



Results for the six months to 30 September 2011

3 November 2011



Chairman's highlights

Peter Sedgwick

Chairman, 3i Infrastructure plc

Market and portfolio update

Cressida Hogg

Managing Partner, Infrastructure, 3i Investments plc

Financial review

Stephen Halliwell

CFO, Infrastructure, 3i Investments plc

Closing remarks

Cressida Hogg

Managing Partner, Infrastructure, 3i Investments plc



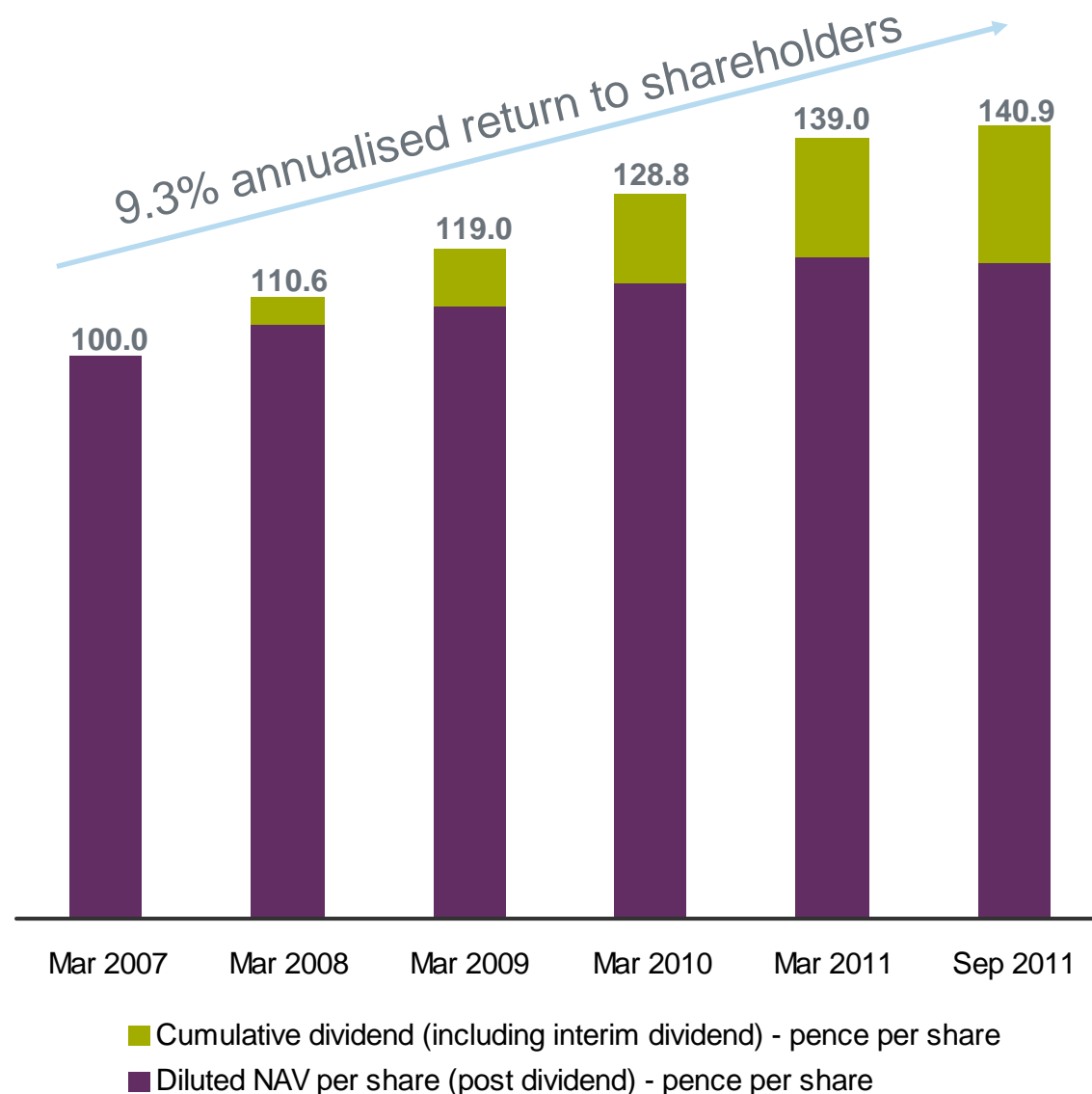
Chairman's highlights

Peter Sedgwick

Chairman, 3i Infrastructure plc



- Stable NAV – 1.6% total return on shareholders' equity
- Strong portfolio income generation - £36.8m, amply covering interim distribution
- Interim dividend per share of 2.97p - 2.5% of opening NAV, in line with objectives
- Cash balances of £310m the result of profitable investment and engaged portfolio management
- Well placed to invest in new opportunities



➤ Continued growth in returns to shareholders



Market and portfolio update

Cressida Hogg

Managing Partner, Infrastructure, 3i Investments plc



Challenges

- Overall M&A volumes down
 - Higher volatility across markets and asset classes
 - Uncertainty around price points
 - Debt markets less liquid
- Macro uncertainty / outlook for inflation and interest rates
- Challenged fundamentals / outlook for growth
- Competition for assets from financial investors and trade buyers

Opportunities

- Infrastructure market still active
 - Debt still available for solid infrastructure companies
 - Operational performance robust in core / availability based assets
 - Inflation beneficial for some assets
- Processes already at an advanced stage likely to be completed
- Challenging markets can offer new opportunities

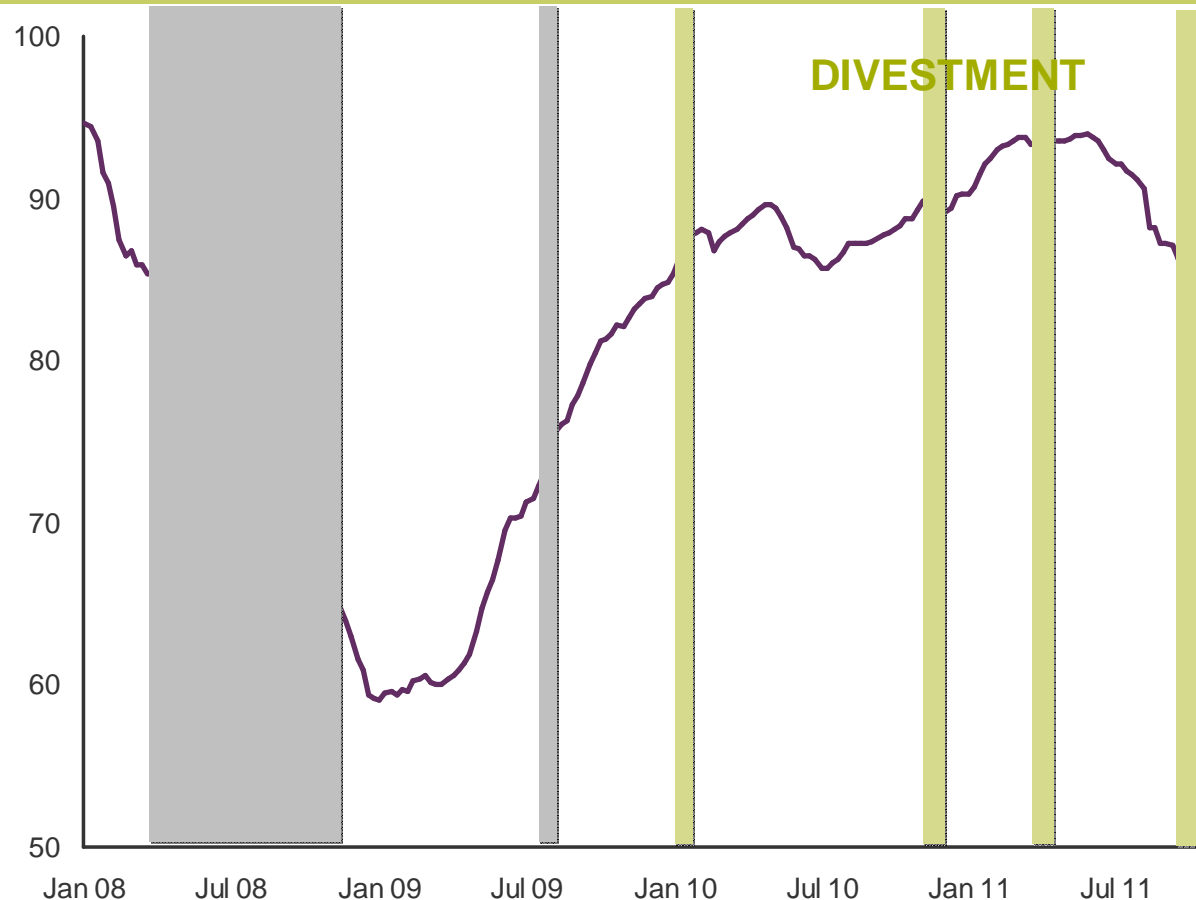
- Disciplined investors in uncertain markets
- Focused on transacting ongoing processes (eg Thameslink)
- Well positioned to take advantage of new opportunities with strong track record and cash



	Realised proceeds (£m)	Profit over 31/3/11 value (£m)
Thames Water junior debt tranche		
• Repaid before its full term by the borrower in April 2011	21.3	0.2
NGW Arqiva junior debt tranche		
• Sold in April 2011	34.2	1.9
I ² loan notes		
• Repayment of a significant portion of 3iN's loan notes in I ² by BIIF LP in August 2011	26.4	-
Eversholt shareholder loan		
• Repayment by Eversholt of a small portion of 3iN's shareholder loan in August 2011	9.3	-
	91.2	2.1

- Activity in the period reflected uncertain markets – sellers of assets
- Junior debt exits well timed - protected NAV from subsequent falls in debt markets
- Strategy continued post period end with sale of TDF junior debt tranche

S&P European Leveraged Loan Index



Portfolio performance

Holding	IRR (%)
Associated British Ports	20.3
NGW Arqiva	8.5
Télédiffusion de France	14.9
Thames Water	11.6
Viridian	12.0
Overall portfolio	11.6

- Investment of £120m vs realised value of £135m – 1.3x money multiple
- Invested opportunistically, taking advantage of financial flexibility
- Strong portfolio IRR, consistent with investment case



15 assets

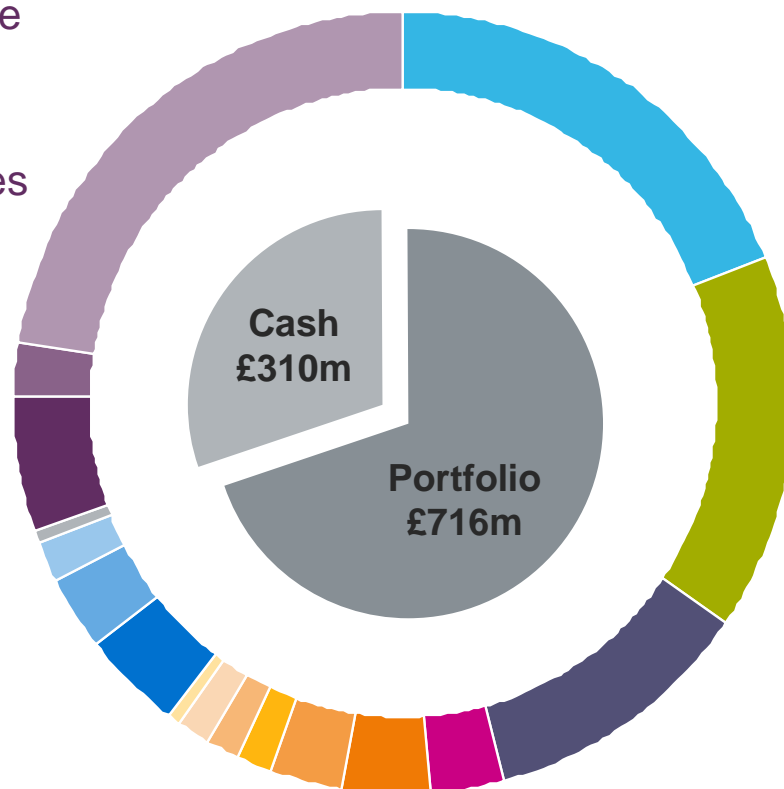
invested

£716m

portfolio value

£310m

cash balances



	AWG
	Eversholt
	Oystercatcher
Junior debt portfolio	
	TDF
	NGW Arqiva ⁽¹⁾
	Thames Water ⁽¹⁾
3i India Infrastructure Fund	
	Adani Power
	Krishnapatnam Port
	Soma Enterprise
	KMC Roads
	GVK Energy
	Ind-Barath Utkal
PFI portfolio	
	Elgin (16 projects)
	Octagon
	Alpha Schools (11 schools)
	I ² Loan notes ⁽²⁾
T2C	
Total portfolio asset value	
	Cash committed to India
	Cash committed to dividend
	Free cash
	Total cash

	Value at 30 Sep 2011 (£m)	Value at 31 Mar 2011 (£m)
AWG	194	196
Eversholt	160	161
Oystercatcher	117	119
Junior debt portfolio		
TDF	30	37
NGW Arqiva ⁽¹⁾	-	32
Thames Water ⁽¹⁾	-	21
3i India Infrastructure Fund		
Adani Power	38	53
Krishnapatnam Port	30	31
Soma Enterprise	16	16
KMC Roads	15	15
GVK Energy	14	14
Ind-Barath Utkal	5	6
PFI portfolio		
Elgin (16 projects)	41	40
Octagon	32	32
Alpha Schools (11 schools)	18	18
I ² Loan notes ⁽²⁾	6	31
T2C	nil	nil
Total portfolio asset value	716	822
Cash		
Cash committed to India	55	54
Cash committed to dividend	25	24
Free cash	230	97
Total cash	310	175

(1) Divested in H1 2011

(2) Partially repaid in H1 2011

➤ Most asset valuations stable in the period, supported by resilient operational performance

+3.5%**EBITDA growth in the portfolio**

in the six months to 30 September 2011 relative to the prior comparable six-month period

81%

Of portfolio by value performing ahead of expectations in the year to date

65%

Of portfolio by value benefits from inflation linkage with revenues either directly or partly linked to inflation

- Defensive portfolio, providing stable underlying performance and inflation linkage
- Engaged portfolio approach important in difficult macro environment

Note: the assets included in EBITDA growth analysis are the equity assets that have been largely operational for one year or more: AWG, Eversholt, Oystercatcher, Elgin, Octagon, Alpha Schools and, within the 3i India Infrastructure Fund, Adani Power, Soma Enterprise and Krishnapatnam Port.



AWG



- Core water business performing well. Good recovery from severe winter weather
- No hosepipe ban despite much of region declared “in drought” by Defra
- Extensive preparations for transfer of private sewers from 1 October, adding 60% to existing sewer network
- Making good progress in implementing regulatory settlement

Oystercatcher



- Performance ahead of expectations – capacity fully let despite volatile market conditions for traders
- Expansion project in Amsterdam completed on schedule and on budget
- Expansion project in Malta progressing on schedule

Eversholt



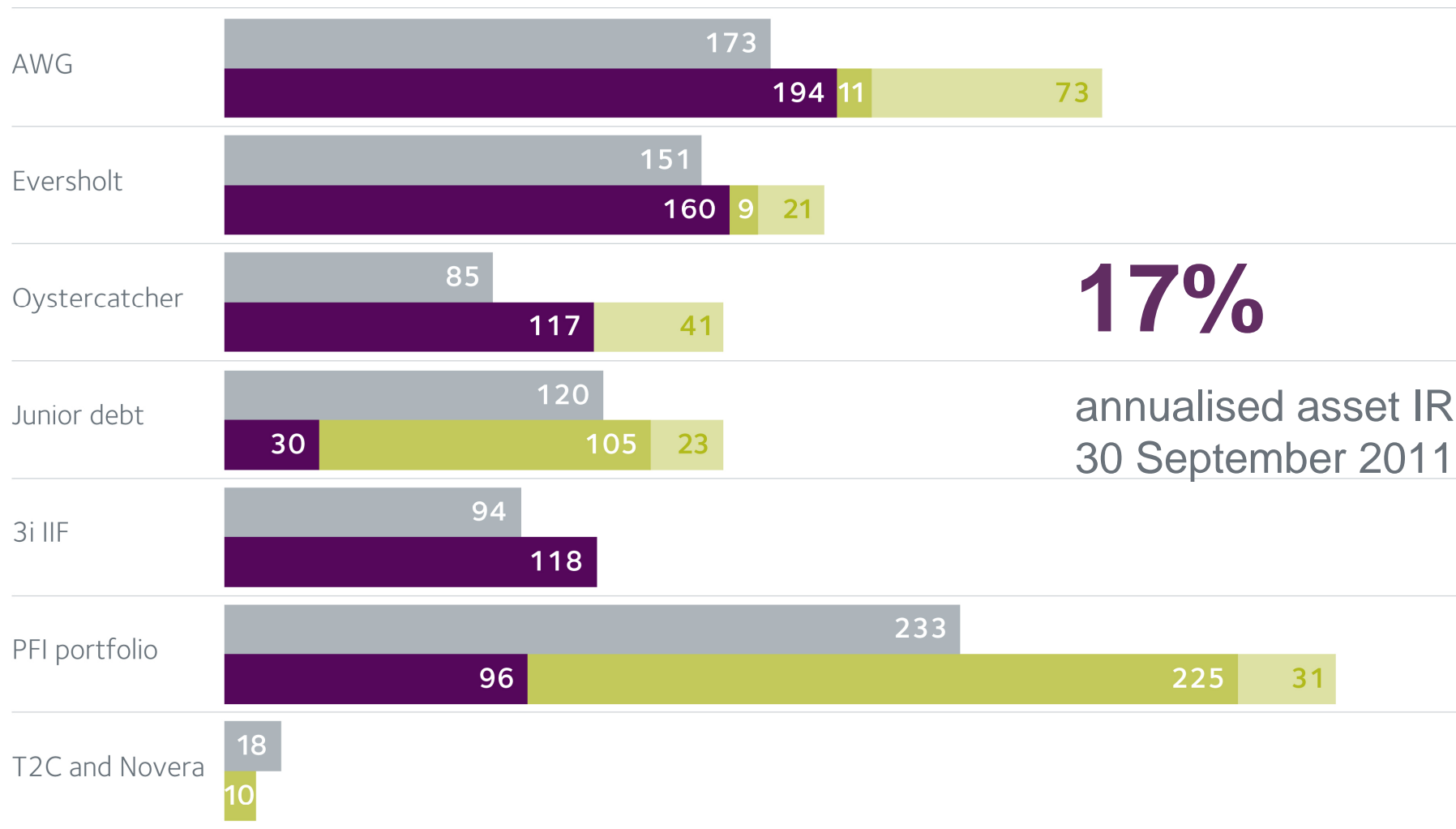
- Strong performance, ahead of expectations
- Strong cash flow generation, partly due to reduced interest costs
- Acceptance of new 380 fleet completed (£185m investment)

➤ Robust operational and financial performance



- Quoted Indian power sector derated in the period, affecting MTM value of Adani Power
- Solid operational performance
- Construction of facilities meeting milestones
- Overall EBITDA growth of nearly 24% period on period
- Many projects growing in size and scope – eg Adani Power, Soma Enterprise, Krishnapatnam Port
- Proof of value from market transactions – eg new capital infusion in Soma Enterprise road BOTs

➤ Solid operational performance, with construction meeting milestones



17%

annualised asset IRR to
30 September 2011

Total cost
 Value including accrued interest
 Proceeds on disposals/capital returns
 Cash income

➤ Generating portfolio returns from cash income and realised profits, as well as value growth



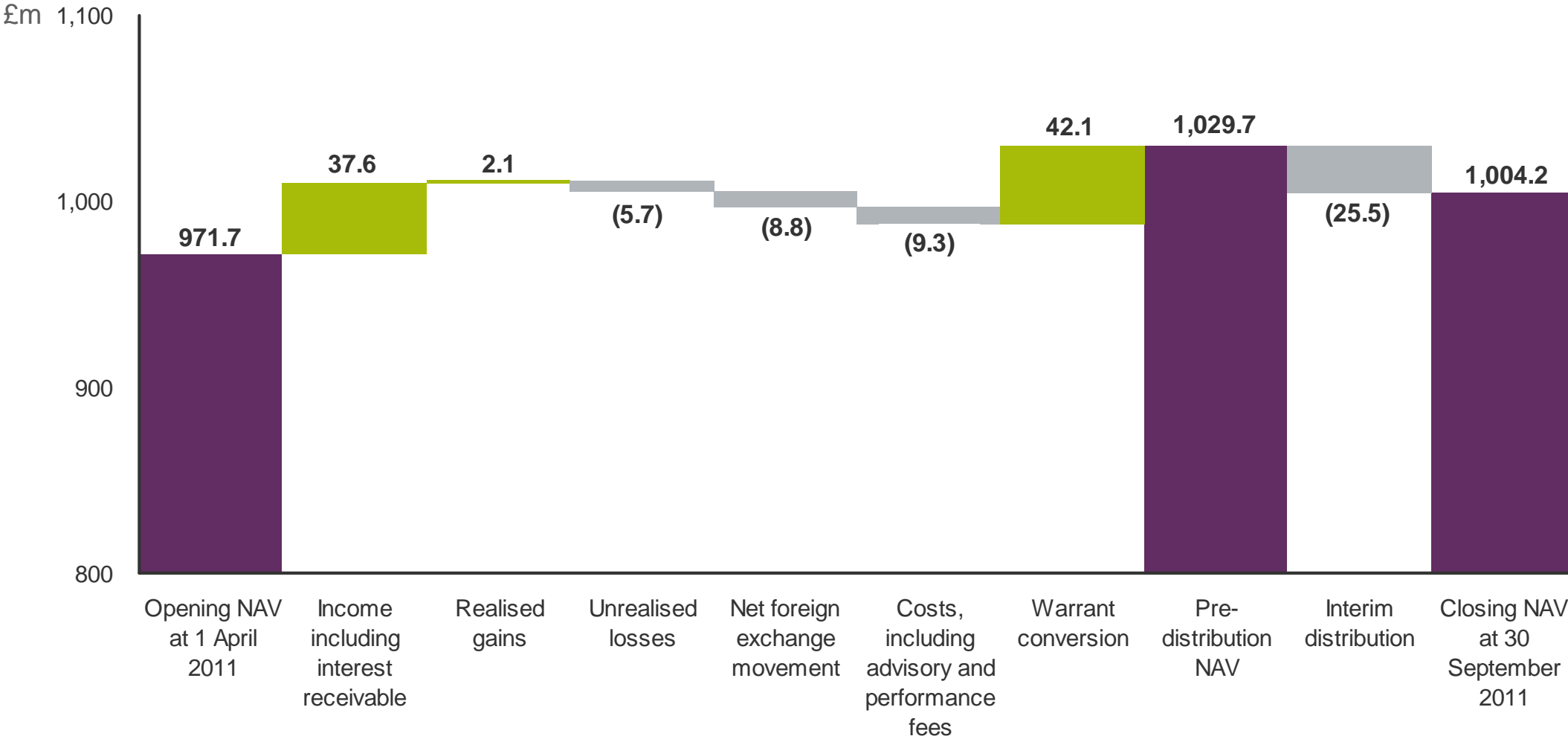
Financial review

Stephen Halliwell

CFO, Infrastructure, 3i Investments plc


Total return of £15.9m, or 1.6% of shareholders' equity


Fully diluted, post dividend NAV: 116.4p per share




Return underpinned by strong income generation, volatility from macro and market factors

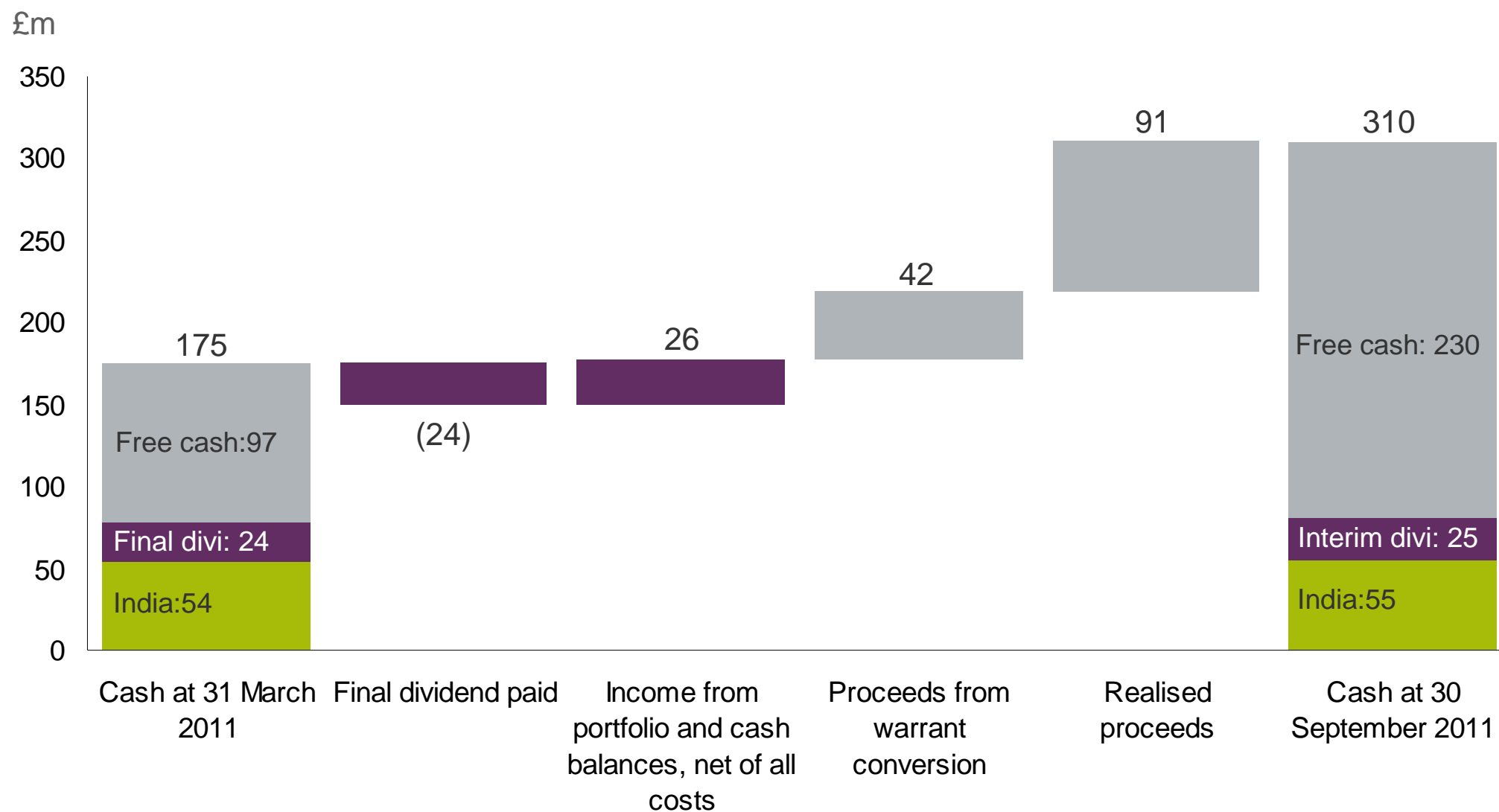


(£m)	Investment basis As at 30 September 2011	Investment basis As at 31 March 2011	Consolidated basis As at 30 September 2011
Investment portfolio	715.8	821.7	979.8
Other net assets/(liabilities)	3.8	(0.2)	(8.5)
Cash and cash equivalents	310.1	174.6	318.7
Borrowings	-	-	(164.3)
Net assets	1,029.7	996.1	1,125.7
Shareholders' equity	1,029.7	996.1	1,034.3
Minority interest	-	-	91.4
Total shareholders' equity	1,029.7	996.1	1,125.7
 Diluted NAV per share (pence)	 119.4	 120.3	 119.9
Diluted NAV per share post interim dividend (pence)	116.4	117.4	116.9

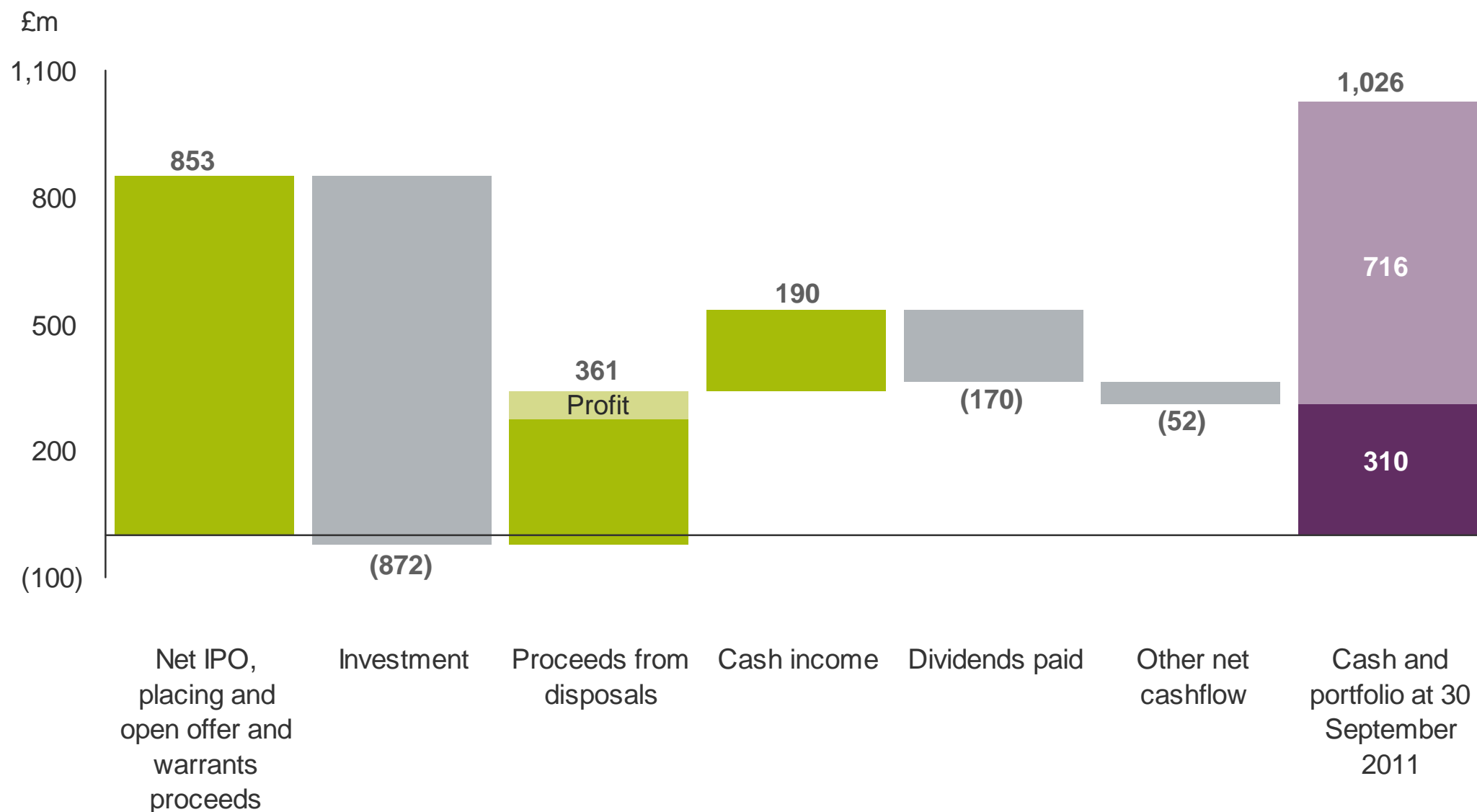


Cash flows in the period

3i Infrastructure plc

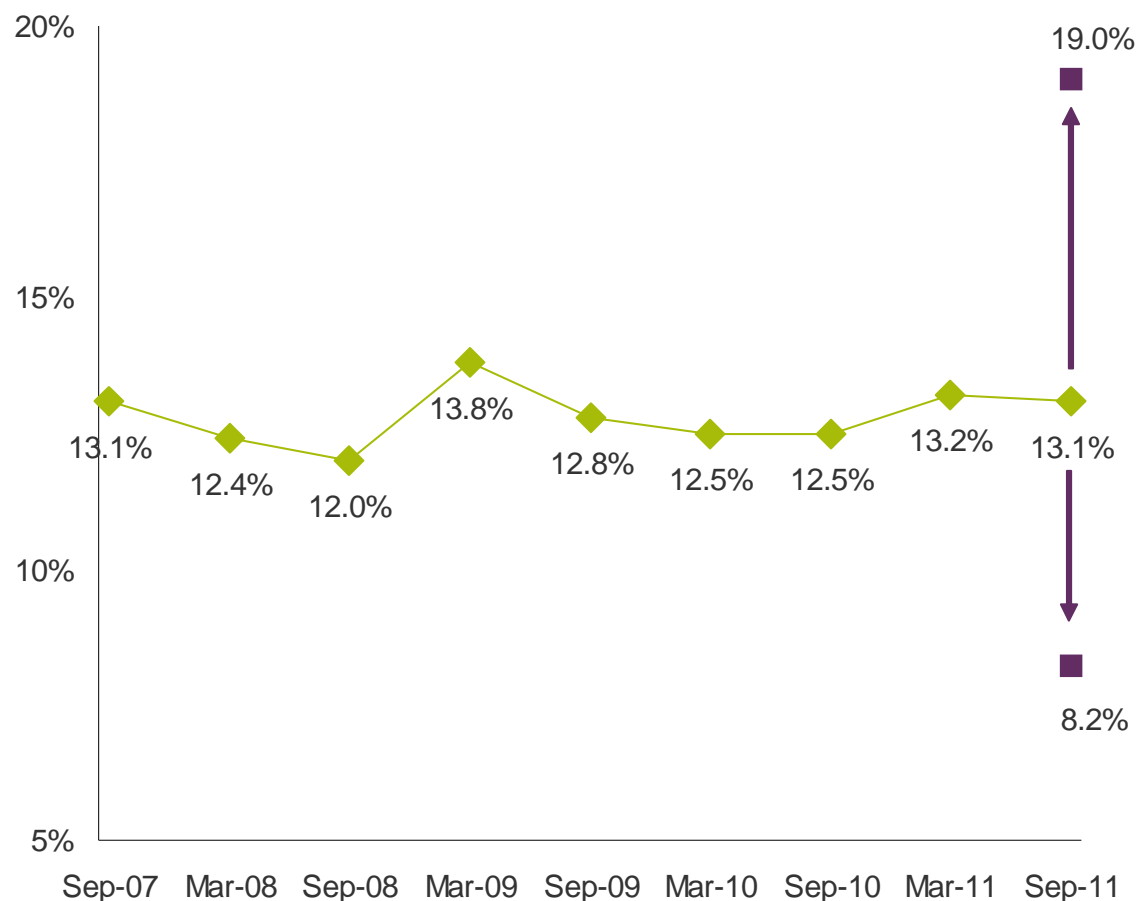


➔ Disciplined investment approach resulted in increased cash balances



➤ Continued strong cash generation and profitable disposals proving valuations

Macro	<div><div>↑ Inflation</div><div><div><div>Revenues linked to inflation42%</div><div>Partly linked to inflation23%</div><div>Not linked to inflation30%</div><div>N/A5%</div></div></div></div>	<table><tr><th>Sensitivity</th><th>+ 1% point</th><th>- 1% point</th></tr><tr><td>Change in inflation over underlying assumption for next two years</td><td>£7.7m</td><td>£(10.0)m</td></tr></table> <div>For European assets only</div>	Sensitivity	+ 1% point	- 1% point	Change in inflation over underlying assumption for next two years	£7.7m	£(10.0)m
	Sensitivity	+ 1% point	- 1% point					
Change in inflation over underlying assumption for next two years	£7.7m	£(10.0)m						
	<div><div>↓ Foreign exchange</div><div><div><div>£ sterling63%</div><div>€ euro21%</div><div>Rupee16%</div></div></div></div>	<table><tr><th>Sensitivity</th><th>+ 5%</th><th>- 5%</th></tr><tr><td>Change in foreign exchange rate compared to sterling</td><td>£6.8m</td><td>£(6.5)m</td></tr></table>	Sensitivity	+ 5%	- 5%	Change in foreign exchange rate compared to sterling	£6.8m	£(6.5)m
Sensitivity	+ 5%	- 5%						
Change in foreign exchange rate compared to sterling	£6.8m	£(6.5)m						
Markets	<div><div>↓ Debt markets</div><div>↓ Indian power sector</div></div>							
Asset-specific	<div><div>↑ Operational performance</div><div>↑ Income</div><div>↑ Proof of value from market transactions</div></div>							



- Weighted average discount rate flat since March 2011
- Risk-free rates have declined over the past six months
- However, underlying discount rates unchanged in light of market conditions, with two exceptions:
 - Small reduction for Alpha Schools as it builds a proven track record of stable operational performance
 - Discount rate applied to Ind-Barath Utkal, following review of progress since initial investment in March 2011

➤ Reduction in risk-free rates neutralised by increasing risk premia



Closing remarks

Cressida Hogg

Managing Partner, Infrastructure, 3i Investments plc



Resilient portfolio performance against challenging macroeconomic backdrop

- Stable NAV
- Strong income

Market headwinds likely to persist in H2, but good opportunities in infrastructure

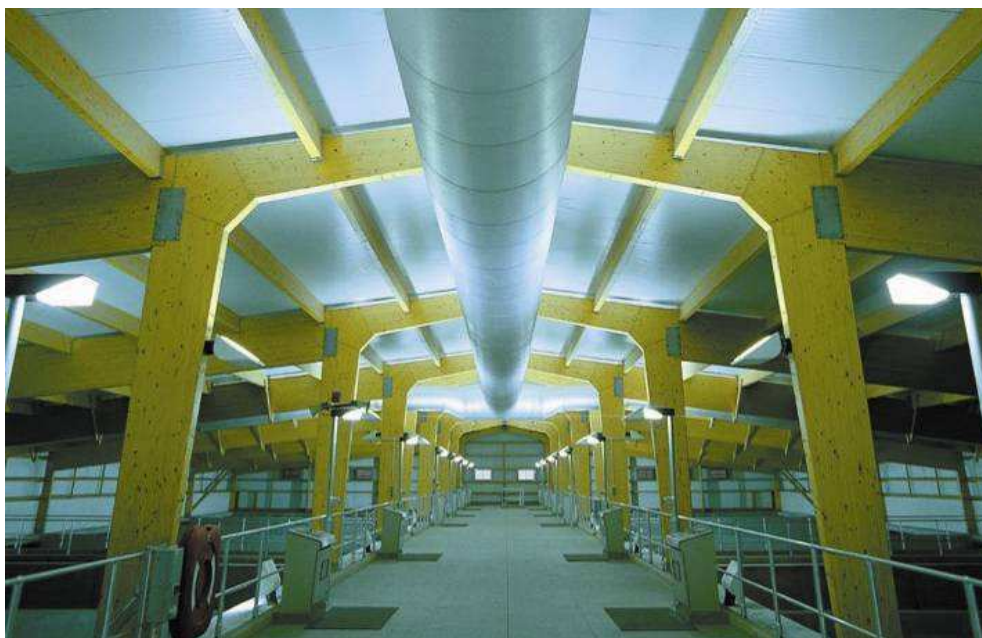
- Volatility in most asset classes and readjustment of price points, but
- Infrastructure market still active, debt available for good performers
- Challenging markets can offer opportunities for good investors

Well placed to take advantage of market opportunity

- Significant liquidity available for investment
- Strong track record and best-in-class origination and execution skills allow us to pursue and invest in large and complex assets, differentiating us from listed peers
- Flexibility to invest opportunistically and execute quickly (eg junior debt portfolio)
- Pursuing a number of attractive investment opportunities



Case studies



Equity interest	10.3%
Income in the period	£12.7m
Asset total return in the period	£10.5m

Investment rationale

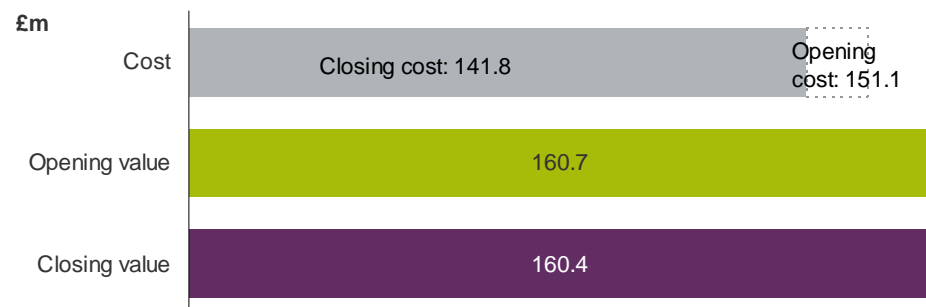
- Regulated near-monopoly position in its geographical area for provision of water supply and wastewater treatment
- Stable and predictable earnings through RPI-linked tariffs
- Largely predictable operating costs

Valuation drivers

- Strong income generation
- Positive inflation trends
- Making good progress in the implementation of the 2010-2015 regulatory settlement

Other developments

- Robust operational performance - recovered well from effects of severe winter weather and exceptionally dry spring
- No restrictions on water usage
- Extensive preparations for transfer of private sewers, adding c. 60% to sewer network



Equity interest	33.3%
Capital repayment in the period	£9.3m
Income in the period	£10.4m
Asset total return in the period	£19.4m

Investment rationale

- Mature, profitable transport asset with stable contracted revenues and a strong market position

Valuation drivers

- Reduction of ongoing interest costs
- Strong operational performance since acquisition

Other developments

- Completed acceptance of new Siemens 380 fleet for deployment to First Scotrail - £185 million investment in new trains for routes in Ayrshire, Inverclyde and Renfrewshire
- Working in co-operation with the Department for Transport to develop recommendations of McNulty Rail Value for Money Study into actionable plans



Equity interest	45.0%
Income in the period	£7.9m
Asset total return in the period ⁽¹⁾	£5.7m

(1) Includes a £2.9m unrealised exchange loss.

Investment rationale

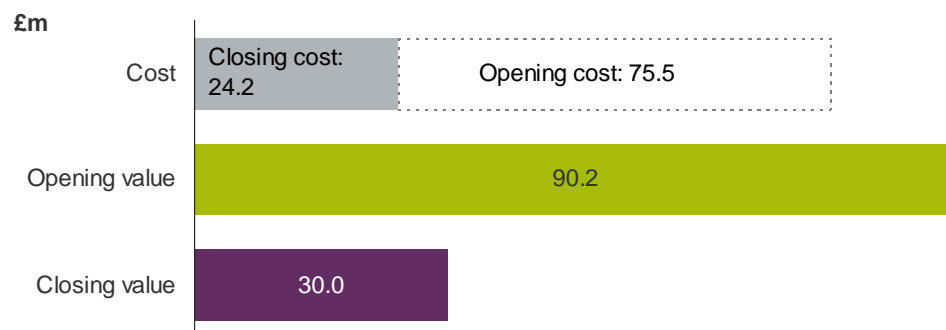
- Long-term demand for oil storage capacity, coupled with shortage of competing supply and low customer turnover
- Strong market position in key trading hubs
- Defensive position, reliable cash flows

Valuation drivers

- Performance in line with expectations
- High throughput levels and full capacity utilisation
- Income received in the period

Other developments

- In Amsterdam, 42,000 cubic metre bio-diesel storage expansion project completed on time and on budget
- In Malta, new 13,000 cubic metre storage tank and new LPG handling facility progressing on schedule



Investment rationale

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

Valuation drivers

- Mark-to-market valuation of residual TDF tranche down 18% since 31 March 2011

Other developments

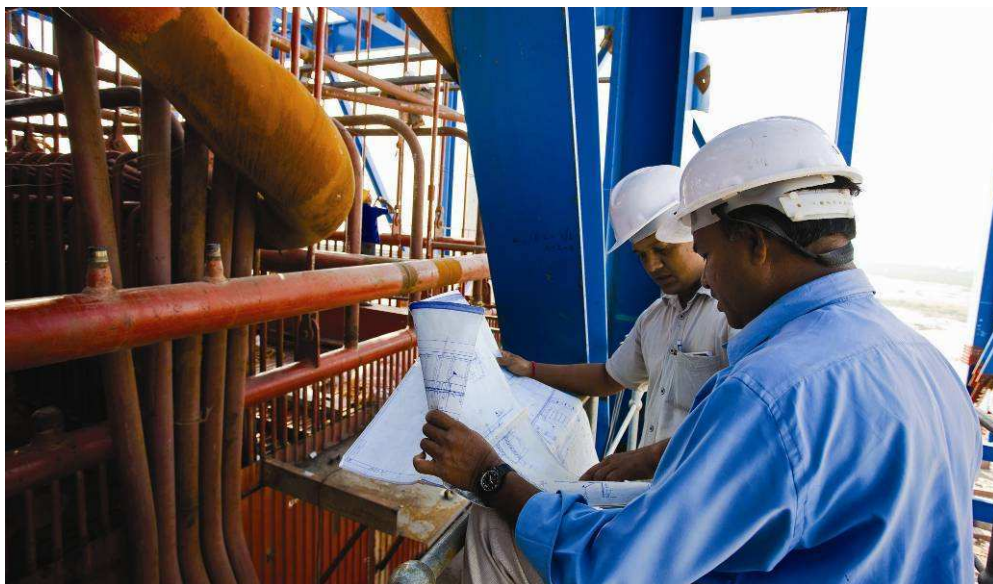
- Thames Water holding repaid at par in April 2011 - profit over March value of £0.2 million and IRR through holding period of 11.6%
- NGW Arqiva holding sold in April 2011 – profit over March value of £1.9 million and IRR through holding period of 8.5%

Developments since the period end

- TDF holding sold in late October at September value – IRR through holding period of 14.9%
- Overall realised IRR for the junior debt portfolio of 11.6%

Divestment in the period	£53.4m
Profit on disposal in the period	£2.1m
Income in the period	£1.4m
Asset total return in the period ⁽¹⁾	£(3.3)m

(1) Includes a £0.7m unrealised exchange loss.



Partnership interest	20.9%
Asset total return in the period ⁽¹⁾	£(16.8)m

(1) Includes an £8.1m unrealised exchange loss.

Investment rationale

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

Valuation drivers

- Assets performing well, according to plan
- Market value of Adani Power down 24% in the period
- Foreign exchange fluctuations weighed on sterling valuation

Other developments

- Construction milestones being met
- EBITDA of three operational assets in the Fund up 23.8% period on period
- Capital infusion from new shareholder in Soma road BOT portfolio, at Fund valuation



Equity interest	49.9%
Income in the period	£1.8m
Asset total return in the period	£2.1m

Investment rationale

- Lower risk, index-linked cash flows
- Fully operational portfolio
- Strong partner in Robertson

Valuation drivers

- Stable operational performance
- Impact of higher inflation
- Income received in the period



Equity interest	36.8%
Income in the period	£0.9m
Asset total return in the period	£1.9m

Investment rationale

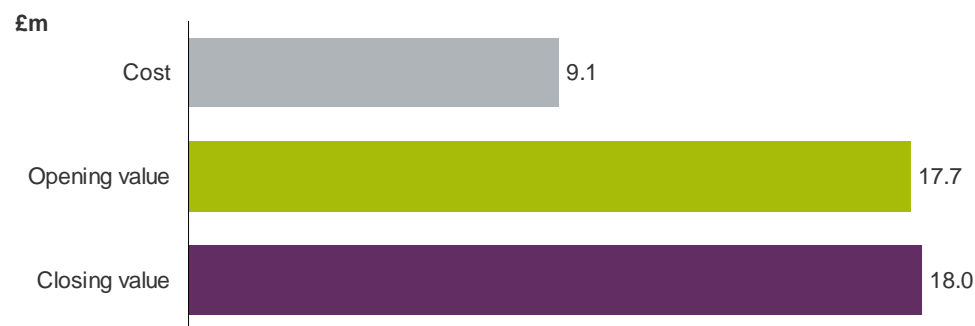
- Investment in a mature asset
- Provides the Company with a stable, long-term income stream with RPI linkage

Valuation drivers

- Stable operational performance
- Impact of higher inflation
- Income received in the period

Other developments

- Successfully procured a new facility to house a fourth CT and fourth MRI scanner on behalf of the Trust, expected to be fully operational by December 2011
- New birthing unit focused on natural births opened in August 2011
- Rated in top 20% in the country for overall quality of care in Care Quality Commission 2010 survey



Equity interest	50.0%
Income in the period	£0.7m
Asset total return in the period	£1.0m

Investment rationale

- 11 fully operational school projects
- Provides the Company with a stable, long-term revenue stream with RPIX linkage

Valuation drivers

- Stable operational performance
- Impact of higher inflation
- Income received in the period

Other developments

- All schools operating well, with Morrison Facilities Services delivering a consistently high standard of services
- Handover of the remaining sports pitches completed
- A number of construction snagging works remain outstanding. Alpha Schools working with the Council and constructor to ensure these are resolved

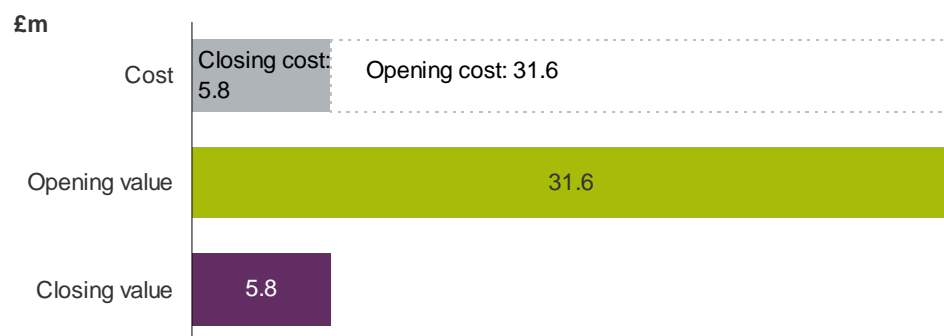


Description

- Stake in I² sold by the Company in January 2009 to Barclays Integrated Infrastructure Fund LP ("BIIF LP")
- Part of the consideration received as loan notes with a principal amount of £28.2 million – unsecured, bearing a fixed 8% annual interest rate (part cash pay)

Developments

- In August, BIIF made LP made a partial repayment of the Company's holding of the loan notes following a refinancing
- This generated proceeds for the Company of £26.4 million
- Balance of £5.8 million remains due to the Company and will continue to earn a fixed 8% annual interest rate
- Underlying projects continue to perform broadly in line with projections at the time of the sale



Divestment in the period	£26.4m
Income in the period	£1.0m
Asset total return in the period	£1.0m



- Full provision taken against the asset in March 2010, due principally to delays in construction
- Asset remains valued at nil, as no return on the Company's equity investment is foreseen in the near to medium term

(£m)		
Cost		6.5
Opening value	nil	
Closing value	nil	
Equity interest		16.7%
Asset total return in the period		-



Additional financial information



Valuation summary

3i Infrastructure plc



(£m)	Valuation 31/3/11	Invt in period	Divt in period	Value movt	Foreign exchange movt	Valuation 30/9/11	Profit on disposal	Income in period	Asset total return in period
AWG	195.9	-	-	(2.2)	-	193.7	-	12.7	10.5
Eversholt Rail Group	160.7	-	(9.3)	9.0	-	160.4	-	10.4	19.4
3i India Infrastructure Fund	134.7	-	-	(21.1) ⁽²⁾	4.3	117.9	-	-	(16.8)
Oystercatcher	119.6	-	-	0.7	(2.9)	117.4	-	7.9	5.7
Junior debt portfolio	90.2	-	(53.4)	(6.1)	(0.7)	30.0	2.1	1.4	(3.3)
Elgin	40.2	-	-	0.3	-	40.5	-	1.8	2.1
I ² loan notes	31.6	0.6 ⁽¹⁾	(26.4)	-	-	5.8	-	1.0	1.0
Octagon	31.1	-	-	1.0	-	32.1	-	0.9	1.9
Alpha Schools	17.7	-	-	0.3	-	18.0	-	0.7	1.0
T2C	-	-	-	-	-	-	-	-	-
	821.7	0.6	(89.1)	(18.1)	0.7	715.8	2.1	36.8	21.5

⁽¹⁾ Capitalised loan note interest

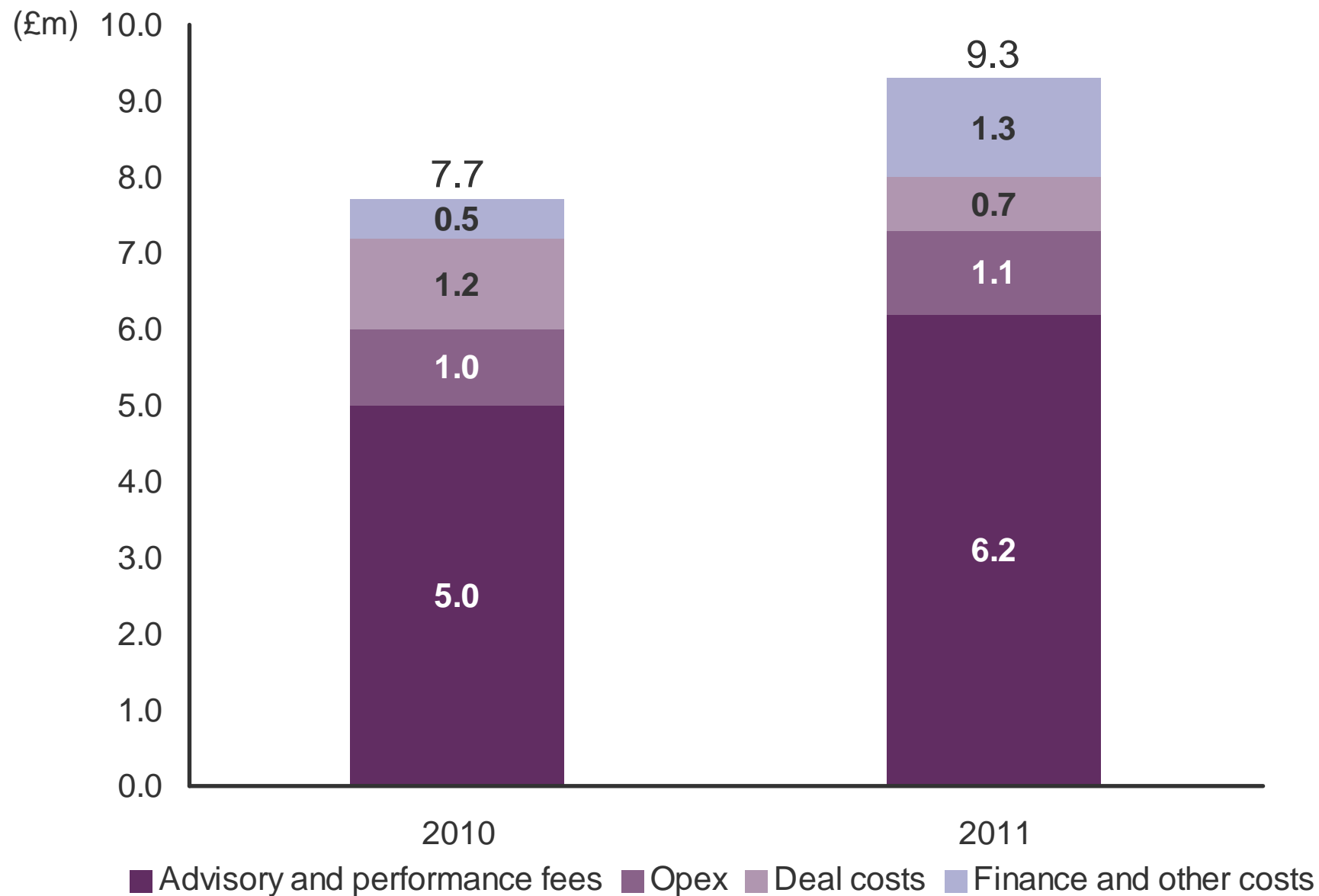
⁽²⁾ Includes a £12.4 million negative impact from US\$/rupee exchange movements



Impact of foreign exchange movements on portfolio value

Six months to 30 September 2011 (£m)

	£ / Rupee	£ / €	Net impact
Translation of asset £ / €	4.3		4.3
Translation of asset £ / US\$		(3.6)	(3.6)
Foreign exchange losses on investments			0.7
Asset valuation US\$ / rupee	(12.4)		(12.4)
Movement in the fair value of derivative financial instruments (£ / € hedging)		2.9	2.9
Other foreign exchange movements			(9.5)
Net foreign exchange loss	(8.1)	(0.7)	(8.8)

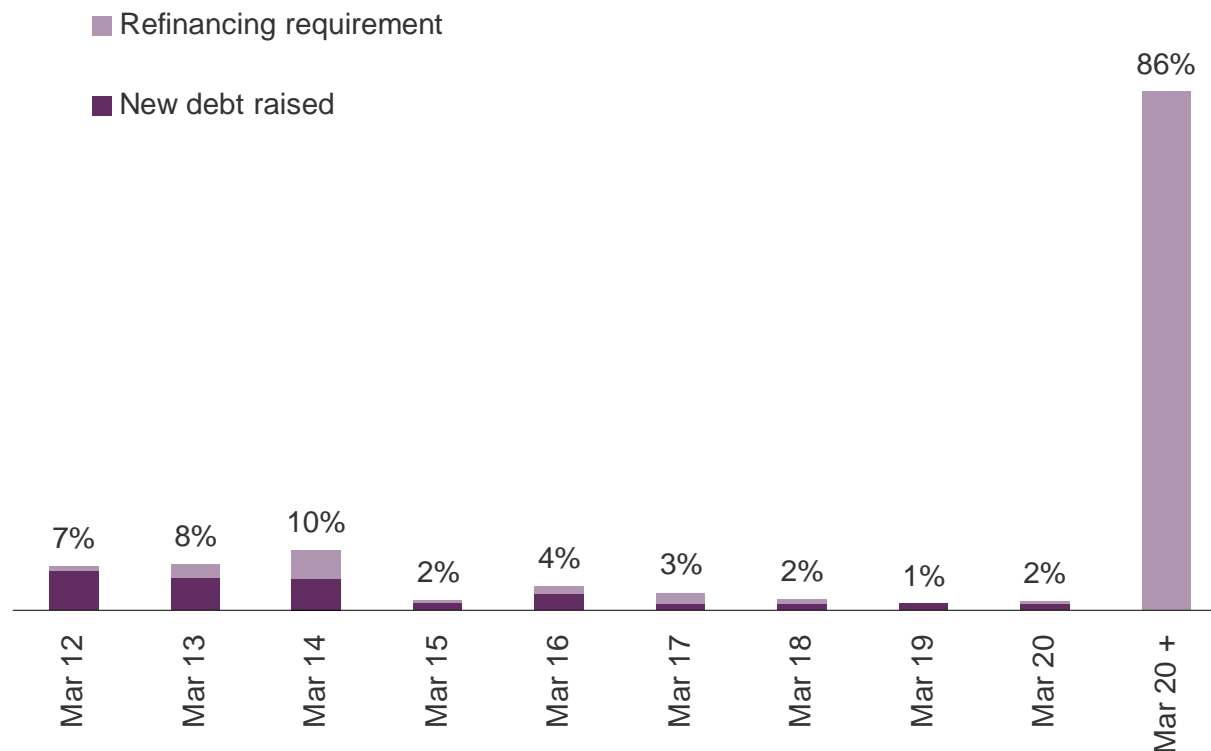




(£m)	Investment basis Six months to 30 Sep 2011	Investment basis Six months to 30 Sep 2010	Consolidated basis Six months to 30 Sep 2011
Realised profits over fair value on the disposal of investments	2.1	-	2.1
Unrealised (losses)/profits on the revaluation of investments	(18.1)	10.5	(21.7)
Foreign exchange gains/(losses) on investments	0.7	(8.1)	(0.7)
Capital return	(15.3)	2.4	(20.3)
Portfolio income	36.8	31.7	55.3
Fees payable on investment activities	(0.7)	(1.2)	(0.7)
Interest receivable	0.8	0.8	0.8
Investment return	21.6	33.7	35.1
Fees and operating expenses	(8.6)	(6.5)	(14.1)
Movements in the fair value of derivative financial instruments	2.9	3.9	(1.6)
Exchange difference on translation of foreign ops	-	-	0.9
Profit attributable to minority interests	-	-	(4.4)
Total return	15.9	31.1	15.9
Total return as a % of shareholders' equity	1.6%	3.4%	1.6%

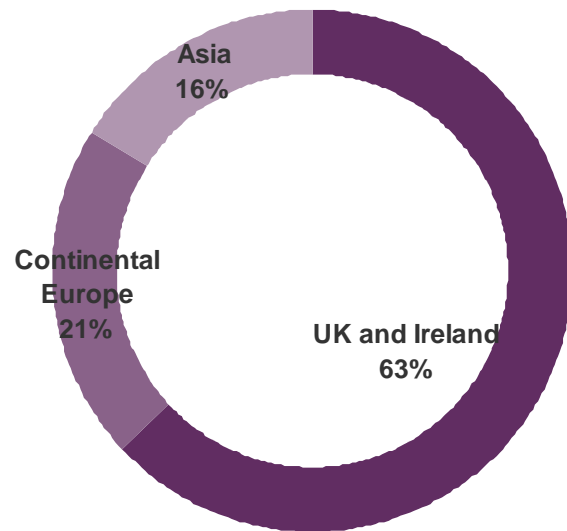


Annual refinancing and new debt as a % of existing committed debt

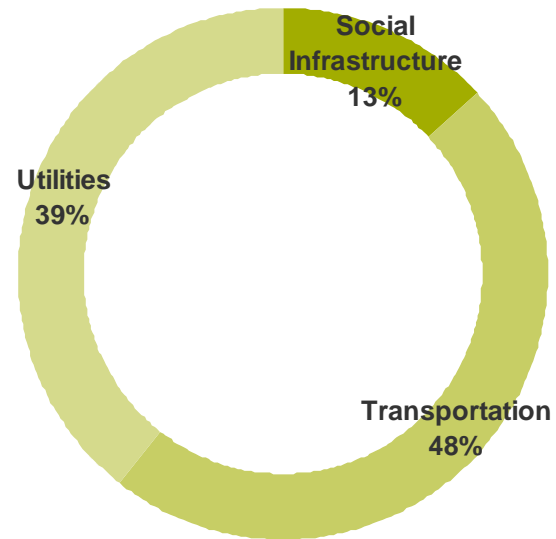


- Limited refinancing / new debt required in the short term
- New debt requirements driven by expansion of development projects for Indian assets
- 86% of existing committed debt due post 2020

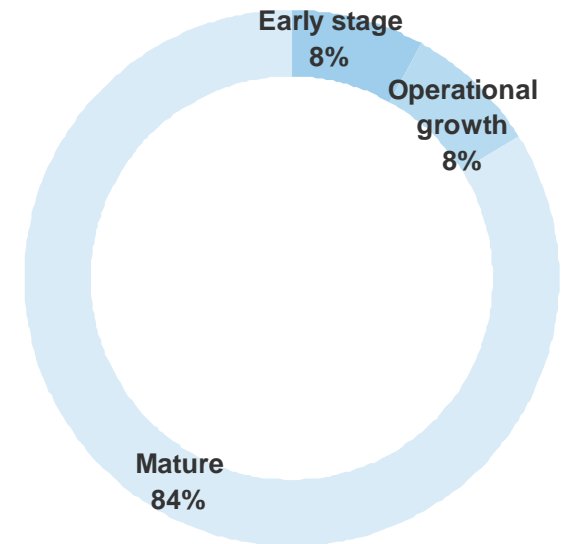
By geography



By sector

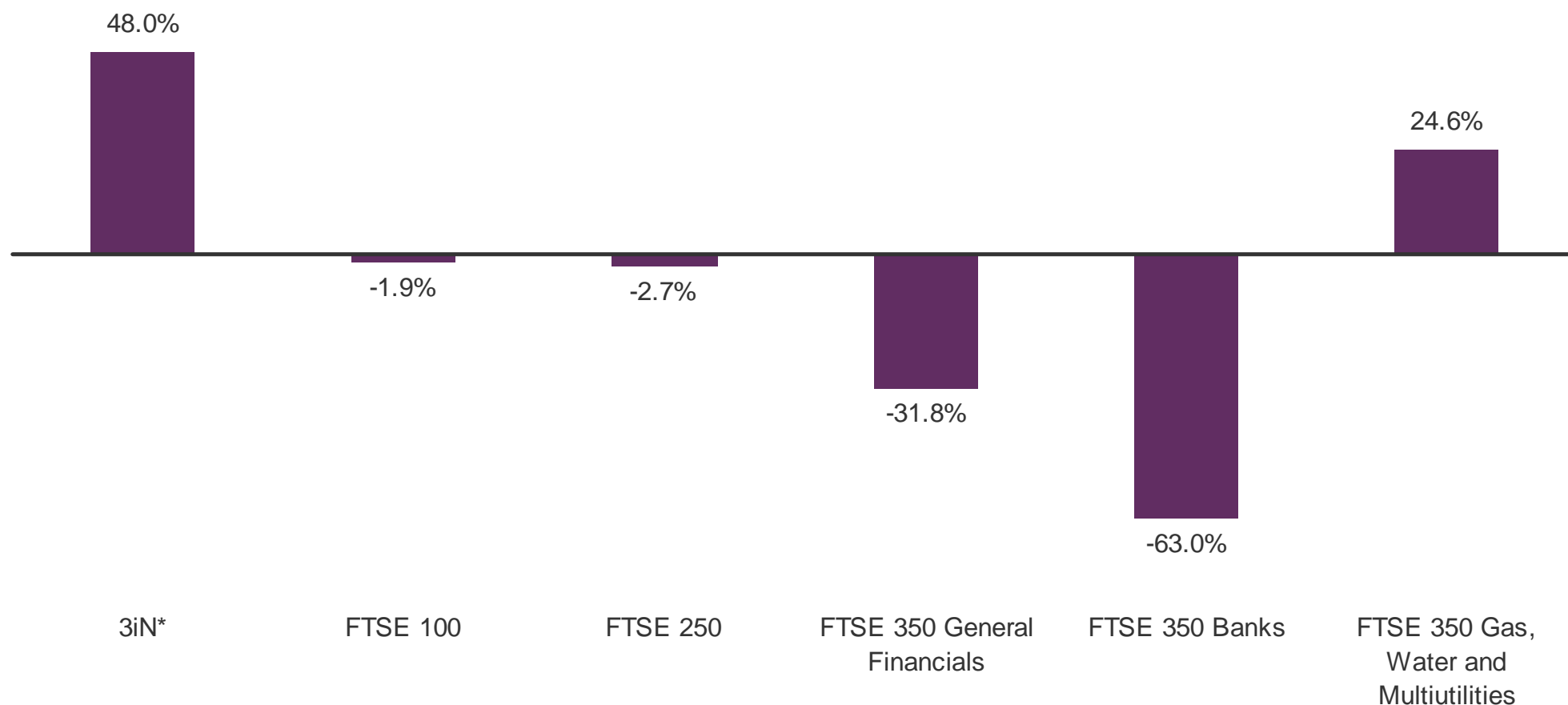


By maturity





Total shareholder return (31 March 2007 – 30 September 2011)



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

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



About 3i Infrastructure plc



Board of Directors

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

3i Investments (Investment Adviser)

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

Fees

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



Asset intensive businesses that provide essential services

Transport

Airports

Ports

Ferries

Toll roads

Rail & bus

Oil transportation & storage



Utilities

Power generation

Power transmission

Electricity & gas distribution

Waste processing

Water

Communication networks



Social Infrastructure

Primary and secondary PFI

Public Private Partnerships

Government accommodation

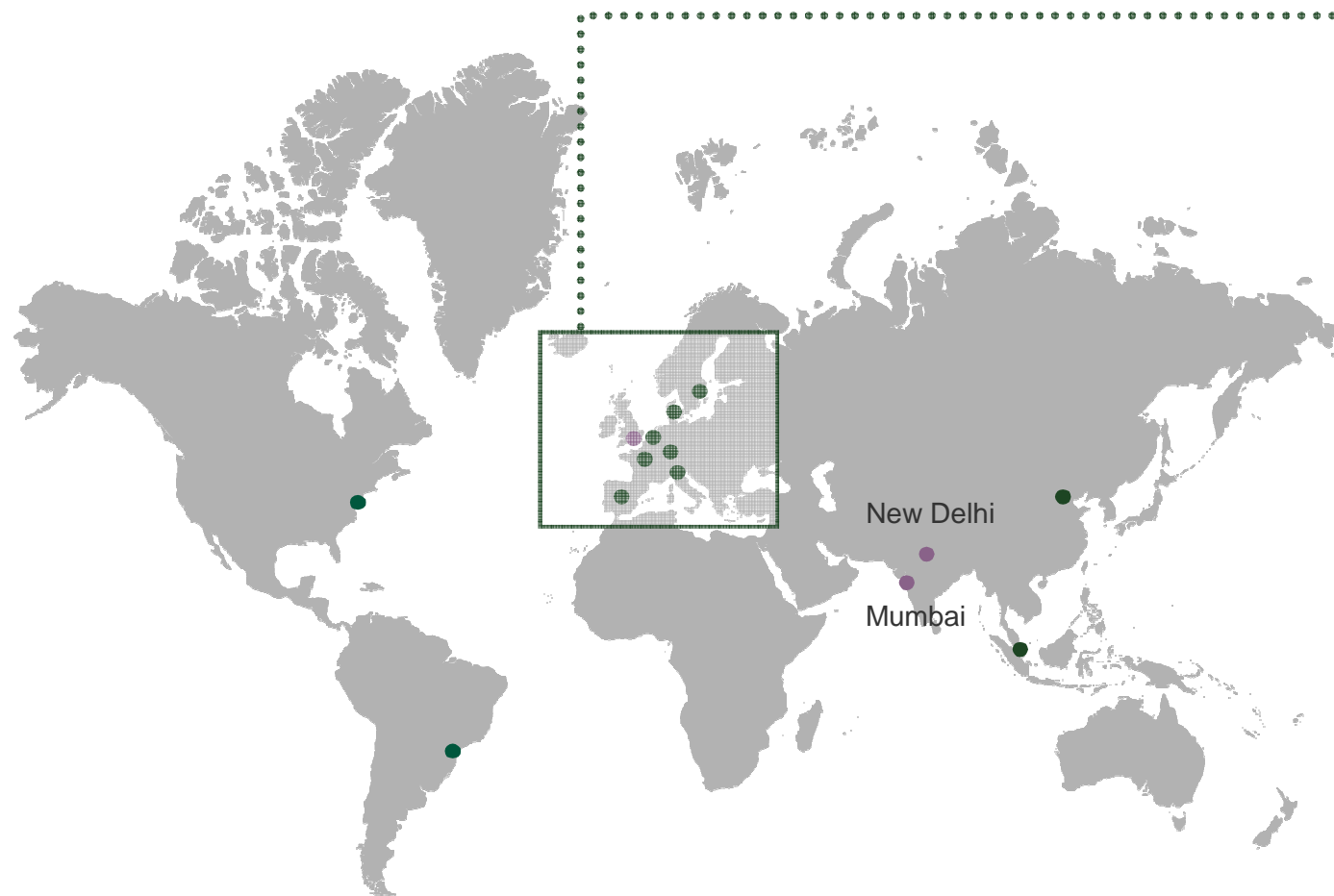
Healthcare

Education

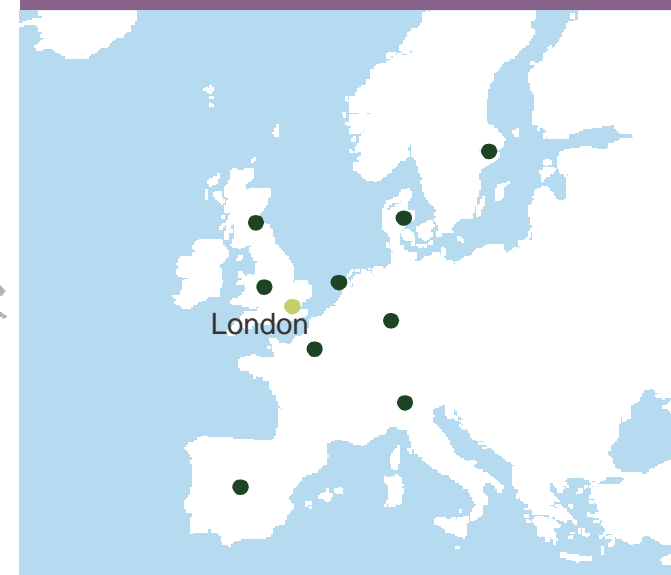
Defence



Predictable cashflows match investors' long-term liabilities



Europe



- Infrastructure Team operates from 3 offices in key markets
- Access to a global network based in 13 countries
- Access to wider network of investment professionals worldwide

Executives based in London, Mumbai and New Delhi