

3i Infrastructure Limited



Placing and open offer of new ordinary shares



Global Co-ordinator, Sponsor and Joint Underwriter



Joint Underwriter

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document 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").

If you sell or have sold or otherwise transferred your entire holding of Ordinary Shares in 3i Infrastructure Limited ("3i Infrastructure" or the "Company") before 12 June 2008, you should send this document, together with the accompanying Application Form, immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for delivery to the purchaser or transferee.

This document comprises 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 new ordinary shares in the Company (the "New Ordinary Shares") to be issued in connection with the Placing and Open Offer (and, if applicable, the Additional Placing) 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 New Ordinary Shares 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. It is expected that Admission will become effective, and that unconditional dealings in the New Ordinary Shares will commence, at 8.00 a.m. on 9 July 2008.

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 has obtained a certificate under Article 8B of the Jersey Funds Law from the JFSC to operate as a company issuing units for the purposes of the Jersey Funds Law 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. The Jersey Administrator and the Registrar are each licensed to conduct fund services business in Jersey pursuant to the Financial Services (Jersey) Law 1998, as amended.

Citigroup Global Markets Limited ("Citi"), which is authorised and regulated by the FSA, is acting for the Company and no one else in connection with the Placing and Open Offer (and the Additional Placing) and will not regard any other person as its client in relation to the Placing and Open Offer (or the Additional Placing) 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 Placing and Open Offer or any transaction or arrangement referred to in this Prospectus.

Barclays Capital, the investment banking division of Barclays Bank PLC ("Barclays Capital"), which is authorised and regulated by the FSA, is acting for the Company and no one else in connection with the Placing and Open Offer (and the Additional Placing) and will not regard any other person as its client in relation to the Placing and Open Offer (or the Additional Placing) 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 Placing and Open Offer (or the Additional Placing) or any transaction or arrangement referred to in this Prospectus.

Prospective investors should read the whole of this document, including the discussion of certain risks and other factors that should be considered in connection with an investment in the New Ordinary Shares as set out in the Risk Factors section of this 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 New Ordinary Shares 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)

Placing and Open Offer (and Additional Placing) of New Ordinary Shares at an Offer Price of 106 pence per New Ordinary Share

Investment Adviser

3i Investments plc

Sole Sponsor, Sole Bookrunner and Sole Broker

Citi

Joint Underwriters

Citi

Barclays Capital

The New Ordinary Shares 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. The New Ordinary Shares may not be offered or sold within the United States or to any US person ("US Person") as defined in Regulation S under the Securities Act ("Regulation S") or US Resident (as defined below). Applicants for New Ordinary Shares will be required to certify that they are not US Persons and are not subscribing for New Ordinary Shares on behalf of US Persons. Pursuant to the Placing and Open Offer, the New Ordinary Shares may not be offered or sold in the United States, or to, or for the account or benefit of (or by), US Persons or US Residents (as defined below). The Company has not been and will not be registered under the Investment Company Act of 1940, as amended (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 New Ordinary Shares or facilitates individual investment decisions, such as a self-directed employee benefit or pension plan, it will be treated as a US Resident to the extent one or more of the beneficiaries or other interest holders of such entity are US Residents.

The Ordinary Shares are not transferable except in compliance with the restrictions described in Part V and Part XI of this document. Further, no purchase, sale or transfer of the Ordinary Shares 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 Ordinary Shares 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. For further details, see the Risk Factors section and Part XI of this document.

Prospective investors should rely only on the information contained in this document. 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, 3i Group or the Underwriters. 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, or that the information contained in it is correct as at any time after the date of this document.

Prospective investors must not treat the contents of this document or any subsequent communications from the Company, the Directors, 3i Investments, 3i Group or the Underwriters 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 New Ordinary Shares; (b) any foreign exchange restrictions applicable to the purchase, holding, transfer, redemption or other disposal of New 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.

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SUMMARY

THIS SUMMARY SHOULD BE READ AS AN INTRODUCTION TO THIS DOCUMENT. ANY DECISION TO INVEST IN THE NEW ORDINARY SHARES SHOULD BE BASED ON CONSIDERATION OF THIS DOCUMENT AS A WHOLE.

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. 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 Company

The Company (a Jersey-incorporated, public closed-ended investment company) makes investments in entities owning infrastructure businesses and assets. It invests globally, but with a focus on Europe, North America and Asia. The Company's Ordinary Shares and Warrants are listed on the Official List and admitted to trading on the London Stock Exchange.

The Placing and Open Offer

The Company intends to raise approximately £114.6 million (before fees and expenses) through a Placing and Open Offer of 108,132,277 New Ordinary Shares. The Offer Price of 106 pence per New Ordinary Share represents a discount of approximately 2.8% to the middle market closing price for an existing Ordinary Share of 109 pence on 11 June 2008, and a premium to Adjusted NAV (after payment of the proposed final dividend) of 0.4%. Under the Open Offer, Shareholders may subscribe for 2 New Ordinary Shares for every 13 Ordinary Shares held at the Record Date.

3i Group has irrevocably undertaken to the Company and the Underwriters to subscribe for 23,584,905 New Ordinary Shares out of its entitlement to 49,936,935 New Ordinary Shares under the Open Offer. The other 26,352,030 New Ordinary Shares, which 3i Group has undertaken not to take up, are being placed firm with investors at the Offer Price and will not be subject to claw back under the Open Offer ("Non-Claw Back Shares").

The remaining 58,195,342 New Ordinary Shares to be issued in the Placing and Open Offer are being placed with investors subject to claw back to meet applications under the Open Offer.

The latest time for receipt of applications under the Placing and Open Offer will be 11.00 a.m. on 3 July 2008. Applications will be made for the New Ordinary Shares to be listed on the Official List and admitted to trading on the London Stock Exchange. It is expected that Admission will become effective, and that unconditional dealings in the New Ordinary Shares will commence, at 8.00 a.m. on 9 July 2008.

If demand for New Ordinary Shares from Shareholders and prospective Placees exceeds the number of New Ordinary Shares available in the Placing and Open Offer, the Company may issue up to an additional 35,142,990 New Ordinary Shares at the Offer Price on a non-pre-emptive basis in a separate Additional Placing. The number of New Ordinary Shares issued in the Additional Placing (if any) will be announced after the closing of the Open Offer and such New Ordinary Shares will be issued on the date of Admission. The Additional Placing is not being underwritten.

The expenses associated with the Placing and Open Offer are estimated to be approximately £3.4 million; assuming a maximum Additional Placing, the total expenses are estimated to be approximately £4.1 million. The Directors will endeavour to invest the Net Proceeds, together with any disposal proceeds arising up to 12 months after Admission (net of costs and expenses), in further infrastructure investments globally over the 18-month to two-year period following Admission; however, the Company retains the discretion to return any capital profits from such disposal proceeds to Shareholders.

Current Investment Portfolio

In 2007, the Company raised approximately £703 million (before expenses) through the IPO. Including undrawn commitments, at the date of this document the Company has invested or committed £661 million¹, representing 95% of the IPO Net Proceeds. In the financial period ended 31 March 2008, the Company delivered a Total Return of £91 million², or 13.1% on shareholders' equity (after issue costs) as at the IPO Admission.

1 Taken from the Group's unaudited accounting records.

2 Calculated on the unaudited investment basis.

The Current Investment Portfolio comprises:

- an investment through AWG in Anglian Water, the fourth largest water supply and waste water company in England and Wales measured by regulatory capital value;
- an interest in I², one of the largest PFI secondary market funds;
- a 45% interest in the three subsidiaries of Oiltanking, which provide oil, petroleum and other oil-related and chemicals storage facilities;
- a US\$250 million commitment (partially drawn-down) in the India Infrastructure Fund;
- an interest in Alma Mater, which invests in the UPP (University Partnerships Programme) Group, a portfolio of companies responsible for building, managing, operating and maintaining student accommodation at universities in England. (This interest is subject to a conditional sale agreement referred to in Part II);
- investments in two other PFI projects, one being a hospital in Norwich and the other a series of schools in Scotland;
- a 10% interest in Novera, a UK listed energy company, acquired for a consideration of £11.2 million;
- an investment in the construction, operation and maintenance of a waste-to-energy plant to generate heat and power from refuse-derived fuels in Germany; and
- a portfolio of junior debt assets in infrastructure companies in the UK and Continental Europe.

Results and Current Trading

The following is a summary of the Company's results for the financial period to 31 March 2008.

		Reported under Consolidated IFRS basis		Reported under Investment basis ¹	
		Period to March 2008	Period to Sept 2007	Period to March 2008	Period to Sept 2007
New investment commitments	£m	742.0	534.7	613.1	412.7
Total return ²	£m	89.3	40.2	90.5	33.3
Total return as % of opening shareholders' equity ³	%	12.9%	4.2%	13.1%	4.8%
Net assets ⁴	£m	768.3	722.7	769.6	726.7
Diluted net asset value per share	p	108.5	102.6	108.6	103.1
Dividend per share	p				
– Interim dividend		2.0	2.0	2.0	2.0
– Final/Proposed dividend		3.0	—	3.0	—
Net borrowings	£m	151.0	132.7	Nil	Nil

Each of the Company and Infinis Energy Limited confirmed on 2 June 2008 that they do not intend to make an offer for Novera, following which the share price of Novera fell (between 31 March 2008 and 11 June 2008, by approximately 8%). The Current Investment Portfolio has otherwise performed in line with the Board's expectations since the end of the financial period ended 31 March 2008.

Infrastructure businesses

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.

¹ Investment basis: The Investment Adviser considers this investment basis presentation provides a more meaningful representation of the Net Asset Value, shows the Company's cash utilisation for investment and differentiates between non-recourse borrowings held within asset specific acquisition companies and borrowings which may be made at the Company level. The investment basis accounts for majority investments and subsidiaries formed specifically for investment purposes in the same way as minority investments by determining a fair value for the investment and therefore does not consolidate these entities line-by-line as is required under IFRS. The figures provided under the investment basis have not been audited.

² Total recognised income and expense for the year.

³ Opening Shareholders' equity is defined for this period as total funds raised at IPO less foundation costs.

⁴ On the consolidated basis, net assets represent net assets attributable to equity holders of the parent not including minority interests.

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 or from disposals by private sector companies. In the public sector, governments may privatise existing infrastructure assets or may procure new infrastructure involving the private sector.

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

Investment objective and distribution policy

The Company makes investments with an overall objective of providing Shareholders with a Total Return of approximately 12% per annum on the aggregate of the IPO Net Proceeds and, following Admission, 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, following Admission, the Company will target an annual distribution yield of approximately 5% on Opening NAV (following full investment), through a combination of regular dividends and, if appropriate, capital returns. The Company's first interim dividend of 2p per share was paid on 19 December 2007 and (subject to shareholder approval) its first final dividend of 3p per share will be paid on 31 July 2008, making an aggregate of 5p per share for the financial period. New Ordinary Shares will not participate in the first final dividend. Future dividends on Ordinary Shares and New Ordinary Shares are also expected to be paid twice a year, normally in respect of the six months to 31 March and to 30 September. There can be no assurance that the Company will achieve its distribution objectives.

Summary of investment policy

Most of the Company's investments are in unquoted companies. However, the Company may also invest in entities whose shares or other instruments are listed on any stock exchange if the Directors judge that such an investment is consistent with the Company's investment objectives. The Company may also consider investing in other fund structures.

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

No investment made by the Company will represent more than 20% of the Company's gross assets, including cash holdings, at the time of the making of the investment.

Directors

The Directors, all of whom are non-executive, are Peter Sedgwick (Chairman), Philip Austin, Martin Dryden, Peter Wagner, Paul Waller and Steven Wilderspin. Paul Waller was nominated as director by 3i Group in its role as shareholder in the Company; all of the other Directors are independent.

Raising of debt capital

On 28 March 2008, the Company entered into a three year, £225 million revolving credit facility provided by four major banking groups. The new facility provides the Company with greater financing flexibility and the opportunity to make prudent use of leverage to attempt to enhance returns to Shareholders. The Board currently expects to use the facility primarily as a bridge to the financing of investments with equity.

3i Group

3i Investments, which is regulated in the UK by the FSA, acts as investment adviser to the Company through members of its Infrastructure Investment Team. The Infrastructure Investment Team also has access to the wider 3i Group network, consisting of offices in 14 countries worldwide and over 250 investment professionals. An annual advisory fee is payable (at rates of 1.5% or 1.25%, depending on for how long an investment has been held) on the fair value of the Company's investments and a performance fee will also be payable if the Company achieves a certain target return for its Shareholders. In the financial period ended 31 March 2008, the annual advisory fee payable was £8.0 million and the performance fee payable was £9.2 million.

The Company has an exclusive right of first refusal over infrastructure investment opportunities generated by 3i Group's international network within Europe and North America which, from Admission, will last until the earlier of five years after the IPO Admission or the sum of the Equity Proceeds and any Relevant Disposal Proceeds becoming fully invested. Outside these jurisdictions the Company has 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 (as it has in the case of the India Infrastructure Fund).

3i Group has established an incentive scheme for the executives in the Infrastructure Investment Team, designed to align the financial interests of the executives with those of the Shareholders.

3i Group has also set up a co-investment scheme whereby members of the Infrastructure Investment Team are required to acquire Ordinary Shares, in order to align their interests with the Company. The Infrastructure Investment Team is currently required to invest approximately £3 million over the first three years after the IPO, including an initial investment by certain members at the IPO. It is intended that this requirement will be increased proportionally to reflect the increase in issued Ordinary Shares under the Placing and Open Offer.

As 3i Group will only take up a portion of its entitlements, following the Placing and Open Offer (and assuming that there is no Additional Placing), 3i Group and its Concert Parties will own a maximum of 351,163,680 Ordinary Shares and 32,558,380 Warrants, representing 43.3% of the issued share capital of the Company (or 45.5% if all the Warrants of 3i Group and its Concert Parties are exercised and no other Warrants are exercised).

Warrants

The Company issued 70,640,980 Warrants as part of the IPO, that are currently exercisable. Given the Offer Price, there will be no adjustment to the terms of the Warrants as a result of the Open Offer.

Risk factors

Investment in the Company and the Ordinary Shares carries a degree of risk. The risks which are currently considered by the Company to be material include, but are not limited to, the following general areas:

- *Risks relating to the Company and its investment strategy:* including that: (i) the track record of the Company and Investment Adviser is not indicative of future performance; (ii) it may take time to deploy the Company's capital or to replace investments that have been realised, potentially leading to lower returns; (iii) the value of the Company's assets (as estimated and reported by the Company) may not ultimately be realised; and (iv) certain covenants in the Company's Facility Agreement place restrictions on the Company;
- *Risks relating to the Investment Adviser:* including that: (i) the Company is highly dependent on the Investment Adviser 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 Current Investment Portfolio:* including that: (i) a proportion of the investments comprising the Current Investment Portfolio are illiquid; and (ii) the Company's investment in India Infrastructure Fund may expose it to risks associated with India and the timing and identity of India Infrastructure Fund's investments;
- *General risks relating to investments:* including that: (i) the Company's investments are likely to be in entities that are highly leveraged; (ii) the ability of infrastructure companies to achieve attractive rates of return will depend on their ability to access sources of indebtedness at attractive rates; (iii) the investment portfolio comprises 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 and the Placing and Open 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) if Shareholders do not take up their entitlement to New Ordinary Shares under the Open Offer, their interest in the Company will be diluted by the New Ordinary Shares (iv) 3i Group's significant shareholding of the share capital of the Company 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; and

- *Risks relating to ERISA*: including that the Company cannot guarantee that the underlying assets of the Company will not be subject to regulation under ERISA.

RISK FACTORS

Investment in the Company and the Ordinary Shares 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 and the Placing and Open Offer. 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 the Prospectus carefully and in its entirety and consult with their professional advisers before acquiring any New Ordinary Shares. Without prejudice to the working capital statement in Part IX of this document, if any of the risks referred to in the Prospectus were to occur, the financial position and prospects of the Company could be materially adversely affected. If that were to be the case, the trading price of the Ordinary Shares 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 and 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 institutional and sophisticated investors.

The New Ordinary Shares 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 New Ordinary Shares constitutes part of a diversified investment portfolio. There is no guarantee that any appreciation in the value of the New Ordinary Shares 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 track record of the Investment Adviser and the Company is not necessarily a guide to the Company's future performance

The Company is dependent on the performance of the Investment Adviser and its ability to identify sufficient and suitable investment opportunities for the Company. The returns to date of the Investment Adviser and the Company are not necessarily a guide to the Company's future performance.

The Investment Adviser has not yet identified all of the potential investments that it may recommend to the Company and, while it is expected that the Company will achieve its stated targeted Total Return, it is nevertheless expected that the Company will generate lower returns than it may otherwise have done until the Net Proceeds are fully deployed.

While the Investment Adviser has identified a number of potential opportunities for further investment for the Company, it has not yet identified all of the potential investments that the Company could make with the proceeds received by the Company from the Placing and Open Offer (and any proceeds from the Additional Placing, if any, or net disposal proceeds arising up to 12 months after Admission). Although it has targeted a period of between 18 months and two years following Admission for full investment of these proceeds, the Company cannot predict definitively how long it will take to fully deploy its uninvested 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 adopts 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 invests its cash are expected to generate returns that are substantially lower than the returns that the Company typically receives 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

A substantial portion of the investments that the Company has made, and will continue to make, are in the form of investments for which market quotations are not readily available. The Investment Adviser is 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 are used, among other things, in the Company's financial statements and will be used for determining the basis on which Ordinary Shares are repurchased, if applicable, 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 evaluates 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 Portfolio 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 half-yearly 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 half-yearly 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. The market prices for quoted investments may be volatile, particularly where there is bid speculation relating to the Company concerned. 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 operates in a highly competitive market for investment opportunities

The Company competes 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.

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 are 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, the Luxembourg 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 are themselves 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 is 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 scope of risk management or hedging activities undertaken by the Company 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 seeks to 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 is not always possible to do so; alternatively the Company may 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 has invested, and may in future invest, in other investment funds over which it does not have direct control

The Company has invested, and may in future invest, in other investment funds. Any such funds are, and will be, separately advised or managed (either by the Investment Adviser or a third party) and, other than any rights to attend and vote at investor meetings, the Company has, and 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.

Certain covenants in the Company's Facility Agreement place restrictions on the Company's future actions

On 28 March 2008, the Company entered into a three year Facility Agreement with four major banking groups. The Company has not drawn down under the Facility Agreement, and the Board currently expects to use the facility primarily as a bridge to the financing of investments with equity. However, the Facility Agreement contains a number of covenants that could place restrictions on the Company's future actions. These include covenants from the Company that no material change will be made to the Investment Policy without the prior written approval of the "majority lenders" under the Facility Agreement, and that no person other than 3i Investments or a company that is within the 3i Group shall become the Investment Adviser during the term of the Facility Agreement. In addition, the Company shall not make or declare any repayment or return of capital or make any distribution of assets whatsoever in respect of share capital or shareholder loans and the Company shall not pay or declare any distribution unless: (a) no event of default or potential event of default set out in the Facility Agreement is outstanding (i.e. it has not been remedied or waived) or would result from such payment or declaration; and (b) the total value of the outstanding amounts drawn down under the Facility Agreement as at the date of such payment or declaration is less than 35% of the Company's adjusted net asset value (valued as set out in the Facility Agreement), having taken into account the amount of such distribution. The Facility Agreement also provides that if any person or group of persons acting in concert (other than a member or members of the 3i Group) gains control of the Company, any lender may require the facility agent to cancel the commitment of that lender and declare the facility immediately repayable. It also requires any proceeds from any equity issues by the Company or from certain disposals of the Company's legal or beneficial interests in AWG and Oystercatcher to be used to pre-pay any outstanding loans and thereafter in prepayment of any outstanding letters of credit under the Facility Agreement, unless the Company has obtained the prior written approval of the majority lenders under the Facility Agreement in respect of such disposal, in which case the proceeds of such disposal may be applied by the Company in its own discretion.

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 depends on the Investment Adviser for the provision of investment advice. Details of the services that the Investment Adviser provides to the Company pursuant to the Investment Advisory Agreement are set out in Parts IV and XI 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 13 March 2012, being the fifth anniversary of the date of the IPO 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 depends 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 highly dependent on the Investment Adviser's performance

The Company's ability to achieve its investment objectives depends on its ability to grow its investment base, which, in turn, depends 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. Further details of the current investments held by the Company which are subject to such a term are set out in Section E below. 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 might 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 13 March 2012, being the fifth anniversary of the date of the IPO Admission (unless the Investment Adviser ceases to be a member of the 3i Group, in which case 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, it has agreed not to make investments that have not been recommended by the Investment Adviser. The Investment Advisory Agreement may only be terminated by the Company before the end of the initial term 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. In addition, the Company has undertaken that no person other than 3i Investments or a company within the 3i Group shall become Investment Adviser while the Facility Agreement is outstanding.

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 a 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. For further details regarding the Investment Advisory Agreement and the period of exclusivity, see Part XI of this document.

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. Specific risks relating to the Current Investment Portfolio

A proportion of the investments comprising the Current Investment Portfolio are illiquid

The underlying investments comprising the Current Investment 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 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 holdings in certain of its existing investments 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 is a limited partner but where a 3i entity is the general partner and 3i Investments is the manager. If 3i Investments ceased 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, further details of which are set out in Part XI below, 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.

The Company may be exposed to certain specific risks as a result of its interest in I², an infrastructure investment fund

I² 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 I², which include, but are not limited to, the following:

- Infrastructure Investors Limited (the "I² Manager"), the company which is responsible for managing the affairs of I² and operating it on a day-to-day basis, is controlled by two other shareholders in addition to 3i Group: BPE and Société Générale. In order for I² 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 I²;
- the Company has only an indirect economic interest in I²; and
- a number of other potential contractual risks under the governing agreements were identified on purchase of the interest, against which the Company sought and received undertakings and indemnities from 3i Group relating thereto.

The Company may be exposed to certain specific risks as a result of its interest in the India Infrastructure Fund

The Company has an interest in the India Infrastructure Fund, pursuant to which the Company has committed US\$250 million. This money, while committed, is not all invested and the Company has no direct control over the speed at which it will be invested by the India Infrastructure Fund, or the identity of the investments (see also above). For so long as such committed amount is not called upon to be invested by the India Infrastructure Fund it is likely to produce less return than if fully invested. Furthermore, an investment in India exposes the Company to currency risks, as described in section E below. Risks concerning developing markets, such as India, to which the company may be exposed through this investment are also described in section E below.

E. General risks relating to the Company's investments

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

The Company makes, and expects to continue 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 depends 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 to a substantial degree 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 in Section 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 is, and may continue to be, exposed to a relatively limited number of individual investments. 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.

The Company invests in emerging markets, which entails certain specific risks

The Company has invested, and may in future invest, in emerging markets where it feels appropriate infrastructure opportunities exist. Although the exact nature and extent of risks depends on factors relevant to each country, investing in the securities of issuers in emerging markets involves particular risks not usually associated with investing in securities of issuers in more developed markets.

These risks include, but are not limited to: political and economic considerations, such as a greater risk of expropriation, nationalisation or of general social, political and economic instability; a lack of liquidity and price volatility in the markets and potential difficulties in realising investments due to the small size of markets for securities; concepts of corporate governance which are sometimes less well developed; and certain policies in certain equity markets which may restrict the Company's investment opportunities, including restrictions on investing in issuers or industries deemed sensitive to national interests.

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 I of this document, the concessions granted to infrastructure companies or other entities in which the Company invests, and may continue to 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 obligations 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 or 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 and 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 makes, and expects to continue 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 invests, and will continue to invest, in infrastructure businesses and assets which will require a long-term commitment of capital. In addition, a substantial amount of the Company's infrastructure investments are, and will continue to 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 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 undertakes in connection with the Company's investments may not reveal, and may not have revealed, all facts that may be relevant in connection with an investment

Before the Company makes any infrastructure investment, the Investment Adviser arranges 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 is to identify attractive investment opportunities based on the facts and circumstances surrounding an investment. When considering the due diligence, the Investment Adviser is 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, is 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 as 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, will not 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.

Many of the Company's infrastructure investments are, and will continue to be, in companies or other entities that the Company does not control and project agreements may contain restrictions on the freedom of certain of such entities

Many of the Company's infrastructure investments comprise, and will continue to 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.

Where the Company invests alongside other investors, the terms of the investment agreements may provide for the Company's interest to be subject to obligations which could require a compulsory sale

The Company invests, and expects to continue to invest, in infrastructure companies where its interest may ultimately be subject to so-called 'drag-along' rights whereby, if investors holding a high enough proportion of the total interests decided to sell to a third party, the Company'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.

The Company's infrastructure investments 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 makes 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 always seeks 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. Alternatively, the Company may consider holding structures for investments that could include synthetic interests or the splitting of legal and beneficial ownership.

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

The Company may acquire investments as part of a consortium. In such cases, as a prerequisite to participation in the consortium, the Company may be required to enter into various arrangements with the other consortium members which may include the Company 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 Company'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 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 I 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, retain a significant equity interest post-privatisation, 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.

The Company's investments are exposed to foreign exchange risk, which may have an adverse impact on the Net Asset Value of the Company

The Company's investments may be denominated in different currencies and, accordingly, these investments will be subject to foreign exchange risks and their value may be affected unfavourably by fluctuations or volatility in currency rates. Although the Company may use derivative instruments to limit the Company's exposure to such foreign exchange risk, it is not always possible or appropriate to do so. In addition, there can be no certainty that any attempt to limit such exposure will be successful and therefore the value of the Company's investments may be adversely affected. Please see Section B above for further details of the Company's risk management activities.

F. General risks relating to the Company's Ordinary Shares and the Placing and Open Offer

The price of the Ordinary Shares may fluctuate significantly and Shareholders could lose all or part of their investment

The market price of the Ordinary Shares 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 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 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.

In addition, the shareholding of 3i Group may have an impact on the Company's share price.

The Ordinary Shares may trade at a discount to Net Asset Value

The New 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 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.

If Shareholders do not take up their entitlement to subscribe for New Ordinary Shares under the Open Offer, their ownership of existing Ordinary Shares will be diluted upon allotment of the New Ordinary Shares

If Shareholders do not respond to the Open Offer by 11.00 a.m. on 3 July, the latest date for application and payment in full in respect of their entitlements, their proportionate ownership and voting interest in the Ordinary Shares will be reduced and the percentage that their existing Ordinary Shares represents of the issued share capital of the Company will be reduced accordingly. Those Shareholders in Excluded Territories will, in any event, not be able to participate in the Open Offer (subject to certain limited exceptions).

The Placing and Open Offer may lead to temporary trading of Ordinary Shares and New Ordinary Shares at less than NAV

To the extent that the New Ordinary Shares may be issued at a discount to NAV, it is possible that the Placing and Open Offer may lead to the trading of Ordinary Shares and New Ordinary Shares at less than NAV for a period of time.

Pursuant to the Additional Placing, and also thereafter, the Company may issue additional shares that dilute existing shareholdings or are on more favourable terms than the Placing and Open Offer. The issue of additional shares by the Company may cause the market price of the Ordinary Shares and New Ordinary Shares to decline

The Company may issue additional shares under the Additional Placing or in subsequent public offerings or private placements. In addition, as of the date of the Prospectus, the Company had 70,640,980 Warrants in issue, which could obligate the Company to issue up to 70,640,980 additional Ordinary Shares. Any such subsequent offering would be subject to pre-emption rights in the Articles of Association, although the Company has an existing 5% disapplication resolution and will be proposing a further resolution at its upcoming AGM in July 2008. Furthermore, the subsequent issue of additional shares may be on more favourable terms than the Placing and Open Offer. The issue of additional shares by the Company, or the possibility of such issue, may cause the market price of the Ordinary Shares and New Ordinary Shares 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 is 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.

The Company's ability to make distributions will depend on it receiving sufficient earnings from its underlying investments, including any cash balances, and on its borrowings under the Facility Agreement not having exceeded a certain level

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 earnings 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.

Pursuant to the Facility Agreement, the Company shall not (i) make any repayment or return of capital or (ii) pay or declare any distribution in cash or in kind, unless: (a) no event of default or potential event of default under the Facility Agreement is outstanding or would result from such distribution; and (b) the total value of the outstanding amounts drawn down under the Facility Agreement as at the date of such distribution is less than 35% of the Company's adjusted net asset value (valued as set out in the Facility Agreement), having taken into account the amount of such distribution.

3i Group has the ability to exercise significant influence at meetings of the Company's Shareholders

The 3i Group currently holds 46.18% of the issued share capital of the Company; following the Placing and Open Offer (and assuming no Additional Placing), the shareholding of the 3i Group will be reduced to 42.9%. Therefore, 3i Group is, and will continue to be, able to exercise significant influence over matters requiring the approval of the Shareholders, including the election of Directors and the approval of significant corporate transactions. 3i Group and the Company have a Relationship Agreement which governs their continuing relationship. 3i Group will also have a significant influence over the success of any takeover offer that may be made for the Company.

As a result of 3i Group's 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 has irrevocably undertaken to subscribe for 23,584,905 New Ordinary Shares under the Open Offer and will, on Admission, be interested in 348,174,983 Ordinary Shares, representing a maximum of 42.9% of the new issued share capital of the Company following the Placing and Open Offer. In addition, the Concert Parties of 3i Group may subscribe for New Ordinary Shares under the Open Offer and Placing (or Additional Placing, if any) which, in conjunction with their current shareholdings, will make a maximum total percentage holding of 3i Group and its Concert Parties of 43.3%. 3i Group and its Concert Parties also hold 32,558,380 Warrants, giving them a potential maximum holding on exercise of the Warrants of 45.5% (assuming no other exercise of Warrants).

Pursuant to Note 11 to Rule 9.1 of the City Code, 3i Group and its Concert Parties will also be entitled to acquire further Ordinary Shares in the Company, provided that the total number of Ordinary Shares acquired must not exceed 1% of the issued voting share capital of the Company in any period of 12 months (and the resulting percentage held by 3i Group and its Concert Parties must not exceed the highest percentage held in the previous 12 month period). If 3i Group or the members of the Infrastructure Investment Team acquire any further interests in Ordinary Shares in the Company over and above this limit 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 interests in Ordinary Shares 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*), the City Code will normally require a mandatory cash offer to be made to acquire all the Ordinary Shares not already held. 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 XI of this 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 or any Concert Party will not be required to make a mandatory cash offer for the Company at some point in the future, for example, if such dispensation is not forthcoming, or if it fails to comply with any of the requirements stipulated as a condition to any dispensation referred to above being granted.

G. 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 VI 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 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 Company's 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 might 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, 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.

H. Risks relating to ERISA

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

Ordinary Shares may not be acquired under the Placing and Open 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 New Ordinary Shares, 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.

IMPORTANT INFORMATION

Prospective investors should rely only on the information contained in this document. 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 the Underwriters. 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 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 or any subsequent communications from the Company, the Investment Adviser, 3i Group or the Underwriters 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.

Apart from the responsibilities and liabilities, if any, which may be imposed on the Underwriters by FSMA or the regulatory regime established thereunder, the Underwriters make no representations, express or implied, and accept no responsibility whatsoever for the contents of this document nor for any other statement made or purported to be made by them or either of them or on its or their behalf in connection with the Company, the New Ordinary Shares, the Placing and Open Offer or the Additional Placing. Each Underwriter 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.

Each Underwriter and any affiliate acting as an investor for its own account may retain, purchase or sell New Ordinary Shares for its own account and may offer or sell such securities otherwise than in connection with the Placing and Open Offer or the Additional Placing. Neither Underwriter intends to disclose the extent of any such investments or transactions otherwise than in accordance with any applicable legal or regulatory requirements.

This document does not constitute, and may not be used for the purposes of, an offer or an invitation to subscribe for any New Ordinary Shares 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 New Ordinary Shares in certain jurisdictions may be restricted. Accordingly, persons outside the United Kingdom into whose possession this document comes are required by the Company and the Underwriters to inform themselves about, and to observe any restrictions as to the offer or sale of New Ordinary Shares and the distribution of, this document under the laws and regulations of any territory in connection with any applications for New Ordinary Shares, 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, the Underwriters, the Investment Adviser or the Jersey Administrator that would permit a public offering of the New Ordinary Shares 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.

This document does not constitute an offer of New Ordinary Shares to any person who has a registered address in, or who is resident in, the Excluded Territories. The New Ordinary Shares may not, directly or indirectly, be offered, sold, reoffered, resold, pledged or otherwise transferred into the Excluded Territories.

The New Ordinary Shares have not 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.

The distribution of this document and the offer, sale and/or issue of the New Ordinary Shares 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.

The New Ordinary Shares 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. The New Ordinary Shares may not be offered or sold within the United States or to any US person ("US Person") as defined in Regulation S under the Securities Act ("Regulation S") or US Resident (as defined below). Applicants for New Ordinary Shares will be required to certify that they are not US Persons and are not subscribing for New Ordinary Shares on behalf of US Persons. Pursuant to the Placing and Open Offer, the New Ordinary Shares may not be offered or sold in the United States, or to, or for the account or benefit of (or by), US Persons or US Residents (as defined below). The Company has not been and will not be registered under the Investment Company Act of 1940, as amended (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 New Ordinary Shares or facilitates individual investment decisions, such as a self-directed employee benefit or pension plan, it will be treated as a US Resident to the extent one or more of the beneficiaries or other interest holders of such entity are US Residents.

Data protection

The information that a prospective investor in the Company provides in documents in relation to a subscription for New Ordinary Shares 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 relate 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, New Ordinary Shares 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 XII 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 New Ordinary Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of the New Ordinary Shares 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 New Ordinary Shares. 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 New Ordinary Shares, and the income from such New Ordinary Shares, can go down as well as up.

The Prospectus should be read in its entirety before making any investment in the New Ordinary Shares. 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 Placing and Open Offer and the Additional Placing (if any) 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 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.

Basis of presentation of financial information

Except as indicated, financial information in this document comprises information for the Company for the period from its incorporation on 16 January 2007 to 31 March 2008 and has been extracted without material adjustment from Part VIII "Financial Information" of this document or from the accounting records which form the underlying basis of the financial information on which the Company's audited financial information is based (including records setting out the Company's accounts on the investment basis referred to in Part VII). Where indicated, the document also includes unaudited financial information from the Company's accounting records since 31 March 2008.

Certain figures contained in this document, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in a column or a row in tables contained in this document may not conform exactly to the figure given for that column or row.

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; all references to "€" or "euro" are to the lawful currency of the Eurozone countries; and all references to Indian rupees are to the lawful currency of India.

No incorporation of website

Neither the contents of 3i Group's website (including those sections relating to the Investment Adviser) nor the contents of the Company's website form part of the Prospectus.

Definitions

A list of defined terms used in the Prospectus are set out in Part XIII of this 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.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Record Date for entitlement under the Open Offer	close of business on 10 June 2008
Date the Ordinary Shares become ex-entitlement to the Open Offer	12 June 2008
Open Offer Entitlements credited to stock account in CREST of Qualifying CREST Shareholders	13 June 2008
Record date for final dividend on the Ordinary Shares	20 June 2008
Recommended latest time for requesting withdrawal of Open Offer Entitlements from CREST	4.30 pm on 26 June 2008
Latest time for depositing Open Offer Entitlements into CREST	3.00 pm on 30 June 2008
Latest time and date for splitting of Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 pm on 1 July 2008
Latest time and date for receipt of completed Application Forms and payment in full under the Open Offer or settlement of relevant CREST instruction (as appropriate)	11.00 am on 3 July 2008
Announcement of results of Open Offer and Placing and Additional Placing (if any)	4 July 2008
Admission and commencement of dealings in New Ordinary Shares	8.00 am on 9 July 2008
CREST members' accounts credited in respect of New Ordinary Shares in uncertificated form	9 July 2008
Despatch of definitive share certificates for New Ordinary Shares in certificated form	no later than 16 July 2008

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

The dates and times specified above are subject to change. In particular, the Underwriters may, with the prior approval of the Company, bring forward or postpone the closing time and date for the Placing and Open Offer by up to two weeks. If such date is changed, the Company will notify investors who have applied for New 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.

ISSUE STATISTICS

Total number of Ordinary Shares in issue prior to the Placing and Open Offer and the Additional Placing, if any	702,859,804
Maximum number of New Ordinary Shares	143,275,267
Total number of New Ordinary Shares to be issued under the Placing and Open Offer	108,132,277
Total number of Non-Claw Back Shares	58,195,342
Maximum number of New Ordinary Shares to be issued under the Additional Placing, if any	35,142,990
Maximum number of Ordinary Shares in issue following the Placing and Open Offer and the Additional Placing, if any	846,135,071
Percentage of enlarged issued share capital represented by the maximum New Ordinary Shares	16.9%
Offer Price	106 pence
Gross proceeds of the Placing and Open Offer receivable by the Company	£114,620,213
Net proceeds of the Placing and Open Offer receivable by the Company	£111,227,213
Maximum gross proceeds of the Additional Placing, if any	£37,251,569
Maximum net proceeds of the Additional Placing, if any	£36,506,538
Market capitalisation of the Company at the Offer Price immediately following the Placing and Open Offer (assuming no Additional Placing)	£859,651,606
Market capitalisation of the Company at the Offer Price immediately following the Placing and Open Offer (and assuming a maximum Additional Placing)	£896,903,175

DIRECTORS, AGENTS AND ADVISERS

Directors (all non-executive)	Peter Sedgwick (Chairman) Philip Austin Martin Dryden Peter Wagner Paul Waller Steven Wilderspin
Administrator to the Company, Company Secretary and Registered Office	Mourant & Co. Limited PO Box No 87 22 Grenville Street St. Helier Jersey JE4 8PX Channel Islands
Registrar	Capita Registrars (Jersey) Limited 12 Castle Street St. Helier Jersey JE2 3RT Channel Islands
UK Transfer Agent	Capita Registrars Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Receiving Agent	Capita Registrars Limited Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Investment Adviser	3i Investments plc 16 Palace Street London SW1E 5JD
Sole Sponsor, Sole Bookrunner, Sole Broker and Joint Underwriter	Citigroup Global Markets Limited Citigroup Centre Canada Square London E14 5LB
Joint Underwriter	Barclays Capital 5 The North Colonnade Canary Wharf London E14 4BB
Auditors	Ernst & Young LLP Liberation House Castle 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 Sponsor,
Underwriters and Broker as to
English and US law**

Freshfields Bruckhaus Deringer LLP
65 Fleet Street
London EC4Y 1HS

PART I

INFORMATION ON THE COMPANY

Introduction

The Company (a Jersey incorporated, public closed-ended investment company) intends to raise approximately £114.6 million (before fees and expenses) through the Placing and Open Offer of 108,132,277 New Ordinary Shares. The Offer Price of 106 pence per New Ordinary Share represents a discount of approximately 2.8% to the middle market closing price for an existing Ordinary Share of 109 pence on 11 June 2008, and a premium to Adjusted NAV of 0.4%. Under the Open Offer, Shareholders may subscribe for 2 New Ordinary Shares for every 13 Ordinary Shares held at the Record Date.

3i Group has irrevocably undertaken to the Company and the Underwriters to subscribe for 23,584,905 New Ordinary Shares out of its entitlement to 49,936,935 New Ordinary Shares under the Open Offer. The other 26,352,030 New Ordinary Shares, which 3i Group has undertaken not to take up, are being placed firm with investors at the Offer Price and will not be subject to claw back under the Open Offer ("Non-Claw Back Shares").

The remaining 58,195,342 New Ordinary Shares to be issued in the Placing and Open Offer are being placed with investors subject to claw back to meet applications under the Open Offer.

If demand for New Ordinary Shares from Shareholders and prospective Placees exceeds the number of New Ordinary Shares available in the Placing and Open Offer, the Company may issue up to an additional 35,142,990 New Ordinary Shares at the Offer Price on a non-pre-emptive basis in a separate Additional Placing. The number of New Ordinary Shares issued in the Additional Placing (if any) will be announced after the closing of the Open Offer and such New Ordinary Shares will be issued on the date of Admission. The Additional Placing is not being underwritten.

The Ordinary Shares in the Company were first admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities on 13 March 2007. The Company's market capitalisation has grown 9.0% since the IPO to £766,117,186 million (as at 11 June 2008). In September 2007, the Company entered the FTSE 250 index.

The Company's Ordinary Shares and Warrants are listed on the Official List and admitted to trading on the London Stock Exchange. Applications will also be made for the New Ordinary Shares to be listed on the Official List and admitted to trading on the London Stock Exchange. It is expected that Admission will become effective, and that unconditional dealings in the New Ordinary Shares will commence, at 8.00 a.m. on 9 July 2008.

The Company issued 70,640,980 Warrants as part of the IPO. Each Warrant entitles the holder to subscribe for one Ordinary Share. The Warrants are currently exercisable at any time up to 13 March 2012. Given the Offer Price, there will be no adjustment to the terms of the Warrants as a result of the Open Offer.

The Company makes investments in entities owning infrastructure businesses and assets. It invests globally, but with a focus on Europe, North America and Asia. Its purpose is to build a diversified portfolio of infrastructure investments for investors. 3i Investments, which is regulated in the UK by the FSA, acts as investment adviser to the Company through members of its Infrastructure Investment Team. The Infrastructure Investment Team also has access to the wider 3i Group network, consisting of offices in 14 countries worldwide and over 250 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 IV of this document.

Background to and reasons for the Placing and Open Offer

The Company raised approximately £703 million (before fees and expenses) through the IPO. Including undrawn commitments, at the date of this document the Company has invested or committed £661¹ million, representing 95% of the IPO Net Proceeds. The Company is therefore on track to invest the IPO Net Proceeds ahead of its original target to invest the proceeds within two years of the IPO Admission. 3i Infrastructure has now successfully built a portfolio of attractive, geographically diversified infrastructure assets that is delivering returns in line with the Company's objectives.

In the financial period ended 31 March 2008, the Company delivered a Total Return of £91 million or 13.1%¹ on shareholders' equity (after issue costs) as at the IPO Admission. The Company's Net Asset

¹ Taken from the Group's unaudited accounting records.

Value increased by 11.3%¹ from £693.1 million as at the IPO Admission to £770 million on 31 March 2008 and the Board has declared dividends totalling 5p per share for the period.

Notwithstanding a backdrop of volatile equity markets and adverse credit conditions, the Company (advised by the Investment Adviser) continues to believe that the prospects for the infrastructure asset class remain very attractive. The infrastructure market is continuing to experience healthy levels of activity and the Directors remain confident that the market opportunity for infrastructure on a global scale remains strong, with private sector financing becoming increasingly important in the funding mix of infrastructure projects around the world. The Company has benefited from 3i Group's international network and the breadth and depth of relationships with both financial and industrial partners globally, as well as its selective approach to investment. The Investment Adviser continues to identify high quality investment opportunities which can deliver returns in line with the Company's stated investment objective.

The Group has entered into a conditional sale agreement in relation to its interest in Alma Mater, which has therefore been revalued in the Company's financial statements at a discount to the expected sale proceeds. In general, while the Company's overall strategy is to hold investments for the long-term, the Board may proceed with additional selective disposals in the shorter term if it believes that such disposals would deliver enhanced value for Shareholders. The Company intends that net capital proceeds from both the proposed Alma Mater sale and any other realisations up to 12 months after Admission would be re-invested within the same timeframe as the investment period for the Net Proceeds set out below, although the Directors retain the discretion to return any capital profits made on such disposals to Shareholders.

The Company is proposing to raise approximately £114.6 million (before fees and expenses) through the Placing and Open Offer. (Up to a further £37.3 million (before fees and expenses) could be raised through the Additional Placing.) The Directors will endeavour to invest the Net Proceeds, together with any disposal proceeds arising up to 12 months after Admission (net of costs and expenses), in further infrastructure investments globally over the 18-month to two-year period following Admission; however, the Company retains the discretion to return any capital profits from such disposal proceeds to Shareholders.

The Directors believe that the proposed fund raising has the following principal benefits:

- the Net Proceeds will provide the Company with capital to pursue further attractive, value-enhancing, investment opportunities;
- it offers the opportunity for existing shareholders and other institutional investors to gain increased exposure to infrastructure, an attractive asset class with defensive characteristics which provides predictable, income-orientated returns with opportunities for capital growth and relatively low correlation with other asset classes such as equities and fixed income;
- the Company will have greater scale in order to further diversify its investment portfolio by geography and across different stages of the asset life cycle; and
- the market capitalisation of the Company will increase following the Placing and Open Offer and it is expected that the secondary market liquidity of the Ordinary Shares will be enhanced through a wider shareholder base.

The Placing and Open Offer (and any Additional Placing) may result in some dilution to the Net Asset Value of the Ordinary Shares in the short-term. However, the Directors believe that it should enhance Net Asset Value over the longer term. The Placing and Open Offer (and any Additional Placing) will allow Shareholders to maintain their exposure, and new investors to gain immediate exposure, to the existing, diversified investment portfolio of the Company.

3i Group has irrevocably undertaken (i) to subscribe for 23,584,905 New Ordinary Shares in the Open Offer; and (ii) not to take up its entitlement to the remaining 26,352,030 New Ordinary Shares, which are instead being placed firm with investors. Its undertaking to subscribe is consistent with its ongoing commitment to the Company, while the ability to place the Non-Claw Back Shares with new investors should broaden the Company's shareholder base. This should increase the free float of the Company and should enhance liquidity. It is also consistent with 3i Group's objective of increasing overall assets under management or advice, including from third parties, over time.

Peter Sedgwick and Peter Wagner have irrevocably committed to subscribe for, in aggregate, 12,306 Open Offer Shares, their full entitlements under the Open Offer.

¹ Calculated on the unaudited investment basis.

Investment objective

The Company makes investments with an overall objective of providing Shareholders with a Total Return of approximately 12% per annum on the aggregate of the IPO Net Proceeds and, following Admission, 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, following Admission, the Company will target an annual distribution yield of approximately 5% on Opening NAV (following full investment), through a combination of regular dividends and, if appropriate, capital returns. Further information is set out in the section headed "Distribution Policy" in this Part I. There can be no assurance that the Company will achieve its distribution objectives.

Investment policy

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

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

Most of the Company's investments are in unquoted companies. However, the Company may also invest in entities owning infrastructure businesses and assets whose shares or other instruments are listed on any stock exchange, irrespective of whether they cease to be listed after completion of the investment, if the Directors judge that such an investment is consistent with the Company's investment objectives set out above. (The Company will, in any case, invest no more than 15% of its total gross assets in other investment companies or investment trusts which are listed on the Official List.)

The Company may also consider investing in other fund structures (in the event that it considers, on receipt of advice from the Investment Adviser, that 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.

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

No investment made by the Company will represent more than 20% of the Company's gross assets, including cash holdings, at the time of the making of the investment. It is expected that most individual investments will exceed £50 million.

In some cases, the total amount required for an individual transaction may exceed the maximum amount that the Company is permitted to commit to a single investment. In such circumstances, the Company may consider entering into co-investment arrangements with 3i Group (or other investors who may also be significant Shareholders), pursuant to which 3i Group (or such other investors) may co-invest on the same financial and economic terms as the Company. The suitability of any such co-investment arrangements will be assessed on a transaction-by-transaction basis and would be subject to both Board and, where applicable, 3i Group approval. Depending on the size of the relevant investment and the identity of the relevant co-investor, such a co-investment arrangement may be subject to the related party transaction provisions contained in the Listing Rules and may therefore require Shareholder consent.

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

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

Current Investment Portfolio

Including undrawn commitments of £128 million, as of the date of this Prospectus, the Company has invested or committed £661¹ million, representing 95% of the IPO Net Proceeds.

An initial portfolio of infrastructure assets was acquired by the Company from 3i Group at the time of the IPO for a total consideration of £234.4 million. This included (i) a 9% minority interest in AWG; (ii) a 31.2% limited partnership interest in I², which makes investments in secondary market public and private infrastructure projects; (iii) a 25% interest in Octagon (supplemented subsequently by a purchase of a further 1.3% interest), formed to build and maintain Norfolk and Norwich Hospital and (iv) a 50% equity interest in Alpha Schools, formed to build and refurbish 11 new schools in Scotland under a 30-year PFI contract.

In the period between the IPO and the date of this document, the Company has invested or committed an additional £334 million¹. The investments during this period included (i) the acquisition, through Oystercatcher Luxco 2, of a 45% interest in three subsidiaries of Oiltanking, which provide petroleum and chemical storage facilities in Amsterdam, Malta and Singapore; (ii) a 20.9% interest in the India Infrastructure Fund, established by 3i Group to invest in infrastructure opportunities in India; (iii) the acquisition (following exercise of an option granted by 3i Group at the IPO) of a 40.7% interest in Alma Mater which invests development capital in student accommodation and universities across the UK; and (iv) a 16.7% interest in the construction of a new-build waste to energy plant to generate heat and power from refuse-derived fuels near Frankfurt, in Germany. The Company has also invested in junior debt of certain infrastructure businesses.

3i also holds a 10% interest in Novera, acquired for a consideration of £11.2 million. A third party, Infinis Energy Limited, subsequently acquired a 28.2% holding in Novera. The Company confirmed on 2 June 2008 that it did not intend to make an offer for Novera, and would not do so (except in certain limited circumstances) during the subsequent six months. Infinis Energy Limited made a similar confirmation on the same date.

Further details on the Current Investment Portfolio are contained in Part II of this document.

¹ Taken from the Group's unaudited accounting records.

Results and Current Trading

The following is a summary of the Company's results for the financial period to 31 March 2008.

		Reported under Consolidated IFRS basis		Reported under Investment basis ¹	
		Period to March 2008	Period to Sept 2007	Period to March 2008	Period to Sept 2007
New investment commitments	£m	742.0	534.7	613.1	412.7
Total return ²	£m	89.3	40.2	90.5	33.3
Total return as % of opening shareholders' equity ³	%	12.9%	4.2%	13.1%	4.8%
Net assets ⁴	£m	768.3	722.7	769.6	726.7
Diluted net asset value per share	p	108.5	102.6	108.6	103.1
Dividend per share	p				
– Interim dividend		2.0	2.0	2.0	2.0
– Final/Proposed dividend		3.0	—	3.0	—
Net borrowings	£m	151.0	132.7	Nil	Nil

The Company and Infinis Energy Limited confirmed on 2 June 2008 that they do not intend to make an offer for Novera, following which the share price of Novera fell (between 31 March 2008 and 11 June 2008, by approximately 8%). The Current Investment Portfolio has otherwise performed in line with the Board's expectations since the end of the financial period ended 31 March 2008.

Further details on the Company's results are contained in Part VIII of this document, and the Company's operating and financial review is set out in Part IX.

Use of Proceeds

The Company will receive approximately £111.2 million from the Placing and Open Offer, net of fees and expenses of approximately £3.4 million, and a maximum of approximately £147.7 million from the Placing and Open Offer and Additional Placing, net of fees and expenses of approximately £4.1 million. The fees and expenses include fees payable under the Underwriting and Placing Agreement, legal, registration, printing, advertising and distribution costs and any other applicable expenses. The Directors will endeavour to invest the Net Proceeds, together with any disposal proceeds arising up to 12 months after Admission (net of fees and expenses), in further infrastructure investments globally over the 18-month to two-year period following Admission; however, the Company retains the discretion to return any capital profits from such disposal proceeds to 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 that 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 level of risk may vary between one potential infrastructure investment and another. The Company therefore seeks to maintain a balanced risk profile within the infrastructure sector, targeting returns on individual investments that reflect each investment's level of risk.

1 Investment basis: The Investment Adviser considers this investment basis presentation provides a more meaningful representation of the Company's net asset value, shows the Company's cash utilisation for investment and differentiates between non-recourse borrowings held within asset specific acquisition companies and borrowings which may be made at the Company level. The investment basis accounts for majority investments and subsidiaries formed specifically for investment purposes in the same way as minority investments by determining a fair value for reinvestment and therefore does not consolidate these entities line-by-line as is required under IFRS. The figures provided under the investment basis have not been audited.

2 Total recognised income and expense for the year.

3 Opening Shareholders' equity is defined for this period as total funds raised at IPO less foundation costs.

4 On the consolidated basis, net assets represent net assets attributable to equity holders of the parent not including minority interests.

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;
- 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	Utilities	Social infrastructure
<ul style="list-style-type: none"> ● Airports ● Ports ● Ferries ● Toll roads ● Rail and bus ● Oil transportation and storage 	<ul style="list-style-type: none"> ● Power generation ● Power transmission ● Electricity and gas distribution ● Waste processing ● Water ● Communications networks 	<ul style="list-style-type: none"> ● Primary and Secondary PFI ● Public Private Partnerships ● Healthcare facilities ● Education 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 continue to build an investment portfolio that balances the different yield and capital growth characteristics of its underlying assets. In doing so the Directors will consider assets across the different stages of the asset life cycle, including:

- assets that are at an early stage of development, including 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.

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, certain of which are described below.

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 across several sectors including transport infrastructure, utilities and social infrastructure. The Directors believe that sufficient value may potentially be created by restructuring post-acquisition to justify, on a case by case basis, the takeover premiums that are typically required to complete an acquisition of a listed company.

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.

Governments privatising existing infrastructure

In Continental Europe and North America, the Directors believe governments are increasingly seeking to transfer existing infrastructure assets to the private sector because of 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 procuring new infrastructure

Following several decades of perceived under-investment in infrastructure in many countries, the Directors believe that governments will continue more recent trends 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.

Geographic focus

The Company continues to seek investment opportunities globally and is not subject to any specific geographic constraints. The Company has primarily focused 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 2008, there had been over 600 PFI transactions with a total capital value of over £58 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 continue to 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. Within the EU generally, there is pressure to use private sector procurement due to the public sector borrowing restrictions.

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. The Indian government estimates that approximately US\$450 billion of investment in infrastructure will be required by 2012 to meet the country's growth objectives. The Company has sought exposure to a diversified portfolio of infrastructure assets in the Indian market through its US\$250 million commitment to the India Infrastructure Fund. This fund is focused on making investments in the ports, power, airports and roads sectors where the fund's manager judges the most attractive opportunities to exist. The Company's commitment to the India Infrastructure Fund is described further in Part II.

North America has a recent legacy of underinvestment in infrastructure. While currently the role of the private sector in some areas of the infrastructure market is limited, there are a growing number of opportunities to refurbish existing assets in transport and utilities sectors in particular. The Directors believe that North America has the potential to become the world's largest infrastructure market, although there will be particular structuring issues to ensure that the Company benefits fully from the returns from such investments.

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

Distribution policy

Following Admission, the Company will target an annual distribution yield of approximately 5% on Opening NAV (following full investment), through a combination of regular dividends and, if appropriate, capital returns.

The Company's first interim dividend of 2p per share was paid on 19 December 2007 and (subject to shareholder approval) its first final dividend of 3p per share will be paid on 31 July 2008, making an aggregate of 5p per share for the financial period. New Ordinary Shares will not participate in this first final dividend, as the Record Date falls before the issue date for such shares. Future dividends on Ordinary Shares and New Ordinary Shares are also 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 (subject to the provisions of the Facility Agreement, as described in Part VII).

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

Holding Entities

The Company has set up a series of wholly-owned Holding Entities for the Group's investments. Details of the Holding Entities are set out in paragraph 5 of Part XI 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 Company's capital structure and life

The Company was incorporated with an unlimited life on 16 January 2007 and with an unlimited number of ordinary shares which have no nominal value.

On 13 March 2007 the Company completed the IPO, following which a global offer of 702,859,804 shares were issued by the Company and admitted to the Official List and to trading on the London Stock Exchange. In addition, 70,640,980 Warrants were also issued as part of the IPO.

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 XI 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" in Part VII of this document for further information).

Borrowings

A description of the Company's policy on borrowings and details of the Company's Facility Agreement are set out under "Financing" in Part VII of this document.

Relationship Agreement

At the time of the IPO, 3i Group and the Company entered into the Relationship Agreement which governs the relationship between 3i Group, as a significant Shareholder, and the Company on an ongoing basis. 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. Paul Waller, a member of 3i Group management committee, has been appointed to the Board as a nominee of 3i Group.

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 paragraph 16 of Part XI of this document.

PART II

THE COMPANY'S INVESTMENT PORTFOLIO

The portfolio detail in the tables is given on the investment basis. The updated valuations (as at 31 May 2008) in the footnotes to the tables are unaudited.¹

Current Investment Portfolio

An initial portfolio of infrastructure assets was acquired by the Company from 3i Group at the time of the IPO for a total consideration of £234.4 million. This included (i) a 9.0% interest in AWG; (ii) a 31.2% interest in I², which makes investments in secondary market public and private infrastructure projects; (iii) a 26.3% interest in Octagon, formed to build and maintain Norfolk and Norwich Hospital and (iv) a 50% interest in Alpha Schools, formed to build and refurbish 11 new schools in Scotland under a 30-year PFI contract. Follow on investments into the Initial Portfolio acquisition in the period to 31 May 2008 totalled £57.2 million. At 31 May 2008, commitments on the Initial Portfolio totalled £31.6 million.

In the period between the Initial Portfolio acquisition and the date of this document, the Company has invested or committed an additional £338 million. The investments during this period included (i) the acquisition, through Oystercatcher Luxco 2, of a 45% interest in three subsidiaries of Oiltanking, which provides petroleum and chemical storage facilities in Amsterdam, Malta and Singapore; (ii) a 20.9% interest in the India Infrastructure Fund, established by 3i Group to invest in infrastructure opportunities in India; (iii) the acquisition (following exercise of an option granted by 3i Group at the IPO) of a 40.7% interest in Alma Mater which invests in university student accommodation in England; (iv) a 16.7% interest in the construction of a new-build waste to energy plant to generate heat and power from refuse-derived fuels near Frankfurt, in Germany; and (v) a 10% interest in Novera, a renewable energy company. Further, the Company has invested in junior debt of certain infrastructure businesses.

AWG

Description

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

Portfolio detail at 31 March 2008

Equity interest	9.0%
Date invested	March 2007
Cost	£140.0m
Directors' valuation*	£159.6m
Income in the period	£8.7m
Asset total return	£28.3m
Valuation basis	DCF

* As at 31 May 2008, there has been no change to the Directors' valuation of AWG since 31 March 2008.

Strategy

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

Developments since acquisition

The refinancing of the acquisition debt was completed and syndicated successfully in November 2007. Anglian Water received the top 'A' score from Ofwat in all four categories of operating expenditure and capital maintenance efficiency for 2006/7, and was ranked first out of the water and sewerage companies. Anglian Water's long-term strategy for the business and its customers was published in its first Strategic

¹ While the updated unaudited valuations provided as at 31 May 2008 include updates for additional investments made and exchange rate movements, the valuation review undertaken has not updated assumptions underlying the full valuations undertaken at 31 March 2008 for the purposes of the Company's Annual Accounts.

Direction Statement covering the period from 2010 to 2035. The sale of Morrison Utility Services for a consideration of £135 million was agreed in March 2008.

Anglian Water is progressing well in its preparations and submissions in respect of the forthcoming regulatory review.

I²

Description

I² makes and manages investments in PFI projects in the UK and Continental Europe. Most investments are secondary market purchases from the original sponsors once the project has completed construction and is fully operational. I² is one of the largest PFI secondary market funds with 84 assets including the Lewisham DLR extension, HM Treasury and HMRC offices and King's College Hospital. PFI projects benefit from long-term concession agreements with the public sector, with revenue largely generated by availability payments.

Portfolio detail at 31 March 2008

Equity interest	31.2%
Date invested	March 2007
Cost*	£106.1m
Directors' valuation**	£125.1m
Income in the period	£10.7m
Asset total return	£29.7m
Valuation basis	DCF

* Investment of £125.1 million net of £19.0 million proceeds returned.

** At 31 May 2008, the Directors' valuation of I² has increased to £137.5 million, as result of a further £12.4 million of investment since 31 March 2008.

Strategy

I² aims to build and maintain a diversified portfolio of investments to generate highly stable long-term returns. Value will be maximised by identifying cost synergies across the portfolio, reducing risk through portfolio diversification and by developing the optimum financing structure for the business.

Developments since acquisition

Three new portfolios of assets were acquired in the period, from Alfred McAlpine, Hochtief and through the "take private" of PFI Infrastructure Limited. In total, 36 new investments were made during the period at a total cost of £271 million. To support this continued expansion, the limited partners together committed a further £80 million to I².

Oiltanking

Description

Oystercatcher has a 45% interest in three subsidiaries of Oiltanking, based in Amsterdam, Malta and Singapore. These three businesses provide oil, petroleum, and other oil-related and chemicals storage facilities and related services to a broad range of clients, including private and state oil companies, refiners, petrochemical companies and traders.

Oiltanking is one of the world's leading independent storage partners for oils, chemicals, and gases. Oiltanking owns and operates 62 terminals in 20 countries with a total storage capacity of more than 12 million cubic metres.

To fund part of the acquisition cost of the Oiltanking interests, Oystercatcher Luxco 2 has fully drawn down a €190 million facility provided by Royal Bank of Canada. Oystercatcher Luxco 2 has agreed to grant a share pledge in favour of Royal Bank of Canada of the shares it holds pursuant to those interests. Oystercatcher Luxco 2 also has an arrangement with Royal Bank of Canada for an additional facility of €60 million. As at 11 June 2008, there have been no draw downs on this facility. There is no recourse to the Company or its other assets under either facility.

Portfolio detail at 31 March 2008

Equity interest*	45.0%
Date invested	August 2007
Cost	£84.5m
Directors' valuation**	£98.3m
Income in the period	£5.5m
Asset total return***	£19.3m
Valuation basis	DCF

* 3i Infrastructure has a 45% interest in three of Oiltanking's subsidiaries through Oystercatcher Luxco 2.

** At 31 May 2008, the Directors' valuation of Oystercatcher has decreased to £97.25 million, as result of exchange movements since 31 March 2008.

*** Asset total return includes £15.1m of unrealised exchange gains

Strategy

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

Developments since acquisition

Additional storage tanks have opened in Malta, increasing capacity by approximately 16% to 527,000 cubic metres, and in Amsterdam, increasing capacity by approximately 21% to 1,577,000 cubic metres.

Agreement was reached to lease additional land in Singapore and to construct approximately 10% of additional capacity, pre-let to an existing customer on a long-term contract. This expansion is scheduled to be completed in the second quarter of 2009, taking capacity to 1,358,000 cubic metres.

India Infrastructure Fund

Description

The India Infrastructure Fund (the "Fund") was established by 3i Group to make infrastructure investments in India focusing on ports, airports, roads and power. The first closing of the Fund, at US\$500 million, was announced in September 2007. At first close the Company committed US\$250 million alongside 3i Group which committed the same amount. The final close of the Fund was announced by 3i Group on 16 April 2008 at US\$1.2 billion.

The Board recommended investment in the Fund to the shareholders as it believed this would give the Company exposure to a larger and more diversified portfolio of investments due to the scale of the Fund. The 3i investment advisory team in India has been strengthened due to the scale of the Fund and this enhanced team can directly benefit the Company through its co-investment in the Fund.

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

Portfolio detail at 31 March 2008

Equity interest	20.9%*
Date invested	September 2007
Cost**	£36.4m
Directors' valuation***	£37.7m
Income in the period	£1.4m
Asset total return	£2.7m****
Valuation basis	LP share of fund

* 20.9% of final closing commitments

** Amount drawn down to 31 March 2008

*** At 31 May 2008, the Directors' valuation of India Infrastructure Fund has increased to £38.0 million, as result of exchange movements since 31 March 2008.

**** Asset total return includes £1.8m of unrealised exchange gains

Strategy

The Fund has been formed to apply the successful investment strategy of 3i Group's global infrastructure business to the attractive and rapidly growing Indian infrastructure market. The Fund's strategy is to build a diversified portfolio of equity (or equivalent) investments in entities owning infrastructure assets whose primary commercial operations are in India, with a primary focus on four sectors: ports, airports, roads and

power. The Fund expects to make its investments over two to four years, and most individual investments will be in the range of US\$25 million to US\$150 million, although some selected investments will be larger. The Fund's equity investments will often, but not exclusively, comprise share capital and related shareholder loans.

Developments since acquisition

In September 2007 the Fund invested US\$227 million in a minority stake in Adani Power Private Limited, which is building a portfolio of power plants across India, the largest of which is 2,640MW plant situated in the port of Mundra, in the state of Gujarat, which is due to become operational in 2009.

In November 2007 the Fund invested US\$101 million in Soma Enterprise Limited, one of India's top five infrastructure engineering and construction firms with expertise across roads, irrigation, hydro power and urban infrastructure sectors. The portfolio includes three Build-Operate-Transfer highway projects and a 220MW hydro power project.

In total, commitments of US\$76.7 million of the Company's investment had been drawn down at the date of this document to fund investment.

Alma Mater

Description

Alma Mater invests in the UPP (University Partnerships Programme) Group, a portfolio of companies responsible for building, managing, operating and maintaining student accommodation at universities in England. The portfolio currently comprises approximately 17,000 student rooms across ten universities.

3i Infrastructure acquired a 40.7% interest in Alma Mater on 31 March 2008, pursuant to an option granted by 3i Group at the time of the IPO.

Portfolio detail at 31 March 2008

Equity interest	40.7%
Date invested	March 2008
Cost	£25.0m
Directors' valuation*	£36.0m
Income in the period	nil
Asset total return	£11.0m
Valuation basis	Sale basis

* At 31 May 2008, the Directors' valuation of Alma Mater has increased to £37.9 million, as result of a further £1.9 million of investment since 31 March 2008.

Strategy

UPP aims to partner with UK universities to meet the accommodation needs of their students, providing good quality, affordable accommodation and maintaining it to a high standard. UPP is targeting to expand its portfolio to 35,000 rooms across 15 universities by 2010.

Developments since acquisition

The acquisition was completed on 31 March 2008.

The Partnership has recently entered into a conditional sale agreement to sell its interest in Alma Mater to Barclays European Infrastructure Fund II Limited Partnership, for a consideration of £41.8 million.

Octagon

Description

Octagon is a concession company under a 35-year PFI contract to build, operate and maintain the Norfolk and Norwich University Hospital. Construction of the hospital was completed in August 2001. Octagon sub-contracts services provision to Serco.

Octagon receives RPI-linked payments from the NHS Trust to cover services and buildings maintenance, which are subject to performance deductions for service failures and unavailability.

Portfolio detail at 31 March 2008

Equity interest	26.3%
Date invested	March 2007
Cost	£13.2m
Directors' valuation*	£13.6m
Income in the period	£1.2m
Asset total return	£1.6m
Valuation basis	DCF

* As at 31 May 2008, there has been no change to the Directors' valuation of Octagon since 31 March 2008.

Strategy

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

Developments since acquisition

Octagon maintained its record of having no service failures and no unavailability deductions since commencement of operations.

Serco's operations at the hospital received a RoSPA Gold Award for the second year running, recognising its strong occupational health and safety performance.

Octagon commissioned an independent review of its long-term maintenance programme, which endorsed its cost provision as sufficient.

3i Infrastructure has increased its holding in Octagon by 1.3% to 26.3% by acquiring its *pro rata* share of a 5% stake sold by an original consortium member.

Novera

Description

3i Infrastructure acquired a 10% interest in Novera, an established UK-focused renewable energy company which generates electricity from wind, waste and landfill gas.

Portfolio detail at 31 March 2008

Equity interest	10.0%
Date invested	February 2008
Cost	£11.2m
Directors' valuation*	£11.2m
Income in the period	nil
Asset total return	nil
Valuation basis	Quoted

* The value of Novera, valued at the closing bid price at 31 May 2008, was £11.6 million.

Developments since acquisition

In February 2008, 3i Infrastructure confirmed that it had approached the board of Novera and that it was considering a possible cash offer for the entire issued and to be issued share capital of Novera at a price of 90p per share. 3i Infrastructure purchased (through Harrier Acquisitions Limited, a wholly owned subsidiary of the Company) 12.4 million Novera shares, a 10.0% equity interest, at a price of 90p per share, for a total consideration of £11.2 million. A third party, Infinis Energy Limited, has subsequently acquired a 28.2% holding in Novera. The Company confirmed on 2 June 2008 that it would not make a formal offer for Novera, and would not do so (except in certain limited circumstances) during the subsequent six months. Infinis Energy Limited made a similar confirmation on the same date.

T2C

Description

T2C is a special purpose company established to build, operate and maintain a waste-to-energy plant on an industrial park near Frankfurt, in Germany. The plant will generate heat and power from refuse-derived fuels.

Construction is underway with the general contractor, Ebara (a Japanese environmental technology developer and provider) using existing technology. T2C sub-contracts operation and maintenance of the plant to Infraser GmbH & Co. Höchst KG (ISH), which manages the industrial park where T2C is located.

T2C has contracted long-term revenues under a 15 year fixed price 'take or pay' contract with ISH, with an upwards-only price review after ten years.

Portfolio detail at 31 March 2008

Equity interest	16.7%
Date invested	August 2007
Cost	£6.5m
Directors' valuation*	£7.9m
Income in the period	£0.3m
Asset total return	£1.7m**
Valuation basis	DCF

* At 31 May 2008, the Directors' valuation of T2C has decreased to £7.8 million, as a result of exchange movements since 31 March 2008.

** Asset total return includes £1.2m of unrealised exchange gains.

Strategy

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

Developments since acquisition

Construction is progressing well and is expected to complete in the second quarter of 2009.

The final operating licence was received in February 2008.

Alpha Schools

Description

Alpha Schools is a concession company under a 30-year PFI contract to build, operate and maintain 11 new schools on 10 sites in the Highland region of Scotland. Construction is underway under a sub-contract with Morrison Construction. Alpha Schools sub-contracts services provision to Morrison Facilities Services.

Alpha Schools receives RPI-linked payments from the Highland Council to cover services and buildings maintenance, which are subject to performance deductions for service failures and unavailability.

Portfolio detail at 31 March 2008

Equity interest	50.0%
Date invested	March 2007
Cost	£0.2m*
Directors' valuation**	£0.3m
Income in the period	—
Asset total return	£0.1m
Valuation basis	DCF

* The Company has committed to invest a further £7.4 million in loan notes.

** At 31 May 2008, the Directors' valuation of Alpha Schools has increased to £1.0 million, as result of a further £0.7 million of investment since 31 March 2008.

Strategy

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

Developments since acquisition

Eight schools have been completed and handed over in the period. Construction at the other two sites is progressing well, and it is currently expected that all remaining schools will be handed over on schedule during 2008. Certain works will continue at various sites through to the end of October 2009.

Junior Debt

Description

Investments have been made into three junior debt facilities of infrastructure businesses.

- (i) Thames Water is the UK's largest water and wastewater services company, with over 13 million customers across London and the South East of England. It includes both Thames Water Utilities Limited (the regulated entity), and a number of non-regulated businesses involved in property and outsourcing services. Thames Water was acquired by a consortium from RWE in 2006.
- (ii) Viridian operates both regulated and unregulated businesses within the Irish energy market. The regulated business manages 45,000km of power transmission and distribution infrastructure, supplying nearly 800,000 homes and businesses within Northern Ireland. The unregulated business focuses on power generation within the Republic of Ireland. A third division of Viridian offers power related services to the power industry. Viridian was acquired by Arcapita through a public to private transaction in December 2006.
- (iii) National Grid Wireless ("NGW") is the former wireless broadcast business of National Grid plc. The business comprises a national communications infrastructure network that provides broadcast transmission services for BBC television and radio, hosts wireless sites for major mobile network operators and owns and operates two Freeview digital TV multiplexes. NGW has around 5,200 active sites used for mobile communications and around 750 towers used for radio and television transmission broadcasts. NGW was acquired by a Macquarie-led consortium in April 2007. Following the outcome of a regulatory review by the UK's Competition Commission on 11 March 2008, the consortium intends to proceed with its plans to merge NGW with Arqiva, a wireless business held within a fund managed by Macquarie.

Portfolio detail as at 31 March 2008

Date invested	March 2008
Total commitment made	£34.2m
Viridian	£12.2m
Thames Water	£9.9m
NGW/Arqiva	£12.1m

Strategy

The dislocation in the credit markets created an opportunity for the Company to invest in three junior debt facilities of infrastructure businesses with strong credit quality. The pricing of this junior debt, at a discount to par, should deliver attractive, equity-like returns and high cash yields.

These investments should enhance the income generated by the portfolio which contributes to the Company's ability to achieve its shareholder yield objective.

Each of the underlying businesses is a leading player in their respective sectors: water, electricity distribution and generation and communications networks. All are core infrastructure sub-sectors.

Developments since acquisition¹

Since the acquisition of the original tranches of junior debt, the Company has invested a further £4.6 million, £14.0 million and £21.1 million respectively into the junior debt of Thames Water, Viridian and NGW. In addition, the Company has also made a debt investment of £2.5 million into Télédiffusion de France, the leading provider of broadcast transmission infrastructure and services and telecoms infrastructure in France.

As a result of the developments outlined above since 31 March 2008, at 31 May 2008 the value of the investments, using third party broker information in line with the Company's valuation policy, were: Viridian – £27.2 million; Thames Water – £14.9 million; NGW/Arqiva – £34.0 million; and TDF – £2.5 million.

¹ These numbers are taken from the Company's unaudited accounting records.

PART III

MANAGEMENT OF THE COMPANY

Directors

The Directors are responsible for the overall management and strategic control of the Company. Paul Waller was nominated as a Director by 3i Group in its role as shareholder in the Company; all of the other Directors are independent for the purposes of the Listing Rules. The Directors, all of whom are non-executive, are listed below and were appointed prior to the IPO except where otherwise specified.

Peter Sedgwick (64), 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. He became a trustee and director of Dyslexia Institute Limited (trading as Dyslexia Active) in 2007.

Philip Austin (58), Non-executive Director and Senior Independent 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 (50), Non-executive Director and Chairman of Audit Committee

Since June 2006, he has been a non-executive director at Mourant International Finance Administration, which acts as company secretary/administrator to the Company 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.

Peter Wagner (61), 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), as a director of Neptune Orient Lines of Singapore (since 2005) and as a director of Kaiser Ritter Partner Holding Anstalt and Kaiser Ritter Partner Privatbank (since 2006). He became chairman of Kaiser Ritter Partner Privatbank in 2008.

Paul Waller (54), 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. He was appointed a Director on 27 March 2007.

Steven Wilderspin (39), Non-executive Director

He has been Principal of Wilderspin Independent Governance since April 2007 and Managing Director of Active Services (Jersey) Limited since September 2007. Wilderspin Independent Governance provides independent offshore fund directorship services. Active Services (Jersey) Limited is a member of the Active

Group which provides specialist regulatory compliance support and offshore fund consultancy services. He was previously a director of Maples Finance Jersey Limited where he was responsible for fund administration and fund directorship business. Throughout his time at Maples Finance (2002 to April 2007) he served on a number of private equity, property and hedge fund boards as well as special purpose companies engaged in structured finance transactions. Before that, from 1997, he was Head of Accounting at Perpetual Fund Management (Jersey) Limited. He qualified as a Chartered Accountant with Price Waterhouse in London in 1993, when he transferred to the Jersey office. He was appointed a Director of the Company on 20 September 2007.

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 XI 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 also supervises the monitoring of existing investments and approves 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.

Board Committees

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

The Audit Committee, which comprises Philip Austin, Peter Wagner, Steven Wilderspin and Martin Dryden as Chairman, considers 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 reviews the Company's internal control systems to assist the Board in fulfilling its responsibilities relating to the effectiveness of such systems. The Audit Committee meets twice a year, or more frequently if required to do so.

Given the size and composition of the Board, the Company does not have nomination or remuneration committees. The Board as a whole instead considers all possible appointments and reviews 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 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 is 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 acts as Investment Adviser. 3i Investments is a wholly-owned subsidiary of 3i Group.

Members of the Infrastructure Investment Team, as set out in Part IV of this document, are 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 and quoted private equity. The Infrastructure Investment Team comprises 24 investment professionals, who are responsible for seeking out, evaluating and proposing investment opportunities to the Company.

The investment advisory services are provided by 3i Investments in return for certain fees, which are described in detail below. These services 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 Portfolio Companies; (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 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 XI of this document.

Exclusivity arrangements

On the basis set out below and with effect from Admission, the Investment Advisory Agreement is an exclusive arrangement within Europe, North America and (subject to the provisions set out below) the rest of the world for a period ending on the earlier of (i) five years after IPO Admission; or (ii) the full investment of a sum equal to the Equity Proceeds and any Relevant Disposal Proceeds. This period is an extension of the initial period agreed at the time of the IPO and has been put in place by an amendment to the Investment Advisory Agreement that will take effect on Admission.

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 I² and Alma Mater and subject to the provisos set out under "Freedom to Deal" in Part IV of this document) during the relevant period, without the consent of the Company.

In addition, during this 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 I² 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 have not been transferred to the Company 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 has a similar right of first refusal over all potential direct investments available to 3i Group during the relevant period which the Investment Adviser considers fall within the Company's investment policy. However, 3i Group is free at any time to promote, advise or manage other infrastructure funds with a focus on one or more specified infrastructure investment markets as is the case with the India Infrastructure Fund. 3i Group is also 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 as is the case with the India Infrastructure Fund. However, the Company has 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 (this right was exercised on the investment in the India Infrastructure 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 IV 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 I² 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 (the "performance hurdle") equal to the Opening NAV increased at a rate of 8% per annum. The Opening NAV used for the purposes of the calculation of the performance hurdle for any particular financial period may fall below the NAV 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 I² 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.

The fees payable to the Investment Adviser for the financial period ended 31 March 2008 are set out in Part VIII of this document.

Other Agreements

UK Support Services Agreement

Under the UK Support Services Agreement, 3i plc (and 3i Investments in relation to certain regulatory services) each 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 from 13 March 2007, 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 XI of this document.

Jersey Administrator, Registrar, Transfer Agent and Custodian

Mourant & Co. Limited acts as Jersey Administrator to the Company and provides company secretarial services and a registered office to the Company. Mourant Luxembourg SA separately provides services to the Holding Entities in Luxembourg and furthermore, Mourant & Co. Capital SPV Limited provides 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 Registrars acts as the Company's UK Transfer Agent.

3i Investments acts as custodian of securities owned by the Group.

Further details of certain of these agreements are set out in Part XI 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.

PART IV

THE INFRASTRUCTURE INVESTMENT TEAM

3i Group

3i Group is a leading European private equity group. It focuses on buyouts, growth capital, infrastructure and quoted private equity and invests across Europe, the United States and Asia. With over 250 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 31 March 2008, 3i Group managed over £9.8 billion of assets, comprising its own balance sheet of approximately £6 billion, private equity limited partnerships which invest alongside it of approximately £3.2 billion and advised investment companies of £0.6 billion (excluding 3i Group's direct holdings in those companies).

History of 3i Group's Infrastructure Business

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.

In total, between 1987 and the establishment of 3i Infrastructure, 3i Group invested over £530 million in over 30 infrastructure transactions of the type that fall within the Company's investment policy. Twenty-two of these investments were fully realised prior to the IPO, with aggregate realisation proceeds of approximately £398.5 million at the time of the IPO. Infrastructure investments by 3i Group from 1 June 1987 to 31 December 2006 delivered an internal rate of return of 59.3% at IPO, including unrealised gains.¹

The Investment Adviser and the Investment Team

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

The infrastructure advisory 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.

In total, the team currently has 24 investment professionals and its skills include private equity project and structured finance. In addition to these investment professionals, the team has ten support staff including four specialists in financial management, reporting and accounts.

The Infrastructure Investment Team works out of four offices in London, Frankfurt, Mumbai and New York.

¹ When considering the information set out in this paragraph, 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 made by 3i Group are directly comparable with 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 partners and directors in the team are:

Michael Queen, 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 has been an executive director of 3i Group since 1997, when he also became 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 and set up the dedicated Infrastructure business line. 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.

Chris Rowlands, Managing Partner

Chris Rowlands has been a member of the Management Committee and the 3i Investments plc Investment Committee since 2002. Chris has responsibility for 3i's investment activity in Asia. Chris previously worked at Barclays Bank, came through their Management Development Programme and Large Corporate Division before first joining 3i in 1984. He became 3i's Midlands Regional Director based in Birmingham before joining Arthur Andersen as a Partner in 1996. There he developed its successful European Corporate Finance business, advised many corporate and private equity transactions and rose to be one of the three members of the Andersen UK Leadership team. Chris has an honours degree in law from London University.

Cressida Hogg, 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. As senior partner and Chief Investment Officer for the global team she is involved in every transaction made by the team. Infrastructure transactions on which she has worked include Alma Mater, I2, AWG and Oiltanking. 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, 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 deals across the infrastructure market, including Wembley Stadium, Premier Prisons Group, the Cross Israel Highway, Cornwall Schools PFI and the SELCHP waste-to-energy plant. Since joining the Infrastructure Investment Team, he has been heavily involved in the AWG acquisition and the raising of the India Infrastructure Fund and oversees the origination and execution of new deals across the Infrastructure Investment Team. He holds a degree in Mathematics from Durham University.

Girish Baliga, Partner

Girish Baliga joined 3i Group in December 2005. Before transferring to the Infrastructure Investment Team in 2007, he helped to establish and build 3i's growth capital business in India, where he worked on several transactions including the purchase of a stake in Mundra Port. As head of the infrastructure team in India, Girish has led several transactions made through the India Infrastructure Fund, including investments in Adani Power and Soma Enterprises. 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.

Richard Kilner, Partner

Richard Kilner joined 3i in 1997 after 19 years in the UK construction industry. He is the Partner responsible for construction and real estate and also chairs the business services sector. Deals he has been involved in include Soma, HSS, Coor Services, STEN and Navayuga Engineering. He has also worked extensively on the project to create the 3i Knowledge and Research Centre in Bangalore. Prior to 3i, Richard worked for Cliffe Group and Parkman. Richard is a Chartered Civil Engineer and a member of the Institution of Civil Engineers. He has a BSc Honours Degree in civil engineering from Cape Town University.

Anil Ahuja, Managing Director

Anil Ahuja joined 3i Group in April 2005 and has more than 20 years of international investment and financial services experience. Anil is primarily responsible for developing 3i's Indian business. Prior to joining 3i, Anil worked at JP Morgan Partners Asia, overseeing the investments in the Indian market, and Citibank Mumbai. Anil holds a postgraduate Diploma in Business Management from the Indian Institute of Management, Ahmedabad (India) and a Bachelor of Technology in Mechanical Engineering from the Indian Institute of Technology in New Delhi. Anil currently serves on the Board of Vijai Electricals and Nimbus Communications Limited.

Stephen Halliwell, Chief Financial Officer

Stephen Halliwell joined 3i Group in 1998. Since April 2007 he has been Chief Financial Officer for 3i's infrastructure investment business. He manages all of the operational, financial and reporting requirements for the infrastructure business within 3i, as well as performing CFO duties for 3i Infrastructure Limited. Stephen joined 3i's Group Finance Team in 1998, most recently holding the post of Head of Financial Planning and Analysis. Between 2001-2005 Stephen was also Operations Director for 3i's businesses in the Benelux countries. Stephen qualified as a chartered accountant while at Binder Hamlyn (London) and Arthur Andersen between 1991-1998.

Mark Murtagh, Principal

Mark Murtagh joined 3i Group in 2008 as a member of the Infrastructure Investment Team. Prior to joining 3i, Mark spent six years at Liberty Partners, a middle-market private equity fund in New York, where he led numerous leveraged buyouts and privatisation transactions in the business services and education industries. Prior to joining Liberty in 2001, Mark was a Senior Manager with Ernst & Young's Transaction Advisory Services Group in New York, where he provided various structuring, due diligence and advisory services to private equity funds and strategic acquirers. From 1994 to 1998, he lived in Moscow and Jakarta where he provided advisory services to multi-national oil and gas clients establishing and operating energy infrastructure projects throughout the former Soviet Union and Southeast Asia. Mark has a BBA in Accounting from The College of William & Mary.

Deepak Bagla, Director

Deepak Bagla joined 3i Group as a Director in March 2007, bringing over two decades of work experience starting with the World Bank in Washington DC, followed by a period with a major Indian conglomerate, where he was involved with setting up greenfield projects. Deepak worked with Citi from 1989 in various roles, including identifying and executing structured financial solutions for State governments, financial institutions and public/private corporations. From 1996, he was actively involved with global equity offerings by corporations in Europe and Asia. Deepak holds a bachelor degree with honours in Economics from St Stephen's College, Delhi University and a masters degree with majors in International Trade and Finance and International Politics from the School of Foreign Service, Georgetown University, Washington DC.

Andrew Cox, 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, 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.

Scott Moseley, Director

Scott Moseley joined 3i Group in December 2007 as a Director in the Infrastructure Investment Team. Prior to joining 3i, he was an Executive Director in WestLB's capital markets group, where he was primarily

responsible for origination and structuring of acquisition finance in the European infrastructure sector. Scott has over seven years' experience in the European infrastructure sector ranging across both the equity and debt capital markets. His experience covers participating across the capital structure, including acting as principal, financial adviser, and debt arranger. Headline transactions he led at WestLB include acting as Mandated Lead Arranger to Terra Firma's recapitalisation of Tank & Rast, Hochtief's acquisition of Budapest Airport and the Goldman Sachs-led consortium bid for BAA.

Richard Tollis, Director

Richard Tollis joined 3i Group in March 2008 following three years as a partner in Ernst & Young's Infrastructure Advisory group where he specialised in transactions, financing and regulation in the transport sector. Prior to that he worked in the infrastructure sector in professional services, investment banking and on secondment to government. Richard has been particularly involved in transactions in the airports and marine ports sectors across the UK and EMEA in deals such as the Queen Alia International Airport concession in Jordan and Leeds Bradford International Airport privatisation. Richard has a BSc in Economics and Politics from the University of Bristol and an MSc in Economics and Financial Economics from the University of Bristol.

Phil White, Director

Phil White joined 3i Group in 2007 to head asset management for the Infrastructure Investment Team, bringing 20 years' experience of investment, advisory and financing in the infrastructure and transport sectors. Phil was previously Division Director at Macquarie where he managed investments and led acquisitions in the transport sector, including Wightlink and Autoroutes Paris-Rhin-Rhone. His earlier career was spent at WestLB and Barclays, and encompassed leading roles in many major infrastructure deals including the London Underground Tubelines PPP, the acquisition of the Arlanda Express Stockholm rail link by Macquarie, the financing of the Norfolk & Norwich University Hospital, and the privatization of London Luton Airport. Phil has an MBA from London Business School.

Reggie Chambers, Vice President

Reggie Chambers joined 3i Group in 2008 as a member of the Infrastructure Investment Team in New York. Prior to joining 3i Group, Reggie was a Vice President in the Global Energy Investment Banking Group of Citigroup Global Markets Inc. During his time with Citi, Reggie worked on a variety of domestic and international corporate finance related transactions within the energy sector. Before Citi, Reggie practised corporate law as an Associate with Simpson Thacher & Bartlett LLP in the Mergers and Acquisitions group where he worked on complex cross-border transactions, and as an International Associate in the Corporate group of Uría Menéndez Abogados in Madrid, Spain. Additionally, Reggie serves on the board of directors of several non-profit organisations. Reggie earned his Juris Doctorate from Harvard Law School and his undergraduate degrees in Political Science, Spanish and Markets & Management from Duke University.

Anna Dellis, Associate Director

Anna Dellis joined 3i Group in 2006. Anna has eight years' assurance and advisory experience at PricewaterhouseCoopers and Ernst & Young. From 2002 Anna provided financial advisory services to public and private sector clients in the airports, roads and ports sectors with projects including advising the UK's Civil Aviation Authority in relation to financing issues as part of its regulatory review of BAA. Anna has a BA in French and German from the University of Nottingham and is a member of the Institute of Chartered Accountants of England and Wales.

Anjali Gupta, Associate Director

Anjali Gupta joined 3i Group in 2007. She has more than 14 years' experience in the infrastructure sector in India, in areas including project finance as well as syndication of equity and debt, having previously worked at ICICI Bank, Asset Reconstruction Company (India) Limited (Arcil), KPMG LLP and SBI Capital Markets. Some of the major infrastructure deals she worked on include debt financing and syndication for the greenfield airport at Bangalore, pre-bid advisory and debt financing for the modernisation and upgrading of the airport at New Delhi, debt financing for a greenfield container terminal being developed by Dubai Ports at Cochin and a number of large road projects being developed in India. She holds a Post Graduate Diploma in Business Management from the Indian Institute of Management, Ahmedabad and a Bachelors degree in Science from Gujarat University.

Amit Saboo, Associate Director

Amit Saboo joined 3i Group in 2008 from KPMG India where he was a Director with the financial advisory group. Amit spent 11 years with KPMG India working with a mix of local and international clients in the infrastructure and industrial markets sectors. Amit is a Chartered Accountant from the Indian Institute of Chartered Accountants and holds a Bachelors Degree in Commerce & Economics from Sydenham College, Mumbai 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 is allocated to the executives. Amounts so allocated entitle executives to deferred payments contingent on their continued employment by 3i Group.

3i Group has also set up a co-investment scheme whereby members of the Infrastructure Investment Team are required to acquire Ordinary Shares, in order to align their interests with the Company. The Infrastructure Investment Team currently is required to invest approximately £3 million over the first three years after the IPO, including an initial investment by certain members at the IPO. It is intended that this requirement will be increased proportionally to reflect the increase in issued Ordinary Shares following the Placing and Open Offer.

Members of the Infrastructure Investment Team are 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) after the Placing and Open Offer (and assuming no Additional Placing) will therefore be 45.5% of the Company's issued share capital.

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 250 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 seeks 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.

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, drawing on expertise from across 3i Group's networks. Members of the Infrastructure Investment Team will research the opportunity and draft an overview paper. This will consider the nature of the opportunity, its fit with the Company's investment strategy, the macroeconomic environment in the particular sector, potential competitors for the transaction, returns, value creation opportunities and governance structures.

Infrastructure Partners' Review ("IPR")

The IPR is constituted on a deal-by-deal basis to consider all investment opportunities. All partners in the Infrastructure Investment Team ("Partners") are eligible to sit on the IPR, and it will always include members who are independent of the deal process, to provide an impartial view. A minimum of two Partners and two other members of the Infrastructure Investment Team are required for an IPR to be quorate and at least three partners are required for the IPR to make an investment recommendation. The IPR makes decisions by consensus among the Partners.

Deal Team

The IPR will configure a deal team led by a deal sponsor (always a Partner) who is responsible for overseeing the transaction and for appointing a deal leader to project manage the transaction and take the lead on day-to-day execution, if they are not performing this role themselves. The Deal Leader will select the most appropriately skilled people from across the Infrastructure Investment Team in accordance with the scale and complexity of the investment opportunity. They will also appoint experienced and qualified external advisers for the transaction, selecting from 3i Group's global network of relationships.

Deal structuring and due diligence

Subject to the overall control of the Board, the deal team will be actively involved in all stages of the transaction (using advisers where appropriate), including:

- developing the investment case;
- structuring the transaction;
- detailed due diligence covering the financial, operational, managerial, regulatory and market context aspects of the transaction;
- negotiation with the management team and shareholders of the target company;
- negotiating terms with third party finance providers; and
- drafting the Investment Paper which is considered at the Infrastructure Partner Review and subsequently forwarded to the 3i Investments investment committee (see below) for verification.

In addition to the immediate deal team, another Partner typically remains actively involved in the due diligence processes and in debates about key commercial issues, providing an objective view. The deal team may return to the IPR at any point during the transaction for further advice.

Partners' recommendation

The deal team will draft a detailed Investment Paper, which describes all aspects of the proposed transaction. This Investment Paper will be submitted to the IPR for consideration by at least three partners. If the IPR is satisfied, the Investment Paper is forwarded to the 3i Investments investment committee. The 3i Investments investment committee includes members of 3i Group management committee and may review potential investments at any point during the investment process. It will always review investment recommendations before they are made to the Board. Paul Waller is a member of this committee. The Board will make the final decision regarding any proposed transaction.

Additional Board reporting

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

Monitoring

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

Portfolio 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 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.

Corporate Responsibility

The Company and the Investment Adviser take their responsibilities in the field of ethical management and governance very seriously.

The Investment Adviser 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 its business (although the interpretation and application of such practices will be entirely at its discretion).

The Investment Adviser aims to recommend investment in companies which:

- respect human rights;
- comply with current environmental, ethical and social legislation;
- have proposals to address future legislation, where such legislation has been made publicly available; and
- seek to comply with their industry standards and best practice.

The Investment Adviser seeks 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 the 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 III 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 V

TERMS AND CONDITIONS OF THE PLACING AND OPEN OFFER

1. Introduction

The Company intends to raise approximately £114.6 million (before fees and expenses) through a Placing and Open Offer of 108,132,277 New Ordinary Shares. The Offer Price of 106 pence per New Ordinary Share represents a discount of approximately 2.8% to the middle market closing price for an existing Ordinary Share of 109 pence on 11 June 2008, and a premium to Adjusted NAV (after payment of the proposed final dividend) of 0.4%. Shareholders may subscribe for 2 Open Offer Shares for every 13 Ordinary Shares held at the Record Date.

3i Group has irrevocably undertaken to the Company and the Underwriters to subscribe for 23,584,905 New Ordinary Shares out of its entitlement to 49,936,935 New Ordinary Shares under the Open Offer. The other 26,352,030 New Ordinary Shares, which 3i Group has undertaken not to take up, are being placed firm with investors at the Offer Price and will not be subject to claw back under the Open Offer ("Non-Claw Back Shares").

The remaining 58,195,342 New Ordinary Shares to be issued in the Placing and Open Offer are being placed with investors subject to claw back to meet applications under the Open Offer.

Allocations of New Ordinary Shares to Placees (subject to claw back or otherwise) will be determined at the absolute discretion of the Underwriters, following consultation with the Company.

The underwriting and the placing by the Underwriters are subject to the conditions set out in the Underwriting and Placing Agreement. The Underwriting and Placing Agreement was signed on 12 June 2008 and a summary of its principal terms may be found in paragraph 16 of Part XI of this document.

2. The Open Offer

Qualifying Shareholders are being offered the opportunity to subscribe for Open Offer Shares at a price of 106 pence per Open Offer Share (payable in full in cash on application and free of all expenses) on the following basis:

2 Open Offer Shares for every 13 Ordinary Shares

held and registered in their name as at the close of business on the Record Date, and so on in proportion for any greater or lesser number of Ordinary Shares then held. To the extent that Shareholders do not subscribe for the Open Offer Shares under the Open Offer, such shares may be subscribed for by the Placees and/or the Underwriters pursuant to the Underwriting and Placing Agreement.

Applications under the Open Offer will be on the terms and subject to the conditions set out in this Part V and the accompanying Application Form. Entitlements will be rounded down to the nearest whole number. Any fractional entitlements will be disregarded in calculating Qualifying Shareholders' *pro rata* entitlements and will be aggregated and form part of the New Ordinary Shares which are the subject of the Placing.

The New Ordinary Shares will be issued fully paid and will rank *pari passu* with the existing Ordinary Shares in issue except that, for the avoidance of doubt, they will not have a right to the final dividend for the financial period ended 31 March 2008, as the record date for such dividend falls before their date of issue.

Not all Shareholders will be entitled to participate in the Open Offer. Shareholders who are located or resident in, or who have a registered address in, an Excluded Territory will not qualify to participate in the Open Offer. The attention of Overseas Shareholders is drawn to paragraph 5 of this Part V.

An Application Form for Non-CREST Shareholders to participate in the Open Offer has been included with this document other than where it is being sent to an Excluded Territory.

The terms of the Open Offer provide that a Qualifying Shareholder may make a valid application for any number of Open Offer Shares up to and including his or her *pro rata* entitlement which, in the case of Non-CREST Shareholders, is equal to the number of Open Offer Shares shown on the Application Form or, in the case of CREST Shareholders, is equal to the number of Open Offer

Entitlements standing to the credit of their stock account in CREST. No application in excess of a Qualifying Shareholder's *pro rata* entitlement will be met under the Open Offer and any Qualifying Shareholder so applying will be deemed to have applied for the maximum entitlement as specified on the Application Form, in the case of Non-CREST Shareholders, or standing to the credit of their stock account in CREST in relation to CREST Shareholders or as otherwise notified to him or her (and any monies received in excess of the amount due will be returned to the Qualifying Shareholder, without interest, at the Qualifying Shareholder's risk).

Holdings of Ordinary Shares held in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.

The Open Offer is not a "rights issue". Invitations to apply under the Open Offer are not transferable unless to satisfy bona fide market claims raised by Euroclear's Claims Processing Unit and qualifying Non-CREST Shareholders should also note that the Application Form is not a document of title and cannot be traded. Shareholders should be aware that, in the Open Offer, unlike in the case of a rights issue, any Open Offer Shares not applied for under the Open Offer will not be sold in the market or placed for the benefit of Shareholders, but will be placed with the Placees (to the extent procured) or, failing which, may be acquired by the Underwriters in accordance with their obligations under the Underwriting and Placing Agreement, with the proceeds retained for the benefit of the Company.

If Qualifying Shareholders do not respond to the Open Offer by 11.00 a.m. on 3 July 2008, the latest date for application and payment in full in respect of their entitlements, their proportionate ownership and voting interest in the Ordinary Shares will be reduced and the percentage that their existing Ordinary Shares represents of the issued share capital of the Company will be reduced accordingly. Excluded Shareholders in Excluded Territories will, in any event, not be able to participate in the Open Offer.

The Placing and Open Offer are conditional on:

- (a) the Underwriting and Placing Agreement becoming unconditional in all respects, save for Admission, by no later than 8.00 a.m. on 9 July 2008 (or such later date, as the Company and the Underwriters may agree) and not having been terminated or rescinded in accordance with its terms; and
- (b) Admission taking place by no later than 8.00 a.m. on 9 July 2008 (or such later time and/or date as the Company and the Underwriters may agree).

Accordingly, if any of these conditions are not satisfied (or, if capable of waiver, waived on or before the relevant time and date), the Placing and Open Offer will not proceed and any applications made by Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

The Underwriters are entitled to terminate the Underwriting and Placing Agreement if any of the conditions contained therein (details of which may be found in paragraph 16 of this Part XI) is not satisfied (or, if capable of waiver, waived) on or before the relevant time and date. If the Underwriting and Placing Agreement is terminated, the Placing and Open Offer will not be underwritten.

None of these conditions is operative after Admission.

Any Qualifying Shareholder who sells or transfers all or part of his/her registered holding(s) of Ordinary Shares prior to the close of business on 12 June 2008 is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to subscribe for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by purchasers under the rules of the London Stock Exchange.

The latest time and date for acceptance and payment in full under the Open Offer will be 11.00 a.m. on 3 July 2008. If for any reason it becomes necessary to adjust the expected timetable as set out in the Prospectus, the Company will make an appropriate announcement to a RIS giving details of the revised date.

3. Procedure for application and payment

The action to be taken by you in respect of the Open Offer depends on whether at the relevant time you have an Application Form in respect of your entitlement under the Open Offer or you have Open Offer Entitlements credited to your CREST stock account in respect of such entitlement.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements in CREST should refer to the CREST Manual for further information on CREST procedures referred to below.

Shareholders who hold their existing Ordinary Shares in certificated form will be allotted New Ordinary Shares in certificated form. Shareholders who hold part of their existing Ordinary Shares in uncertificated form will be allotted New Ordinary Shares in uncertificated form to the extent of their entitlement to New Ordinary Shares arises as a result of holding existing Ordinary Shares in uncertificated form.

(i) If you have an Application Form in respect of your entitlement under the Open Offer

The Application Form has been sent only to Non-CREST Shareholders. It will not be sent to Ordinary Shareholders with registered addresses in the Excluded Territories and brokers/dealers and other parties may not forward this document or any Application Form to, or submit Application Forms on behalf of, Shareholders with registered addresses in any of the Excluded Territories.

Applications by Non-CREST Shareholders for Open Offer Shares may only be made on the Application Form. Each Application Form is personal to the Non-CREST Shareholder(s) named on it and is not capable of being split, assigned or transferred except in the circumstances described below. The Application Form represents a right personal to the Non-CREST Shareholder to apply to subscribe for Open Offer Shares; it is not a document of title and it cannot be traded. It is assignable or transferable only to satisfy *bona fide* market claims in relation to purchases in the market pursuant to the rules and regulations of the London Stock Exchange. Application Forms may be split up to 3.00 pm on 1 July 2008 but only to satisfy such *bona fide* market claims. Non-CREST Shareholders who sell or transfer all or part of their shareholdings before the close of business on 12 June 2008 are advised to consult their stockbroker, bank or agent through which the sale or transfer was effected or another professional adviser authorised under FSMA as soon as possible, since the invitation to apply for Open Offer Shares may represent a benefit which can be claimed by the purchaser(s) or transferee(s) under the rules and regulations of the London Stock Exchange.

Each Application Form shows the maximum number of Open Offer Shares for which the Non-CREST Shareholder is entitled to apply under the Open Offer according to the number of Ordinary Shares held and registered in the name of that Non-CREST Shareholder at the Record Date. Non-CREST Shareholders may apply for fewer Open Offer Shares than their entitlement should they so wish. The instructions and other terms which are set out in the Application Form constitute part of the terms of the Open Offer.

Non-CREST Shareholders should note that applications, once made, will be irrevocable and will not be acknowledged. The Company reserves the right (but shall not be obliged) to treat any application not strictly complying with the terms and conditions of application as nevertheless valid. Any Non-CREST Shareholder who does not wish to apply for Open Offer Shares should not complete or return the Application Form.

If you are a Non-CREST Shareholder and wish to apply for Open Offer Shares, you should complete and sign the Application Form in accordance with the instructions printed on it and return it, either by post or by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU as soon as practicable and, in any event, so as to be received not later than 11.00 a.m. on 3 July 2008, at which time the Open Offer will close and after which time Application Forms will not, save as provided below, be accepted. Application Forms will not be valid unless signed in accordance with the instructions thereon. If the Application Form is being sent by first class post in the United Kingdom, or in the reply-paid envelope provided, you are advised to allow at least four business days for delivery.

Cheques must be drawn on the account to which you have sole or joint title to the funds therein. Cheques and banker's drafts must be crossed "A/C payee only" and made payable to "Capita Registrars Limited Re: 3i Infrastructure Limited". Payments must be made by cheque or banker's draft in pounds sterling drawn on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank or building society which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or a member of either of the committees of the Scottish or Belfast Clearing Houses or which has arranged for its cheques and banker's drafts to be cleared through facilities provided by any of those companies or committees. Such cheques and banker's drafts must bear the appropriate sorting code in the top right-hand corner and must be for the full amount payable on application. Third party cheques will not be accepted with the exception of building society cheques or bankers drafts where the building society or bank has confirmed the name of the account holder and account number by stamping and endorsing the building society cheque or bankers draft to such effect. The account name should be the same as that shown on the application. Any application or purported application for Open Offer Shares may be rejected unless these requirements are fulfilled.

Cheques and banker's drafts will be presented for payment on receipt and it is a term of the Open Offer that cheques and banker's drafts will be honoured on first presentation. The Company may elect to treat as valid or invalid any applications made by Non-CREST Shareholders in respect of which cheques are not so honoured. If cheques or banker's drafts are presented for payment before the conditions of the Placing and Open Offer are fulfilled, the application monies will be kept in a separate interest-bearing bank account with any interest being retained for the Company until all conditions are met. If the Placing and Open Offer do not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Placing and Open Offer.

If (but only if) the Company and the Underwriters so agree, Open Offer Shares will be deemed to have been taken up by 11.00 a.m. on the Acceptance Date by Qualifying Non-CREST Shareholders if:

- (a) a cheque or other remittance for the full amount payable in respect of such Open Offer Shares (and whether or not the cheque or other remittance shall be honoured) is received by 11.00 a.m. on the 3 July 2008 from an authorised person (as defined in FSMA) who shall have specified the Open Offer Shares concerned and undertaken to lodge in due course, but in any event, within two Business Days, the relevant Application Form properly completed by the Qualifying Non-CREST Shareholder; or
- (b) the relevant Application Form and a cheque or other remittance for the full amount payable in respect of those Open Offer Shares (and whether or not the cheque or other remittance is honoured) are received by 11.00 a.m. within two Dealing Days of 3 July 2008 by post and the cover does not bear a legible postmark of later than 11.00 a.m. on 3 July 2008.

The Company may in its sole discretion treat as valid (and binding on the applicant concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this paragraph 3(i) of Part V.

By completing and delivering the Application Form, each applicant, *inter alia*:

- (A) agrees that his or her application, the acceptance of his or her application and the contract resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, English law;
- (B) confirms that, in making the application, he or she is not relying on any information or representation other than such as may be contained in this document and, accordingly, he or she agrees that no person responsible solely or jointly for this document or any part of it shall have any liability for any information or representation not contained in this document and that he or she will be deemed to have notice of all the information contained in this document;
- (C) represents and warrants that he or she is (a) not a US Person, nor a resident of an Excluded Territory and is not applying on behalf of any such person; and (b) not applying with a view to the re-offer, re-sale or delivery of the Open Offer Shares directly or

indirectly in or into an Excluded Territory, or to any other person he or she has reason to believe is purchasing or subscribing for the purpose of such re-offer, re-sale or delivery; and

- (D) represents and warrants that (i) he or she is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis; and that (ii) he or she has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to exercise his or her rights and perform his or her obligations under any contracts resulting therefrom.

If you have any questions as to the procedure for acceptance and payment, you should contact Capita Registrars. The telephone number of Capita Registrars is 0871 664 0321 or, if telephoning from outside the UK, +44 20 8639 3399. Calls to the Capita Registrars 0871 664 0321 number are charged at 10 pence per minute (including VAT) plus any of your service provider's network extras. Calls to the Capita Registrars +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Registrars cannot provide advice on the merits of the Proposal nor give any financial, legal or tax advice. This helpline will not provide any financial or tax advice, or advice concerning the merits of the Open Offer or whether or not you should make an application under the Open Offer. If you are in any doubt as to the action you should take, please contact an appropriate financial adviser.

(ii) If you have Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer

(a) General

Subject as provided in paragraph 5 of this Part V in relation to certain Overseas Shareholders, each CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the maximum number of New Ordinary Shares for which he is entitled to apply under the Open Offer.

The CREST stock account to be credited will be an account under the CREST participant ID and CREST member account ID that apply to the existing Ordinary Shares held on the Record Date by the CREST Shareholder in respect of which the Open Offer Entitlements have been allocated.

If for any reason the Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of CREST Shareholders cannot be credited by, 13 June 2008, or such later time as the Company may decide, an Application Form will be sent out to each CREST Shareholder in substitution for the Open Offer Entitlements credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Non-CREST Shareholders with Application Forms will apply to CREST Shareholders who receive Application Forms.

CREST members who wish to apply for some or all of their entitlement to New Ordinary Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. If you have any questions as to these procedures, you should contact Capita Registrars. The telephone number of Capita Registrars is 0871 664 0321 or, if telephoning from outside the UK, +44 20 8639 3399. Calls to the Capita Registrars 0871 664 0321 number are charged at 10 pence per minute (including VAT) plus any of your service provider's network extras. Calls to the Capita Registrars +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Registrars cannot provide advice on the merits of the Proposal nor give any financial, legal or tax advice. This helpline will not provide any financial or tax advice or advice concerning the merits of the Open Offer or whether or not you should make an application under the Open Offer. If you are in any doubt as to the action you should take, please contact an

appropriate financial adviser. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for New Ordinary Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) *Market claims*

The Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements may only be made by the Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim transaction. Transactions identified by the CREST Claims Processing Unit as "cum" the Open Offer Entitlement will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) *USE instructions*

CREST members who wish to apply for New Ordinary Shares in respect of all or some of their Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) an Unmatched Stock Event ("USE") instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Receiving Agent under the CREST participant ID and CREST member account ID specified below, with a number of Open Offer Entitlements corresponding to the number of New Ordinary Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements, in favour of the payment bank of the Receiving Agent in respect of the amount specified in the USE instruction which must be the full amount payable on application for the number of New Ordinary Shares referred to in (i) above.

(d) *Content of USE instructions*

The USE instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of New Ordinary Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Registrar);
- (ii) the ISIN of the Open Offer Entitlement, being JE00B39W8B40;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the CREST participant ID of the Receiving Agent, in its capacity as a CREST receiving agent, being 7RA33;
- (vi) the CREST member account ID of the Receiving Agent, in its capacity as a CREST receiving agent, being 3IINFRA;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction, which must be the full amount payable on application for the number of New Ordinary Shares referred to in (i) above;
- (viii) the intended settlement date, which must be on or before 11.00 a.m. on 3 July 2008; and
- (ix) the Corporate Action Number for the Open Offer, which will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE instructions must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 3 July 2008.

To assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (i) a contact name and telephone number (in the free format shared note field); and
- (ii) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 3 July 2008 to be valid is 11.00 a.m. on that day.

In the event that the Placing and Open Offer does not become unconditional by 8.00 a.m. on 9 July 2008 or such later time and date as the Underwriters and/or the Company shall determine, the Placing and Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a CREST Shareholder by way of a CREST payment, without interest, within 14 days thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(e) *Deposit of Open Offer Entitlements into, and withdrawal from, CREST*

A Non-CREST Shareholder's entitlement under the Open Offer, as shown by the number of Open Offer Entitlements set out in his Application Form, may be deposited into CREST (into the account of either the Qualifying Shareholder named on the Application Form or a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in the Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Application Form.

A holder of an Application Form who is proposing so to deposit the entitlement set out in such form is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 3 July 2008.

In particular, having regard to normal processing times in CREST and on the part of the Receiving Agent, the recommended latest time for depositing an Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Application Form as Open Offer Entitlements in CREST, is 3.00 p.m. on 30 June 2008, and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements from CREST is 4.30 p.m. on 26 June 2008, in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements prior to 11.00 a.m. on 3 July 2008.

Delivery of an Application Form with the CREST deposit form duly completed, whether in respect of a deposit into the account of the Qualifying Shareholder named in the Application Form or into an account in the name of another person, shall constitute a representation and warranty to the Company and the Receiving Agent by the relevant CREST member(s) that it is/they are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing entitlements under the Open Offer into CREST" on page 2 of the Application Form, and a declaration to the Company and the Registrar from the relevant CREST member(s) that it is/they are not resident(s) of the United States or any Excluded Territory and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(f) *Validity of application*

A USE instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11.00 a.m. on 3 July 2008 will constitute a valid application under the Open Offer.

(g) *CREST procedures and timings*

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE instruction and its settlement in connection with the Open Offer. It is the responsibility of the

CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his or her CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 3 July 2008. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(h) Incorrect or incomplete applications

If a USE instruction includes a CREST payment for an incorrect sum, the Company through the Receiving Agent reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question;
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of New Ordinary Shares as would be able to be applied for with that payment at the Offer Price, refunding any unutilised sum to the CREST member in question; or
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the New Ordinary Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question.

(i) Effect of valid application

A CREST member who makes or is treated as making a valid application in accordance with the above procedures will thereby:

- (i) pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Receiving Agent's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (ii) agree that his or her application, the acceptance of his or her application and the contract resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, English law;
- (iii) confirm that, in making the application, he or she is not relying on any information or representation other than such as may be contained in this document and, accordingly, he or she agrees that no person responsible solely or jointly for this document or any part of it shall have any liability for any information or representation not contained in this document and that he or she will be deemed to have notice of all the information contained in this document;
- (iv) represent and warrant that he or she is (A) not a US Person, nor a resident of an Excluded Territory and is not applying on behalf of any such person; and (B) not applying with a view to the re-offer, resale or delivery of the Open Offer Shares directly or indirectly in or into an Excluded Territory, or to any other person he or she has reason to believe is purchasing or subscribing for the purpose of such re-offer, resale or delivery;
- (v) represent and warrant that (i) he or she is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis; and that (ii) he or she has the right power and authority, and has taken all action necessary, to make the application under the Open Offer and to exercise his or her rights and perform his or her obligations under any contracts resulting therefrom;
- (vi) request that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this document and subject to the Memorandum and Articles of Association of the Company;

- (vii) represent and warrant that he is not, and is not applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in Section 93 (depository receipts) or Section 96 (clearance services) of the Finance Act 1986; and
 - (viii) represent and warrant that he is the CREST Shareholder originally entitled to the Open Offer Entitlements or that he has received such Open Offer Entitlements by virtue of a *bona fide* market claim.
- (j) *Company's discretion as to rejection and validity of applications*
- The Company may in its sole discretion:
- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in this paragraph 3(ii) of Part V;
 - (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE instruction and subject to such further terms and conditions as the Company may determine;
 - (iii) treat a properly authenticated dematerialisation instruction (in this sub-paragraph the "first instruction") as not constituting a valid instruction if, at the time at which the Receiving Agent receives a properly authenticated dematerialised instruction giving details of the first instruction or thereafter, either the Company or the Receiving Agent have received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and
 - (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for New Ordinary Shares under the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

4. Money Laundering Regulations

(i) Holders of Application Forms

To ensure compliance with the Money Laundering Regulations 2007, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Application Form is lodged with payment (which requirements are referred to below as the "verification of identity requirements"). If the Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Receiving Agent. In such case, the lodging agent's stamp should be inserted on the Application Form.

The person lodging the Application Form with payment and in accordance with the other terms as described above (the "acceptor"), including any person who appears to the Receiving Agent to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (the "relevant Open Offer Shares") and shall thereby be deemed to agree to provide the Receiving Agent with such information and other evidence as the Receiving Agent may require to satisfy the verification of identity requirements.

If the Receiving Agent determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares (notwithstanding any other term of the Placing and Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Receiving Agent is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply

to any acceptor or application and whether such requirements have been satisfied, and neither the Receiving Agent nor the Company nor the Underwriters will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Receiving Agent has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor's risk) without interest to the account of the bank or building society on which the relevant cheque or banker's draft was drawn.

The verification of identity requirements will not usually apply if:

- (A) the acceptor is an organisation required to comply with the EU Money Laundering Directive (No. 91/308/EEC);
- (B) the acceptor (not being an acceptor who delivers his or her acceptance in person) makes payment by way of a cheque drawn on an account in the name of such acceptor; or
- (C) the aggregate subscription price for the relevant Open Offer Shares is less than €15,000 or its sterling equivalent.

In other cases, the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (A) if payment is made by building society cheque or banker's draft, by the building society or bank endorsing on the cheque or draft the acceptor's full name and the number of an account held in the acceptor's name at such building society or bank, such endorsement being validated by a stamp and an authorised signature; or
- (B) if the Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (A) above or which is subject to anti-money laundering regulations in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, the Russian Federation, Singapore, South Africa, Switzerland, Turkey, the United Kingdom Crown Dependencies and the United States along with, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Qatar, Oman, Saudi Arabia and the United Arab Emirates), the agent should provide written confirmation that it has that status with the Application Form(s) and written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Registrar and/or any relevant regulatory or investigatory authority.

Third party cheques will not be accepted.

To confirm the acceptability of any written assurance referred to in this paragraph 4 above, or in any other case, the acceptor should contact the Capita Registrars. The telephone number of Capita Registrars is 0871 664 0321 or, if telephoning from outside the UK, +44 20 8639 3399. Calls to the Capita Registrars 0871 664 0321 number are charged at 10 pence per minute (including VAT) plus any of your service provider's network extras. Calls to the Capita Registrars +44 20 8639 3399 number from outside the UK are charged at applicable international rates. Different charges may apply to calls made from mobile telephones and calls may be recorded and monitored randomly for security and training purposes. Capita Registrars cannot provide advice on the merits of the Proposal nor give any financial, legal or tax advice.

(ii) Open Offer Entitlements in CREST

If you hold your Open Offer Entitlements in CREST and apply for New Ordinary Shares in respect of all or some of your Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Receiving Agent is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Receiving Agent before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE instruction which on its settlement constitutes a valid application as described above constitutes a warranty and undertaking by the applicant to provide promptly to the Receiving Agent such information as may be specified by the Receiving Agent as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Receiving Agent as to identity, the Receiving Agent may in its absolute discretion take, or omit to take, such action as it may determine to prevent or delay issue of the New Ordinary Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the New Ordinary Shares represented by the USE instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

5. Overseas Shareholders

The distribution of this document and the making of the Open Offer to persons located or resident in, or who are citizens of, or who have a registered address in, countries other than the United Kingdom may be restricted by the law or regulatory requirements of the relevant jurisdiction. Any failure to comply with such restrictions may constitute a violation of the securities laws of the relevant jurisdiction. Any Shareholder who is in any doubt as to his or her position should consult an appropriate professional adviser without delay.

Receipt of this document and/or the Application Form and/or a credit of Open Offer Entitlement to a stock account in CREST will not constitute an invitation to subscribe for Open Offer Shares in those jurisdictions in which it would be illegal to make such an invitation or any related offer and/or acceptance and, in those circumstances, this document and/or the Application Form will be sent for information only and should not be copied or redistributed. No person receiving a copy of this document and/or the Application Form and/or a credit of Open Offer Entitlement to a stock account in CREST in any territory other than the United Kingdom may treat the same as constituting an invitation or offer to him or her, or use the Application Form and/or credit of Open Offer Entitlement to a stock account in CREST, unless in the relevant territory such an invitation or offer could lawfully be made to him/her and such an Application Form and/or a credit of Open Offer Entitlement to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements.

Accordingly, persons receiving a copy of this document and/or the Application Form should not, in connection with the Open Offer or otherwise, distribute or send the same to any person in, or citizen or resident of, or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this document and/or the Application Form is received by any person in any such territory, or by their agent or nominee in any such territory, he or she must not seek to apply for Open Offer Shares. Any person who does forward this document and/or the Application Form into any such territories (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this paragraph 5 and paragraph 4 above.

Any person (including, without limitation, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares must satisfy himself/herself as to full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The comments set out in Part VI and in this paragraph 5 are intended as a general guide only and any Shareholder who is in any doubt as to his/her position should consult his/her appropriately authorised professional adviser without delay.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares which appears to the Company or its agents to have been executed, effected or despatched in a manner which may involve a breach of the laws or regulations of any jurisdiction or if the Company believes or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of share certificates for Open Offer Shares, or in the case of a credit of Open Offer Shares in CREST, to a CREST member whose registered address would be, in an Excluded Territory or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates.

Shareholders in jurisdictions other than the Excluded Territories may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares in accordance with the instructions set out in this document and the Application Form. Such Shareholders who have registered addresses in, or who are resident in, or who are citizens of, countries other than the United Kingdom should, however, consult their appropriate professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to enable them to take up their Open Offer Shares.

Notwithstanding any other provision of this document or the Application Form, the Company reserves the right to permit any Qualifying Shareholder to apply for Open Offer Shares if the Company, in its sole and absolute discretion, is satisfied at any time prior to 11.00 a.m. on 3 July 2008 that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

If you are in any doubt as to your eligibility to take up Open Offer Shares, you should contact an appropriate professional adviser immediately.

US Persons, US Residents, persons in the United States and persons resident in Canada may not subscribe for New Ordinary Shares pursuant to the Open Offer.

6. Withdrawal rights

Shareholders wishing to exercise statutory withdrawal rights under section 87Q(4) of FSMA after publication by the Company of a prospectus supplementing this document must do so by lodging a written notice of withdrawal (and for these purposes a written notice includes a notice sent by facsimile or email), which must include the full name and address of the person wishing to exercise statutory withdrawal rights and, if such person is a CREST member, the Participant ID and the Member Account ID of such CREST member, with Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU so as to be received no later than two business days after the date on which the supplementary prospectus is published. Notice of withdrawal given by any other means or which is deposited with or received by the Receiving Agent after expiry of such period will not constitute a valid withdrawal. The Company will not permit the exercise of withdrawal rights after payment by the relevant Qualifying Shareholder of its subscription in full and the allotment of Open Offer Shares to such Qualifying Shareholder becoming unconditional. In such event Shareholders are advised to seek independent legal advice.

7. Admission, settlement and dealings

The result of the Open Offer is expected to be announced on 4 July 2008. Applications will be made to the UK Listing Authority for all of the New Ordinary Shares issued and to be issued in connection with the Placing and Open Offer to be admitted to the Official List and to the London Stock Exchange for such New Ordinary Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. Subject to the Placing and Open Offer becoming unconditional in all respects (save only as to Admission), it is expected that Admission will become effective and that dealings in the Open Offer Shares will commence on at 8.00 a.m. on 9 July 2008.

If the conditions to the Open Offer described above are satisfied, Open Offer Shares will be issued in uncertificated form to those persons who submitted a valid application for Open Offer Shares by utilising the CREST application procedures and whose applications have been accepted by the Company on the day on which such conditions are satisfied (expected to be 9 July 2008). The Receiving Agent will instruct Euroclear to credit the appropriate stock accounts of such persons with such persons' entitlements to Open Offer Shares with effect from Admission (expected to be at 8.00 a.m. on 9 July 2008). The stock accounts to be credited will be accounts under the same participant IDs and member account IDs in respect of which the USE instruction was given. Qualifying Shareholders whose Ordinary Shares are held in CREST should note that they will be sent no confirmation of the credit of the Open Offer Shares to their CREST stock account nor any other written communication by the Company in respect of the issue of the Open Offer Shares.

Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Holders an Application Form instead of crediting the relevant stock account with Open Offer Entitlements, and/or to issue any Open Offer Shares in certificated form. In normal circumstances this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST or any part of CREST, or on the part of the facilities and/or systems operated

by Capita Registrars in connection with CREST. This right may also be exercised if the correct details (such as participant ID and member account ID details) are not provided as requested on the Application Form.

For Qualifying non-CREST Holders who have applied by using an Application Form, share certificates for the Open Offer Shares validly applied for are expected to be despatched by post by 16 July 2008. No temporary documents of title will be issued. Pending despatch of definitive share certificates, transfers of the Open Offer Shares by Qualifying non-CREST Holders will be certified against the register. All documents or remittances sent by or to an applicant (or his agent as appropriate) will (in the latter case) be sent through the post and will (in both cases) be at the risk of the applicant.

8. Dilution

The issued ordinary share capital will, following the Placing and Open Offer, be increased 15.4% by the Placing and Open Offer. Qualifying Shareholders who do not participate at all in the Open Offer and Excluded Shareholders will have their proportionate ownership and voting interest in the Ordinary Shares and the percentage that their existing Ordinary Shares represent of the issued share capital of the Company reduced by approximately 13.3%.

9. Governing law

The terms and conditions of the Open Offer as set out in this document and the Application Form are governed by, and shall be construed in accordance with, English law. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document and the Application Form.

By taking up their entitlements under the Open Offer in accordance with the instructions set out in this document and the Application Form, Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

PART VI

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. This document takes into account the United Kingdom Finance Bill 2008 in the form published on 28 March 2008 (the "Finance Bill 2008") and assumes that the Finance Bill 2008 will be enacted in its current form. This draft legislation may change prior to becoming law. 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 is 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 New 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 New Ordinary Shares. So long as the Company maintains its "exempt company" status, dividends on the New Ordinary Shares may be paid by the Company without withholding or deduction for or on account of Jersey income tax.

Amendments have been made to the Income Tax Law that will have the following effects from 1 January 2009:

- (i) exempt company status will cease to be available;
- (ii) the Company will either:
 - (a) continue to be regarded as not resident in Jersey under the Income Tax Law and accordingly, will not be liable to Jersey income tax; or
 - (b) be regarded as resident in Jersey under the Income Tax Law, but (being neither a financial services company nor a specified utility company under the Income Tax Law at the date hereof) will be subject to income tax at a rate of 0%;
- (iii) the Company will continue to be able to pay dividends on its ordinary shares without any withholding or deduction for or on account of Jersey tax; and
- (iv) holders of ordinary shares (other than Jersey residents) will not be subject to any Jersey tax in respect of the holding, sale or other disposition of their ordinary shares.

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 New Ordinary Shares.

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.

Taxation of the Luxcos

Luxco 1, Luxco 2, Oystercatcher Luxco 1 and Oystercatcher 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 and Oystercatcher Luxco 1 should be entitled to receive dividend and interest payments from Luxco 2 and Oystercatcher 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 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 have invested 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 Qualifying Shareholders applies only to persons who are resident or ordinarily resident solely in the United Kingdom for taxation purposes and who hold their Ordinary Shares as an investment (rather than as securities to be realised in the course of a trade) and does not apply to non-UK domiciled shareholders who are taxable on the remittance basis. It does not apply to persons who hold their Ordinary Shares as trustees or who otherwise hold their Ordinary Shares and any dividends paid in respect of them in some capacity other than that of absolute 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.

Any person who is in any doubt about their own tax position should consult an appropriate independent professional adviser without delay.

Individual Shareholders

Income tax

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

Pursuant to the Finance Bill 2008, with effect from 6 April 2008, UK resident individuals who own less than a 10% shareholding in a non-UK resident company will be entitled to a non-payable tax credit of one ninth of dividends received from the non-UK resident company similar to that to which they are already entitled in respect of dividends received from UK resident companies. Assuming such legislation is passed, this will reduce the effective rate of UK income tax paid by basic rate and higher rate taxpayers on dividends received from the Company to 0% and 25% respectively (provided that they own less than 10% of the issued share capital of the Company).

Capital gains tax

For the purposes of capital gains tax, a Shareholder should not be treated as making a disposal of all or part of his existing holding of Ordinary Shares by reason of taking up his entitlement under the Open Offer or the issue to that Shareholder of Open Offer Shares.

It is arguable as a matter of UK tax law that the Open Offer is not strictly speaking a reorganisation of the share capital of the Company for the purposes of UK taxation of chargeable gains. However, whilst Her Majesty's Revenue and Customs' ("HMRC") treatment of the Open Offer cannot be guaranteed, and specific confirmation has not been requested in relation to the Open Offer, it is understood that HMRC has previously directed in broadly equivalent circumstances that, in practice, reorganisation treatment should apply and the cost of any Open Offer Shares subscribed for by a Shareholder pursuant to the Open Offer should generally be added to the base cost of the Shareholder's then existing Ordinary Shares (i.e. the Shareholder's existing Ordinary Shares and the Open Offer Shares should be treated as the same asset for the purposes of capital gains tax). To the extent that New Ordinary Shares are issued to persons other than Qualifying Shareholders pursuant to the Placing or Additional Placing this will not be treated as a reorganisation of the Company's share capital for the purposes of UK tax on chargeable gains. Instead, such New Ordinary Shares will be treated as acquired as part of a separate acquisition. This will also be the case to the extent that the issue of the New Ordinary Shares by the Company to Qualifying Shareholders under the terms of the Open Offer is not treated as a reorganisation. In these circumstances the price paid for the New Ordinary Shares (issued pursuant to the Placing, Open Offer or Additional Placing) will constitute such person's base cost for the purposes of UK taxation on chargeable gains.

A subsequent disposal of Ordinary Shares by a Shareholder may, depending on the Shareholder'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. Pursuant to the Finance Bill 2008, taper relief has been abolished for disposals of assets by individuals on or after 6 April 2008 (even if assets were held before that date) and chargeable gains are liable to tax at a new rate of 18%. As the Company is a closed-ended company it is not a collective investment scheme and therefore the rules relating to "offshore funds" in Chapter V of Part XVII of the Income and Corporation Taxes Act 1988 do not apply.

The capital gains exemption for individual shareholders is £9,600 for the 2008/2009 tax year and, under current legislation this exemption is generally increased annually in line with the rate of increase in the retail price index. Investors should be aware that the UK government is entitled to withdraw this link between the level of the annual exemption and the retail price index or even to reduce the level of the annual exemption for future years below its current level or remove it altogether.

Where a UK-resident individual Shareholder receives a capital distribution in respect of his Ordinary Shares this will be treated as a part disposal of his 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.

ISAs and SIPPs

It is expected that the New Ordinary Shares acquired under the Open Offer will be eligible for inclusion in ISAs (subject to applicable subscription limits). The New Ordinary Shares 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 UK-resident corporate Shareholder is in receipt of a dividend from the Company and controls, directly or indirectly, 10% or more of the voting power of the Company.

"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

For the purposes of corporation tax on chargeable gains, a Shareholder should not be treated as making a disposal of all or part of his existing holding of Ordinary Shares by reason of taking up his entitlement under the Open Offer or the issue to that Shareholder of Open Offer Shares.

It is arguable as a matter of UK tax law that the Open Offer is not strictly speaking a reorganisation of the share capital of the Company for the purposes of UK taxation on chargeable gains. However, whilst HMRC treatment of the Open Offer cannot be guaranteed, and specific confirmation has not been requested in relation to the Open Offer, it is understood that HMRC has previously directed in broadly equivalent circumstances that, in practice, reorganisation treatment should apply and the cost of any Open Offer Shares subscribed for by a Shareholder pursuant to the Open Offer should generally be added to the base cost of the Shareholder's then existing Ordinary Shares (i.e. the Shareholder's existing Ordinary Shares and the Open Offer Shares should be treated as the same asset for the purposes of capital gains tax). The subscription price will qualify for indexation allowance from the date on which the relevant Shareholder paid or became liable to pay for such Open Offer Shares (and not at the time the Open Offer Shares were deemed to be acquired). To the extent that New Ordinary Shares are issued to persons other than Qualifying Shareholders pursuant to the Placing or Additional Placing this will not be treated as a reorganisation of the Company's share capital for the purposes of UK tax on chargeable gains. Instead, such New Ordinary Shares will be treated as acquired as part of a separate acquisition. This will also be the case to the extent that the issue of the New Ordinary Shares by the Company to Qualifying Shareholders under the terms of the Open Offer is not treated as a reorganisation. In these circumstances the price paid for the New Ordinary Shares (issued pursuant to the Placing, Open Offer or Additional Placing) will constitute such person's base cost for the purposes of UK taxation on chargeable gains.

A subsequent disposal of Ordinary Shares by a Shareholder may, depending on the Shareholder's circumstances, and subject to any available exemption or relief, give rise to a chargeable gain or an allowable loss for the purposes of corporation tax on chargeable gains. As the Company is a closed-ended

company it is not a collective investment scheme and therefore the rules relating to "offshore funds" in Chapter V of Part XVII of the Income and Corporation Taxes Act 1988 do 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 UK tax provisions

Chapter 2 of Part 13 of the Income Tax Act 2007

The attention of individuals that are ordinarily resident in the UK for tax purposes is drawn to the provisions of Chapter 2 of Part 13 of the Income Tax Act 2007. 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 these provisions.

Section 13 of the Taxation of Chargeable Gains Act 1992

These paragraphs apply to Shareholders who are resident or ordinarily resident in the UK for tax purposes 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 or corporation tax on chargeable 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

If the Company were at any time to be controlled, for the purposes of the "controlled foreign companies" provisions in Chapter IV of Part XVII of the Income and Corporation Taxes Act 1988, by persons resident in the UK, these provisions could apply to UK resident corporate Shareholders. Under these provisions, 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.

Consultation on the taxation of foreign profits of companies

The attention of corporate Shareholders within the charge to UK corporation tax is drawn to the HMRC discussion document entitled "Taxation of the foreign profits of companies" published on 21 June 2007. This document proposes, *inter alia*, possible changes for such corporate Shareholders to the UK law on the

taxation of dividends and in relation to "Controlled Foreign Companies". Any legislation deriving from the proposals contained in the document is currently not expected until the Finance Act 2009.

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 operating or otherwise 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 New Ordinary Shares.

Transfers of New Ordinary Shares will not be liable to UK stamp duty unless the instrument of transfer is executed within the UK or, wherever executed, relates to any matter or thing done or to be done within the UK. In such a case, *ad valorem* stamp duty is charged at the rate of 0.5% of the consideration for the transfer rounded up where necessary to the nearest multiple of £5. Provided that the New Ordinary Shares are not registered in a register kept in the UK by or on behalf of the Company, any agreement to transfer New Ordinary Shares will not be subject to SDRT.

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 ADVISER ABOUT THE TAX CONSEQUENCES OF AN INVESTMENT IN THE ORDINARY SHARES UNDER THE INVESTOR'S OWN CIRCUMSTANCES.

PART VII

OPERATING AND FINANCIAL REVIEW

About the Company

The Company is a Jersey-incorporated, closed-ended investment company that invests in infrastructure businesses and assets and is regulated by the JFSC.

The Company listed on the London Stock Exchange on 13 March 2007, raising £703 million in its IPO from a diverse range of international institutions and retail investors. The Company is a component of the FTSE 250 index.

3i Investments, a wholly-owned subsidiary of 3i Group acts as Investment Adviser to the Company. The Company has a non-executive board and no employees.

Investment objective

Returns

On IPO, the Company's overall objective was to provide its shareholders with a total return of 12% per annum on the IPO Net Proceeds, to be achieved over the long term.

Within this overall objective, the Company targeted an annual distribution yield, on full investment of the IPO Net Proceeds, of approximately 5% of the IPO Net Proceeds, to be achieved through a combination of regular dividends and capital returns.

On Admission, these investment objectives will be updated to take into account the Net Proceeds, as set out in Part I of the Prospectus.

Portfolio

The Company had a declared aim to invest the IPO Net Proceeds within two years from IPO Admission. On Admission, the Company will aim to invest the Equity Proceeds, together with the proceeds of disposals arising up to 12 months after Admission, over a period of 18 months to two years after Admission.

The Company makes investments in infrastructure businesses and will, in the case of most investments, seek board representation.

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

Investment Adviser's review

About the Investment Adviser

3i Investments, a wholly-owned subsidiary of 3i Group, acts as Investment Adviser to the Company through its Infrastructure Investment Team. The team advises the Company on the origination and completion of new investments, on the realisation of investments and on funding requirements, as well as on the management of the investment portfolio.

Investment summary

As shown in Table 2, investments during the period to 31 March 2008 totalled £442 million, representing 64% of the IPO Net Proceeds. As of the date of this Prospectus, including undrawn commitments, the Company has invested or committed £661 million, or 95% of the IPO Net Proceeds.

The balance of the IPO Net Proceeds, plus income received and net of costs and dividends paid, as well as funds committed to but not drawn down in relation to the India Infrastructure Fund, of approximately £89.3 million as at the date of this Prospectus, is held in cash or cash equivalents

Throughout the period, investments have been made, in accordance with the investment policy, to build a portfolio of assets diversified by geography, sector and maturity. The Investment Adviser has adopted a selective approach to investment recommendations, focusing on opportunities where it can add value through the 3i Group network and through the specialist sector knowledge of its investment professionals and on opportunities, such as the recent investments in junior debt assets, arising from the changing market environment. Significant time has also been devoted by the Investment Advisory Team to assist and advise the Company with portfolio management, with the aim of managing the assets to deliver returns in line with the Company's objectives.

An asset-by-asset review of the portfolio, including a strategic update, valuation methodology and developments in the period, can be found in Part II of this Prospectus.

Investment policy

The Company's investment policy is set out in full in Part I of this Prospectus.

The Initial Portfolio

As detailed in Table 2, the Company acquired an Initial Portfolio of infrastructure assets from 3i Group at the time of the IPO, for a total consideration of £234.4 million. This initial portfolio includes minority investments in AWG, I², Octagon and Alpha Schools. Follow-on investments and draw downs of existing commitments into these projects during the period since acquisition amounted to £44.1 million.

Eight additional investments and new commitments were made after the initial portfolio acquisition, for a total consideration of £163.6 million, or £289.9 million including commitments.

New investments

The Company's largest investment during the period, after the purchase of the initial portfolio at IPO, was the acquisition, through Oystercatcher Luxco 2, of a 45% interest in three subsidiaries of Oiltanking, which provide petroleum and chemical storage facilities in Amsterdam, Malta and Singapore. This investment was completed in August, for a total consideration of £84.5 million.

In August 2007, the Company also purchased a 16.7% holding, from 3i Group, in T2C, a company established to develop, own and operate a waste-to-energy plant in Germany, for a consideration of £6.5 million.

Following approval from its shareholders at an Extraordinary General Meeting held in September 2007, the Company committed US\$250 million to the India Infrastructure Fund, established by 3i Group to invest in infrastructure opportunities in India. As announced by 3i Group, the India Infrastructure Fund completed its final close in early April 2008, at US\$1.2 billion, 20% above the stated US\$1 billion target. At 31 March 2008, the India Infrastructure Fund had completed two investments. The first of these was Adani Power Private Limited, a company developing a portfolio of power plants across India, which was followed by an investment in Soma Enterprise Limited, an infrastructure developer focusing on Build-Operate-Transfer (BOT) projects. As new investors were admitted into the India Infrastructure Fund before the final close, part of the amount drawn down from the Company was returned to the Company in order to apportion the India Infrastructure Fund's investments proportionately between all investors, based on each investor's commitment to the India Infrastructure Fund. The amount returned, which totalled US\$89.7 million (£45 million) at 31 March 2008, has remained committed to the Fund and is available for draw down, as and when new investments are to be made by the India Infrastructure Fund. Net of the amount returned to the Company, at 31 March 2008, the India Infrastructure Fund had drawn down US\$75.8 million (£36.4 million) of the Company's commitments. The Company also received £1.4m in interest payments in the period from new investors in the India Infrastructure Fund, as compensation for lost interest income on the amount drawn down and subsequently returned by the India Infrastructure Fund.

On 18 February 2008, the Company confirmed that it had approached the board of Novera, an established UK-focused renewable energy company which generates electricity from wind, waste and landfill gas and stated that it was considering a possible cash offer for the entire issued and to be issued share capital of Novera at a price of 90 pence per share. At the same time, the Company purchased (through Harrier Acquisitions Limited, a wholly owned subsidiary of the Company) 12.4 million Novera shares, a 10.0% holding, at a price of 90 pence per share, for a total consideration of £11.2 million. A third party, Infinis Energy Limited, subsequently acquired a 28.2% holding in Novera. The Company confirmed on 2 June 2008 that it did not intend to make an offer for Novera, and would not do so (except in certain limited circumstances) during the subsequent six months. Infinis Energy Limited made a similar confirmation on the same date.

The Company was granted an option by 3i Group to acquire all of 3i Group's limited partnership interest in Alma Mater, which is active in the design, construction, financing and operation of university accommodation facilities in the UK. The Company acquired this limited partnership interest (on 31 March 2008), at a price of £25.0 million, following an independent valuation (as at 31 December 2007) performed by KPMG LLP. (A conditional purchase agreement to sell this interest for £48.1 million has recently been entered into.)

Prior to 31 March 2008, investment commitments totalling £34.2 million were made to invest in three junior debt facilities of infrastructure businesses, as set out in Table 1 below. Due to the dislocation in the credit markets the pricing of such junior debt should deliver attractive, equity-like returns and a high cash

yield, which is comfortably within the Company's blended portfolio range. This market situation has enabled investment in products that would previously have been excluded due to the Company's investment return objective. The Investment Adviser has carried out a detailed assessment of the credit-worthiness of the underlying assets.

Table 1 – Summary of commitments to junior debt facilities as at 31 March 2008¹

Asset	Facility	Amount Committed (£m)
Viridian	Electricinvest Holding Company Limited £500m Junior Facility	12.2
Thames Water	Kemble Water Structure Limited £835m Term Loan Facility	9.9
NGW/Arqiva	Macquarie UK Broadcast Enterprise Limited £475m Junior Facility	12.1

Since the acquisition of the original tranches of junior debt, the Company has invested a further £14.6 million, £14.0 million and £21.1 million respectively into Thames Water, Viridian and NGW. In addition, the Company has also made a debt investment of £2.5 million into Télédiffusion de France, the leading provider of broadcast transmission infrastructure and services and telecoms infrastructure in France.

¹ The information in the tables in this section is stated on the investment basis, except where indicated.

Table 2 – Summary of investment activity in the period to 31 March 2008 (£m)

Portfolio asset (investment basis)	Sector	Initial portfolio	Further investment	New investment	Total investment	Undrawn commitments	Total
<i>Equity investments</i>							
Anglian Water ¹	Utilities – Water	140.0			140.0	—	140.0
I ²	Social Infrastructure – PFI fund	82.0	43.1		125.1	37.3	162.4
Octagon	Social Infrastructure – PFI hospital	12.2	1.0		13.2	—	13.2
Alpha Schools	Social Infrastructure – PFI schools	0.2			0.2	7.4	7.6
T2C	Utilities – Power			6.5	6.5	—	6.5
Oystercatcher 2	Transportation – Oil Storage			84.5	84.5	—	84.5
India Infrastructure Holdings ²	Power and Transport fund			36.4	36.4	89.3	125.7
Alma Mater	Social Infrastructure – PFI university			25.0	25.0	2.8	27.8
Novera	Utilities – Power			11.2	11.2	—	11.2
<i>Debt investments</i>							
Viridian	Utilities – Power					12.2	12.2
Thames Water	Utilities – Water					9.9	9.9
NGW/Arqiva	Utilities – Communications					12.1	12.1
Total		234.4	44.1	163.6	442.1	171.0	613.1

1 Formerly known as Osprey Jersey Holdco Limited.

2 The Fund held two investments at the time of reporting, in the power and infrastructure construction sectors. Due to the current weighting of the underlying assets the fund has been classified as a Utilities investment.

Portfolio performance

Portfolio value and returns

The value of the Company's portfolio at 31 March 2008 was £489.7 million (30 September 2007: £426.4 million). All assets are performing in line with expectations.

The performance of the Company's investment assets is measured on the basis of the investment return. The Company generates returns on the assets either through the yield – from dividends or interest – earned from the assets, from the revaluation of the assets, or from any realised capital profits from the sale or partial sale of the asset. Interest income is earned on cash and cash equivalents. The investment return attributable to the assets for the period to 31 March 2008 is £112.7 million, 16.3% of shareholders' equity as at the IPO (30 September 2007: £40.3 million, 5.8%).

Summary of portfolio management approach

The Investment Adviser provides portfolio management support. To achieve this, the Investment Adviser works with the management and shareholders of each of the portfolio companies to deliver improvements in their operational performance.

The performance of the Portfolio Companies is monitored by the Investment Adviser and the Board on a regular basis. At least one member of the Infrastructure Investment Team regularly attends the board meetings of Portfolio Companies, where equity stakes are held. Management accounts for most assets are received and analysed monthly by the Investment Adviser. On the basis of this information, the Investment Adviser prepares quarterly reports for the benefit of the Board. The Investment Adviser prepares a formal annual review for each asset, which is presented to the Board of Directors.

Portfolio composition

The Company's objective is to build a portfolio of assets which is diversified by sector, maturity and geography. Tables 3, 4 and 5 below illustrate the breakdown of the portfolio by sector, maturity and geography as at 31 March 2008.

The portfolio is invested across a range of asset maturities, from mature, typically high-yielding assets to early-stage development projects, which would generally provide a lower yield, but higher capital growth potential. Diversification of the Current Investment Portfolio across this maturity spectrum aims to deliver a balance of income returns and capital growth, as well as to balance the portfolio's risk profile.

The Company can also further diversify its portfolio by investing in infrastructure funds. Such funds generally have a geographical or sector mandate and typically invest across a spectrum of risk profiles and, dependent on that profile, will generate either income or capital growth. The Company targets investment in funds where the risk/return profile will complement the balance of risk/return sought in its portfolio.

Table 3 – Asset portfolio by sector

as at 31 March 2008

Social infrastructure	36%
Transportation	20%
Utilities	44%

Table 4 – Asset portfolio by maturity

as at 31 March 2008

Early stage	9%
Operational growth	38%
Mature	53%

Table 5 – Asset portfolio by geography

as at 31 March 2008

UK	70%
Continental Europe*	22%
Asia	8%

* Includes investment in Oystercatcher 2, with operations in Amsterdam, Malta and Singapore.

Valuation

Investment valuations are calculated at the half year and at the financial year end by the Investment Adviser and then reviewed and approved by the Board of Directors. Investments are reported at the Directors' estimate of fair value at the reporting date. The valuation principles used are based on International Private Equity and Venture Capital (IPEVC) valuation guidelines, generally using a discounted cash flow (DCF) methodology, which the Board considers to be the most appropriate valuation methodology for infrastructure investments.

Valuation methodology

All valuations are based, in part, on information provided by the project companies or other investment vehicles in which the Company has invested. The Investment Adviser evaluates all such information and data. The most up to date financial model will be used and adjusted for material events at the reporting date.

Generally, the process of estimating the fair value of an investment involves using the DCF methodology to derive the present value of an investment's expected future cash flows. Cash flow projections are based on reasonable macro-economic, industry-specific and company-specific financing and operating estimates or assumptions. An appropriate discount rate is then applied.

The discount rate for each investment will vary according to the investment's underlying risks. The Investment Adviser exercises its skill and judgment to assess the most appropriate discount rate which will be derived from a risk premium, applied for each individual asset, in excess of the risk-free rate. Other market information available to the Investment Adviser, both specific to the Company's investment or to the market sector, may also be incorporated into the discount rate.

The DCF basis will be used as the primary valuation methodology for the Company's portfolio, except for the following cases:

- investments in other infrastructure funds, where the Company will value its limited partnership share of the net asset value of the fund. It can generally be assumed, however, that most infrastructure funds will value their underlying assets on a DCF basis. The underlying fund valuation may be adjusted to incorporate discount rates consistent with the Company's assessment of the most appropriate discount rate for the nature of the assets held in the fund;
- quoted assets, which will be valued at closing bid price;
- assets close to sale, which will be valued on the basis of expected sale proceeds from offers received as part of a sale process, less an appropriate marketability discount; and
- debt instruments, which will be valued using quoted bid prices provided by third party broker information, where available, or will be held at cost less any appropriate fair value adjustment.

A fair value adjustment will be made against any investment in a company that has failed or is expected to fail within the next 12 months.

Current Investment Portfolio value

Table 6 illustrates the effects of new investment, asset returns, exchange movements and income received on portfolio value during the financial period ended 31 March 2008. In valuing the Current Investment Portfolio, the weighted average discount rate applied at 31 March 2008 was 12.4% (30 September 2007: 13%), the decrease arising from the reduced proportion of the portfolio invested in the India Infrastructure Fund and a decrease in the discount rate applied to AWG. The discount rate applied to the valuation of AWG was lowered marginally to reflect the partial sale of a subsidiary company, Morrison Utility Services, which will result in a reduction in the proportion of income generated from unregulated sources and therefore in a reduction of the uncertainty of future cashflows.

Table 6 – Reconciliation of movement in portfolio value
for the period to 31 March 2008

	(£m)
Initial portfolio value	234.4
New/further investments	207.7
Proceeds	(19.0)
Asset returns*	94.4
Income received	(27.8)
Closing portfolio value	489.7

*Includes unrealised exchange gains of £18.1 million.

Basis of preparation

In the following section, the Investment Adviser has presented the Company's Net Asset Value and key financial statements to show the return on a pro forma investment basis, in addition to the consolidated financial statements as shown on pages 98 to 101, as required under International Financial Reporting Standards (IFRS). This pro forma investment basis presentation provides a more meaningful representation of the Company's Net Asset Value, shows the Company's cash utilisation for investment and differentiates between non-recourse borrowings held within asset specific acquisition companies and borrowings which may be made at the Company level. The investment basis accounts for majority investments and subsidiaries formed specifically for investment purposes in the same way as minority investments by determining a fair value for the investment and therefore does not consolidate these entities line-by-line as required under IFRS.

Two adjustments have been made in order to show returns on an investment basis.

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

During the period to 31 March 2008 the Company invested in Oystercatcher Luxco 1 and Oystercatcher Luxco 2, two wholly-owned subsidiaries, to fund the minority investment into three subsidiaries of Oiltanking. External borrowings were made by Oystercatcher Luxco 2 to fund the investments. These borrowings are non-recourse to the Company. Under IFRS, the results and balance sheets of the Oystercatcher Luxco 1 and Oystercatcher Luxco 2 subsidiaries are required to be consolidated into the Company's financial statements on a line-by-line basis. In the investment basis presentation the Oystercatcher Luxco 2 subsidiary is not consolidated but is accounted for as a portfolio asset held for investment purposes and is fair valued accordingly.

Returns

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

The Company achieved a total return of £90.5 million for the period ended 31 March 2008 (30 September 2007: £33.3 million). The diluted net asset value at 31 March 2008 (before the deduction of the final proposed dividend) was 108.6p per share.

Table 7 – Summary total return on an Investment Basis

for the period from 16 January 2007 to 31 March 2008

	(£m)
Unrealised profits on the revaluation of investments	48.5
Foreign exchange gains on investments	18.1
Capital return	66.6
Portfolio income	
Dividends	17.3
Income from loans and receivables	10.5
Fees payable	(3.4)
Interest receivable	21.7
Investment return	112.7
Advisory, performance and management fees payable	(17.5)
Operating expenses	(3.9)
Other costs	(1.4)
Profit for the period	89.9
Exchange difference on translation of foreign operations	0.6
Total recognised income and expense "Total return"	90.5

The investment return was £112.7 million, of which £94.4 million was generated from portfolio assets and £21.7 million was interest on financial assets. The return comprises dividends and interest yield from the portfolio of £27.8 million, as well as an unrealised value uplift (including foreign exchange gains) of £66.6 million, recognised on the revaluation of certain assets in the portfolio. This is net of fees arising from investment activity and costs payable to advisers of £3.4 million.

Capital return

The unrealised value uplift, totalling £48.5 million in the period (30 September 2007: £11.3 million) increased significantly in the second half of the year. The largest valuation uplifts have arisen from I², Alma Mater and AWG.

I² has fully invested or committed the initial commitments received from its limited partners; as part of the strategic review of the asset, further return enhancements have been identified that are expected to be delivered over the next 12 months.

Alma Mater, which was purchased from 3i Group under the option agreement granted at the time of the IPO, has been valued on a sale basis following receipt by the Company of an offer to purchase the asset, which has generated an uplift of £11.0 million over the £25.0 million acquisition cost.

Finally, the discount rate applied to determine the valuation of AWG has been lowered marginally.

Exchange movements arising mainly from the appreciation of the euro versus sterling since the completion of the investments in Oystercatcher and T2C have resulted in an unrealised value increase of £18.1 million.

Portfolio income

Portfolio income of £27.8 million has been generated from dividends and interest income on loans to Portfolio Vehicles. Fees payable of £3.4 million are transaction costs which are not funded through investment consideration, or incurred pursuing opportunities which were not completed.

Advisory fees, performance fees and operating costs

During the period to 31 March 2008, the Company incurred advisory fees and performance fees of £17.5 million. The advisory fee payable under the Investment Advisory Agreement, calculated as 1.5% of the Gross Investment Value, amounted to £8.0 million. The performance fee, calculated as 20% of returns above a performance hurdle of 8% growth in Net Asset Value adjusted for IPO costs (before distributions and performance fees) totalled £9.2 million.

Operating costs of £3.9 million relate to the running costs of the Company and are attributable to Board costs, service provider costs and other professional fees. Professional fees of £9.8 million relating to the IPO of the Company have been charged directly against reserves and are not reflected in the total return shown in Table 7.

Balance sheet

As at 31 March 2008, the Company's cash balance stood at £253.7 million and there were no external borrowings on a recourse basis to the Company. The Company at 31 March 2008 had in place a £225 million revolving multicurrency credit facility which, at the date of this document, remained undrawn.

Other current assets are predominantly attributable to cash in transit in relation to the investment commitments made in the junior debt portfolio at the end of the financial period.

The stated capital account was reduced by court order on 20 December 2007 and a balance of £693.1 million was transferred to a new distributable reserve which has been combined with retained reserves. Following this transfer, the amount remaining in the Company's stated capital account is £2.

Table 8 – Balance sheet

as at 31 March 2008

	(£m)
Assets	
Non-current assets	
Investment portfolio	489.7
Current assets	
Other current assets	41.4
Cash and cash equivalents	253.7
Total current assets	295.1
Total assets	784.8
Current liabilities	
Trade and other payables	(15.2)
Total current liabilities	(15.2)
Total liabilities	(15.2)
Net assets	769.6
Equity	
Stated capital account*	—
Translation reserve	0.6
Retained reserves	769.0
Total shareholders' equity	769.6

*The stated capital account is £2.

The Net Asset Value at 31 March 2008 was £769.6 million, which reduces to £748.5 million after the deduction of the proposed final dividend, which will be paid in July 2008. Diluted NAV per Ordinary Share, accounting for the 70.6 million Warrants issued at IPO, was 108.6p at 31 March 2008 (September 2007: 103.1p) which reduces to 105.6p after the payment of the proposed final dividend of 3.0p per share.

3i Infrastructure targeted an annual distribution yield, on full investment of the IPO Net Proceeds, of approximately 5% of the IPO Net Proceeds. The Company will have made a 5.1% dividend return in respect of the year ended 31 March 2008, on the basis of the interim dividend paid and the final dividend proposed.

Table 9 – Reconciliation of movements in Net Asset Value

for the period to 31 March 2008

	(£m)
IPO proceeds	702.9
IPO costs	(9.8)
Total return	90.5
Paid dividend	(14.1)
Proposed dividend	(21.0)
Closing NAV (post-dividend)	748.5

Update from 31 March 2008

The updated value of the portfolio as at 31 May 2008, taking into account additional investments and value movement due to exchange rate movements and change in quoted investment valuations was £93.17. The movements in portfolio value since 31 March 2008 (which are unaudited) are summarised below:

Table 10 – Update on portfolio

	(£m)
Portfolio value at 31 March 2008	489.7
Investment of existing commitments	49.2
New investment into committed assets	39.7
New investment	2.5
Value movement*	1.7
	582.8

* Value movement is due to exchange rate movements in the period from 1 April 2008 to 31 May 2008, and changes in value in quoted equity and debt.

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 to be 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. To date, no such own share purchases have been made by the Company.

Financing

Borrowings

The Company finances most of its investments from equity. However, in line with its borrowing policy, the Company will 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 at a Group level 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. 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. (The Company's Facility Agreement limits its borrowings to 40% of the Company's adjusted net asset value, valued as defined in the Facility Agreement.)

Oystercatcher Luxco 2

To fund part of the acquisition cost of the Oiltanking interests, Oystercatcher Luxco 2 has fully drawn down a €190 million facility provided by Royal Bank of Canada. Oystercatcher Luxco 2 has agreed to grant a share pledge in favour of Royal Bank of Canada of the shares it holds pursuant to those interests. Oystercatcher Luxco 2 also has an arrangement with Royal Bank of Canada for an additional facility of €60

million. As at 10 June 2008, there have been no draw downs on this facility. There is no recourse to the Company or its other assets under either facility.

Facility Agreement

On 28 March 2008, the Company entered into a three year £225 million revolving credit facility provided by four major banking groups. To date, no drawdowns have been made under the Facility Agreement.

The new facility provides the Company with greater financing flexibility and the opportunity to make prudent use of leverage to attempt to enhance returns to Shareholders. However, given the nature of the investments currently anticipated, the Board currently expects to use the facility primarily as a bridge to the financing of investments with equity rather than providing long-term financing itself. The Facility Agreement provides that equity funds raised from future share issues must first be used to pay down outstanding debt under the Facility Agreement.

The covenants in the Facility Agreement include covenants from the Company that no material change will be made to the Investment Policy without the prior written approval of the "majority lenders" under the Facility Agreement, and that no person other than 3i Investments or a company that is within the 3i Group shall become the Investment Adviser during the term of the Facility Agreement.

In addition, no return of capital may be made to shareholders during its term and, if the Company is ever in default under the Facility Agreement or the value of the amounts drawn down under the Facility Agreement is (or would as a result be) greater than 35% of the Company's net assets (valued as set out in the Facility Agreement), then there is a restriction on the Company's ability to make distributions to its shareholders.

The Facility Agreement also provides that if any person, or persons acting in concert (other than a member or members of the 3i Group) gains control of the Company, any lender may require the facility to be repaid. It also requires any proceeds from the ultimate disposal of AWG and Oystercatcher to be used to pre-pay any outstanding loans, unless the banks have first consented to such disposal.

Cash management

The Company and the Group 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 is 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.

The Facility Agreement requires any proceeds from any equity issues by the Company or from certain disposals of the Company's legal or beneficial interests in AWG and Oystercatcher to be used to pre-pay any outstanding loans and thereafter in prepayment of any outstanding letters of credit under the Facility Agreement, unless the Company has obtained the prior written approval of the majority lenders under the Facility Agreement in respect of such disposal, in which case the proceeds of such disposal may be applied by the Company in its own discretion.

Risk management and hedging

The principal risks to which the Company and the Group are exposed are market risk, financing and interest rate risk, currency risk, re-investment risk and liquidity risk. The Company takes steps to mitigate certain of these risks as described below, but no assurances can be given that such risks will be mitigated. Hedging transactions are only used for the purposes of efficient portfolio management. For further details on these risks, see the section "Risk Factors" of this document.

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 depends 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 invest 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 the Company's 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 are 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 to the Euro, US dollars and Indian Rupees, but this may change from time to time. The Company is not currently hedging all of its foreign currency denominated investments. The Board will review, on a regular basis, whether particular currency exposures should be hedged.

Currency hedging has the sole purpose of efficient portfolio management and is mainly 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 involves 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 has 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 invests its cash are expected to generate returns that are substantially lower than the returns that the Company receives 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 are in infrastructure businesses and assets, and will require a long-term commitment of capital, they are 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 anticipates that its committed facility should assist in mitigating some of the liquidity risk and intends to raise long-term capital in advance of investment needs.

Other

Given the sector in which the Company operates, it could be materially affected by changes in governmental, economic, fiscal monetary or political policies or factors relating to the development or provision of infrastructure assets and services. Details of these risks are set out in the Risk Factors section of this Prospectus, along with details of other risks and uncertainties that the Company faces.

The Company is also reliant on services provided by the Investment Adviser and other service providers through a series of contractual arrangements. These contracts are summarised in Part XI of this Prospectus.

PART VIII

ACCOUNTS OF THE COMPANY

The full audited annual accounts of the Company for the period ended 31 March 2008 are reproduced in this Part VIII without amendment or adjustment (save for the removal of cross-references and other statements relevant to the Company's annual report and accounts but not to this document). The Auditors' report on the annual accounts is contained in the Company's audited annual report and accounts and is incorporated by reference into this Prospectus which should be read and construed in conjunction with it.

3i Infrastructure Limited (the "Company") is a company incorporated in Jersey, Channel Islands. The consolidated financial statements for the period to 31 March 2008 comprise the financial statements of the Company and its subsidiaries (together referred to as the "Group"). Separate financial statements of the Company are also presented. The accounting policies of the Company are the same as for the Group, except where separately disclosed.

The financial statements were authorised for issue by the Directors on 11 June 2008.

Statement of Compliance

These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and their interpretations as issued or adopted by the International Accounting Standards Board as adopted for use in the European Union ("IFRS").

These consolidated and separate financial statements also have been prepared in accordance with and in compliance with Jersey Company Law.

New standards and interpretations not applied

The IASB has issued the following standards and interpretations to be applied to financial statements with periods commencing on or after the following dates:

		Effective for the period beginning on or after
IFRS 2	Amendment – Share-based payments: Vesting conditions and cancellations	1 January 2009
IFRS 8	Operating Segments	1 January 2009
IAS 1	Presentation of Financial Statements (Revised)	1 January 2009
IAS 23	Borrowing Costs (Revised)	1 January 2009
IAS 27	Amendment – Consolidated and Separate Financial Statements	1 July 2009
IFRIC 12	Service Concession Arrangements	1 January 2009
IFRIC 13	Customer Loyalty Payments	1 July 2008
IFRIC 14	IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction	1 January 2008

The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the financial statements in the period of initial application and have decided not to adopt these early.

Basis of Preparation

The financial statements are presented in sterling, the functional currency of the Company, rounded to the nearest hundred thousand pounds (£0.1m) except where otherwise indicated.

The Company was incorporated on 16 January 2007. The Company believes that presenting the information from 16 January 2007 to 31 March 2007 would not be meaningful as there were limited operations in this period and accordingly have prepared the accounts from 16 January 2007 to 31 March 2008.

This is the first period in which the Group has operated, therefore no comparatives are presented.

The preparation of financial statements in conformity with IFRS requires the Board to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on experience and other factors that are believed to be reasonable under the circumstances, the results of which form the

basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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) **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, which requires investments held by venture capital organisations 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.
- (iii) **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 which 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 policy. Acquisition costs are attributed to equity investments and recognised immediately in the income statement. For more information, see the valuation policy on page 109.

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 or the investment date and the end of the accounting date, converted into sterling using the exchange rates in force at the end of the period;
- (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:
 - 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;
 - 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.

D. Fees

- (i) Fees payable represent fees incurred in the process to acquire an investment.
- (ii) Advisory fee – An annual advisory fee is payable to 3i plc 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; Further explanations are provided in Note 17.
- (iii) Performance fee – 3i plc is entitled to a performance fee based on the Adjusted Total Return per ordinary share generated in the period in excess of a performance hurdle. The fee is payable annually in arrears and is accrued in the period it is incurred. Further explanations are provided in Note 17.

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.
- (ii) Bank loans, loan notes and borrowings – 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.
- (iii) Derivative financial instruments – Derivative financial instruments may be used to manage the risk associated with foreign currency fluctuations of portfolio income, investment portfolio and changes in interest rates on its borrowings. This is achieved by the use of forward foreign currency contracts 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

determined by discounting future cash flows at the prevailing market rates at the Balance Sheet date. The fair value of 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. The cost of such asset or liability is considered approximate to their fair value. 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. Share Capital

Share capital issued by the Company is recognised at the fair value of proceeds received credited to the stated capital account. Direct issue costs net of tax are deducted from equity. The stated capital account was reduced by Court order on 20 December 2007 and the balance transferred to a new distributable reserve in accordance with Jersey Law.

I. 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 credited directly to equity, in which case the tax is also dealt with in equity.

The tax currently payable is based on the taxable profit for the period. This may differ from the profit included in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Under article 123A of the Income Tax (Jersey) Law 1961, as amended, the Company has obtained Jersey exempt company status for the period and is therefore exempt from Jersey income tax on non Jersey source income and bank interest (by concession). A £600 annual exempt company fee is payable by the Company.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit ("temporary differences"), and is accounted for using the balance sheet liability method.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Where there are taxable differences arising on investments in subsidiaries and associates, and interests in joint ventures, deferred tax liabilities are recognised except where the Group is able to control reversal of the temporary difference and is probable that the temporary differences will reverse in the foreseeable future.

Deferred tax assets are generally recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. However, where there are deductible temporary differences arising from investments in subsidiaries, branches and associates, and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that both the temporary differences will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill and other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Consolidated income statement

for the period from 16 January 2007 to 31 March 2008

	£m
Unrealised profits on the revaluation of investments	68.6
Foreign exchange gains on investments	1.2
	69.8
Portfolio income	
Dividends	30.7
Income from loans and receivables	13.8
Fees payable	(7.5)
Interest receivable	21.8
	128.6
Investment return	128.6
Advisory, performance and management fees payable	(19.0)
Operating expenses	(3.9)
Finance costs	(11.4)
Other expenses	(1.8)
	92.5
Profit before tax	92.5
Income taxes	—
	92.5
Profit after tax and profit for the period	92.5
Attributable to:	
Equity holders of the parent	71.8
Minority interests	20.7
	92.5
Earnings per share	
Basic earnings per share attributable to equity holders of the parent (pence)	10.2
Diluted earnings per share attributable to equity holders of the parent (pence)	10.2

Consolidated statement of changes in equity

for the period from 16 January 2007 to 31 March 2008

	Attributable to equity holders of the parent			Minority	
	Stated Capital Account*	Retained Reserves	Translation Reserve	shareholder's equity	interests
	£m	£m	£m	£m	£m
Profit after tax for the period	—	71.8	—	71.8	20.7
Exchange differences on translation of foreign operations	—	—	17.5	17.5	—
Total recognised income and expense for the period	—	71.8	17.5	89.3	20.7
Minority share of investment	—	—	—	—	107.0
Ordinary shares issued	702.9	—	—	702.9	—
Costs of share issue	(9.8)	—	—	(9.8)	—
Transfer*	(693.1)	693.1	—	—	—
Dividends paid to Company shareholders (2.0p per ordinary share)	—	(14.1)	—	(14.1)	—
Equity at 31 March 2008	—	750.8	17.5	768.3	127.7

*The stated capital account was reduced by Court order on 20 December 2007 and an amount of £693.1m transferred to a new, distributable reserve which has been combined with retained reserves in these accounts. Following this transfer, the amount remaining to the credit of the Company's capital account is £2.

Company statement of changes in equity

for the period from 16 January 2007 to 31 March 2008

	Stated Capital Account*	Retained Reserves	Total equity
	£m	£m	£m
Profit after tax for the period	—	38.9	38.9
Total recognised income and expense for the period	—	38.9	38.9
Ordinary shares issued	702.9	—	702.9
Costs of share issue	(9.8)	—	(9.8)
Transfer*	(693.1)	693.1	—
Dividends paid to Company shareholders (2.0p per ordinary share)	—	(14.1)	(14.1)
Equity at 31 March 2008	—	717.9	717.9

*The stated capital account was reduced by Court order on 20 December 2007 and an amount of £693.1m transferred to a new, distributable reserve which has been combined with retained reserves in these accounts. Following this transfer, the amount remaining to the credit of the Company's stated capital account is £2.

Balance sheet

as at 31 March 2008

	Group £m	Company £m
Assets		
Non-current assets		
Investments		
Quoted equity investments	11.2	—
Unquoted equity investments	548.8	—
Loans and receivables	205.1	—
	765.1	
Investment portfolio		
Interests in Group entities	—	456.4
	765.1	456.4
Total non-current assets	765.1	456.4
Current assets		
Other current assets	42.4	20.9
Derivative financial instruments	0.3	—
Cash and cash equivalents	259.6	253.0
	302.3	273.9
Total current assets	302.3	273.9
Total assets	1,067.4	730.3
Liabilities		
Non-current liabilities		
Loans and borrowings	(151.0)	—
Derivative financial instruments	(5.1)	—
	(156.1)	—
Total non-current liabilities	(156.1)	—
Current liabilities		
Trade and other payables	(15.3)	(12.4)
	(15.3)	(12.4)
Total current liabilities	(15.3)	(12.4)
Total liabilities	(171.4)	(12.4)
Net assets	896.0	717.9
Equity		
Retained reserves	750.8	717.9
Translation reserve	17.5	—
	768.3	717.9
Total equity attributable to equity holders of the parent	768.3	717.9
Minority interests	127.7	—
	896.0	717.9
Total equity	896.0	717.9

Directors**11 June 2008**

Cashflow statement

for the period from 16 January 2007 to 31 March 2008

	Group £m	Company £m
Cashflow from operating activities		
Purchase of investments	(571.2)	(473.4)
Proceeds from investment	19.0	32.1
Income received from loans and receivables	10.1	2.6
Dividends received	30.7	3.2
Fees paid on investment activities	(4.8)	(4.7)
Operating expenses	(3.6)	(1.4)
Interest received	21.2	20.6
Advisory, performance and management fees paid	(8.5)	(5.6)
Net cash flow from operations	(507.1)	(426.6)
Cashflow from financing activities		
Proceeds from issue of share capital	702.9	702.9
Fees payable on issue of share capital	(9.8)	(9.8)
Proceeds from redemption of shares in subsidiary	—	2.3
Interest paid	(6.2)	—
Proceeds from long-term borrowings	128.1	—
Fees paid on financing activities	(5.9)	(1.7)
Dividend paid	(14.1)	(14.1)
Net cash flow from financing activities	795.0	679.6
Change in cash and cash equivalents	287.9	253.0
Cash and cash equivalents at 16 January 2007	—	—
Cash in transit	(31.9)	—
Effect of exchange rate fluctuations	3.6	—
Cash and cash equivalents at the end of the period	259.6	253.0

Notes to the accounts

1 Segmental analysis

for the period from 16 January 2007 to 31 March 2008

	UK £m	Continental Europe £m	Asia £m	Total £m
Investment return				
Unrealised profits/(losses) on the revaluation of investments	64.2	4.7	(0.3)	68.6
Foreign exchange gains on investments	—	1.2	—	1.2
Portfolio income	24.6	11.2	1.2	37.0
Interest receivable	21.8	—	—	21.8
	<u>110.6</u>	<u>17.1</u>	<u>0.9</u>	<u>128.6</u>
Balance sheet				
Value of investment portfolio as at 31 March 2008	<u>472.6</u>	<u>254.8</u>	<u>37.7</u>	<u>765.1</u>

2 Advisory and performance fee payable

for the period from 16 January 2007 to 31 March 2008

	£m
Advisory fee	(8.0)
Performance fee	(9.2)
Management fees	(1.8)
	<u>(19.0)</u>

Note 17 provides further details on the calculation of Advisory fees and the Performance fee.

3 Operating expenses

for the period from 16 January 2007 to 31 March 2008

Operating expenses include the following amounts:

	£m
Audit fees	0.2
Professional fees associated with the acquisition of initial portfolio	1.5
Directors' fees and expenses	0.5

Services provided by the Group auditors

During the year the Group obtained the following services from the Group's auditors Ernst & Young LLP.

	£m
Audit services	
Statutory audit Company	0.13
UK subsidiaries	0.02
Overseas subsidiaries	0.03
	<u>0.18</u>

Non-audit services

There have been no non-audit related services provided by Ernst & Young LLP to the Group in the period.

4 Finance costs

for the period from 16 January 2007 to 31 March 2008

	£m
Interest payable	(6.2)
Movement in the fair value of forward foreign exchange contracts	0.2
Movement in the fair value of interest rate swaps	(5.0)
Professional fees associated with the arrangement of debt financing	(0.4)
	<u>(11.4)</u>

5 Income taxes

for the period from 16 January 2007 to 31 March 2008

	£m
Current tax	
Current financial period	—
Deferred tax	
Deferred income taxes	—
Total income taxes in the income statement	<u>—</u>

The Company currently has, and expects to continue to be subject to, exempt company status in Jersey and is therefore exempt from Jersey income tax on non Jersey source income. Subsidiaries in the Group have provided for taxation at the appropriate rates in the countries in which they operate. As the Group's investment returns are primarily non Jersey source and included in the Company, the total tax provided for the Group is minimal.

6 Investment Portfolio

	As at 31 March 2008			
	Quoted equity investments £m	Unquoted equity investments £m	Loans and receivables £m	Group Total £m
Opening fair value	—	—	—	—
Additions	11.2	440.9	223.6	675.7
Proceeds received	—	—	(19.0)	(19.0)
Revaluation	—	68.6	—	68.6
Other movements	—	39.3	0.5	39.8
Closing fair value	<u>11.2</u>	<u>548.8</u>	<u>205.1</u>	<u>765.1</u>

The holding period of investments in the portfolio is expected to be greater than one year. For this reason the Directors have classified the portfolio as non-current. It is not possible to identify with certainty, where any investments may be sold within one year.

Other movements includes foreign exchange movements.

7 Interests in Group entities

	As at March 2008		
	Equity investments £m	Loans and receivables £m	Company Total £m
Opening fair value	—	—	—
Additions	1.0	472.4	473.4
Proceeds received	—	(32.1)	(32.1)
Other movements	—	15.1	15.1
Closing fair value	1.0	455.1	456.4

Details of principal subsidiaries are given in note 18.

Other movements includes foreign exchange movements.

8 Other current assets

	As at 31 March 2008	
	Group £m	Company £m
Prepayments and accrued income	8.2	0.6
Other debtors	2.3	1.7
Cash in transit	31.9	—
Amounts due from subsidiaries	—	18.6
	42.4	20.9

9 Financial risk management

Each investment made by the Group is subject to a full risk assessment through a standardised investment approval process. The Board's investment committee and investment advisers investment process is part of the overall risk management framework.

The funding objective of the Group and Company is that each category of investment is broadly matched with liabilities and shareholders' funds according to the risk and maturity characteristics of the assets and that funding needs are met ahead of planned investment.

Capital structure

The Group has a continuing commitment to capital efficiency. The capital structure of the Group consists of cash held on deposit and shareholders' equity. The type and maturity of the Group's borrowings are analysed in Note 11 and the Group's equity is analysed into its various components in the statement of changes in equity. Capital is managed so as to maximise the return to shareholders while maintaining a strong capital base that ensures 3i Infrastructure can operate effectively in the marketplace and sustain future development of the business.

Capital is allocated for investment in Utilities, Transportation and Social Infrastructure across the UK, Continental Europe, Asia and the US. As set out in the Group's investment policy, the maximum exposure to any one investment is 20% of gross assets (including cash holdings).

Credit risk

The Group is subject to credit risk on its loans, receivables, cash and deposits. The Group's cash and deposits are held with a variety of counterparties with a credit rating AA or better. The credit quality of loans and receivables within the investment portfolio is based on the financial performance of the individual portfolio companies. For those assets that are not past due, it is believed that the risk of default is small and capital repayments and interest payments will be made in accordance with the agreed terms and conditions of the investment. If the portfolio company failed or is expected to fail in the next 12 months, the Group's policy is to record a fair value adjustment for the full amount of the loan. Fair value adjustments, or "loan impairments", are made when the valuation of the portfolio company implies non-

recovery of all or part of the Group's loan investment. In these cases a loan impairment is recorded equal to the valuation shortfall.

At 31 March 2008, there were no loans are receivables considered past due.

Liquidity risk

The table below analyses the maturity of the Group's contractual liabilities.

Group

	Due within 1 year £m	Due between 1 and 2 years £m	Due between 2 and 5 years £m	Due greater than 5 years £m	Total £m
Gross commitments					
Fixed loan	(7.2)	(7.2)	(21.5)	(160.7)	(196.6)
Derivative financial instruments	—	—	—	(182.7)	(182.7)
	<u>(7.2)</u>	<u>(7.2)</u>	<u>(21.5)</u>	<u>(343.4)</u>	<u>(379.3)</u>

As at 31 March 2008, the Company had no contractual liabilities.

Market risk

The valuation of the Group's portfolio is largely dependent on the underlying trading performance of the companies within the portfolio but the valuation and other items in the financial statements can also be affected by interest rate, currency and quoted market fluctuations. The Group's sensitivities to these are set out below.

(i) Interest rate risk

The direct impact of a movement in interest rates is relatively small. An increase on 100 basis points over 12 months would lead to an appropriate exposure of £2.6 million for the Group. This exposure relates principally to changes in interest payable and receivable on floating rate and short-term instruments and changes in the fair value of interest rate derivatives held at year end. In addition, the Group and Company have indirect exposure to interest rates through changes to the financial performance of portfolio companies caused by interest rate fluctuations. The Company does not hold variable rate loans as assets or liabilities and is therefore not directly exposed to interest rate risk.

(ii) Currency risk

The currency denomination of the Group's assets in Euros and US dollars are shown in the table overleaf. The sensitivity analysis demonstrates the sensitivity of the Group and Company's net assets to movement in foreign currency exchange rates.

Group

	Sterling £m	Euro £m	US dollar £m	Total £m
Net assets	759.3	99.0	37.7	896.0

Sensitivity analysis

Assuming a 5% movement in exchange rates against sterling:

Impact on exchange movements in the income statement	—	(0.3)	—	(0.3)
Impact on the translation of foreign operations in the translation reserve	—	(4.3)	(1.8)	(6.1)
Total	—	(4.6)	(1.8)	(6.4)

Company

	Sterling £m	Euro £m	US dollar £m	Total £m
Net assets	581.3	98.9	37.7	717.9

Sensitivity analysis

Assuming a 5% movement in exchange rates against sterling:

Impact on exchange movements in the income statement	—	(4.9)	(1.9)	(6.8)
Total	—	(4.9)	(1.9)	(6.8)

(iii) Market price risk

A 5% change in the fair value of those investments would have the following direct impact on the income statement.

	Quoted equity £m	Unquoted equity £m	Total £m
Group	0.6	27.5	28.1

10 Derivative financial instruments

	As at 31 March 2008	
	Group £m	Company £m
Current assets		
Forward foreign exchange contracts	0.3	—
Current liabilities		
Forward foreign exchange contracts	(0.1)	—
Interest rate swaps	(5.0)	—
	(5.1)	—

At 31 March 2008, the Company had no derivative financial instruments.

Forward foreign exchange contracts

The Group uses forward foreign exchange contracts to minimise the effect of fluctuations in the value of the proportion of the income from the investment portfolio from movement in exchange rates.

The contracts entered into by the Group are principally denominated in the currencies of the geographic areas in which the Group operates. The fair value of these contracts is recorded in the Balance Sheet and is determined by discounting future cash flows at the prevailing market rates at the Balance Sheet date. No contracts are designated as hedging instruments and consequently all changes in fair value are taken to the income statement.

At the Balance Sheet date the notional amount of forward foreign exchange contracts was £40.8m.

Interest rate swaps

The Group uses interest rate swaps to manage its exposure to interest rate movements on its interest-bearing borrowings. The fair value of these contracts is recorded in the balance sheet and is determined by discounting future cash flows at the prevailing market rates at the Balance Sheet date. No contracts are designated as hedging instruments and consequently all changes in fair value are taken through the income statement.

At the Balance Sheet date the notional amount of outstanding Interest rate swaps was £151.0m, for a variable to fixed rate swap.

11 Loans and borrowings

	As at 31 March 2008 Group £m
Loans and borrowings are repayable as follows:	
After five years	(151.0)
	<u>(151.0)</u>

This represents borrowings by Oystercatcher Luxco 2 from Royal Bank of Canada of €190 million (£151.0m). This facility has been drawn down in full and is repayable in 2014 in full. The facility has an interest rate of Euribor plus a margin of 2.25%.

As at March 2008, the Company entered into a three year £225m revolving credit facility and as at 31 March 2008, the Company had not drawn down on the facility.

Oystercatcher Luxco 2 has an arrangement with Royal Bank of Canada for an additional facility of €60 million. As at 31 March 2008, Oystercatcher Luxco 2 had not drawn down against the facility.

12 Trade and other payables

	As at 31 March 2008 Group £m	Company £m
Trade payables	(0.1)	—
Advisory performance and management fees	(10.6)	(9.7)
Other accruals	(4.6)	(2.7)
	<u>(15.3)</u>	<u>(12.4)</u>

13 Share information

The Company is authorised to issue an unlimited number of shares with no par value. The offer price on IPO for the shares was £1, resulting in £702,859,802 proceeds being received.

	As at 31 March 2008	
	Number	£m
Issued and fully paid		
Opening balance	—	—
Issued on incorporation	2	—
Issued on IPO	700,000,000	700.0
Issued as part of over-allotment arrangement	2,859,802	2.9
Closing balance	<u>702,859,804</u>	<u>702.9</u>

Under the IPO, for every ten shares purchased one Warrant was issued. Each Warrant entitles the holder to subscribe for one Ordinary Share at £1.00 at any time from 13 September 2007 to 13 March 2012. At 31 March 2008, there were 70,640,980 Warrants in issue with no conversions in the period.

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

Earnings per share (pence)

Basic	10.2
Diluted	<u>10.2</u>

Earnings (£m)

Profit for the period attributable to equity holders of the parent	<u>71.8</u>
--	-------------

Number of shares (million)

Weighted average number of shares in issue	702.9
Effect of dilutive potential Ordinary Shares – Warrants	<u>2.4</u>

Diluted shares

705.3

Net assets per share (pence)

Basic	109.3
Diluted	<u>108.5</u>

Net assets (£m)

Net assets attributable to equity holders of the parent	<u>768.3</u>
---	--------------

14 Dividends

	pence per share	£m
Interim (declared and paid during the period)	<u>2.0</u>	<u>14.1</u>
Proposed final dividend	<u>3.0</u>	<u>21.1</u>

15 Commitments

	Group £m	Company £m
Share and loan investments	<u>171.0</u>	<u>171.0</u>

As at 31 March 2008, the Group was committed to subscribing a further £171.0m to investments.

16 Contingent liabilities

At 31 March 2008, there was no material litigation or contingent liabilities outstanding against the Company or any of its subsidiary undertakings.

17 Related Parties

The Group has various related parties stemming from relationships with limited partnerships managed by the Group, its investments and its Investment Advisor. In addition the Group has related party relationships in respect of its subsidiaries.

Investments

The Group principally takes minority holdings in the equity of unquoted companies. This normally allows the Group to participate in the financial and operating policies of that company. It is presumed that it is possible to exert significant influence when the equity holding is greater than 20%. These investments are not equity accounted for (as permitted by IAS 28) but are related parties. The total amounts recognised in the income statement for these investments are as follows:

	Group £m	Company £m
Income statement		
Unrealised profit on the revaluation of investments	28.9	—
Portfolio income	12.8	—
Balance sheet		
Unquoted equity investments	69.6	—
Loans and receivables	137.4	—

The Company does not hold any direct investments in the equity of unquoted investments.

From time to time transactions may occur between related parties within the investment portfolio that the Group influences to facilitate the reorganisation or recapitalisation of an investee company. There has been no single transaction in the period with a material effect on the Group's financial statements.

Subsidiaries

Transactions between the Company and its subsidiaries, which are related parties of the Company are eliminated on consolidation.

Transactions between 3i Infrastructure and 3i Group

3i Group plc ("3i Group") holds 46.2% of the Ordinary Shares of the Company and also holds Warrants which gives it rights to acquire a further 32.5 million Ordinary Shares. This classifies 3i Group as a "substantial shareholder" of the Company as defined by the Listing Rules.

As stated in the Prospectus detailing the IPO ("the Prospectus"), issued by the Company on 20th February 2007, the Group acquired a portfolio of four infrastructure investments from 3i Group on 13 March 2007 for £234.4 million.

Thermal Conversion Compound Industriepark Höchst GmbH ("T2C") a company established to develop, own and operate a waste-to-energy plant in Germany, was purchased by 3i Infrastructure from 3i Group for £6.5 million in the period. As set out in the Prospectus, this investment was made by 3i Group shortly before the flotation of 3i Infrastructure. It was not practicable to include it in the initial portfolio of assets acquired from 3i Group at flotation but was made available for acquisition by 3i Infrastructure after the IPO.

3i Infrastructure has committed US\$250 million to 3i India Infrastructure Holdings Limited to invest in the Indian infrastructure market. 3i Group has also committed US\$250 million into this fund. During the period the Company invested £36.4m into this Fund.

Alma Mater is a series of companies active in the design, construction, financing and operation of university accommodation facilities in the UK. As set out in the Prospectus, the Company was granted an option by 3i Group plc to acquire all of 3i Group's limited partnership interests in Alma Mater. On 31 December 2007, the Company elected to exercise the option. An independent valuation of 3i's interest in Alma Mater fund was performed, and 3i Infrastructure purchased this limited partnership interest for £25.0m on 31 March 2008.

Transactions between 3i Infrastructure and 3i Investments

3i Investments, a subsidiary of 3i plc, acts as the exclusive investment adviser to the Company through the Infrastructure Investment Team. It also acts as the manager for the 3i India Infrastructure Fund. 3i plc, another subsidiary of 3i Group, together with 3i Investments, provides support services to the Company.

Under the Investment Advisory Agreement, an annual advisory fee is payable to 3i plc based on the Gross Investment Value of 3i Infrastructure at the end of each financial period. Gross Investment Value can be defined as the total aggregate value including any subscription obligations of the investments of the Company as at the start of a financial period plus any investment (excluding cash) made during the period valued at cost (including any subscription obligations). The applicable annual rate is 1.5% dropping to an annual rate of 1.25% for investments once they have been held by the Group for longer than five years. The advisory fee accrues throughout the financial period and quarterly instalments are payable on account 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. In the period from 16 January 2007 to 31 March 2008, £7.0m was paid and £1.0m remains due to 3i plc.

The Investment Advisory Agreement entitles an annual performance fee to be payable to 3i plc. This becomes payable when the Adjusted Total Return per ordinary share (being mainly closing net asset value per share aggregated with any distributions made in the course of the financial period and any accrued performance fees relating to the financial period) for the period exceeds the target total return per share being the Net Asset Value per Ordinary Share equal to the opening Net Asset Value per Ordinary Share equal to the opening net and value per opening share increased at a rate of 8% per annum (the "performance hurdle"). If the performance hurdle is exceeded, the performance fee will be equal to 20% of the Adjusted Total Return per share in excess of the performance hurdle for the relevant financial period, multiplied by the weighted average of the total number of shares in issue over the relevant financial period. In the period from 16 January 2007 to 31 March 2008, £9.2m is due to 3i plc.

Under the Investment Advisory Agreement, the Investment Adviser's appointment may be terminated by either the Company or the Investment Adviser giving the other not less than 12 months' notice in writing (provided however that neither party may give such notice during the first four years of the Investment Adviser's appointment, save that such 12 months notice may be given at any time if the Investment Adviser has ceased to be part of 3i Group), or with immediate effect by either party giving the other written notice in the event of insolvency or material or persistent breach by the other party.

Pursuant to the UK Support Services Agreement, the Company pays 3i plc an annual fee. Such remuneration is payable quarterly in arrears. The cost incurred in the period to 31 March 2008 was £0.47m and the outstanding balance at that date was £0.1m.

18 Principal Subsidiaries

Name	Country of incorporation	Ownership interest
3i Infrastructure (Luxembourg) S.à.r.l.	Luxembourg	100%
3i Infrastructure (Luxembourg) Holdings S.à.r.l.	Luxembourg	100%
Oystercatcher Luxco 1 S.à.r.l.	Luxembourg	100%
Oystercatcher Luxco 2 S.à.r.l.	Luxembourg	100%

The list above comprises the principal subsidiary undertakings as at 31 March 2008, all of which are wholly owned. Each of the subsidiary undertakings is included in the consolidated accounts of the Group.

PART IX

ADDITIONAL FINANCIAL INFORMATION ON THE COMPANY

Capitalisation and Indebtedness

The following table shows the capitalisation and indebtedness of the Group at 31 March 2008, extracted from the audited financial statements in Part VIII of this Prospectus.

	As at 31 March 2008 Consolidated basis £m	As at 31 March 2008 Investment basis £m
Total non-current debt		
Secured	151.0	—
Unguaranteed/Unsecured	5.1	—
Total	156.1	—
Cash	(259.6)	(253.7)
Liquidity	(259.6)	(253.7)
Non-current financial indebtedness	—	—
Net financial (surplus)	(103.5)	(253.7)
Capitalisation		
Stated capital account ^{1, 2}	0.0	0.0
Retained reserves ²	750.8	769.0
Other reserves ^{2, 3}	17.5	0.6
Total shareholder's equity	768.3	769.6
Minority interest ⁴	127.7	—
	896.0	769.6

1 The Company has 702,859,804 shares in issue of no par value.

2 The stated capital account was reduced by Court order on 20 December 2007 and the balance of £693.1m transferred to a new distributable reserve. Following the reduction of capital, the amount remaining to the credit of the Company's stated capital account is £2. Retained reserves include the profit for the period.

3 Other reserves comprise the translation reserve and stated capital account.

4 Minority interest includes the profit and loss element of minority interest.

There has been no change to the capitalisation between 31 March 2008 and 10 June 2008.

In addition, at 31 March 2008 and 31 May 2008, the Group has contingent indebtedness in the form of committed undrawn facilities of £225m.

Significant Change

Except for the fall in the share price of Novera referred to under 'Results and Current Trading' in Part I, there has been no significant change in the financial or trading position of the Group since 31 March 2008, being the end of the last financial period for which audited information has been published.

Valuation Policy

The Investment Adviser produces and submits to the Board updated fair market valuations of the Company's investments on a semi-annual basis. 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 calculates 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 are based, in part, on valuation information provided by the Portfolio Companies or

other investment vehicles in which the Company has invested. Although the Investment Adviser evaluates 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 Portfolio 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.

Working capital

Taking into account the Net Proceeds of the Placing and Open Offer of approximately £114.6 million (all of which proceeds are underwritten or the subject of 3i Group's irrevocable undertaking), the Company is of the opinion that the Group has sufficient working capital for its present requirements, that is for 12 months from the date of the Prospectus.

PART X

PRO FORMA STATEMENT

Unaudited consolidated pro forma statement of net assets of the Company

Set out below is an unaudited consolidated *pro forma* statement of net assets of the Company based on the consolidated balance sheet of the Company as at 31 March 2008, adjusted as if the Placing and Open Offer and the Additional Placing (at its maximum value) had each completed on 31 March 2008. The figures for the Company have been extracted, without material adjustment, from the consolidated balance sheet as set out in the audited consolidated financial statements for the period ended 31 March 2008.

This statement has been prepared under IFRS and the accounting policies of the Company as set out in the audited consolidated financial statements of the Company for the period ended 31 March 2008.

This statement is prepared for illustrative purposes only, does not include the effect of trading since 31 March 2008 and, because of its nature, addresses a hypothetical situation and, therefore, does not represent the Company's actual financial position or results.

	Consolidated balance sheet of the Company as at 31 March 2008 £m	Adjustments				Pro forma consolidated balance sheet of the Company as at 31 March 2008 £m
		Placing and Open Offer expenses ⁽²⁾ £m	Placing and Open Offer proceeds £m	Additional Placing expenses ⁽⁴⁾ £m	Additional Placing proceeds ⁽²⁾ £m	
Assets						
Non-current assets						
Investments						
Quoted equity investments	11.2	—	—	—	—	11.2
Unquoted equity investments	548.8	—	—	—	—	548.8
Loans and receivables	205.1	—	—	—	—	205.1
Investment Portfolio	765.1	—	—	—	—	765.1
Total non-current assets	765.1	—	—	—	—	765.1
Current assets						
Other current assets	42.4	—	—	—	—	42.4
Derivative financial instruments	0.3	—	—	—	—	0.3
Cash and cash equivalents	259.6	—	114.6	—	37.3	411.5
Total current assets	302.3	—	114.6	—	37.3	454.2
Total assets	1,067.4	—	114.6	—	37.3	1,219.3
Liabilities						
Non-current liabilities						
Loans and borrowings	(151.0)	—	—	—	—	(151.0)
Derivative financial instruments	(5.1)	—	—	—	—	(5.1)
Total non-current liabilities	(156.1)	—	—	—	—	(156.1)
Current liabilities						
Trade and other payables ⁽³⁾	(15.3)	(3.4)	—	(0.7)	—	(19.4)
Total current liabilities	(15.3)	(3.4)	—	(0.7)	—	(19.4)
Total liabilities	(171.4)	(3.4)	—	(0.7)	—	(175.5)
Net assets	896.0	(3.4)	114.6	(0.7)	37.3	1,043.8
Equity						
Stated capital account ⁽¹⁾	—	(3.4)	114.6	(0.7)	37.3	147.8
Retained reserves	750.8	—	—	—	—	750.8
Translation reserve	17.5	—	—	—	—	17.5
Total equity attributable to equity holders of the parent	768.3	(3.4)	114.6	(0.7)	37.3	916.1
Minority interests	127.7	—	—	—	—	127.7
Total equity	896.0	(3.4)	114.6	(0.7)	37.3	1,043.8

Notes

- The financial information for the Company has been extracted without material adjustment, from the consolidated accounts of the Group as set out in the Group Report and Accounts for the period ended 31 March 2008.
- Additional Placing adjustments assume a maximum issue of 35.1 million New Ordinary Shares.
- Placing and Open Offer expenses: £3.4 million; Additional Placing expenses: £0.7 million.
- Placing and Open Offer proceeds: £114.6 million; Additional Placing proceeds: £37.3 million.
- No account has been taken of any change in the financial position of the Group including its trading position since 31 March 2008.
- The adjustments made to reflect the Placing and Open Offer have no impact on earnings.

Accountants' Pro Forma Letter

The Directors
3i Infrastructure Limited
22 Grenville Street
St Helier
Jersey JE4 8PX
Channel Islands

12 June 2008

Dear Sirs

We report on the *pro forma* financial information (the "Pro Forma Financial Information") set out in Part X of the prospectus dated 12 June 2008 (the "Prospectus"), which has been prepared on the basis described in Part X, for illustrative purposes only, to provide information about how the Transaction might have affected the financial information presented on the basis of the accounting policies adopted by 3i Infrastructure Limited (the "Company") in preparing the financial statements for the period ended 31 March 2008. This report is required by item 20.2 of Annex I of the PD Regulation and is given for the purpose of complying with that item and for no other purpose.

Save for any responsibility arising under Prospectus Rule 5.5.3R (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 report or our statement, required by and given solely for the purposes of complying with item 23.1 of Annex I to the PD Regulation, consenting to its inclusion in the Prospectus.

Responsibilities

It is the responsibility of the directors of the Company to prepare the Pro Forma Financial Information in accordance with item 20.2 of Annex I of the PD Regulation.

It is our responsibility to form an opinion, as required by item 7 of Annex II of the PD Regulation, as to the proper compilation of the Pro Forma Financial Information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro Forma Financial Information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro Forma Financial Information with the directors of the Company.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro Forma Financial Information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of the Company.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated; and
- (b) such basis is consistent with the accounting policies of the Company.

Declaration

For the purposes of Prospectus Rule 5.5.3R (2)(f) we are responsible for this report as part of the prospectus and declare that we have taken all reasonable care to ensure that the information contained in this report 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 I of the PD Regulation.

Yours faithfully

Ernst & Young LLP

PART XI

ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names appear in paragraph 8 below, and the Company accept responsibility for the information contained in this document. To the best of the knowledge of the Directors 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 public 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.

3. The New Ordinary Shares

- 3.1 The New Ordinary Shares are ordinary shares of no par value in the capital of the Company. The ISIN of the New Ordinary Shares and the Ordinary Shares is JE00B1RJLF86. The New Ordinary Shares will be denominated in sterling. The New Ordinary Shares will rank *pari passu* with the existing Ordinary Shares in issue. The New Ordinary Shares shall rank in full for all dividends and other distributions declared, made or paid after the Record Date, except for the final dividend for the year ended 31 March 2008.
- 3.2 All of the New Ordinary Shares (which are expected to be issued on 9 July 2008) 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.
- 3.3 Applications will be made for the New Ordinary Shares to be admitted to trading on the London Stock Exchange. It is expected that Admission will become effective and that unconditional dealings in the New Ordinary Shares will commence at 8.00 a.m. on 9 July 2008. It is intended that CREST accounts will be credited on 9 July 2008 and that, where applicable, definitive share certificates in respect of the Placing and Open Offer (and, if relevant, the Additional Placing) will be distributed by 16 July 2008. No temporary documents of title will be issued. Pending 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 the Underwriters, with the agreement of the Company.
- 3.4 The Company was incorporated under the Laws with an authorised share capital of an unlimited number of Ordinary Shares. At the time of the IPO, the Company issued 702,859,804 Ordinary Shares and 70,640,980 Warrants. No further Ordinary Shares have since been issued by the Company.
- 3.5 The Memorandum of Association provides for an unlimited number of Ordinary Shares of no par value. The Placing and Open Offer and the issue of Ordinary Shares pursuant to it was approved by a committee of the Board on 11 June 2008. The allotment and issue of New Ordinary Shares will be approved by a sub-committee of the Board.

3.6	As at the date of the Prospectus the share capital of the Company is as follows:	
	Issued share capital	702,859,804
	Warrants	70,640,980
	Authorised share capital	An unlimited number of Ordinary Shares

4. The Warrants

- 4.1 The Company issued to each investor in the IPO one Warrant for every 10 Ordinary Shares purchased under the Global Offer. Each Warrant entitles the holder to subscribe for one Ordinary Share at the Subscription Price at any time during a period that commenced on 13 September 2007 and ends on 13 March 2012. 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.
- 4.2 Under the terms of the Warrants, no adjustment is required as a result of the Open Offer, as the Offer Price is not less than 95% of the middle market quotation for the Ordinary Shares shown on the Daily Official List of the London Stock Exchange for 11 June 2008, the day before announcement of the terms of the Open Offer.
- 4.3 The Issue of any Additional Placing Shares will also not trigger any adjustment to the terms of exercise of the Warrants under the terms and conditions of the Warrants.

5. Holding Entities

The Company uses a series of Holding Entities in order to hold its interests in certain infrastructure investments in as efficient a manner as possible. The Holding Entities currently comprise the Luxembourg companies, each being a "*société à responsabilité limitée*" ("*S.à r.l.*") (broadly the equivalent of a private company), Luxco 1, Luxco 2, Oystercatcher Luxco 1 and Oystercatcher Luxco 2; the Jersey limited company, Harrier Jersey; the English limited companies, Harrier Holdco and Harrier Acquisitions; and an English limited partnership, the Partnership. All of the corporate entities are (directly or indirectly) wholly owned by the Company.

6. Further details about the Partnership

- 6.1 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 and Luxco 2, as limited partners. The partnership agreement provides for Luxco 2 to receive certain debt related income and capital of the Partnership, with the Company receiving all other income and capital.
- 6.2 Under the associated management agreement, the Manager has full discretion to manage the assets of the Partnership and has 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.
- 6.3 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.
- 6.4 The Partnership has an unlimited life. The Partnership owns the Group's interests in I², Alpha Schools, Octagon, Alma Mater and T2C, and the Manager manages these assets on the Partnership's behalf.
- 6.5 The Manager receives nominal fees from the Company under the associated management agreement, which are offset against the advisory fee payable under the Investment Advisory Agreement.

7. Investment restrictions

- 7.1 The Company will comply with the investment restrictions imposed by the Listing Rules from time to time and will invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its published investment policy.
- 7.2 The Company will invest no more than 15% of its total gross assets in other investment companies or investment trusts which are listed on the Official List.
- 7.3 The Company will not conduct any trading activity which is significant in the context of its group as a whole (but such limitation shall not limit the activities of the portfolio entities in which the Company invests).
- 7.4 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.
- 7.5 The Company will comply with any investment restrictions that may be imposed by Jersey law. Other than the investment restrictions described in this document, there are no other investment restrictions imposed by Jersey law as at the date of this document.
- 7.6 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.

8. Directors' and other interests

- 8.1 The Directors and their respective roles are:
- | | |
|-------------------|--|
| Peter Sedgwick | (Non-executive Chairman) |
| Philip Austin | (Non-executive Director and Senior Independent Director) |
| Martin Dryden | (Non-executive Director and Chairman of the Audit Committee) |
| Peter Wagner | (Non-executive Director) |
| Paul Waller | (Non-executive Director) |
| Steven Wilderspin | (Non-executive Director) |
- 8.2 Peter Sedgwick and Peter Wagner each hold 40,000 Ordinary Shares as at the date of this Prospectus. Each of them has undertaken to take up their entitlements under the Open Offer in full, and so will each hold 46,153 Ordinary Shares following Admission.
- 8.3 So far as is known to the Company, and except as described in paragraph 8.2 above, 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 Admission.
- 8.4 As at the date of this document and except as set out in paragraphs 8.10, 8.11 and 8.12 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.
- 8.5 The Directors are 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 ended on 31 March 2008 was £436,096. The individual remuneration of the Directors for that period is set out below.

Directors' Remuneration

Peter Sedgwick (Chairman)	£150,000
Philip Austin	£60,000
Martin Dryden	£60,000
Peter Wagner	£105,000
Paul Waller	£40,000
Steven Wilderspin	£21,096

For the Company's first financial period, the fees were payable as if the Directors had been appointed as at 1 October 2006, except in the cases of Steven Wilderspin and Paul Waller, who were appointed later and whose fees were payable from the date of their appointment. In the case

of Martin Dryden, who is an employee of Mourant Limited, his director's fees are paid to Mourant Limited while he remains their employee. In the case of Paul Waller, who was nominated by 3i Group in its role as shareholder in the Company, his director's fees are paid to 3i Group.

- 8.6 The Company is currently proposing to increase the Directors' fees with effect from 1 October 2008. From that date, the Chairman's fee will be £130,000 per annum, with the other directors (other than Peter Wagner, whose fee will remain unchanged at £70,000) receiving £42,000 per annum. In addition, Martin Dryden (as chair of the audit committee) will receive an additional £5,000 per annum and other members of the audit committee a further £3,000 per annum; Philip Austin (as senior independent director) will also receive a further £5,000 per annum.
- 8.7 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).
- 8.8 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 (or, in respect of Peter Wagner, Paul Waller and Steven Wilderspin, dated 16 February 2007, 18 March 2007 and 20 September 2007 respectively) 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.
- 8.9 No loan has been granted to, nor any guarantee provided for the benefit of, any Director of the Company.
- 8.10 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.
- 8.11 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 31 March 2008 were charged at approximately £18,000 per annum). 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.
- 8.12 Paul Waller was appointed to the Board as a nominee of 3i Group under the Relationship Agreement. Mr Waller is also a director of the Investment Adviser. Under the terms of Investment Advisory Agreement (set out in Part III of this document) the Company pays fees to the Investment Adviser in return for investment advisory services. Mr Waller also sits on 3i Group investment committee, which reviews investment recommendations made by the IPR before they are submitted to the Board.
- 8.13 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.
- 8.14 Each of the Directors has entered into an agreement with the Company indemnifying the Director against liabilities incurred in his office as director, in terms that are in accordance with the Laws and with the provisions that would be permitted under the Companies Act 2006, if it applied.

9. Other Directorships

- 9.1 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, in the previous five years:

Peter Sedgwick (Chairman)

Current Directorships and Partnerships

Dyslexia Institute Limited (trading as Dyslexia Active)

Past Directorships and Partnerships

European Investment Bank

European Investment Fund

Philip Austin (Non-executive Director)

Current Directorships and Partnerships

3Q Marketing Services Limited
ABN AMRO Nominees (Jersey) Limited
Alanrod Investments Limited
Alberton Limited
Alkantara Limited
Allalin Investments Limited
Antimer Company Limited
Araluen Limited
Arash Holdings Limited
Argyle Holdings Limited
Ariaz Yachting Company Limited
Atitlan Limited
Badawi Holdings Limited
Banner Holdings Limited
Bar-Mal Limited
Bavis Investments Limited
Beaker Ltd
Bedula Ltd
Bera Ltd
Bindrex Limited
Bonetti Limited
Boreas Investments Limited
Bravado Investments Limited
Broad River Limited
BSNI Limited
C.C. Licensing Limited
Capella Holdings Limited
Caribou Limited
Casa Bella Property Limited
CFR Consultants For Financial Research Limited
Cherbourg Limited
Cherokee Bay Limited
Cherry Investments Limited
Cheswold Limited
C H Limited
Citri Limited
C N Limited
Commercial Interior Contracts Limited
Core Productions Limited
Crabtree Holdings Limited
Culverdale (No 1) Limited
Dals Investments Limited
Danmore Investments Ltd.
Danzen Limited

J N Limited
Jowore Shipping Limited
Julia Investment Company Limited
Kaiser Overseas Company Limited
Kalahari Holdings Limited
Kex Ltd
Kilifi Holdings Limited
Kinnear Limited
Kipli Limited
KP Global Limited
KP Holding Limited
KP New Multi Limited
Lalandee Investments Company Limited
Latin Ltd
Lavender Investments Limited
Legazpi Ltd
Leisehouse Finance Limited
Leofric Manor Properties Limited
Lobos Limited
Lochy Holdings Limited
Locksley Limited
Lyll Street Properties Ltd
Malvern Enterprises Limited
Manibhai Limited
Mardood Holdings Limited
Marenka Holdings Limited
Markwell Limited
Marlin Holdings Limited
Marsh Investments Limited
Mashel Investments Limited
MCorp Limited
Melling Investments Limited
Metheringham Limited
Mina Holdings Limited
Monro Company Limited
Moystons Limited
Multiformula Limited
Mysorock Limited
Nagueles Limited
Nama Ltd
Natvel Holdings Limited
Northchurch Limited
Omsk Limited
Ostaria Limited

Daraydan Holdings Limited - Jersey	Pagham Holdings Limited
Dask Properties Limited	Pall Mall Capital Holdings Limited
Dawnbound Limited	PCC Overseas Limited
Dean Properties Limited	Petrouna Limited
Deep Blue (Jersey) Limited	Petunia Properties Limited
Deepwater Limited	PHI Holdings Limited
Derard Limited	Priess Investment Company Ltd
Dobbelmann Ventures Limited	R2R Lucice Limited
Douetto Limited	R2R Sveti Stefan Limited
Dudeen Holdings Limited	Rainy Lake Limited
Duke Street Holdings Limited	Reas Property Holdings Limited
Dunsel Investments Limited	Red Dash Limited
Earrach Limited	Renak Limited
Eclipse Investments Limited	Roxtone Investments Limited
Eester Limited	S.A.H Investment Company Limited
Einen Holdings Limited	Sailsbury Holdings Limited
Ellestone Limited	Saleel Holdings Limited
Encore Distributors Limited	Saltdean Trading Limited
Enerchem Technical Services Limited	Samat Holdings Limited
E Q Corporate Services (Jersey) Limited	Samhradh Limited
E Q Executors and Trustees Limited	Shebba Investments Limited
E Q Holdings (Jersey) Limited	Sheena Properties Limited
E Q Nominees (Jersey) Limited	Silecroft Limited
E Q Secretaries (Jersey) Limited	Silhouette Limited
E Q Trust (Jersey) Limited	Silver Stock Limited
E Q Trust Holdings (Jersey) Limited	Silver Sun Holdings Limited
Equity Trust (Guernsey) Limited	Simona Limited
Equity Trust (Jersey) Limited	Sirma Limited
Equity Trust Company (Cayman) Limited	Smallville Limited
Equity Trust Group Services (Jersey) Limited	Somara Investments Limited
Equity Trust Services Limited	Sugemar Limited
Eugenio Limited	Summertown Holdings Limited
Fabrimex Far East Ltd	Sun And Seas Properties Limited
Fashion Invention Investments Limited	Sundeani Holdings Limited
Fedora Limited	Sunseeker Holdings Limited
Ferbane Limited	Syspro Europe Limited
Fereydon Investments Limited	Syspro Limited
Fernbury Properties Limited	Tazkiya Limited
Fibauk Limited	Technique Moto Course Internationale Limited
Fides Limited	Terbury Limited
Finton Investments Limited	Tesu Cruising Limited
FortWarren Limited	The Jubilee Place Company Limited
Free Spirit Holdings Ltd.	Thormar Ltd
Fusina Trust Company Limited	Tina Land Limited
Georama Limited	Tisza Agriculture Ltd
Gold Stock Limited	Toboros Holding Limited
Golden Moments Limited	Toller Limited
Grace Investments Limited	Toulouse Limited
Grassroots Investments Limited	Tropical Fisheries Limited
Grayrigge Investments Limited	Tush Limited
Green Start Limited	Tyr Investments Ltd
Haki Pension Limited	Uni Investments Limited
Handy Limited	Valbella Limited
Hayseed Limited	Vas Resources Limited
Heindru Investments Limited	Verofrelo Limited
Helko Ltd	Vertis Asset Management Limited
High Marsh Holdings Limited	Vertis Capital Partners Limited
Hi-Hat Limited	Vertis Limited
Hiking Corporation Limited	Vida De Sol Limited

Honey Place Limited
Husseiny Holdings (Jersey) Limited
Hydrangea Company Limited
Ikebana Limited
Invermar Limited
Jacobs Research Limited
Jaseur Holdings Limited
Jasper Limited
Jawaher Investment Company Limited
Jeropco Limited
J H Limited

Viewfield Holdings (Jersey) Limited
Vishnu Investments Limited
Voyant Limited
Waterlane Limited
Wendale Limited
Westshire Limited
Whirlwind Limited
Xindu Limited
Yachts and Racing Limited
Zehar Holdings Limited

Past Directorships and Partnerships
Jersey Finance Limited

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

Current Directorships and Partnerships

AccentOne Holding Limited
AccentTwo Holding Limited
AccentThree Holding Limited
AccentFour Holding Limited
AccentFive Holding Limited
Actera Group Limited
AEP 2003 Limited
AEP 2008 Limited
Alcentra Jersey GP Limited
Alcentra MF II GP Limited
Alpha Associates Management Limited
AXA PE Asia Manager Limited
Blueleaf Limited
Britel Jersey Manager Limited
Canadian Regional Aircraft Finance Transaction
No 1 Limited
CIG (Jersey) Limited
Copper River Co. Limited[†]
DBVP Europe GP (Jersey) Limited
DEFI EuroCap III Partners Limited
FPK Capital I CIP GP Limited
Free Spirit Co. Limited[†]
Great West Co. Limited[†]
Intrinsic Capital Jersey Limited

Island Vision Limited[†]
Kingsbridge Capital Holdings Limited
Kingsbridge Capital Management GP 2 Ltd
Meandering Moose Co. Limited[†]
MidOcean Europe GP (Jersey) Limited
Morley (Jersey Nominee) Limited
Morley (Jersey Unit Trusts) Management Limited
Mourant Fund Services Jersey Limited
Nordic Manila Beta Limited
Nordic Manila Delta Limited
Northzone Ventures IV Limited
Northzone Ventures V Limited
Possfund Jersey Manager Limited
Spinning Globe Co. Limited[†]
Still Eagle Co. Limited[†]
Stone Chalice Co. Limited[†]
Talke (General Partner (Jersey)) Limited
Talke (Nominee 1) Limited
Talke (Nominee 2) Limited
Thunder Cloud Co. Limited[†]
Tulip Media Holding Limited
Tynet Limited
VPG (GP) Ltd
VPG (SLP) Ltd
Zurmout Madison General Partner Limited

[†] These companies are currently in members' voluntary liquidation.

Past Directorships and Partnerships

Cidron Diego Limited
Everyday Limited
Gartmore Fund Managers International Limited
Gartmore Managers (Jersey) Limited
Gartmore Sicav
Kingsbridge Capital Management GP Limited
Maples Finance Jersey Limited
Nordic Food Services Limited
Nordic Cecilia Two Limited

Peter Wagner (Non-executive Director)

Current Directorships and Partnerships

21i.net Services AG
Arthur D. Little (Switzerland) Limited (Advisor)

Kaiser Ritter Partner Holdings Anstalt
 Kaiser Ritter Partner Privatbank AG (form. Serica Bank AG)
 Kaiser Ritter Partner (Schweiz) AG
 Management & Consulting Services AG
 Neptune Orient Lines Limited
 Wild Group Management AG

Past Directorships and Partnerships

Acquila Roth & Partner AG
 Bank Vontobel AG
 Banque Vontobel Genève SA
 Centratex AG
 Goldbach Media AG
 Helvetia Holding AG
 Helvetia Schweizerische
 Lebensversicherungsgesellschaft AG
 Helvetia Schweizerische
 Versicherungsgesellschaft AG
 Hexapro International AG

Mondi Business Paper
 Simmen Architektur AG
 Simmen Immobilien GmbH
 Vontobel Holding AG
 Vontobel-Stiftung

Paul Waller, (Non-executive Director)

Current Directorships and Partnerships

3i 96 Partners Nominees Limited
 3i APTech GP Limited
 3i APTech Nominees Limited (formerly 3i
 Technology Limited)
 3i EDITH plc
 3i EF3 GPA Limited
 3i EF3 GPB Limited
 3i EF3 Nominees A Limited
 3i EF3 Nominees B Limited
 3i EF4 GP Limited
 3i EFIV Nominees Limited
 3i EFV GP Limited
 3i EFV Nominees a Limited
 3i EFV Nominees b Limited
 3i Europartners II GP Limited
 3i Europe General Partner Limited
 3i General Partner Limited
 3i General Partner No 1 Limited
 3i General Partner UKIP II Limited
 3i Gestion SA (France)
 3i GP 08-10 Limited
 3i GP 2006-08 Limited

3i Holdings plc
 3i International Holdings
 3i Investments plc
 3i Investments GP Limited
 3i Nominees Limited
 3i NPM Smaller MBO Nominees Limited
 3i Osprey GP Limited
 3i plc
 3i PVLP Nominees Limited
 3i SA (France)
 3i Smaller MBO Nominees Limited
 3i UKIP II Nominees Limited
 Baronsmead Investment Trust plc
 Drapers Nominees Limited
 Gardens Nominees Limited
 GP 2004 Limited
 GP CCC 08-10 Limited
 IIF SLP GP Limited
 Investors in Industry Limited
 Mayflower GP Limited

Past Directorships and Partnerships

3i Asset Finance Limited
 3i Commercial Properties Limited
 3i Group Investments GP Limited
 3i Iberica De Inversiones Industriales, S.A
 3i Investment Partner Limited
 3i Nippon Limited

3i Partnership Investments Limited
 3i SGR S.p.A.
 3i UK Holdings
 Atle AB
 SET
 Woodrose Invest AB

Steven Wilderspin, (Non-executive Director)

Current Directorships and Partnerships

Active Corporate Services (Jersey) Limited
 Active Services (Jersey) Limited
 Agilo Fund Limited
 Agilo Master Fund Limited

Past Directorships and Partnerships

23 Ward Funding Ltd
2-Chome Cayman Ltd.
AAA Strategic Investment Limited
AAB Securities Inc
AB (Ultimate Holdings) Limited*
Abenobashi Terminal Building Co., Ltd.
Abingworth Bioequities Fund Limited
Abingworth Bioequities GP Ltd
Abingworth Bioequities Master Fund Limited
Adagio Investment Corporation
Adusay
Al-Ikram SPC
ALCO 1 Limited*
Aldebaran Funding Corporation
All American Bond Dragon 1 Inc
All American Bond Inc
All American Bond S1 Inc
All Wealth Investments
Alteas Holdings Ltd
Alternative Strategies (CHF) Ltd.
Alternative Strategies (EUR) Ltd.
Alternative Strategies (USD) Ltd.
Ambitious Funding Corporation
Amethyst Properties Corporation*
Andante Investment Corporation
Andrea / EUR Investments Limited
Andy Co., Ltd
Ann Funding Three Co., Ltd.
A.P. Administration Limited
Aquamarine Properties Corporation
ARD Funding Corporation*
Ares Investment Funds SPC
Aria Investments*
Armada Funding Corporation
Artesian Credit Arbitrage Total Return Fund Limited
Artesian Credit Arbitrage Total Return Master Fund Limited
AS Hakata Holdings Inc.
AS Leverage One Holdings*
Asia Finance Corp.*
Asklepios Investment Limited
ASM Broadcasting Co. Ltd
Asset Trust Fund Cayman Ltd*
Athena Limited
Atomium Funding Corporation
Aurora Green Company Limited*
Axiom SPV Limited
Azabu Holding Corporation
Balanced Company (TP1) Limited
Bancho Holdings Limited
Barataria Limited
Baring Private Equity Asia GP III Limited
Bichumi Global I Limited
Blue Heaven Funding Corporation
Blue Ocean Shipping Limited
Blue Ridge Holdings Limited
Blue Sky (Cayman) Limited
NAC Investments Limited
NAC Management (Cayman) Ltd.
Nagasaki Kigyo Saisei Fund Limited
Nakagawa Estate Development Co., Ltd*
Nanohana Funding Corporation
Naupaka Ltd
Navis Global Holdings
NC International Limited
NEREUS Limited
New Era Shipping Limited
New Heights Investment Limited
NF Corporation*
NIC Ship Finance Corp.*
Nihon (Cayman Islands) Company Limited
Nine Steps Limited
NIS Company Limited
Nissay Fund (Cayman) Inc.
NK Asset Management Cayman Limited
NLM Securities Limited
NM Funding, Inc.
NMS Equipment Co. Ltd.*
Nomura Opportunity Company
NSSF Limited*
O&N Cayman*
Oak Funding Corp.
Ober 2 Ltd*
Ober 3 Ltd*
Ober Ltd*
Octave Limited
Octavus Limited*
OKS Holding Corporation*
Omnibus Funding Corporation
Opus Investments
Orchid Asset Securitisation Investment Services
Orchid Japan Limited
Orchid New Zealand Limited
Oriental Capital Fund Co.
Oriental Capital Holdings
Orix Paper Machine Holding Limited
ORYX Asia Fund
Paart Funding Corporation, Ltd.
Pacific Diamond*
Packaging Investments Limited*
PB Capital Corporation
PB Capital Corporation 2002-1
PC One Cayman Inc.
Pearl Properties Corporation*
Pentacle Capital Cayman, Inc.*
Phoenix Settlor Limited
Phoenix Shipping Limited
Pilo Holdings Ltd
Pine Hills Holdings Inc.*
Pinnacle Performance Limited
PN Funding Corporation
Power Funding (Cayman Islands) Limited*
Power Management Group Cayman
PPT Grantor (Cayman) Limited
PRA Holding Inc.*

Blue Thunder	Primecredit CLO*
BNP Paribas Retail Note Issuance Limited	Princess International Limited*
Brave Holding Co., Ltd	Progress Funding Corporation
Brentwood (Cayman) Holdings Limited	Protected Absolute Alpha Ltd.
Bull Capitol Inc	PSM Facilities Co., Ltd
Bundy Limited	PSM Investment Co., Ltd.
C&M Finance Ltd	PURE Holdings
C.C. ONE Cayman	PURE JSPC Holdings
C.I. Orphan II Limited	Ramms Limited*
C.I. Orphan Limited	RAV Holdings Inc
Canary Limited*	RBA Asset Funding Corporation
Candy Park Holdings Inc.*	Recrm Shirogane Holdings*
Cantabria Finance Limited	Red Orchid Secured Assets Ltd
Cascade SVP*	RESIT Property Cayman Ltd
Cayman Residential 1 Ltd.	Resolution EC4 Limited
CB Collection Limited	Resolution Fenton Manor Limited
Cetium Fund Limited	Resolution Harlow (C.I.) Limited
CFV Holding	Resolution Kirkgate Limited
China New EnerTech, Inc.	Resolution Kitson Way Limited
CJ Cayman Finance Limited*	Resolution London City Limited
Comet Alpha Ltd.	Resolution Marshall Street Limited
Core Limited	Resolution Ocean House Limited
Court and Core Holding Inc.*	Resolution Residential A Limited
Creer Asset Funding Corporation	Resolution Residential B Limited
Credipia 2005 International Limited	Resolution Residential C Limited
Credipia 2005 Plus Two International Limited	Resolution Residential Limited
Credit Creator Limited	Resolution Truro (C.I.) Limited
Credit Frontier I*	Resolution Wakefield Limited
Credit Suisse / Tremont Hedge Index Tracking Fund, Ltd	Resolution Walthamstow Limited
CRJF Holdings Inc.	Revelstoke CDO I Limited
Crystal Blue Funding Corporation*	Riverbank Holdings Limited
CSPC Co. Ltd.*	RM Garden Holdings Inc.
CS Properties 2001*	RMF Alpha Strategies General Partner Limited
Daikai Properties Holding Inc.*	RMF Alpha Strategies Reference Fund (1) Limited
DC Scala I Cayman Ltd.*	RMF Alpha Strategies Reference Fund (2) Limited
Deer-Hills Limited*	RM West Holdings Inc.*
Dentsuui Holdings Inc.	Rockwood Venture Alpha, Limited
Departure Limited	ROCS Limited
DFFC Alternatives Limited	R-ONE HIROSHIMA HOLDING LTD.
DFFC Hedge Limited	R-One Holding Ltd.
Diamond Properties Corporation	R-ONE SHINSAIBASHI HOLDING LTD.
Diversified Strategies Fund II Limited	R-ONE TENJIN HOLDING LTD
DTC Five Holdings	ROP II Ltd
DTC Four Holdings	Ruby Properties Corporation
DTC Six Holdings	Runapa TMK Holdings
DTC Three Funding Limited	S&H Railway Co., Ltd.
DTC Two Funding Limited	S&J Property Co., Ltd.*
Dubai Financial Fund Company Limited	S&N Capital Co. Ltd*
Duet Capital Partners 1 Limited	S&N Credit Co., Ltd
Duplex Corporation*	S.F. Mita Holdings, Inc.*
Dynamic Alpha Limited*	Saginuma Asset Funding Corporation*
eBank Capital Management (Cayman) Limited	Saisei Kaisyu Planning 3 Limited
Ebisu Limited	Saisei Kaisyu Planning 4 Limited
Eclectica Management Limited	Sakae Holdings Co., Ltd*
Elite Corporate Investments	Sakuramori Holdings Ltd.
Ellerston Global Equity Managers Offshore Fund	Sanzan Holding
Ellerston Offshore Fund SPC	SAPIC - 98 Fund Ltd
	SAPIC II General Partner Limited
	SAPIC II Reference Fund (1) Limited

Emerald Properties Corporation	SAPIC II Reference Fund (2) Limited*
Emirates Hills L4 Limited (Best Invest Limited)	SAPIC II Reference Fund (3) Limited*
ENS Securitization Limited*	SAPIC II Reference Fund (6) Limited
Euro Opportunity Company	SAPIC II Reference Fund (7) Limited
Euro Opportunity Company 2	SAPIC II Reference Fund (9) Limited
Euromax III MBS Ltd	SAPIC II Reference Fund (10) Limited
Falco Capital Corporation*	SAPIC II Reference Fund (11) Limited*
FGI Lions*	SAPIC II Reference Fund (12) Limited
Figaro Funding*	SAPIC II Reference Fund (13) Limited
Finance Co	SAPIC II Reference Fund (14) Limited*
Finance No. 1 Co	SAPIC II Reference Fund (16) Limited
Finance No. 2 Co	SAPIC II Reference Fund (17) Limited*
First M Investment Holdings Inc.	SAPIC II Reference Fund (18) Limited*
First U Investment Holdings Inc.	SAPIC II Reference Fund (19) Limited*
FK Capital*	SAPIC II Reference Fund (29) Limited
FPO Limited Segregated Portfolio Company	SAPIC II Reference Fund (46) Limited
Fructose Limited*	SAPIC III JPY Open reference Fund Limited
FTF Capital Cayman*	SAPIC III Master Fund
Fujimi Corporation*	SAPIC Programme Reference Fund (1) Limited*
Fushimi Estate Holdings	SAPIC Programme Reference Fund (2) Limited*
Ganymede Capital Company II Limited	SAPIC Programme Reference Fund (3) Limited*
Ganymede Capital Company Limited	SAPIC Sector (SPC)
Garnet Properties Corporation*	Seagull Holdings Co., Ltd*
Gatwick (Freehold) Limited	Selan Holding Co., Ltd
Gavotte Shipping Corporation	Senator House Holdings Limited
GED Arbitrage Fund Limited*	Senator House Nominees (No1) Ltd
GED Long Short Equity Fund Limited	Senator House Nominees (No2) Ltd
GED Volatility Fund 1 Limited	Sentinel CBO I Limited
Glencorse Corporation	SF Funding One Holding Limited*
Global Hospital Limited	Sheffield CDO, Ltd
Global Macro Strategy Open 21 Master Fund	Shield (Offshore) Limited
Globvest Solo Equity Ltd	Shiharai Daikou Gaisha*
Golden Tree European Select Opportunities Ltd	Shikaku Funding Limited
Golden Tree European Select Opportunities Management Ltd	Shinjuku Minami Investment*
Grand Dragon Limited	Shinkin Limited
Grand Place One Corporation*	Shinsuna Holding Ltd.*
Granfondo Holding Ltd	Sigma Absolute Return Fund Limited
Growth Inc	SIS Cayman Ltd
GT TMK Holding*	SIS Cayman Sub I Ltd
Hachi Holdings Limited	SIS Cayman Sub II Ltd
Harvard Corp.	SIS Cayman Sub III Ltd
Hashi Cayman Company Limited*	SIS Cayman Sub IV Ltd
Havenlaan Limited	SIS Cayman Sub V Ltd
Hayate Japan Equity Long – Short Master Fund	SIS Cayman Sub VI Ltd
H.E.A.T. Mezzanine I 2005 Ltd	SKC Funding Corp
Helene Tokyo	SKK Holding Co., Ltd
Heptagon Limited	Skyer I Limited
HH Cayman Co. Ltd*	Skyer II Ltd
Himalaya Funding Holding Inc.	Skylight Holdings Inc
HTMZ Limited Segregated Portfolio Company	SLC Corp.
Humint Overseas Limited	Smart Faith Limited
HURIS (Coventry) Limited	Solid Square Holding Co., Ltd.*
HURIS (Farnborough) Limited	Spinnaker CDO Limited*
HURIS (Grange Park) Limited	Spiritrock Investments
HURIS (Hatfield) Limited	Sprout II 2003 Limited
HURIS (Swindon) Limited	SPT
HURIS (Thames Park) Limited	Stats T1 Master Fund
HURIS II (Freehold) Limited	Sterlingmax I MBS Limited
	Steward & Spencer International Fund SPC Ltd

Ijarah I Limited	Sublease Investments
Ijarah II Limited	SumiForest Leasing Limited
Indocoal Exports (Cayman) Limited	SumiRiver Leasing Limited
INS Cayman Company Limited*	Sun Funding Limited
Intermezzo II Limited	Sunrise Investments
Intermezzo III Limited	Sunshine Capital Limited*
Investcorp Ampersand II Limited	SuperFirst Mortgage Asset Receivables Transaction 1 Limited
Investel*	SuperFirst Mortgage Asset Receivables Transaction 2002 – 1A Limited
IRIS Limited	SuperFirst Mortgage Asset Receivables Transaction 2002 – 1B Limited*
Islamic Funding Corporation*	Symphonia*
IT Estate Holdings Inc.	Symphonia II*
J Reit 1 Limited	Symphonia III
J.O.F. Holding Corp	Synergy TK Holding Corporation
J.O.F. Pension Holding Corp	T.F. Capital Corporation
Japan Revival Investments I Cayman Limited*	T.F. Capital Corporation II
Jinnan Retail Holding Limited*	Tabreed Funding Corporation
JLOC VI Limited	Takuzou Fund Co., Ltd.
JLOC X Limited	Tamachi TTP Holdings
JMAC Limited	TaurusTen CDS
JOFI Yokohama-Aoba Holding Limited*	TDC Limited
JTU Limited	Tenjin Holdings Inc.
Kamani Holdings Limited	The Dai-ichi Life Funding SPV Holdings
KEPCO Cayman Co Ltd	The Dai-ichi Life Funding SPV Holdings II
KHP Holdings Ltd.	The Dai-ichi Life Funding SPV Holdings III
Kitahama SC Cayman	The Debt Redemption Fund Limited
KKE Investment Limited*	The First Deal Yokosuka Funding*
KM Funding Corporation	The Pension Support Fund Limited
KNE Cayman Ltd	The SFP Asia Master Fund Ltd
Konohanasakuya Limited*	The SFP Value Realization Master Fund Ltd.
Korea First Mortgage No 1 Limited	Tienda Holdings Inc.*
Korea First Mortgage No 2 Limited	TLIBD, Ltd*
Kouhoku	TMS Security Co., Ltd.
KRE Investment Cayman	Tokyo Dorado*
KSA MBS I International Sukuk Company Limited	TOSHI-SOUKEN Investors
KSE Club Fund	TOSHI-SOUKEN Investors II
KS Greenfields Limited	TPF2 Holding Inc.
Kyobashi Holdings Inc.	TR Investment Inc.*
La Mancha Third Corp.	Trieris Real Estate Ltd
Laguna Investment 2003 Limited	TSF No. 6
Laguna Investment 2004 Limited	TSF No. 7
Laguna Investment 2005 Limited	TSF No. 8
Laguna Investment Four Limited	TSF No. 9
Lakana Holdings Limited*	TSF0203
LC Cayman Limited	Turtles (Cayman) Ltd.
Legend Swell Co., Ltd.*	Twin Peaks Funding Limited
Leopard One Funding Ltd	UAM Real Estate Property Limited
Leopard Two Funding Limited	Ultima Cayman Inc
Libra A Limited	Umbilical Capital Limited
Libretto Investments*	United Dynamic Limited
Life Holding Company	United Global CDO 2 I
Lionhearted 2002 Limited*	United Global CDO 2 III
LIPKA Limited	VAAM Holdings Corp.
Loke Holdings Limited	Valiant Holding Co., Ltd.
LUCKY PLAZA HOLDING Co., Ltd	Vanlogic Holding Ltd.*
M.F. Capital Corporation	Victoria Peak International Finance Limited
M.T. Capital Corporation	W&E Limited*
Maia Holdings Limited	
Maison Holdings Limited	

MAM Security Corporation
 Marshall Street Regeneration Limited
 MEC Property Funding
 MED I Company
 Meitran Holding Co., Ltd.
 Melody Share Corporation*
 Memorial Fund Limited
 Mercurius Limited
 Merit Holdings Ltd.
 MET Holdings, Inc.
 MF Investment Corp.
 MH Funding Corporation
 Milky Way Properties*
 Million Stone*
 MIPM Co*
 Mistral (SPC)
 MMKS Holding Co., Ltd
 Moderato Investment Corporation
 Movida Asset Co., Ltd
 MPJ Funding Corporation
 MQ One Holdings Ltd
 Multidimension Fund
 Multi Focus Fund
 Multiplus Corporation
 Multi Strategy Portfolio (EUR) Limited
 Multi Strategy Portfolio (USD) Limited
 Murcie Lago International 2005 – 1 Limited
 N Kakigara Corporation*

Waina Holdings Limited
 Wake Alternative Investment SPC
 Waraku Capital Co., Ltd
 WAT Funding Co.,Ltd
 Wenderholm Limited
 Whin Holdings Inc*
 Whitehorn Limited
 Willow Finance Limited
 Wisteria Funding Co. Ltd.*
 WIYAS Funding Corporation
 Wolf Rock International Fund
 Wolf Rock Master Fund
 Y&M Capital
 YH Co., Ltd.
 YK Japan Residential Fund Holdings
 YK JRF I Holding
 YK JRF II Holdings
 YK PI Holdings
 YK UR Holdings
 YKFII Holdings Limited
 YNN Corporation
 Yokohama Design Center, Limited*
 Zephyros Limited

* These companies were liquidated by way of members' voluntary liquidation.

9.2 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.

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

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

10. Major interests

- 10.1 Other than as set out below, at the date of the Prospectus, the Company is not aware of any persons who, immediately following Admission, will be interested, directly or indirectly, in 5% or more of the issued share capital of the Company:

Shareholder	Number of Ordinary Shares	Percentage of Ordinary Share Capital (prior to Placing and Open Offer)	Percentage of Ordinary Share Capital (after Placing and Open Offer)
3i Group	324,590,078	46.2%	43.9%
BT Pension Scheme Trustees Limited as Trustee of the BT Pension Scheme	110,000,000	15.7%	13.5% ¹
Vidacos Nominees Limited (on behalf of Maan Abdulwahed Al-Sanea)	50,000,000	7.1%	6.2% ¹

¹ Assuming no take up of New Ordinary Shares in the Open Offer or Placing.

- 10.2 Those interested, directly or indirectly, in 5% or more of the issued share capital of the Company do not now and, following the Placing and Open Offer and the Additional Placing, if any, 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).
- 10.3 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 Placing and Open Offer and the Additional Placing, if any.

11. Related party transactions

Details of all related party transactions entered into by the Company and its subsidiaries during the financial period ended 31 March 2008 are set out in note 17 to the Accounts in Part VIII of the Prospectus.

12. Memorandum of Association

The doctrine of *ultra vires* in its application to Jersey companies was abolished by the Law. 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 18 of this Part XI.

13. Articles of Association

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

13.1 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.

13.2 Share Rights

Subject to the provisions of the Articles and the Law 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.

13.3 Pre-emption rights

Subject to a special resolution of Shareholders waiving pre-emption rights, the Company shall not allot any ordinary shares for cash to any person unless it has made an offer to each existing holder of shares of such class to allot to him on the same or more favourable terms a proportion of those

shares of such class then held by him of the aggregate of all shares of such class in issue. At the annual general meeting in 2007, Shareholders resolved to waive pre-emption rights in respect of 5% of the issued share capital of the Company.

13.4 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.

13.5 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.

13.6 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.

The Articles currently provide that, for so long as the relevant Listing Rules restriction to such effect remained in force and is applicable to the Company, any surplus derived from the sale or realisation of an investment held directly by the Company would not be available for dividends. Given the recent changes to these Listing Rules, the Company will be proposing the deletion of this Article at the forthcoming AGM.

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.

13.7 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.

13.8 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 Code or any US federal state, local or other US laws or regulations that are substantially similar to such provisions of ERISA or the 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 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.

13.9 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.

13.10 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.

13.11 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.

13.12 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.

13.13 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.

13.14 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.

14. General

- 14.1 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.
- 14.2 No member of the Group is, or has been during the previous 12 months, 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.
- 14.3 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 with registered number 03975789. The Investment Adviser is authorised and regulated by the FSA.
- 14.4 3i Investments is also the custodian of the Company's assets. 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.
- 14.5 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.

- 14.6 Ernst & Young has given and has not withdrawn its consent to the inclusion of its accountant's report in Part X of this document in the form and context in which it is included and has authorised the contents of its accountants report 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. Ernst and Young's address is Liberation House, Castle Street, St. Helier, Jersey JE1 1EY, Channel Islands.
- 14.7 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.
- 14.8 3i plc, as Support Services Provider to the Company, receives a fee from the Company in consideration for its acting as Support Services Provider. The fee was £450,000 per annum for the period commencing 13 March 2007 and ending on 31 March 2008 and has been pro rated accordingly to £473,578, payable by the Company to the Support Services Provider pursuant to the terms of the Support Services Agreement. The annual fee will be increased in line with the UK retail price index each year.
- 14.9 Mourant & Co. Limited, as Jersey Administrator, receives from the Company a fee in consideration for its acting as Jersey Administrator annually and an allowance. The fee is 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. In addition, the Jersey Administrator receives fixed fees for performing certain related duties, and an hourly rate for further work. For the period from the incorporation of the Company until 31 March 2008, the fees paid to the Jersey Administrator were £406,289. The £406,289 includes sums payable in respect of initial costs incurred in connection with the Placing and Open Offer.
- 14.10 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.
- 14.11 The Company also meets 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 2009 (excluding any fees payable under the Investment Advisory Agreement) are not expected to exceed £2.5 million (exclusive of any amounts payable in respect of initial costs incurred in connection with the Placing and Open Offer).
- 14.12 The Company's auditors are Ernst & Young LLP, whose registered office is at Liberation House, Castle Street, St. Helier, Jersey JE1 1EY, Channel Islands. 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.
- 14.13 The Ordinary Shares are not traded on any other recognised investment exchanges and no applications for the Ordinary Shares or the New Ordinary Shares to be traded on such other exchanges have been made or are currently expected to be made.

15. 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 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 therefore applies to the Company and therefore the 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, will normally be required to 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 has irrevocably undertaken to subscribe for 23,584,905 New Ordinary Shares under the Open Offer and will, on Admission, be interested in 348,174,983 Ordinary Shares, representing a maximum of 42.9% of the new issued share capital of the Company following the Placing and Open Offer. In addition, the Concert Parties of 3i Group may subscribe for a maximum of 2,000,000 New Ordinary Shares under the Open Offer and Placing (or Additional Placing, if any) which, in conjunction with their current shareholdings, will represent a maximum total percentage holding of 3i Group and its Concert Parties of 43.3% (assuming no Additional Placing). 3i Group and its Concert Parties also hold 32,558,380 Warrants, giving them a potential maximum holding on exercise of the Warrants of 45.5% (assuming no other exercise of Warrants). (Such maximum holding would still be less than the current 46.18% share holding of 3i Group in the Company).

Pursuant to Note 11 to Rule 9.1 of the City Code, 3i Group and its Concert Parties will also be entitled to acquire further Ordinary Shares in the Company, provided that the total number of Ordinary Shares acquired must not exceed 1% of the issued voting share capital of the Company in any period of 12 months (and the resulting percentage held by 3i Group and its Concert Parties must not exceed the highest percentage held in the previous 12 month period).

16. 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. Under the terms of the Investment Advisory Agreement, the Investment Adviser has agreed from the date of the IPO 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 the IPO 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 at the

IPO 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.

On 11 June 2008, the Company and the Investment Adviser entered into an amending agreement to the Investment Advisory Agreement. Under the amending agreement, with effect from Admission, the period of exclusivity granted by the Investment Adviser to the Company (and described under the heading "Exclusivity Arrangements" in Part III of this document) will be extended to run until the earlier of (i) five years after IPO Admission; or (ii) the full investment of a sum equal to the Equity Proceeds and any Relevant Disposal Proceeds.

The Investment Advisory Agreement is governed by English law.

(b) 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 14.9 above.

The UK Support Services Agreement is for an initial term of two years commencing from the IPO Admission, such term to be renewed for 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.

(c) *Jersey Corporate Administration Agreement*

A Jersey secretarial and administration agreement (the "Jersey Corporate Administration Agreement") dated 20 February 2007 between the Company and Maurant & 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 arrear 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.

(d) *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 Investments 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.

(e) *Acquisition Agreement*

An Acquisition Agreement in respect of the Initial Portfolio dated 20 February 2007 was entered into between (*inter alia*) 3i Group, the Company and the Partnership.

Pursuant to the Acquisition Agreement, 3i Group agreed to sell and the Company and the Partnership (the "3i Infrastructure Parties") agreed to acquire the Initial Portfolio on IPO Admission for the Purchase Price, as described below. The Company also agreed to acquire the share capital of the company that acts as general partner in both 3i Carry Partnership (I²) and 3i Carry Partnership (Alpha) (the "GP Company") for a nominal consideration.

The completion of the Initial Portfolio under the Acquisition Agreement was expressed to be conditional only on IPO Admission.

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 was £234.4 million. The Company was responsible for any stamp duty or stamp duty reserve tax payable on the transfer of the Initial Portfolio. The Purchase Price (or part thereof) was funded by amounts subscribed by 3i Group in the Placing and Open 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 LLP in the provision of their opinion letter on the matter. 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.

(f) *Alma Mater Option*

The Company was granted an option dated 20 February 2007 by 3i Group to acquire 3i Group's entire limited partnership interest in Alma Mater (the "Alma Mater Option").

The Company elected to exercise the option on 31 December 2007, after which the option would have lapsed. The acquisition price was required to be determined by an independent valuer appointed (at the Company's expense) to value the limited partnership interest. The Company had the right to withdraw its exercise election once the value had been determined.

The acquisition was conditional on obtaining the consent of BPE, pursuant to the partnership agreement in respect of Alma Mater.

Exercise of the Alma Mater Option by the Company was subject to the related party provisions of the Listing Rules, which could (depending on the application of the class test ratios) have required the Company to obtain Shareholder approval before exercise. However, no Shareholder approval was needed, given the size of the transaction.

The transfer pursuant to the Alma Mater Option has since been completed, and the Company has acquired a 40.7% interest in Alma Mater.

The Alma Mater Option is governed by English law.

(g) *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 ten 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.

(h) *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 while 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.

(i) *Warrant Instrument*

The Warrant Instrument in respect of the Warrants dated 20 February 2007 was entered into by the Company on 20 February 2007. Under the Warrant Instrument, each Warrant holder shall have the right to subscribe at any time during the period commencing on the date which is six months from IPO Admission to and including the date which is five years from the IPO Admission for Ordinary Shares at the "Subscription Price" on the basis of one Ordinary Share for every Warrant held. The Subscription Price shall be satisfied by payment in full, in cash on subscription. Subscription Rights are not exercisable in respect of a fraction of an Ordinary Share.

Under the terms of the Warrant Instrument, the Company shall not make any Capitalisation Issue, Capital Distribution, Rights Issue or Repurchase Offer (each as defined in this paragraph), for which the entitlement of Shareholders to participate is to be determined by a record date less than 14 days after Warrant holders are notified of such transaction, unless an adjustment is made in accordance with the following paragraph.

The Company may instead 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 Warrant holder, 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 Warrant holder 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 Warrant holder 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 paragraph.

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), such as the Placing and Open Offer; "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). Otherwise, 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 Warrant holders as a whole.

Further details of the terms and conditions of the Warrant Instrument are summarised in the Original Prospectus.

The Warrant Instrument is governed by English law.

(j) *Underwriting and Placing Agreement*

Pursuant to the Underwriting and Placing Agreement between the Company, the Investment Adviser and the Underwriters dated 12 June 2008, the Underwriters have agreed, subject to the conditions referred to below, to use their reasonable endeavours to procure Placees for the New Ordinary Shares to be offered in the Placing and Open Offer at the Offer Price (insofar as such shares are not required to satisfy valid applications by Qualifying Shareholders under the Open Offer and excluding the New Ordinary Shares to be acquired by 3i Group) and, if and to the extent that Placees are not procured, to subscribe themselves for any such outstanding New Ordinary Shares (insofar as such shares are not required to satisfy valid applications by Qualifying Shareholders under the Open Offer and excluding the New Ordinary Shares to be acquired by 3i Group).

The Placing and Open Offer and Additional Placing are conditional on certain conditions that are typical for an agreement of this nature. These conditions include, *inter alia*, the accuracy of the representations and warranties under the Underwriting and Placing Agreement, Admission occurring at 8.00 a.m. on 9 July 2008 or such later date as the Company and the Underwriters may agree and there having been no material adverse change in or affecting:

The Company has separately engaged Scott Harris to approach potential investors within its contact base of managed retail funds, regional pension funds, smaller and underserved institutions in order to procure placees for the New Ordinary Shares (excluding the New Ordinary Shares to be acquired by 3i Group). Under this arrangement Scott Harris is entitled to a fee of £40,000 (excluding VAT) as a retainer fee and a performance fee of 1% in relation to New Ordinary Shares allocated to firm orders generated by Scott Harris from their target investors.

- (i) the condition, earnings, or business of the Company or members of the Company's Group and the ability of the Company to achieve its investment objective and strategy in accordance with the Company's investment policy as described in this Prospectus; or
- (ii) the value of the Company's investment portfolio taken as a whole; or

- (iii) the assumptions regarding the Investment Portfolio contained in the financial model prepared by the Investment Adviser or the basis of the valuations of any asset included in the Investment Portfolio to be inaccurate in any material respect.

On Admission (or, if later, such date as is agreed by the Company and the Underwriters), the Underwriters will pay or cause to be paid to the Company the net proceeds of the Placing and the Additional Placing (if any) that have been placed by the Underwriters, less the commissions, costs, charges, fees and expenses described below.

The Company has agreed to pay, or cause to be paid, to the Underwriters the following commissions:

- (i) an amount equal to 1% of the Subscription Price multiplied by the number of New Ordinary Shares issued by the Company pursuant to the Placing and Open Offer (excluding the New Ordinary Shares to be issued to 3i Group and any New Ordinary Shares placed in the Placing with Placees identified by 3i or the 3i Group) (or Scott Harris on behalf of the Underwriters);
- (ii) an amount equal to 1% of the Subscription Price multiplied by the aggregate of (a) the number of New Ordinary Shares placed by the Underwriters in the Placing (whether or not subject to claw back, but excluding any such New Ordinary Shares placed with Placees identified by 3i or the 3i Group) (or Scott Harris on behalf of the Underwriters) and (b) the number of New Ordinary Shares acquired by the Underwriters in the underwriting;
- (iii) an amount equal to 2% of the Subscription Price multiplied by the number of New Ordinary Shares issued by the Company pursuant to the Additional Placing (if any, and excluding any such New Ordinary Shares placed with Placees identified by 3i or the 3i Group) (or Scott Harris on behalf of the Underwriters); and
- (iv) an amount equal to 0.8% of the Subscription Price multiplied by the number of New Ordinary Shares placed in the Placing (whether or not subject to claw back) or the Additional Placing with Placees or Additional Placees identified by 3i or the 3i Group (or Scott Harris on behalf of the Underwriters).

In addition, the Company has agreed to pay, or reimburse the Underwriters, an amount equal to any commissions paid or payable by the Underwriters to Placees in the Placing or the Additional Placing.

Further, the Company has agreed to pay, or cause to be paid, to the Underwriters, all the reasonable costs, charges, fees and expenses of, or in connection with, the Placing and Open Offer, Admission and the arrangements contemplated by the Underwriting and Placing Agreement. The Company has also agreed, in certain circumstances, to permit the Underwriters to deduct from the proceeds of the Placing and the Additional Placing (if any), any stamp duty and/or SDRT, capital duty, issuance or transfer taxes or duties any related costs, fines, penalties or interest arising in relation to the Underwriters dealings with the New Ordinary Shares pursuant to the terms of the Underwriting and Placing Agreement.

The Company and the Investment Adviser have given certain representations and warranties to the Underwriters relating to matters such as the preparation of the Prospectus and related Placing and Open Offer documents and compliance with applicable laws and regulations. The Company has agreed to provide customary indemnities to the Underwriters.

The Underwriting and Placing Agreement is governed by English law.

(k) Irrevocable Undertaking

3i Group has entered into an agreement with the Company and the Underwriters dated 12 June 2008, pursuant to which it has irrevocably undertaken to subscribe for 23,584,905 New Ordinary Shares pursuant to its entitlement to subscribe for up to 49,936,935 New Ordinary Shares, under the Open Offer and not to subscribe for the remaining 26,352,030 New Ordinary Shares, thus allowing the Non-Claw Back Shares to be placed firm with investors.

17. 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 can also be accessed on the Company's website at www.3i-infrastructure.com.

18. 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 9 July 2008:

- (a) the Memorandum and Articles of Association of the Company; and
- (b) the Prospectus;
- (c) the annual accounts and financial statements of the Company for the financial year ended 31 March 2008.

Dated 12 June 2008

PART XII

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

This Prospectus is not a formal disclosure document and has not been lodged with the Australian Securities and Investments Commission ("ASIC"). It does not purport to contain all information that an investor or their professional advisers would expect to find in a prospectus for the purposes of Chapter 6D.2 of the Australian Corporations Act 2001 ("Act") in relation to the securities of 3i Infrastructure Limited.

This Prospectus is not an offer to retail investors in Australia generally. Any offer of securities in Australia is made on the condition that the recipient is a "sophisticated investor" within the meaning of section 708(8) of the Act or a "professional investor" within the meaning of section 708(11) of the Act. If any recipient does not satisfy the criteria for these exemptions, no applications for securities will be accepted from the recipient. Any offer to a recipient in Australia, and any agreement arising from acceptance of the offer, is personal and may only be accepted by the recipient.

If a recipient on-sells their securities within 12 months of 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" within the meaning of section 708(8) of the Act, or a "professional investor" within the meaning of section 708(11) of the Act; or
- (b) it can be established that 3i Infrastructure Limited issued, and the recipient subscribed for, the securities 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 Belgian investors

Neither this Prospectus nor any other offering material related to the has been or will be notified to, and neither this Prospectus nor any other offering material relating to the New Ordinary Shares has been or will be approved or reviewed by, the Belgian Banking, Finance and Insurance Commission (Commission bancaire, financiere el des assurances/Commissie voor het Bank, Financie en Assurantiwezen or the "CBFA."). The CBFA has not commented as to their accuracy or adequacy or recommended the purchase of the New Ordinary Shares, nor will the CBFA so comment or recommend. Any representation to the contrary is unlawful.

Neither this Prospectus nor any other offering material relating to the New Ordinary Shares may be distributed, directly or indirectly, to any persons in Belgium other than to (i) qualified investors as defined in article 10 of the Belgian Law of 16 June 2006 on public offerings of investment instruments and the admission of investment instruments to trading on a regulated market (the "Law") or (ii) investors other than qualified investors in circumstances which would not require the publication by 3i Infrastructure Limited of a prospectus, information circular, brochure or similar document pursuant to article 3 of the Law or the registration of 3i Infrastructure Limited with the CBFA as a foreign collective investment scheme under the Belgian Law dated 20 July 2004 on certain forms of collective management of investment portfolios.

Furthermore, none of the New Ordinary Shares may be sold or offered for sale to consumers as such term is defined in the Belgian Law dated 14 July 1991 on commercial practices and the information and protection of consumers.

This Prospectus and any other offering material relating to the New Ordinary Shares that you may receive is intended for your confidential use only, and may not be reproduced or used for any other purpose. Any

action contrary to these restrictions may cause you and 3i Infrastructure Limited to be in violation of applicable Belgian securities laws.

For the attention of Dutch investors

The New Ordinary Shares may not and will 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.

3i Infrastructure Limited is not subject to (a) the license requirement under the Wft and (b) the supervision of the Authority for the Financial Markets (Autoriteit Financiële Markten).

For the attention of EEA Member State investors

Subject as stated to the contrary in this Part XII 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 New Ordinary Shares 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 New Ordinary Shares 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 New Ordinary Shares shall result in a requirement for the publication by the Company or the Underwriters 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 New Ordinary Shares 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 New Ordinary Shares to be offered so as to enable an investor to decide to purchase any New Ordinary Shares, 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 New Ordinary Shares under the Placing and Open Offer completed by the Prospectus, will be deemed to have represented, warranted and agreed to and with the Underwriters 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 New Ordinary Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, (i) the New Ordinary Shares acquired by it in the Placing and Open 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 Underwriters has been given to the offer or resale; or (ii) where New Ordinary Shares 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

The New Ordinary Shares have not been offered, sold or otherwise transferred and will not be offered, sold or otherwise transferred, directly or indirectly, to the public in the Republic of France.

Such offers, sales or other transfers and distributions will be made in the Republic of France in accordance with Article L.411-2 of the French Code monétaire et financier only:

- to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), in each case, and except as otherwise stated under French laws and regulations, investing 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
- to investment services providers authorised to engage in portfolio management services on a discretionary basis on behalf of third parties.

The New 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 to L.621-8-3 of the French Code monétaire et financier.

Neither this Prospectus nor any other offering material relating to the New Ordinary Shares described in this Prospectus has been submitted to the clearance procedures of the Autorité des Marchés Financiers or notified to the Autorité des Marchés Financiers by the competent authority of another member state of the European Economic Area.

Neither this Prospectus nor any other offering material relating to the New Ordinary Shares has been or will be:

- released, issued, distributed or caused to be released, issued or distributed to the public in the Republic of France, or
- used in connection with any offer for subscription or sale of the New Ordinary Shares to the public in the Republic of France,

other than to investors to whom offers, sales or other transfers of the New Ordinary Shares in the Republic of France may be made as described above.

For the attention of German investors

The New Ordinary Shares are neither registered for public distribution with the Federal Financial Services Supervisory Authority (Bundesanstalt für Finanzdienstleistungsaufsicht / 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 New Ordinary Shares must not be distributed in or into Germany by way of a public offer, public advertisement or in any similar manner, and this document and any other document relating to the Company, as well as information or statements contained therein, is being provided only in connection with a private placement of the New Ordinary Shares and may not be supplied to the public in Germany or used in connection with any offer for subscription of the New Ordinary Shares to the public in Germany or any other means of public marketing.

Any resale of the New Ordinary Shares in the Federal Republic of Germany must not be made by way of a public offer, public advertisement or in any similar manner and should also comply with the applicable exemptions of section 3 (2) of the German Securities Prospectus Act and any other laws applicable in the Federal Republic of Germany governing the sale and offering of units. 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 New Ordinary Shares.

For the attention of Italian investors

The Company is not a Ucits complying fund. This Prospectus has not been nor will it be filed with the Italian authorities for registration. No action has been or will be taken which would allow the offering of the New Ordinary Shares in Italy. Accordingly, the New Ordinary Shares can only be offered upon the express and unsolicited request of an investor who has directly contacted the Company on his/her/its own initiative. No active marketing of the company of the New Ordinary Shares has been made in Italy, and this Prospectus has been sent to the investor at such investor's express and unsolicited request.

For the attention of Japanese investors

The New Ordinary Shares have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the "FIEL") and, accordingly, the New Ordinary Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (including corporations) or to others for re-offering or resale, directly or indirectly, in Japan or to any resident of Japan except in compliance with private placement rules under the FIEL. "A resident of Japan" shall have the meaning as defined under the Foreign Exchange and Foreign Trade Law of Japan.

For the attention of Luxembourg investors

The New Ordinary Shares may not be offered or sold in the Grand Duchy of Luxembourg, except for New Ordinary Shares 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 10 July 2005 on Prospectuses for securities. The New Ordinary Shares 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. This document 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

This Prospectus has not been approved by, nor notified to, the Comissão do Mercado de Valores Mobiliários ("CMVM"), the Portuguese Securities Market Commission, nor any application has been or will be made to obtain said approval.

The New Ordinary Shares have not been directly or indirectly offered, sold or distributed to undetermined addressees in the Republic of Portugal nor any prospecting or advertisement activities or the collection of investment intentions from undetermined addressees have been or will be undertaken in the Republic of Portugal in connection, preceding or accompanying the offer of the New Ordinary Shares, in circumstances which could qualify the Portuguese jurisdiction as the competent authority pursuant to Article 145 applicable ex vi Article 108 of the Portuguese Securities Code ("Código dos Valores Mobiliários" or "CVM") or in circumstances which could qualify as a public offering of securities pursuant to Article 109 of CVM.

Consequently, the New Ordinary Shares will only be directly or indirectly offered, sold or distributed in the Republic of Portugal to qualified investors as defined in Article 30 of the CVM or as registered with CMVM under Article 110-A of the CVM.

Accordingly, this Prospectus or any other document relating to the New Ordinary Shares or its offer has not been directly or indirectly distributed or caused to be distributed and will not, in any circumstances, in whole or in part, be directly or indirectly distributed, reproduced, redistributed, published or delivered or caused to be distributed, reproduced, redistributed, published or delivered, nor its contents disclosed by any means, directly or indirectly, to any other persons other than to qualified investors as referred to hereabove.

For the avoidance of any doubt, Madeira and Azores Islands fall within the jurisdiction of the Republic of Portugal.

For the attention of Qatari investors

This document does not constitute an invitation or a public offer of securities in the State of Qatar and should not be construed as such. This document is intended only for the original recipient and must not be provided to any other person. It is not for general circulation in the State of Qatar and may not be reproduced or used for any other purpose.

For the attention of the Saudi Arabian investors

The New Ordinary Shares 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 Singaporean investors

This document has not been registered as a prospectus with the Monetary Authority of Singapore and this offering is not regulated by any financial supervisory authority pursuant to any legislation in Singapore. You should accordingly consider carefully whether the investment is suitable for you.

Each investor agrees that this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Ordinary Shares may not be circulated or distributed nor may the New Ordinary Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than institutional investors (as defined in Section 4A of the Securities and Futures Act, Chapter 289 of Singapore ("SFA")), accredited investors (as defined in Section 4A of the SFA) or any person pursuant to an offer that is made on terms that the New Ordinary Shares are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction, whether such amount is to be paid for in cash or by exchange of securities or other assets, and in accordance with the terms of section 276 of the SFA.

For the attention of Spanish investors

The securities referred to in the present offering document are not offered as a public offer of securities in Spain, but as a private placement under the exemptions available pursuant to article 30bis of Law 24/1988, of 28 July 1988 and in article 38.1 of Royal Decree 1310/2005, of 4 November 2005.

For the attention of Swiss investors

The Company has not been registered with the Swiss Federal Banking Commission as a foreign collective investment scheme pursuant to Article 120 of the Collective Investment Schemes Act of June 23, 2006 ("CISA"). Accordingly, the New Ordinary Shares may not be offered to the public in or from Switzerland, and neither this offering document, nor any other offering materials relating to the New Ordinary Shares may be made available through a public offering in or from Switzerland. The New Ordinary Shares may only be offered and this offering document may only be distributed in or from Switzerland by way of private placement exclusively to qualified investors (as defined in the CISA and its implementing ordinance).

For the attention of United Arab Emirates investors

This Prospectus 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 New 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 Placing and Open Offer, the Additional Placing, the New Ordinary Shares and interests therein 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.

In relation to its use in the UAE, this Prospectus 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 New Ordinary Shares may not be offered or sold directly or indirectly to the public in the UAE.

For the attention of investors in the Dubai International Financial Centre

THIS PROSPECTUS RELATES TO A FUND WHICH IS NOT SUBJECT TO ANY FORM OF REGULATION OR APPROVAL BY THE DUBAI FINANCIAL SERVICES AUTHORITY ("DFSA").

THIS PROSPECTUS IS INTENDED FOR DISTRIBUTION ONLY TO PERSONS OF A TYPE SPECIFIED IN THE DFSA'S RULES (I.E. "QUALIFIED INVESTORS") AND MUST NOT, THEREFORE, BE DELIVERED TO, OR RELIED ON BY, ANY OTHER TYPE OF PERSON.

THE DFSA HAS NO RESPONSIBILITY FOR REVIEWING OR VERIFYING ANY PROSPECTUS OR OTHER DOCUMENTS IN CONNECTION WITH THIS FUND. ACCORDINGLY, THE DFSA HAS NOT APPROVED THIS PROSPECTUS OR ANY OTHER ASSOCIATED DOCUMENTS NOR TAKEN ANY STEPS TO VERIFY THE INFORMATION SET OUT IN THIS PROSPECTUS, AND HAS NO RESPONSIBILITY FOR IT.

THE NEW ORDINARY SHARES TO WHICH THIS PROSPECTUS RELATES MAY BE ILLIQUID AND/OR SUBJECT TO RESTRICTIONS ON THEIR RESALE. PROSPECTIVE PURCHASERS OF THE NEW ORDINARY SHARES SHOULD CONDUCT THEIR OWN DUE DILIGENCE ON THE NEW ORDINARY SHARES.

IF YOU DO NOT UNDERSTAND THE CONTENTS OF THIS DOCUMENT YOU SHOULD CONSULT AN AUTHORISED FINANCIAL ADVISER.

US securities law and ERISA matters

The New Ordinary Shares are being offered outside the United States to investors that (i) are neither US Persons or US Residents nor (ii) persons acquiring for the account or benefit of US Persons or US Residents that in offshore transactions pursuant to Regulation S. In addition, the New Ordinary Shares 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.

The New Ordinary Shares 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 offered, sold, reoffered, resold, pledged or otherwise transferred in the United States or to, or for the account or benefit of, US Persons or US Residents 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 New 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.

PART XIII

DEFINITIONS

The following definitions apply throughout this document unless the context requires otherwise:

"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 Agreement"	means the agreement entered into by, <i>inter alia</i> , 3i Group, the Company and the Partnership, as described in paragraph 16 of part XI;
"Additional Placees"	means placees processed by the Underwriters pursuant to the Underwriting and Placing Agreement to subscribe for New Ordinary Shares pursuant to the Additional Placing (if any);
"Additional Placing"	means the potential non-pre-emptive placing of additional New Ordinary Shares, representing up to 5% of the Company's issued share capital as at the date of this document;
"Adjusted NAV"	means the NAV at the date of this document, as adjusted for the proposed final dividend for the financial period ended 31 March 2008;
"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 New Ordinary Shares to the Official List and/or to trading on the London Stock Exchange as the context may require;
"Alma Mater"	means the Alma Mater Fund LP;
"Alpha Schools"	means Alpha Schools (Highland) Holdings Limited;
"Anglian Water"	means Anglian Water Services Limited;
"Application"	means an application to subscribe for the New Ordinary Shares;
"Application Form"	means the application form on which Non-CREST Shareholders may apply for New Ordinary Shares under the Open Offer;
"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 Limited;
"Barclays Capital"	means Barclays Capital, the investment banking division of Barclays Bank PLC;
"BPE"	means Barclays Private Equity Limited;
"Capita Registrars"	means Capita Registrars 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);
"Citi"	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 Euroclear enabling system securities to be evidenced otherwise than by certificates and transferred otherwise than by written instrument;
"CREST Shareholders"	means Shareholders whose Ordinary Shares on the register of members of the Company on the Record Date are in uncertificated form;
"Current Investment Portfolio"	means the portfolio of infrastructure investments held by the Group at the date of this Prospectus;
"Custodian"	means 3i Investments acting in its capacity as custodian;
"Custody Agreement"	means the custody agreement dated 20 February 2007 between the Company and 3i Investments as further described in Part XI of this document;
"Directors" or "Board"	means the directors of the Company, whose names appear in Part XI of this document, or the board of directors from time to time of the Company, as the context requires, 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;
"Equity Proceeds"	means an amount equal to the sum of the Net Proceeds and the IPO Net Proceeds;
"ERISA"	means the US Employee Retirement Income Security Act of 1974, as amended;
"EU"	means the member states of the European Union;
"Euroclear"	means Euroclear UK & Ireland Limited;
"Europe"	means the EU, Switzerland and Norway;
"Excluded Shareholder"	means a Shareholder who is located or resident in, or who has a registered address in, an Excluded Territory;
"Excluded Territories"	means either of the United States and Canada and any other jurisdictions where the extension or availability of the Open Offer would breach any applicable law;
"Facility Agreement"	means the Company's facility agreement dated 28 March 2008 for a three-year £225 million revolving credit facility;
"FSA"	means the UK Financial Services Authority;
"FSMA"	means the Financial Services and Markets Act 2000 of the UK, as amended;
"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, Oystercatcher Luxco 1, Oystercatcher Luxco 2, Harrier Acquisitions Jersey Limited, Harrier Acquisitions Holdco Limited, Harrier Acquisitions Limited and/or the Partnership;
"I ² "	means Infrastructure Investors Limited Partnership;
"IFRS"	means International Financial Reporting Standards;
"India Infrastructure Fund"	means the India Infrastructure Fund established by 3i Group to make investments in Indian infrastructure business and assets;
"Infrastructure Investment Team"	means the infrastructure investment team of 3i Group from time to time, whose current details are set out in Part IV of this document;
"Initial Portfolio"	means the initial portfolio of infrastructure investments which the Company acquired from 3i Group under the Acquisition Agreement;
"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, as amended with effect from Admission, further details of which are set out in Part XI of this document;
"Investment Company Act"	means the US Investment Company Act of 1940, as amended;
"IPEVC"	means International Private Equity and Venture Capital;
"IPO"	means the initial public offering of the Ordinary Shares by way of a global offer on the terms and subject to the conditions set out in the Company's prospectus dated 20 February 2007;
"IPO Admission"	means the admission of the Ordinary Shares issued as part of the IPO to the Official List and to trading on the London Stock Exchange;
"IPO Net Proceeds"	means the initial proceeds of the IPO, being the funds received on closing under the IPO less any expenses paid in connection with the IPO;
"IPO Prospectus"	means the documents together constituting a prospectus that were issued by the Company in connection with the IPO;
"IPR"	means the Infrastructure Partners Review, as defined on page 59 of this document;
"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 XI of this document;
"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 (on an investment basis) and as described in this document;
"Net Proceeds"	means the funds received on closing under the Placing and Open Offer (and the Additional Placing, if any), less expenses payable in connection with the Placing and Open Offer (and the Additional Placing);
"New Ordinary Shares"	means new ordinary shares in the Company issued pursuant to the Placing and Open Offer (and the Additional Placing, if any);
"NHS"	means the National Health Service of the UK;
"Non-Claw Back Shares"	the New Ordinary Shares to be placed with the Placees on the terms and subject to the conditions contained in the Underwriting and Placing Agreement, which shares are not being offered to the Shareholders under the Open Offer;
"Non-CREST Shareholders"	Shareholders whose Ordinary Shares on the register of members of the Company on the Record Date are in certificated form;
"North America"	means the United States and Canada;
"Northern"	means Northern Infrastructure LLP;
"Novera"	means Novera Energy plc;
"Octagon"	means Octagon Healthcare Group Limited;
"Offer Price"	means 106 pence per New Ordinary Share;
"Official List"	means the official list maintained by the UK Listing Authority;
"Oiltanking"	means Oiltanking GmbH;
"Opening NAV"	means: (i) for the Company's first financial period, the NAV as at IPO Admission less any IPO 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 New Ordinary Shares at less than NAV during the period;
"Open Offer"	means the offer of New Ordinary Shares to Shareholders constituting an invitation to subscribe for 2 New Ordinary Shares for every 13 Ordinary Shares held on the Record Date on the terms and subject to the conditions set out in this document and the Application Form;
"Open Offer Entitlements"	entitlements to subscribe for New Ordinary Shares allocated to Qualifying Shareholders pursuant to the Open Offer;
"Open Offer Shares"	means New Ordinary Shares being offered to Qualifying Shareholders pursuant to the Open Offer;
"Ordinary Shares"	means the existing ordinary shares in the Company issued at the time of the IPO and, where applicable, also includes the New Ordinary Shares;
"Osprey"	means Osprey Acquisitions Limited;
"Oystercatcher Luxco 1"	means Oystercatcher Luxco 1 S.à r.l.;
"Oystercatcher Luxco 2"	means Oystercatcher Luxco 2 S.à r.l.;
"Partnership"	means 3i Infrastructure Seed Assets LP;
"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;

"Placees"	the persons with whom a conditional placing of New Ordinary Shares (subject, where applicable, to the entitlements of Shareholders under the Open Offer) has been or will be made;
"Placing"	the conditional placing of the Open Offer Shares subject, except in the case of the Non-Claw Back Shares, to the entitlements of Shareholders under the Open Offer;
"Portfolio Vehicles"	means Alma Mater, Alpha Schools, Anglian Water, AWG, I ² , India Infrastructure Fund, Novera, Octagon, the OT Companies and TCC, or, where the context demands, whichever corporate entities or partnerships the Group holds an interest in as part of the Company's investment portfolio at the relevant time;
"PPP"	means Public Private Partnership, an umbrella term for government schemes involving the private business sector in public sector projects;
"Prospectus"	means this prospectus issued by the Company in relation to the Placing and Open Offer 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 sum paid by the Company to 3i Group as consideration for the Initial Portfolio, as described on page 142 of Part XI;
"Qualifying Shareholder"	means a shareholder included on the register of shareholders of the Company on the Record Date, other than an Excluded Shareholder;
"Receiving Agent"	means Capita Registrars;
"Record Date"	the close of business in London on 10 June 2008 in respect of the entitlements of Shareholders under the Open Offer;
"Registrar"	means Capita Registrars (Jersey) Limited;
"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 Part XI of this document;
"Relevant Disposal Proceeds"	means such part of any disposal proceeds realised by the Group up to 12 months from Admission as represents the original cost of the investments concerned, net of any associated costs or expenses;
"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 with the value of the overall infrastructure fund, as determined by the Investment Adviser;
"Scott Harris"	means Scott Harris UK Limited;
"Securities Act"	means the US Securities Act of 1933, as amended;
"Shareholders"	means the holders of the Ordinary Shares and/or New Ordinary Shares, as the context permits;
"SIPP"	means Self-Invested Personal Pension;
"Sponsor"	means Citi;
"Subscription Price"	means the price at which the Warrants can be exchanged for Ordinary Shares, being £1;
"T2C"	means Thermal Conversion Compound Industriepark Höchst GmbH;
"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 XI 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;
"Underwriters"	means each of Citi and Barclays Capital and "Underwriter" means either of them;
"Underwriting and Placing Agreement"	means the underwriting and placing agreement between the Company and the Underwriters, details of which are set out in Part XI;
"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 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 New Ordinary Shares or the Warrants, or facilitates individual investment decisions, such as a self-directed employee benefit or pension plan, the New 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 as part of the IPO.

