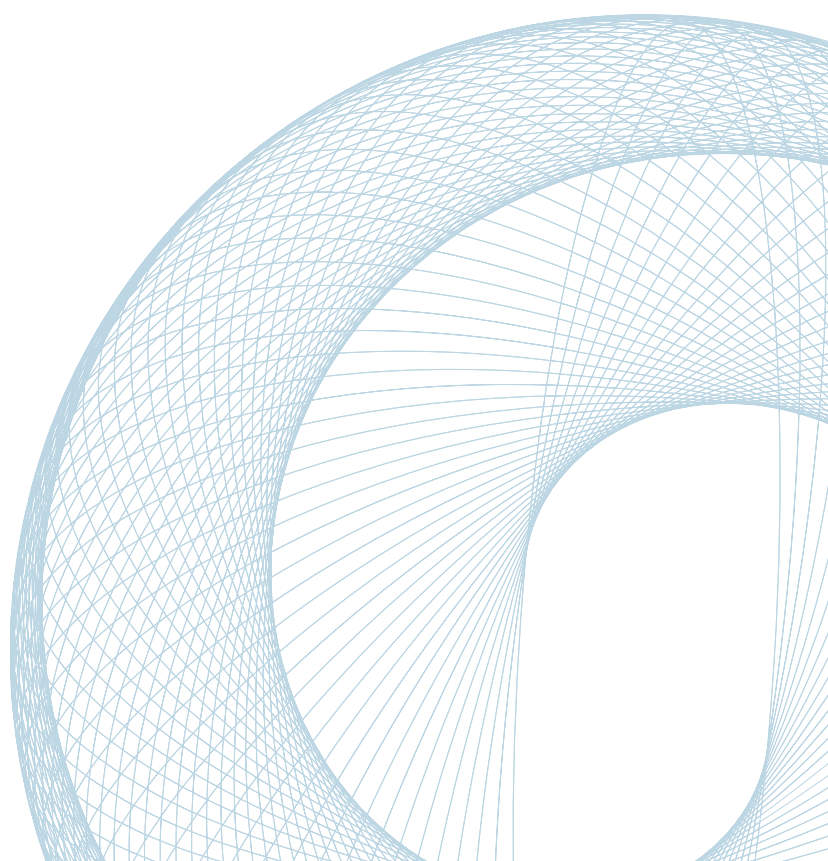


John Laing Infrastructure Fund Limited

JLIF






Quarterly Update Statement **2015**

May 2015



Although there no longer remains a Disclosure and Transparency Rules requirement to issue Interim Management Statements, JLIF, the international infrastructure investment company, believes it is appropriate to update shareholders and the market on a more frequent basis than just its semi-annual reporting cycle. Consequently, JLIF is issuing this Quarterly Update Statement which covers the period 1 January 2015 to 8 May 2015.

HIGHLIGHTS

- Underlying growth in Portfolio Value for the three months to 31 March 2015 of 1.84% or £15.6 million on a rebased value of £849.8 million¹ 
- Dividend of 3.375 pence per share declared in March 2015 in respect of the six month period to December 2014 to be paid in May 
- The third successive year in which JLIF has delivered dividend progression to shareholders ahead of UK RPI (representing growth of 3.8%) 
- Net Asset Value² ("NAV") of £892.9 million as at 31 March 2015, including £27.4 million allocated to the dividend to be paid in May 2015 
- NAV per share, as at 31 March 2015, of 106.6 pence ex-div (110.0 pence cum-div), due to underlying growth over the period 

Paul Lester CBE, Chairman of JLIF, said:

"The start of 2015 has seen continued underlying growth in the value of the portfolio. The Board remains positive about the outlook for future portfolio growth through both value enhancement and acquisitions."

Andrew Charlesworth, Director of John Laing Capital Management Limited (JLCM), Investment Adviser to JLIF, said:

"During the period JLIF acquired an additional stake in the Kirklees Social Housing project. We continue to exercise discipline in our approach to bidding and look forward to the year ahead as we consider new markets.

The Portfolio is performing in line with expectations and we continue to drive out additional value growth from our projects."

¹ See Portfolio Performance for full details

² Net Asset Value is equal to total assets (including Portfolio Value) minus liabilities of the JLIF Investment Group (as defined in the company's Annual Report 2014).

Acquisitions

In January 2015, JLIF completed the acquisition of an additional 20% stake in the Kirklees Social Housing project from Wates Construction Limited, taking JLIF's total shareholding in the asset to 100%. The initial 80% stake in the asset was acquired from John Laing in December 2014. The acquisition is another example of JLIF's ability to leverage existing shareholdings to deliver acquisitions of further stakes at accretive value to shareholders. JLIF continues to look for other similar opportunities within its Portfolio of assets.

JLIF is currently reviewing a number of investment opportunities and will provide updates on these as they progress.

Portfolio Performance

JLIF's Portfolio of 56 low risk, operational assets was valued at 31 March 2015 at £865.4 million. This represents a growth of £15.6 million or 1.84% on the rebased portfolio value as at 31 December 2014 (i.e. after accounting for in period acquisitions, distributions and exchange rate movements). This growth was in line with the Investment Adviser's growth expectations based on unwind of the weighted average discount rate (of 7.94%) used to value the Portfolio, and adjusted for the timing of acquisitions and distributions in the period.

	£000's	
Portfolio Value as at 31 December 2014	864,887	
Distributions (net of acquisitions)	(9,275)	
Exchange rate movements	(5,830)	
Rebased Portfolio Value as at 31 December 2014	849,782	
Growth on rebased value	15,597	1.84%
Portfolio Value as at 31 March 2015	865,379	

Dividends

At the JLIF Board meeting held on 23 March 2015, the Board agreed an increase to the dividend of 3.8% from 3.25 pence per share to 3.375 pence per share as a result of the strong performance of the Portfolio and the Company in 2014. This is the third consecutive year in which JLIF has provided shareholders with a dividend progression ahead of UK RPI. A dividend for the period 1 July 2014 to 31 December 2014 of 3.375 pence per share will be paid to shareholders on 22 May 2015. JLIF continues to offer a scrip dividend alternative.

Hedging

Strategically JLIF does not hedge the capital values of its long term assets held overseas in Canada and Continental Europe. However, it continues to manage the short term cash flows arising from these projects by hedging them appropriately. For example, JLIF is using foreign exchange forward contracts to reduce its exposure to fluctuations in its forecast 2015 Canadian dollar cash flows.

Gearing

JLIF benefits from a £150 million revolving credit facility which is due to expire in February 2016. In anticipation of this, the Investment Adviser to JLIF, has started engaging with prospective lenders with a view to agreeing a new facility well ahead of expiry of the existing one. The facility provides JLIF with the flexibility to respond quickly when pursuing investment opportunities, something that is often attractive to prospective vendors. As at 31 March 2015, the existing facility was undrawn.

People

On 7 April, JLIF announced David Marshall's decision to retire from the Investment Adviser with effect from July this year. The Board of JLIF confirms Andrew Charlesworth will in future lead the investment team, which is being strengthened accordingly.

Outlook

JLIF has seen an active secondary market in 2015 to date, having been invited to bid for more than 20 stakes (some offered as portfolios). These have comprised stakes in assets in the UK, Continental European and Australia demonstrating a good level of activity in each of these geographies.

JLIF has selectively declined opportunities that did not adequately fit the investment criteria of the Fund or could not be acquired at a price that would represent good value for shareholders. Other acquisition opportunities continue to be evaluated and bid.

Looking towards the second half of 2015, JLIF is aware of a number of potential investment opportunities that are likely to come to market and therefore expects a similar level of market activity to continue. JLIF continues to develop strategic relationships with local participants in overseas markets in order to identify a pipeline of opportunities for growth in the medium and long term.

Note:

This Quarterly Update Statement aims to give an update of material events and transactions that have taken place during the period from 1 January 2015 to 8 May 2015 and their impact on the financial position of the Investment Group. This update reflects the Investment Adviser's and the Board's current views. They are subject to a number of risks and uncertainties and could change. Factors which could cause or contribute to such differences include, inter alia, general economic and market conditions and specific factors affecting the financial prospects or performance of individual investments within the portfolio of JLIF.

This update contains forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. Undue reliance should not be placed on any such statements because they speak only as at the date of this document and, by their very nature, are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results and JLIF's actions to differ materially from those expressed or implied in the forward-looking statements.

This update has been prepared solely to provide additional information to shareholders as a body and should not be relied on by any other party or for any other purpose.

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