

Annual Results 2014



March 2015

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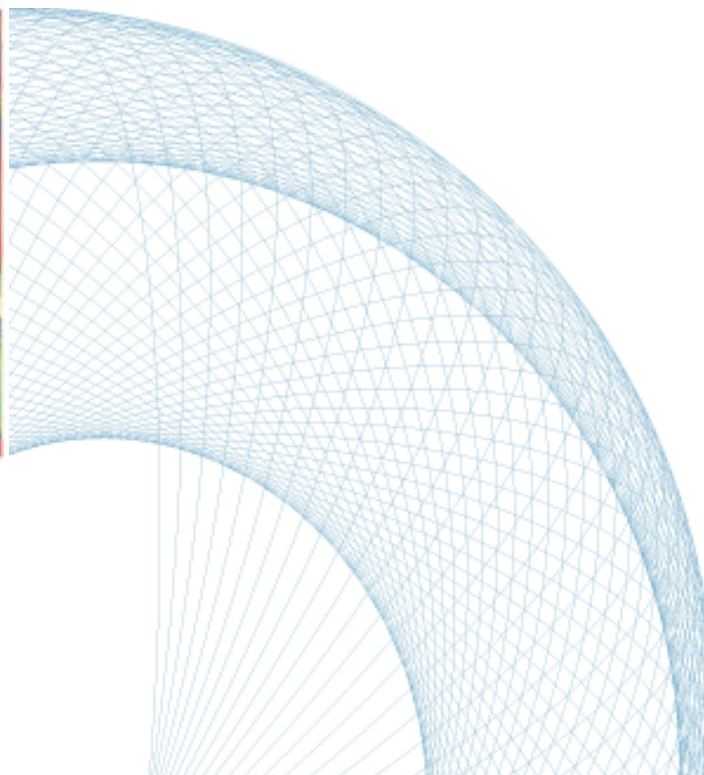
Vancouver General Hospital



Summary



North Swindon Schools



John Laing Infrastructure Fund



Full Year Results Summary – 12 months to 31 December 2014

- Another year of strong performance
- Dividend in respect of H2 2014 increased by 3.8% to 3.375p – ahead of inflation
- Growth in Portfolio value of 8.7% to £864.9m (Dec 2013 – £795.8m) including new investments
- Strong underlying growth of 9.22% - 1.41% ahead of growth arising from discount rate unwind
- NAV per share 109.3p – increase of 2.3% since Dec 2013 (excluding dividends)
- NAV increased by £69.2m to £887.3m (+8.5%) supported by new acquisitions
- New investments of £50.8m, comprising four new assets and three additional stakes

Inflation beating dividend growth, both
portfolio performance and asset yield above
forecast

Fund Characteristics

Portfolio	<ul style="list-style-type: none"> ▪ 56 operational assets ▪ Active secondary market for third party asset purchases ▪ Access to buy future John Laing assets as they mature
Size	Current market cap of £1,025.9m as at 19 March 2015
Dividends	<ul style="list-style-type: none"> ▪ Dividend raised by 3.8% to 3.375p (semi-annual) ▪ Current dividend yield c.5.2%
Net Asset Value ("NAV")	NAV at 31 Dec 2014 of £887.3m NAV per share – 109.3p
Discount Rate	7.94% weighted average
Management contract	John Laing Capital Management Ltd, FCA authorised and regulated Base fee of 1.1% (up to £0.5bn), 1.0% for £0.5-£1.0bn, 0.9% for > £1.0bn
New Investment fee	No acquisition fee on assets acquired from John Laing 0.75% of other new investments
Ongoing charges (AIC methodology)	Reduced to 1.21% for the year 2014 (2013 – 1.27%) ¹
Liquidity and Spread	Average daily volume of 1,162,360 shares over 2014 Average bid/offer spread on the London Stock Exchange over the same period is 0.21%
John Laing stake	0% (sold down in entirety in March 2014)

Note: As at 31 December 2014 unless otherwise stated

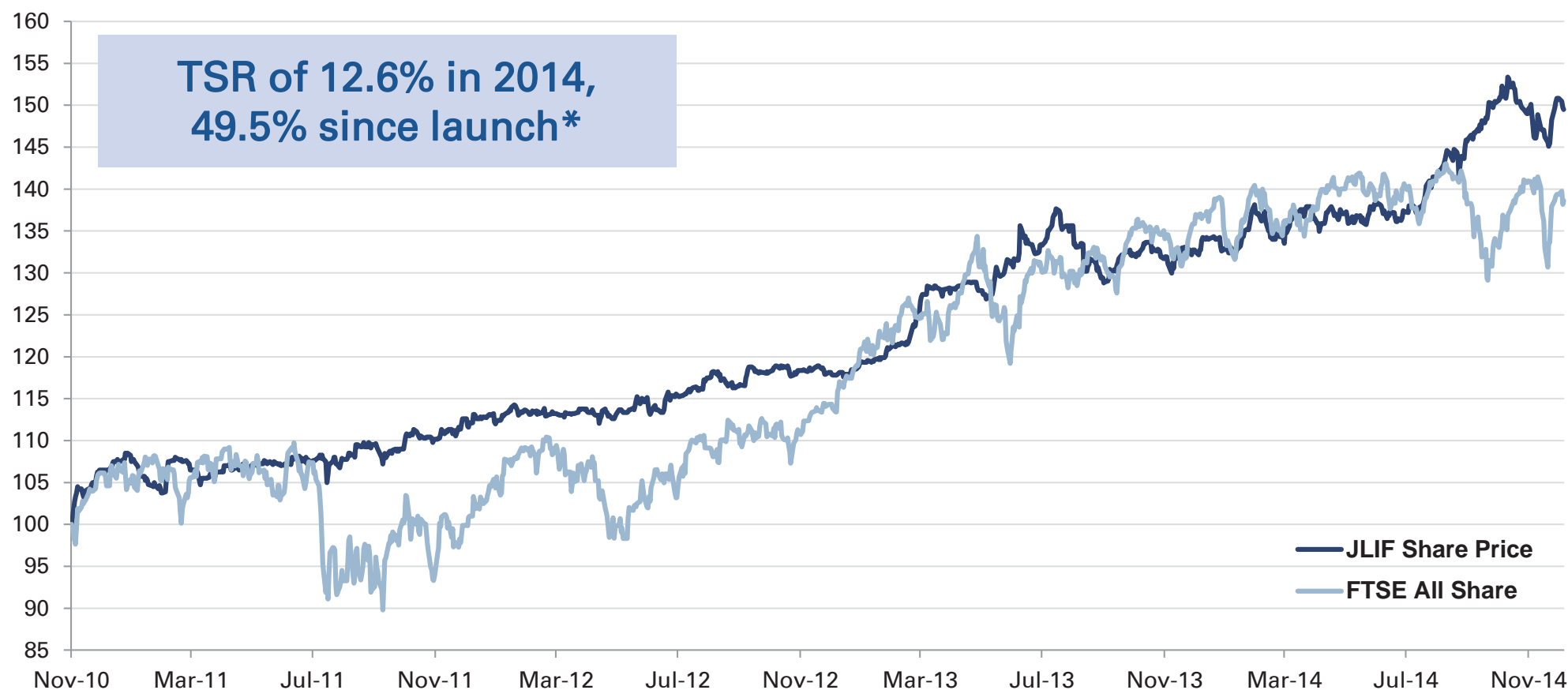
¹ 2013 – 1.16% cash basis

Substantial listed fund of c.£1 billion, invested in stable operating low risk projects providing a strong yield

JLIF vs. FTSE All Share Total Return (rebased)



JLIF share price total return vs. FTSE All Share total return



	29/11/10	31/12/11	30/06/12	31/12/12	30/06/13	30/09/13	31/12/13	31/03/14	30/06/14	30/09/14	31/12/14	Dividends
Share Price*	100.0p	108.5p	106.7p	107.9p	117.4p	112.0p	115.2p	117.7p	116.6p	120.2p	122.8p	22.25pps paid since IPO#
NAV per share incl. cumulative dividends paid	98.2p	108.1p	111.3p	115.2p	119.4p	120.4p	122.6p	123.7p	126.0p	127.8p	131.6p	

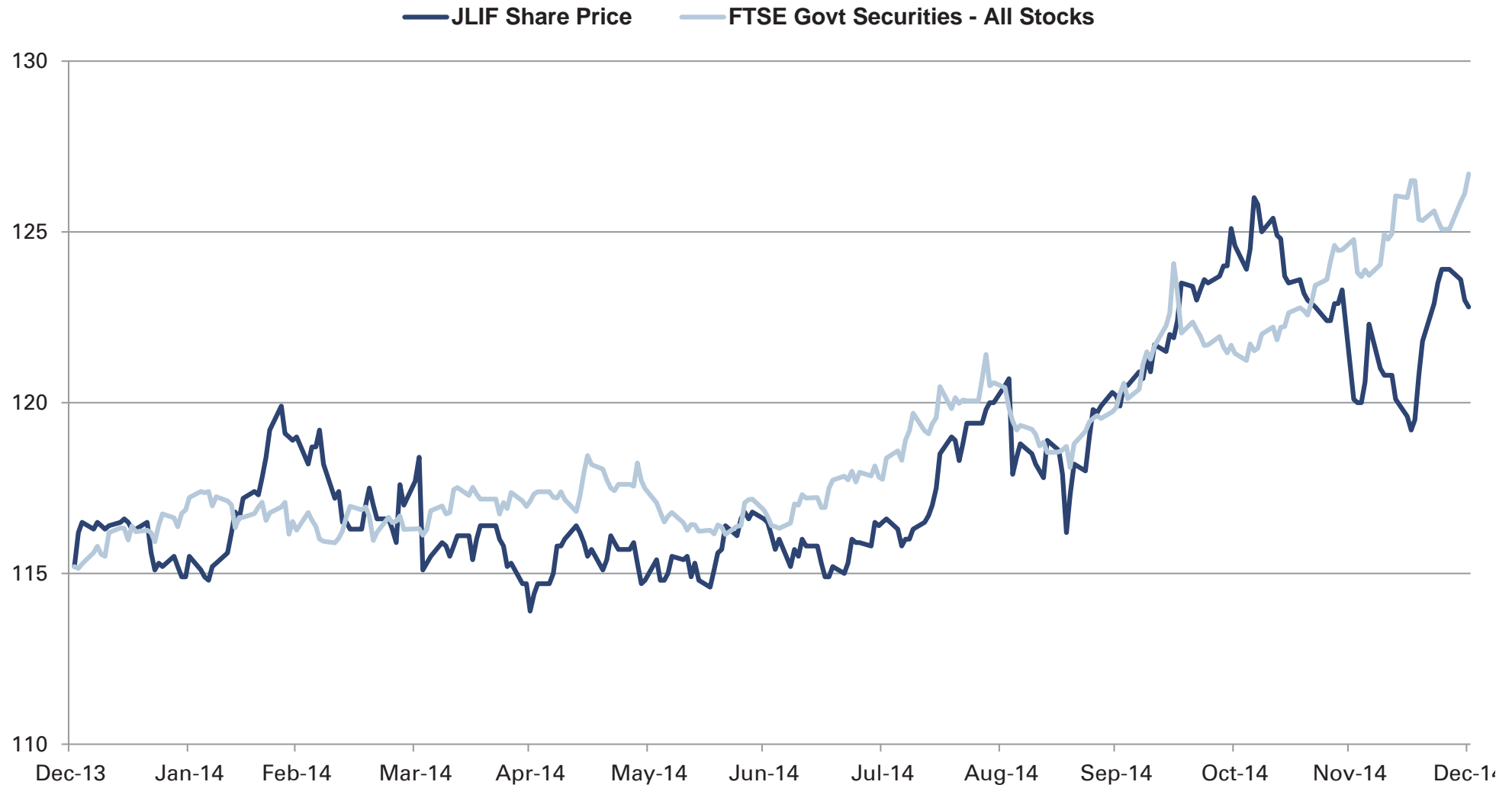
* Source: DataStream, 12.1% annualised (simple basis)

excludes the 3.375p dividend declared on 24 March 2015

JLIF vs. FTSE Government Securities – All Stocks

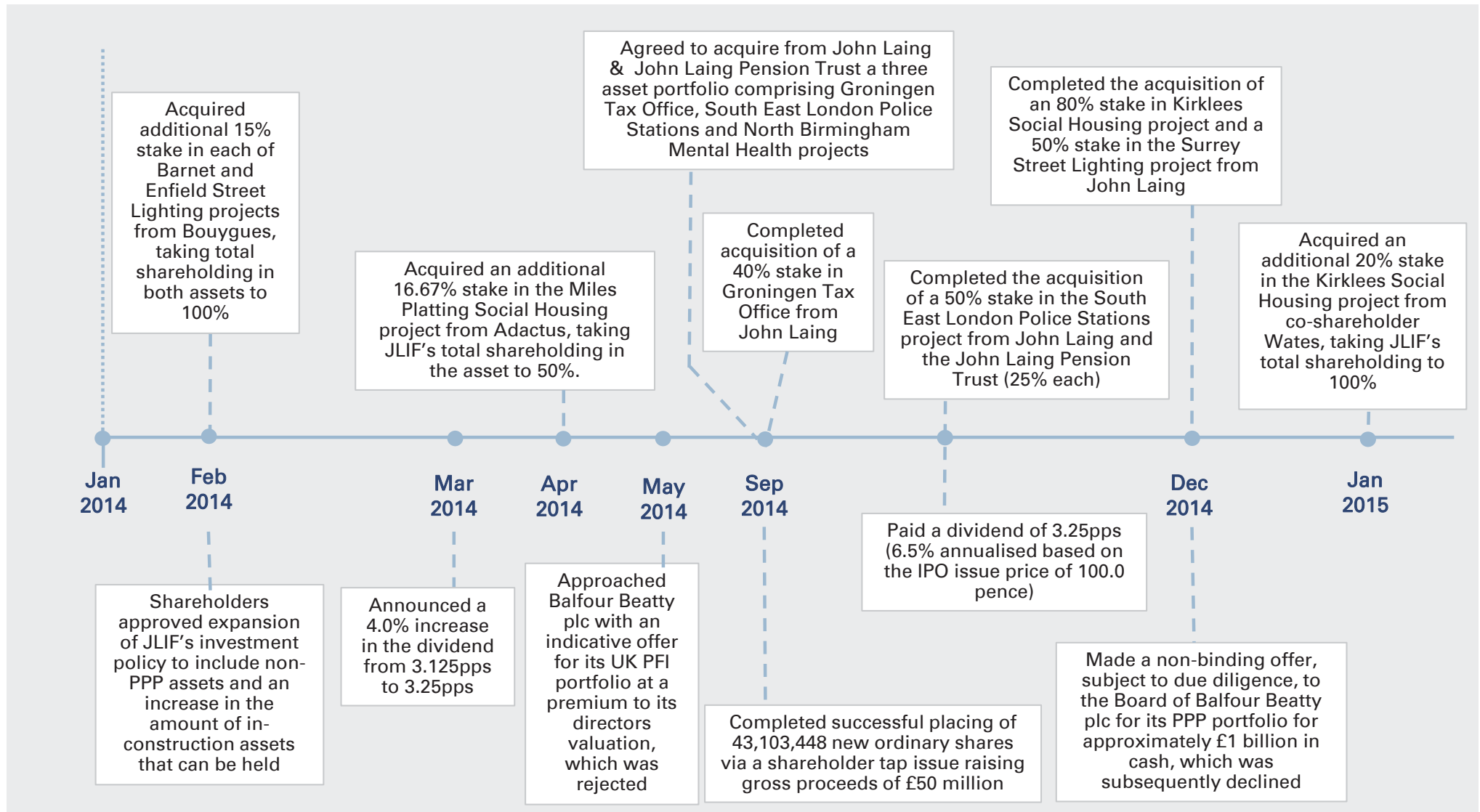


JLIF share price total return vs. FTSE Government Securities – All Stocks total return (rebased)



Source: Bloomberg, DataStream

Key Events 2014



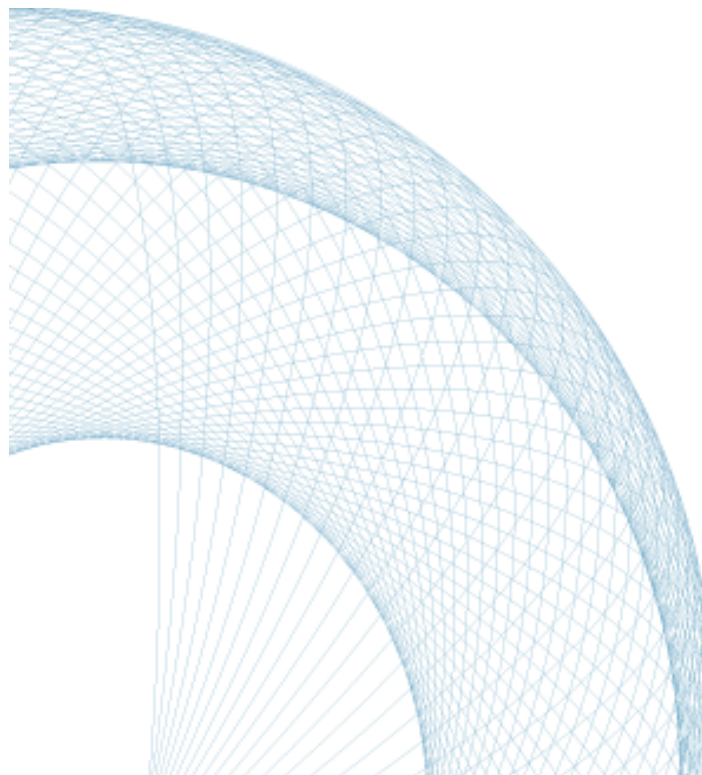
Kromhout Barracks



Portfolio



North Swindon Schools



Investment Portfolio – December 2014

Health (14 in total)	Education (12 in total)	Justice & Emergency Services (1 new asset, 6 in total)	Transport (5 in total)	Regeneration & Social Housing (1 new asset, 8 in total)	Government Buildings (1 new asset, 3 in total)	Street Lighting (1 new asset, 8 in total)
Kingston Hospital 60%	Glasgow Schools 20%	Avon & Somerset Courts 40%	E18 Road 50%	Camden Social Housing 50%	MoD Main Building 26%	Manchester Street Lighting 50%
Newham Hospital 50%	Edinburgh Schools 20%	Cleveland Police Stations & HQ 50%	M40 Motorway (UK) 50%	Bentilee Hub Community Centre 100%	Kromhout Barracks PPP Project 40%	Walsall Street Lighting 100%
Forth Valley Royal Hospital 100%	North Swindon Schools 100%	North East Fire and Rescue 100%	LUL Connect (CityLink) 33.5%	Brockley Social Housing PPP 100%	Groningen Tax Office 40% ▲	Wakefield Street Lighting 50%
Queen Elizabeth Hospital, Greenwich 27.5%	Highland School, Enfield 100%	Metropolitan Specialist Police Training Centre 27.1%	M6/M74 Motorway (Scotland) 11%	Canning Town Social Housing PPP 100%		Barnet Street Lighting 100% ■
Abbotsford Regional Hospital and Cancer Centre 100%	Leeds Combined Secondary Schools 100%	Greater Manchester Police Stations 27.1%	Sirhowy Way 100%	Islington Social Housing I 45%		Redcar & Cleveland Street Lighting 100%
Vancouver General Hospital 100%	South Lanarkshire Schools 15%	South East London Police Stations 50% ▲		Islington Social Housing II 45%		Lambeth Street Lighting 100%
Roseberry Park Hospital 100%	Enfield Schools 100%			Miles Platting Housing 50% ■		Enfield Street Lighting 100% ■
Pembury Hospital 37.5%	Bexley Schools 100%			Kirklees Social Housing 80% ▲ *		Surrey Street Lighting 50% ▲
Newcastle Hospital 15%	Bristol BSF 37.5%					
Peterborough Hospital 30%	Peterborough Schools 100%					
Realise Health LIFT 60%	Newham Schools 100%					
Northampton Mental Health 100%	Barnsley BSF 40%					
Kelowna & Vernon Hospitals 50%					Key: ▲ Newly Acquired ■ Increased Stake * Additional 20% stake acquired after 31 December 2014	
North Staffordshire Hospital 75%						

Groningen Tax Office

The Netherlands



- JLIF's second investment in the Netherlands, a secondary market of growing significance
- Acquired a 40% stake in September 2014 from John Laing, as part of a three asset portfolio
- Project involves the Information Management and Tax Authority Office as well as associated parking facilities for cars and bicycles, and gardens
- Following a phased construction process, became fully operational in January 2014
- Familiar co-shareholders and service providers from JLIF's existing investment in the Netherlands
- Concession end 2031

State-of-the-art and award-winning architectural design

South East London Police United Kingdom



- 50% stake acquired in October 2014; 25% being from John Laing and 25% from John Laing Pension Trust
- Project includes three new Borough headquarter police stations and one sector base, together with facilities for the Serious Crime Group and the Mounted Branch
- Operational since 2004 with a concession running through to 2029
- SPV retains lifecycle risk offering opportunity for upside if managed well
- Construction capex. of £80m, including 34,000m² of internal space, 96 custody cells and stabling for 24 horses

The project includes Lewisham Police Station, the largest police station in Europe

Kirklees Social Housing

United Kingdom



- Initial 80% stake acquired from John Laing in December 2014
- Additional 20% follow-on stake acquired from co-shareholder, Wates, in January 2015 at accretive value
- Involves 466 new build social housing units across 27 sites in Kirklees, West Yorkshire
- Construction completed in June 2014, with concession period running through to 2034
- JLIF now has a portfolio of eight social housing projects, four acquired from John Laing

Another example of the ability to acquire follow-on stakes at accretive value to shareholders

Lifecycle Sensitivity

- A risk/opportunity area on some of JLIF's investments
- Of 56 projects comprising the Portfolio, lifecycle risk is retained by the SPV in full on 24
- Of the remainder 5 have an upside only sharing mechanism and a further 2 have both upside and downside sharing
- For the remaining 25 projects lifecycle risk is passed down to the Hard Facilities Management provider - typically these are projects with low lifecycle spend such as street lighting and social housing
- Risk is the adequacy of the lifecycle allowances in the financial model
- Opportunity is the ability to manage assets better, time replacement of assets more effectively and source materials more efficiently

Portfolio sensitivity to lifecycle costs

	Impact on 24 projects where lifecycle risk retained by SPV	Portfolio Value Impact 2014
Increase by 10%	Decreases by 4.88% (£19.9m)	Decreases by 2.30% (£19.9m)
Decrease by 10%	Increases by 4.97% (£20.3m)	Increases by 2.34% (£20.3m)

Cost of maintaining or replacing structural installations, building fabric or high value items required to ensure a project continues to meet its specifications

Portfolio Sensitivity to Inflation

	Portfolio Value Impact 2014	Portfolio Value Impact 2013
Increase by 1%	Increases by 3.82% (£33.0m)	Increases by 4.10% (£34.0m)
Decrease by 1%	Decreases by 3.56% (£30.8m)	Decreases by 3.99% (£30.5m)

- Portfolio partially protected against higher inflation – approximate correlation to inflation remains 0.5

Good level of inflation protection

Deflation Sensitivity

- Current low inflationary environment
- Analysis considers ability of in-year cash flows from existing Portfolio to cover dividends (two hypothetical growth profiles as follows)
- Undertaken three scenarios in which future inflation is assumed to be as follows:

	Base Case: Long term weighted average inflation of 2.68% pa	Scenario 1: 0% inflation for the remaining life of Portfolio	Scenario 2: -1% inflation in absolute terms (i.e. deflation) for next 5yrs before reverting to base case
0% growth on an annual dividend of 6.5pps	Covered through to 2037	Covered through to 2033	Covered through to 2035
2.68%* growth pa on annual dividend of 6.5pps	Covered through to 2032	Covered through to 2023	Covered through to 2024

*UK – 2.75%, Canada – 2.1%, the Netherlands – 1.9%, Finland – 3.0%/2.5%

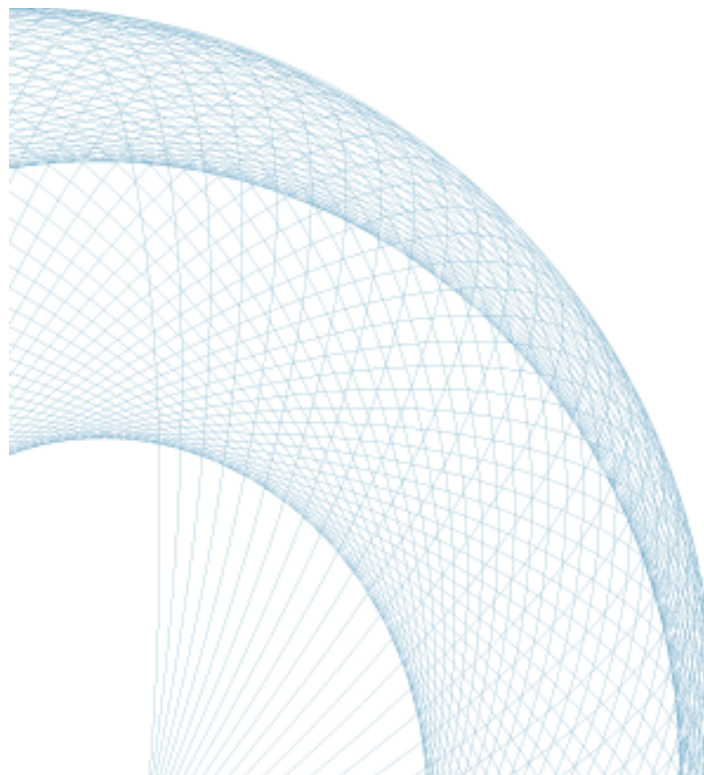
Avon & Somerset Courts



Full Year Results



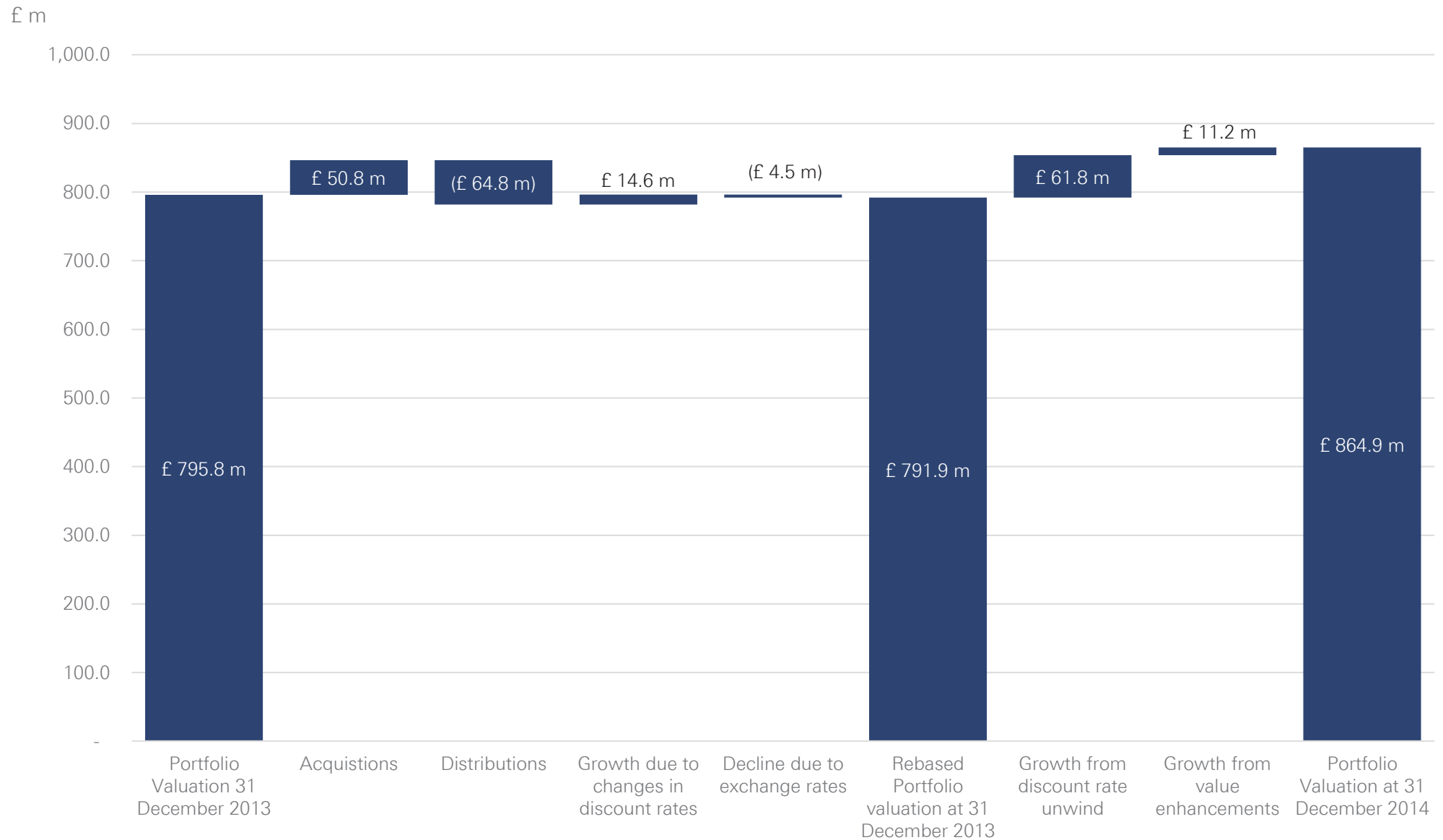
M40 Motorway



- Portfolio valuation increased by £69.1m to £864.9m at 31 December 2014 (+ 8.7%) - including investments of £50.8m
- Strong distributions from the underlying projects of £64.8m - £2.4m (3.7%) ahead of budget
- Negative exchange rate movement of £4.5m, primarily due to Canadian dollar depreciating against Sterling
- Underlying portfolio growth of 9.22% - 1.41% ahead of expected growth of 7.81% from the discount rate unwind
- Additional growth due to:
 - (i) more efficient management of our projects including cost efficiencies identified and delivered at both a Portfolio and individual project level, such as lower insurance and SPV management costs;
 - (ii) careful and prudent management of lifecycle allowances, where this risk is retained by the SPV; and
 - (iii) changes to macroeconomic assumptions including a reduction in UK and Finnish corporation tax rates
- Assets acquired in December held at acquisition value

Strong underlying growth in portfolio value due to value enhancements and changes to some macroeconomic assumptions, supported by new investments in the period of £50.8m

Portfolio Valuation – 2014 Movement



Portfolio Value – Underlying Growth



	%
Unwinding of discount rate (weighted for timing of acquisitions and distributions)	7.81%
Actual inflation and other macroeconomic assumptions	(0.07%)
Value enhancements and actual performance	1.48%
Underlying growth achieved	9.22%

- Additional growth due to:
 - (i) more efficient management of our projects including cost efficiencies identified and delivered at both a Portfolio and individual project level, such as lower insurance and SPV management costs;
 - (ii) careful and prudent management of lifecycle allowances, where this risk is retained by the SPV; and
 - (iii) changes to macroeconomic assumptions including a reduction in UK and Finnish corporation tax rates

Strong track record of delivering enhanced value on existing assets

Movement in NAV



NAV per share 31 December 2013	106.8p	NAV at 31 December 2013	£818.1m
Dividend to shareholders	(6.5p)	Dividend to shareholders	(£47.3m)
Capital raised at a premium	0.5p	Capital raised raised at a premium	£50.0m
Portfolio Growth		Portfolio Growth	
Expected NAV growth	8.1p	Expected NAV growth	£61.8m
Project outperformance	1.5p	Project outperformance	£11.2m
Exchange movement	(0.6p)	Exchange movement	(£4.5m)
Discount rate movement	1.9	Discount rate movement	£14.6m
	10.9p		£83.1m
Other movements (cash, creditors, debtors, scrip dividend election)	(2.4p)	Other movements (cash, creditors, debtors, scrip dividend saving)	(£16.6m)
	(2.4p)		
NAV per share 31 December 2014	109.3p	NAV 31 December 2014	£887.3m

Statement of Financial Position



Balance Sheet (£m)	Dec 2014 (£m)
Valuation of the Portfolio	864.9
Value of intermediate holding companies	20.8*
Fair value of investments through P&L	885.7
Cash	4.3
Net Debtors/(Creditors)	(2.7)
Net Assets	<u>887.3</u>
Number of shares outstanding	811.6m

NAV per share (p) 31/12/14	NAV per share (p) 31/12/13
109.3	106.8

*Cash - £22.8m, tax provision – (£1.8m), other working capital - £0.4m

JLIF Group Cash Flow Summary



	£m
Cash at 1 January 2014	24.3
Capital raised	50.0
Acquisitions	(50.8)
Distributions from investments	64.8
Finance costs (net of interest income)	(1.7)
Operating and administrative expenses	(12.3)
Issue costs	(0.6)
Dividends paid to shareholders	(47.2)
Cash at 31 December 2014	26.5

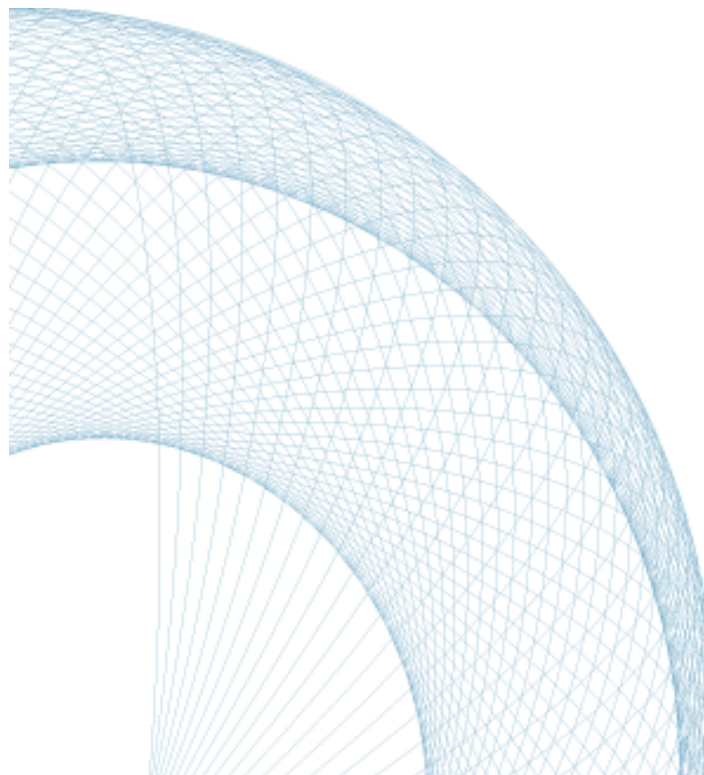
North Swindon Schools



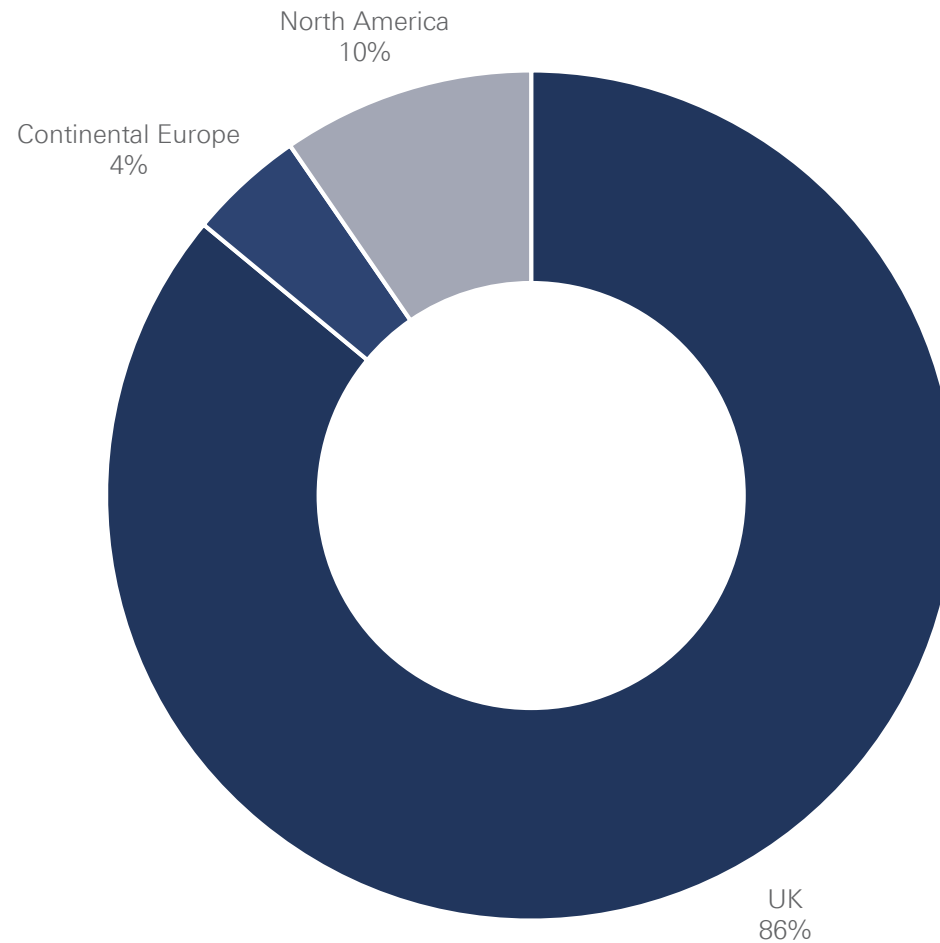
Portfolio Analysis



Kromhout Barracks



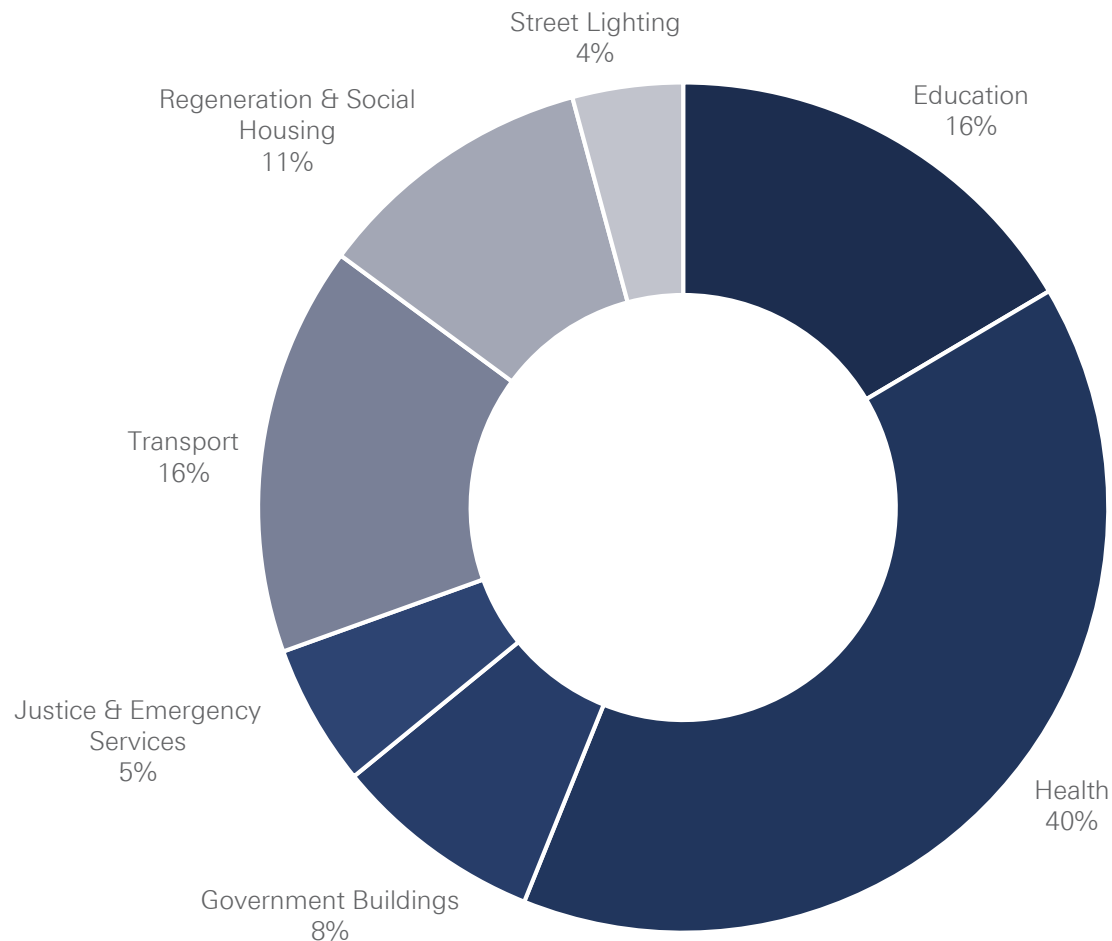
Geographic Breakdown – as at 31 December 2014



Source: John Laing Capital Management Limited

N.B. Percentages rounded to whole numbers and will therefore have some small rounding errors

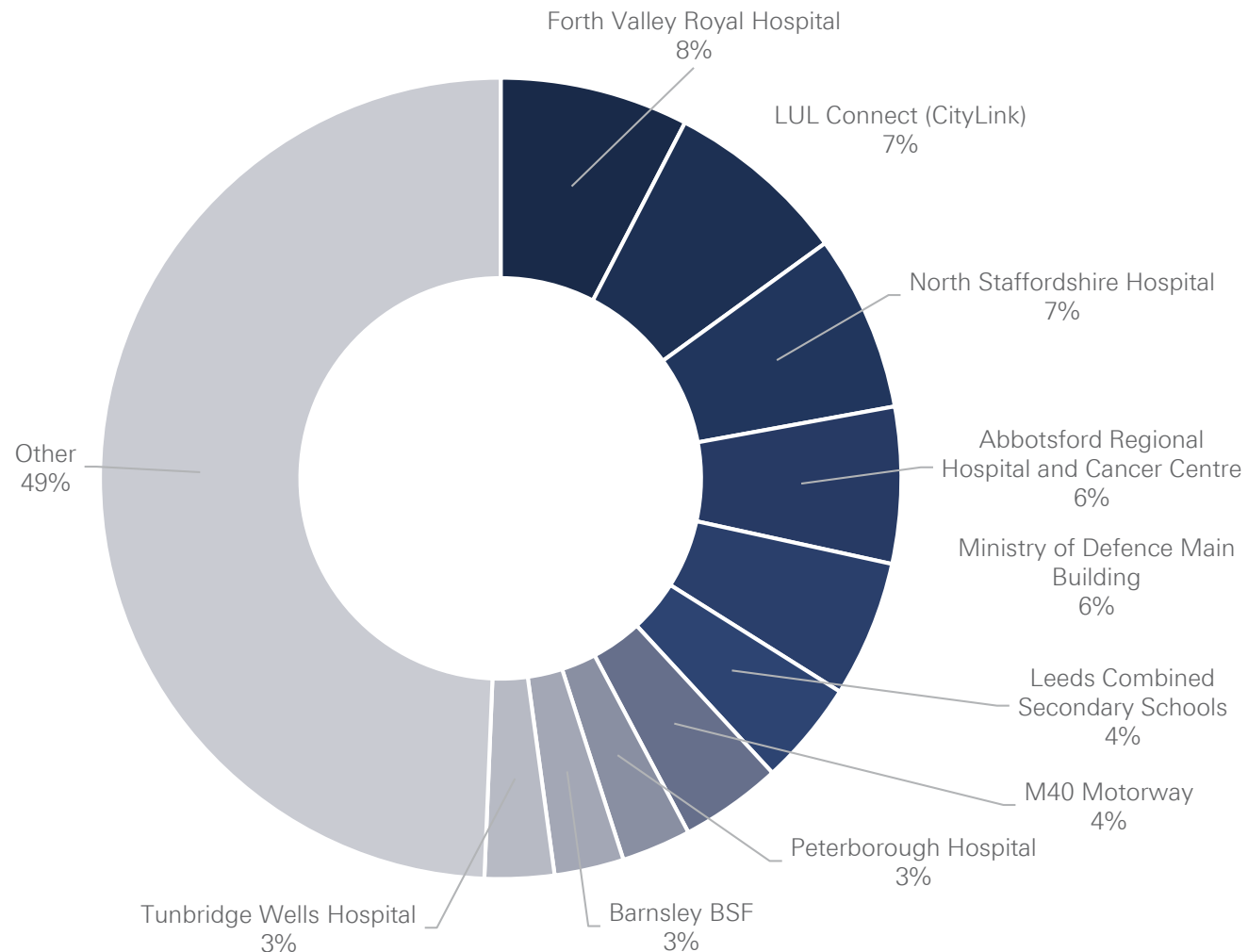
Sector Breakdown – as at 31 December 2014



Source: John Laing Capital Management Limited

N.B. Percentages rounded to whole numbers and will therefore have some small rounding errors

Top 10 Assets by value – as at 31 December 2014



Source: John Laing Capital Management Limited

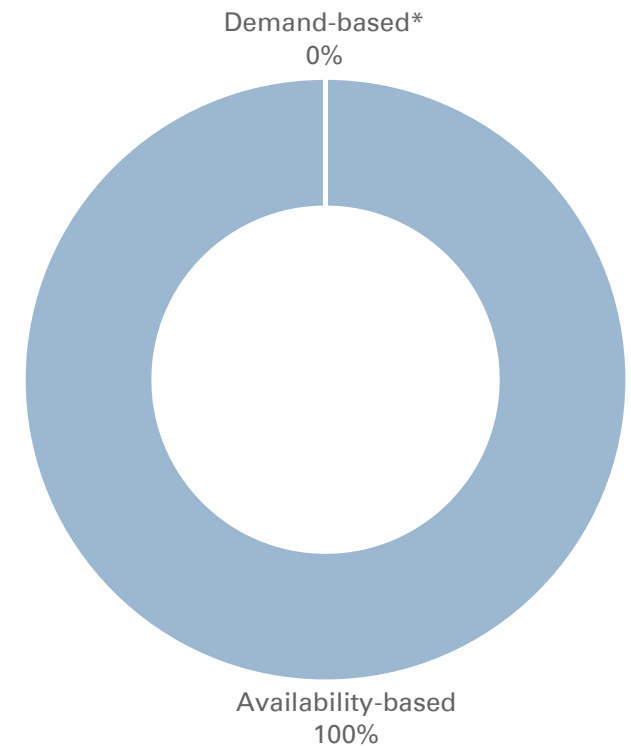
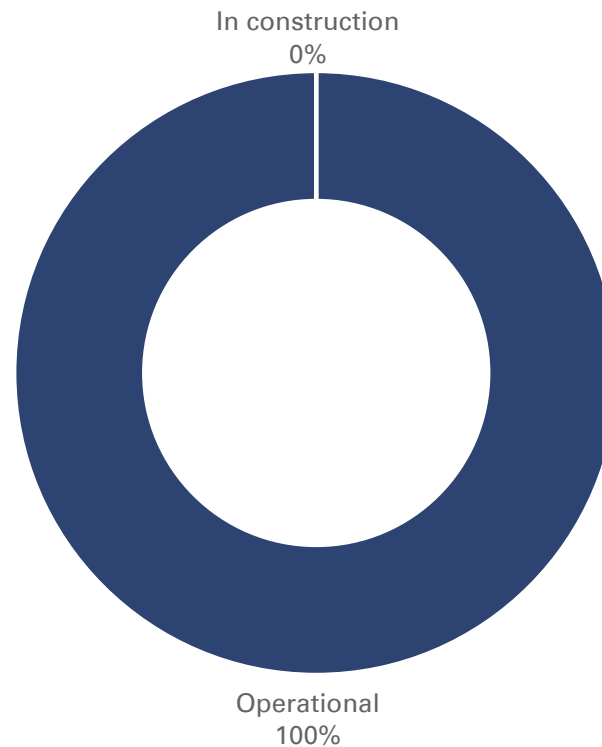
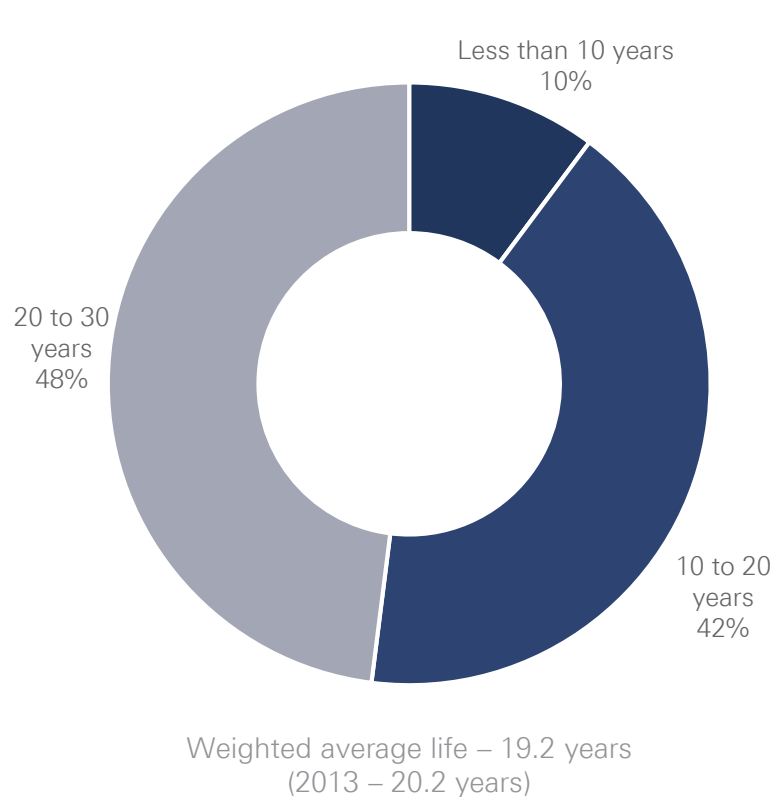
N.B. Percentages rounded to whole numbers and will therefore have some small rounding errors

Portfolio Analysis – as at 31 December 2014

Remaining Concession Length

Investment Status

Payment Basis



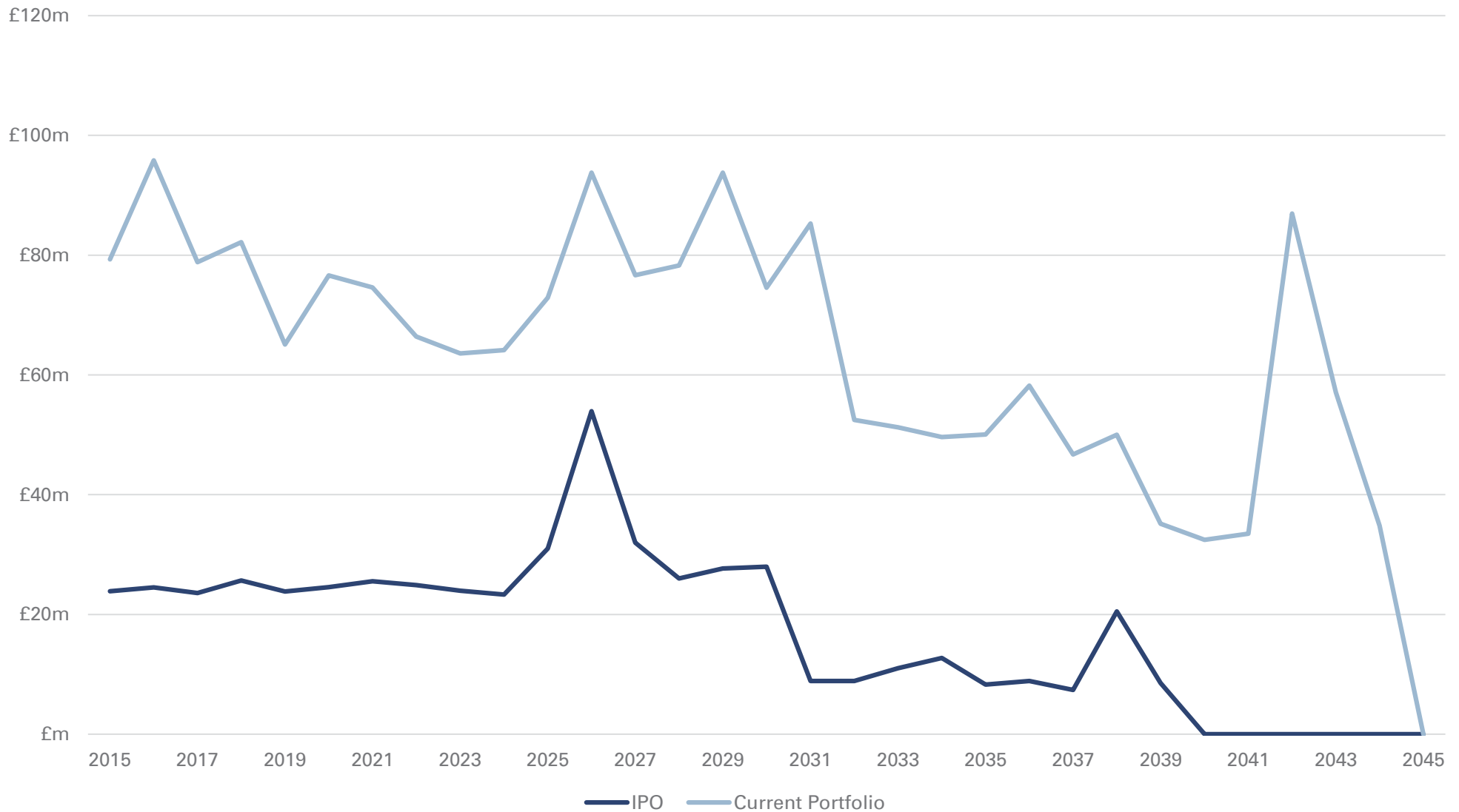
Source: John Laing Capital Management Limited

*: The shadow toll mechanisms for the investments in the M40 and M6/M74 motorway projects are not regarded as carrying demand risk due to their relative insensitivity to traffic movement

NB. Percentages rounded to whole numbers and will therefore have some small rounding errors

Portfolio Cash Yield

Illustrative cash flows from projects over remaining life



This illustration represents a target only and not a profit forecast. There can be no assurance that this target will be met.
Source: John Laing Capital Management Limited

2014 Full Year Results Conclusion



- Portfolio value growth strong – once again ahead of expectations
- Strong cash flow with distributions ahead of target
- Dividend increase of 3.8% announced today
- Continued good NAV growth
- Solid Statement of Financial Position

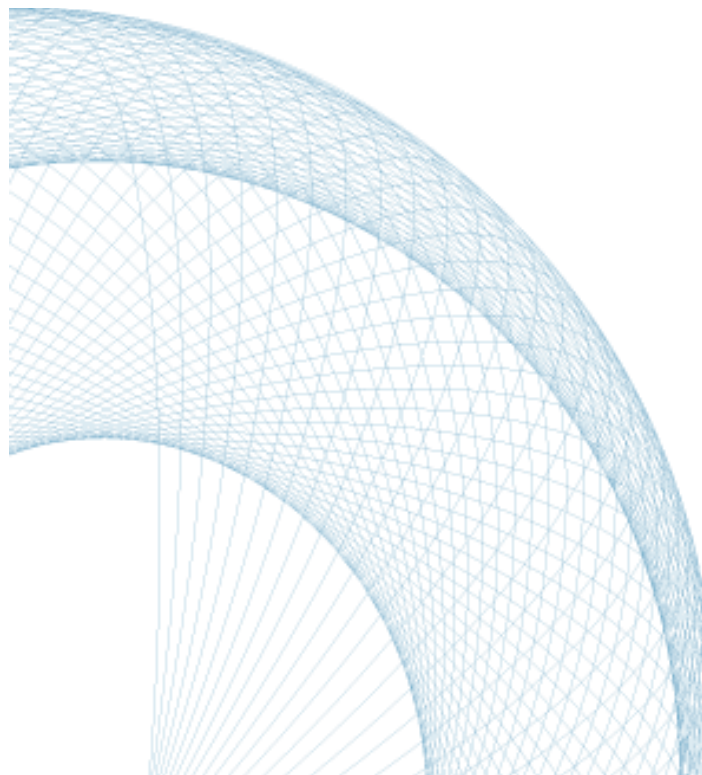
Enfield Schools



Outlook



Newcastle Hospital



- Active secondary market for operational projects – both in UK and overseas
- JLIF will continue to carefully select acquisition targets, ensuring that they are suitable for JLIF and are appropriately priced
- Strategic and long-term outlook to capitalise on evolving changes taking place in the global infrastructure market following shareholder approval to broaden the investment policy
- Through two First Offer Agreements with John Laing, JLIF has opportunities to purchase additional assets that fit the Fund's investment criteria
- John Laing contracted pipeline expanded to over £500 million over the next five years of assets that meet JLIF requirements, in UK, Australia and USA
- Revolving credit facility of £150 million allows JLIF the flexibility to capitalise on opportunities
- Debt facility currently undrawn

JLIF will continue to seek quality assets
appropriately priced in an active global market

Access to John Laing pipeline expanded

Outlook for the Infrastructure Market

Existing portfolio

- Contracted operations and income
- Health asset counterparties increasingly looking for ways to cut costs

Visible pipeline – 1-3 years

- UK market remains competitive while post general election commitment to PPP unclear
- Expanded pipeline resulting from recent broadening of investment policy and signing of FOA to cover certain rail assets
- Currently considering suitable opportunities overseas including in Spain and France

Longer term growth

- Active markets in Australia, Canada and Continental Europe, and increasingly so in USA
- Important global procurement method by which governments deliver improvements to infrastructure

Competitive Advantages

Portfolio	<ul style="list-style-type: none">• Aim to be fully seeded• Selected on low risk characteristics
Team	<ul style="list-style-type: none">• Specialist team of infrastructure managers• In-depth knowledge of the assets• Dedicated to JLIF• Performance based remuneration linked to Total Shareholder Return
Structure	<ul style="list-style-type: none">• Low base fee and management costs• Capped asset origination fee• Very selective approach to acquisitions
Value enhancement	<ul style="list-style-type: none">• Extensive experience• First Offer Agreements for existing John Laing pipeline• Strategically positioned to capitalise on evolving global infrastructure market

Conclusion



- Strong performance in the year
- Total Shareholder Return of 12.6% in 2014, and 49.5% (12.1% annualised) from launch to 31 Dec 2014
- Inflation beating dividend increase of 3.8%, third consecutive year dividend progression ahead of UK RPI
- Record outperformance in underlying portfolio growth
- Portfolio yields once again above forecast
- Strong, more secure pipeline

Strong growth in dividend, good asset performance and favourable outlook

Q&A

Glasgow Schools

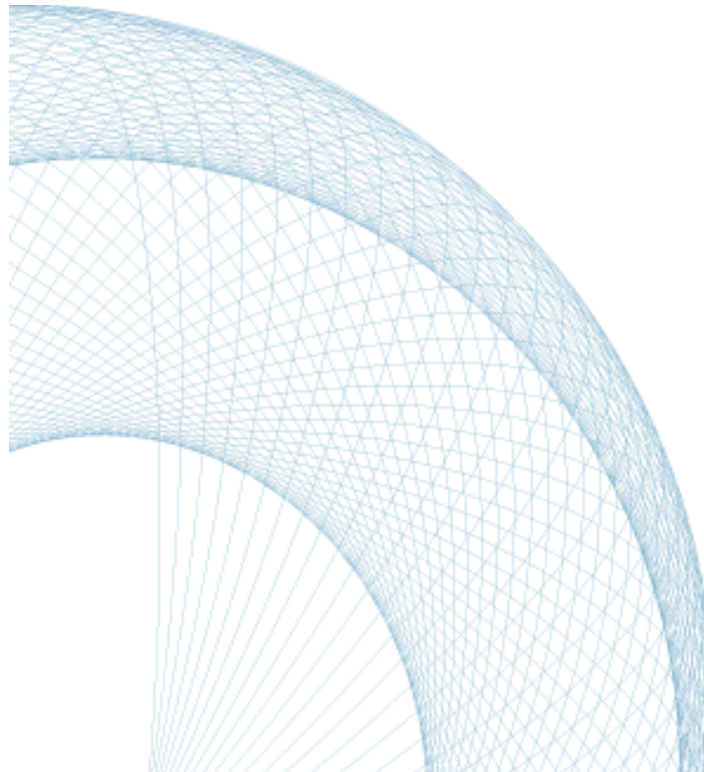


Appendices

Additional Information



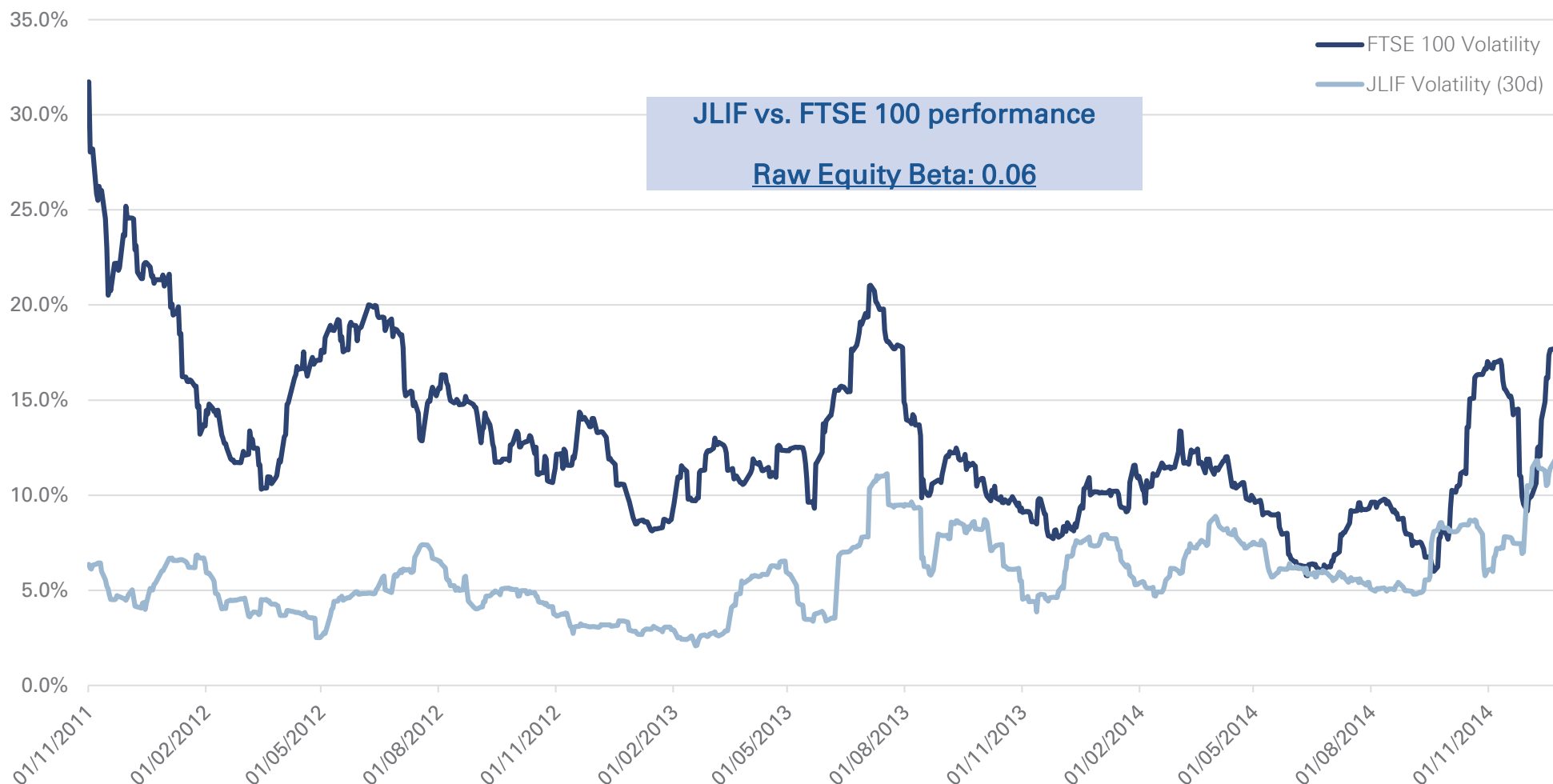
Kromhout Barracks



Fund Structure

- Guernsey domiciled Infrastructure fund with Premium Listing on the London Stock Exchange – member of FTSE 250
- Low risk characteristics investing in a diversified portfolio of mature PFI/PPP assets
- Assets have contracted revenues up to 30 years with government-backed revenue streams
- Gearing of Fund:
 - Up to a maximum 25% of Total Assets
 - Debt facility in place of £150m (matures Feb 2016)
 - Margin of 2.3% over LIBOR; currently undrawn
- Board:
 - Fully independent board
 - Chairman – Paul Lester, CBE
- Management contract:
 - John Laing Capital Management Ltd, FCA authorised and regulated
 - Base fee 1.1% (up to £500m), 1.0% for £500m- £1.0bn, and 0.9% for over £1.0bn
 - No performance fee
- No acquisition fee for assets from John Laing

JLIF vs. FTSE 100 volatility and JLIF Equity Beta



Source: Bloomberg, Note: FTSE 100 volatility as represented by the FTSE 100 Volatility Index based on implied volatility of FTSE 100 options, a measure of expected variations in the FTSE 100; JLIF volatility based on 30 day historical volatility, annualised by 260 trading days.

Raw Equity Beta based on weekly price performance over time period as calculated by Bloomberg. Raw Equity Beta is an estimate of JLIF's correlated volatility in relation to the volatility of the FTSE 100.

Fund Objectives

Return*	<ul style="list-style-type: none"> ▪ Targeted dividend at least 6.0 pence per annum (dividend paid semi-annually) ▪ Target IRR of 7 to 8%
Assets	<p>JLIF invests predominantly in equity and/or subordinated debt issued in respect of low risk infrastructure projects that are:</p> <ul style="list-style-type: none"> ▪ Predominantly PPP projects (Up to 10% of Total Assets in non-PPP projects but with similar risk profile and characteristics as PPP projects) ▪ Predominantly operational (Up to 30% of Total Assets in construction) ▪ Predominantly availability-based (Up to 15% of Total Assets demand based) ▪ Inflation-linked ▪ Government-backed ▪ Upside potential ▪ Permission for up to 10% in infrastructure assets with substantially similar risk profile as above (currently unused)
Markets	<ul style="list-style-type: none"> ▪ Fiscally strong countries ▪ Committed to PPP ▪ Currently UK, Canada, the Netherlands and Finland

* These are targets only and not profit forecasts. There can be no assurances that these targets are met or that the Company will make any distributions at all.

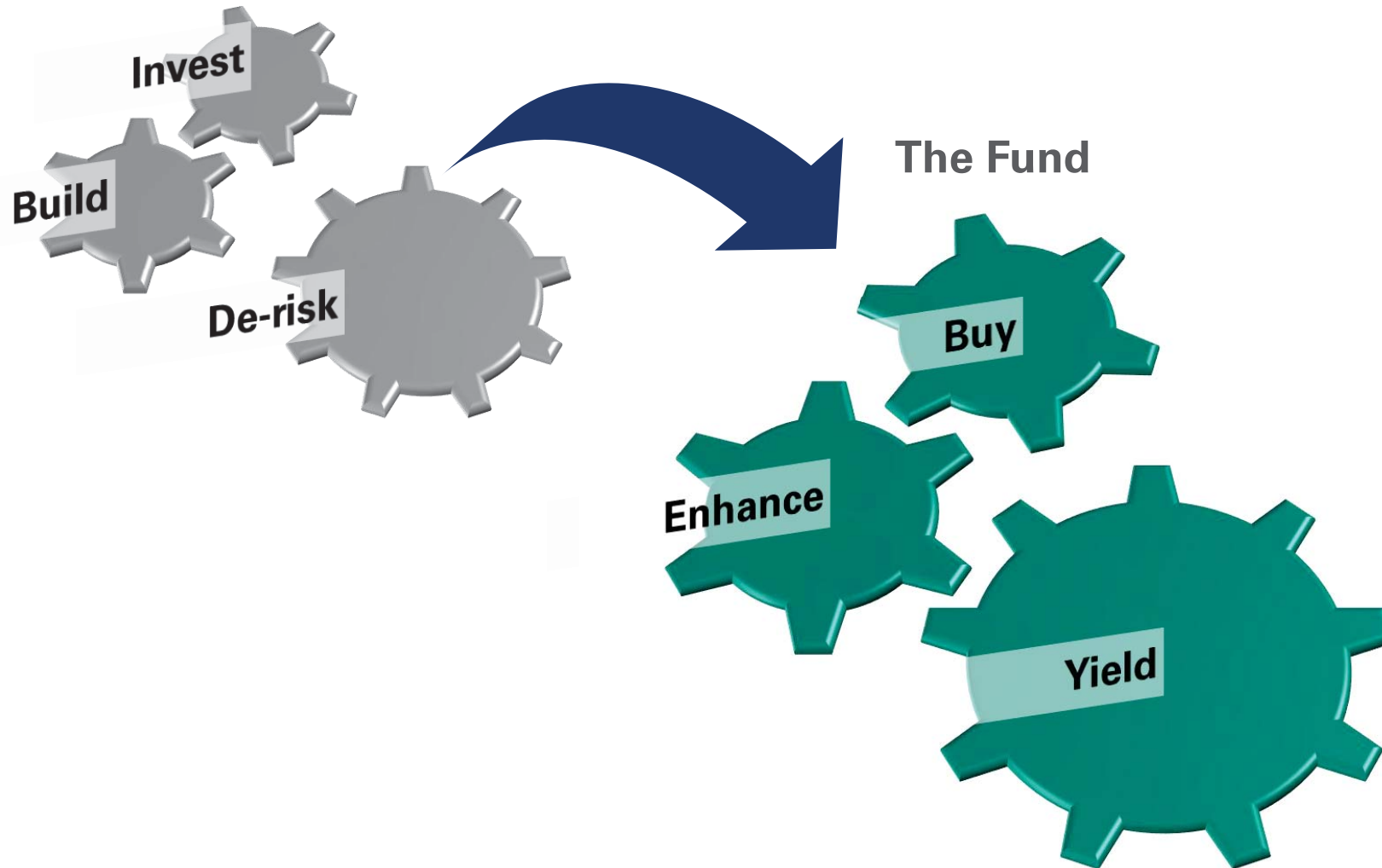
Profit and Loss Summary



	£m
Operating income	77.7
Administrative expenses	(10.5)
Profit for the year	67.2

Value Chain Gearing – The John Laing Model

John Laing



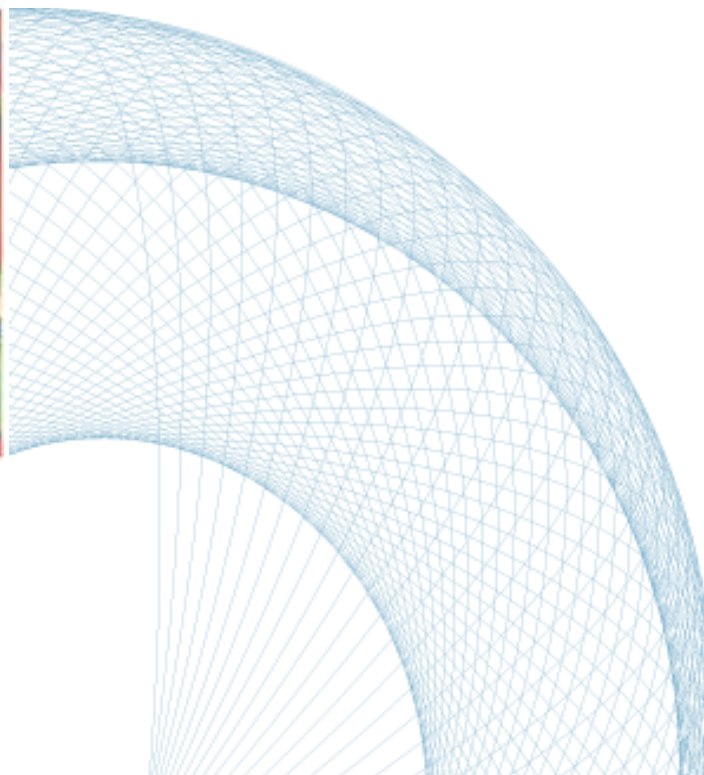
Vancouver General Hospital



What is PPP?

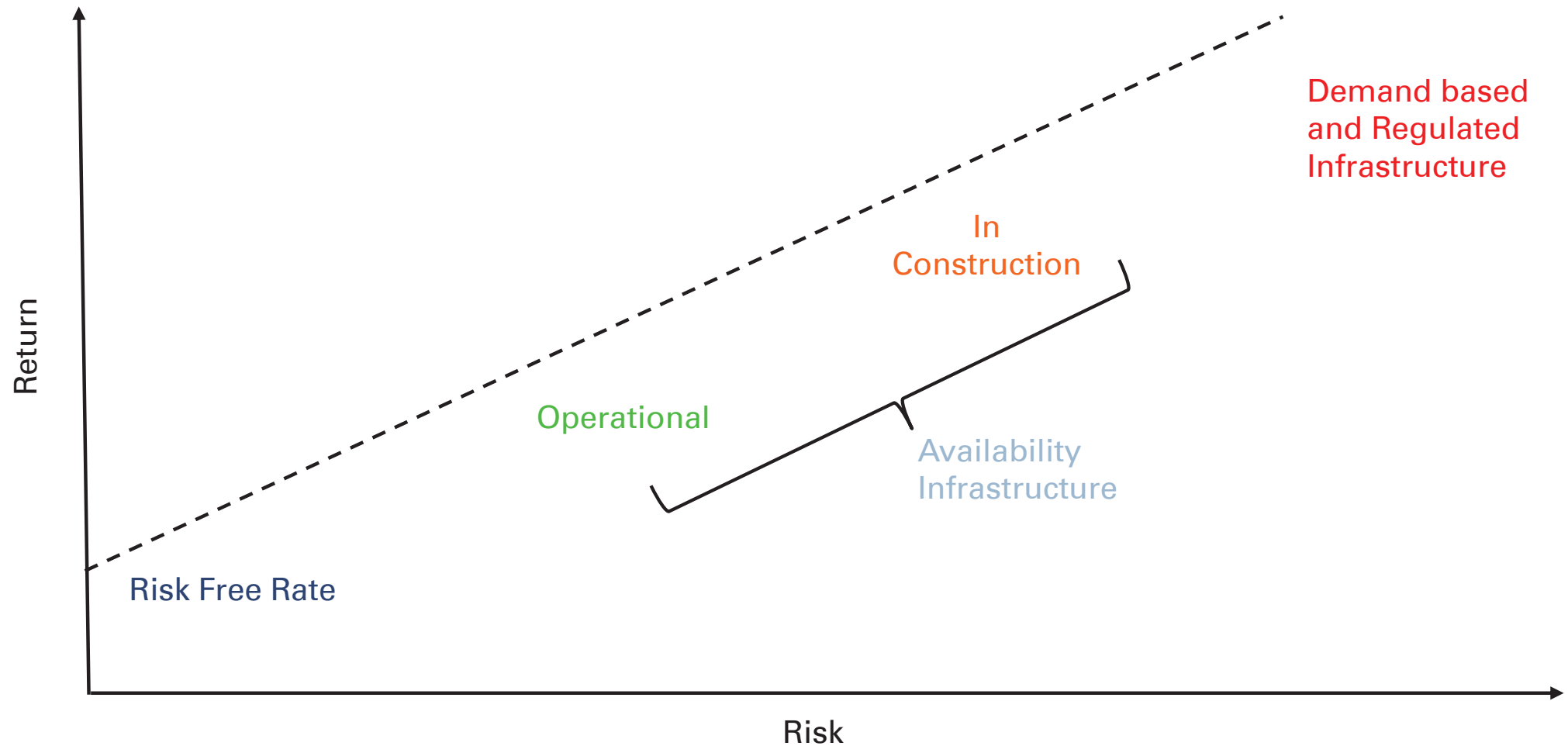


North Swindon Schools



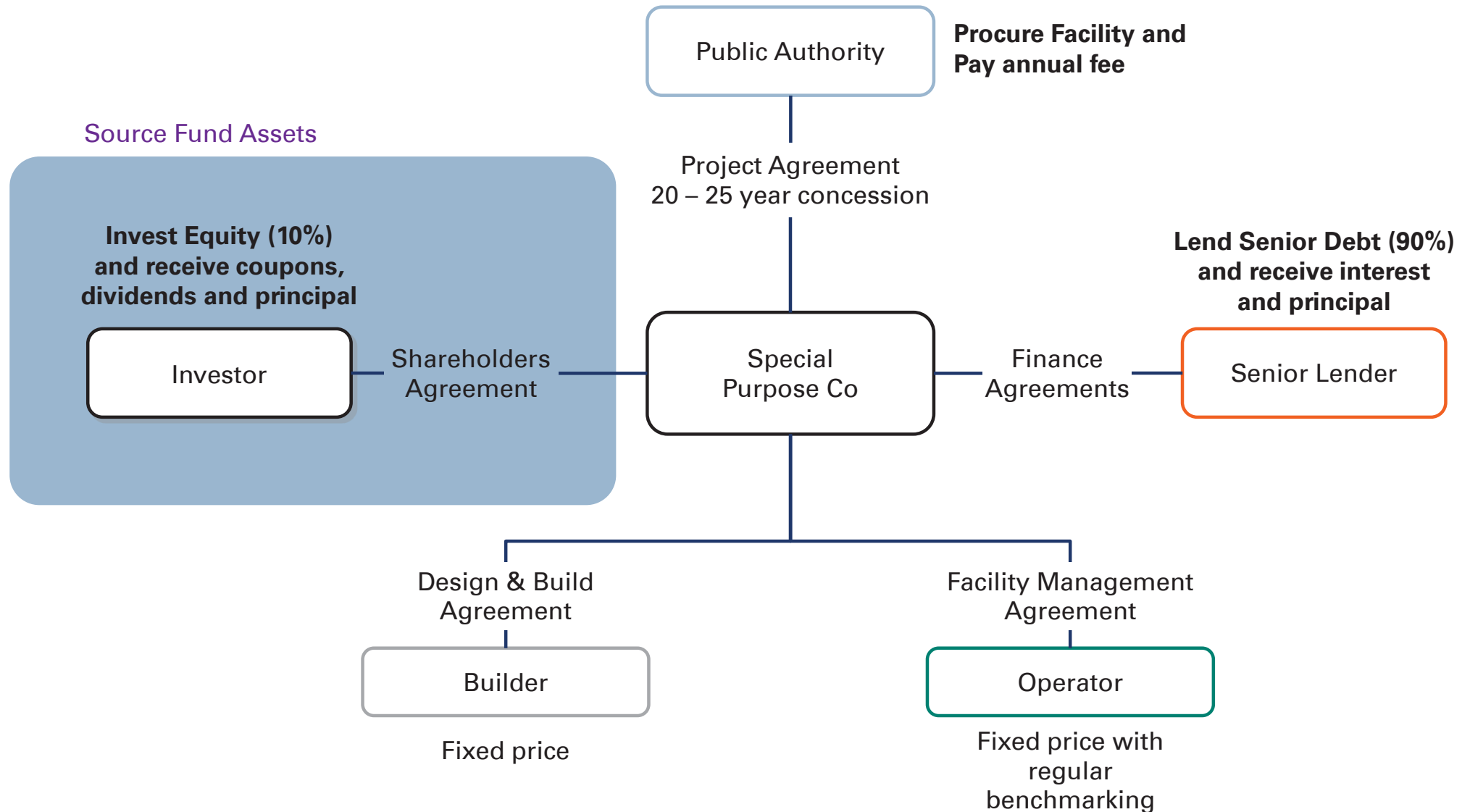
Infrastructure Assets

Indicative Risk / Return Profile



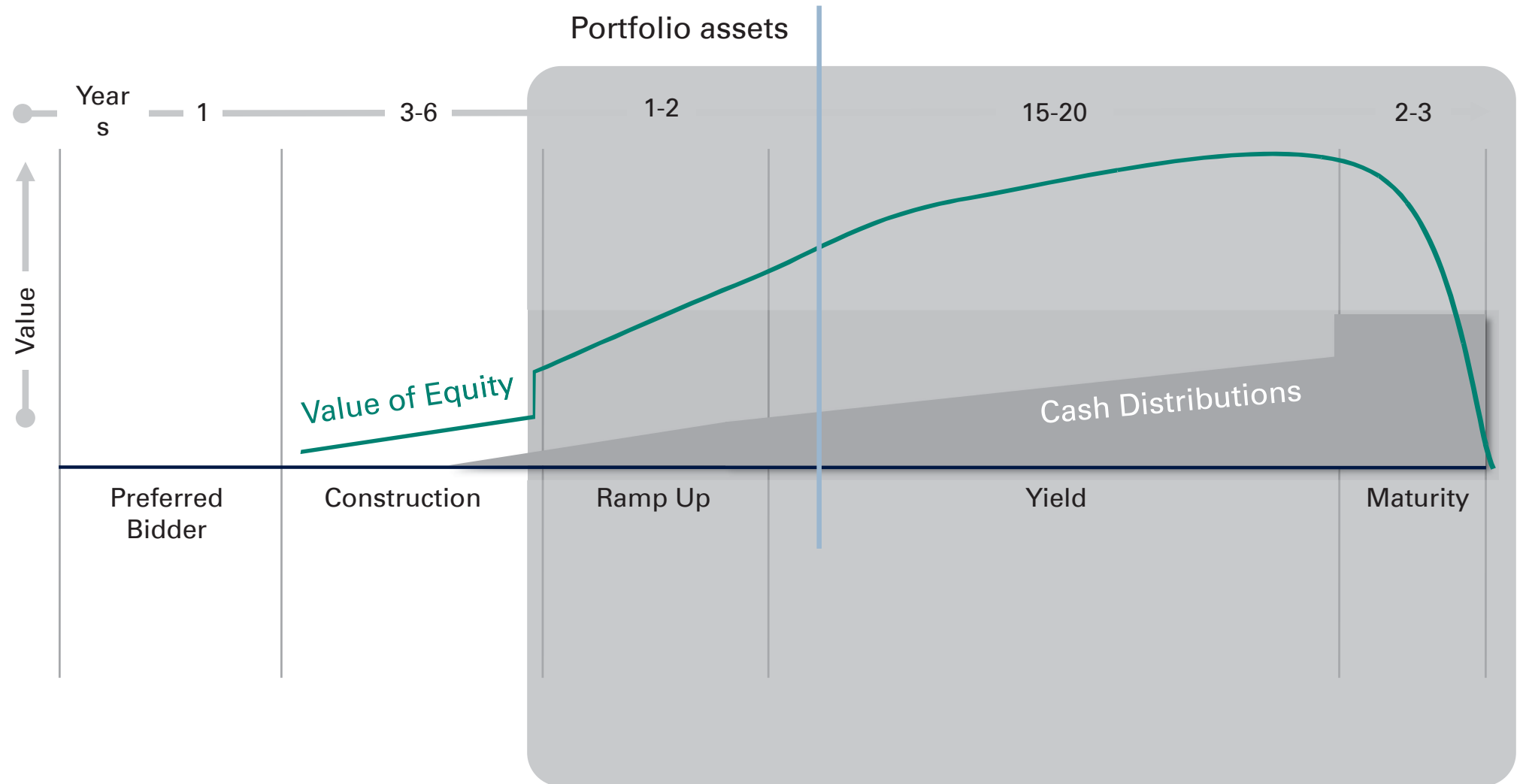
Structure of PPP Contracts

Example



PPP Value Generator

Example



Value Enhancement Opportunities

Strong Track Record of Delivering Enhanced Value

