

Annual Results - 31 December 2013



March **2014**

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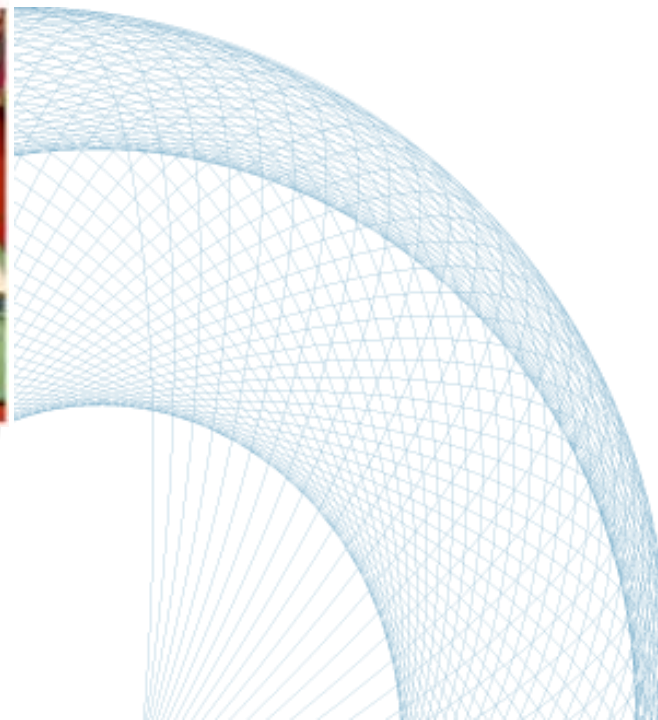
Vancouver General Hospital



Summary



North Swindon Schools



John Laing Infrastructure Fund



Full Year Results Summary – 12 months to December 2013

- Another year of strong performance
- Dividend in respect of H2 2013 increased by 4.0% to 3.25p – ahead of inflation
- Significant growth in portfolio value of 48.1% to £795.8m (Dec 2012 – £537.4m) including new investments
- Strong underlying growth of 7.24% - 0.86% ahead of expectations
- NAV per share 106.8p – increase of 1.0% since Dec 2012
- NAV increased by £275.7m to £818.1m (+50.8%) buoyed by new acquisitions
- New investments of £264.6m, comprising 15 new assets and 5 additional stakes
- Largest portfolio acquisition outside the first offer agreement to date
- Largest raising of new capital to date

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

Fund Characteristics

Portfolio	<ul style="list-style-type: none"> ▪ 52 operational assets ▪ Buoyant secondary market for third party asset purchases ▪ Access to buy future John Laing assets as they mature
Size	Current market cap of £896.6m as at 20 th March 2014
Dividends	<ul style="list-style-type: none"> ▪ Dividend raised by 4.0% to 3.25p (semi-annual) ▪ Current dividend yield c.5.5%
Net Asset Value (“NAV”)	NAV at 31 Dec 2013 of £818.1m NAV per share – 106.8p (at 31 December 2013)
Discount Rate	8.18% weighted average (at 31 December 2013)
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)	Fallen to 1.16% ¹ for the year 2013 (2012 – 1.23%)
Liquidity and Spread	Average daily volume of 1,302,820 shares over 2013 Average bid/offer spread on the London Stock Exchange over the same period is 0.24%
Raw Equity Beta	0.036 (for the 12 months to 31 December 2013)

Note: As at 31 December 2013 unless otherwise stated

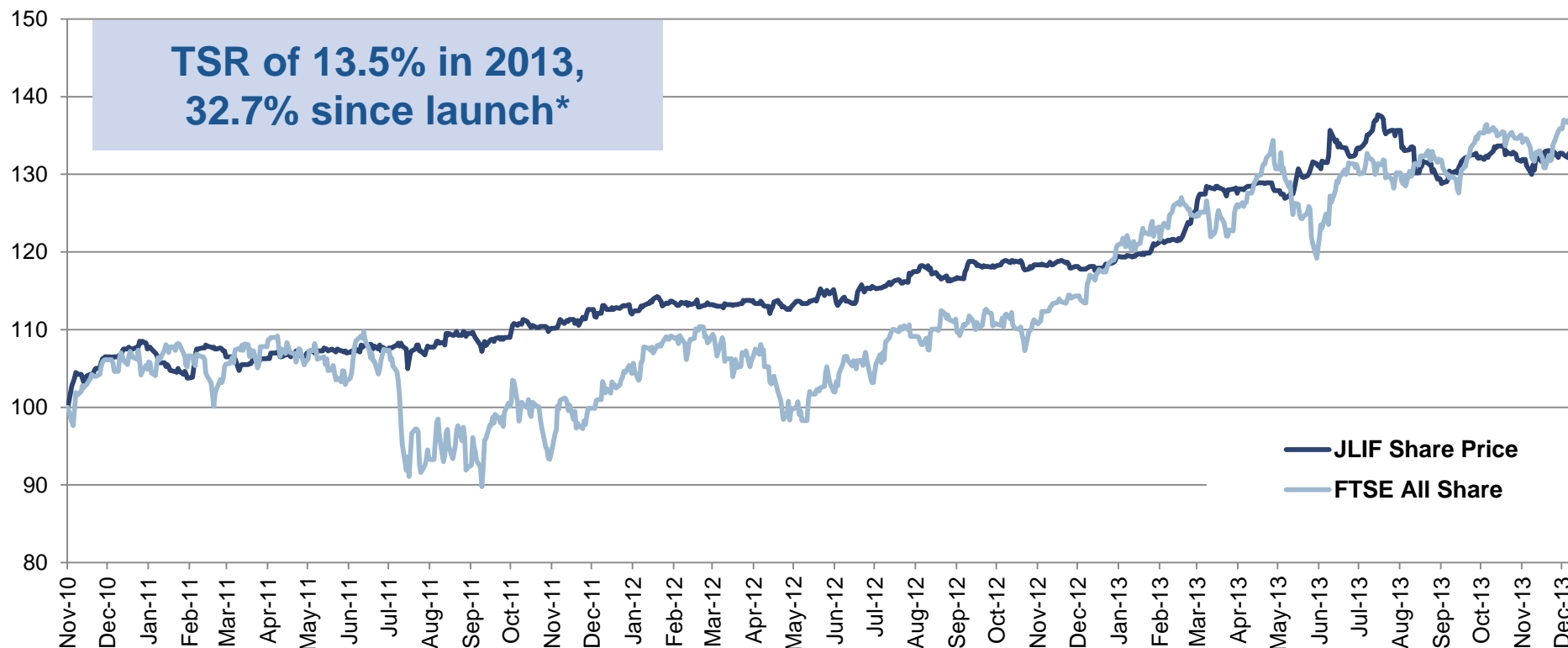
¹ If included one-off acquisition fees – 1.35%

Substantial listed fund of c£900m, invested in stable operating low risk projects providing a strong yield

JLIF vs. FTSE All Share Total Return



JLIF share price total return vs. FTSE All Share total return (rebased)



	29/11/10	31/12/11	30/06/12	31/12/12	30/06/13	30/09/2013	31/12/13	Dividends
Share Price*	100.0p	108.5p	106.7p	107.9p	117.4p	112.0p	115.2p	15.75pps paid since IPO#
NAV per share including cumulative dividends paid	98.2p	108.1p	111.3p	115.2p	119.4p	120.4p	122.6p	

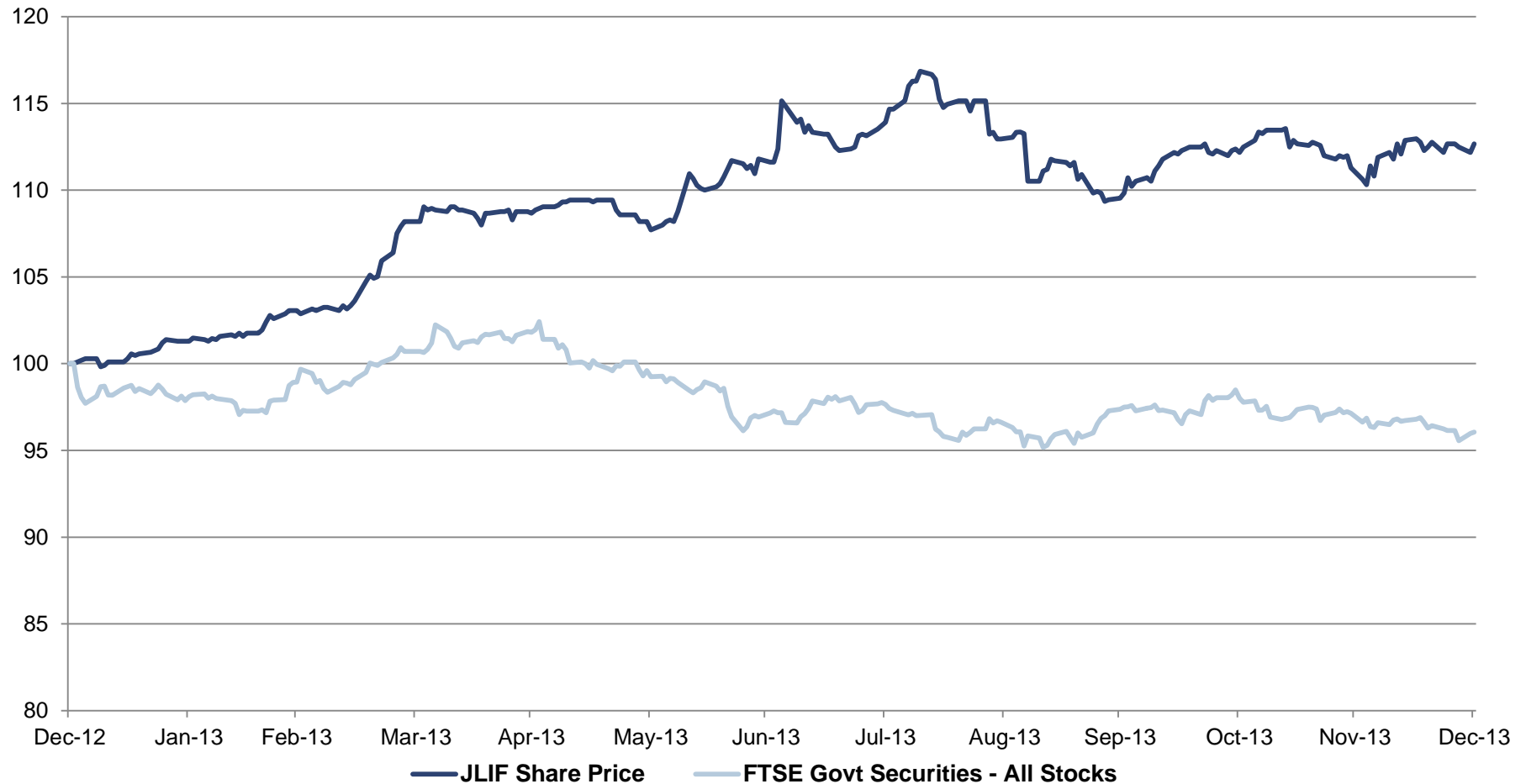
* Source: DataStream

excludes the 3.25p dividend declared on 24 March 2014

JLIF vs. FTSE Government Securities – All Stocks

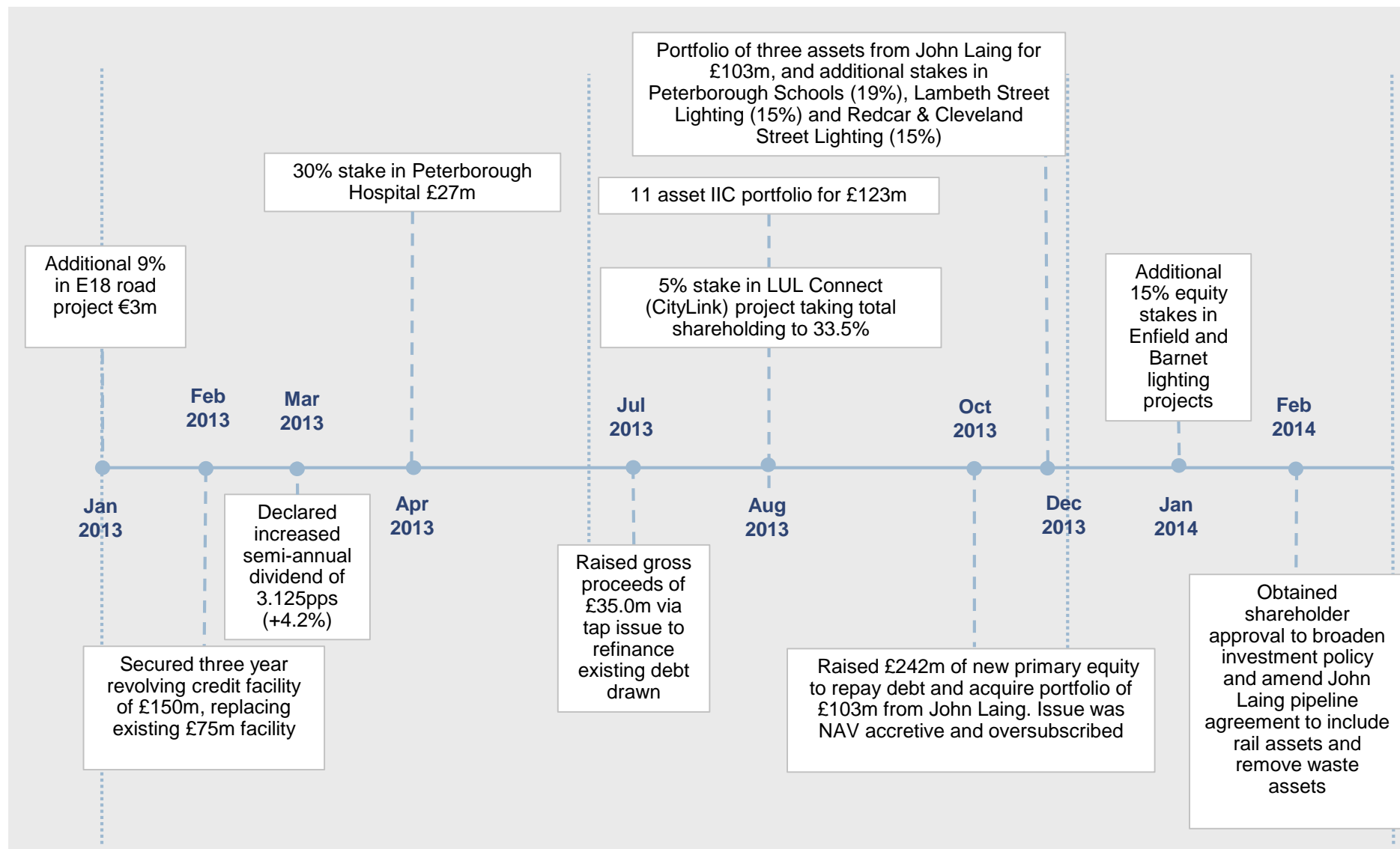


JLIF share price total return vs. FTSE Government Securities – All Stocks total return (rebased)



Source: Bloomberg, DataStream

Key Events - 2013



Note: Acquisition values stated above have been rounded to the nearest million

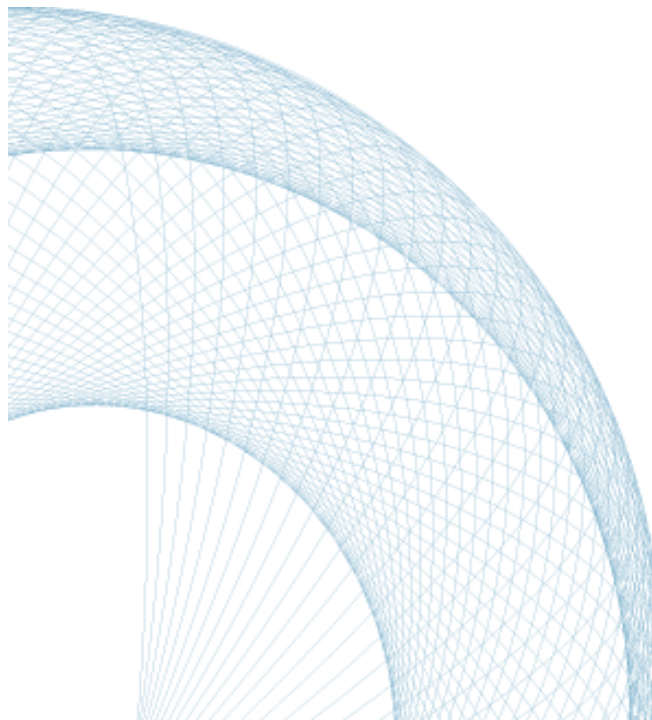
Kromhout Barracks



Portfolio



North Swindon Schools



Investment Portfolio – December 2013

Health (5 new assets, 14 in total)	Education (5 new assets, 12 in total)	Justice & Emergency Services (5 assets)	Transport (5 assets)	Regeneration & Social Housing (1 new asset, 7 in total)	Government Buildings (2 assets)	Street Lighting (4 new assets, 7 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%		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%			Islington Social Housing II 45%		Lambeth Street Lighting 100% ▲ ▣
Roseberry Park Hospital 100%	Enfield Schools 100%			Miles Platting Housing 33% ▲		Enfield Street Lighting 100% ▲ *
Pembury Hospital 37.5%	Bexley Schools 100% ▲					
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 15% stake acquired after 31 December 2013	
North Staffordshire Hospital 75% ▲						

Leeds Combined Secondary Schools

United Kingdom



- Comprises five secondary schools and one primary school, all of which were newly constructed
- The schools together provide 52,137sqm of quality teaching space for up to 5,000 pupils
- Two of the schools have received Commendations at the Leeds Architecture awards
- The schools are part of 'Making the Grade' - a Business Partnership model that sees local businesses provide support such as interview training and mentoring
- Concession end 2033

Largest project in the IIC portfolio
performing well with upside potential

Peterborough Hospital

United Kingdom



- One of five additional health projects acquired in 2013
- Refurbishment and construction, financing and operations and maintenance of three healthcare facilities
- 30% stake acquired from Brookfield Infrastructure in April 2013
- Full services commencement in September 2011
- Strong cash generating project
- Long remaining concession through to mid 2042
- Construction value £335m

Excellent example of partnering with the vendor to complete a health transaction at a time when the UK health sector was going through significant change

Street Lighting



- Initial stakes in four street lighting assets acquired as part of the IIC portfolio in August 2013
- Barnet, Enfield, Lambeth and Redcar & Cleveland
- Additional stakes acquired in all four projects from co-shareholders taking shareholding to 100% in each
- Together the projects have replaced over 56,000 lighting columns and maintain a total of over 105,000 lighting points
- JLIF now has a portfolio of seven street lighting projects, three purchased from John Laing

Developing portfolio acquired from John Laing and other vendors, and efficient acquisition of accretive stakes

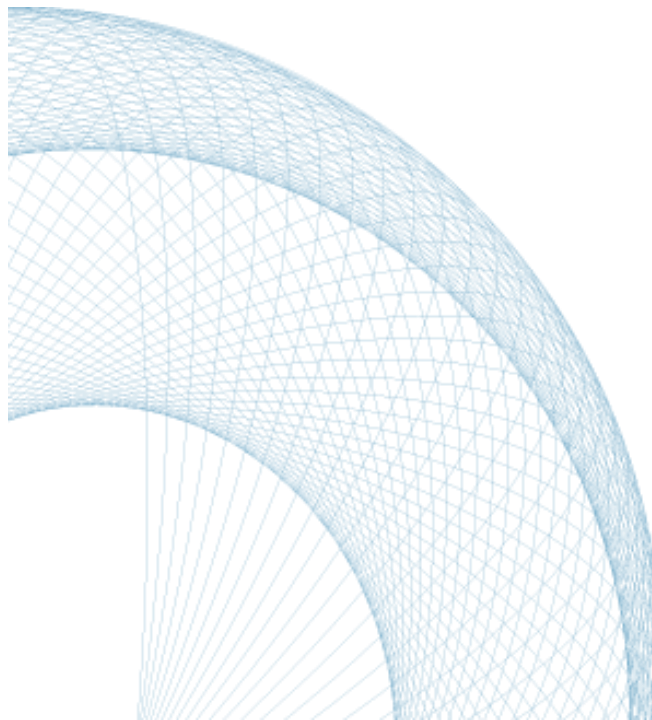
Avon & Somerset Courts



Full Year Results



M40 Motorway

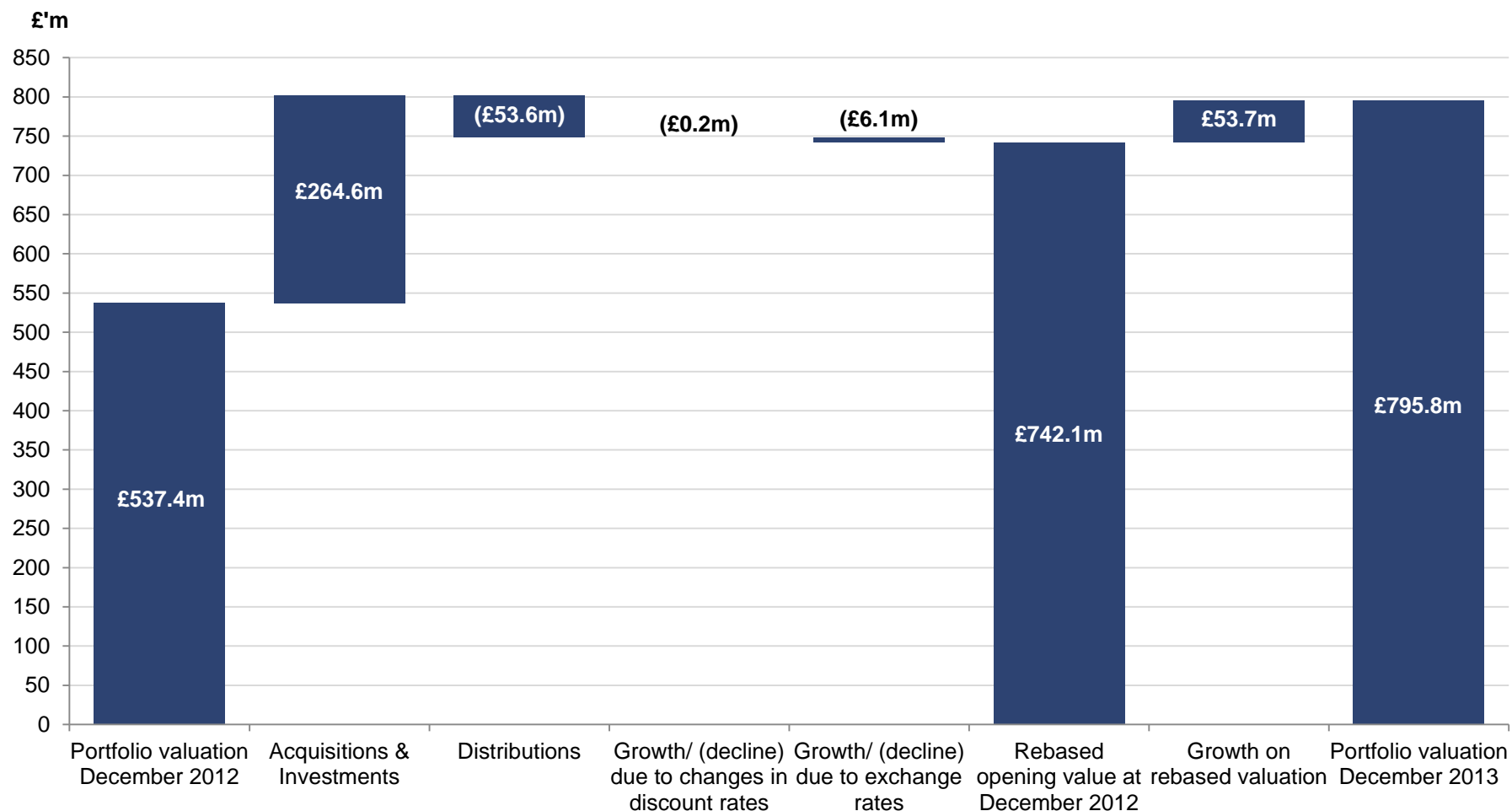


- Portfolio valuation increased by £258.4m to £795.8m at 31 December 2013 (+ 48.1%) - including investments of £264.6m
- Strong distributions from the underlying projects of £53.6m - £3.7m (7.4%) ahead of forecast
- Negative exchange rate movement of £6.1m primarily due to Canadian \$ depreciating against Sterling
- Underlying growth of 7.24% - 0.86% ahead of expected growth of 6.38%
- Assets acquired in H2 held at acquisition value, as in prior years

Significant growth in portfolio value due to
substantial acquisitions in late 2013

Good growth in value of existing assets

Portfolio Valuation – 2013 Movement



Portfolio Value – Underlying Growth



	%
Unwinding of discount rate (weighted for timing of acquisitions and distributions)	6.4%
Value enhancements achieved	0.7%
Macro economic assumptions	0.1%
Underlying growth achieved	7.2%

- Additional growth due to:
 - (i) identification of cost and efficiency savings across the portfolio
 - (ii) delivering additional value embedded in acquired assets
 - (iii) efficient cash and cost management across the portfolio
 - (iv) reduced UK corporation tax rates to 21%, partly offset by more conservative UK deposit rate assumptions and increased Canadian tax rate to 26%

Strong track record of delivering enhanced value on existing assets

Balance Sheet Summary

Balance Sheet (£m)	Dec 2013 (£m)		
Valuation of Portfolio	795.8		
Cash	24.3		
Net Debtors/Creditors	(2.1)		
Net Assets	<u>818.1</u>	NAV per share (p) 31/12/13	NAV per share (p) 31/12/12
Number of shares outstanding	766.3m	106.8	105.7

Cash Flow Summary

	£m
Cash at 31 December 2012	8.3
Capital raised	277.3
Acquisition of projects	(264.6)
Distributions from projects	53.6
Operating and administrative expenses	(9.7)
Acquisition costs	(3.7)
Finance costs	(4.1)
Issue costs	(4.6)
Dividends paid to shareholders	(28.2)
Cash at 31 December 2013	24.3

Ongoing charges ratio (AIC methodology) of 1.16% for 12 months to 31 December 2013

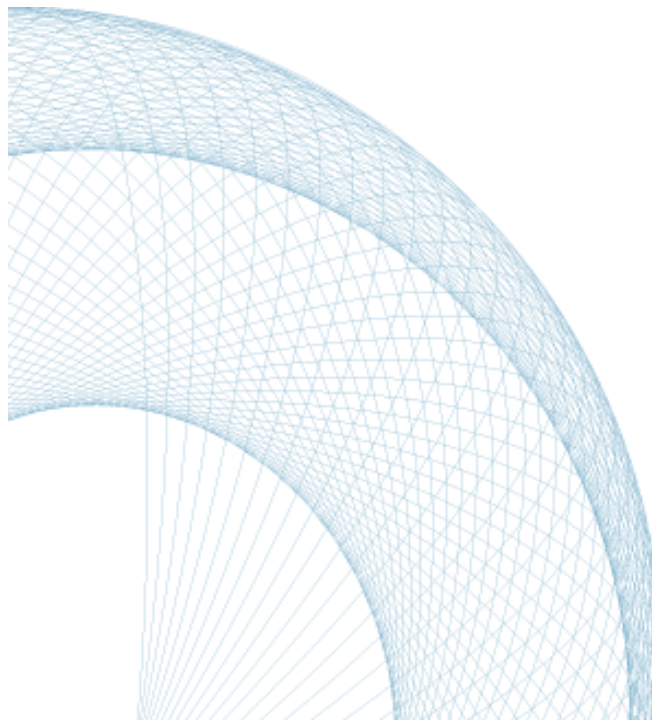
North Swindon Schools



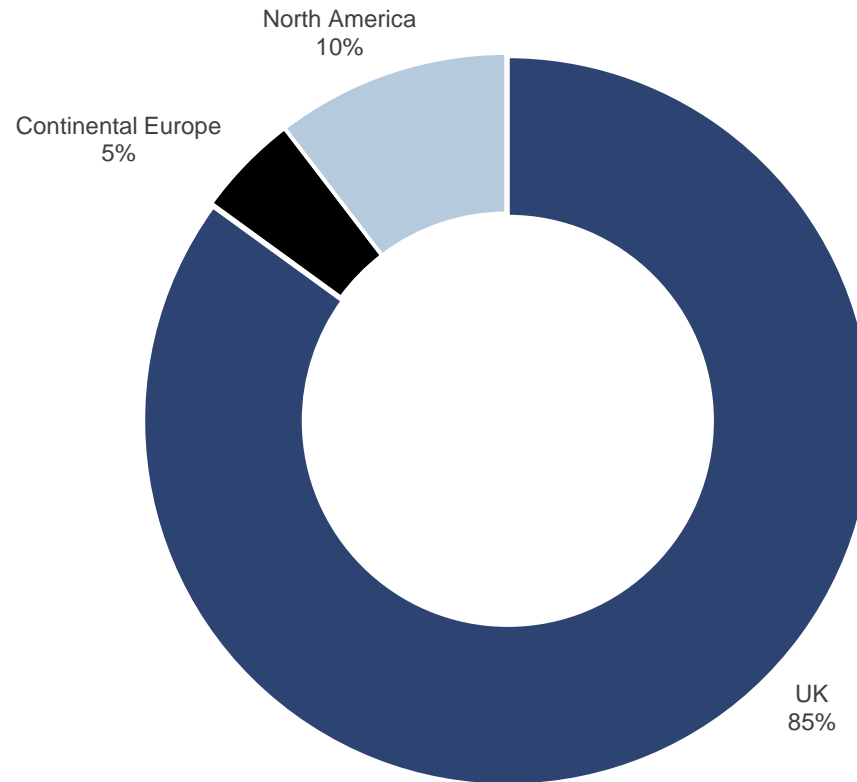
Portfolio Analysis



Kromhout Barracks



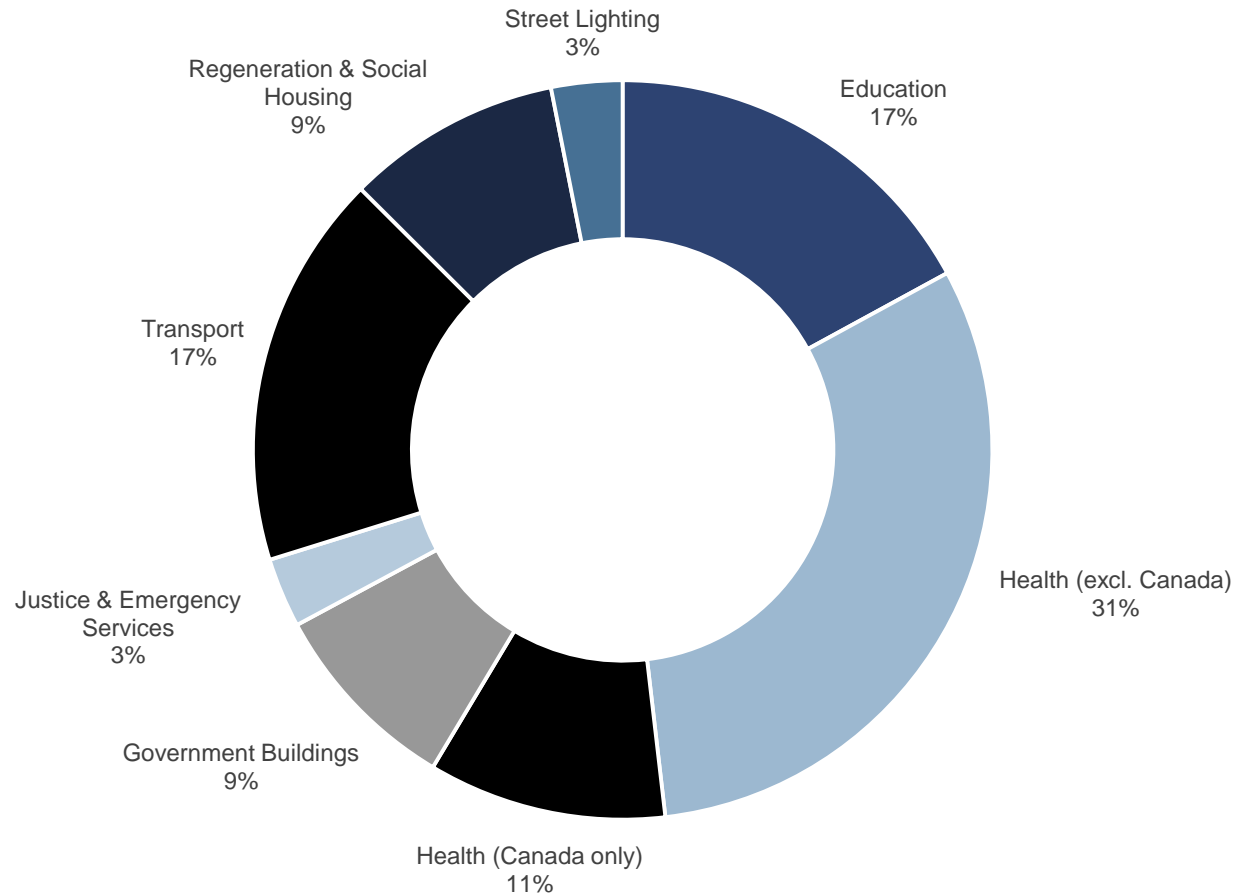
Geographic Breakdown – as at 31 December 2013



Source: John Laing Capital Management Limited

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

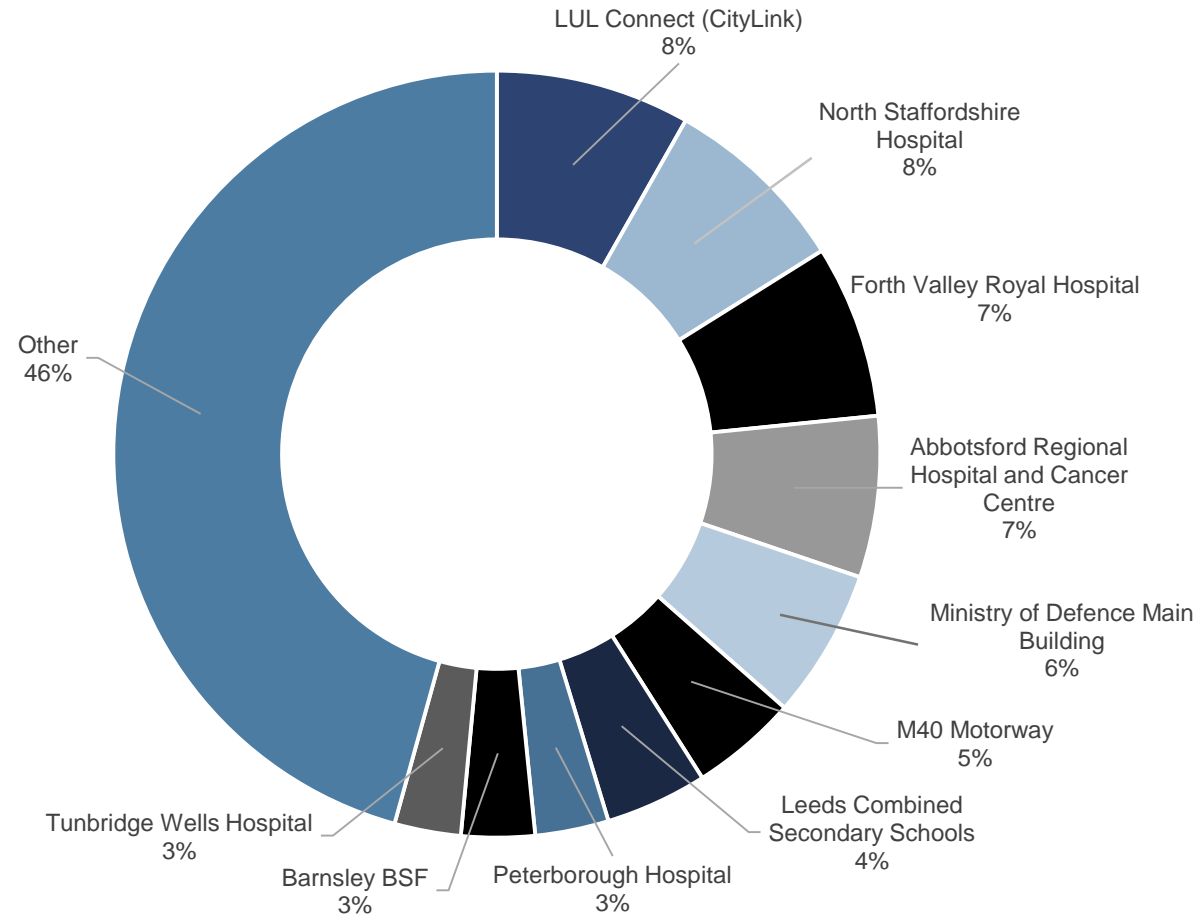
Sector Breakdown – as at 31 December 2013



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 2013

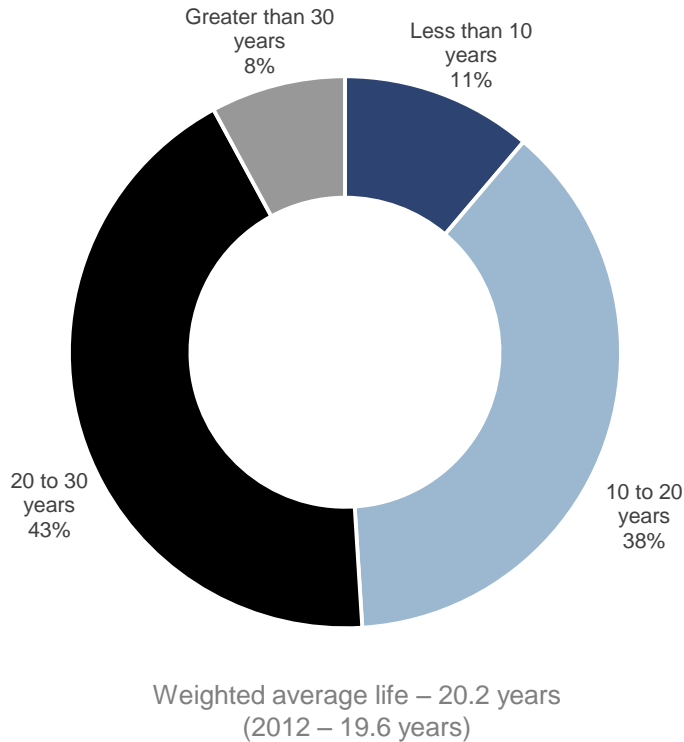


Source: John Laing Capital Management Limited

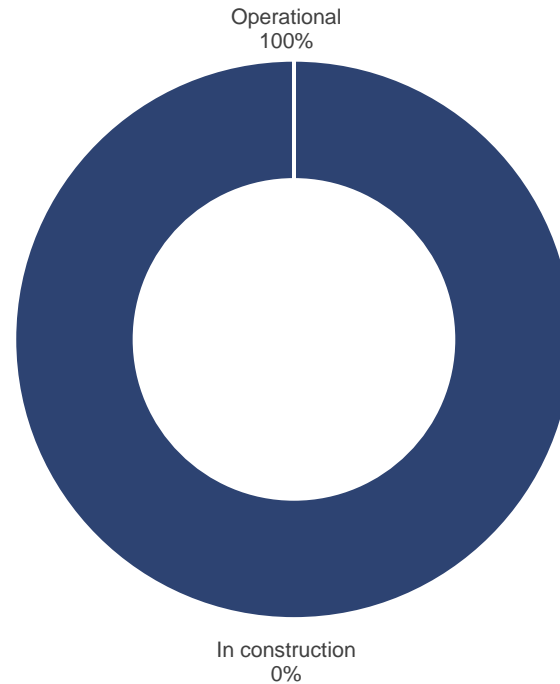
N.B. Percentages rounded to whole numbers and will therefore have some small rounding errors

Portfolio Analysis – as at 31 December 2013

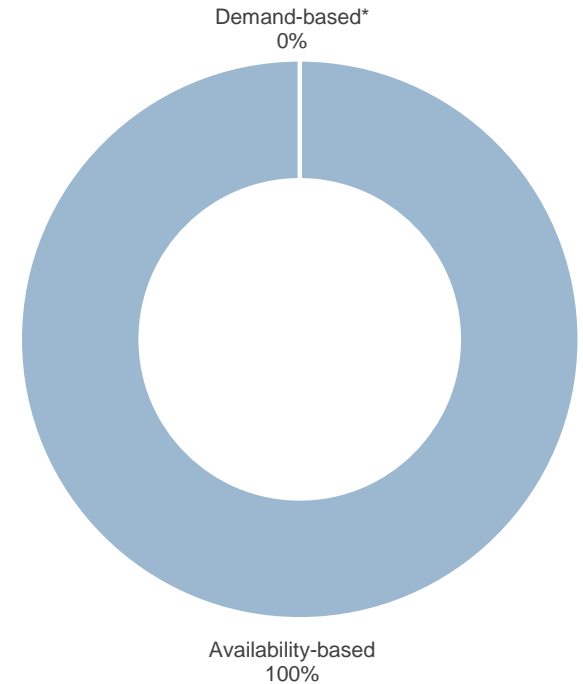
Remaining Concession Length



Investment Status



Payment Basis



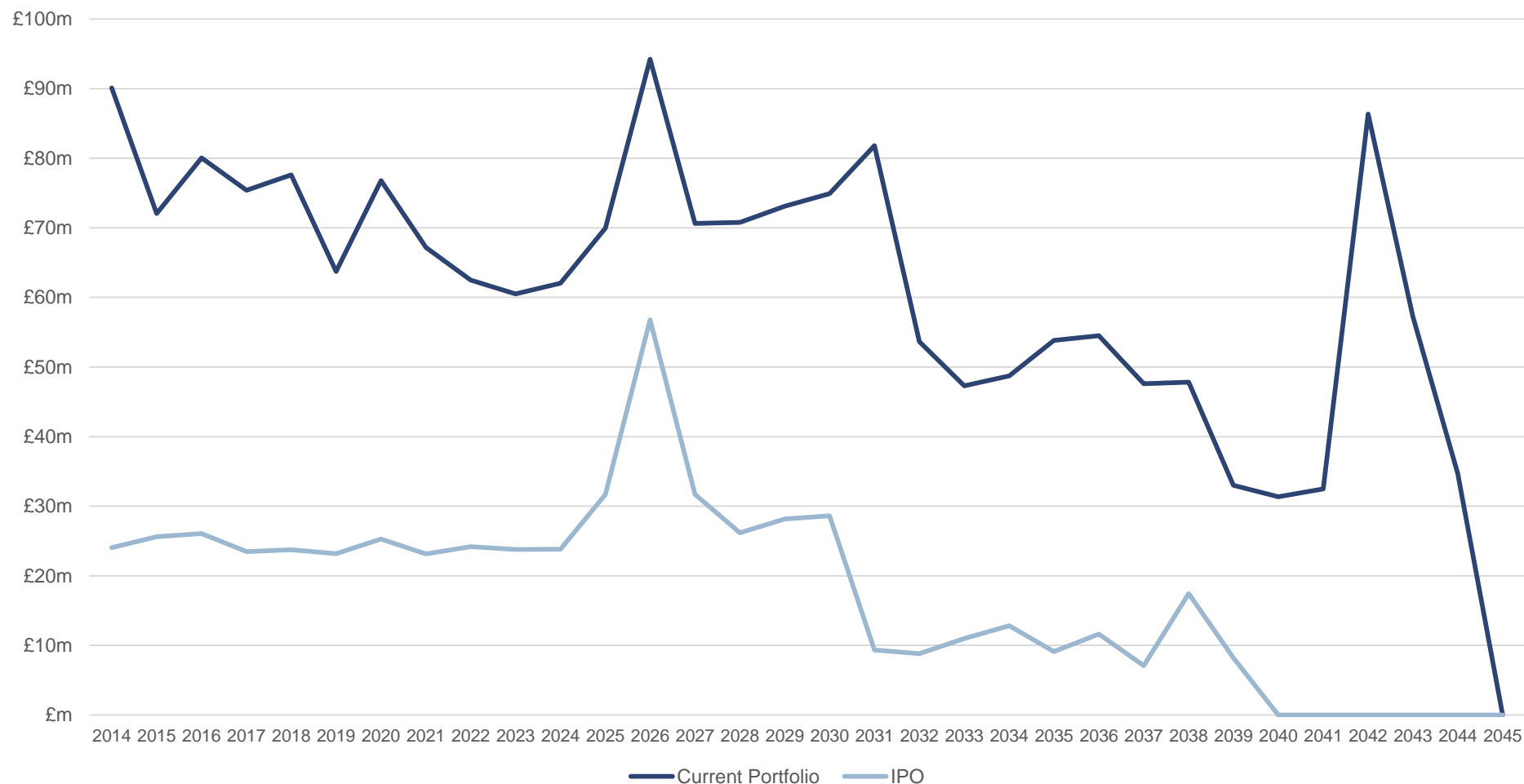
Source: John Laing Capital Management Limited

* 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

Portfolio Sensitivity to Inflation Increased

	Portfolio Value Impact 2013	Portfolio Value Impact 2012
Increase by 1%	Increases by 4.10% (£34.0m)	Increases by 3.82% (£21.3m)
Decrease by 1%	Decreases by 3.99% (£30.5m)	Decreases by 3.33% (£17.3m)

- Portfolio partially protected against higher inflation – approximate factor 0.5

Good level of inflation protection –
marginally increasing

2013 Full Year Results Conclusion

- Portfolio value growth ahead of expectations
- Strong cash flow with distributions ahead of target
- Dividend increase of 4.0%
- Continued NAV growth
- Solid Balance Sheet

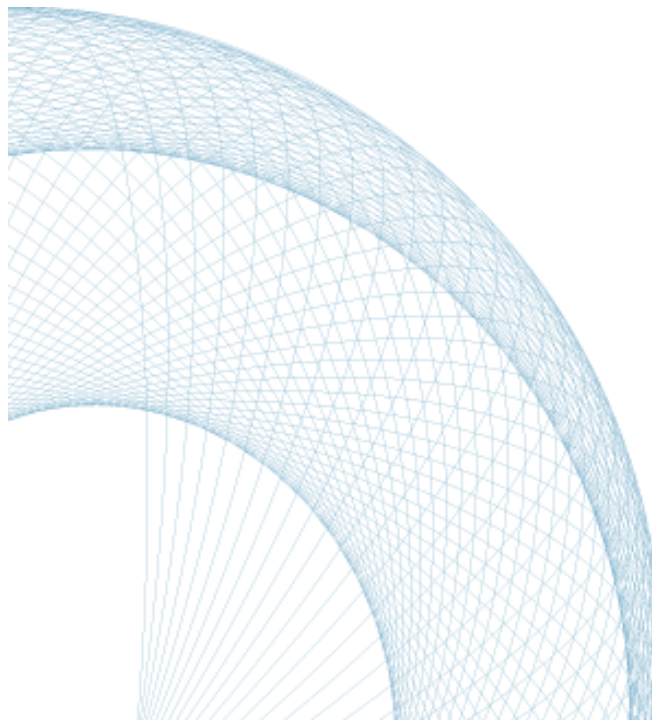
Enfield Schools



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 c.£400 million over the next six 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 a buoyant global market

Access to John Laing pipeline expanded

Outlook for the Infrastructure Market

Existing portfolio

- Contracted operations and income
- UK evidence of Government covenant support for hospital projects

Visible pipeline – 3 years

- Pipeline of projects in UK and abroad already under construction
- Tertiary and later sales
- Expanded pipeline resulting from recent broadening of investment policy

Longer term growth

- Active markets in Australia, Canada and Continental Europe, and increasingly so in USA
- UK Government explicitly support infrastructure development to generate growth – PF2 announced
- Important global procurement method by which governments deliver improvements to infrastructure

“The fourth National Infrastructure Plan shows that the government is delivering on infrastructure, with a long term strategy to make sure the UK tackles decades of underinvestment...”

Commercial Secretary to the Treasury Lord Deighton, December 2013

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">• Experience in asset and project management• 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 on 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 13.5% in 2013
- Inflation beating dividend increase of 4.0% to 3.25 pence per share
- Portfolio growth ahead of expectations
- Asset yield above forecast
- Significant acquisitions raising net asset value by over 50%
- Largest portfolio acquisition outside the first offer agreement to date
- Largest raising of new capital to date
- Strong, more secure pipeline

Strong growth in dividend, good asset performance and favourable outlook

Q&A

Glasgow Schools

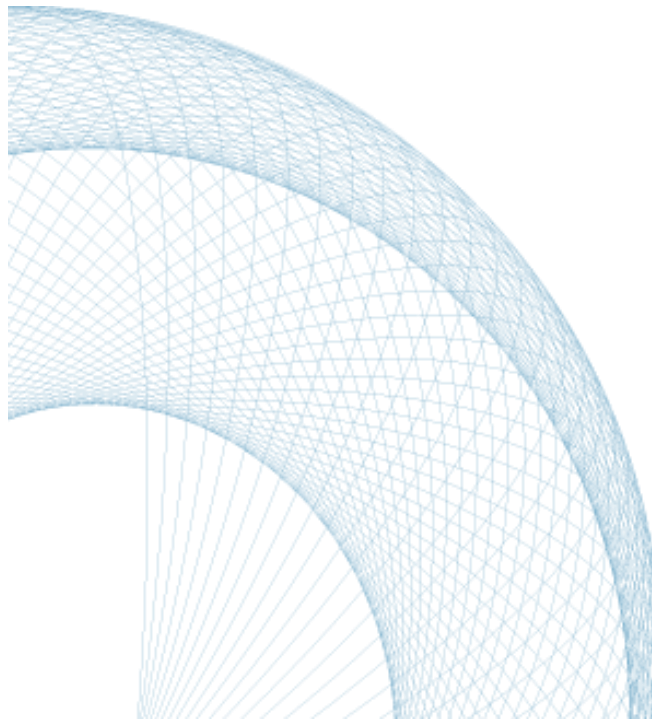


Appendices

Additional Information



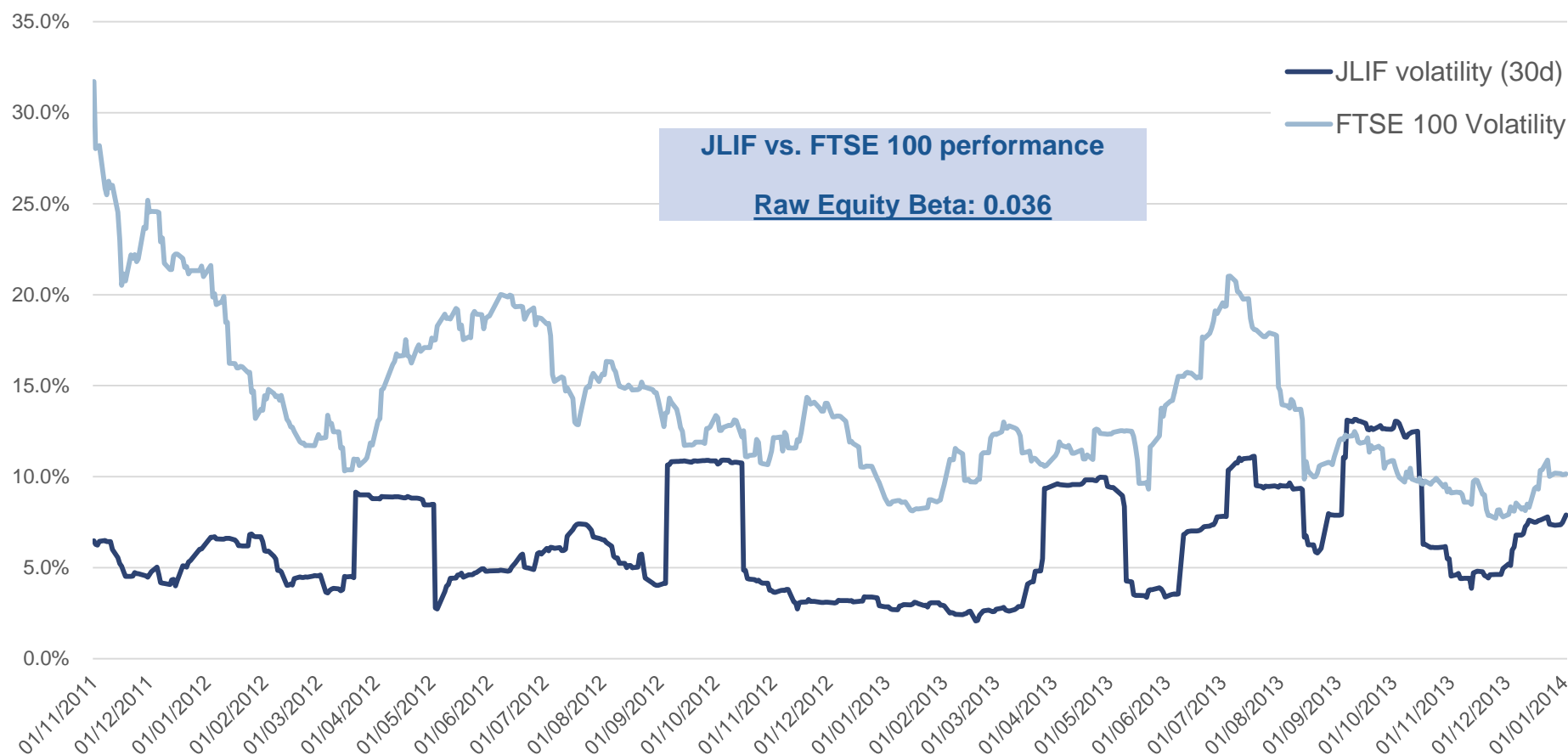
Kromhout Barracks



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. Corresponding JLIF Adjusted Equity Beta over concurrent period was 0.355. Adjusted Equity Beta uses JLIF's Raw Beta, but assumes that the metric moves toward the market average of 1 over time.

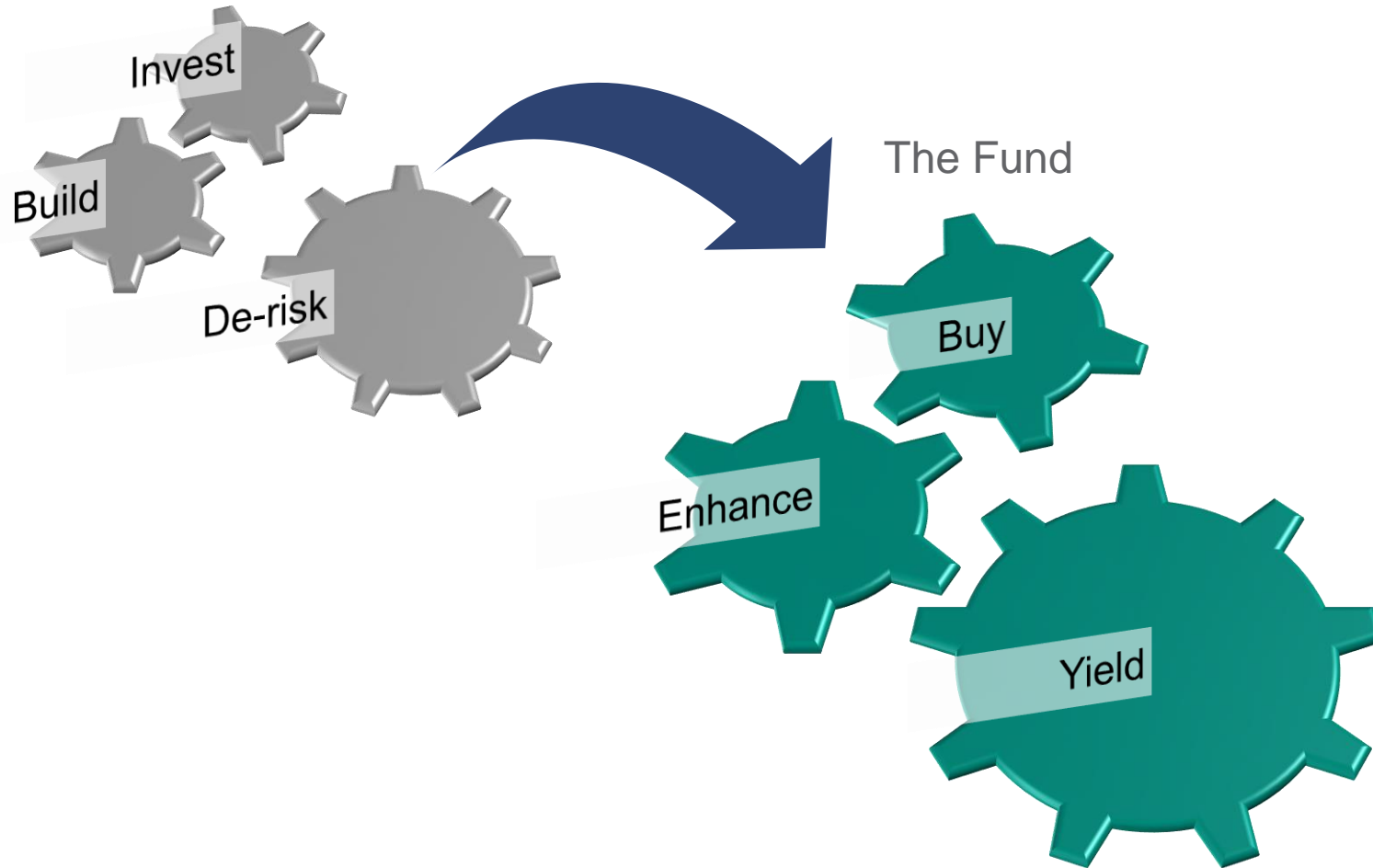
Fund Objectives

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.

Value Chain Gearing – The John Laing Model

John Laing



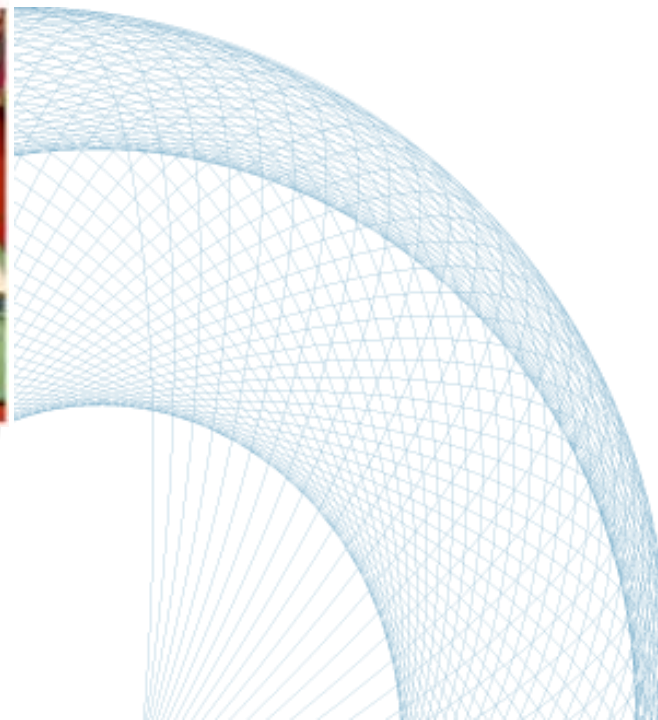
Vancouver General Hospital



What is PPP?

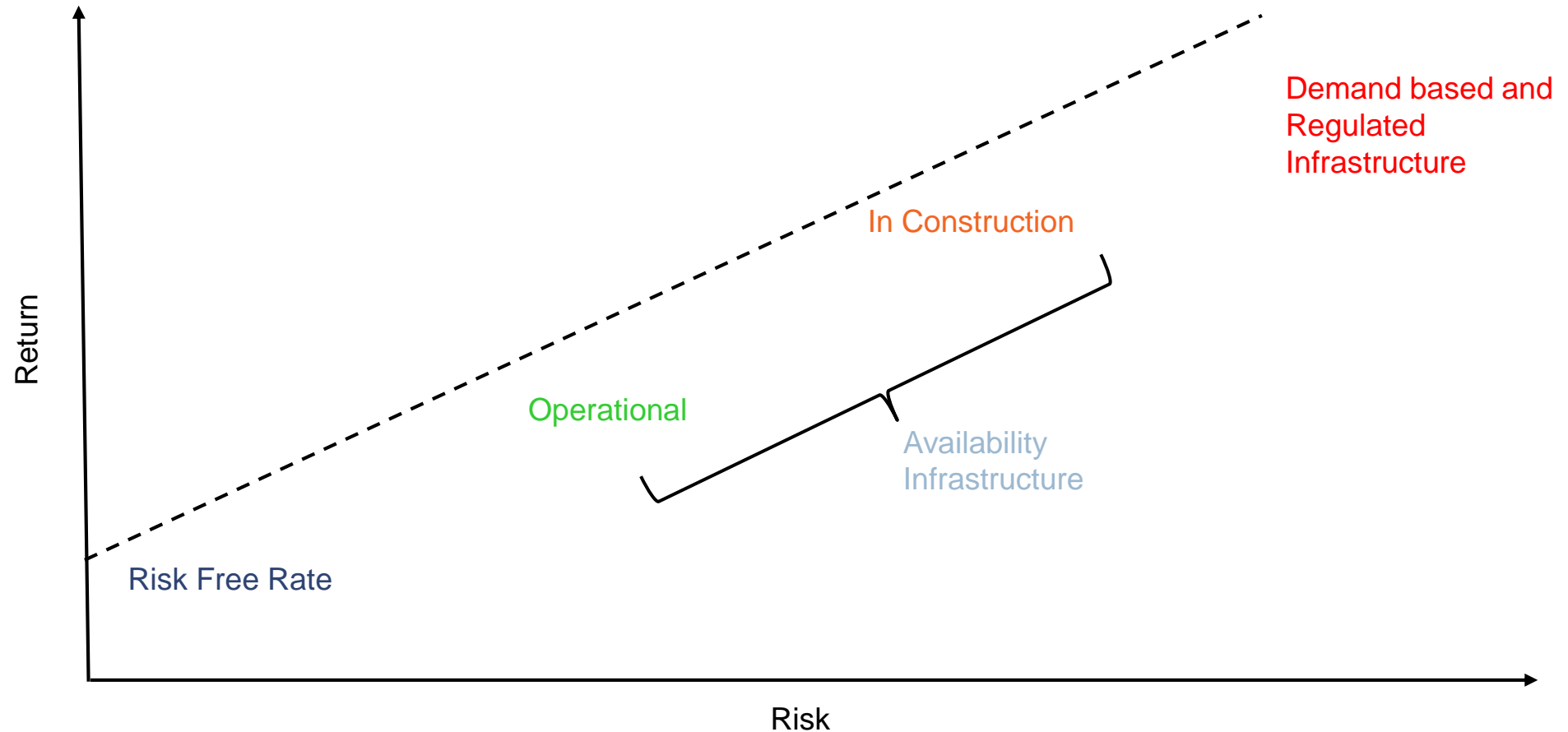


North Swindon Schools



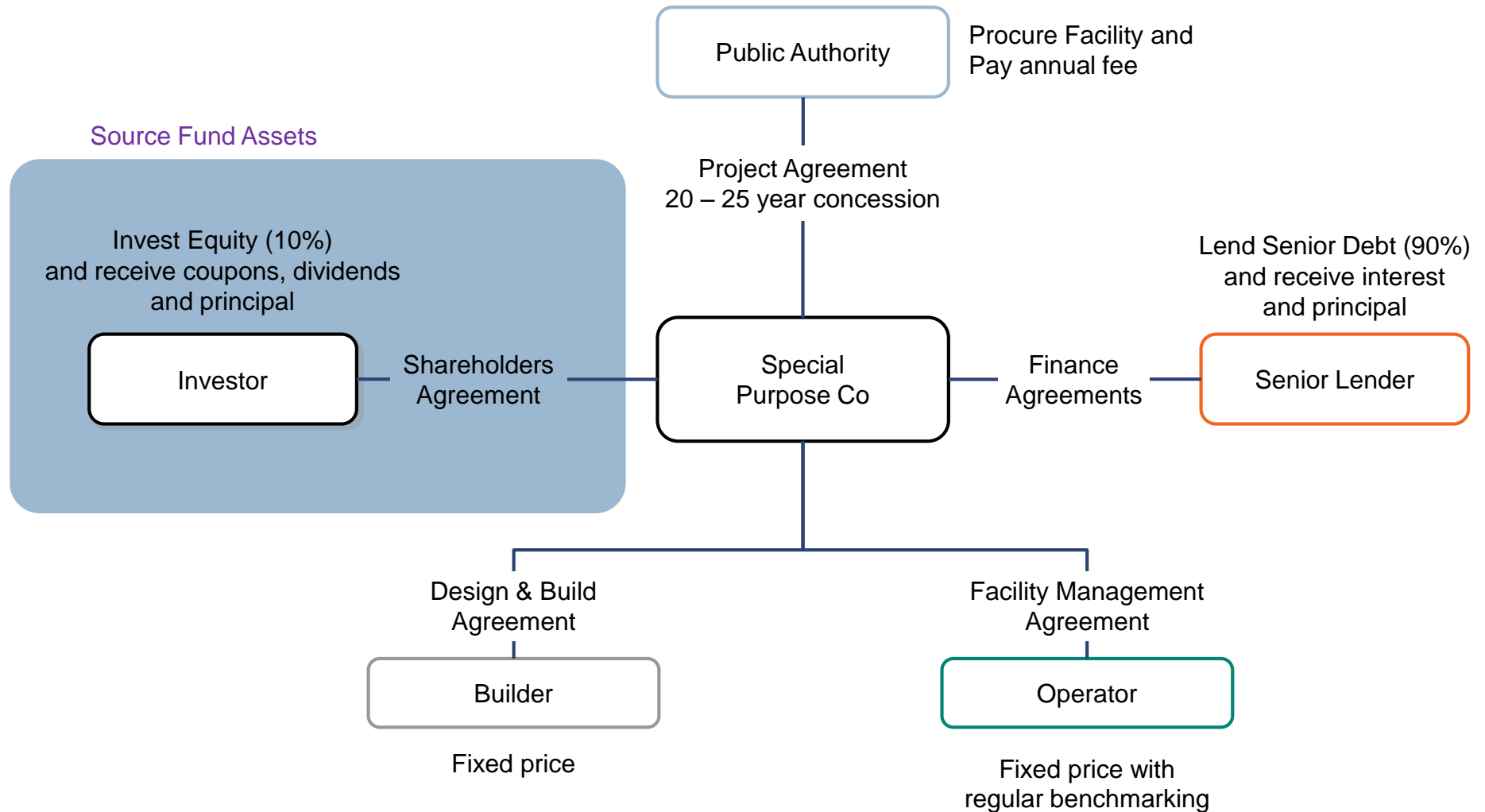
Infrastructure Assets

Indicative Risk / Return Profile



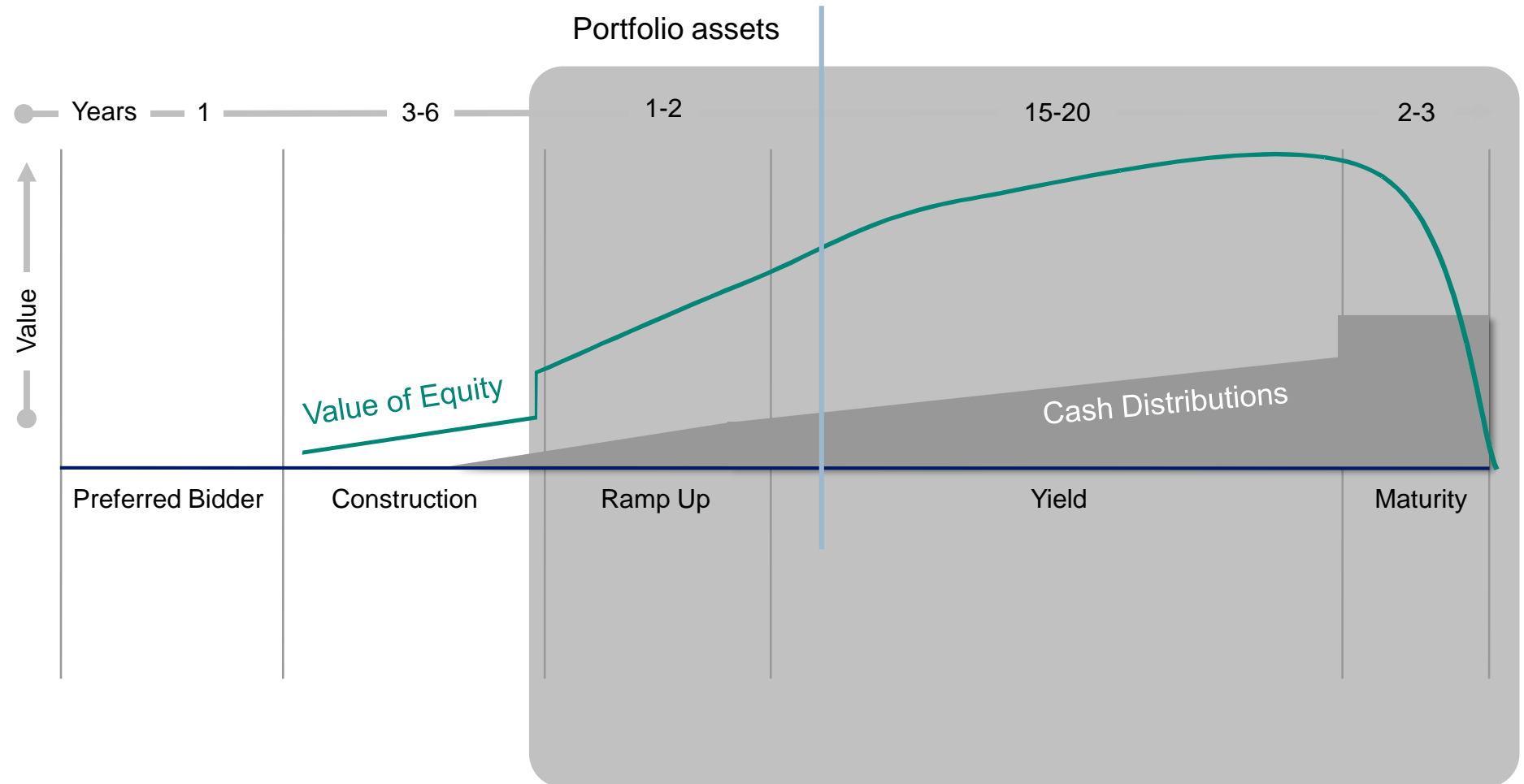
Structure of PPP Contracts

Example



PPP Value Generator

Example



Value Enhancement Opportunities

Strong Track Record of Delivering Enhanced Value

