are under no obligation to make a market for the Ordinary Shares or the Warrants and may discontinue any market-making activities undertaken by them at any time.

In addition, there are restrictions on the transfer of the Ordinary Shares and the Warrants within the United States or to US Persons or US Residents, which may limit the number of investors who are able to purchase the Ordinary Shares and/or the Warrants in any trading market. The Company cannot predict the extent of interest in the Ordinary Shares and/or the Warrants from these types of investors. In addition, the Warrants cannot be exercised until six months after Admission and during this period trading in the Warrants may be even more illiquid.

Market-makers may sell a substantial amount of the Ordinary Shares and/or the Warrants to a limited number of investors, which, together with the effect of those Ordinary Shares and Warrants held by 3i Group and the Infrastructure Investment Team being subject to lock-up arrangements and other restrictions on transfer, could impact the development of an active and liquid trading market in the Ordinary Shares and the Warrants.

The Company cannot predict the effect on the price of its Ordinary Shares and Warrants if a liquid and active trading market for its Ordinary Shares and/or Warrants does not develop. In addition, if such a market does not develop, relatively small sales may have a significant negative impact on the price of the Ordinary Shares and/or the Warrants.

The Company may issue additional shares that dilute existing shareholdings or that have rights or privileges that are more favourable than the rights and privileges of holders of Ordinary Shares. The issue of additional shares by the Company may cause the market price of Ordinary Shares and/or the Warrants to decline

The Company may issue additional shares in subsequent public offerings or private placements. The Company is not required under Jersey law to offer any such shares to existing Shareholders on a pre-emptive basis. Therefore, existing Shareholders may not be offered the right or opportunity to participate in such future share issues, which may dilute the existing Shareholders' interests in the Company. Furthermore, the issue of additional shares may be on more favourable terms than the Global Offer. In

addition, the issue of additional shares by the Company, or the possibility of such issue, may cause the market price of the Ordinary Shares and/or the Warrants to decline.

Fluctuations between an investor's currency of reference and the base currency of the Company may adversely affect the value of an investment in the Company. A proportion of the Company's investments may be denominated in currencies other than sterling and fluctuations in exchange rates may affect the value of the Company's investments

If an investor's currency of reference is not sterling, currency fluctuations between the investor's currency of reference and the base currency of the Company may adversely affect the value of an investment in the Company.

A proportion of the Company's investments may be denominated in currencies other than sterling. The Company will maintain its books and intends to pay distributions in sterling. Accordingly, fluctuations in exchange rates between sterling and the relevant local currencies and the costs of conversion and exchange control regulations will directly affect the value of the Company's investments and the ultimate rate of return realised by investors. While the Company may enter into hedging arrangements to mitigate this risk to some extent, there can be no assurance that such arrangements will be entered into, that they will be successful or that they will be sufficient to cover such risk.

The Company is not, and does not intend to become, regulated in the US as an investment company under the Investment Company Act and related rules

The Company has not, does not intend to, and would likely be unable to become, registered in the US as an investment company under the Investment Company Act and related rules. The Investment Company Act and related rules provide certain protections to investors and impose certain restrictions on companies that are registered as investment companies. None of these protections or restrictions are or will be applicable to the Company. In addition, to avoid being required to register as an investment company under the Investment Company Act and related rules and to avoid violating such Act and related rules, the Company has implemented restrictions on the ownership and transfer of its Ordinary Shares and the Warrants, which may materially affect certain Shareholders' ability to transfer their Ordinary Shares and Warrants.

Warrants held in uncertificated form must be converted into certificated form to be exercised. Further, Warrants may only be exercised by persons who are able to provide certain representations regarding their status as US persons and under ERISA

The Warrants are capable of being held in either certificated or uncertificated form in CREST. However, Warrants held in uncertificated form must be converted into certificated form by the holder prior to exercise. This may cause delay in the exercise of the Warrants.

Further, exercise of the Warrants will be conditional on the holder making representations to the effect that the holder (i) is not a US Resident, is not exercising the Warrant for the account or benefit of a US Resident and is not in the US or (ii) is an "accredited investor" within the meaning of Regulation D under the Securities Act, a "Qualified Institutional Buyer" as defined in Rule 144A and a "Qualified Purchaser" as defined in the Investment Company Act and (in the case of both (i) and (ii) it is not a "benefit plan investor" as defined in Section 3(42) of ERISA, or a plan or entity that would be a "benefit plan investor" as so defined except that it is not subject to Part 4 of Subtitle B of Title 1 of ERISA, in either case that is subject to Section 406 of ERISA or Section 4975 of the US Code or any US federal, state, local or other US laws or regulations that are substantially similar to such provisions of ERISA or the US Code and that it is acquiring the Ordinary Shares to be issued upon exercise of the Warrant for investment purposes only, and not with a view to, or for resale in connection with, any public distribution thereof within the United States within the meaning of the Securities Act. With respect to Ordinary Shares issued in connection with Warrants exercised in the US or for the account or benefit of a US Resident, the exercise notice will also contain provision substantially similar to the US Purchaser's Letter including with respect to the transfer of such Ordinary Shares. Persons who are unable to make such representations will not be permitted to exercise the Warrants and, accordingly, should not purchase the Warrants for exercise.

The Company's ability to make distributions will depend on it receiving sufficient earnings from its underlying investments, including any cash balances

Any dividends or other distributions by the Company to Shareholders will be made at the discretion of the Directors and will depend on the Company's earnings and financial condition, legal and regulatory restrictions, including limitations under the Laws and the Listing Rules and such other factors as the Directors may consider relevant from time to time. For example, to the extent that there are impairments to the value of the Company's investments that are recognised in its income statement under IFRS, this

may affect the ability of the Company to pay dividends in accordance with the Listing Rules. Some of these factors are beyond the Company's control and a change in any such factor could affect the Company's ability to make distributions. There can be no assurance that the Company will be able to make distributions in the future. Distributions will not be made unless the Company generates sufficient income and the Company's distributable profits will generally differ from its cash flow in any given period. In addition, any change in the tax treatment of dividends or interest or other receipts received by the Company (including as a result of withholding taxes or exchange controls imposed by jurisdictions in which the Company invests) may reduce the level of distributions received by Shareholders. In addition, any change in the accounting policies, practices or guidelines relevant to the Company and its investments may reduce or delay the distributions received by investors.

3i Group may have the ability to exercise significant influence at meetings of the Company's Shareholders

As 3i Group will invest £325 million in the Company, depending on the total amount raised through the Global Offer, this may lead to 3i Group holding a 46.43% shareholding in the Company following Admission (if, for example, £700 million was raised and the Over-allotment Option is not exercised, 3i Group would hold a 46.43% stake in the Company). As a result, 3i Group will be able to exercise significant influence over matters requiring the approval of the Company's Shareholders, including the election of Directors and the approval of significant corporate transactions. 3i Group and the Company have entered into the Relationship Agreement (see Part XII of the Registration Document) to govern their relationship after the Global Offer. 3i Group will also have a significant influence on the success of any takeover offer for the Company.

As a result of 3i Group's potentially significant shareholding in the Company, there is a risk that 3i Group may be obliged to make a mandatory cash offer for the Company pursuant to the City Code

3i Group may potentially hold a stake of up to 46.43% of the equity share capital of the Company following Admission, depending on the total amount raised in the Global Offer. In addition, certain personnel in the Infrastructure Investment Team will make an initial investment in Ordinary Shares at the Offer Price under the Global Offer. Such members of the Infrastructure Investment Team (and the Proposed Director), by virtue of their employment by 3i Group, are deemed to be acting in concert (under the City Code) with 3i Group. Depending on the size of the Global Offer, 3i Group's Shareholding in the Company on Admission will represent between 25% and 46.43% of the Company's issued shares (assuming the Over-allotment Option is not exercised, or between 22.73% and 42.21% if it is fully exercised). In addition, Concert Parties of 3i Group are proposing to acquire up to 800,000 Ordinary Shares in the Global Offer, giving a maximum percentage holding for 3i Group and its Concert Parties of 46.55%. 3i Group and its Concert Parties will also hold a maximum of 32.58 million Warrants, giving a further maximum holding on exercise of such Warrants of 48.92% (assuming no exercise of Warrants by any other person). If 3i Group or the members of the Infrastructure Investment Team acquire any further Ordinary Shares in the Company other than through exercise of their Warrants (for example, pursuant to a rights issue or open offer where they do not participate *pro rata* to their existing shareholding or buying in the market), or their percentage interest in the Company increases in another manner (for example, due to the effects of a share buy-back or share redemption in which they do not participate *pro rata*), 3i Group may be required by the City Code to make a mandatory cash offer to acquire all the Ordinary Shares it does not already own in the Company. 3i Group will therefore (i) seek to obtain a dispensation from the Takeover Panel in such circumstances from making a mandatory cash offer and (ii) will seek to comply with any requirements (such as a sale of shares) imposed by the City Code or the Takeover Panel to obtain that dispensation. Notwithstanding the possibility of such a dispensation from the Takeover Panel and the fact the Relationship Agreement (see Part XII of the Registration Document) contains provisions designed to ensure that 3i Group is not required to make a general offer for the Company's shares under Rule 9 of the City Code, there can be no assurance that 3i Group will not be required to make a mandatory cash offer for the Company at some point in the future, for example, if it fails to comply with any of the requirements stipulated as a condition to any dispensation referred to above being granted.

PART II

IMPORTANT INFORMATION

Prospective investors should rely only on the information contained in this document, the Registration Document and the Summary. No person has been authorised to give any information or make any representations other than as contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors, the Investment Adviser or Citigroup. Without prejudice to the Company's obligations under the Prospectus Rules, the Listing Rules and the Disclosure Rules, neither the delivery of the Prospectus nor any subscription made under the Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since the date of this document or that the information contained herein is correct as at any time after its date.

Prospective investors must not treat the contents of this document, the Registration Document and the Summary or any subsequent communications from the Company, the Investment Adviser, 3i Group or Citigroup or any of their respective affiliates, officers, directors, employees or agents as advice relating to legal, taxation, accounting, regulatory, investment or any other matters. Prospective investors must inform themselves as to: (a) the legal requirements within their own countries for the purchase, holding, transfer, redemption or other disposal of Ordinary Shares and/or Warrants; and (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of Ordinary Shares and/or Warrants. Prospective investors must rely on their own representatives, including their own legal advisers and accountants, as to legal, tax, accounting, regulatory, investment or any other related matters concerning the Company and an investment therein.

Apart from the responsibilities and liabilities, if any, which may be imposed on Citigroup by FSMA or the regulatory regime established thereunder, Citigroup makes no representations, express or implied and accepts no responsibility whatsoever for the contents of this document nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Ordinary Shares or the Warrants or the Global Offer. Citigroup accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this document or any such statement.

Citigroup and any affiliate acting as an investor for its own account may retain, purchase or sell Ordinary Shares and Warrants for its own account and may offer or sell such securities otherwise than in connection with the Global Offer. Citigroup does not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any applicable legal or regulatory requirements.

The Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any Ordinary Shares and Warrants by any person in any jurisdiction: (a) in which such offer or invitation is not authorised; or (b) in which the person making such offer or invitation is not qualified to do so; or (c) to any person to whom it is unlawful to make such offer or invitation. The distribution of the Prospectus and the offering of the Ordinary Shares and the Warrants in certain jurisdictions may be restricted. Accordingly, persons outside the United Kingdom into whose possession this document comes are required by the Company and Citigroup to inform themselves about, and to observe any restrictions as to the offer or sale of Ordinary Shares and Warrants and the distribution of, this document, the Registration Document and the Summary under the laws and regulations of any territory in connection with any applications for Ordinary Shares and Warrants, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such territory. No action has been taken or will be taken in any jurisdiction by the Company, Citigroup, the Investment Adviser or the Jersey Administrator that would permit a public offering of the Ordinary Shares and the Warrants in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this document other than in any jurisdiction where action for that purpose is required.

Neither the Ordinary Shares nor the Warrants have been approved or disapproved by the US Securities and Exchange Commission, any federal or state securities commission in the United States or any other regulatory authority in the United States, nor have any of the foregoing authorities confirmed the accuracy or determined the adequacy of the information contained in this document. Any representation to the contrary is a criminal offence in the United States. In making an investment decision investors must rely on their own examination of the Company and the terms of the Global Offer, including the merits and risks involved.

The distribution of this document and the offer, sale and/or issue of the Ordinary Shares and the Warrants have not been and will not be registered under the Securities Act, or with any securities regulatory

authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged, exercised or otherwise transferred except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable state securities laws and except as permitted by the Articles of Association, the terms of the Warrants and the Prospectus. See Part XIII of the Registration Document.

The Prospectus is being furnished by the Company in connection with an offering exempt from registration under the Securities Act solely to enable a prospective investor to consider the purchase of Ordinary Shares and Warrants. Any reproduction or distribution of the Prospectus, in whole or in part, and any disclosure of its contents or use of any information herein for any purpose other than considering an investment in the Ordinary Shares and Warrants offered hereby is prohibited. Each offeree of the Ordinary Shares and Warrants, by accepting delivery of the Prospectus, agrees to the foregoing.

Available information

To the extent required to facilitate the transfer of Ordinary Shares and Warrants, if at any time the Company is neither subject to section 13 or 15(d) of the US Securities Exchange Act of 1934, as amended (the "Exchange Act"), nor exempt from reporting pursuant to Rule 12g3-2(b) under the Exchange Act, the Company will furnish, upon request, to any holder of the Ordinary Shares or the Warrants, any owner of any beneficial interest in the Ordinary Shares or the Warrants or any prospective purchaser designated by such a holder or such an owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Data protection

The information that a prospective investor in the Company provides in documents in relation to a subscription for Ordinary Shares and Warrants or subsequently by whatever means which relates to the prospective investor (if it is an individual) or a third party individual ("personal data") will be held and processed by the Company (and any third party in Jersey to whom it may delegate certain administrative functions in relation to the Company) in compliance with the relevant data protection legislation and regulatory requirements of Jersey. Such information will be held and processed by the Company (or any third party, functionary, or agent appointed by the Company) for the following purposes:

(a) verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures;

(b) contacting the prospective investor with information about other products and services provided by the Investment Adviser, or its affiliates, which may be of interest to the prospective investor;

(c) carrying out the business of the Company and the administering of interests in the Company;

(d) meeting the legal, regulatory, reporting and/or financial obligations of the Company in Jersey or elsewhere; and

(e) disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Where appropriate it may be necessary for the Company (or any third party, functionary, or agent appointed by the Company) to:

(a) disclose personal data to third party service providers, agents or functionaries appointed by the Company to provide services to prospective investors; and

(b) transfer personal data outside of the EEA to countries or territories which do not offer the same level of protection for the rights and freedoms of prospective investors as Jersey.

If the Company (or any third party, agent or functionary appointed by the Company) discloses personal data to such a third party, agent or functionary and/or makes such a transfer of personal data it will use reasonable endeavours to ensure that any third party, agent or functionary to whom the relevant personal data are disclosed or transferred is contractually bound to provide an adequate level of protection in respect of such personal data.

Prospective investors are responsible for informing any third party individual to whom the personal data relates for the disclosure and use of such data in accordance with these provisions.

Regulatory information

The Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, Ordinary Shares and Warrants in any jurisdiction in which such offer or solicitation is unlawful. Issue or circulation of the Prospectus may be prohibited in some countries.

Prospective investors should consider (to the extent relevant to them) the notices to residents of various countries set out in Part XIII of the Registration Document.

Investment considerations

The contents of the Prospectus are not to be construed as advice relating to legal, financial, taxation, investment issues or any other matter. Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of the Ordinary Shares and the Warrants;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the Ordinary Shares and the Warrants which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of the Ordinary Shares and the Warrants. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's investment objectives will be achieved.

It should be remembered that the price of the Ordinary Shares and the Warrants, and the income from such Ordinary Shares, can go down as well as up.

The Prospectus should be read in its entirety before making any investment in the Ordinary Shares and the Warrants. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Memorandum of Association and Articles of Association of the Company which investors should review.

Forward-looking statements

The Prospectus includes statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "targets", "believes", "estimates", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology. They appear in a number of places throughout the Prospectus and include statements regarding the intentions, beliefs or current expectations of the Company and the Investment Adviser concerning, among other things, the investment objective and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects and dividend policy of the Company and the markets in which it, directly and through special-purpose funding vehicles, invests and issues securities. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company's actual investment performance, results of operations, financial condition, liquidity, dividend policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document. In addition, even if the investment performance, results of operations, financial condition, liquidity and dividend policy of the Company, and the development of its financing strategies, are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Important factors that may cause these differences include, but are not limited to, changes in economic conditions generally and in the infrastructure market specifically; changes in interest rates and currency fluctuations, as well as the success of the Company's hedging strategies in relation to such changes and fluctuations (if such strategies are in fact used); impairments in the value of the Company's investments; legislative/regulatory changes; changes in taxation regimes; the Company's continued ability to invest the cash on its balance sheet and the proceeds of the Global Offer in suitable investments on a timely basis; the availability and cost of capital for future investments; the availability of suitable financing; the continued provision of services by the Investment Adviser and its ability to attract and retain suitably qualified personnel; and competition within the infrastructure asset class. For the avoidance of doubt, nothing in this paragraph constitutes a qualification of the working capital statement contained in paragraph 2 of Part IX of this document.

These forward-looking statements apply only as of the date of the Prospectus. Subject to any obligations under the Listing Rules, Disclosure Rules and Prospectus Rules, the Company undertakes no obligation publicly to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

In addition, the Prospectus includes information relating to the Company's share capital following Admission which assumes that 1,000,000,000 Ordinary Shares are issued at the Offer Price and 100,000,000 Warrants are issued in connection with the Global Offer. The actual number of Ordinary Shares and Warrants to be issued will be determined by Citigroup and the Company and may differ from this expected number. In such event, the information in the Prospectus should be read in light of the actual number of Ordinary Shares and Warrants to be issued in the Global Offer.

Currency presentation

Unless otherwise indicated, all references in this document to "sterling", "£" or "p" are to the lawful currency of the UK, all references to "$", "US$" or "US dollars" are to the lawful currency of the US and all references to "€" or "euro" are to the lawful currency of the Eurozone countries.

Service of process and enforcement of civil liabilities

The Company is incorporated under Jersey law. Service of process on Directors, all of whom reside outside the United States, may be difficult to effect within the United States. Furthermore, since most directly-owned assets of the Company are expected to be outside the United States, any judgment obtained in the United States against the Company may not be enforceable in practice within the United States. There is doubt as to the enforceability outside the United States, in original actions or in actions for enforcement of judgments of US courts, of civil liabilities predicated upon US federal securities laws. In addition, awards of punitive damages in actions brought in the United States or elsewhere may be unenforceable in Jersey or the United Kingdom.

No incorporation of website

The contents of the Investment Adviser's website do not form part of the Prospectus. The contents of the Company's website (which is in the process of being created) will also not form part of the Prospectus.

Definitions

A list of defined terms used in the Prospectus are set out at pages 43 to 47 of this document and pages 100 to 105 of the Registration Document.

Governing Law

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

PART III

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Global Offer opens	20 February 2007
Latest time and date for bids from institutions and receipt of applications from Intermediaries to be received by the Receiving Agent	5.00 p.m. on 7 March 2007
Announcement of final Global Offer statistics	8 March 2007
Conditional dealings expected to commence on the London Stock Exchange	8.00 a.m. on 8 March 2007
Admission to the Official List and commencement of unconditional dealings in the Ordinary Shares and Warrants to commence on the London Stock Exchange	8.00 a.m. on 13 March 2007
CREST accounts credited against payment	13 March 2007
Certificates in respect of Ordinary Shares and Warrants issued in certificated form to be despatched	as soon as practicable after 13 March 2007

All references to time in the Prospectus are to London time unless otherwise stated.

The dates and times specified above are subject to change. In particular, Citigroup may, with the prior approval of the Company, bring forward or postpone the closing time and date for the Global Offer by up to two weeks. If such date is changed, the Company will notify investors who have applied for Ordinary Shares of changes to the timetable either by post, by electronic mail or by the publication of a notice through a Regulatory Information Service provider to the London Stock Exchange.

It should be noted that, if Admission does not occur, all conditional dealings will be of no effect and such dealings will be at the risk of the parties concerned.

PART IV

GLOBAL OFFER STATISTICS

Offer Price per Ordinary Share	£1
Minimum number of Ordinary Shares being issued*	700 million
Minimum number of Warrants being issued	70 million
Minimum initial proceeds of the Global Offer*	£700 million
Maximum number of Ordinary Shares being issued**	1,300 million
Maximum number of Warrants being issued	130 million
Maximum initial proceeds of the Global Offer**	£1,300 million
Maximum number of Ordinary Shares subject to the Over-allotment Option***	130 million
Maximum number of Warrants subject to the Over-allotment Option****	13 million
Maximum net proceeds from the Over-allotment Option	£130 million

* Assuming a minimum subscription of the Global Offer (but excluding no exercise of the Warrants). This figure does not include the two subscriber Ordinary Shares.

** Assuming that the Global Offer is fully subscribed (but excluding the Over-allotment Option and no exercise of the Warrants). This figure does not include the two subscriber Ordinary Shares.

*** The number of Ordinary Shares to be subject to the Over-allotment Option is expected to be, in aggregate, equal to 10% of the total number of Ordinary Shares to be issued in the Global Offer.

**** The number of Warrants to be subject to the Over-allotment Option is expected to be, in aggregate, equal to 10% of the total number of Warrants to be issued in the Global Offer.

PART V

DIRECTORS, AGENTS AND ADVISERS

Directors (all Non-executive)	Peter Sedgwick (Chairman) Peter Wagner Philip Austin Martin Dryden
Administrator to the Company, Company Secretary and Registered Office	Mourant & Co. Limited P O Box 87 22 Grenville Street St. Helier Jersey JE4 8PX Channel Islands
Registrar	Capita Registrars (Jersey) Limited P O Box No 378 St. Helier Jersey JE4 0FF Channel Islands
UK Transfer Agent and Receiving Agent	Capita IRG Plc The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Investment Adviser and Custodian	3i Investments plc 16 Palace Street London SW1E 5JD
Sole Global Co-ordinator, Sponsor and Underwriter	Citigroup Global Markets Limited Citigroup Centre Canada Square London E14 5LB
Reporting Accountants and independent adviser as to the Purchase Price	KPMG LLP (38th Floor) 1 Canada Square Canary Wharf London E14 5AG
Auditors	Ernst & Young LLP Unity Chambers 28 Halkett Street St. Helier Jersey JE1 1EY Channel Islands
Legal Advisers to the Company and the Investment Adviser as to English law	Slaughter and May One Bunhill Row London EC1Y 8YY
Legal Advisers to the Company and the Investment Adviser as to Jersey law	Mourant du Feu & Jeune 8th Floor 68 King William Street London EC4N 7DZ
Legal Advisers to the Company and the Investment Adviser as to US law	Ropes & Gray LLP 1211 Avenue of the Americas New York NY 10036-8704 USA
Legal Advisers to the Global Co-ordinator as to English and US law	Freshfields Bruckhaus Deringer 65 Fleet Street London EC4Y 1HS

PART VI

INFORMATION ABOUT THE GLOBAL OFFER

Reasons for the Global Offer

The Company (a newly-established, Jersey-incorporated, public closed-ended investment company) intends to raise between £700 million and £1,300 million (in each case before fees and expenses and assuming the Over-allotment Option is not exercised) through the Global Offer. The Company will issue to each investor one Warrant for every 10 Ordinary Shares purchased under the Global Offer. Each Warrant will entitle the holder to subscribe for one Ordinary Share at the Subscription Price at any time during a period commencing six months after Admission and ending five years after Admission.

3i Group will subscribe for 325 million Ordinary Shares at the Offer Price as part of the Global Offer. Depending on the size of the Global Offer, 3i Group's shareholding in the Company on Admission will represent between 25% and 46.43% of the Company's issued shares (assuming the Over-allotment Option is not exercised, or between 22.73% and 42.21% if it is fully exercised). 3i Group will also receive Warrants giving it rights to acquire up to 32.5 million additional Ordinary Shares, taking its maximum holding up to 48.8% (if no other Warrants are exercised).

The Company has been set up to make equity (or equivalent) investments in entities owning infrastructure businesses and assets. It intends to invest globally, but with an initial focus on Europe, North America and Asia. Its purpose is to build a diversified portfolio of infrastructure investments for investors. On Admission, the Group will acquire the Initial Portfolio from 3i Group. 3i Investments, which is regulated in the UK by the FSA, will act as investment adviser to the Company through members of its Infrastructure Investment Team. The Infrastructure Investment Team will also have access to the wider 3i Group network, consisting of offices in 14 countries worldwide and over 300 investment professionals. Further information about 3i Investments, including information about the Company's exclusivity arrangements and 3i Group's conflicts management policy, is set out in Part VII of the Registration Document.

Applications will be made to the UK Listing Authority for all of the Ordinary Shares and Warrants (issued and to be issued in connection with the Global Offer) to be admitted to the Official List, and to the London Stock Exchange for all of the Ordinary Shares and Warrants to be admitted to trading on the London Stock Exchange's main market for listed securities. Conditional dealings in the Ordinary Shares and Warrants are expected to commence on the London Stock Exchange on 8 March 2007. It is expected that Admission will become effective, and that unconditional dealings in the Ordinary Shares and Warrants will commence, at 8.00 a.m. on 13 March 2007. All dealings in the Ordinary Shares and Warrants before commencement of unconditional dealings will be of no effect if Admission does not take place and such dealings will be at the sole risk of the parties concerned.

Neither the Ordinary Shares or the Warrants are dealt in on any other recognised investment exchanges and no applications for the Ordinary Shares or the Warrants to be traded on such other exchanges have been made or are currently expected.

Use of Proceeds

The Company intends to use the Net Proceeds to purchase the Initial Portfolio and further to build a diversified portfolio of equity and similar investments in entities owning infrastructure businesses and assets, giving investors access to this asset class with its potential for long-term, predictable cash flows and capital growth. The Company will seek investment opportunities globally, but will initially focus on Europe, North America and Asia.

Immediately on Admission, the Company will use up to £345.7 million of the Net Proceeds for the Acquisition.

The Initial Portfolio is made up of the following (described in more detail in Part IX of the Registration Document):

- *Osprey:* Osprey was formed by a consortium in August 2006 as a special-purpose company to bid for AWG, which it now owns. The principal business of AWG is Anglian Water, the group's water and waste water company which is regulated by Ofwat. Anglian Water is the fourth largest water and waste water company in England and Wales, measured by regulatory capital value.

  The investment in AWG through Osprey provides the Company with what is expected to be a stable, long-term earnings stream generated by a regulated utility company.

3i Group has agreed to transfer its 16.13% holding in Osprey to an English limited partnership. 3i Group is the limited partner in this partnership, which is managed by 3i Investments. The Company will acquire a limited partnership interest from 3i Group with a value equal to 20% of the Company's initial gross proceeds from the Global Offer (subject to 3i Group's maximum 16.13% interest).

- *I^2:* I^2 is an English limited partnership formed in November 2003 to make investments in secondary market public and private infrastructure projects in the UK and Continental Europe. It has committed funds of £481.3 million and is one of the largest UK equity funds in this market. The investors in the I^2 fund are parties connected with 3i Group, BPE, SG and FF&P.

  The Company will benefit from any investments which fall within I^2's investment policy solely through its indirect interest in I^2, as 3i Group will refer any such opportunities first to I^2. However, if I^2 does not take up the opportunity, 3i Investments may instead offer such an investment opportunity to the Company, where 3i Investments considers such an investment to be appropriate.

  3i Group holds its interests in the I^2 fund (a 31.17% limited partnership interest and a 26% share of the partnership carry) through 3i Carry Partnership (I^2), an entity set up to provide an interest to certain investment executives involved in the initial I^2 investment. Of 3i's committed funds of £150 million, £97.5 million had been drawn down by I^2 as at 31 December 2006. The Group will effectively take the benefit of 3i Group's holding in 3i Carry Partnership (I^2), providing it with the same economic interest in I^2 as 3i Group currently has. (3i Group also has an interest in the general partner and manager of I^2, which it will retain).

- *Octagon:* Octagon is a special-purpose company which was formed to design, build and operate a new 980-bed acute hospital in Norwich on behalf of the Norfolk and Norwich NHS Trust with a concession to run the hospital for a period of 35 years. 3i Group has an investment alongside Secondary Market Infrastructure Fund, Innisfree Partners Limited, John Laing plc and Serco Investments Limited. Construction of the hospital has been successfully completed and the project has subsequently been expanded and refinanced. 3i Group has mezzanine debt of £7.9 million yielding 12.1% per annum and a 25% interest in the equity, both of which it is transferring to the Partnership.

- *Alpha Schools:* Alpha Schools is a special-purpose company which holds a 31-year PFI contract (which commenced in 2006) for the refurbishment and new build of 11 schools for Highland Council in Scotland. Incorporated in March 2006, the company is owned as a joint venture between Morrison Project Investments Limited and Northern (a 3i Group entity). 3i Group will transfer its interests in Northern into the Partnership, along with its commitment to invest £7.6 million in Alpha Schools. The interests transferred will be subject to a carry interest of the 3i investment executives involved in the Alpha Schools acquisition and certain payments to be made to members of the Noble Group.

Further details of how these investments are to be held by the Group are set out in paragraph 3 of Part XII of the Registration Document. Four unrealised investments have not been included in the Initial Portfolio or placed under option to the Company. One has been written down to zero in 3i Group's books, one is financially negligible and one is subject to co-investment/carry-arrangements that makes it impracticable to transfer it. The other investment is a small recent German investment that will be offered to the Company after Admission.

The Global Offer

The Global Offer comprises up to 1,300,000,000 Ordinary Shares to be issued at a price of £1 each. Assuming a Global Offer of 1,000,000,000 Ordinary Shares, the Company could receive up to approximately £981.8 million from the Global Offer, net of fees and expenses associated with the Global Offer and the Acquisition of approximately £18.2 million. The Global Offer is being made to raise funds to achieve the investment objective of the Company, as described above. It is intended that part of the proceeds of the Global Offer will be used to acquire the Initial Portfolio, as described in Part IX of the Registration Document.

In addition, for every 10 Ordinary Shares purchased by an investor under the Global Offer, the Company will issue to the investor one Warrant entitling the holder to subscribe at any time during the Subscription Period. The Warrants are exercisable at the Subscription Price for a period commencing on the date which is six months from the date of Admission and ending on the date which is five years from Admission. The Warrants are subject to the terms and conditions set out in Part VII of this document.

All applications for Ordinary Shares will be payable in full, in cash.

The Global Offer is conditional on:

(a) the Underwriting Agreement having become unconditional in all respects and not having been terminated in accordance with its terms before Admission including execution of the purchase memorandum annexed to the Underwriting Agreement;

(b) not less than £700 million being subscribed pursuant to the Global Offer. This sum includes the investment being made by 3i Group of £325 million; and

(c) Admission occurring.

If these conditions are not met, the Global Offer will not proceed.

Before the exercise, if any, of the Over-allotment Option, but including the investment by 3i Group, the maximum number of Ordinary Shares being offered in the Global Offer is 1,300,000,000 Ordinary Shares and the minimum number of Ordinary Shares that may be issued in the Global Offer is 700,000,000 Ordinary Shares. The actual number of Ordinary Shares offered in the Global Offer will be determined by Citigroup in consultation with the Company after taking into account prevailing market conditions and demand for the Ordinary Shares in the bookbuilding process, together with such other factors as they may consider appropriate.

The actual number of Ordinary Shares offered in the Global Offer will be announced in an offer size statement to be published on or around 8 March 2007.

The latest time and date for receipt of indications of interest under the Global Offer is 5.00 p.m. on 7 March 2007, but that time may be extended at the discretion of Citigroup with the agreement of the Company.

The minimum aggregate amount which a prospective investor may subscribe for in the Global Offer is £10,000, which at the Offer Price is 10,000 Ordinary Shares. There is no maximum number of Ordinary Shares for which prospective investors may subscribe.

Investors may receive a smaller number of Ordinary Shares than they subscribe for. Any monies received in respect of subscriptions not accepted in whole or part will be returned to applicants without interest.

Multiple subscriptions are permitted; Citigroup may, nevertheless, at its own discretion and without stating the reasons, reject any subscriptions wholly or partly.

Completion of the Global Offer will be subject, *inter alia*, to the determination of the number of Ordinary Shares comprising the Global Offer by Citigroup in conjunction with the Company, execution of the purchase memorandum annexed to the Underwriting Agreement and the respective decisions of Citigroup, the Company and the Investment Adviser to proceed with the Global Offer (subject to their respective obligations under the Underwriting Agreement). There can be no assurance that the number of Ordinary Shares that are the subject of the Global Offer will be agreed between the Company, the Investment Adviser and Citigroup and, if agreement cannot be reached on the number of Ordinary Shares, the Global Offer will not proceed and Admission will not take place.

All Ordinary Shares issued pursuant to the Global Offer will be issued, payable in full, at the Offer Price.

Under the Global Offer, Ordinary Shares will be available to institutional and certain other investors in the UK and elsewhere. In addition, certain Intermediaries will be invited to apply for Ordinary Shares on behalf of clients in the UK. No specific number of Ordinary Shares or Warrants has been set aside for allocation to such Intermediaries and there will be no preferential allocation of Ordinary Shares or Warrants to such Intermediaries. Certain restrictions that apply to the distribution of this document and Ordinary Shares in jurisdictions other than the UK are described in Part XIII of the Registration Document. The terms and conditions governing the Global Offer are set out below.

In making an Application, each Intermediary will be undertaking on its own behalf (not on behalf of any other person) to make payment for the Ordinary Shares to which its application relates. An application by an Intermediary must be made on an intermediaries application form, which will contain the terms and conditions on which the Intermediaries will be invited to apply. Intermediaries will be required to represent and warrant certain matters, including in respect of compliance with applicable securities laws and that they are not applying for Ordinary Shares or Warrants in the Global Offer in respect of persons who are US Persons or US Residents or acting on behalf of any US Persons or US Residents.

Allocation of Shares and Pricing

All Ordinary Shares issued or sold pursuant to the Global Offer will be issued or sold at the Offer Price. The number of Ordinary Shares allocated under the Global Offer is expected to be announced on or around 8 March 2007. Allocations will be determined at the discretion of Citigroup (following consultation

with the Company and the Investment Adviser) after indications of interest from prospective investors have been received.

Citigroup will be soliciting indications of interest in acquiring Ordinary Shares under the Global Offer from prospective investors. Prospective investors will be required to specify the number of Ordinary Shares which they would be prepared to acquire at the Offer Price. This process is expected to be completed by 5.00 p.m. on 7 March 2007 but the time for receipt of expressions of interest under the Global Offer may be extended at the discretion of Citigroup (subject to the agreement of the Company) to a date not later than 22 March 2007.

Eligible Investors

The Ordinary Shares and the Warrants are being offered (A) in the United States or to, or for the account or benefit of, US Persons or US Residents, only to persons who (i) are both Qualified Institutional Buyers and Qualified Purchasers, and (ii) have executed a US Purchaser's Letter in the form set forth in Appendix A to this document, in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A and (B) outside the United States to investors that are not US Persons or US Residents or persons acquiring for the account or benefit of US Persons or US Residents and which (other than in the case of Intermediaries who have executed an intermediaries application form) have executed a Non-US Purchaser's Letter in the form set forth in Appendix B to this document, in offshore transactions pursuant to Regulation S. In addition, Ordinary Shares and the Warrants may not be acquired in this offering, and should not otherwise be acquired, by investors that are subject to section 406 of ERISA or section 4975 of the Code or similar US Laws. A description of the transfer restrictions applicable to the Ordinary Shares and the Warrants initially sold and the Ordinary Shares issuable upon exercise of the Warrants in the United States or to, or for the account or benefit of, or by, US Persons or US Residents, is set forth in Part XIII of the Registration Document. A description of the restrictions on exercise of the Warrants is set out in Part VII of this document.

Underwriting arrangements

The Company, the Investment Adviser, the Directors, the Proposed Director and Citigroup have entered into the Underwriting Agreement pursuant to which, subject to certain conditions, including agreement as to the number of Offer Shares as set out above and execution and delivery of a purchase memorandum, Citigroup has agreed to purchase the Ordinary Shares and Warrants to be issued by the Company (other than those to be issued to 3i Group) for resale to applicants under the Global Offer. The Underwriting Agreement contains provisions entitling Citigroup to terminate the Underwriting Agreement (and the arrangements associated with it) at any time before closing in certain circumstances. If this right is exercised, the Global Offer and these arrangements will lapse and any monies received in respect of the Global Offer will be returned to applicants without interest. The Underwriting Agreement provides for Citigroup to be paid commissions of 2% of an amount equal to the Offer Price multiplied by the aggregate number of Ordinary Shares issued in the Global Offer, including shares to be issued under the Over-allotment Option, if any, but excluding Ordinary Shares to be issued to 3i Group. In addition, the Company may in its sole discretion decide to pay a further amount of up to 0.25% of an amount equal to the Offer Price multiplied by the aggregate number of Ordinary Shares issued in the Global Offer and under the Over-allotment Option, if any, but excluding Ordinary Shares to be issued to 3i Group. Any commissions received by Citigroup may be retained, and any Ordinary Shares acquired by it may be retained or dealt in by it, for its own benefit.

The Global Offer is subject to the satisfaction of conditions contained in the Underwriting Agreement and the Underwriting Agreement not having been terminated before Admission. Further details of the Underwriting Agreement are set out in Part XII of the Registration Document.

Overseas investors

The attention of persons resident outside the UK is drawn to the notices to investors set out in Part XIII of the Registration Document which contain restrictions on the holding or acquisition of Ordinary Shares by such persons.

CREST

CREST is a paperless settlement procedure enabling securities to be transferred from one person's CREST account to another without the need to use share certificates or by written instruments of transfer. On Admission, the Articles permit the holding of the Ordinary Shares and the Warrants under the CREST system and the Company will apply for the Ordinary Shares and the Warrants to be admitted to CREST

with effect from Admission. Accordingly, settlement of transactions in the Ordinary Shares and the Warrants following Admission may take place within the CREST system if any Shareholder so wishes (provided that the Ordinary Shares and the Warrants are not in certificated form).

CREST is a voluntary system and, upon the specific request of a Shareholder, the Ordinary Shares and the Warrants of that Shareholder which are being held under the CREST system may be exchanged, in whole or in part, for share and/or warrant certificates.

If a Shareholder or transferee requests Ordinary Shares and/or Warrants to be issued in certificated form, a share and/or warrant certificate will be despatched either to them or their nominated agent (at their own risk) within 21 days of completion of the registration process or transfer, as the case may be, of the Ordinary Shares or Warrants. Shareholders holding definitive certificates may elect at a later date to hold their Ordinary Shares and/or Warrants through CREST in uncertificated form provided they surrender their definitive certificates. However, Warrants held in uncertificated form must be converted into certificated form before such Warrants are capable of being exercised.

Over-allotment and stabilisation

In connection with the Global Offer, Citigroup (or any of its agents or other persons acting for it) may (but will be under no obligation to), to the extent permitted by law, over-allot or effect other transactions to support the market price of the Ordinary Shares or any rights with respect to, or interests in, the Ordinary Shares, in each case at a level higher than that which might otherwise prevail in the open market. Such transactions may be effected on any securities market, over-the-counter market, stock exchange or otherwise. There can be no assurance that such stabilising transactions will occur and, if commenced, they may be discontinued at any time and may only be taken during the period commencing on allocation and ending 30 days thereafter. In no event will measures be taken to stabilise the market price of the Ordinary Shares above the Offer Price. Save as required by law or regulation, neither Citigroup nor any of its agents intends to disclose the extent of any over-allotments and/or stabilisation transactions under the Global Offer.

In connection with the Global Offer, Citigroup may, for stabilisation purposes, over-allot Ordinary Shares up to a maximum of 10% of the total number of Ordinary Shares comprised in the Global Offer (before exercise of the Over-allotment Option) and Citigroup has entered into the Over-allotment Arrangements with the Company pursuant to which Citigroup may subscribe for, or procure subscribers for, Ordinary Shares (the "Over-allotment Shares") at the Offer Price representing 10% of the number of Ordinary Shares comprised in the Global Offer (before exercise of the Over-allotment Option), to allow it to cover short positions arising from such over-allotments and stabilising transactions. The Over-allotment Option may be exercised in whole or in part, on notice by Citigroup, at any time during the period commencing on allocation of the Ordinary Shares and ending 30 days thereafter. The Over-allotment Shares made available pursuant to the Over-allotment Arrangements will be sold at the Offer Price, and will rank *pari passu* with, the Ordinary Shares sold under the Global Offer, including for all dividends and other distributions declared, made or paid on the Ordinary Shares after Admission and will form a single class for all purposes with the Ordinary Shares.

Following allocation of the Ordinary Shares pursuant to the Global Offer, Citigroup may seek to agree the terms of deferred settlement with certain institutional investors who have been allocated Ordinary Shares pursuant to the terms of the Offer. No fees will be payable to such institutional investors.

Lock-up arrangements

The Company has agreed with Citigroup not to issue or agree to issue any Ordinary Shares (or options or additional warrants over Ordinary Shares) for a period of 12 months from Admission without Citigroup's prior written consent.

3i Group has agreed with Citigroup not to sell or transfer any Ordinary Shares and Warrants for a period of 12 months from Admission without the prior written consent of Citigroup, except in certain circumstances, including in the case of accepting an offer to all holders of Ordinary Shares in accordance with the provisions of the City Code, the provision of an irrevocable undertaking to accept such an offer, pursuant to an offer made by the Company to purchase its own shares made to all shareholders in identical terms and when required to be made in connection with any co-investment scheme established for the purpose of aligning the interests of the Infrastructure Investment Team with the Company, without the prior written consent of Citigroup.

An initial investment of up to £800,000 in the Ordinary Shares will be made by certain personnel in the Infrastructure Investment Team at the Offer Price, as part of the Global Offer. (Those investing will be

deemed to be Concert Parties of 3i Group for the purpose of the City Code). Except in limited circumstances, the relevant Infrastructure Investment Team executives have committed with 3i Group not to sell any of these Ordinary Shares before 31 March 2008.

Terms and conditions of the Global Offer

(a) Introduction

These terms and conditions apply to persons agreeing to subscribe for Ordinary Shares under the Global Offer.

Each person to whom these terms and conditions apply, as described above, who agrees to subscribe for Ordinary Shares (an "Investor") agrees with Citigroup, the Registrar and the Company to be bound by these terms and conditions as being the terms and conditions upon which Ordinary Shares will be issued under the Global Offer. An Investor shall, without limitation, so agree and become so bound upon Citigroup confirming to the Investor its allocation and so notifying the Registrar on behalf of the Company.

(b) Agreement to acquire Ordinary Shares

Conditional on Admission occurring before 30 April 2007, an Investor agrees to become a member of the Company and agrees to subscribe at the Offer Price the number of Ordinary Shares allocated to such Investor under the Global Offer in accordance with the arrangements described herein. To the fullest extent permitted by law, each Investor acknowledges and agrees that it will not be entitled to exercise any remedy of rescission at any time before or after Ordinary Shares are issued to it. This does not affect any other rights such Investor may have.

(c) Payment for Ordinary Shares

Each Investor undertakes to pay the Offer Price for the Ordinary Shares issued to such Investor in such manner as shall be directed by Citigroup submitting a bid on behalf of such Investor.

(d) Warranties

Each Investor and, in the case of paragraphs (iv), (v) and (vi) below, any person confirming an agreement to subscribe for Ordinary Shares on behalf of an Investor, warrants to the Company and Citigroup that:

(i) if the Investor is a natural person, such Investor is not under the age of majority (18 years of age in the UK) on the date of such Investor's agreement to subscribe for Ordinary Shares under the Global Offer;

(ii) in agreeing to subscribe for Ordinary Shares under the Global Offer, the Investor is relying only on the Prospectus, and not on any other information or representation concerning the Company or the Global Offer. Such Investor agrees that neither the Company nor Citigroup nor any of their respective officers or directors will have any liability for any such other information or representation;

(iii) if the laws of any place outside the UK are applicable to the Investor's agreement to subscribe for Ordinary Shares, such Investor has complied with all such laws and none of the parties mentioned under "Introduction" above will infringe any laws outside the UK as a result of such Investor's agreement to subscribe for Ordinary Shares or any actions arising from such Investor's rights and obligations under these terms and conditions and the Articles;

(iv) in the case of a person who confirms to Citigroup on behalf of an Investor an agreement to subscribe for Ordinary Shares and/or who authorises Citigroup to notify the Investor's name to the Registrar as mentioned under "Introduction" above, that person warrants that he has authority to do so on behalf of the Investor;

(v) the Investor is not, and is not applying as nominee or agent for, a person that is, or may be, mentioned in any of sections 67, 70, 93 and 96 of the Finance Act 1986 (relating to depositary receipts and clearance services); and

(vi) in the case of a person who confirms to Citigroup on behalf of an Investor which is an entity other than a natural person an agreement to subscribe for Ordinary Shares and/or who authorises Citigroup to notify such Investor's name to the Registrar, that person warrants that he has authority to do so on behalf of the Investor.

(e) Supply and disclosure of information

If the Company or any of its agents request any information about an Investor's agreement to subscribe for Ordinary Shares, such Investor must promptly disclose it to them.

(f) Money laundering

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK and/or Jersey, the Company and its agents, Citigroup, the Receiving Agent or the Investment Adviser may require evidence in connection with any Application for Ordinary Shares, including further identification of the applicant(s), before any Ordinary Shares are issued.

The Company and its agents, Citigroup, the Receiving Agent and the Investment Adviser reserve the right to request such information as is necessary to verify the identity of a Shareholder or prospective Shareholder and (if any) the underlying beneficial owner or prospective beneficial owner of a Shareholder's Ordinary Shares in the Company. In the event of delay or failure by the Shareholder or prospective Shareholder to produce any information required for verification purposes, the Company and the Investment Adviser may refuse to accept a subscription for Ordinary Shares, or may refuse the transfer of Ordinary Shares held by any such Shareholder.

(g) Miscellaneous

The rights and remedies of the Company, Citigroup and the Registrar under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them, and the exercise or partial exercise of one will not prevent the exercise of others.

On Application, each Investor must disclose, in writing or orally, to Citigroup:

(a) if he is a natural person, his nationality; or

(b) if he is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.

All documents will be sent at the Investor's risk. They may be sent by post to such Investor at the address notified to Citigroup.

Each Investor agrees to be bound by the Articles of Association of the Company (as amended from time to time) once the Ordinary Shares which such Investor has agreed to subscribe for or purchase have been issued or transferred to such Investor.

The contract to subscribe or purchase Ordinary Shares and the appointments and authorities mentioned herein will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the parties mentioned under "Introduction" above, each Investor irrevocably submits to the exclusive jurisdiction of the English courts in respect of these matters. This does not prevent an action being taken against an Investor in any other jurisdiction.

In the case of a joint agreement to subscribe for or purchase Ordinary Shares, references to "an Investor" in these terms and conditions are to each of such Investors and such Investors' liability is joint and several.

Investors applying for Ordinary Shares in certificated form will automatically be issued with their Warrants in certificated form, unless they specify a preference for uncertificated Warrants. Similarly, Investors applying for Ordinary Shares in uncertificated form will automatically be issued with their Warrants in uncertificated form unless they specify a preference for certificated Warrants.

In these terms and conditions, reference to a "Part" is to a Part of this document. Words and terms defined in this document have the same meaning in these terms and conditions. Citigroup is not acting for any Investor, nor will it treat any Investor as its client by virtue of making an application for Ordinary Shares or by virtue of any offer to subscribe being accepted, nor will it be responsible to any Investor providing the protections afforded to its clients or for not providing any Investor with such advice in relation to the Global Offer. In particular, it will not owe to any Investor any duties or responsibilities concerning the price of the Ordinary Shares or concerning the suitability of the Ordinary Shares of any Investor.

The Company and Citigroup expressly reserve the right to modify the Global Offer at any time before the Offer Price and allocations are determined and to terminate the Global Offer at any time before Admission.

(h) Eligible Investors

The Ordinary Shares and the Warrants are being offered (A) in the United States or to, or for the account or benefit of, US Persons or US Residents, only to persons who (i) are both Qualified Institutional Buyers and Qualified Purchasers, and (ii) have executed a US Purchaser's Letter in the form set forth in Appendix A to this document, in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A and (B) outside the United States to investors that are not US Persons or US Residents or persons acquiring for the account or benefit of US Persons or US Residents and which (other than in the case of Intermediaries who have executed an intermediaries application form) have executed a Non-US Purchaser's Letter in the form set forth in Appendix B to this document, in offshore transactions

pursuant to Regulation S. In addition, Ordinary Shares and the Warrants may not be acquired in this offering, and should not otherwise be acquired, by investors that are subject to section 406 of ERISA or section 4975 of the Code or similar US Laws. A description of the transfer restrictions applicable to the Ordinary Shares and the Warrants initially sold and the Ordinary Shares issuable upon exercise of the Warrants in the United States or to, or for the account or benefit of, or by, US Persons or US Residents, is set forth in Part XIII of the Registration Document. A description of the restrictions on exercise of the Warrants is set out in Part VII of this document.

PART VII

TERMS AND CONDITIONS OF THE WARRANTS

1. Definitions

The Warrants will be constituted by a deed poll of the Company dated 20 February, 2007 and will be issued subject to, and with the benefit of, the terms and conditions which are summarised below.

In these terms and conditions the following expressions have the following meanings:

''Admission''	means admission of the Ordinary Shares and the Warrants to be issued pursuant to the Global Offer to the official list of the UK Listing Authority and to trading on the London Stock Exchange as the context may require;
''Auditors''	means the auditors for the time being of the Company;
''business day''	means a day (other than a Saturday or a Sunday) on which banks are open for business (other than solely for trading and settlement in euro) in London or Jersey;
''certificated''	means a security which is not in uncertificated form;
''Code''	means the US Internal Revenue Code of 1986, as amended;
''Company''	means 3i Infrastructure Limited;
''CREST''	means the relevant system (as defined in the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)) in respect of which CRESTCo Limited is the Operator (as defined in such regulations);
''Directors''	means the directors of the Company from time to time;
''ERISA''	means the US Employee Retirement Income Security Act of 1974, as amended;
''Exercise Notice''	means the exercise notice included on the Warrant Certificate;
''Extraordinary Resolution''	means a resolution proposed at a meeting of the holders of the Warrants duly convened and held and passed by a majority consisting of not less than three-quarters of the votes cast whether on a show of hands or on a poll;
''Global Offer''	means the Global Offer of Ordinary Shares and Warrants, pursuant to the Prospectus;
''Investment Company Act''	means the US Investment Company Act of 1940, as amended;
''Listed''	means admitted to listing by the UK Listing Authority and to trading on the London Stock Exchange and ''Listing'' shall be construed accordingly;
''London Stock Exchange''	means London Stock Exchange plc;
''market price''	(in relation to Ordinary Shares) means the middle market quotation shown in the Daily Official List of the London Stock Exchange for the relevant day;
''North America''	means the United States and Canada;
''Ordinary Shares''	means ordinary shares with an issue price of £1 each in the Company and, in the event of a sub-division, consolidation or re-classification of such ordinary shares, ordinary shares with a different issue price resulting therefrom;
''Prospectus''	means the prospectus issued by the Company in relation to the Global Offer, comprising the Securities Note, the Registration Document and the Summary prepared published and approved by and filed with the FSA in accordance with the Prospectus Rules;
''Prospectus Rules''	means the prospectus rules of the UK Listing Authority made in accordance with section 73A of FSMA;
''Registrar''	means Capita Registrars (Jersey) Limited;

"Registration Document"	means the registration document in relation to the Global Offer and produced under the Prospectus Rules which, together with the Securities Note and the Summary, constitute the Prospectus;
"Regulation S"	means Regulation S under the Securities Act;
"Rule 144A"	means Rule 144A under the Securities Act;
"Securities Act"	means the US Securities Act of 1933, as amended;
"Securities Note"	means the securities note issued in relation to the Global Offer and produced under the Prospectus Rules which, together with the Registration Document and the Summary, constitute the Prospectus;
"Shareholders"	means the holders of the Ordinary Shares;
"Subscription Date"	has the meaning given to that expression in paragraph 2(c)(iii) below;
"Subscription Period"	means the period commencing on the date which is six months from Admission to and including the date which is five years from Admission;
"Subscription Price"	means the price of £1 per Ordinary Share at which the Subscription Rights are exercisable during the Subscription Period or such adjusted price as may be determined from time to time in accordance with the provisions of paragraph 5 below;
"Subscription Rights"	means the rights to subscribe for new Ordinary Shares pursuant to the Warrants;
"Summary"	means the summary in relation to the Global Offer and produced under the Prospectus Rules, which, together with the Securities Note and the Registration Document, constitutes the Prospectus;
"UK Listing Authority"	means the FSA acting in its capacity as the competent authority for the purposes of Part VI of the Financial Services and Markets Act 2000, including, where the context so permits, any committee, employee, officer or servant to whom any function of the UK Listing Authority may for the time being be delegated;
"uncertificated"	means a security which is for the time being recorded in the relevant register as being held in uncertificated form in CREST or any other relevant system in operation;
"United States" or "US"	has the meaning given in Regulation S;
"US Code"	means the United States Internal Revenue Code of 1986, as amended;
"US Person"	has the meaning given in Regulation S;
"US Purchaser's Letter"	means a letter in the form set out in Appendix A to this document;
"US Resident"	means any US Person, as well as: (i) any natural person who is only temporarily residing outside the United States, (ii) any account of a US Person over which a non-US fiduciary has investment discretion or any entity, which, in either case, is being used to circumvent the registration requirements of the Investment Company Act, and (iii) any employee benefit or pension plan that does not have as its participants or beneficiaries persons substantially all of whom are not US Persons. In addition, for the purposes of this definition, if an entity either has been formed for or operated for the purpose of investing in the Ordinary Shares or the Warrants, or facilitates individual investment decisions, such as a self-directed employee benefit or pension plan, the Ordinary Shares or the Warrants will be deemed to be held for the account of the beneficiaries or other interest holders of such entity, and not for the account of the entity;
"Warrantholders"	means the persons for the time being entered in the register maintained by the Company as the holders of the Warrants;
"Warrants"	means the warrants issued by the Company subject to the terms and conditions set out in the terms and conditions set out in this deed; and

"Warrant Certificate"	means a warrant certificate substantially in the form of Schedule 1 to this instrument.

2. Subscription Rights and Procedures

(a) **Subscription Rights**: Every Warrantholder shall have the right to subscribe at any time during the Subscription Period for Ordinary Shares at the Subscription Price on the basis of one (1) Ordinary Share for every Warrant held. The Subscription Price shall be satisfied by payment in full, in cash on subscription. The number of Ordinary Shares to be subscribed and/or the Subscription Price will be subject to adjustment as provided in paragraphs 3 and 4(a)(iv) below.

(b) **Fractions of shares**: Subscription Rights will not be exercisable in respect of a fraction of an Ordinary Share.

(c) **Procedure to exercise**:

(i) To exercise the Subscription Rights during the Subscription Period, in whole or in part, in the case of certificated Warrants, a registered holder of Warrant(s) must deliver his Warrant certificate, having completed the exercise notice thereon (or such other evidence and/or exercise notice as the Company may reasonably require of the Warrantholder concerned), at the office of the Registrar, together with a remittance for the aggregate amount of the Subscription Price for the Ordinary Shares in respect of which the Subscription Rights are exercised.

(ii) In the case of uncertificated Warrants, to exercise the Subscription Rights in the Subscription Period, in whole or in part, a registered holder of Warrant(s), shall send to the Company or the Registrar (or any sponsoring system-participant acting on behalf of the Company or the Registrar) a properly authenticated, dematerialised instruction requesting a certificated Warrant. The properly authenticated dematerialised instruction shall be:

(a) in the form from time to time prescribed by the Directors and having the effect determined by the Directors from time to time; and

(b) one which is addressed to the Company, is attributable to the system member who is the registered holder of the Warrants and identifies (in accordance with the form prescribed by the Directors as aforesaid) the Warrants in respect of which the Subscription Rights are to be exercised.

In order to exercise Subscription Rights in whole or in part relating to the certificated Warrants received pursuant to this paragraph, the Warrantholder must follow the requirements set out in paragraph 2(c)(i) above.

(iii) The Subscription Date in relation to any Subscription Rights so exercised shall be the business day immediately following the day of receipt by the Registrar of the relevant duly completed exercise notice referred to in paragraph 2(c)(i) above. Once delivered, an exercise notice shall be irrevocable, save with the consent of the Directors of the Company. Warrants in respect of which Subscription Rights have been exercised shall automatically extinguish.

(iv) The exercise of Subscription Rights shall be subject in each case to any applicable fiscal or other laws or regulations applicable in the jurisdiction in which the specified office of the Registrar to whom the exercise notice is delivered is located.

(v) The Ordinary Shares to be issued on exercise of the Subscription Rights in respect of Warrants shall be allotted and issued in certificated form unless specified otherwise by the Warrantholder in the exercise notice, provided that the Company may require the Ordinary Shares to be issued on exercise of the Subscription Rights in respect of Warrants to be in certificated form.

(vi) A Warrantholder exercising a Subscription Right must pay any taxes and capital, stamp, issue and registration duties arising on the subscription and such Warrantholder must pay all, if any, taxes arising by reference to any disposal or deemed disposal of a Warrant in connection with such subscription.

(vii) Ordinary Shares issued pursuant to an exercise of Subscription Rights will not be available for issue (a) to a person, or to a nominee or agent for, a person, providing a clearance service within section 70 or 96 of the Finance Act 1986 of the United Kingdom or (b) to a person or to a nominee or agent for, a person whose business is or includes issuing depositary receipts within section 67 or 93 of the Finance Act 1986 of the United Kingdom.

(d) **Restrictions on exercise**: The Warrants and the Ordinary Shares issuable on exercise of the Warrants have not been and will not be registered under the Securities Act, nor under the securities legislation of any state of the US. A holder's Warrants may only be exercised to the extent the Company determines that exercise of such Warrants is exempt from the registration provisions of the Securities Act and exempt under state securities legislation, that exercise of such Warrants will not require the Company to register as an investment company under the Investment Company Act or be or potentially be in violation of such Act or the rules and regulations promulgated thereunder and that the person exercising the Warrants is not a "benefit plan investor" as defined in Section 3(42) of ERISA, or a plan or entity that would be a "benefit plan investor" as so defined except that it is not subject to Part 4 of Subtitle B of Title I of ERISA, in either case that is subject to Section 406 of ERISA or Section 4975 of the US Code or any US federal, state, local or other US laws or regulations that are substantially similar to such provisions of ERISA or the US Code. Each Warrant certificate will bear a legend to this effect. In addition, the exercise notice is required to contain, among other things necessary for the Company to comply with the foregoing requirements, a representation and warranty by that person exercising the Subscription Rights that it (i) is not a US Resident, is not exercising the Warrant for the account or benefit of a US Resident and is not in the US or (ii) is an "accredited investor" within the meaning of Regulation D under the Securities Act, a "Qualified Institutional Buyer" as defined in Rule 144A and a "Qualified Purchaser" as defined in the Investment Company Act and (in the case of both (i) and (ii)) it is not a "benefit plan investor" as defined in Section 3(42) of ERISA, or a plan or entity that would be a "benefit plan investor" as so defined except that it is not subject to Part 4 of Subtitle B of Title I of ERISA, in either case that is subject to Section 406 of ERISA or Section 4975 of the US Code or any US federal state, local or other US laws or regulations that are substantially similar to such provisions of ERISA or the US Code and that it is acquiring the Ordinary Shares to be issued upon exercise of the Warrant for investment purposes only, and not with a view to, or for resale in connection with, any public distribution thereof within the United States within the meaning of the Securities Act, failing which the Company may refuse to authorise the issue of Ordinary Shares to such person. With respect to Ordinary Shares issued in connection with Warrants exercised in the US or for the account or benefit of a US Resident, the exercise notice will also contain provisions substantially similar to the US Purchaser's Letter, including with respect to the transfer of such Ordinary Shares.

(e) **Allotment and partial exercise**: Ordinary Shares to be issued pursuant to the exercise of Subscription Rights will be allotted not later than 21 days after the relevant Subscription Date. Certificates in respect of Ordinary Shares issued in certificated registered form will be despatched (at the risk of the person(s) entitled thereto) not later than 28 days after the relevant Subscription Date to the person in whose name the Warrants in respect of which Subscription Rights are exercised are registered as at such Subscription Date (and, if more than one, to the first named, which shall be sufficient despatch for all). Ordinary Shares issued in uncertificated registered form shall be credited by the Company to the securities account within CREST of a person or persons designated in the relevant exercise notice. In the event of a partial exercise of Subscription Rights of a holder of certificated Warrants evidenced by a Warrant certificate, the Company shall at the same time issue a fresh Warrant certificate in the name of the holder for any balance of his Subscription Rights remaining exercisable, which shall be sent to the same address as the share certificate referred to above.

(f) **Dividends**: Ordinary Shares allotted pursuant to the exercise of Subscription Rights will not rank for any dividends or other distributions for which the record date is a date before their allotment but subject thereto, will rank in full for all dividends and other distributions declared, made or paid on or after their allotment and *pari passu* in all other respects with the Ordinary Shares in issue at that date.

(g) **General**: Notwithstanding any other provision of these terms and conditions, no Ordinary Shares shall be allotted to a person on the exercise of Subscription Rights if such allotment and/or the issue of shares in uncertificated form and/or the delivery of the relevant share certificate would either be in contravention of the laws or rules of any overseas territory or overseas regulatory authority or would require any registration to be made in any overseas territory or overseas regulatory authority.

3. Adjustment of Subscription Rights

On a consolidation or sub-division of Ordinary Shares, there shall be an alteration in the Subscription Price of the Ordinary Shares as a result of such consolidation or sub-division whereby the Subscription Price in force immediately before such alteration shall be adjusted by applying to such Subscription Price the same

formula as was applied in relation to such consolidation or sub-division of Ordinary Shares, (provided that if such consolidation or sub-division of Ordinary Shares would be carried out in connection with a dilutive transaction for the purposes of paragraph 4(a)(iv) below, adjustments to be made shall instead be reported on by the Auditors, or such other person as the Directors may in good faith select for the purpose, as part of such dilution transaction). Any such alteration shall become effective immediately after the consolidation or sub-division takes effect.

4. Other Provisions

(a) So long as any Subscription Rights remain exercisable, the Company shall, except with the consent of the holders of the Warrants in accordance with paragraph 5, observe the following restrictions and requirements:

(i) **Modification of rights:** the Company shall not modify the voting income and capital rights attached to its existing Ordinary Shares as a class in such a way as would have a material adverse effect on the voting rights, income and capital rights attaching to such Ordinary Shares without the approval of an Extraordinary Resolution (but nothing herein shall restrict the right of the Company to increase, consolidate or sub-divide its share capital or cancel all or any part of the Company's unissued share capital or to create any new class of shares which may rank ahead of the Ordinary Shares or to carry out any transaction otherwise envisaged by this paragraph 4);

(ii) **Reduction of capital:** save for any resolution passed by the Company prior to Admission and any court order granted pursuant to such resolution by the Royal Court of the Island of Jersey, the Company shall not, without the sanction of an Extraordinary Resolution or except for a reduction not involving any payment to holders of Ordinary Shares, reduce its share capital or reduce any uncalled or unpaid liability in respect thereof or (except as authorised by the Companies Jersey (Law) 1991) any stated capital account or capital redemption reserve;

(iii) **Authorised capital:** the Company shall keep available for issue sufficient authorised but unissued share capital to satisfy in full all Subscription Rights remaining exercisable;

(iv) **Dilutive transactions:** the Company shall not make any Capitalisation Issue, Capital Distribution, Rights Issue or Repurchase Offer (each as defined herein), for which the entitlement of Shareholders to participate is to be determined by a record date less than 14 days after Warrantholders are notified of such transaction, provided that the Company may make such a Rights Issue, Capitalisation Issue, Capital Distribution or Repurchase Offer if as soon as reasonably practicable after such Rights Issue, Capitalisation Issue, Capital Distribution or Repurchase Offer the number of Ordinary Shares to be subscribed on any subsequent exercise of Subscription Rights will be increased or, as the case may be, reduced in due proportion (fractions being ignored) and the Subscription Price will be adjusted accordingly, so as to maintain the same cost of exercising the Subscription Rights of each Warrantholder, with effect from the completion date for such Rights Issue, Capitalisation Issue, Capital Distribution or Repurchase Offer, the Auditors, or such other person as the Directors may in good faith select for the purpose, shall report in writing on the appropriate adjustments, including their fairness and reasonableness, and, within 28 days thereafter, notice of such adjustments will be sent to each Warrantholder together with, in the case of holders of certificated Warrants, a new Warrant certificate in respect of the number of Ordinary Shares for which the Warrantholder is entitled to subscribe in consequence of such adjustments. Any additional Subscription Rights arising as a result of such adjustments shall confer the same rights and privileges and be subject to the same restrictions and obligations as the Subscription Rights which subsist at the date of the Rights Issue, Capitalisation Issue, Capital Distribution or Repurchase Offer subject to any adjustment to the number of Ordinary Shares to be subscribed on any subsequent exercise of Subscription Rights and/or the Subscription Price which is made pursuant to this sub-paragraph 4(a)(iv). For this purpose, "**Capitalisation Issue**" means an issue of Ordinary Shares to all Shareholders credited as fully paid up by way of capitalisation of profits or reserves (other than Ordinary Shares issued in lieu of a cash dividend); "**Capital Distribution**" means any distribution of assets to Shareholders *in specie* other than any such distribution in lieu of a cash dividend of the Company; "**Rights Issue**" means an offer to all Shareholders by way of rights or otherwise or the offer or grant to all Shareholders of options, rights or warrants to subscribe or purchase new Ordinary Shares, in each case at a price per new Ordinary Share which is less than 95% of the market price per Ordinary Share on the dealing day next preceding the date of the announcement of the terms of the offer or grant;

and "**Repurchase Offer**" means an offer or invitation made by the Company to all Shareholders to repurchase Ordinary Shares (but shall not include, for the avoidance of doubt, repurchases made by the Company in the market from time to time which do not involve a general offer to repurchase made *pro rata* to all Shareholders); and

(v) **Winding up:** if an order is made or an effective resolution is passed for winding up the Company (except for the purpose of reconstruction or amalgamation on terms sanctioned by an Extraordinary Resolution), each Warrantholder will (if, in such winding up and on the basis that all Subscription Rights then unexercised had been exercised in full and the subscription monies therefor had been received in full by the Company, there would be a surplus available for distribution among the holders of the Ordinary Shares which, on such basis, would exceed in respect of each Ordinary Share a sum equal to the Subscription Price) be treated as if immediately before the date of such order or resolution his Subscription Rights had been exercised in full on the basis applicable on the day immediately preceding the date of such order or resolution as if such date were a Subscription Date, and shall accordingly be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of the Ordinary Shares an amount equal to the sum to which he would have become entitled by virtue of such subscription after deducting a sum per Ordinary Share equal to the Subscription Price; subject to the foregoing all Subscription Rights shall lapse on the liquidation of the Company.

5. Modification of Rights

All or any of the rights for the time being attached to the Warrants as set out in these terms and conditions may from time to time (whether or not the Company is being wound up) be altered or abrogated with the sanction of an Extraordinary Resolution of the Warrantholders as a whole. All the provisions of the Articles of Association for the time being of the Company relating to the procedures as to General Meetings shall apply mutatis mutandis as though the Warrants were a class of shares forming part of the capital of the Company but so that: (i) the necessary quorum shall be Warrantholders present (in person or by proxy) entitled to subscribe for one-third in Subscription Price of the new Ordinary Shares attributable to such outstanding Warrants, save that if at any meeting a quorum is not present such meeting shall be adjourned to a time and place directed by the Chairman and at such adjourned meeting those Warrantholders present (in person or by proxy and whatever the number of Warrants held or represented by them) shall constitute a quorum, (ii) every Warrantholder present in person at any such meeting shall be entitled on a show of hands to one vote and every Warrantholder present in person or by proxy shall be entitled on a poll to one vote for every new Ordinary Share for which he is entitled to subscribe pursuant to the Warrants held by him and (iii) any Warrantholder present (in person or by proxy) may demand or join in demanding a poll.

6. Form, Title and Transfer

Warrants will be held in uncertificated form unless Warrantholders apply to the Company for Warrants to be held in certificated form or, in the case of Warrants issued as part of the Global Offer, if the Ordinary Shares issued are held in certificated form then Warrants will also be issued in certificated form.

The provisions of the Articles of Association of the Company relating to the registration and transfer of shares shall apply mutatis mutandis to the Warrants. Title to the Warrants will pass by registration on the register which the Company shall procure to be kept by the registrar for the time being of the Company.

7. Listing

The Company shall use its reasonable endeavours to procure that the Ordinary Shares allotted pursuant to any exercise of Subscription Rights shall be Listed. However, breach of this paragraph 9 shall not entitle the Warrantholders to any remedy.

8. Offers

So long as any Subscription Rights remain exercisable, the Company shall, unless it has obtained a waiver from the holders of Warrants in accordance with paragraph 5 above, observe the following requirements:

(i) Offers for share capital

If at any time an offer is made to all holders of equity share capital of the Company (as the same is defined in section 744 of the Companies Act 1985) (or all such holders other than the offeror and/or any company controlled by the offeror and/or person acting in concert with the offeror) to acquire

the whole or any part of such equity share capital of the Company and the Company becomes aware that as a result of such an offer the right to cast a majority of the votes which may ordinarily be cast on a poll at a General Meeting of the Company has or will become vested in the offeror and/or such persons or companies aforesaid, the Company shall give notice to the Warrantholders of such vesting within 14 days of its becoming so aware. Following a period of 30 days immediately following the date of such notice, if the offer was made in respect of the shares issued on an exercise of the Warrants or if at the time of such notice the offeror has made an appropriate offer for the Warrants, all outstanding Warrants will lapse and have no further effect (from completion of any offer for such Warrants, if applicable). The publication of a scheme of arrangement under article 125 of the Companies (Jersey) Law 1991 providing for the acquisition by any person of the whole or any part of such equity share capital of the Company (whether by way of transfer, or pursuant to a cancellation, of all or part of the equity share capital of the Company) shall be deemed to be the making of an offer for the purposes of this paragraph 8(i).

(ii) Share for share offers

If an offer is made as referred to in sub-paragraph 8(i) above where the consideration consists solely of the issue of Ordinary Shares of the offeror and the offeror makes available an offer of warrants to subscribe for ordinary shares of the offeror in exchange for the Warrants which the financial advisers to the Company consider in their opinion (acting as experts and not as arbitrators) is fair and reasonable (having regard to the terms of the offer and any other circumstances which may appear to the financial advisers to be relevant), then any director of the Company shall be authorised as attorney for the holders of Warrants: (1) to execute a transfer thereof in favour of the offeror in consideration of the issue of warrants to subscribe for ordinary shares of the offeror as aforesaid whereupon all the Warrants shall lapse; and (2) to do such acts and things as may be necessary or appropriate in connection therewith, subject in the case of both (1) and (2) as aforesaid and in all circumstances to the offer by the offeror as aforesaid becoming or being declared wholly unconditional and the offeror being in a position compulsorily to acquire the whole of the ordinary share capital of the Company and such warrants being issued by the offeror.

9. Expiry

The Warrants shall terminate and be of no further force and effect at 3.00 p.m. on the date falling five years after Admission.

10. General

The Warrants will be governed by and construed in accordance the English law.

The courts of England and Wales and Jersey are to have jurisdiction to settle any dispute arising out of or in connection with the Warrants.

PART VIII

INFORMATION ABOUT THE ORDINARY SHARES

Basic information about the Ordinary Shares

The Ordinary Shares which are the subject of the Global Offer are ordinary shares of no par value in the capital of the Company. The ISIN of the Ordinary Shares is JEOOB1RJLF86 and the ISIN of the Warrants is JEOOB1RJQ972. The Ordinary Shares will be denominated in sterling.

All of the Ordinary Shares, (which, except as regards the two subscriber shares are expected to be issued on 13 March 2007), will be in registered form, and capable of being held in certificated or uncertificated form. The Registrar will be responsible for maintaining the share register. Temporary documents of title will not be issued.

Applications will be made for the Ordinary Shares and the Warrants to be admitted to trading on the London Stock Exchange. It is expected that Admission will become effective and that unconditional dealings in the Ordinary Shares and the Warrants will commence at 8.00 a.m. on 13 March 2007. It is expected that dealings in the Ordinary Shares and the Warrants will commence on a conditional basis on the London Stock Exchange on 8 March 2007. All dealings between the commencement of conditional dealings and the commencement of unconditional dealings will be on a "when issued" basis. If Admission does not take place, all such dealings will be of no effect and any such dealings will be at the sole risk of the parties concerned.

It is intended that CREST accounts will be credited on 13 March 2007 and that, where applicable, definitive share certificates in respect of the Global Offer will be distributed from 13 March 2007 or as soon as practicable thereafter. No temporary documents of title will be issued. Vending the despatch by post of definitive share certificates where applicable, transfers will be confirmed against the register held by the Registrar.

These times and dates are indicative only and may be extended at the discretion of Citigroup, with the agreement of the Company.

The Company was incorporated under the Laws with an authorised share capital of an unlimited number of Ordinary Shares.

Since incorporation there have been no changes to the authorised and issued share capital of the Company.

The Memorandum of Association provides for an unlimited number of Ordinary Shares of no par value. The Global Offer and the issue of Ordinary Shares pursuant to it was approved by the Board on 15 February 2007. The allotment and issue of Ordinary Shares will be approved by a sub-committee of the Board.

On 16 February 2007, special resolutions were passed by means of written resolution pursuant to which it was resolved (conditional on Admission and the approval of the Royal Court of Jersey):

(i) THAT the Company, and the Directors on behalf of the Company, be and are hereby generally and unconditionally authorised to make any number of distributions out of the Company's unrealised profits less its losses, whether realised or unrealised, provided that:

  (a) the Directors reasonably believe that the Company shall be able to meet the solvency tests prescribed by the Law and make the statement required by Article 55 of the Law; and

  (b) the authority hereby conferred shall expire at the Annual General Meeting of the Company in 2008, unless such authority is varied, revoked or renewed prior to such time by the Company in general meeting by special resolution;

(ii) THAT (a) subject to the registration by the Registrar of Companies in Jersey of an Act of the Royal Court of Jersey confirming the reduction of the Company's share capital and of a Minute approved by the Royal Court of Jersey and pursuant to Article 61 of the Law, that the stated capital account of the Company established in respect of ordinary shares be reduced after the proposed issue by the Company of up to, and full payment of up to, 1,300,000,000 ordinary shares (which are to be issued at a price of £1.00 per share) (the "Issue") by transferring the entire proceeds of the Issue then standing to the credit of the said stated capital account to the credit of the distributable reserves of the Company, to be available (subject to the deduction of any relevant losses in accordance with the Law) for distribution as distributable profits of the Company to the holders of ordinary shares in the

capital of the Company and (b) following the confirmation of the reduction as aforesaid, the holders of ordinary shares shall not be liable to make any further contributions or pay any calls in respect of their ordinary shares; and

(iii) THAT pursuant to the Articles and in accordance with the Laws, the Company is authorised to make market purchases of up to 14.99% of the Ordinary Shares in issue following Admission. Further to such authority, the maximum price (exclusive of expenses) that may be paid will not be more than the higher of (a) 105% above the average of the middle market quotations for the Ordinary Shares for the five business days before the purchase is made; and (b) the higher of the last independent trade and the highest independent bid on the London Stock Exchange. The minimum price (exclusive of expenses) that may be paid will be 1 pence. This authority expires not later than 18 months from the date on which the resolution was passed unless such authority is renewed prior to such time. The Company will seek renewal of this authority from Shareholders at the annual general meeting in 2008 and thereafter at subsequent annual general meetings. The making and timing of any buy-backs will be at the absolute discretion of the Board.

As at the date of the Prospectus the share capital of the Company is as follows:

Issued share capital	2
Warrants	—
Authorised share capital	An unlimited number of Ordinary Shares
Legal reserve	—
Other reserves	—

The Ordinary Shares do not have a nominal value.

Rights attaching to the Ordinary Shares

The rights attaching to the Ordinary Shares are as follows:

Voting Rights

Subject to any special rights and restrictions as to voting for the time being attached to any Ordinary Shares, on a show of hands, every member who (being an individual) is present in person or (being a corporation) by a duly authorised representative (that is not a member) shall have one vote; and on a poll, every member who is present in person or by proxy shall have one vote for every Ordinary Share in the Company held by him.

In the case of joint holders of an Ordinary Share, the vote of the senior who tenders a vote shall be accepted to the exclusion of the vote(s) of the other joint holder(s); and for this purpose seniority shall be determined by the order in which the names stand in the register in respect of the relevant Ordinary Share.

Dividends and other distributions

Subject to the provisions of the Listing Rules from time to time and the provisions of the Law from time to time, the Company may, by ordinary resolution, declare a dividend to be paid to its members, according to their respective rights and interest in the profits, and may fix the time for payment of such dividend, but no dividend shall exceed the amount recommended by the Board.

For so long as the relevant Listing Rules restriction to such effect remains in force and is applicable to the Company, any surplus derived from the sale or realisation of an investment held directly by the Company shall not be available for dividends. In addition, in compliance with the Listing Rules, dividends will not be paid unless they are covered by income received from underlying investments.

The Board may pay such interim dividends as appear to the Board to be justified by the financial position of the Company and may also pay any dividend payable at a fixed rate at intervals settled by the Board, whenever the financial position of the Company, in the opinion of the Board, justifies its payment.

No dividend or other monies payable by the Company on or in respect of any Ordinary Share shall bear interest as against the Company unless otherwise provided by the rights attached to the Ordinary Share.

All unclaimed dividends, interest or other sums payable may be invested or otherwise made use of by the Board for the benefit of the Company until claimed. All dividends unclaimed for a period of six years after

having been declared or become due for payment shall be forfeited and cease to remain owing by the Company.

Variation of Rights

Whenever the capital of the Company is divided into different classes of shares, all or any of the rights for the time being attached to any class of shares in issue may from time to time (whether or not the Company is being wound up) be varied in such manner (if any) as may be provided by those rights or with the consent in writing of the holders of two-thirds in number of the issued shares of that class or with the sanction of a special resolution passed at a separate general meeting of the holders of those shares.

Unless otherwise expressly provided by the terms of their issue, the rights attached to any class of shares shall not be deemed to be varied or abrogated by: the creation or issue of further shares ranking *pari passu* with them but in no respect in priority thereto; or the purchase by the Company of any of its own shares in accordance with the provisions of the Law and the Articles.

Transfer of shares

Subject to the Articles and the restrictions on transfers described below, a member may transfer all or any of his Ordinary Shares in any manner which is permitted by the Statutes or in any other manner which is from time to time approved by the Board.

A transfer of a certificated Ordinary Share shall be in writing in the usual common form or in any other form permitted by the Statutes or approved by the Board. The instrument of transfer shall be signed by or on behalf of the transferor and, if the certificated share is not fully paid, by or on behalf of the transferee.

Subject to the Articles and the restrictions on ownership described below, a member may transfer an uncertificated share by means of CREST or in any other manner which is permitted by the CREST regulations and is from time to time approved by the Board.

The Board may, in its absolute discretion and without giving any reason, refuse to register any transfer of any share in certificated form or uncertificated form (save as described below) which is not fully paid or on which the Company has a lien provided that, where any such shares are admitted to trading on the London Stock Exchange, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis.

The Board may also refuse to register any transfer of a share unless (i) the transfer is in respect of only one class of shares, (ii) is in favour of no more than four transferees, (iii) the instrument of transfer is delivered for registration at the registered office of the Company or such other place as the Board may decide, accompanied by the certificate for the shares to which it relates and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer and, (iv) in the case of certificated shares, if the transfer is not in favour of any holder who (or whose holding of shares), as determined by the Directors, would or might result in the Company being required to register as an "investment company" under the Investment Company Act or being or potentially being in violation of such Act or the rules or regulations promulgated thereunder or the assets of the Company being deemed to be assets of an "ERISA Plan Investor" (being a "benefit plan investor" as defined in section 3(42) of ERISA, or a plan or entity that would be a "benefit plan investor" as so defined except that it is not subject to Part 4 of Subtitle B of Title I of ERISA, in either case that is subject to section 406 of ERISA or section 4975 of the US Code or any US federal state, local or other US laws or regulations that are substantially similar to such provisions of ERISA or the US Code or any similar US laws).

The Board may refuse to register any transfer of an uncertificated share where permitted by the CREST regulations.

The Articles further provide that if, among other things, any Ordinary Shares are owned directly or beneficially by an ERISA Plan Investor or any person, as determined by the Directors, to whom a sale or transfer of Ordinary Shares or in relation to whom the direct or beneficial holding of Ordinary Shares would or might result in the Company being required to register as an "investment company" under the Investment Company Act or being or potentially being in violation of such Act or the rules and regulations promulgated thereunder or the assets of the Company being deemed to be assets of an ERISA Plan Investor, the Directors may give notice to the registered and beneficial holders (as applicable) requiring them either: (a) to provide the Directors within 30 days with sufficient satisfactory documentary evidence to satisfy the Directors that (i) such person or persons, or the holding of Ordinary Shares by such person or persons, (or such persons having an interest in Ordinary Shares either directly or beneficially as the case may be) shall not cause the Company to be required to be registered as an investment company under the Investment Company Act or the Company to be in or potentially be in violation of such Act or the

rules and regulations promulgated thereunder, or the Company's assets to be deemed to be "plan assets" for the purposes of ERISA or the US Code and (ii) such person (or persons) is not an ERISA Plan Investor; or (b) to sell or transfer the Ordinary Shares to a person qualified to own the same within 30 days and within such 30 days to provide the Directors with satisfactory evidence of such sale or transfer.

If after the expiration of the 30 day period the Board is not reasonably satisfied that satisfactory evidence has been provided or a disposal made, the Board may arrange for the sale of the Ordinary Shares on behalf of the registered holder. The manner, timing and terms of any such sale of Ordinary Shares by the Board shall be as the Board determines to be reasonably obtainable having regard to all of the circumstances. If the Company cannot affect a sale of Ordinary Shares within a period of five business days then upon the expiration of such period the Directors may apply the procedures relating to forfeiture of Ordinary Shares set out in the Articles.

If the Directors refuse to register a transfer they shall send to the transferee notice of the refusal: in the case of a certificated share, within two months of the date on which the transfer was lodged with the Company; or, in the case of an uncertificated share which is transferred by means of CREST to a person who is to hold it thereafter in certificated form, within two months of the date on which an instruction in respect of such transfer was duly received by the Company through CREST, and where, in the case of a transfer to joint holders, the number of joint holders to whom the uncertificated share is to be transferred exceeds four.

Alteration of Share Capital

The Company may, by altering its Memorandum of Association by special resolution, consolidate all or any of its shares into fewer shares; or sub-divide its shares, or any of them, into more shares. Subject to the provisions of the Statutes and to any rights conferred on the holders of any class of shares, the Company may by special resolution reduce its capital accounts in any way.

General Meetings

The Board shall convene and the Company shall hold annual general meetings in accordance with the requirements of the Statutes and extraordinary general meetings whenever it thinks fit.

An annual general meeting and an extraordinary general meeting called for the passing of a special resolution or a resolution appointing a person as a Director shall be called by not less than 21 clear days' notice. All other extraordinary general meetings shall be called by not less than 14 clear days' notice. The notice shall specify the place, day and time of the meeting and the general nature of the business to be transacted.

Notice of every general meeting shall be given to all members other than any who, under the provisions of the Articles or the terms of issue of the Ordinary Shares which they hold, are not entitled to receive such notices from the Company, and also to the Auditors (or, if more than one, each of them) and to each Director.

Winding up

On a liquidation, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Statutes, divide among the Shareholders the whole or any part of the assets of the Company. This applies whether the assets consist of property of one kind or different kinds.

Disclosure of ownership

The Company may send out notices to those it knows or has reasonable cause to believe have an interest in its shares. In the notice the Company will ask for details of those who have an interest and the extent of their interest in a particular holding of shares. The Articles provide that where any member fails to provide the requisite information pursuant to such notice, the Company can decide to direct by a default notice (as defined by the Articles) that the identified shares no longer give the Shareholder any right to attend or vote either personally or by proxy at a Shareholder's meting or to exercise any other right in relation to Shareholders' meetings.

City Code on Takeovers and Mergers

The City Code is issued and administered by the Takeover Panel. The Takeover Panel has been designated as the supervisory authority to carry out certain regulatory functions in relation to takeovers pursuant to the Directive on Takeover Bids (2004/25/EC) (the "Directive"). Following the implementation of the Directive by the Takeovers Directive (Interim Implementation) Regulations 2006, the rules set out in the City Code which are derived from the Directive now have a statutory basis.

The City Code applies to all takeovers and merger transactions, however effected, where *inter alia* the offeree company has its registered office in the UK, the Isle of Man or the Channel Islands or if the company has its securities admitted to trading on a regulated market in the United Kingdom or on any stock exchange in the Channel Islands or the Isle of Man. The City Code will therefore apply to the Company from Admission and therefore its Shareholders will be entitled to the protection afforded by the City Code.

Under Rule 9 of the City Code, where (a) any person acquires, whether by a series of transactions over a period of time or not, an interest as defined in the City Code in shares which (taken together with shares in which persons in which he is already interested and in which persons acting in concert with him are interested) carry 30% or more of the voting rights of a company subject to the City Code, or (b) any person who, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30% but not more than 50% of the voting rights of such a company, if such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested, then, except with the consent of the Takeover Panel, he, and any person acting in concert with him, must make a general offer in cash to the holders of any class of equity share capital whether voting or non-voting and also to the holders of any other class of transferable securities carrying voting rights to acquire the balance of the shares not held by him and his concert party.

An offer under Rule 9 of the City Code must be in cash and at the highest price paid within the 12 months prior to the announcement of the offer for any shares in the company by the person required to make the offer or any person acting in concert with him. Offers for different classes of equity share capital must be comparable; the Takeover Panel should be consulted in advance in such cases.

3i Group will, on Admission (and assuming no exercise of the Over-allotment Option), be interested in 325 million Ordinary Shares, representing between 25% and 46.43% of the issued share capital of the Company on a Global Offer size of between £700 million to £1,300 million (assuming no exercise of the Over-allotment Option or between 22.73% and 42.21% if it is fully exercised). In addition, Concert Parties of 3i Group intend to subscribe for up to a further 800,000 Ordinary Shares, representing a further 0.12% of the issued share capital, making a maximum total percentage holding of 3i Group and its Concert Parties of 46.55%.

3i Group and its Concert Parties will also receive a maximum number of Warrants giving them rights to acquire up to 32.58 million additional Ordinary Shares, taking its maximum percentage holding up to 48.92% on exercise of such Warrants (if no other Warrants are exercised).

Exercise of the Warrants

The Company will issue to each investor one Warrant for every 10 Ordinary Shares purchased under the Global Offer. Each Warrant will entitle the holder to subscribe for one Ordinary Share at the Subscription Price at any time during a period commencing on the date which is six months from the date of Admission and ending on the date which is five years from the date of Admission. On exercise of the Warrants the Company's issued share capital will increase which will have a dilutive effect on the existing Shareholders. The exercise of the Warrants will dilute holders of Ordinary Shares in proportion to the percentage exercised. Assuming the Warrants are fully exercised, this will result in 10% more new Ordinary Shares outstanding.

Taxation considerations

The following summary is given as a general guide to the tax treatment of the Company and certain types of investors. It does not purport to cover all taxation issues which might be applicable to the Company or such investors and is not intended to be, nor should be construed to be, legal, tax or investment advice to any particular investor. The summary is based on current laws and tax authority practices in the UK, Jersey and the US, which may change, but the summary is believed to be correct at the date hereof. Nevertheless, prospective investors are strongly advised to seek their own advice on the taxation consequences of an investment in the Company, especially those prospective investors who are not resident for tax purposes in the UK as they may be subject to taxation law in their respective jurisdictions.

Holders of any Ordinary Shares issued by the Company (other than residents of Jersey) are not subject to any tax in Jersey in respect of the holding, sale or other disposition of such Ordinary Shares. So long as the Company maintains its "exempt company" status, dividends on the Ordinary Shares may be paid by the Company without withholding or deduction for or on account of Jersey income tax.

In the event of the death of an individual Shareholder, a Jersey grant of probate or administration may be required in respect of which certain fees will be payable to the Court.

No stamp or other transfer tax will be payable in Jersey on the issue or transfer of the Ordinary Shares or Warrants.

UK Taxation of Shareholders

The information below concerning the tax treatment of Shareholders applies only to persons who are resident, ordinarily resident in the United Kingdom for taxation purposes and who hold Ordinary Shares as an investment (rather than as securities to be realised in the course of a trade). It does not apply to persons who hold their Ordinary Shares as trustees or who otherwise hold their Ordinary Shares in some capacity other than that of beneficial owner; nor does it apply to persons who carry on a banking, financial or insurance trade. Persons who are resident for tax purposes in jurisdictions other than the UK will be taxed according to the rules of that jurisdiction and should seek specialist advice.

Individual Shareholders

Dividends and income distributions

Where a UK-resident individual receives a dividend from the Company this will be a foreign source dividend and will be subject to income tax at (generally) 10% if the individual is a basic rate taxpayer or 32.5% if the individual is a higher rate taxpayer.

If the individual is not domiciled in the UK and if they make a claim for their foreign income to be taxed on the remittance basis for a particular year of assessment, they will be subject to UK income tax on dividends received only to the extent that sums are received in the UK in respect of those dividends (the "remittance basis"). The rate of income tax on remitted foreign dividends is 22% if the individual is a basic rate taxpayer and 32.5% if he is a higher rate taxpayer.

Disposals of Ordinary Shares and capital distributions

Shareholders who are resident or ordinarily resident in the United Kingdom for taxation purposes will, subject to their individual circumstances, be liable to UK capital gains tax on any gains which accrue to them on a disposal of their Ordinary Shares. As the Company will be a closed-ended company it will not be a collective investment scheme and therefore the rules relating to "offshore funds" in Chapter V of Part XVII of the UK Income and Corporation Taxes Act 1988 will not apply.

Individuals holding Ordinary Shares should not expect to qualify for business asset taper relief in relation to those Ordinary Shares, as the Company is not expected to qualify as the holding company of a trading group.

Where a UK-resident individual Shareholder receives a capital distribution this will be treated as a part disposal of their holding. The capital gain or loss is calculated as proceeds less base cost. As this is deemed to be a part disposal only, part of the base cost can be brought into account. The fraction of base cost which is allowable as a deduction is A/(A+B), where A is the consideration and B is the value of the part retained.

Where the distribution is small compared with the value of the holding in respect of which it is made, it is not treated for capital gains purposes as giving rise to a part disposal. In such a case, the amount of the distribution is deducted from any expenditure allowable as a deduction in computing a gain or loss on a subsequent disposal by the recipient. Therefore the charge is postponed until a subsequent disposal of the holding. This treatment is not compulsory; the recipient can elect to have the distribution treated as a part disposal.

HMRC automatically treats a distribution as being "small" if it is 5% or less than the value of the shares at the date of distribution or it is not more than £3,000 (irrespective of whether the 5% test is satisfied). Where a distribution does not fall within the above categories, HMRC considers each case on its merits.

If the individual is not domiciled in the UK, he will be taxable in respect of capital gains from the disposal of assets situated outside the UK, such as the Ordinary Shares, on the amounts remitted to the UK. Where he remits to the UK only a part of the proceeds of a disposal or part disposal of the Ordinary Shares, a proportionate part of the gain is treated as remitted.

Section 739 Taxes Act

The attention of individuals that are ordinarily resident in the UK for tax purposes is drawn to the provisions of section 739 of the Income and Corporation Taxes Act 1988 *et seq*. Broadly under these provisions a UK tax-resident individual may be charged to income tax on certain amounts following a

transfer of assets to a person not resident or domiciled within the UK for tax purposes. Shareholders should take professional advice if they are concerned about possible exposure under section 739.

ISAs, PEPs and SIPPs

It is not expected that the Ordinary Shares acquired in the Global Offer will be eligible for inclusion in PEPs and ISAs. It is, however, expected that the Ordinary Shares will be eligible for inclusion in PEPs and ISAs (subject to applicable subscription limits) provided that they have been acquired by purchase in the market. The Warrants will not be eligible for inclusion in PEPs or the stock and shares component of ISAs. The Ordinary Shares acquired on the exercise of the Warrants will be eligible for inclusion in PEPs and ISAs (subject to applicable subscription limits) if at the time of the exercise those Ordinary Shares are officially listed on a recognised stock exchange and their terms have not been altered such that Shareholders receive a secured minimum return. The Ordinary Shares and the Warrants may be held for the purposes of a SIPP (where the rules of the SIPP allow) and it is not expected that they will be "taxable property" for these purposes.

Corporate Shareholders

The following assumes that the corporate Shareholder will not be holding the investment to realise profits under Schedule D Case I (as defined in section 18(3) of the Income and Corporation Taxes Act 1988).

Dividends and income distributions

Where a UK-resident corporate Shareholder receives a dividend from the Company this will be a foreign source dividend and will be subject to UK corporation tax.

The UK will give credit relief for underlying tax where the Company is in receipt of a dividend from a company in which it owns, directly or indirectly, 10% or more of the voting power of the company paying the dividend.

"Underlying tax" means foreign tax which is borne by the foreign company on the profits, out of which a dividend is deemed to be paid. If the foreign company (or a company of which it is a subsidiary) controls, directly or indirectly, 10% or more of the voting power of another company, the underlying tax applicable to dividends received by the foreign company from that other company may also be taken into account and so on through any number of companies so long as the 10% chain of control is maintained. The chain of companies can include a company which is resident in the UK, but no account may be taken of any tax paid by that company other than UK corporation tax paid by it plus the tax credit relief given to it.

Disposals and capital distributions

Corporate Shareholders who are resident in the United Kingdom for taxation purposes will, subject to their individual circumstances, be liable to UK corporation tax on any gains which accrue to them on a disposal of their Ordinary Shares. As the Company will be a closed-ended company it will not be a collective investment scheme and therefore the rules relating to "offshore funds" in Chapter V of Part XVII of the UK Income and Corporation Taxes Act 1988 will not apply.

Where a UK-resident corporate Shareholder receives a capital distribution this will be treated as a part disposal of its holding. The capital gain or loss is calculated as proceeds less base cost. As this is deemed to be a part disposal, only part of the base cost can be brought into account. The fraction of base cost which is allowable as a deduction is A/(A+B), where A is the consideration and B is the value of the part retained.

Certain other provisions of UK tax legislation

Section 13 of the Taxation of Chargeable Gains Act 1992

These paragraphs apply to Shareholders who are resident or ordinarily resident (and, if individuals, domiciled) in the UK and whose proportionate interest in the chargeable gains of the Company (or in certain circumstances the chargeable gains of the Luxcos or other subsidiary or investee companies of the Company) exceeds one-tenth of the gain. In calculating whether a Shareholder has an interest in more than one-tenth of the gain, the interests of that Shareholder will be aggregated with the interests of any persons who are "connected" with them for tax purposes. Persons who would be "connected" with a Shareholder for UK tax purposes include, where the Shareholder is a company, any other company that is under the control of the Shareholder, or that has control of the Shareholder, or which is under common control with the Shareholder; and where the Shareholder is a member of a partnership (or is a company under the direct control of another company that is itself a member of a partnership), any other member of that partnership.

In the event that the Company would be treated as 'close' under UK tax legislation if it were resident in the UK, then part of any chargeable gain accruing to the Company (or, as appropriate, the relevant Luxco or other subsidiary or investee company of the Company) may be attributed to such a Shareholder and the Shareholder may (in certain circumstances) be liable to UK tax on capital gains. The part of the capital gain attributed to the Shareholder corresponds to the Shareholder's proportionate interest in the Company.

Controlled foreign company rules

As it is possible that the Company will be owned by a majority of persons resident in the UK, the UK legislation applying to controlled foreign companies may apply to any corporate holders of Ordinary Shares who are resident in the UK. Under these rules, part of any undistributed income profits accruing to the Company (or in certain circumstances to a subsidiary or investee company of the Company) may be attributed to such a Shareholder, and may in certain circumstances be chargeable to UK corporation tax in the hands of the Shareholder. However, this will only apply if the apportionment to that Shareholder (when aggregated with persons "associated" with them) is at least 25% of the relevant profits of the controlled foreign company (or, as appropriate, of a subsidiary or investee company of the Company). For these purposes, the persons who may be treated as "associated" with each other are, so far as here material, essentially the same as those who may be treated as "connected" with each other for UK tax purposes, as discussed under "Section 13 of the Taxation of Chargeable Gains Act 1992" above.

If the Company, and, where appropriate, the relevant subsidiary or investee company and all intermediate holding companies, follow an acceptable distribution policy (i.e. if they distribute at least 90% of income profits arising in each accounting period ultimately to UK resident persons within 18 months of the end of that accounting period) then the controlled foreign company rules will not apply. It is not possible to know at this stage what the profile of investors will be and therefore whether the Company will satisfy this policy.

Warrants and chargeable gains

The cost to a Shareholder or Warrantholder of acquiring Ordinary Shares and Warrants will be apportioned between the Ordinary Shares and Warrants on the basis of their respective values at the date of allotment, which basis should not be significantly different from the ratio which the market value of the Ordinary Shares bears to the market value of the Warrants, as derived from the Daily Official List of the London Stock Exchange on the first day of dealings.

A disposal of Warrants may, depending on the holder's circumstances and subject to any available exemption or relief, give rise to a chargeable gain or an allowable loss for the purposes of capital gains tax or, as the case may be, corporation tax on chargeable gains.

A Warrantholder who exercises the subscription rights conferred by the Warrants will not thereby be treated as disposing of the Warrants. The amount that such Warrantholder paid to acquire the Warrant that he exercises (as determined by the apportionment explained above), together with the amount he pays for the Ordinary Shares acquired pursuant to such exercise, shall constitute that person's acquisition cost in the Ordinary Shares thus acquired.

If a Warrant is not exercised and instead allowed to lapse, the holder of the Warrant will be treated as making a disposal of the Warrant if the Warrant is, at the time of the lapse, quoted on a recognised stock exchange (which includes the London Stock Exchange). Such a disposal may give rise to an allowable loss for the purposes of capital gains tax or, as the case may be, corporation tax on chargeable gains and the full cost of those Warrants will be allowed in computing such loss.

Stamp Duty and Stamp Duty Reserve Tax ("SDRT")

The following comments are intended as a guide to the general stamp duty and SDRT position and do not relate to persons such as market-makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply.

No UK stamp duty or SDRT will be payable on the issue of the Ordinary Shares or the Warrants.

Transfers of Ordinary Shares or Warrants will not be liable to stamp duty unless the instrument of transfer is executed within the United Kingdom, or, wherever executed, relates to any matter or thing done or to be done within the United Kingdom. In such a case, *ad valorem* UK stamp duty is charged at the rate of 0.5% of the amount of the value of the consideration for the transfer rounded up where necessary to the nearest £5. Provided that neither the Ordinary Shares nor the Warrants are registered in a register kept in the UK by or on behalf of the Company and transfer is settled electronically via CREST, any agreement to transfer Ordinary Shares or Warrants will not be subject to UK SDRT.

United States Taxation of Shareholders

The following discussion addresses certain (i) US federal income tax considerations that may be relevant to Shareholders who (a) are citizens or residents of the United States, or corporations, partnerships or other business entities created or organised under the laws of the United States or any political subdivision thereof, trusts subject to the control of a US Person and the primary supervision of a US court or estates that are subject to United States federal income taxation regardless of the source of their income, and (b) that hold Ordinary Shares issued by the Company as a capital asset (''US investors'') and (ii) US federal income tax consequences to a US investor in regard to its acquiring, holding or disposing of the Ordinary Shares.

IRS Circular 230 Notice

To ensure compliance with requirements imposed by the IRS, investors are hereby notified that the US tax advice contained herein (i) is written in connection with the promotion or marketing by the Company of the transactions or matters addressed herein and (ii) is not intended or written to be used, and cannot be used, by any taxpayer, to avoid US tax penalties. Each taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax adviser.

The following discussion does not address the US tax treatment of Shareholders that are not US investors or that are subject to special tax regimes such as certain financial institutions, insurance companies, dealers in securities or foreign currencies, US investors whose functional currency (as defined in section 985 of the Code) is not the US dollar, persons subject to alternative minimum tax, and persons that hold Ordinary Shares as part of a ''straddle'', ''conversion transaction'', ''hedge'', or other integrated investment strategy. All such prospective Shareholders are urged to consult their own tax advisers with respect to the US tax treatment of an investment in Ordinary Shares of the Company.

The Company has not sought a ruling from the US Internal Revenue Service (''IRS'') or an opinion of legal counsel as to any specific US tax matters. The discussion below as it relates to US federal tax consequences is based upon the Code, and regulations, rulings and judicial decisions thereunder as of the date hereof; such authorities may be repealed, revoked or modified (possibly on a retroactive basis) so as to result in US federal income tax consequences different from those discussed below.

This discussion is for general information purposes only. Prospective Shareholders should consult their own tax advisers with respect to their particular circumstances and the effect of state or local or foreign tax laws to which they may be subject.

US Income Tax Treatment of Taxable US investors

US investors receiving dividends with respect to Ordinary Shares are required to include in gross income for United States federal income tax purposes the gross amount of such dividends. For United States tax purposes, a distribution by the Company with respect to Ordinary Shares owned by a US investor will be treated as a dividend to the extent of the Company's current and accumulated earnings and profits. Distributions in excess of earnings and profits will generally be considered on a non-taxable return of tax basis, and distributions in excess of such Shareholder's tax basis will generally be treated as gain from the sale or exchange of the Ordinary Shares. Since the Company will not calculate its earnings and profits under US federal income tax principles, US investors generally will be unable to establish that distributions are not dividend income. Dividends paid or deemed paid by the Company to US investors will not be eligible for the dividends-received deduction available to corporations receiving dividends from certain United States corporations. As discussed below, such dividends will also not be eligible for the lower tax rate applicable to ''qualified dividend income'' and may be subject to additional US tax as discussed below. Shareholders that are US investors will generally not be entitled to a foreign tax credit for foreign withholding or income taxes paid by the Company or the companies in which it invests.

Dividends paid in sterling will be included in income in a US dollar amount calculated by reference to the exchange rate in effect on the date the US investor actually or constructively receives the dividend, regardless of whether the payment is in fact converted into US dollars. If the dividend is converted into US dollars on the date of receipt, the US investor generally should not recognise foreign currency gain or loss in respect of the dividend. A US investor may have foreign currency gain or loss if the holder does not convert the amount of such dividend into US dollars on the date of receipt.

A US investor selling to or exchanging Ordinary Shares with third parties will recognise a gain or loss for United States federal income tax purposes equal to the difference, if any, between the amount realised from the sale or exchange and such US investor's tax basis in the Ordinary Shares that are sold. A US investor's adjusted tax basis in an Ordinary Share will generally be its US dollar cost. The US dollar cost of an Ordinary Share purchased with foreign currency will generally be the US dollar value of the purchase

price paid in the Global Offer. The gain or loss will generally be treated as arising from sources within the United States.

The amount realised on a sale or other disposition of Ordinary Shares for an amount in foreign currency will be the US dollar value of this amount on the date of sale or disposition. On the settlement date, a US investor will recognise US source foreign currency gain or loss (taxable as ordinary income or loss) equal to the difference (if any) between the US dollar value of the amount received based on the exchange rates in effect on the date of sale or other disposition and the settlement date. However, in the case of Ordinary Shares traded on an established securities market that are sold by a cash basis US investor (or an accrual basis US investor that so elects), the amount realised will be determined using the exchange rate in effect on the settlement date for the sale, and no exchange gain or loss will be recognised at that time.

Subject to the discussions below, this amount will be treated as a long-term capital gain or loss if the relevant Ordinary Shares were held as capital assets for more than one year. Long-term capital gains are currently subject to a maximum individual tax rate of 15%. The deduction of capital losses may be subject to limitation. Similar rules will apply to a US investor that sells to the Company a sufficient percentage of its Ordinary Shares so as to qualify under one of several "safe harbours" for exchange treatment or to cause a "meaningful reduction" in its share interest and so qualify for sale or exchange treatment. If a US investor sells its Ordinary Shares to the Company in a transaction or transactions not qualifying for exchange treatment, the proceeds received by such US investor will be treated as a dividend to the extent of the Company's earnings and profits, thereafter as a return of capital, and thereafter as capital gain. In that case, there is a risk that other US investors selling smaller percentages of or no Ordinary Shares back to the Company may be deemed to have received distributions subject to the same treatment.

US Income Tax Treatment of Tax-Exempt US investors

US investors that are organisations generally exempt from United States federal income tax, including pension funds, charitable organisations and educational institutions ("US Tax-Exempt Investors"), will generally not be subject to United States federal income tax with respect to dividends received (or deemed received) from or gains from the sale or other disposition of Ordinary Shares. However, if the relevant Ordinary Shares are "debt-financed property", all or a portion of the income with respect to the Ordinary Shares will be required to be included in income as "unrelated business taxable income". The Ordinary Shares would generally be considered debt-financed property in the hands of a US Tax-Exempt Investor if such investor incurred indebtedness to acquire them.

Passive Foreign Investment Company Status

The Company expects that it will be a passive foreign investment company ("PFIC"), and that any subsidiary undertakings and certain entities in which the Company or any Subsidiary undertaking makes an equity investment that are organised as "foreign corporations" for purposes of US federal income tax will be classified as PFICs (such subsidiary undertakings and entities referred to as "lower-tier PFICs"). Unless one of the elections described below is made, a US investor that is a shareholder in the Company will be required to treat any gain on disposition of any of the Ordinary Shares as allocated rateably to each day in such taxpayer's holding period. With respect to the portion of gain which is allocated to any portion of the taxpayer's holding period before the year of disposition, the taxpayer generally is subject to a tax equal to the sum of (i) a tax calculated at the highest rate of tax in effect for each respective prior taxable year, and (ii) interest thereon. The tax is not reduced by other losses or deductions, including loss carry-forwards. Any gain not subject to the interest charge would be included in the taxpayer's gross income as ordinary income. Generally any distribution in excess of 125% of the average distributions amount received from the Company during the three preceding taxable years (or, if shorter, such taxpayer's holding period) also would be subject to the foregoing rules. Any dividends paid by a PFIC will not be eligible for the lower tax rate applicable to "qualified dividend income". The PFIC rules will not apply to a US Tax-Exempt Investor unless dividends paid by the Company to such US Tax-Exempt Investor would be taxable as unrelated business taxable income under section 512 of the Code.

The above tax treatment does not apply to an investment in any PFIC that is covered by either a qualified electing fund (a "QEF") election or a mark-to-market election. The QEF election will only apply if (i) the US investor makes an election to have each PFIC treated as a QEF with respect to that US investor and (ii) the Company complies with certain reporting requirements. The Company does not intend to provide information sufficient for taxable US investors to make a QEF election.

US tax law also provides a mark-to-market election for holders of "marketable" PFIC stock. The Company expects that its Ordinary Shares will qualify as "marketable" PFIC stock for the purposes of this election. Under such an election, the direct or indirect US investor would include in its income, as ordinary income,

any excess of the fair market value of the Ordinary Shares held at the close of the tax year over such US investor's adjusted basis in the Ordinary Shares. Subject to certain limitations, a US investor that makes the mark-to-market election may also deduct the excess of its adjusted tax basis in the Ordinary Shares over the fair market value of such Ordinary Shares at the close of the tax year to the extent of such unreversed inclusions from prior years.

Under certain attribution rules, US investors will be deemed to own their proportionate share of lower-tier PFICs, and will be subject to the adverse tax consequences described above, and any mark to market election that is made with respect to the Ordinary Shares will not apply to such investments. In addition, because the value of each lower-tier PFIC interest held by the Company is reflected in the market price of the Shares, a US Holder that makes a mark-to-market election with respect to the Company could be subject to mismatches in timing of and character of income realised through its investment in the Shares.

US investors are urged to consult with their tax advisers regarding the effects of the PFIC rules on an investment in Ordinary Shares, as well as the procedures for making an effective and timely mark-to-market election.

Controlled Foreign Corporation Status

A US investor would be subject to a separate anti-deferral regime (and not the PFIC rules described above) with respect to certain investments in a controlled foreign corporation (a "CFC"). In general, a foreign corporation is classified as a CFC if "10% US Shareholders" own more than 50% of the total combined voting power of all classes of stock of such foreign corporation, or the total value of all stock of such corporation. A "10% US Shareholder" is a United States person who owns at least 10% of the total combined voting power of all classes of stock of the foreign corporation entitled to vote. The Company does not expect that it will be classified as a CFC for US federal income tax purposes.

Information Reporting Rules

Certain US investors may be subject to information reporting requirements with respect to Ordinary Shares held in the Company. As a result, such US investors could be required to file information returns (e.g. Form 926) with the IRS with respect to Ordinary Shares held in the Company. These reporting requirements are generally triggered if a US investor's investment in the Company exceeds certain thresholds specified in the Code. For example, certain US investors acquiring 10% by vote or value of the Company's stock may be required to report their acquisitions or dispositions of Ordinary Shares or proportional changes in their respective interests in the Company. In the event a US investor fails to file any such required form, the US investor could be subject to a penalty equal to 10% of the gross amount paid for the Ordinary Shares subject to a maximum penalty equal to U.S.$100,000 (except in cases of intentional disregard). The information reporting requirements are complicated, and all prospective investors in the Company are urged to consult their own tax advisers regarding them.

In addition, US investors may be required to file with the IRS a disclosure statement on Form 8886 in certain cases, including for example where substantial losses are recognised with respect to Ordinary Shares. Under these rules, the Company may also be required to provide to its advisers identifying information about certain of the Company's investors and their participation in the Company, and the Company or its advisers may disclose this information to the IRS upon its request. Prospective investors are encouraged to consult their tax advisers to determine the applicability of these rules.

Backup Withholding and Information Reporting

Distributions on Ordinary Shares and proceeds from the sale or other disposition of Ordinary Shares may be reported to the US Internal Revenue Service unless the Shareholder is a corporation or otherwise establishes a basis for exemption. Backup withholding tax may apply to amounts subject to reporting if the Shareholder fails to provide an accurate taxpayer identification number. The amount of any backup withholding tax will be refunded or allowed as a credit against the Shareholder's US income tax liability if the holder furnishes the appropriate information to the Internal Revenue Service.

THE DISCUSSION ABOVE IS A GENERAL SUMMARY. IT DOES NOT COVER ALL TAX MATTERS THAT MAY BE IMPORTANT TO A PARTICULAR INVESTOR. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE ORDINARY SHARES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

PART IX

ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names appear on page 14 of this document, the Proposed Director and the Company accept responsibility for the information contained in the Prospectus. To the best of the knowledge of the Directors, the Proposed Director and the Company (who have each taken all reasonable care to ensure that such is the case), the information contained in the Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Working capital

Taking into account the intended minimum net proceeds of the Global Offer of approximately £687.8 million, the Company is of the opinion that the Group will have sufficient working capital for its present requirements, that is for 12 months from the date of the Prospectus.

3. Capitalisation and indebtedness

3.1 The Company has the power to borrow, details of which are set out in Part XII of the Registration Document.

3.2 As at the date of the Prospectus, other than the funds to settle fees and expenses set out in section 5.2 below which have been advanced by 3i Group prior to Admission, the Group has no guaranteed, secured, unguaranteed or unsecured debt and no indirect or contingent indebtedness.

3.3 As at the date of the Prospectus, the issued share capital of the Company consists of two Ordinary Shares of no par value. The Ordinary Shares were issued to The Infrastructure Trust and will continue to be held by the trust.

4. Incentivisation of the Infrastructure Investment Team

4.1 3i Group has established an incentive scheme for the executives in the Infrastructure Investment Team, which has been benchmarked against market comparable schemes elsewhere. The objective of the scheme is to align the financial interests of the executives with those of the Shareholders and to motivate and retain the team.

4.2 Under the incentive scheme arrangements between 3i Group and the Infrastructure Investment Team, a substantial proportion of the advisory fee and performance fee (if any) payable under the Investment Advisory Agreement will be allocated to the executives. Amounts so allocated will entitle executives to deferred payments contingent on their continued employment by 3i Group.

4.3 An initial investment of up to £800,000 in the Ordinary Shares will be made by certain personnel in the Infrastructure Investment Team at the Offer Price, as part of the Global Offer. Those investing will be deemed to be Concert Parties of 3i Group for the purpose of the City Code and the maximum percentage holding of 3i Group and its Concert Parties for these purposes (assuming exercise of Warrants solely by such parties) will therefore be 48.92%. Except in limited circumstances, the Infrastructure Investment Team executives have committed to 3i Group not to sell any of these Ordinary Shares before 31 March 2008.

4.4 3i Group also intends to set up a co-investment scheme whereby members of the Infrastructure Investment Team will in future be required to purchase further Ordinary Shares from 3i Group at market value, in order to align their interests with the Company. It is expected that the Infrastructure Investment Team will invest approximately £3 million over the first three years, including the initial investment above. This will be subject to further discussion with the Takeover Panel and would not involve any additional increase in the size of the Concert Party holdings.

5. Net proceeds and expenses

5.1 Assuming a Global Offer of 1,000 million Ordinary Shares, the Company would receive approximately £981.8 million from the Global Offer, net of fees and expenses of approximately £18.2 million, as set out below.

5.2 The expenses incurred in connection with the Global Offer are those incurred in the establishment of the Group (including incorporation expenses of the Company and the Holding Entities) and in connection with the Global Offer and include fees payable under the Underwriting Agreement, legal, registration, printing, advertising and distribution costs and any other applicable expenses. The

expenses associated with the Global Offer will be met by the Company from the proceeds of the Global Offer and charged to reserves and deducted from Net Asset Value in the first financial year of the Company. (To the extent such expenses arose before Admission, they will be recharged to the Company by 3i Group). Assuming a Global Offer of 1,000 million Ordinary Shares, the expenses associated with the Global Offer (including amounts in respect of VAT where relevant) are estimated to be approximately £15.9 million.

5.3 The Acquisition costs are those costs (predominantly legal and due diligence costs and stamp duty or reserve tax) incurred by the Group in connection with the Acquisition. Assuming a Global Offer of 1,000 million Ordinary Shares, the Acquisition costs (including any amounts in respect of VAT where relevant) are estimated to be approximately £2.3 million. These will be paid out of the net proceeds of the Global Offer and charged to the Company's profit and loss account and deducted from Net Asset Value in the first financial period of the Company.

5.4 The Company will also be responsible for other ongoing operational costs and expenses which will include (but will not be limited to) the fees and expenses of the Support Services Provider, the Jersey Administrator, the Registrar, the Transfer Agent and the Custodian (described in paragraphs 11 and 13 of Part XII of the Registration Document), the Directors and the Auditors, as well as listing fees, regulatory fees, expenses associated with any purchases of or tender offers for the Ordinary Shares, printing and legal expenses and other expenses (including insurance and irrecoverable amounts in respect of VAT).

5.5 It is estimated that the Group's ongoing costs and expenses for its first financial year (excluding the Global Offer expenses, the costs associated with the Acquisition, initial expenses and advisory fees described in more detail in paragraphs 11 and 13 of Part XII of the Registration Document) and any interest on borrowings made by the Group (assuming a Global Offer of 1,000 million Ordinary Shares and that there is no growth in the value of the Group's assets) will be approximately £1.3 million.

5.6 Due diligence, advisers' fees and other costs relating to new investments or potential investments, portfolio matters and realisations will be subject to Board approval from time to time.

6. General

6.1 The business address of each of the Directors is 22 Grenville Street, St Helier, Jersey JE4 8PX Channel Islands.

6.2 The Directors confirm that the Company and the Holding Entities have not traded and that no accounts of the Company have been made up since the Company's incorporation on 16 January 2007 and no accounts of any of the Holding Entities have been made up since their respective formations.

Dated 20 February 2007

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

"3i Carry Partnership (I^2)"	means 3i Infrastructure 2005 – 2006 LP, a limited partnership set up for the purposes of holding 3i Group's interest in I^2 and providing a carry interest to certain investment executives of 3i Investments;
"3i Group"	means 3i Group plc and, where the context so requires, all or any of its subsidiary undertakings;
"3i Investments"	means 3i Investments plc;
"Acquisition"	means the acquisition of the Initial Portfolio by the Company on the terms and conditions summarised in Part IX of the Registration Document;
"Admission"	means admission of the Ordinary Shares and the Warrants to be issued pursuant to the Global Offer to the Official List and/or to trading on the London Stock Exchange as the context may require;
"Alpha Schools"	means Alpha Schools (Highland) Holdings Limited;
"Application"	means an application to subscribe for the Ordinary Shares and the Warrants;
"Articles of Association" or "Articles"	means the articles of association of the Company in force from time to time;
"Auditors" or "Ernst & Young"	means Ernst & Young LLP or such other auditors as may be appointed by the Company from time to time;
"AWG"	means Anglian Water Group plc;
"BPE"	means Barclays Private Equity Limited;
"certificated" or "in certificated form"	means in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in certificated form (that is, not in CREST);
"Citigroup"	means Citigroup Global Markets Limited;
"City Code"	means the City Code on Takeovers and Mergers;
"Code"	means the US Internal Revenue Code of 1986, as amended;
"Company" or "3i Infrastructure"	means 3i Infrastructure Limited;
"Concert Party"	means a person or persons deemed to be acting in concert with 3i Group in relation to the Company under the terms of the City Code;
"Continental Europe"	means Europe, excluding the UK;
"Court"	means the Royal Court of the Bailiwick of Jersey;
"CREST" or "CREST system"	means the paperless settlement procedure operated by CRESTCo Limited enabling system securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument;
"Custodian"	means 3i Investments;
"Directors" or "Board"	means the directors of the Company, whose names appear in Part V of this document, or the board of directors from time to time of the Company, as the context may require, and "Director" is to be construed accordingly;
"Disclosure Rules"	means the disclosure and transparency rules of the UK Listing Authority made in accordance with section 73A of FSMA;
"EEA"	means the European Economic Area;
"ERISA"	means the US Employee Retirement Income Security Act of 1974, as amended;
"EU"	means the member states of the European Union;
"Europe"	means the EU, Switzerland and Norway;

"Exchange Act"	means the US Securities Exchange Act of 1934, as amended;
"FF&P"	means Fleming Family & Partners;
"FSA"	means the UK Financial Services Authority;
"FSMA"	means the Financial Services and Markets Act 2000 of the UK, as amended;
"Global Co-ordinator"	means Citigroup;
"Global Offer"	means the offer of Ordinary Shares and Warrants to institutions and certain other investors, including certain Intermediaries, in the UK and elsewhere, on the terms and subject to the conditions set out in Part VI of this document;
"Group"	means the Company and the Holding Entities;
"HMRC"	means HM Revenue and Customs of the UK;
"Holding Entities"	means all or any of Luxco 1, Luxco 2 and/or the Partnership;
"I^2"	means Infrastructure Investors Limited Partnership;
"IFRS"	means International Financial Reporting Standards;
"Infrastructure Investment Team"	means the infrastructure investment team of 3i Group from time to time, whose current details are set out in Part VIII of the Registration Document;
"Initial Portfolio"	means the initial portfolio of infrastructure investments which the Company intends to acquire from 3i Group under the Acquisition Agreement as further described in Part IX of the Registration Document;
"Intermediaries"	means member firms of the London Stock Exchange and other securities houses regulated by the FSA;
"Investment Adviser"	means 3i Investments acting in its capacity as Investment Adviser to the Company pursuant to the Investment Advisory Agreement;
"Investment Advisory Agreement"	means the investment advisory agreement between 3i Investments and the Company, further details of which are set out in Part XII of the Registration Document;
"Investment Company Act"	means the US Investment Company Act of 1940, as amended;
"ISA"	means Individual Savings Account;
"Jersey Administrator"	means Mourant & Co. Limited;
"JFSC"	means the Jersey Financial Services Commission;
"KPMG"	means KPMG LLP;
"Law" or "Laws"	means the Companies (Jersey) Law 1991, as amended;
"Listing Rules"	means the listing rules made by the UK Listing Authority under section 73A of FSMA;
"London Stock Exchange"	means the London Stock Exchange plc;
"Luxco 1"	means 3i Infrastructure (Luxembourg) Holdings S.à r.l.;
"Luxco 2"	means 3i Infrastructure (Luxembourg) S.à r.l.;
"Manager"	means the Investment Adviser in its capacity as manager and operator of the Partnership;
"Memorandum of Association"	means the memorandum of association of the Company;
"Net Asset Value" or "NAV"	means the net asset value of the Company in total or (as the context requires) per Ordinary Share from time to time calculated in accordance with the Company's valuation policies and as described in the Registration Document;

"Net Proceeds"	means the initial proceeds of the Global Offer being the funds actually received on closing under the Global Offer, including funds received on exercise of the Over-allotment Option but excluding any proceeds on exercise of the Warrants, less expenses payable in connection with the Global Offer;
"NHS"	means the National Health Service of the UK;
"Non-US Purchaser's Letter"	means a letter in the form set out in Appendix B to this document;
"North America"	means the United States and Canada;
"Northern"	means Northern Infrastructure LLP, a limited liability partnership substantially owned by 3i Group;
"Octagon"	means Octagon Healthcare Group Limited;
"Offer Price"	means £1 per Ordinary Share;
"Official List"	means the official list maintained by the UK Listing Authority;
"Ofwat"	means the Water Services Regulation Authority, the economic regulator of the water and waste water industry in England and Wales;
"Ordinary Shares"	means ordinary shares in the Company;
"Osprey"	means Osprey Acquisitions Limited;
"Over-allotment Arrangements"	means the arrangements pursuant to which Citigroup may subscribe for the Over-allotment Shares and the Over-allotment Warrants, as described in Part VI of this document;
"Over-allotment Option"	means the option granted by the Company to Citigroup issued pursuant to which Citigroup may require the Company to allot additional Ordinary Shares at the Offer Price and additional Warrants;
"Over-allotment Shares"	means the additional new Ordinary Shares which may be issued, pursuant to the Over-allotment Arrangements;
"Partnership"	means 3i Infrastructure Seed Assets LP.;
"PEP"	means Personal Equity Plan;
"PFI"	means Private Finance Initiative, a form of PPP in which the public and private sectors join to design, build or refurbish, finance and operate new or improved facilities and services to the general public;
"PPP"	means Public Private Partnership, an umbrella term for government schemes involving the private business sector in public sector projects;
"Proposed Director"	means Paul Waller, who it is proposed will be appointed a director of the Company some time after Admission;
"Prospectus"	means the prospectus issued by the Company in relation to the Global Offer, comprising this document, the Registration Document and the Summary prepared published and approved by and filed with the FSA in accordance with the Prospectus Rules;
"Prospectus Rules"	means the prospectus rules of the UK Listing Authority made in accordance with section 73A of FSMA;
"Purchase Price"	means the purchase price for the Initial Portfolio proposed by 3i Group;
"Qualified Institutional Buyer"	means a qualified institutional buyer as defined in Rule 144A;
"Qualified Purchaser"	means a qualified purchaser for the purposes of section 3(c)(7) of the Investment Company Act;
"Receiving Agent"	means Capita IRG Plc;
"Registrar"	means Capita Registrars (Jersey) Limited;

"Registration Document"	means the registration document in relation to the Global Offer and produced under the Prospectus Rules which, together with this document and the Summary, constitutes the Prospectus;
"Regulation S"	means Regulation S under the Securities Act;
"Regulatory Information Service"	means a regulatory information service approved by the FSA and on the list of Regulatory Information Services maintained by the FSA;
"Rule 144A"	means Rule 144A under the Securities Act;
"Securities Act"	means the US Securities Act of 1933, as amended;
"Securities Note"	means this document issued in relation to the Global Offer and produced under the Prospectus Rules, which, together with the Registration Document and the Summary, constitute the Prospectus;
"SG"	means Société Générale;
"Shareholders"	means the holders of the Ordinary Shares;
"SIPP"	means Self-Invested Personal Pension;
"Sponsor"	means Citigroup;
"Statutes"	means the Law and every other statute, regulation or order for the time being in force concerning companies registered under the Law;
"Subscription Period"	means the period commencing on the date which is six months after Admission to and including the date which is five years after Admission;
"Subscription Price"	means the price at which the Warrants can be exchanged for Ordinary Shares, being £1;
"Summary"	means the summary in relation to the Global Offer and produced under the Prospectus Rules, which, together with this document and the Registration Document, constitutes the Prospectus;
"Support Services Provider"	means 3i plc;
"Takeover Panel"	means the UK Panel on Takeovers and Mergers;
"UK Listing Authority"	means the FSA in its capacity as the competent authority for listing in the UK pursuant to Part VI of FSMA;
"uncertificated" or "in uncertificated form"	means, in relation to a share or other security, a share or other security, title to which is recorded in the relevant register of the share or other security concerned as being held in uncertificated form (that is, in CREST) and title to which may be transferred by using CREST;
"Underwriter"	means Citigroup;
"Underwriting Agreement"	means the agreement between the Company and Citigroup, further details of which are set out in Part XII of the Registration Document;
"United Kingdom" or "UK"	means the United Kingdom of Great Britain and Northern Ireland;
"United States" or "US"	has the meaning given in Regulation S;
"US Person"	has the meaning given in Regulation S;
"US Purchaser's Letter"	means a letter in the form set out in Appendix A to this document;
"US Resident"	means any US Person, as well as: (i) any natural person who is only temporarily residing outside the United States, (ii) any account of a US Person over which a non-US fiduciary has investment discretion or any entity, which, in either case, is being used to circumvent the registration requirements of the Investment Company Act, and (iii) any employee benefit or pension plan that does not have as its participants or beneficiaries persons substantially all of whom are not US Persons. In addition, for the purposes of this definition, if an entity either has been formed for or operated for the purpose of investing in the Ordinary Shares or the Warrants, or facilitates individual investment decisions, such as a self-directed employee benefit or pension plan, the

	Ordinary Shares or the Warrants will be deemed to be held for the account of the beneficiaries or other interest holders of such entity, and not for the account of the entity;
''VAT''	means value added tax; and
''Warrants''	means the warrants issued subject to the terms and conditions set out in the Securities Note, as amended.

APPENDIX A

US PURCHASER'S LETTER

To: 3i Infrastructure Limited

22 Grenville Street
St. Helier
Jersey
JE4 8PX
Channel Islands

Citigroup Global Markets Inc. (as representative for the Underwriter)

388 Greenwich Street
New York, New York 10013

Ladies and Gentlemen:

This letter (a "US Purchaser's Letter") relates to the purchase and ownership of ordinary shares (the "Shares") and warrants (the "Warrants" and, together with the Shares, the "Securities") of 3i Infrastructure Limited (the "Company"). This letter is delivered on behalf of the person acquiring beneficial ownership of the Securities.

We make the representations and undertakings set forth below on behalf of ourselves, and, if we are acting on behalf of an account, on behalf of each account for which we are acting.

1. We hereby confirm that:

   (i) we are a "qualified institutional buyer" ("QIB") as defined in Rule 144A ("Rule 144A") under the US Securities Act of 1933, as amended (the "US Securities Act"), and a "Qualified Purchaser" ("QP") for purposes of Section 3(c)(7) and related rules of the US Investment Company Act of 1940, as amended (the "US Investment Company Act");

   (ii) we are not a broker-dealer which owns and invests on a discretionary basis less than US$25 million in securities of unaffiliated issuers;

   (iii) we are not a participant-directed employee plan, such as a plan described in subsections (a)(1)(i)(D), (E) or (F) of Rule 144A, or any other type of entity that permits its members or interest holders to make individual investment decisions or determine whether or how much to invest in particular investments, including in respect of the Securities; and

   (iv) we are not a Plan (which term includes (a) employee benefit plans that are subject to Section 406 of the US Employee Retirement Income Security Act of 1974, as amended ("ERISA"), or plans, individual retirement accounts and other arrangements that are subject to Section 4975 of the US Internal Revenue Code of 1986, as amended (the "Code"), (b) plans, individual retirement accounts and other arrangements that are subject to provisions under applicable US federal, state, local or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the Code ("Similar US Laws") and (c) entities the underlying assets of which are considered to include "plan assets" of such plans, accounts and arrangements) and are not purchasing the Securities on behalf of, or with the "plan assets" of, any Plan.

2. We hereby confirm that: (i) we were not formed for and are not operated for the purpose of investing in the Company; and (ii) we are acquiring an interest in the Securities for our own account as principal, or for the account of one or more other persons who are able to and who shall be deemed to make all of the representations and agreements in this US Purchaser's Letter and for whom we exercise sole investment discretion.

3. We understand that the terms "US Person", "United States" and "offshore transaction" have the meanings set forth in Regulation S under the US Securities Act and the term "US Resident" means any US Person, as well as (i) any natural person who is only temporarily residing outside the United States, (ii) any account of a US Person over which a non-US fiduciary has investment discretion or any entity, which, in either case, is being used to circumvent the registration requirements of the US Investment Company Act, and (iii) any employee benefit or pension plan that does not have as its participants or beneficiaries persons substantially all of whom are not US Persons. In addition, for these purposes, if an entity either has been formed for or is operated for the purpose of investing in the Securities, or facilitates individual investment decisions, such as a self-directed employee benefit

or pension plan, the Securities will be deemed to be held for the account of the beneficiaries or other interest holders of such entity, and not for the account of the entity, and therefore any certifications, agreements or representations made below will apply to and shall include such entity as well as such beneficiaries or other interest holders.

4. We understand and acknowledge that the Securities have not been and will not be registered under the US Securities Act and accordingly may not be offered or sold within the United States or to, or for the account or benefit of, US Persons or US Residents except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

5. We understand and acknowledge that the Company has not registered, and does not intend to register, as an "investment company" (as such term is defined under the US Investment Company Act and related rules) and that the Company has imposed the transfer and offering restrictions with respect to persons in the United States and US Persons and US Residents described herein so that the Company will have no obligation to register as an investment company and will not be in violation of the US Investment Company Act.

6. We agree that our Securities may only be sold, transferred, assigned, pledged or otherwise disposed of in compliance with the US Securities Act and other applicable securities laws outside the United States in an offshore secondary market transaction complying with the provisions of Regulation S under the US Securities Act ("Regulation S") (including, for the avoidance of doubt, a *bona fide* sale on the London Stock Exchange), without the direct or indirect involvement of the Company, its affiliates, agents or intermediaries, and agree that such a sale, transfer, assignment, pledge or disposition may only be made provided we execute an Offshore Transaction Letter in the form of Annex I hereto and deliver such letter to the Company. We understand that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them.

7. We understand that, subject to certain exceptions, to be a QP entities must have at least US$25 million in "investments" as defined in Rule 2a51-1 of the US Investment Company Act and must meet certain other criteria.

8. We agree, upon a proposed transfer of our Securities, to notify any purchaser of such Securities or the executing broker, as applicable, of any transfer restrictions that are applicable to the Shares being sold.

9. We understand and acknowledge that the Company and its agents shall not be obligated to recognize any resale or other transfer of the Securities represented thereby made other than in compliance with the restrictions set forth in this US Purchaser's Letter.

10. We hereby confirm that we are not purchasing the Securities as a result of any "directed selling efforts" on the part of the Company or any agent or affiliate of the Company and we agree that neither we, nor any of our affiliates, nor any person acting on our or their behalf, will make any "directed selling efforts" in the United States with respect to the Securities. The term "directed selling efforts" has the meaning set forth in Regulation S.

11. We agree that the Company and Citigroup, as identified in the Prospectus for the Securities and their respective affiliates and others may rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

12. We understand and acknowledge that any Securities issued to us in certificated form will bear a legend to the following effect. In addition, we understand that the legend shall not be removed from the Securities unless the Company agrees, in its sole discretion, to remove the legend.

"THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE US SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), ANY STATE SECURITIES LAWS IN THE UNITED STATES OR, EXCEPT AS SET OUT IN THE COMPANY'S PROSPECTUS (THE "PROSPECTUS"), THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE REOFFERED, RESOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT AS PERMITTED BY THIS LEGEND. THE HOLDER HEREOF, BY ITS ACCEPTANCE OF THIS SECURITY, REPRESENTS, ACKNOWLEDGES AND AGREES THAT IT WILL NOT REOFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS SECURITY EXCEPT (A) OUTSIDE THE UNITED STATES TO A TRANSFEREE WHO IS PURCHASING THIS SECURITY IN AN OFFSHORE SECONDARY MARKET TRANSACTION COMPLYING WITH THE PROVISIONS OF RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT (INCLUDING, FOR THE AVOIDANCE OF DOUBT, A BONA FIDE SALE ON THE LONDON STOCK EXCHANGE), WITHOUT THE DIRECT OR INDIRECT PARTICIPATION OF THE COMPANY, ITS AFFILIATES, AGENTS OR INTERMEDIARIES, AND IN COMPLIANCE WITH THE SECURITIES ACT AND OTHER APPLICABLE SECURITIES LAWS AND (B) UPON

DELIVERY OF ALL OTHER CERTIFICATIONS, OPINIONS AND OTHER DOCUMENTS THAT THE ISSUER OF THIS SECURITY MAY REQUIRE.

FURTHER, NO PURCHASE, SALE OR TRANSFER OF THIS SECURITY MAY BE MADE UNLESS SUCH PURCHASE, SALE OR TRANSFER WILL NOT RESULT IN (A) ANY ASSETS OF THE ISSUER OF THIS SECURITY CONSTITUTING "PLAN ASSETS" WITHIN THE MEANING OF SECTION 3(42) OF THE US EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974, AS AMENDED ("ERISA"), OR ASSETS SUBJECT TO OTHER APPLICABLE US LAWS OR REGULATIONS THAT ARE SUBSTANTIALLY SIMILAR TO SECTION 406 OF ERISA OR SECTION 4975 OF THE US INTERNAL REVENUE CODE OF 1986, AS AMENDED (THE "CODE") (ANY SUCH SUBSTANTIALLY SIMILAR LAWS BEING REFERRED TO HEREIN AS "SIMILAR US LAWS"), OR (B) THE ISSUER OF THIS SECURITY BEING REQUIRED TO REGISTER AS AN INVESTMENT COMPANY UNDER THE US INVESTMENT COMPANY ACT OF 1940, AS AMENDED (THE "INVESTMENT COMPANY ACT"), OR THE ISSUER OF THIS SECURITY BEING OR POTENTIALLY BEING IN VIOLATION UNDER THE INVESTMENT COMPANY ACT OR THE RULES AND REGULATIONS PROMULGATED THEREUNDER. EACH PURCHASER OR TRANSFEREE OF THIS SECURITY WILL BE REQUIRED TO REPRESENT OR WILL BE DEEMED TO HAVE REPRESENTED THAT IT (A) IS NOT AN EMPLOYEE BENEFIT PLAN SUBJECT TO PART 4 OF SUBTITLE B OF TITLE I OF ERISA, A PLAN TO WHICH SECTION 4975 OF THE CODE APPLIES, AN ENTITY WHOSE UNDERLYING ASSETS INCLUDE PLAN ASSETS BY REASON OF A PLAN'S INVESTMENT IN SUCH ENTITY (AS DETERMINED IN ACCORDANCE WITH SECTION 3(42) OF ERISA), OR A PLAN OR ENTITY SUBJECT TO SIMILAR US LAWS, AND (B) IS NOT USING "PLAN ASSETS" (WITHIN THE MEANING OF SECTION 3(42) OF ERISA) SUBJECT TO TITLE I OF ERISA OR SECTION 4975 OF THE CODE, OR ASSETS OF A PLAN SUBJECT TO SIMILAR US LAWS.

THIS SECURITY IS NOT TRANSFERABLE EXCEPT IN ACCORDANCE WITH THE RESTRICTIONS DESCRIBED HEREIN. EACH TRANSFEROR OF THIS SECURITY AGREES TO PROVIDE NOTICE OF THE TRANSFER RESTRICTIONS SET FORTH HEREIN AND IN THE PROSPECTUS TO THE TRANSFEREE AND TO ANY EXECUTING BROKER."

We acknowledge that you and others will rely upon our representations, warranties, acknowledgements and agreements set forth herein, and we agree to notify you promptly in writing if any of our representations, warranties, acknowledgements or agreements herein cease to be accurate and complete. We hereby irrevocably agree that this certificate or a copy thereof may be reproduced to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

We hereby represent and warrant that all necessary actions have been taken to authorise the purchase by us of the Ordinary Shares and the Warrants and the execution of this certificate.

Where there are joint applicants, each must sign this US Purchaser's Letter. Applications from a corporation or other entity must be signed by an authorised officer or be completed otherwise in accordance with such entity's constitution (evidence of such authority may be required).

Very truly yours,

[NAME OF PURCHASER]

By:

Name:

Title:

Address:

Date:

ANNEX I TO APPENDIX A

OFFSHORE TRANSACTION LETTER

To: 3i Infrastructure Limited

22 Grenville Street
St Helier
Jersey
JE4 8PX
Channel Islands

Ladies and Gentlemen:

This letter (an "Offshore Transaction Letter") relates to the sale or other transfer by us of the ordinary shares (the "Shares") or warrants (the "Warrants" and, together with the Shares, the "Securities") of 3i Infrastructure Limited (the "Company") in an offshore secondary market transaction pursuant to Regulation S ("Regulation S") under the US Securities Act of 1933, as amended (the "US Securities Act").

Terms used in this Offshore Transaction Letter are used as defined in Regulation S, except as otherwise stated herein. "US Resident" means any US Person, as well as (i) any natural person who is only temporarily residing outside the United States, (ii) any account of a US Person over which a non-US fiduciary has investment discretion or any entity, which, in either case, is being used to circumvent the registration requirements of the US Investment Company Act of 1940, as amended (the "US Investment Company Act"), and (iii) any employee benefit or pension plan that does not have as its participants or beneficiaries persons substantially all of whom are not US Persons. In addition, for these purposes, if an entity either has been formed for or is operated for the purpose of investing in the Securities, or facilitates individual investment decisions, such as a self-directed employee benefit or pension plan, the Securities will be deemed to be held for the account of the beneficiaries or other interest holders of such entity, and not for the account of the entity, and therefore any certifications or representations made below will apply to and shall include such entity as well as such beneficiaries or other interest holders.

We acknowledge (or if we are acting for the account of another person, such person has confirmed that it acknowledges) that the Securities have not been and will not be registered under the US Securities Act and that the Company has not registered and will not register as an investment company under the US Investment Company Act.

We hereby certify as follows:

1. The offer and sale of the Securities was not and will not be made to, or for the account or benefit of, a person in the United States or to, or for the account or benefit of, a person known by us to be a US Resident.
2. Either (a) at the time the buy order for the Securities was originated, the buyer was outside the United States or we and any person acting on our behalf reasonably believed that the buyer was outside the United States or (b) the transaction in the Securities was executed in, on or through the facilities of a designated offshore securities market (including the London Stock Exchange), and neither we nor any person acting on our behalf knows that the transaction was pre-arranged with a buyer in the United States or a buyer that is a US Resident.
3. Neither we, nor any of our affiliates, nor any person acting on our or their behalf, has made any directed selling efforts in the United States with respect to the Securities.
4. The proposed transfer of the Securities is not part of a plan or scheme to evade the registration requirements of the US Securities Act or the US Investment Company Act.
5. Neither the Company nor any of its agents, affiliates or intermediaries participated in the sale of the Securities.
6. We confirm that, prior to the sale of the Securities, we notified the purchaser of such Securities or the executing broker, as applicable, of any transfer restrictions that are applicable to the Securities being sold.
7. We agree that the Company and its agents and their respective affiliates may rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.
8. The sale of the Securities meets all of the applicable conditions of Regulation S.

We acknowledge that you and others will rely upon our representations, warranties, acknowledgements and agreements set forth herein, and we agree to notify you promptly in writing if any of our

representations, warranties, acknowledgements or agreements herein cease to be accurate and complete. We hereby irrevocably agree that this certificate or a copy thereof may be reproduced to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

Where there are joint transferors, each must sign this Offshore Transaction Letter. An Offshore Transaction Letter of a corporation or other entity must be signed by an authorised officer or be completed otherwise in accordance with such entity's constitution (evidence of such authority may be required).

Very truly yours,

[NAME OF TRANSFEROR]

By:

Name:

Title:

Address:

Date:

APPENDIX B

NON-US PURCHASER'S LETTER

To: *3i Infrastructure Limited*

22 Grenville Street
St Helier
Jersey
JE4 8PX
Channel Islands

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB

Ladies and Gentlemen:

This letter (a "Non-US Purchaser's Letter") relates to the purchase of ordinary shares (the "Shares") and warrants (the "Warrants" and, together with the Shares, the "Securities") of 3i Infrastructure Limited (the "Company").

Terms used in this Non-US Purchaser's Letter are used as defined in Regulation S, except as otherwise stated herein. "US Resident" means any US Person, as well as (i) any natural person who is only temporarily residing outside the United States, (ii) any account of a US Person over which a non-US fiduciary has investment discretion or any entity, which, in either case, is being used to circumvent the registration requirements of the US Investment Company Act of 1940, as amended (the "US Investment Company Act"), and (iii) any employee benefit or pension plan that does not have as its participants or beneficiaries persons substantially all of whom are not US Persons. In addition, for these purposes, if an entity either has been formed for or is operated for the purpose of investing in the Securities, or facilitates individual investment decisions, such as a self-directed employee benefit or pension plan, the Securities will be deemed to be held for the account of the beneficiaries or other interest holders of such entity, and not for the account of the entity, and therefore any certifications or representations made below will apply to and shall include such entity as well as such beneficiaries or other interest holders.

We make the representations set forth below on behalf of ourselves and, if applicable, on behalf of each account for which we are acting.

1. We hereby confirm that:
   (i) we are, at the time of the offer to us of Securities and at the time that our buy order originated, outside the United States for the purposes of Regulation S;
   (ii) we are not a US Resident and are not acquiring the Securities for the account or benefit of a US Resident;
   (iii) we are aware that the Securities have not been and will not be registered under the Securities Act and are being offered outside the United States in reliance on Regulation S;
   (iv) we are not (i) an "employee benefit plan" (as defined in Section 3(3) of the US Employee Retirement Income Security Act of 1974, as amended ("ERISA")) subject to Title I of ERISA, (ii) a "plan" (as defined in Section 4975(e)(1) of the US Internal Revenue Code of 1986, as amended (the "Code")) subject to Section 4975 of the Code, including without limitation individual retirement accounts and Keogh plans, or (iii) an entity whose underlying assets include plan assets by reason of such an employee benefit plan's or plan's investment in such entity, including without limitation, as applicable, an insurance company general account; and
   (v) any offer, sale, pledge or other transfer made other than in compliance with the above-stated restrictions shall not be recognised by the Company in respect of the Securities.
2. We agree that the Company and the Underwriter identified in the Prospectus for the Securities and their respective affiliates and others may rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

We acknowledge that you and others will rely upon our representations, warranties, acknowledgements and agreements set forth herein, and we agree to notify you promptly in writing if any of our representations, warranties, acknowledgements or agreements herein cease to be accurate and complete.

We hereby irrevocably agree that this certificate or a copy thereof may be reproduced to any interested party in any administrative or legal proceeding or official inquiry with respect to the matters covered hereby.

We hereby represent and warrant that all necessary actions have been taken to authorise the purchase by us of the Ordinary Shares and the Warrants and the execution of this certificate.

Where there are joint applicants, each must sign this Non-US Purchaser's Letter. Applications from a corporation or other entity must be signed by an authorised officer or be completed otherwise in accordance with such entity's constitution (evidence of such authority may be required).

Very truly yours,

[NAME OF PURCHASER]

By:

Name:

Title:

Address:

imprima — C95752

3i Infrastructure Limited. Registered Office: 22 Grenville Street, St Helier, Jersey JE4 8PX. Registered with the Jersey Financial Services Commission, No 95682.