

# Capital Markets Seminar



**27 September 2016**

**3i Infrastructure plc**

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# Introduction

**Ben Loomes**

**Managing Partner and Co-head of Infrastructure, 3i**

# Good first half performance



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**Strong level of new investment**

**£287m**

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**Portfolio income in line with expectations**

**£35m**

Including £7m expected by 30 September 2016

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**Efficient balance sheet**

**£134m**

Cash balances

**£275m**

Undrawn RCF balance

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# Clear strategic priorities



## Maintaining a balanced portfolio

- Delivering an attractive mix of income yield and capital growth for our shareholders
- Investing in developed markets, with a focus on the UK and Europe

## Managing the portfolio intensively

- Driving value from the Company's portfolio through our engaged asset management approach

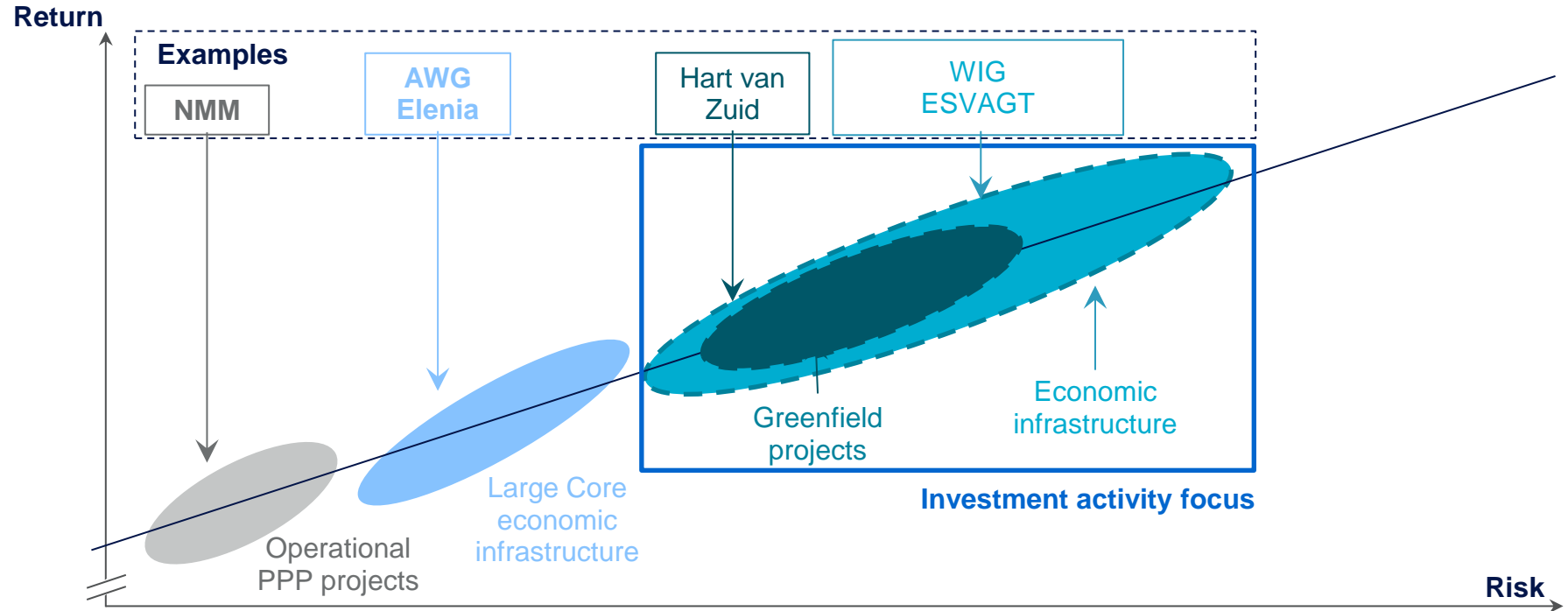
## Disciplined approach to new investment

- Focusing selectively on investments that are value enhancing to the Company's portfolio and consistent with its return objectives

## Maintaining an efficient balance sheet

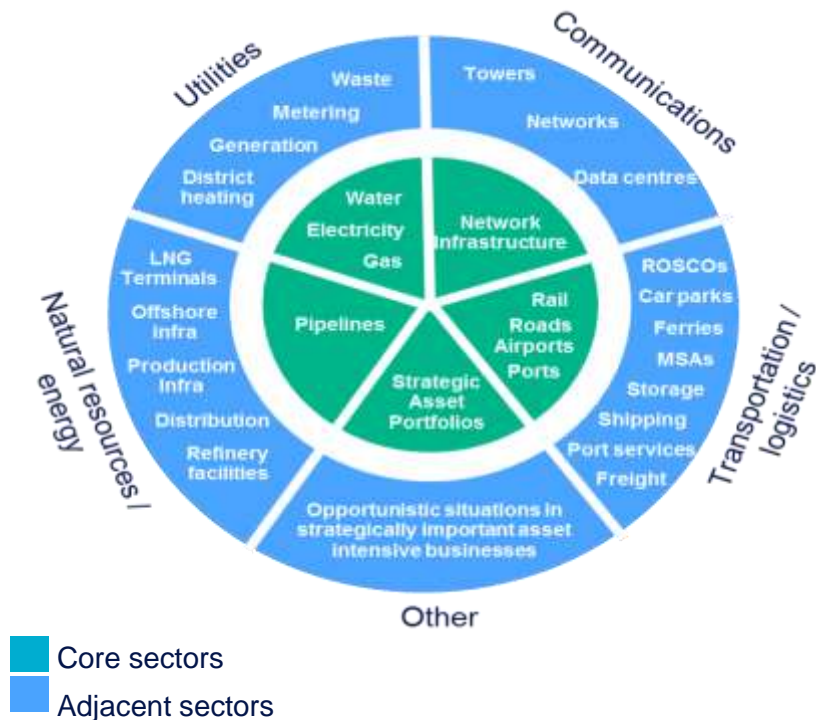
- Minimising return dilution to shareholders from holding excessive cash, while maintaining a good level of liquidity for future investment

# Our target markets



Compression in implied returns for large Core economic infrastructure  
Our investment activity continues to focus on areas of the market offering more attractive risk-adjusted returns, consistent with the Company's investment objectives

# Examples of economic infrastructure sectors



## Key characteristics:

- own asset base in perpetuity
- often provide essential services
- have a strong market position
- generate stable cash flows

Developing a healthy pipeline of investment opportunities

# Strong development over the past two years



## Growth in portfolio value

- Portfolio value grown from £1,012m at 31 March 2014 to £1,281m at 31 March 2016

## Diversification of portfolio

- Number of assets grown from 17 to 27 since March 2014
- Diversifying the portfolio by geography and sector

## Building income

- Good progress in building portfolio income, with all new investments completed in FY16 yielding in line with our expectations

## Maximising value for shareholders

- Generated annualised total shareholder return of 22.7% from September 2014 to September 2016



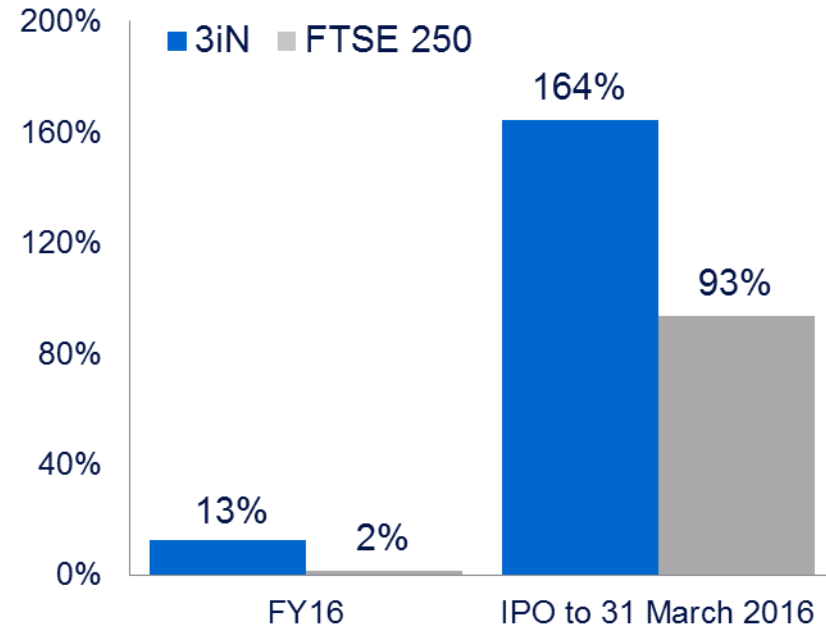


# Strong and proven long-term track record

## Company's performance since IPO in 2007

- 11.3% annualised total shareholder return
- 11.0% annual return based on NAV growth and dividends paid
- Dividend per share has grown each year since IPO
- Low share price volatility through the cycle

## Total shareholder return (%)



# Today's agenda



- |                |   |
|----------------|---|
| 14:00 to 14:20 | <b>Performance update and business overview</b><br>Ben Loomes, 3i   |
| 14:20 to 14:30 | <b>Anglian Water introduction</b><br>Phil White, 3i   |
| 14:30 to 15:10 | <b>Anglian Water</b><br>Peter Simpson (CEO) and Scott Longhurst (MD Finance and non-regulated businesses) |
| 15:10 to 15:50 | <b>ESVAGT</b><br>Jesper Lok (Chairman) and Søren Nørgaard Thomsen (CEO)                                   |
| 15:50 to 16:10 | Coffee break  |
| 16:10 to 16:20 | <b>Wireless Infrastructure Group introduction</b><br>Ben Loomes, 3i                                       |
| 16:20 to 17:00 | <b>Wireless Infrastructure Group</b><br>Scott Coates (CEO)  |
| 17:00 to 17:05 | <b>Closing remarks</b><br>Phil White, 3i  |



# Anglian Water

**Phil White**

**Managing Partner and Co-head of Infrastructure, 3i**



## 3iN holds a 10.3% stake in Anglian

- Acquired at IPO in March 2007 following public-to-private takeover in December 2006
- Held in a consortium alongside CPPIB, IFM and First State
- Largest water and wastewater treatment company in England and Wales by area, 4<sup>th</sup> largest by RCV
- Over 6 million customers

# Why did 3iN invest in Anglian?



The 2007 investment case:

- Strong management team
- Attractive fundamentals
  - Strong market position, stable regulation
  - Predictable cashflows
  - Inflation linkage
  - Low cyclical correlation
- Robust yield on initial investment
- Predictable underlying capital growth underpinning investment value
- Compelling rationale for private ownership

## What key risks did we see?



- Relative valuation of listed comparable companies
- Adverse change to the regulatory environment
- Availability and cost of debt
- Drought and climate change

# Notable achievements



- Strong operating and financial performance
  - Anglian is a top performing company in its sector
  - Much improved health and safety and environmental performance
  - Significantly reduced leakage
  - High customer satisfaction
- Non-core businesses sold and/or managed down
- Core management retained, board strengthened

# Investment performance



Since acquisition to 31 March 2016:

- IRR: 14.2%
- Average cash yield: 8.0%

Year to 31 March 2016:

- Income of £11.1m (4.6%)
- Total return of £23.8m (9.8%)





**Peter Simpson**

**Group Chief Executive**

- Joined Anglian in 1989
- Worked in various positions across the Group, becoming COO of the regulated business in 2004
- Became MD of the regulated business in 2010 and Group CEO in 2013



**Scott Longhurst**

**Managing Director, Finance and Non-Regulated Business**

- Joined Anglian as CFO in 2004
- Took on responsibility also for non-regulated businesses in 2010



## THE 15/16 YEAR IN CONTEXT

# 3i Capital Markets Day

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**Peter Simpson**

Anglian Water Group – Chief Executive Officer

**Scott Longhurst**

Anglian Water Group – Chief Financial Officer

# 2015/16 FULL YEAR HIGHLIGHTS



## A very strong start to AMP6 – a challenging but successful year

### A high degree of challenge

- Biggest drop in customer bills of all WASCs
- Reduction in revenue and EBITDA
- Challenging determination with new ODI challenges
- Low levels of inflation to consider
- Additional Market Reform cost pressures
- Internal challenges from system changes (telemetry, readiness for market opening)

### However

- All ODIs have at least met base targets; three achieved max/close to max reward
- Secured £11.2m of net reward against break-even plan expectations
- Best ever performance on leakage, interruptions to supply and pollutions
- Substantial buffer built against future challenges helped by relatively mild winter
- Achieved planned Totex efficiency outperformance



# TOP 10 ODIs BY FINANCIAL IMPACT

## MARCH 2016 FINAL FIGURES



# STRONG REPUTATIONAL ODI PERFORMANCE



## Reputational quality measures

- Significant improvements in Mean Zonal Compliance (MZC) and Distribution Maintenance indices
- Operational and embodied carbon reduction targets met
- Big increase (to 99%) of SSSIs (by area) judged by Natural England to be in favourable condition
- Notable drop in customer complaints following proactive, outbound communications campaign
- Baseline established for community impact perceptions



# IMPRESSIVE TOTEX OUTPERFORMANCE



- **Delivered target savings in 2015/16, increased level for 2016/17**

- **Company-wide efficiency initiative underway**

- **Totex approach resulting in lower overall spend**

## Opex efficiency

- Source, IRIS, 1Customer programmes all driving efficiency



## Spitfire

- Spitfire programme establishes further confidence in delivery of AMP6 plan, going beyond base opex budget for 2016/17



## Capex efficiency

- Efficiency driven by four Alliances and Totex Asset Solutions Team through revised needs evaluation process, delivering lower cost capital solutions and improved Totex decisions



# WIDER BUSINESS SUCCESS



- **Lowest ever AFR, excellent safety performance across Alliances**
- **IRIS successfully rolled out across all assets**
- **Influencing strategy making the case for water resilience**
- **Continue to plan and implement changes ready for NHH market opening**

## IRIS

- Successful implementation of largest radio telemetry system in Europe: more than 640,000 points, 12,000 outstations and 13 billion event and historic data records converted and migrated



## Alliances

- Unique approach to programme delivery established and working well
- All four Alliances successfully delivered year one programme



## Non regulated business

- Still leading the industry in preparation for Market Opening in April 2017
- Excellent progress made establishing systems and processes for engagement with retailers



# BUSINESS FOCUS – INTO 2016/17



## Market reform and regulatory change

- Non-household competition, shadow and full market opening
- Water2020 programme
- Preparations for PR19

## Long term water resources

- Leading National Resource Strategy
- Influence National Infrastructure Commission on resilience
- Water Resources East

## Responding to changing customer influence

- Reclaiming SIM top spot
- Further developing digital and proactive communications

## Quality and environmental risks

- Catchment management
- Phase two of Renewables Strategy, targeting carbon neutrality by 2050

## Business efficiency & ODI performance

- 2016/17: highest level of annual spend across the AMP
- Building resilience to guard against adverse weather impact on ODIs

## Our organisation and culture

- Wellbeing and H&S focus
- Extending Senior leadership development programme
- Cyber-risk management
- Creating the 'shop window' – the water company of the future







## FINANCIAL



# THE ANGLIAN WATER INVESTMENT OPPORTUNITY



## Stable and predictable cash flows

- Operating expenditure and capital maintenance subject to efficiency challenges, recovered annually through revenue resulting in a high level of predictability of cash flow
- Solid liquidity profile and history of prudent cash management

## High quality asset base

- Serviceability of Anglian Water's water and wastewater assets assessed as stable by Ofwat
- £8.6 billion spent on assets since 1989. Another £14 billion expected to be spent over the next 25 years

## Transparent regulatory regime

- UK water industry privatised in 1989
- Good track record with significant private sector financing and well established regulatory framework
- Five year regulatory review cycle

## Continued industry leader, high level of operational efficiency

- Focused on Service Incentive Mechanism, ODI's and delivering leading service
- Low leakage levels, high level of metering penetration and top ranking in customer service – key metrics for a regulated utility

## Effective monopoly and long useful life of assets

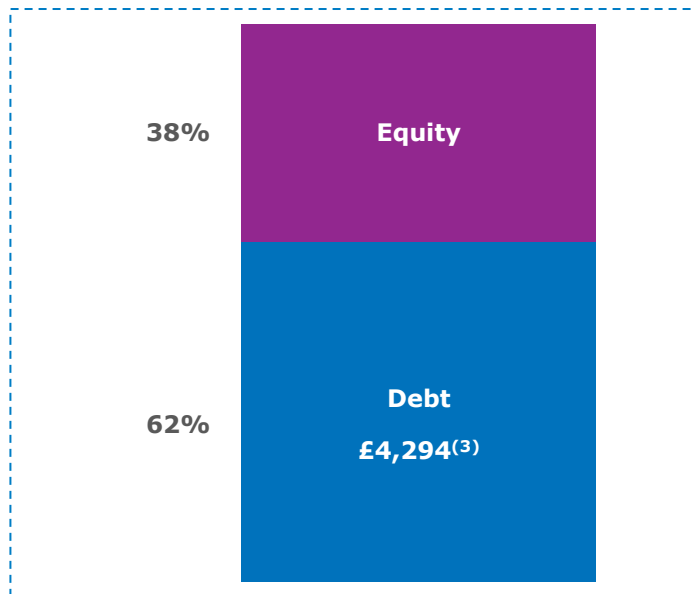
- The licensed water and wastewater utility in the East England region
- Irrigation for food production and increasing domestic consumption fuelled by population growth will continue to increase demand
- Assets are long-lived and are part of the Regulated Asset Base eligible for return on investment subject to depreciation

# FINANCING STRATEGY

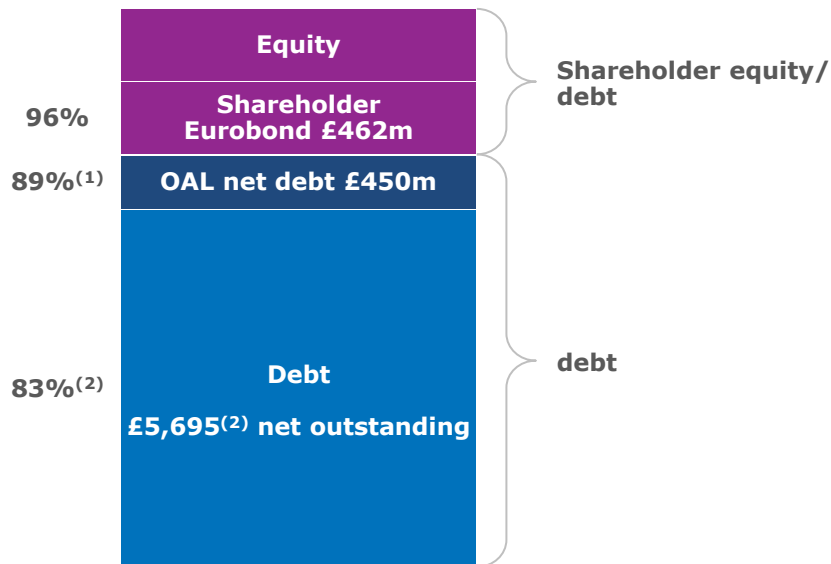


## OFWAT RAV (£6,926m) as at March 2016

### Notional regulatory structure



### Actual financial structure



<sup>1</sup> Based on gearing definition in bank documentation.

<sup>2</sup> Based on gearing definition in bank documentation. Includes CTA accounting adjustments.

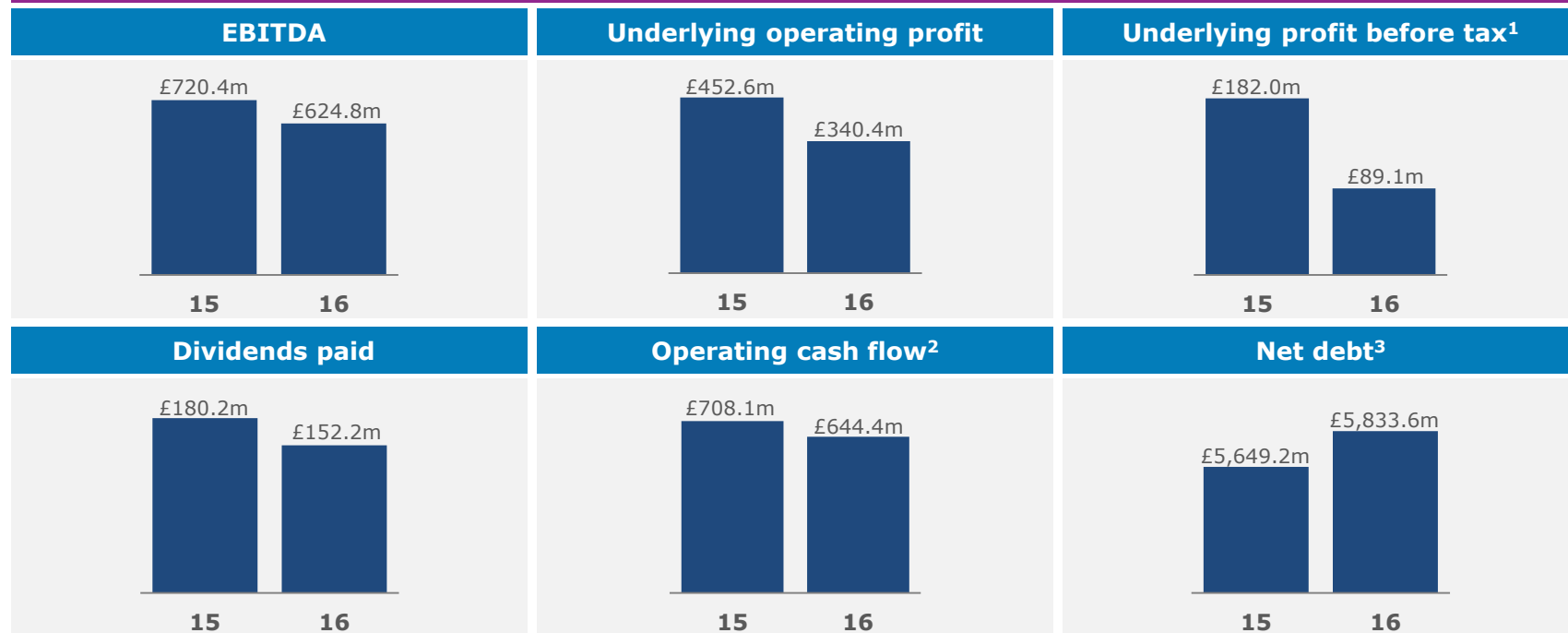
<sup>3</sup> Proforma on a notional structure basis.

# ANGLIAN WATER

## FINANCIAL HIGHLIGHTS



### Year ended 31 March



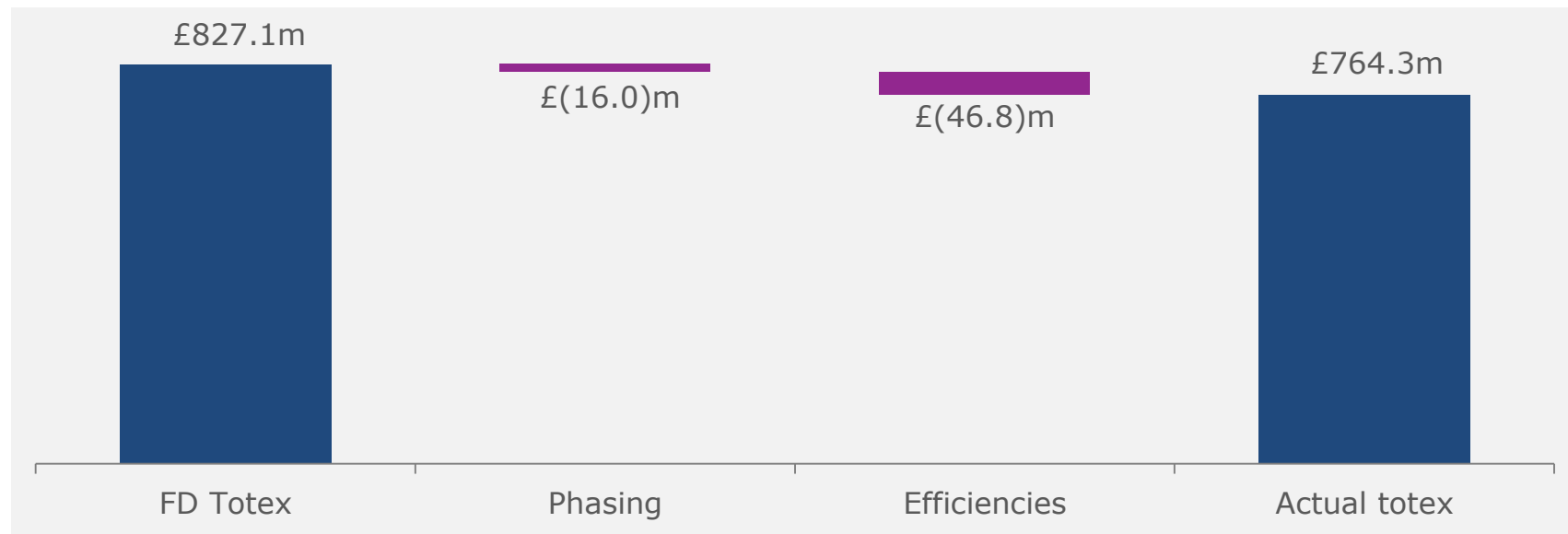
<sup>1</sup> Excludes interest received of £192.8m (2015: £192.3m) from AWS Holdings Ltd and loss on derivatives of £89.7m (2015: £213.6m).

<sup>2</sup> Shown on a statutory accounts basis. Net cash inflow from operating activities after tax on a CTA basis is £621.0m (2015: £748.8m).

<sup>3</sup> Shown on a statutory accounts basis, excluding derivatives. Net debt on a CTA basis £5,694.7m (2015: £5,632.0m)

# ANGLIAN WATER

## TOTEX IN 2015/2016 PRICES



Our 2015-16 totex out-performance of £46.8m is as a result of a number of efficiency measures and initiatives, some of which started during AMP5. Capital programme efficiencies continue to be driven through our Alliance delivery model, and operating cost efficiency has been achieved through supply chain efficiencies and changes to some of our operational processes and structures. These will continue to be key areas of efficiency focus as we progress through the AMP.

# NON REGULATED BUSINESS



- Strong operational performance across the divisions
- Property downsizing continued reducing off balance sheet debt to £42m
- Scottish Procurement retail water contract worth £70m p/a over three years successfully commenced March 2016
- Excellent progress in business development with £2m of new retail water contracts in Scotland, €18m of new work for CAW in Ireland and retention of GSK Irvine by Alpheus with £2m p/a and Sligo Water by CAW worth £1m p/a
- Good progress in business separation of Non Household customers in preparation for market opening in April 2017





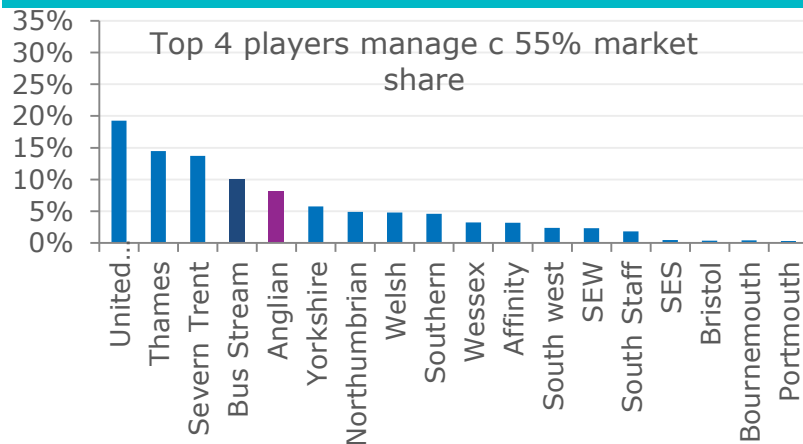
# REGULATORY CHANGE



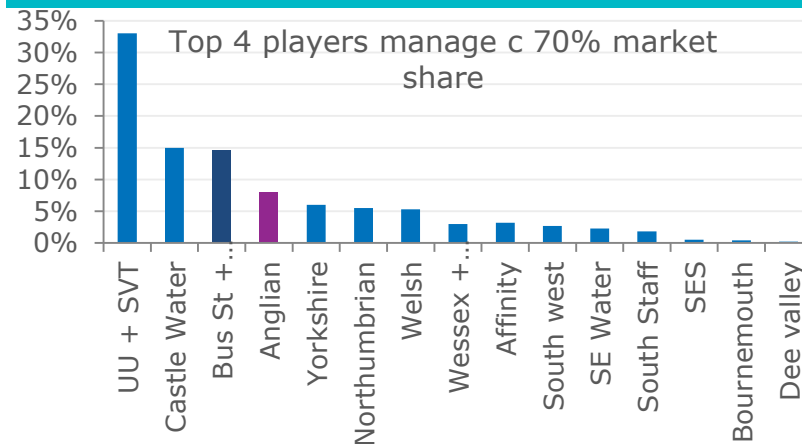
# NON-HOUSEHOLD COMPETITION



## NHH market as at PR14



## NHH market as at 2016



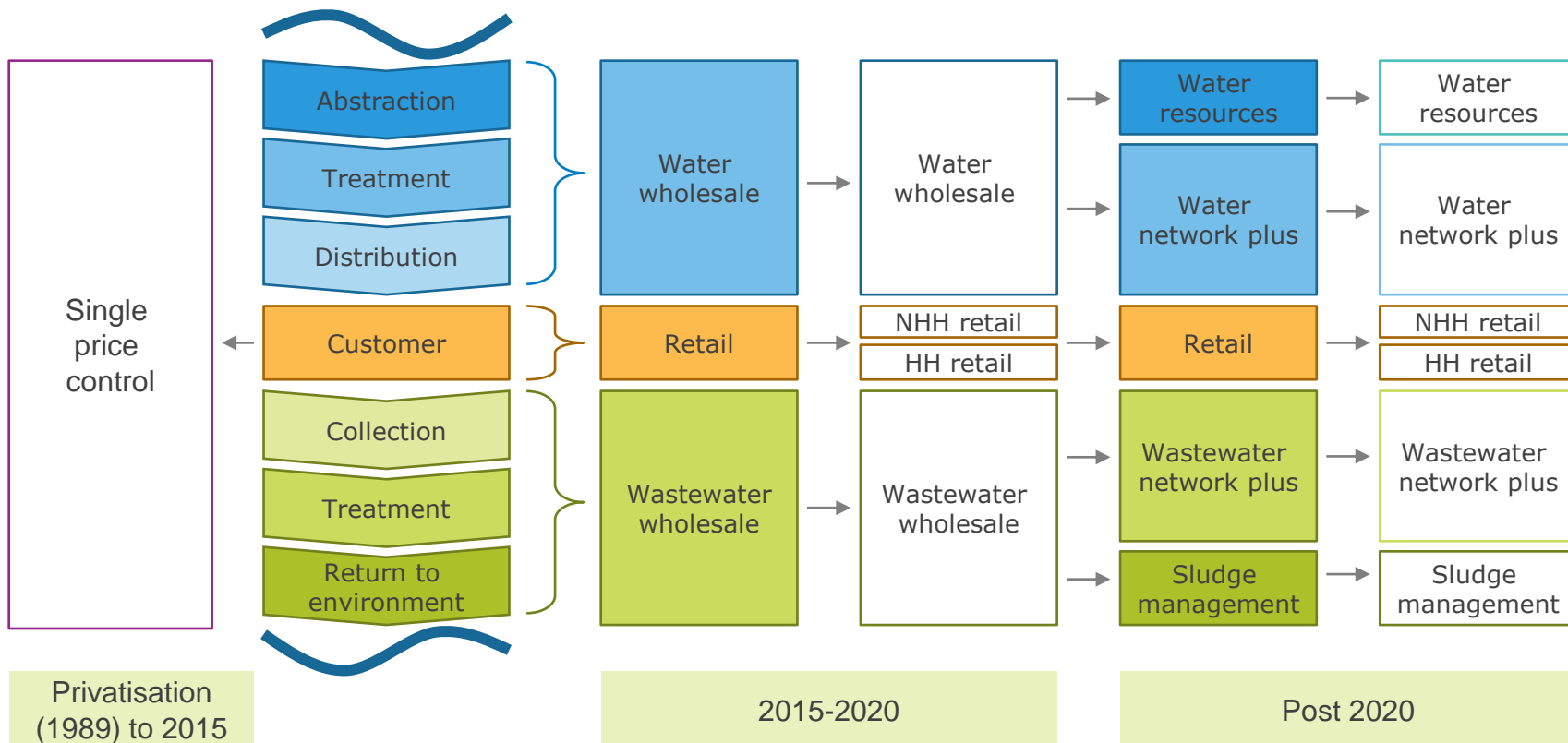
## Market consolidation under-way

### Anglian well-placed

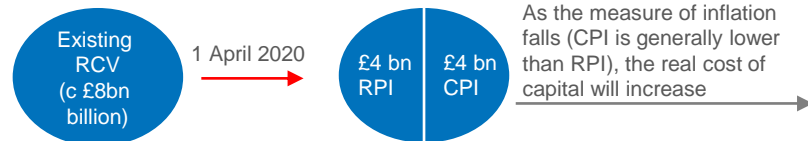
- |   |  |   |  |
|---|--|---|--|
| <ul style="list-style-type: none"> <li>Fourth biggest player in market</li> </ul> | <ul style="list-style-type: none"> <li>Recently won £320m Scottish Procurement contract</li> </ul> | <ul style="list-style-type: none"> <li>Smaller WOC's expected to exit as retail becomes uneconomic</li> </ul> | <ul style="list-style-type: none"> <li>Further market activity expected and Anglian is well positioned to take advantage of any opportunities</li> </ul> |
|---|--|---|--|



# PROPOSED PRICE CONTROLS



# INDEXATION CHANGE FROM RPI TO CPI

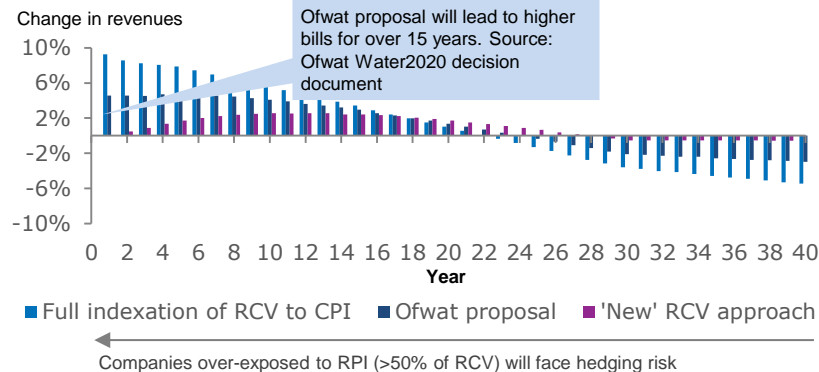
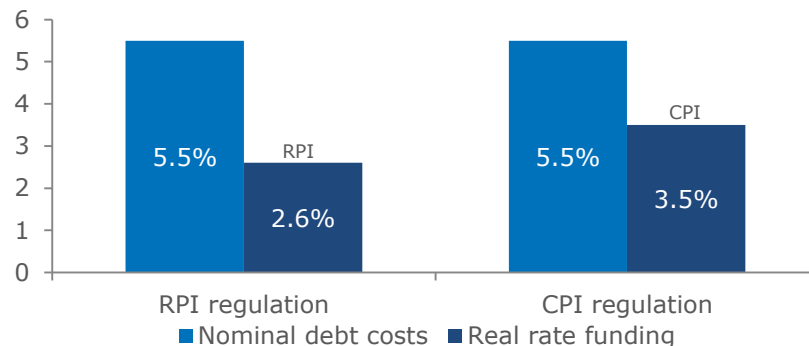
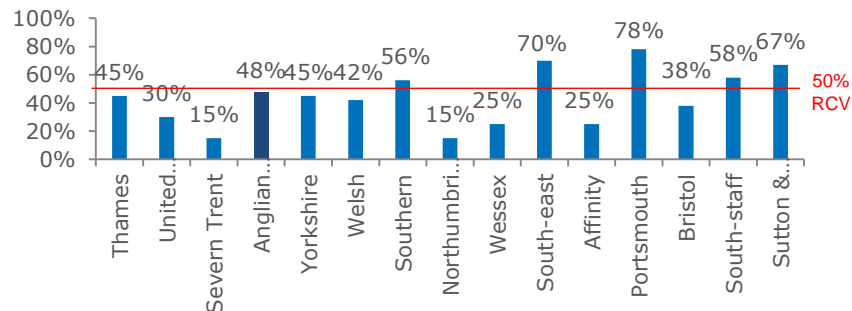


Ofwat decision to convert 50% of RCV to CPI on 1 April 2020.

Two key issues for business are value neutrality and the exposure to RPI debt

- Value neutrality: Ofwat have given commitment & companies are working alongside Ofwat to ensure that the transition will be value neutral
- RPI debt exposure: Companies with RPI debt > 50% of RCV likely to face hedging costs

## RPI-linked debt as percentage of RCV





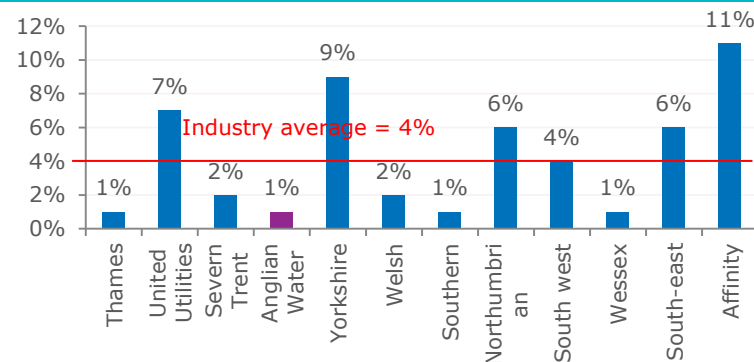
## Key highlights

- Change in indexation to CPI
- Upstream reforms: Sludge and Water Resources to open up for competition. Some volume risk post 2020
- RCV at 31 March 2020 protected
- Optional direct procurement for projects over £100m

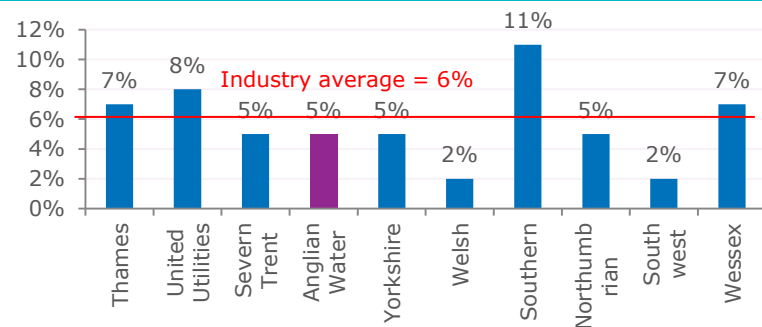
## Anglian is well placed

- Less proportion of existing RCV contestable, compared to our peers
- RPI debt as percentage of RCV forecast to be 47% at 1 April 2020 (below Ofwat's 50% RCV split level)

### Contestable RCV (Water resources)



### Contestable RCV (sludge)



# SHOP WINDOW NEWMARKET

**Unique  
Initiative**

**Meet future  
challenges  
AMP7 and beyond**

**Physical,  
live catchment**

**Lead  
innovation**

**Area to focus all of  
our innovative  
activity**

**Microcosm of a  
future Water  
Company**

love  
every  
drop.  
anglianwater

shop  
window



**SHOP WINDOW**

CREATING THE WATER COMPANY OF THE FUTURE, TODAY



## TRANSIENT RISK MAPPING



Unique pilot investigation into the causes of transients and the deterioration on infrastructure assets

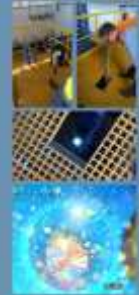


**Reduce transient related bursts by 5% – 200 bursts p.a.**  
**Estimated saving of £96k p.a**

## MICRO CAMERAS & HYDROPHONES

Capable of entering mains from hydrants and boundary boxes to condition assess and look for leaks

**Significantly improve incident response and reduce, reduce leakage and avoid excavating to install larger fittings for CCTV**



## PERMANENT NOISE LOGGING



Detecting leakage through subtle changes in noise levels through a main – pin pointing leak with GPS



**Four bursts found which traditional methods would not have detected-£5k saving during eight week trial**

## SINGLE PROPERTY BOOSTER

Single property booster to remove customers from DG2 register

**£35-£75k cheaper per property compared to traditional solutions.**  
**Between £7-15m saving across AMP (200 properties)**







# ESVAGT

**Ben Loomes**

**Managing Partner and Co-head of Infrastructure, 3i**



# ESVAGT COMPANY PRESENTATION

3i CAPITAL MARKETS DAY

27 September 2016

**ESVAGT**



# ESVAGT REPRESENTED TODAY BY...



Søren Nørgaard Thomsen  
CEO, ESVAGT



Jesper T. Lok  
Chairman, ESVAGT

# ESVAGT AT A GLANCE

Established

**1981**



**882**

Offshore  
employees



**66**

Onshore  
employees



Fleet / New

**43 / 3**



Rescued people

**129**

Revenue 2015

**MDKK 1,002**



Shareholders

3i Infrastructure plc  
AMP Capital

50%  
50%



Headoffice

**ESBJERG**



# VIDEO

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# SOME OF THE CUSTOMERS

WHOSE TRUST WE HAVE EARNED

ConocoPhillips



DONG  
energy

Apache

SIEMENS



TOTAL

ExxonMobil



centrica



TALISMAN  
ENERGY

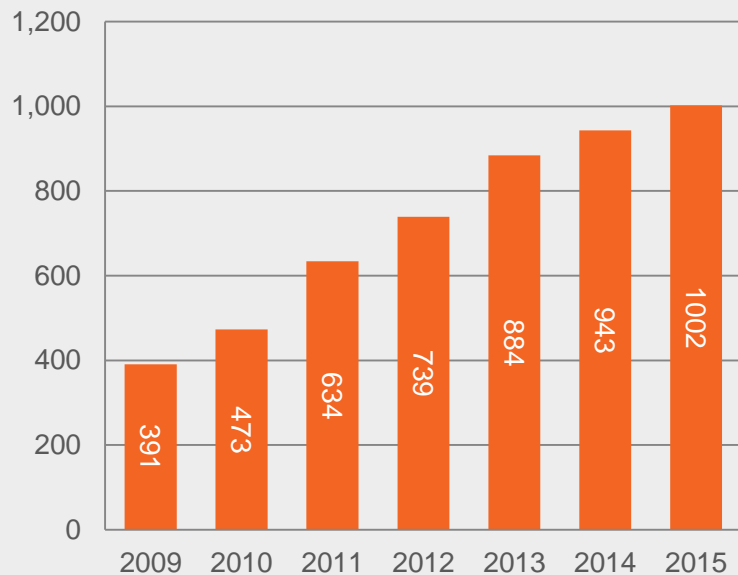


ES/AGT

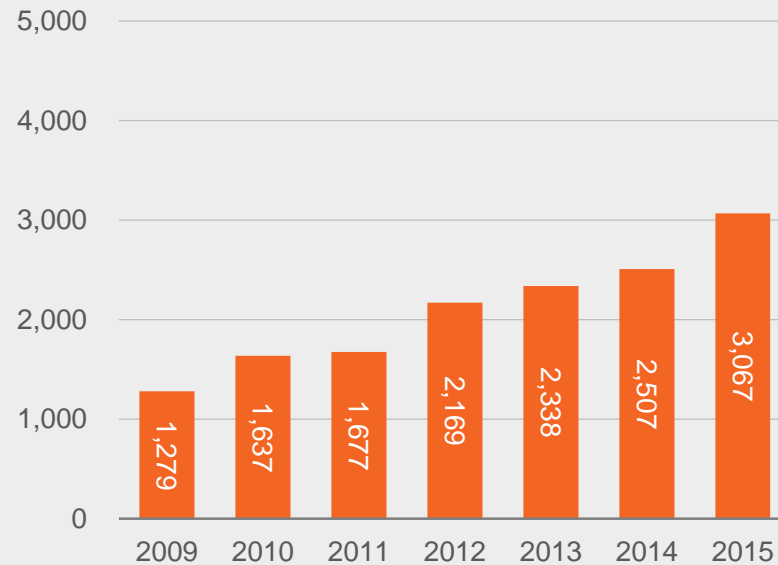
# FINANCIAL SNAPSHOT

MDKK

## Revenue



## Invested capital



# STRATEGIC FRAMEWORK

Aspiration  
"Why"

## Purpose

Provide safety and support at sea

## Direction

Ensure we are the preferred operator within Emergency Response Rescue (ERR) and Offshore Wind Service

Action  
"What"

## Core Competencies

Rostering

Market Intelligence

Tender Management

Risk Assessment

Innovative Solutions

## Core Businesses



ERRV  
(UK-DK-NO)

Offshore  
Wind SOV



## Breakthroughs

Cost efficiency

Grow Wind

UK entry

M&A

Attitude  
"How"

## Values – the ESVAGT standard

- Safety
- Quality
- Craftsmanship and dedication
- Constant Constructive Dissatisfaction
- Customer Focus and Flexibility

## Value-Propositions / Promises

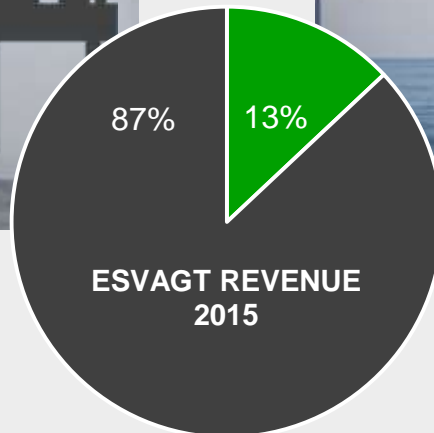
**Customers:** We make the sea a safe place to work.

**Employees:** We provide a workplace build on mutual respect, that recognizes performance, values innovation and offers opportunity to grow.

**Owners:** We deliver sustainable, profitable growth.

# MARKETS AND SEGMENTS

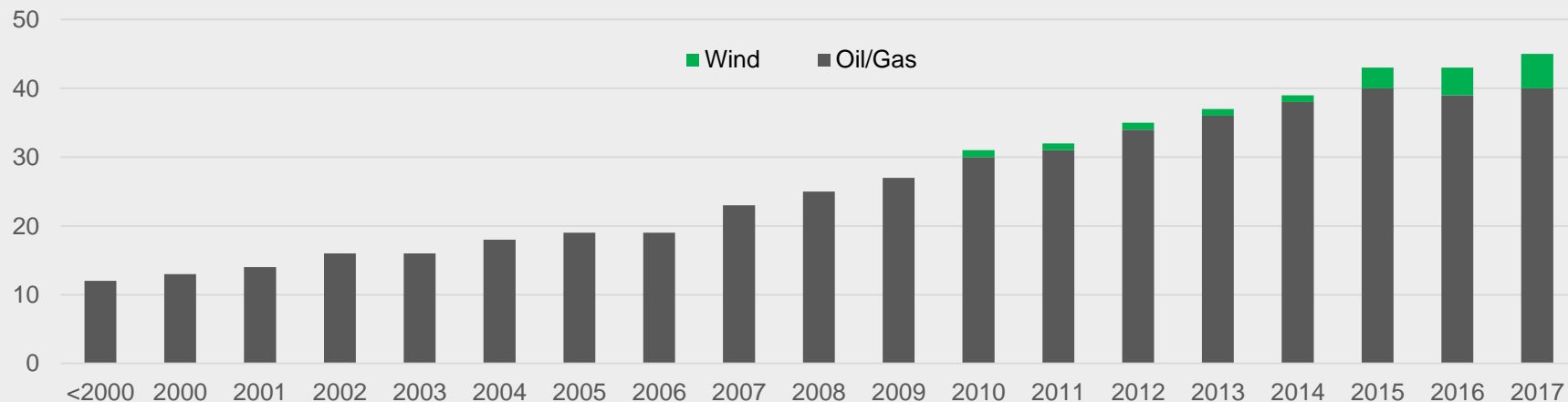
OIL & GAS ERRV | OFFSHORE WIND SOV



■ Wind ■ Oil/Gas



# ESVAGT'S FLEET



# WHERE ARE WE OPERATING?

Barents Sea

North Sea NO

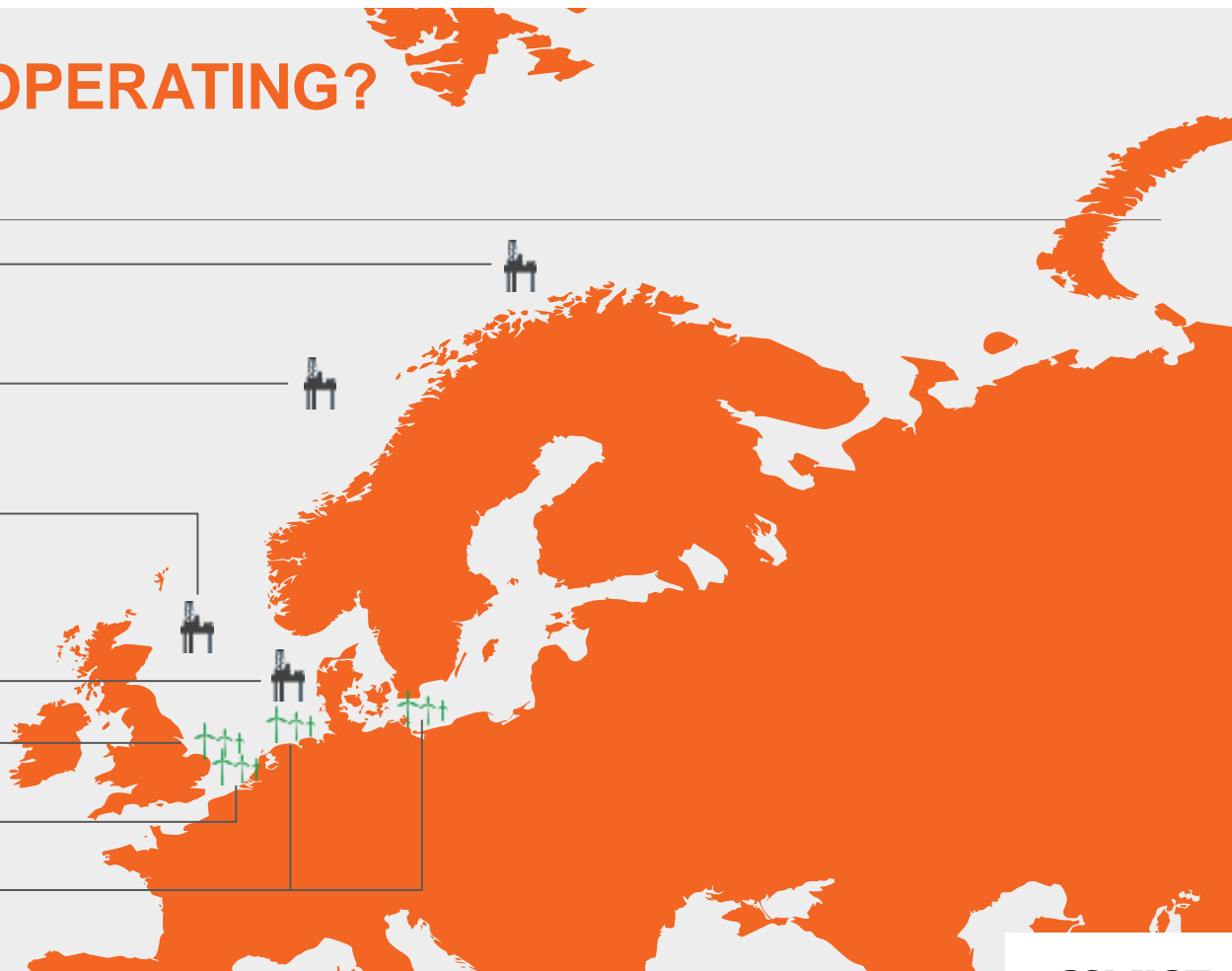
North Sea UK

North Sea DK

North Sea UK

North Sea B

North Sea D



# WHILE OTHER OFFSHORE VESSEL MARKETS HAVE SEEN SIGNIFICANT WORSENING OF MARKET CONDITIONS, THE ERRV MARKET IS HOLDING UP RELATIVELY WELL

## CORE CUSTOMER BASE SECURED

### Production (opex driven manned fields)

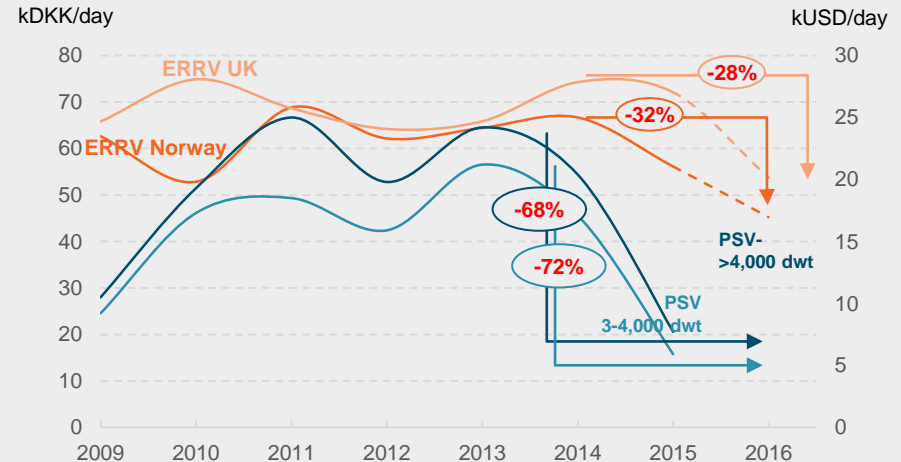
- 80% of ERRV demand and projected CAGR of 1.6% from 2014-2020
- Low lifting costs provide resilience towards oil price fluctuations

### Drilling activity

- 20% of ERRV demand
- Covers the exploration, development and production phase

## Day rate development ERRVs vs. PSVs

ERRV rates (lhs) in kDKK/day, PSV spot rates (rhs) in kUSD/day  
Yearly average



# MAXIMISING UPTIME

IN OFFSHORE WIND FARMS



# SIEMENS SOV VIDEO

LEADING OFFSHORE WIND SERVICE INTO A NEW ERA

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# MAKING THE SEA

A SAFE PLACE TO WORK



# CUSTOMERS TAKE ESVAGT STANDARD FOR GRANTED

BUT WE CANNOT...!



**ESVAGT**





# 129

LIVES SAVED

## 50%

OFFSHORE RELATED

## 50%

NIGHT RESCUES

## 50%

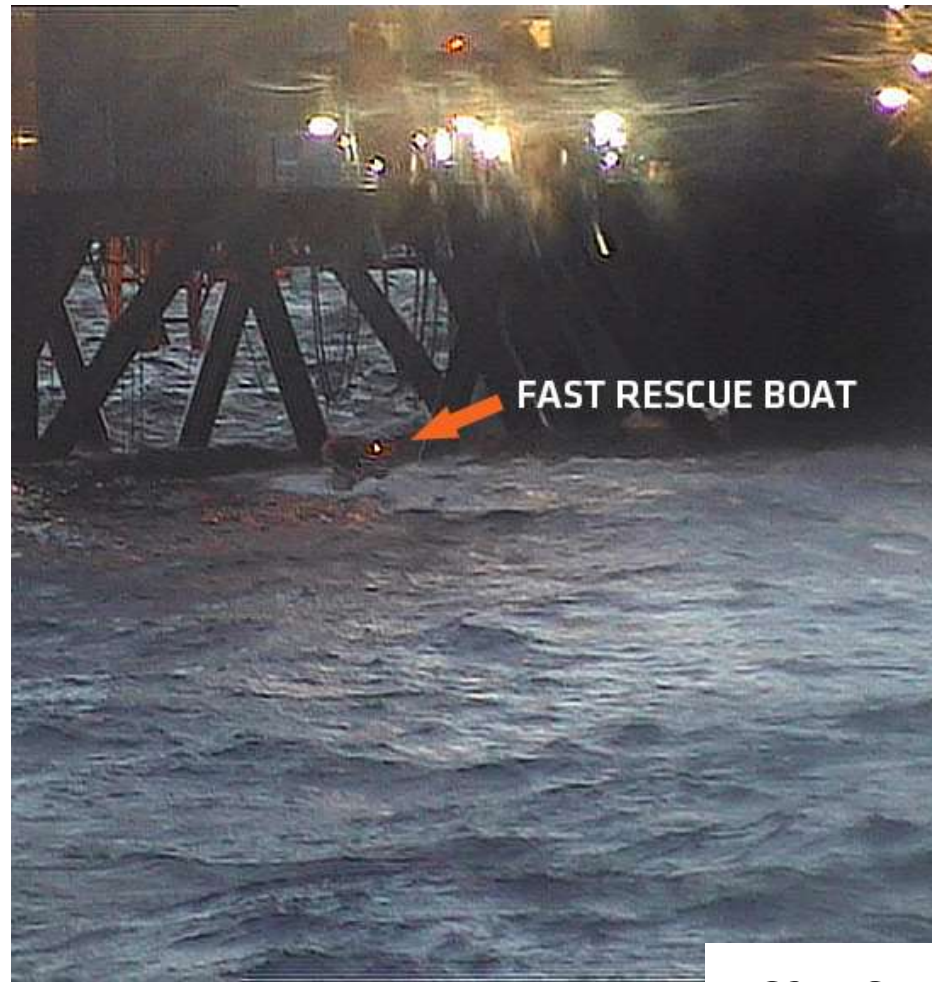
10-12M WAVES



# ARCTIC RESCUE

ESVAGT AURORA – 20 FEBRUARY 2015

- Man Over Board, fell 13,5 m from a semi-sub drilling rig (Scarabeo 8) operating at the Goliat field in the Barents Sea
- Night operation (04:11 a.m.)
- Arctic water (seawater temperature +5°C)
- Weather: E 8 m/s, sea 1 m, swell 1,5 m
- Distance from rig to ESVAGT AURORA: 1.000m (close standby not requested)
- IP recovered from water within 4 minutes from sound of alarm. Onboard ESVAGT AURORA after total 6 minutes.
- Fortunately the person only suffered minor injuries



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# INNOVATION

EQUIPPED FOR HARSH CONDITIONS



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# INNOVATION

MULTIROLE VESSELS



**ESI/AGT**

# INNOVATION

SERVICE OPERATION VESSELS



**ESVAGT**



# INNOVATION

FROM FAST RESCUE BOAT (FRB) TO SAFE TRANSFER BOAT (STB)

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FRB 10/15B



FRB 15C



FRB 15C WIND/STB 7A

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# INNOVATION

ESVAGT STB7 SAFE TRANSFER BOAT



**ESVAGT**

# INNOVATION

ESVAGT STB12 SAFE TRANSFER BOAT



**ESVAGT**



# ESVAGT'S ONSHORE BASE IN ESBJERG

ALL LAND-BASED FACILITIES CENTERED AT 'DOKHAVNEN'





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# WHEN OTHERS GO HIDING...

ESVAGT STAYS FIGHTING...!



**ESVAGT**

# 'ESVAGT CORNELIA' IN THE STORM 'DAGMAR'

JANUARY 2015

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**ESVAGT**



# Wireless Infrastructure Group

**Ben Loomes**

**Managing Partner and Co-head of Infrastructure, 3i**

Wireless Infrastructure Group (WIG) is the UK's second largest independent telecommunications tower company with c.2,000 towers and sites across the UK

- Communication towers (masts) are passive infrastructure that facilitate the provision of services to meet the increasing demand for wireless data
- Builds and operates masts in rural and suburban areas, together with fibre based networks, to improve mobile coverage in large buildings and on city streets
- Major networks are primary customers along with other users of active transmitting equipment



# Investment execution



1. Opportunity identified and developed over 18 month period
2. 36% economic interest acquired for c.£75m in June 2016
3. Remaining equity retained by Barings and management
4. Board representation from 3i Infrastructure







1. Efficient delivery of essential digital infrastructure
  - independent of any network operator
  - high quality shared infrastructure available to all networks
2. Attractive market dynamics
  - low rationale for duplicative build
  - high quality inflation-linked cash flows underpinned by long term contracts
3. Leading company in sector
  - experienced management team
  - well placed to support further growth in demand for new wireless infrastructure



## 4. Potential for follow on investment

- proven platform for further greenfield development
- opportunity to acquire under-managed infrastructure from third parties

## 5. Further growth potential through European expansion

- low independent tower ownership in Europe relative to US
- already expanded into Netherlands and Ireland

## 6. Opportunity to expand infrastructure footprint

- market leader in provision of Distributed Antenna Systems
- Increasing demand for small cell technology to densify urban areas



- Continuing to deliver against business plan and investment case
- Supporting with growth priorities
- Building relationship and rapport with management team and co-investor





## **Scott Coates**

### **Chief Executive Officer**

Scott launched WIG as an independent infrastructure company in 2006 and together with the management team has led its growth into a key player in the industry.

Before joining WIG Scott was an infrastructure investor focused on the telecoms sector.


Scott founded and also serves as Chairman of the European Wireless Infrastructure Association

***3i Infrastructure plc  
Capital Markets Seminar***



**Glenfinnan**  
30m tower  
*Supports 6 customers*



An aerial photograph of a telecommunications tower in a rural landscape. The tower is a tall, red metal lattice structure with several white satellite dishes and antennas attached. It stands next to a small, single-story building with a grey roof. The surrounding area is a vast, green, open field with a winding dirt road. In the background, there are rolling hills, a body of water, and distant mountains under a cloudy sky.

***Arisaig***  
*35m tower*  
*Supports 5 customers*



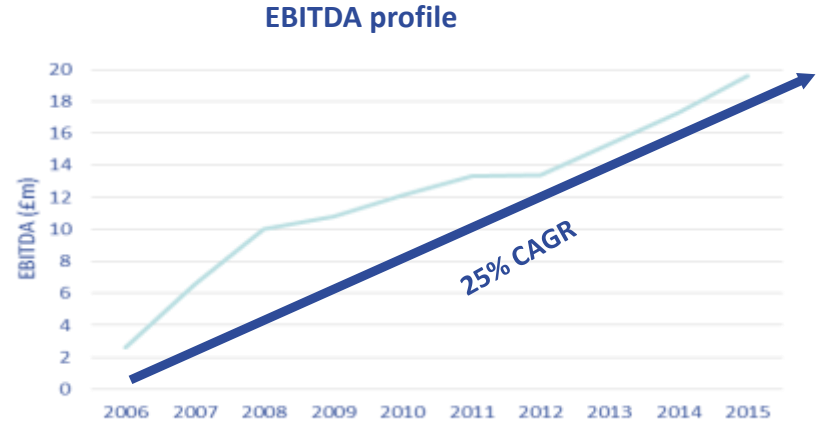
***Chalvey***  
*30m tower*  
*Supports 3 customers*



***Foxhill***  
*38m tower*  
*Supports 5 customers*

***WIG is an entrepreneurial infrastructure company - we build, aggregate and manage wireless infrastructure assets***

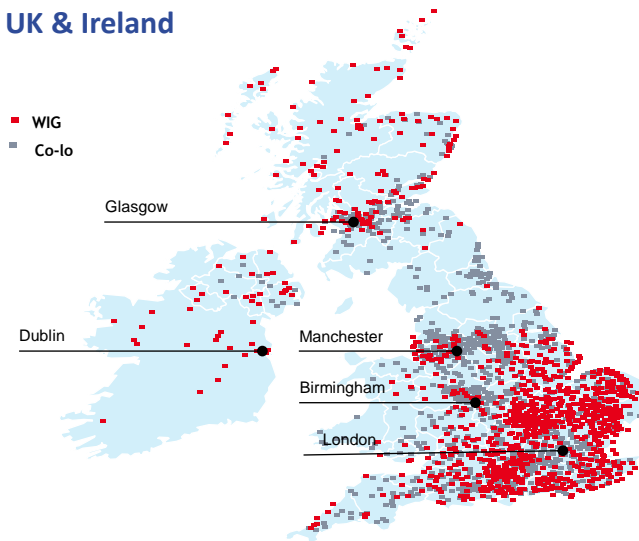
- Launched as an infrastructure company in 2006
- Wood Creek Capital Management invested 2012
- Critical mass achieved – largest pure play Towerco in the UK
- 3i Infrastructure plc invested 2016 as part of strategy to scale up





## WIG operates a broad pool of premium industry assets

### UK & Ireland



### Netherlands



### WIG KPIs

Portfolio (inc. 1k colo towers)

2k

Countries

3

Staff

55

Customers per tower

2.2

DAS systems

19





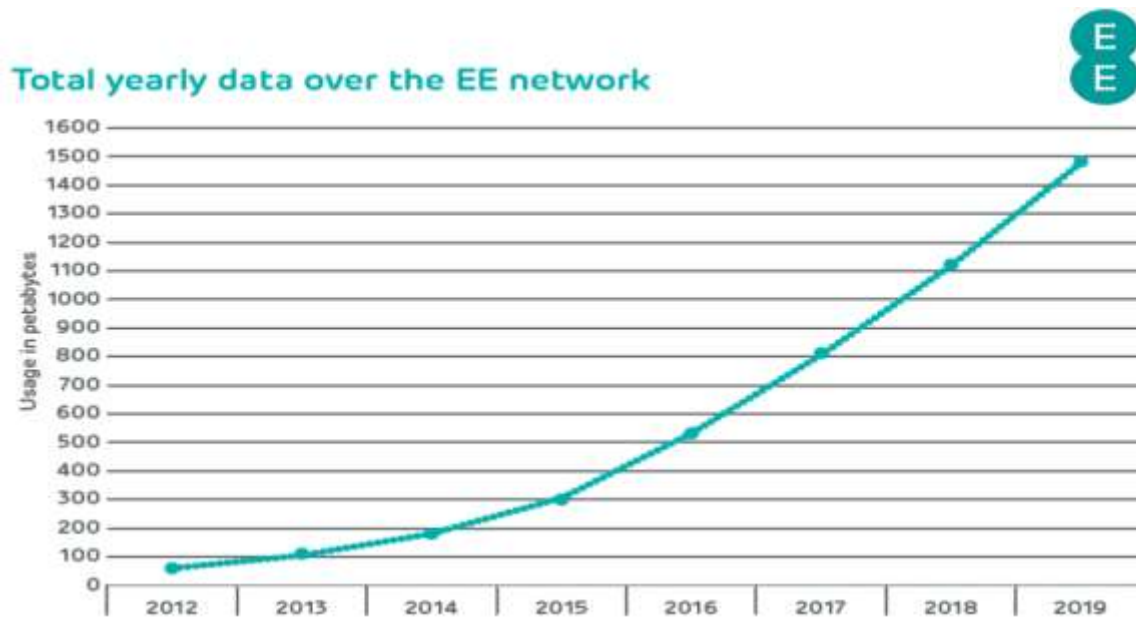


1. Industry overview

2. WIG overview

3. Opportunities

## *Growth in wireless broadband underpins long-term industry fundamentals*

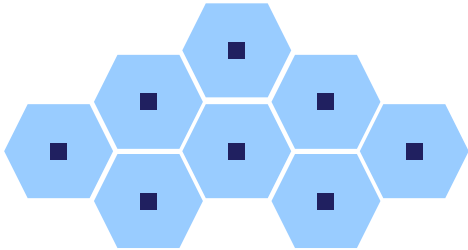


Source: EE, Nov 15

## *Continual growth in networks PoPs translates into growing infrastructure demand*

### Network designed for initial voice and basic data services

- Quality of voice services on the rise
- Smartphones introduced to the market

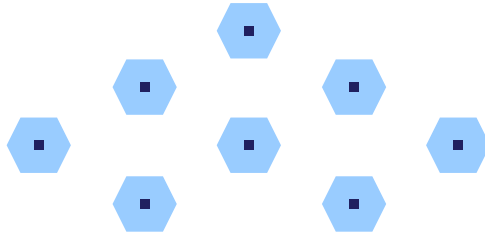


Original Cell Site

New Cell Site

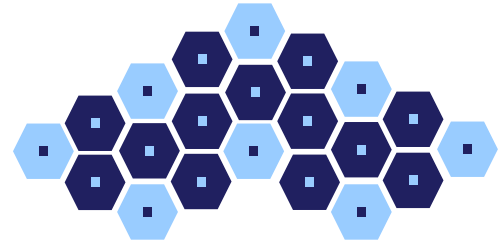
### Cell sizes shrink as usage rises

- Smartphone adoption
- Tablets, dongles and other connected devices make high demands of networks



### Operators need additional site count to meet growing demand

- Developing infill sites is a continual process



## *Independent towers enable better connectivity for the communities they serve*

### **Independent**

- Higher capacity
- Open access – no conflict of interest
- Better managed
- Average networks = 2.9<sup>1</sup>



### **MNO**

- Under-invested structures
- Primarily used for network owner
- Average networks = 1.45<sup>1</sup>



<sup>1</sup>Source: EY, average of North America & Europe

A landscape photograph showing a hill covered in brown and yellow vegetation. In the background, there are rolling hills and a blue sky with scattered clouds. A tall, metal telecommunications tower stands prominently on the right side of the hill.

1. Industry overview

2. WIG overview

3. Opportunities

## Financial Profile

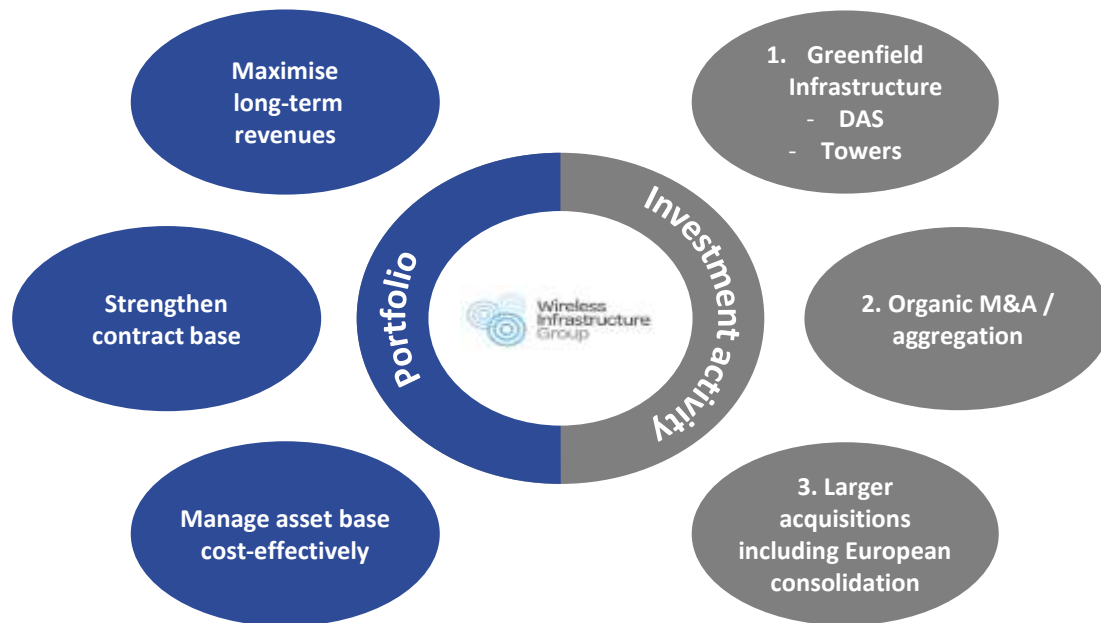
£m	2013	2014	2015
<b>Tower Cash Flow</b>	<b>17.0</b>	<b>19.0</b>	<b>20.6</b>
<i>Growth</i>	<i>17%</i>	<i>11%</i>	<i>9%</i>
<b>Portfolio EBITDA</b>	<b>15.3</b>	<b>17.3</b>	<b>19.5</b>
<i>Growth</i>	<i>14%</i>	<i>13%</i>	<i>13%</i>
<b>Operating Cashflow (pre-capex)</b>	<b>17.3</b>	<b>16.9</b>	<b>18.9</b>

WIG has high levels of cash generation reflecting significant investment in asset base

## ***Why 3i Infrastructure?***

- Follow on capital
- European network
- Appetite
- Board dynamics

***Our strategy seeks to maximise asset performance and grow our infrastructure base***



***We want to be the leading mid-market towerco operating across Western Europe***

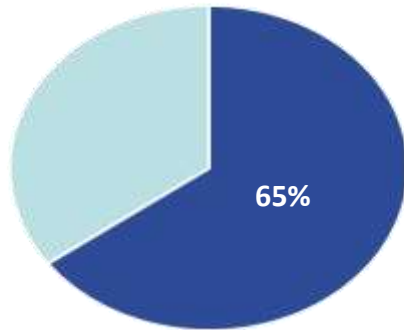


1. Industry overview
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## European towerco market is expanding quickly

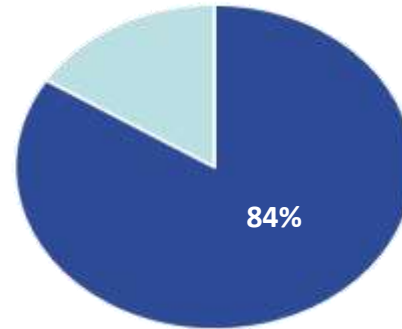
### Global



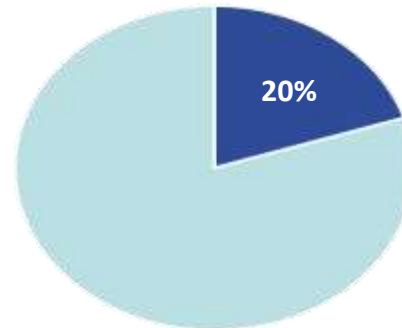
***Tower industry  
asset class  
worth c.\$200bn***

■ Proportion of towers operated under Towerco model  
(EY/TowerXchange)

### US



### Europe



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An aerial photograph of the London skyline at sunset. The city is densely packed with buildings, and the sky is a hazy orange. A white rounded rectangle is superimposed over the center of the image, containing the text 'DAS'. The Gherkin is prominent on the right, and the Shard is visible in the center, both reflecting the golden light of the setting sun.

**DAS**

## Small cells

“Small cells represent a similar growth opportunity to what the industry saw with regular towers in the early 2000s.”

*Crown Castle CEO Ben Moreland*  
*RCR Wireless News, Jul-14*



## *Summary*

- Towercos are an infrastructure opportunity linked to long-term wireless broadband trend
- WIG operates a broad pool of premium industry assets underpinned by long-term inflation linked contracts
- Industry leading platform
- Significant greenfield and aggregation opportunities at a pivotal time for European tower sector
- Opportunity to scale up working in partnership with our investors





# Closing remarks

**Phil White**

**Managing Partner and Co-head of Infrastructure, 3i**

# Clear strategic priorities



## Maintaining a balanced portfolio

- Delivering an attractive mix of income yield and capital growth for our shareholders
- Investing in developed markets, with a focus on the UK and Europe

## Managing the portfolio intensively

- Driving value from the Company's portfolio through our engaged asset management approach

## Disciplined approach to new investment

- Focusing selectively on investments that are value enhancing to the Company's portfolio and consistent with its return objectives

## Maintaining an efficient balance sheet

- Minimising return dilution to shareholders from holding excessive cash, while maintaining a good level of liquidity for future investment



