

The new ordinary shares (the “**New Shares**”) offered by International Public Partnerships Limited (the “**Company**”) have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”), or under any applicable state securities laws of the United States, and may not be offered, sold, pledged or otherwise transferred directly or indirectly in or into the United States, or to or for the account or benefit of any US person within the meaning of Regulation S (“**Regulation S**”) under the Securities Act. Shareholders and beneficial owners in the United States will not be able to participate in the offer.

Relevant clearances have not been, and will not be, obtained from the securities commission (or equivalent) of any province of Australia, Canada, Japan or the Republic of South Africa or any other jurisdiction where local law or regulations may result in a risk of civil, regulatory, or criminal exposure or prosecution if information or documentation concerning the issue or the prospectus is sent or made available to a person in that jurisdiction (a “**Restricted Jurisdiction**”) and, accordingly, unless an exemption under any relevant legislation or regulations is applicable, none of the New Shares may be offered, sold, renounced, transferred or delivered, directly or indirectly, in Australia, Canada, Japan or the Republic of South Africa or any other Restricted Jurisdiction.

The prospectus has been approved by the UK Financial Services Authority as a prospectus which may be used to offer securities to the public for the purposes of section 85 of the UK Financial Services and Markets Act 2000 and 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 the prospectus as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdictions. Access to the prospectus from other jurisdictions may be restricted by law and persons situated outside the United Kingdom should inform themselves about, and observe any such restrictions. The prospectus 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.

By accessing the prospectus you are representing to the Company and its advisers that you are not (i) a US Person (within the meaning of Regulation S under the Securities Act), or (ii) in the United States or any jurisdiction where accessing the Prospectus may be prohibited by law, or (iii) a resident of Australia, Canada, Japan, the Republic of South Africa or any other Restricted Jurisdiction, and that you will not offer, sell, renounce, transfer or deliver, directly or indirectly, New Shares subscribed for by you in the United States, Australia, Canada, Japan, the Republic of South Africa or any other Restricted Jurisdiction or to any US Person or resident of Australia, Canada, Japan, the Republic of South Africa or any other Restricted Jurisdiction.

Neither Numis Securities Limited (“**Numis**”) nor Barclays Bank PLC (“**Barclays**”) or any of their respective affiliates accepts any responsibility whatsoever and make no representation or warranty, express or implied, for the contents of the prospectus or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company or the securities or the offer referred to therein. Each of Numis and Barclays and each of their respective affiliates, each accordingly disclaims all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of the prospectus or any such statement. No representation or warranty, express or implied, is made by Numis or Barclays or any of their respective affiliates as to the accuracy, completeness or sufficiency of the information set out in the prospectus and no responsibility or liability is accepted for any such information or opinions.

Numis and Barclays are acting for the Company and no-one else in connection with the offer referred to herein and will not regard any other person as their client in relation to the offer and will not be responsible to anyone other than the Company for providing the protections afforded to their clients nor for providing advice in relation to the offer or any transaction or arrangement referred to in the prospectus.

PLEASE CLOSE THE BROWSER WINDOW AND DO NOT CONTINUE READING THE PROSPECTUS UNLESS:

- YOU HAVE READ, UNDERSTOOD AND AGREE TO THE ABOVE;
- YOU ARE NOT IN THE UNITED STATES OR IN ANY OTHER JURISDICTION WHERE ACCESSING THE PROSPECTUS MAY BE PROHIBITED BY LAW;
- YOU ARE NOT A US PERSON OR OTHERWISE A RESIDENT OF AUSTRALIA, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER RESTRICTED JURISDICTION; AND
- YOU ARE NOT INVESTING OR OTHERWISE ACTING FOR THE ACCOUNT OR BENEFIT OF A US PERSON OR A RESIDENT OF AUSTRALIA, CANADA, JAPAN, THE REPUBLIC OF SOUTH AFRICA OR ANY OTHER RESTRICTED JURISDICTION.

INTERNATIONAL PUBLIC PARTNERSHIPS

Placing, Open Offer and Offer for Subscription Prospectus 2012



Sponsor, Broker, Financial Adviser
and Joint Bookrunner



Joint Bookrunner

International Public Partnerships Limited
Registered number: 45241

THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take you should consult your accountant, legal or professional adviser, financial adviser or a person authorised for the purposes of the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities if you are in the United Kingdom or, if not, from another appropriately authorised investment adviser.

A copy of this document, which comprises a prospectus relating to International Public Partnerships Limited (the "Company"), prepared in accordance with the Prospectus Rules of the Financial Services Authority made pursuant to section 85 of the Financial Services and Markets Act 2000, has been delivered to the Financial Services Authority and has been made available to the public in accordance with Rule 3.2 of the Prospectus Rules.

If you sell or otherwise transfer or have sold or otherwise transferred all of your Existing Ordinary Shares in the Company before 8.00 a.m. on 25 May 2012 (the "**Ex**" date), please forward this document (the "**Prospectus**") together with the accompanying Open Offer Application Form (if any) to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee, except that such documents should not be sent into any jurisdiction where to do so might constitute a violation of local securities laws, including but not limited to the United States and the Excluded Territories. Please refer to paragraph 6 of the Terms and Conditions of the Open Offer contained at the end of this Prospectus if you intend to send this Prospectus and/or the Open Offer Application Form outside the United Kingdom. If you have sold or transferred only part of your registered holding of Existing Ordinary Shares in the Company, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately and refer to the instructions regarding split applications set out in this Prospectus and, for Qualifying Non-CREST Shareholders, in the Open Offer Application Form.

The distribution of this Prospectus and/or any accompanying documents and/or the transfer of Open Offer Entitlements through CREST and/or the offering of Open Offer Shares into a jurisdiction other than the United Kingdom may be restricted by law and therefore persons into whose possession this Prospectus and/or any accompanying documents comes should inform themselves about and observe any such restrictions. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdictions. In particular, subject to certain exceptions, this Prospectus and any accompanying documents should not be distributed, forwarded to or transmitted in or into any of the Excluded Territories. The attention of any overseas shareholders and any person (including, without limitation, stockbrokers, banks or other agents) who has a contractual or other legal obligation to forward this Prospectus into a jurisdiction other than the United Kingdom is drawn to the Notices to Overseas Investors on pages 95 to 96 of this Prospectus and to the Terms and Conditions of the Open Offer on pages 110 to 126 of this Prospectus.

INTERNATIONAL PUBLIC PARTNERSHIPS LIMITED

(incorporated in Guernsey with registered no 45241)

Placing, Open Offer and Offer for Subscription of up to 154,838,710 New Shares with the ability to increase the size of the Issue by 77,419,355 New Shares, each at an Issue Price of 116.25 pence per New Share and

**Admission to the Official List and trading on the London Stock Exchange's main market
for listed securities**

Information relating to the prior issue of 68,428,447 Ordinary Shares

Sponsor, Broker, Financial Adviser and Joint Bookrunner

Numis Securities Limited

Joint Bookrunner

Barclays

Prospective investors should read this entire document and, in particular, the matters set out under the heading "Risk Factors" on pages 8 to 20, when considering an investment in the Company.

It is expected that an application will be made to the UK Listing Authority for all of the New Shares (issued and to be issued) to be admitted to the Official List and for all such New Shares to be admitted to trading on the London Stock Exchange's main market. It is expected that such admission will become effective, and that unconditional dealings in the New Shares will commence on 25 June 2012.

The New Shares are not dealt in on any other recognised investment exchange and no other such applications have been made or are currently expected.

The Company is regulated by the Guernsey Financial Services Commission and is authorised as an authorised closed-ended investment scheme under Section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Authorised Closed-Ended Investment Scheme Rules, 2008 made thereunder. Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard thereto.

The Company is targeting a raising of up to £180 million through the Issue although the Company has the ability to increase the size of the Issue by up to 50 per cent. of the targeted amount.

The Company and its Directors, whose names appear on page 25 of this Prospectus, accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Bookrunners are acting for the Company and no-one else in connection with the Issue and will not regard any other person as their client in relation to the Issue and will not be responsible to anyone other than the Company for providing the protections afforded to their clients nor for providing advice in relation to the Issue or any transaction or arrangement referred to in this Prospectus.

Apart from the responsibilities and liabilities, if any, which may be imposed on the Bookrunners by FSMA or the regulatory regime established thereunder, the Bookrunners accept no responsibility whatsoever and make no representation or warranty, express or implied, for the contents of this Prospectus or for any other statement made or purported to be made by either of them, or on either of their behalf, in connection with the Company, the New Shares or the Issue. The Bookrunners accordingly disclaim all and any liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise have in respect of the Prospectus or any such statement. No representation or warranty, express or implied is made or given by or on behalf of either of the Bookrunners or any of their respective affiliates or any of such person's directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this Prospectus and no responsibility or liability is accepted for any such information or opinions.

The New Shares offered by this Prospectus have not been and will not be registered under the United States Securities Act of 1933, or under the applicable state securities laws of the United States and, subject to certain exceptions, may not be offered or sold directly or indirectly in or into the United States, or to or for the account or benefit of any US person (within the meaning of Regulation S under the Securities Act). In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended.

Prospective investors should consider carefully (to the extent relevant to them) the notices to residents of various countries set out at pages 95 to 96 of this Prospectus.

The latest time and date for acceptance and payment in full under the Open Offer is 11.00 a.m. on 15 June 2012. If you are a Qualifying Non-CREST Shareholder, Open Offer Application Forms should be completed in accordance with the Terms and Conditions of the Open Offer contained at the end of this Prospectus as soon as possible and in any event, so as to be received by the Receiving Agent by no later than 11.00 a.m. on 15 June 2012. An application may only be made on the enclosed Open Offer Application Form which is personal to the Qualifying Non-CREST Shareholder named thereon, and may not be assigned or transferred, except to satisfy *bona fide* market claims. Qualifying CREST Shareholders who wish to apply for Open Offer Shares and Excess Shares in respect of all or some of their Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST must send (or if they are CREST sponsored members, procure that their CREST sponsor sends) the relevant CREST instructions, which to be valid must settle by no later than 11.00 a.m. on 15 June 2012. Applications under the Offer for Subscription should be made on the Subscription Form set out at the end of this Prospectus and should be returned so as to be received together with payment in full by the Receiving Agent by no later than 11.00 a.m. on 15 June 2012.

Contents

	<i>Page</i>
SUMMARY	4
RISK FACTORS	8
EXPECTED TIMETABLE AND ISSUE STATISTICS	23
DIRECTORS, AGENTS AND ADVISERS	25
PART I INFORMATION ON THE COMPANY	26
PART II THE INFRASTRUCTURE MARKET AND CHARACTERISTICS OF THE COMPANY'S INVESTMENT PORTFOLIO	38
PART III THE EXISTING PORTFOLIO	46
PART IV INTERESTS COMPRISING THE FURTHER INVESTMENTS	52
PART V MANAGEMENT AND ADMINISTRATION	55
PART VI ISSUE ARRANGEMENTS	59
PART VII TAXATION	63
PART VIII FINANCIAL INFORMATION	70
PART IX ADDITIONAL INFORMATION	72
PART X CHECKLIST OF DOCUMENTATION INCORPORATED BY REFERENCE	93
NOTICES TO OVERSEAS INVESTORS	95
DEFINITIONS	97
GLOSSARY	106
TERMS AND CONDITIONS OF THE PLACING	107
TERMS AND CONDITIONS OF THE OPEN OFFER	110
TERMS AND CONDITIONS OF APPLICATION UNDER THE OFFER FOR SUBSCRIPTION	127
NOTES ON HOW TO COMPLETE THE SUBSCRIPTION FORM	136
SUBSCRIPTION FORM	139

Summary

THE FOLLOWING INFORMATION IS EXTRACTED FROM, AND SHOULD BE READ AS AN INTRODUCTION TO AND IN CONJUNCTION WITH, THE FULL TEXT OF THIS PROSPECTUS AND ANY INVESTMENT DECISION RELATING TO THE ISSUE SHOULD BE BASED ON THE CONSIDERATION OF THIS PROSPECTUS AS A WHOLE.

Where a claim relating to information contained in this 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 this Prospectus before legal proceedings are initiated. Civil liability attaches to those persons who are responsible for this summary, including any translation of this summary, but only if this summary is misleading, inaccurate or inconsistent when read together with other parts of this Prospectus.

THE COMPANY

The Company is a limited liability, Guernsey incorporated authorised closed-ended investment company. The Company offers Shareholders an exposure to investment in infrastructure assets and businesses, particularly those with a public or social character.

The Existing Ordinary Shares are admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. The Company raised £300 million in its initial public offer (the "**IPO**") which closed on 9 November 2006. It subsequently raised a further £84 million through the issue of C Shares on 17 April 2008 (which converted into Existing Ordinary Shares on 30 June 2008), £89.3 million through the issue of Ordinary Shares on 28 January 2010, and approximately £76.7 million through tap issues. The Company had a market capitalisation of £624.5 million (as at 22 May 2012), and a NAV of £624.3 million (as at 31 December 2011).

This Prospectus relates not only to the New Shares to be issued pursuant to the Issue, but also to any Ordinary Shares to be issued to AFML under the Incentive Fee arrangements during the period of 12 months from the date of this Prospectus and to the 68,428,447 Ordinary Shares issued between 1 September 2010 and the date of this Prospectus by way of tap issue.

Amber Fund Management Limited (the "**Investment Adviser**", the "**Operator**" or "**AFML**"), an investment manager authorised and regulated in the UK by the FSA, acts as investment adviser to the Company and operator of the Partnership.

BACKGROUND TO AND REASONS FOR THE ISSUE

The Directors believe that the Company has the opportunity to invest in further infrastructure investments meeting the Company's investment policies. The Company expects to deploy the Issue proceeds first in repayment of the Company's existing debt facility and then, to the extent not required for repayment, to acquire Further Investments. The Directors believe that the Issue proceeds are likely to be deployed within six to 12 months. The sources of Further Investments may include:

- Pipeline Investments that are being developed or bid on by the Investment Adviser or the Group with an aggregate investment value estimated at approximately £170 million¹. The Company has a right of first refusal to acquire projects fitting its investment criteria disposed of by Amber;
- A number of other projects that Amber and/or the Group are bidding on, developing or are in discussions about; and
- Opportunities to acquire investments from third party vendors or where the Group has pre-emption rights.

The Directors believe that the Issue will have the following benefits:

- The Company will be able to seek to acquire Further Investments (including the Pipeline Investments) that it believes will further diversify the Company's asset base;
- The Company will be able to repay existing borrowings, which will be available for re-drawing;
- Existing Shareholders and New Shareholders will have the opportunity to subscribe for further Shares in the Company;
- The Company's market capitalisation will increase, and secondary market liquidity in the Ordinary Shares is expected to be enhanced; and
- The Company's fixed running costs will be spread across a wider Shareholder base.

¹ The estimated investment value reflects the Directors' current unaudited estimate, based on the advice of the Investment Adviser, of the likely total acquisition price at the expected time of acquisition. It will not necessarily equal the eventual acquisition price for, or the value of, any interest that may be acquired by the Group in relation to such project which will depend on a range of factors.

PRINCIPAL TERMS OF THE ISSUE

The Company is targeting a capital raising of up to £180 million (with the ability to increase this by up to 50 per cent.) by way of an Issue of New Shares at an Issue Price of 116.25 pence per New Share, representing a discount of 0.6 per cent. to the Closing Price of 116.9 pence per Existing Ordinary Share as at the close of business on 22 May 2012 and a premium of 0.9 per cent. to the Estimated NAV per Existing Ordinary Share of 115.2 pence (as at 17 May 2012)².

The Company examined a number of options for raising equity and concluded (on the Sponsor's advice) that the combination of a Placing, an Open Offer and an Offer for Subscription allows Existing Shareholders to participate in the Issue by subscribing for New Shares pursuant to their Open Offer Entitlements on a pre-emptive basis as well as applying for further New Shares under the Open Offer through the Excess Application Facility, while providing the Company with the flexibility to raise the desired quantum of equity capital from new investors via the Placing and Offer for Subscription.

Application has been made for the New Shares to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. The New Shares will rank *pari passu* in all respects with the Existing Ordinary Shares.

ANNUAL GENERAL MEETING

As the Placing and Offer for Subscription are not on a pre-emptive basis, the Issue is conditional, amongst other things, on the passing of a resolution to disapply the pre-emption provisions in the Company's Articles in relation to the Issue at the Annual General Meeting convened for 21 June 2012. At the Annual General Meeting, certain other resolutions will be proposed, including but not limited to ordinary business, although the Issue is not conditional on those resolutions being passed.

INVESTMENT OPPORTUNITY

An investment in the Company will provide Shareholders with exposure to the PPP/PFI infrastructure asset class and to other infrastructure assets and businesses falling within the Company's investment criteria, which the Directors believe is attractive because of:

- attractive yields relative to the asset risk profile;
- likelihood of long-term stable cashflows and growth potential in the asset class;
- high barriers to entry;
- predictable, low volatility returns;
- limited exposure to changes in the business cycle;
- creditworthy counterparties;
- the experience and track record of the Amber Infrastructure Team; and
- the development and origination capacity of Amber and its investment pipeline.

The Company's trading history suggests that market performance of the Company's Shares tends to be relatively uncorrelated with the listed UK equity market generally. An investment in the Company made at the time of the IPO in November 2006 over the period to 22 May 2012 has outperformed the FTSE All Share Index by 29.1 per cent. and the FTSE 250 Index by 8.8 per cent. A Shareholder who acquired Existing Ordinary Shares in the IPO had, at 22 May 2012, seen a total return before tax of 45.2 per cent³.

INVESTMENT OBJECTIVES AND DIVIDEND POLICY

The Company will seek to provide Shareholders with long-term distributions at levels that are sustainable and which preserve the capital value of the Group's Investment Portfolio over the long-term. The Directors believe that long-term capital growth can also be achieved.

The Company will target a minimum dividend per annum and will aim to maintain and enhance the level of distributions. The Company's target distribution for 2012 is 6 pence per Ordinary Share⁴.

Distributions on Ordinary Shares are expected to be paid twice a year, normally in respect of the six months to 30 June and 31 December by way of dividend. Since the majority of the Group's investments are in concession-type contracts that have no certain residual value after the concession expires, over time projected cashflow from such investments and their contribution to distributions to Shareholders will increasingly represent a return of capital from the Investment Portfolio instead of income as concessions expire, and the Group's NAV is therefore expected to reduce in line with distributions.

2 The Estimated Net Asset Value is an estimate of the Directors, based on the advice of the Investment Adviser, and based on unaudited financial information of the Group, but using the same methodology as is used for the half-yearly Net Asset Values. This Estimated Net Asset Value and the information that has been used to prepare it has not been audited or reviewed by any person outside the Amber Group other than the Directors. There can be no assurance that the Net Asset Value as at 30 June 2012 will reflect the Estimated Net Asset Value which is prepared as at 17 May 2012.

3 Total shareholder return is capital appreciation of the Ordinary Shares plus cash dividends.

4 These are targets only and not profit forecasts. There can be no assurance that these targets will be met or that the Company will make any distributions whatsoever.

Where Admission occurs before any dividend is declared in respect of the period to 30 June 2012 the New Shares will be entitled to any distribution that is declared in respect of the six months to 30 June 2012.

The Company will target an IRR equal to or greater than 8 per cent⁵ on the IPO issue price of 100 pence per Ordinary Share over the long-term. The Directors believe there are currently opportunities to acquire Further Investments that may enhance the Company's IRR.

SUMMARY INVESTMENT POLICY

The Company's investment policy is to invest in public or social infrastructure assets in the UK, Europe, Australia and North America. The Investment Adviser will also consider investment in other core OECD countries, such as New Zealand, when it considers that the risk profile of a particular opportunity meets the Company's requirements.

The Group intends to continue acquiring both operational and construction phase assets from Amber and/or third parties. The Group intends to hold its investments for the long-term and aims to enhance the capital value of its investments and the income derived from its investments.

The Group intends to acquire Further Investments within any of the following parameters:

- investments with characteristics similar to the Company's existing assets;
- investments in assets or concessions having a public infrastructure character and in respect of which availability, property rental, or predictable user demand based payments are or will become payable; and
- investments in infrastructure assets, businesses or concessions which have high barriers to entry and expect to generate an attractive total rate of return over the life of the investments.

While there are no restrictions in this respect, the Group will, over the long-term, seek a spread of investments geographically and across industry sectors to achieve a broad risk balance in the Investment Portfolio.

THE EXISTING PORTFOLIO

The Existing Portfolio consists of interests in Investment Capital in 15 projects developed under the UK Government PFI scheme; 100 per cent. of Building Schools for the Future Investments LLP ("**BSFI**", the original holding entity for the UK Government's investments in the Building Schools for the Future programme); 33 projects developed under the UK National Health Service LIFT programme, one PPP project developed under the Scottish government's non-profit distributing public private partnership ("**NPD**") model, 15 PPP or other-type projects located in Australia, Belgium, Canada, France, Germany, Ireland and Italy; three projects developed under Ofgem's offshore electricity transmission tender process ("**OFTOs**") and investments in Angel Trains and BeNEX. In addition, the Existing Portfolio includes 100 per cent. of the senior debt interests in two PFI projects in which the Group also holds 100 per cent. of the Investment Capital. The Existing Portfolio consists predominantly of interests in Project Entities which have:

- direct or indirect entitlement to public sector or government backed revenues;
- finished construction or are in construction of public or social infrastructure facilities for provision of services relating to health, schools, government offices, courthouses, police and custodial facilities, rail infrastructure and rolling stock, electricity transmission, showgrounds or which are operating transport concessions; and
- contractual structures that usually provide for the majority of construction and operational project risks to be "passed down" by the Project Entity to subcontractors subject to pre-defined liability caps.

THE INVESTMENT ADVISER AND THE OPERATOR

Amber carries out investment management and advisory functions for the Group, through its wholly-owned subsidiary AFML. The Amber Infrastructure Team includes those responsible for the creation of the Company in 2006, and has provided services to the Company and the Group since then, having originated, developed, and/or provided financial advisory and/or management services in respect of substantially all investments in the Existing Portfolio and the Pipeline Investments. AFML also acts as investment advisor to a number of other infrastructure or urban development funds.

BORROWING POLICY

The Company may from time to time make prudent use of leverage. The Group's outstanding borrowings, including financial guarantees to support outstanding subscription obligations are limited to 50 per cent. of the Gross Asset Value of its investments and cash balances, with the Group having the ability to borrow in aggregate up to 66 per cent. of the Gross Asset Value on a short term (i.e. less than 365 day) basis if considered appropriate. For this purpose, outstanding borrowings exclude intra-group borrowings and debts of Project Entities.

5 These are targets only and not profit forecasts. There can be no assurance that these targets will be met or that the Company will make any distributions whatsoever.

DISCOUNT MANAGEMENT

To assist in the narrowing of any discount to the NAV at which the Ordinary Shares may trade from time to time, the Company may, at the sole discretion of the Directors, make market purchases of up to 14.99 per cent. per annum of its issued Ordinary Shares.

FEES AND EXPENSES

AFML is entitled to: (a) a Base Fee equal to 1.2 per cent. per annum of the Gross Asset Value of the Investment Portfolio, reducing to 1 per cent. of such part of the Gross Asset Value relating to operational projects as exceeds £750 million; and (b) an Incentive Fee in respect of each Incentive Period equal to 20 per cent. of the excess (if any) of the Ordinary Share Return over the Benchmark Return in the relevant Incentive Period. Up to 60 per cent. of the Incentive Fee may be paid in the form of Ordinary Shares.

The Group will pay certain Operator overhead expenses and its own ongoing operating expenses including administration, registrar, and general transactional fees and expenses.

Under the investment advisory arrangements, where AFML undertakes financial advisory services to the Group in relation to acquisitions and financings and capital raisings, additional fees will be payable to AFML. In some cases Amber group companies also receive fees for providing asset level management services to Project Entities as well as financial advisory and other fees from Project Entities relating to the origination, development or financing of assets.

SUMMARY OF RISK FACTORS

Typical investors in the Company are expected to be institutional and sophisticated investors and private clients of experienced wealth managers or execution-only retail brokers. Investors should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser before making an investment in the Company.

Risk factors affecting the Company and the New Shares include, but are not limited to, the following:

- There is no guarantee that the Company will achieve its investment objectives. An investment in the New Shares is only suitable for investors with sufficient resources to be able to bear losses that may arise from that investment (and such losses may be equal to the whole amount invested).
- Project Agreements for infrastructure projects may be terminated in certain circumstances and there may be no compensation on termination or the compensation received may be insufficient.
- The majority of the Group's investments are in concession-type contracts that have no certain residual value after the concession expires. Over time, unless new investments are made, the Group's NAV may reduce significantly.
- Infrastructure projects rely on large and detailed financial models. Errors in the assumptions or methodology used in the financial models may mean that the investment return from a Project Entity or investment will be less than expected or even nil.
- Business plans for Project Entities are typically based on the fact that construction and other risks of operating the relevant concessions are substantially assumed by subcontractors. The Project Entities may be exposed to increased cost or other liability where this does not happen, for example due to the operation of contractual liability caps, contractor default or insolvency or defective contractual provisions.
- The programmes that governments use to facilitate investment in infrastructure may vary from time to time and are not the only means of funding public infrastructure projects, and the use of such funding mechanisms in future may decrease, which may lead to reduced opportunities for the Group. Changes of policy either at the government level or within individual Public Sector Clients may also lead Public Sector Clients to seek to vary or terminate existing projects either by change of law or by contract where contractual provisions allow this.
- Not all the Group's investments will be into Project Entities. Angel Trains and BeNEX in the Existing Portfolio represent investments into operating businesses and the Group may make further similar investments in the future. These types of investments may incur additional risks (including without limitation the self-provision of operating services and demand risk).
- Shareholders who do not acquire New Shares in the Issue in proportion to their existing shareholding in the Company will experience dilution in their ownership of the Company. Shareholders outside the UK may not be able to participate in the Issue.

Risk Factors

Investment in the Company carries a degree of risk including but not limited to the risks in relation to the Company, the New Shares and the Tap Shares referred to below. The risks referred to below are risks which are considered to be material but are not the only risks relating to the Company, the New Shares and the Tap Shares. There may be additional material 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 this Prospectus carefully and in its entirety and consult with their professional advisers before acquiring any New Shares. If any of the risks referred to in this Prospectus or any other risks were to occur, the financial position and prospects of the Company could be materially adversely affected. If that were to happen, the trading price of the New Shares and/or the Tap Shares and/or Net Asset Value and/or the level of dividends or distributions (if any) received from the New Shares or Tap Shares could decline significantly and 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; who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; for whom an investment in the New Shares or Tap Shares constitutes part of a diversified investment portfolio; who fully understand and are willing to assume the risks involved in investing in the Company; and who have sufficient resources to bear any loss (which may be equal to the amount invested) which might result from such investment. Typical investors in the Company are expected to be institutional and sophisticated investors and private clients of experienced wealth managers or of execution-only retail brokers. Investors should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser before making an investment in the Company.

The market value of the Ordinary Shares can fluctuate, and they are designed to be held over the long-term and may not be suitable as short-term investments. There is no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investment.

There is no guarantee that the market value of the New Shares will reflect the underlying Net Asset Value of such New Shares. The New Shares may trade at a discount to Net Asset Value per Share for a variety of reasons, including market or economic conditions or to the extent investors undervalue the activities of the Investment Adviser, in which event the Shareholders may not be able to realise their investment in the New Shares at the Net Asset Value per Share. While the Directors intend to pursue a proactive policy in seeking to mitigate any discount to Net Asset Value per Share, there can be no guarantee that this strategy will be successful in effecting a reduction in any discount.

Any investment objectives of the Company are targets only and should not be treated as assurances or guarantees of performance. The past performance of the Company and/or other investments managed and monitored by Amber, its predecessors, the Amber Infrastructure Team or their respective associates is not a reliable indication of the future performance of the investments held by the Group. The success of the Group will depend on the skill and expertise of the Infrastructure Team in identifying, selecting and developing appropriate investments. There is no guarantee that suitable Further Investments will be available following Admission or that any investment will be successful. Competition for investment opportunities may result in increased purchase prices and/or reduced returns.

B. RISKS ASSOCIATED WITH THE EXISTING PORTFOLIO AND FURTHER INVESTMENTS

The Existing Portfolio consists of direct and indirect interests in Investment Capital in:

- fifteen projects developed under the PFI programme of the UK government;
- thirty three projects developed under the NHS LIFT programme;
- eight projects developed under the PPP programmes of various states within Australia;
- two projects, one each developed under the PPP programmes of Alberta and Ontario in Canada;
- one PPP project developed under the Scottish government's NPD model;
- five other PPP projects, one each developed in Belgium, France, Germany, Ireland and Italy;
- three OFTOs (projects developed under Ofgem's offshore electricity transmission tender process);
- Building Schools for the Future Investments LLP ("BSFI"), which holds the UK Government's former minority investments in the Project Entities developed as part of the national Building Schools for the Future Programme; and
- investments in Angel Trains and BeNEX.

The Group also intends to make Further Investments.

Specific risk factors apply to investments in the Existing Portfolio and to Further Investments that the Group intends to make as detailed below. Where risk factors apply specifically at project or Project Entity level, if the risks were to occur the value of the relevant Investment Capital or the returns the investments generate could be adversely affected, in turn affecting the

Group's Net Asset Value, returns to Shareholders, and/or the value of the Ordinary Shares. However, it should be noted that it is not expected that there will be any recourse to the Company in respect of the liabilities of individual Project Entities.

Size of Major Holdings

The value of some of the investments in the Existing Portfolio is significantly greater than others. For example, as at 31 December 2011, 54.2 per cent. of the value of the Existing Portfolio is comprised of investments in the Project Entities responsible for ten assets. If any circumstances arose which materially affected the returns generated by any of those Project Entities or investments (or any other significant part of the Existing Portfolio), the effect on the Group's ability to meet its investment objectives could be material.

Limits on Vendors' Liabilities

Under agreements for acquisitions of Investment Capital, the vendors have typically provided or will typically provide various warranties for the benefit of the Group in relation to the relevant acquisition. Such warranties however are generally limited in scope, subject to time limitations, materiality thresholds and a liability cap. To the extent that any loss suffered by the Group is not covered by warranties, arises outside of such limitations or exceeds such cap, such loss will be borne by the Group.

Termination of Project Agreements

Typically with respect to infrastructure assets depending on a contract with a Public Sector Client (as is the case for the overwhelming majority of the Group's assets), both the Project Entity and the Public Sector Client are likely to have the right to terminate a Project Agreement in certain defined circumstances. Such circumstances may also include a right of "voluntary" (no fault) termination for the Public Sector Client. The amount of compensation (if any) to which the Project Entity will be entitled on any ground of termination will depend on the terms of the Project Agreement. There may be no compensation in some cases and if any compensation is payable it may be disputed, delayed or paid over time. The costs of rectifying the circumstances leading to termination could reduce the amount payable. In some cases the compensation payable may only cover the senior debt in the Project Entity and may not include amounts to repay Investment Capital, or may only cover the nominal value of Investment Capital in the Project Entity. In other cases (including voluntary termination and termination for *force majeure*), the amount of compensation payable (if any) may be less than the value at which the Company values the asset. In summary, there can be no certainty that on termination (however arising) the full amount of senior debt secured on that Project Entity or the nominal value of the Investment Capital invested in the Project Entity (or any amount paid by the Company over the nominal value of the relevant Investment Capital for that Investment Capital) will be compensated. In addition, any compensation payable is typically paid subject to a "waterfall" whereby equity capital is repaid last. For these purposes, senior debt can be taken to include the costs (or gains) arising from breaking any interest rate hedging arrangements. Typically, senior lenders will have security over any compensation proceeds.

For the majority of NHS LIFT projects, there are no provisions under the Project Agreement providing for compensation to be paid to the Project Entity in a termination scenario. This is due to the fact that the Project Entity owns the building and the land on which it is built and is therefore left with an asset which it can use, develop or dispose of following termination of the Project Agreement, subject to the terms of any security over the asset, title issues, other third party lettings affecting the site and the Public Sector Clients' rights to purchase the site under certain circumstances. However, there can be no certainty over the value of the asset(s) left to the Project Entity. For the other NHS LIFT projects, where the Project Entity does not own the building, there are provisions under the Project Agreement providing for compensation, although the caveats noted above in relation to the adequacy of such compensation apply.

Financial Modelling

Infrastructure projects rely on large and detailed financial models to project future cash receipts and hence the value of those projects based on the quantum of such projected future receipts. Such models contain macro assumptions relating to future trends such as interest rates, tax rates and rates of inflation. Such models also assume that defined amounts of cash are received and expended at specific dates in the future. These assumptions may prove to be inaccurate and thus the outputs projected to be received by the financial models at any time may not be actually realised. There is also a risk that errors may be made in the assumptions or methodology used in a financial model. The accounting treatment of projects may change from that assumed in a financial model. In such circumstances the returns generated by the Project Entity may be less than expected or even nil.

Targeted Returns of Project Entities

The Group will make investments based on estimates or projections of future investment cashflows. There can be no assurance that the actual investment cashflows and thus returns generated will equal or exceed those estimated and that the stated targeted return to Shareholders will be achieved.

Inflation/Deflation

The revenues and expenditure of Project Entities with respect to infrastructure assets of all sorts are frequently partly or wholly subject to indexation. From a financial modelling perspective, an assumption is usually made that inflation will increase at a long-term rate (but which may vary depending on country and from time to time). If inflation overshoots or undershoots the original projections for this long-term rate, this will impact on the cash that the Group actually generates from its investments. The Company's ability to meet targets and its objective may thereby be adversely or positively affected by inflation and/or deflation. An investment in the Company cannot be expected to provide protection from the effects of inflation or deflation.

Control

Past and future infrastructure investments will be in Project Entities that the Group does not always control. The contractual documentation may include concession, finance and shareholder agreements and may contain certain minority restrictions and protections that may impact on the ability of the Group and the Operator to have control over the underlying investments and/or expose the Group to the risk that other investors may individually or collectively act in a way that is contrary to the Group's interests. This may affect the value of, and/or the returns from, the Group's assets.

Benchmarking/Market Testing

Project Agreements for some infrastructure projects will often contain benchmarking and/or market-testing regimes which may potentially alter the cost to the Project Entity in respect of providing certain services. These mechanisms may expose the Project Entity to losses arising from changes in some of its costs relative to its revenues, which may reduce the returns generated.

Life Cycle Costs

During the life of an investment, components of the project assets or building (such as elevators, roofs and air handling plant in a building, or parts in a rail vehicle) will need (*inter alia*) 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 from time to time by the Project Entities to assist in such forecasting of lifecycle timings and costs. However, shorter than anticipated asset lifespans or costs or inflation higher than forecast may result in life cycle costs being more than anticipated. Any increased cost implication not otherwise passed down to subcontractors will generally be borne by the affected Project Entities and affect investor returns.

Insurance

A Project Entity will usually be responsible under its Project Agreement for maintaining insurance cover for, amongst other things, buildings, other capital assets, contents and third party risks (for example arising from damage to property). Typically, the Project Entity takes the risk that the cost of maintaining the insurance may be greater than expected and that in some circumstances it may not be able to obtain the necessary insurance. Where insurance is not obtainable, in the case of some projects, the Project Agreement may provide that the Public Sector Client may in certain circumstances arrange to insure the relevant risks itself. If a risk then subsequently occurs, the Public Sector Client can typically choose whether to let the Project Agreement continue, and pay to the Project Entity an amount equal to the insurance proceeds which would have been payable had the insurance been available (excluding in certain cases amounts which would have been payable in respect of Investment Capital), or terminate the Project Agreement and pay compensation on the basis of termination for *force majeure* which may not fully compensate the Group to the level of the value of its investment (see above under "Termination of Project Agreements"). Also, certain risks may be uninsurable in the insurance market or subject to exclusions of general events (e.g. the effect of war) and in such cases the risks of such events will rest with the Project Entity. In the case of NHS LIFT projects, where insurance is unavailable, the Project Entity is obliged to liaise with the relevant Strategic Partnering Board as to whether or not the Project Agreement should be terminated.

In summary, a Project Entity may incur extra costs maintaining insurance, or may not be able to insure against a risk, which could affect the returns it generates.

Change in Accounting Standards, Tax Law and Practice

Financing structures of Project Entities are based on assumptions regarding (amongst other things) prevailing taxation law and practice and accounting standards. Any change in a Project Entity's tax status or in tax legislation or practice (including in relation to taxation rates) or in accounting standards could adversely affect the investment return of the Project Entity. If returns from Investment Capital reach a high level, there is also a risk that governments may seek to recoup returns that they deem to be excessive either on individual projects or more generally, which would result in reduced returns to Shareholders.

Change in Policy

The programmes that governments use to facilitate investment in infrastructure may vary from time to time and are not the only means of funding public infrastructure projects, and the use of such funding mechanisms in future may decrease, which may lead to reduced opportunities for the Group. See "Lack of Residual Value and Further Acquisitions" below for the potential consequences if the Group does not acquire Further Investments. Changes of policy either at the government level or within individual Public Sector Clients may also lead Public Sector Clients to seek to vary or terminate existing projects either by change of law or by contract where contractual provisions allow this. Compensation may or may not be payable in such circumstances and if paid may not be sufficient to cover the amounts invested in, or paid for the acquisition of, the Investment Capital by the Group (see "Termination of Project Agreements" above).

Regulatory Risk

The economic viability of a Project Entity may depend implicitly or explicitly on regulatory conditions in a particular jurisdiction. Changes in these conditions may adversely affect the financial performance of the Project Entity, which in turn may affect the returns the Group receives from such investments. A Project Entity may incur increased costs or losses as a result of changes in law or regulation, for instance because a change of law affects explicit or implicit government support provided to the project. Where a Project Entity holds a concession or lease from the Government, the concession or lease may restrict the Project Entity's ability to operate the business in a way that maximises cashflows and profitability. The lease or concession

may also contain clauses more favourable to the Government counterparty than a typical commercial contract, reducing the opportunities for returns from the Project Entity. Some infrastructure assets (including in the Existing Portfolio and Pipeline Investments) are subject to regulation by government-appointed regulators who may have the power to regulate the revenues the Project Entity receives and/or impose obligations that affect its costs or projected investment returns. Where such powers are exercised then the Group's projections of investment returns may be adversely affected leading to losses or reduction in value for investors.

Exceeded Liability Limits

Where Project Entities have entered into contracts, the contractors' liabilities to a Project Entity for the risks they have assumed will typically be subject to financial caps and it is possible that these caps may be exceeded in certain circumstances. Any loss or expense in excess of such a cap would be borne by the Project Entity unless covered by the Project Entity's insurance. This could reduce the investment returns generated by the Project Entity.

Building Defects

Project Entities typically subcontract design and construction activities in respect of projects. The contractors responsible for the construction of a project asset will normally retain liability in respect of design and construction defects in the asset for a period (which varies between projects and between countries) following the construction of the asset, subject to liability caps. The Project Entity will take the risk that such liability cannot be adequately enforced and will not normally have recourse to any third party for any defects which arise after the expiry of these limitation periods. If liability for the defect cannot be enforced against the contractor or a third party, the Project Entity will bear the costs arising from the defect, including third party claims and repair costs. These may adversely affect the Group's projected investment returns.

Environmental Liabilities

To the extent there are environmental liabilities arising in future in relation to any sites owned or used by a Project Entity, including, but not limited to, clean-up and remediation liabilities, such Project Entity may, subject to its contractual arrangements and the relevant laws, be required to contribute financially towards any such liabilities, and the level of such contribution may not be restricted by the value of the sites or by the value of the Group's total investment in the Project Entity. This may affect the Group's projected investment returns.

Carbon Reduction Commitment Energy Efficiency Scheme

If a Project Entity is responsible for energy supply in relation to the facilities it provides then, subject to certain thresholds, it may be required to comply with the Carbon Reduction Commitment Energy Efficiency Scheme which was introduced in the UK on 1 April 2011 and any other schemes with similar policy goals that may be introduced in the UK or elsewhere.

The Group may also fall within such schemes as a result of rules requiring the aggregation by a holding company of energy use by subsidiaries. Compliance with such schemes will entail additional administration costs and may result in increased costs through the purchase of allowances or other required activities that have not been budgeted for. Such additional costs may adversely affect the Group's projections of investment returns leading to losses or reduction in value for investors.

Contractor Service Failures

If a contractor to a Project Entity fails to perform the services which it has agreed to provide, the Project Entity may fail to meet obligations which it has to others (including Public Sector Clients) and there may be a consequent reduction in the revenues that the Project Entity is entitled to receive, and/or claims for damages against the Project Entity.

If there is a contractor service failure and the relevant contractor or its guarantors (if any) or insurers fail to meet their obligations in respect of the liabilities that have been passed on to them then, to the extent the liability cannot be set off against service fees, the Project Entity will not be compensated for any reductions in payments and/or claims made against it (whether by the Public Sector Client or a third party) which it suffers as a result of the subcontractor's service failure. Such reduced revenue or claims may adversely affect the Group's projections of investment returns leading to losses or reduction in value for investors. Ultimately such service failure could lead to termination of a Project Agreement. See "Termination of Project Agreements" on how compensation on termination of a Project Agreement may not be sufficient or available.

Counterparty Default and Reliance on Contractors

In some instances in respect of the Existing Portfolio, a single contractor is responsible for providing services to various Project Entities in which the Group invests. Investments made by the Group depend on the timely and accurate performance of obligations by contractual counterparties. Any default or insolvency of a counterparty could result in unexpected costs or a reduction in revenues, in turn affecting the returns made for the Group by the relevant Project Entity. Where a single contractor provides services to a number of Project Entities, the default or insolvency of such single contractor alone could adversely affect a number of the Group's investments and thereby have a greater effect on returns to Shareholders. Part III of this Prospectus contains details of relevant contractors in respect of the Existing Portfolio.

The Group may acquire Further Investments including established portfolios of investments in Project Entities. Those Project Entities may already have appointed contractors for the duration of their concessions and in cases of portfolios, there could be a single contractor only. Although the Group will aim to avoid an excessive reliance on any single contractor, and will have regard to this concern when making Further Investments, the risk described above could be increased in respect of the expanded portfolio if such Further Investments are acquired.

Changes to Contractual Arrangements

Contracts between Project Entities and Public Sector Clients typically include provisions allowing the Public Sector Client to require changes to the project facilities and/or to the terms of project contracts. Usually these provide for the Project Entity to be, as a consequence, in no better and no worse a position as a consequence of the change in comparison to its economic position when the project was established. It is nonetheless possible that changes required by Public Sector Clients may have a negative effect on the Group if the actual economic position of the Project Entity at the time of the change is better than it was projected to be at the time of the establishment of the project.

Termination of Contractors

If there is a contractor service failure which is sufficiently serious to cause a Project Entity to terminate a contract, or an insolvency in respect of a contractor, or the Public Sector Client requires the Project Entity to terminate a contract in such event, there may be a loss of revenue during the time taken to find a replacement contractor and the replacement contractor may levy a surcharge to assume the contract or charge more to provide the services. There will also be costs associated with the re-tender process. These may not be recoverable from the defaulting contractor, reducing returns produced for the Group by the Project Entity.

Defects in Contractual Arrangements

The contractual arrangements made by a Project Entity may not be as effective in passing on risks to its contract as intended and this may result in unexpected costs or reductions in expected revenues for the Project Entity. Certain provisions in contracts intended to pass risk could be ineffective, leaving the Project Entity with liabilities that are not forecast. Such unforecast liabilities could mean lower than forecast returns for the Group from the relevant investment.

Public Sector Client or Payor Default

The concessions granted to Project Entities comprised within the Existing Portfolio are predominantly granted by a variety of Public Sector Clients including but not limited to central government departments, local and state governments and statutory corporations. Although the creditworthiness and power of each such body to enter into Project Agreements has been considered on a case-by-case basis, the possibility of a default remains. It is not certain that central government will in all cases assume liability for the obligations of local and state governments and statutory corporations in the absence of a specific guarantee, or that central governments will themselves not default on their obligations. In case of a default, the relevant Project Entity's revenues may be less than projected and in turn the returns the Group receives from that Project Entity could be less than anticipated.

Covenants for Senior Debt

The covenants provided by a Project Entity or other investment entity of the Group (e.g. Angel Trains or BeNEX) in connection with its senior debt are normally extensive and detailed. If certain covenants are breached, payments on Investment Capital are liable to be suspended. Additionally if an event of default occurs the senior lenders may become entitled to "step in" and take responsibility for, or appoint a third party to take responsibility for, the Project Entity's rights and obligations under the Project Agreement or the investment entity's operations (as applicable), although the senior lenders will have no recourse against the Company in such circumstances. In addition, in such circumstances the senior lenders will typically be entitled to enforce their security over Investment Capital in the Project Entity or other investment entity or over its assets and to sell the Project Entity or other investment entity or its assets to a third party. The consideration for any such sale is unlikely to result in any payment in respect of the Group's investment in the Project Entity or other investment entity.

This risk factor applies to each Project Entity or other investment entity with senior debt, whether the Group has a controlling interest in such Project Entity or other investment entity or not, and could result in the value of Investment Capital being reduced or even nil or returns from Project Entities being reduced. However, the consequences of such breach of covenant in relation to any one Project Entity or other investment entity are limited to that particular Project Entity or other investment entity and do not affect the rest of the Group save in respect of potential suspension of payments of Investment Capital as described above.

Operational Risk

A number of projects within the Existing Portfolio involve the provision of services. The contractual or other arrangements for the provision of these services may not be as effective as intended and/or may result in unexpected costs or a reduction in expected revenues for the Project Entity. Where responsibility for the provision of services is subcontracted, recourse against the contractor is usually subject to liability caps and there may be no effective recourse in some situations (e.g. insolvency on the part of the contractor). If the Project Entity has no effective recourse, its revenues and the returns it generates for the Group could be reduced.

Construction Risk

26 per cent. (by Net Asset Value as at 31 December 2011) of the projects owned by Project Entities within the Existing Portfolio remain in the construction phases of their concessions and are not yet fully cash generative. The Group may acquire Further Investments or further interests in Project Entities which are similarly in the construction phases of their concessions. Where delay is caused which is attributable to the construction contractor, the contractual arrangements made by a Project Entity may not be as effective as intended and/or contractual liabilities on the part of the Project Entities may result in unexpected costs or a reduction in expected revenues for the Project Entity. Any recourse against the construction contractor

is usually subject to liability caps and there may be no effective recourse in some situations (e.g. insolvency on the part of the contractor). If the Project Entity has no effective recourse, its revenues and the returns it generates for the Group could be reduced.

Industrial Relations Risk

Industrial action, for instance action involving a contractor to a Project Entity, may result in unexpected costs or a reduction in expected revenues for the Project Entity, affecting returns to the Group.

Demand Risk

One of the Project Entities within the Existing Portfolio (Diabolo) is partially impacted by revenues receivable from users and is thus exposed to partial demand risk. This may also be the case to a greater or lesser extent with Further Investments. There is a risk with such projects that, upon construction completion and the opening for use by users, demand and revenues fall below the current projections and this may result in a reduction in expected revenues for the relevant Project Entities. Other Project Entities (including those operating “availability-based” projects where the bulk of payments are based on making the facilities available for use and do not depend substantially on the demand for or use of the project) may depend in part on additional revenue from ancillary activities, for example letting of school accommodation for out of hours use. The amount of additional revenue received from any such activities may be variable and less than projected. Within the Existing Portfolio, Northamptonshire Schools, Calderdale Schools, St Thomas More School, Derbyshire Schools, Royal Children’s Hospital, and Gold Coast Light Rail Project are projected to receive additional revenue of this nature.

The Group may make additional investments in Project Entities which have “demand-based” concessions where the payments received by the Project Entities depend on the level of use made of the project assets. There is a risk that the level of use of the project assets and therefore the returns from such Project Entities will be lower than expected. Investments made by the Group other than into Project Entities (such as Angel Trains and BeNEX) may also be subject to an element of demand risk.

In summary, where demand risk materialises, Project Entities may not receive the income forecast for them, and the projected returns to the Group could be reduced.

Force Majeure and Terrorism

With respect to the Existing Portfolio and any Further Investments generally, if a *force majeure* event continues or is likely to continue to affect the performance of the services by the Project Entity for a long period of time (for example six months or longer) it is likely that both the Project Entity and the Public Sector Client will have the right to terminate the Project Agreement. In such circumstances, compensation (if any) would be unlikely to cover the amounts paid for the acquisition of the Investment Capital by the Group.

There is also a risk that one or more of the Group’s investments could be directly or indirectly affected by terrorist attack. Such an attack could leave a Project Entity unable to use one or more properties for their intended uses for an extended period, or lead to a decline in income or property (and therefore investment) value, and/or injury or loss of life, as well as litigation related thereto. Such risks may not be insurable or may be insurable only at rates that the Group deems uneconomic. More widely, terror attacks and ongoing military and related action in various parts of the world such as Iraq, Afghanistan, Iran, and elsewhere could have significant adverse effects on the world economy, securities, bond and infrastructure markets and the availability and cost of maintaining insurance. Increased costs for a Project Entity could reduce the returns received by the Group in respect of that Project Entity.

Insurance Mediation Directive

There is a risk that Project Entities involved in the UK could be deemed to carry out activities described as insurance mediation. If this were the case, a Project Entity could find itself open to criminal prosecution if it arranged insurance on behalf of other parties in a project without obtaining authorisation from the FSA. It could be subject to a range of sanctions including fines (reducing returns in respect of the relevant Project Entity) and the arrangements being declared void.

The FSA has issued guidance which suggests that authorisation is not required. The guidance states that the need for authorisation will only arise if the Project Entity is carrying on insurance mediation by way of business on behalf of third parties for remuneration and that a Project Entity that takes on contractual obligations in relation to the arranging of insurance on behalf of other parties involved in a project will not be regarded as providing insurance mediation services to third parties for remuneration.

The guidance only covers typical UK PFI/PPP projects (that is a project involving the provision of works and/or services by one party to another governed by a long-term project agreement and having certain types of insurance related provisions) and is not binding on the FSA. The FSA notes in its guidance that the interpretation of relevant legislation is “ultimately a matter for the courts to determine”.

Untested Nature of Long-term Operational Environment

Given the long-term nature of infrastructure concession contracts, and the fact that infrastructure is a relatively new investment class, there is as yet no experience of long-term operational problems, changes to government policies or other significant changes that may arise in the future and which may affect infrastructure projects and Project Entities and therefore the Group’s investment returns.

Corrupt Gifts and Fraud

Typically the Public Sector Client will have the right to terminate the Project Agreement where the Project Entity or a shareholder or subcontractor (or one of their employees) has committed bribery, corruption or other fraudulent act in connection with the Project Agreement. Even though the Group may have had no involvement, Investment Capital will frequently not be compensated in these circumstances. This would affect the Group's Net Asset Value and projected returns.

Market Value of Investments

Returns from the Group's investments will be affected by the price at which they are acquired. The value of these investments will be (amongst other risk factors) a function of the discounted value of their projected future cashflows, and as such will vary with, *inter alia*, movements in interest rates, government bond rates in the countries where the investments are based, and the competition for such assets. In addition, while the Company or the Investment Adviser undertakes a review or due diligence exercise in connection with the purchase of investments, this may not reveal all relevant facts. There can be no certainty that the future cashflows projected to be received at any time will actually be received either at all or in the amounts or on the dates projected. Variances are certain to happen from time to time and any variances to these projections will affect the value of the Group's investments and the income (if any) generated from them.

Where the Company publishes its Net Asset Value such value will be the Company's estimation of the Company's Net Asset Value from time to time based on their current projections for future cashflow discounted to a present value using such discount factors as may seem appropriate to the Company from time to time. The discount factors used are themselves certain to change from time to time, being influenced by (for instance) interest rates and the perception of risk in the assets being valued. Investors should note that any Net Asset Value published may not have been independently appraised and should not be assumed to represent the value at which the Group's portfolio could be sold in the market at any time or that the assets of the Company and/or Group are saleable readily or otherwise.

Investment in Companies

Not all of the investments made by the Group will necessarily be into Project Entities. In the Existing Portfolio investments in Angel Trains and BeNEX both represent (directly or indirectly) investments into operating businesses and the Group may make further similar investments in the future. As such, these investments (and any future investments of a similar type) may incur additional risks (including but not limited to the self-provision of operating services and demand risk). Furthermore, such investments involve agreements with Private Sector Clients. Although the Group carries out due diligence on the good standing and financial resources of each client, there is generally an increased risk of default by Private Sector Clients when compared to Public Sector Clients. The potential consequences of any default would be to adversely affect the Group's returns.

Liquidity of Investments

The majority of investments made by the Group are likely to comprise unquoted interests in Project Entities which are not publicly traded or freely marketable and a sale may require the consent of other interested parties. Such investments may therefore be difficult to value and realise. Such realisations may involve significant time and cost and/or result in realisations at levels below the Net Asset Value estimated by the Company.

Risk of Limited Diversification

Other than some holdings in cash or cash equivalents, near cash instruments, money market instruments and money market funds, cash funds and hedging instruments, the Group will invest exclusively in infrastructure-related investments and will therefore bear the risk of investing in only one asset class.

Re-leasing/Residual Value Risk

Angel Trains and BeNEX each provide rolling stock to various train operating companies under long-term lease arrangements. Under section 30 of the Railways Act 1993 (as amended by the Transport Act 2000 and the Railways Act 2005), the UK Secretary of State for Transport (acting through the Department of Transport) is under a statutory duty to ensure the continuity of rail passenger services such that it may be required to provide or secure the provision of replacement services if a train operating company's franchise is terminated or expires and is not replaced. The Secretary of State has certain step-in rights and could (but is not obliged to) procure new lease arrangements between Angel Trains and the new train operating company. However, the Secretary of State is under no such duty where adequate alternative passenger services are already available.

In addition, although certain elements of the revenue generated by Angel Trains benefit from undertakings given by the Department for Transport under section 54 of the Railways Act 1993, which provide Angel Trains with guaranteed minimum lease rentals for periods exceeding the first lease length (therefore mitigating the re-lease risk), not all of Angel Trains' lease arrangements benefit from such undertakings.

As such, Angel Trains (on the expiry of such lease arrangements or on the expiry of a train company operating franchise) and BeNEX will each have some exposure to the risk of being unable to re-lease rolling stock or re-leasing on less favourable terms. This may affect estimated revenues from these investments. The Group may also make Further Investments in assets that have these characteristics.

Subordinated Debt

The Existing Portfolio includes interests in subordinated debt issued in respect of various NHS LIFT projects (described in Part III of this Prospectus) without any accompanying shareholding interest in the relevant schemes. Further Investments may include subordinated debt in both NHS LIFT and other projects. Such subordinated debt, while secured and ranking ahead of equity capital, ranks behind the interests of senior debt issued in respect of such projects. In the event of any default in payment in respect of the senior debt the Group's ability to (amongst other things) enforce payment will be prejudiced by the terms of the priority arrangements applicable between it and the senior lenders (and thus returns may be affected).

Residual Value

In some cases Project Entities in which the Group has invested or may invest own assets that are expected to have a residual value to the Group once any contract with the Public Sector Client or other counterparty has expired or been terminated. The Group makes assumptions as to the likely residual value obtainable at this time but these assumptions may be incorrect or change from time to time and the eventual residual value obtainable is likely to depend on a wide range of factors including (without limitation) market prices, government policy, and the continued need and demand for use of the asset. In respect of such assets there is a risk that the assumptions underpinning the residual value projections may be incorrect and that the actual residual value obtainable by the Group is lower than that anticipated. This may result to a reduction in expected revenues or value for the Group.

Lack of Residual Value and Further Acquisitions

On the other hand, it is expected that Project Entities who have concession-based contracts will have no assets with any residual value to the Group after the concessions expire. Since the majority of the Group's investments are expected to be in such Project Entities, unless the Group acquires sufficient new investments in Project Entities with new concessions expiring at later dates, a significant part of the Group's Investment Portfolio could be made up of Project Entities whose concessions have expired and who therefore have no residual value and the Group's NAV would be significantly reduced.

While the Group intends to acquire Further Investments, there is no guarantee that any such acquisition will occur. There are currently no acquisition agreements in place between the Group and owners of Further Investments and there is no guarantee that any such acquisition agreements will be entered into. As well as the effect on the Group's Net Asset Value described above, if the Group has fewer investments with value as concessions expire, there will be fewer opportunities to enhance income and capital growth through ongoing management. In addition, other risks may become more acute as the Group's Investment Portfolio is smaller and therefore less diversified.

Non-Public Sector Client Revenues

In some Project Agreements (for instance, Northamptonshire Schools), the projected income of the Project Entities assumes that certain revenues will be received from use of the project's facilities. There can be no assurance that actual third party revenues will equal or exceed those expected and projected. Where projected returns assume a certain level of third party revenues, if such projected revenues are not in fact achieved, the returns assumed may not be achieved.

Ability to Finance Further Investments

The Group will make Further Investments where it has sufficient finance, whether by using existing reserves, by borrowing or by issuing further Shares. Although the Group's existing debt facility is available for drawdown until May 2014, and although it expects to be able to borrow thereafter on reasonable terms and that there will be a market for further Shares, there can be no guarantee that this will always be the case in the longer term.

C. GENERAL RISKS ASSOCIATED WITH INVESTING IN THE COMPANY

No Guarantee of Return

A prospective investor should be aware that the value of an investment in the Company is subject to normal market fluctuations and other risks inherent in investing in securities. There is no assurance that any appreciation in the value of the Ordinary Shares will occur or that the investment objectives of the Company will be achieved. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company.

In particular, prospective investors should be aware that the periodic distributions made to Shareholders will comprise amounts periodically received by the Group in repayment of, or being distributions on, its Investment Capital in Project Entities and other investment entities including distributions of operating receipts of investment entities. Investors should note that the majority of the Existing Investments are in, and Future Investments are likely to be in, infrastructure assets that have no or only limited value to the Group once concession contracts with Public Sector Clients (or other contractual counterparties) come to an end whether by expiry or earlier termination. As such, distributions to investors over the life of the Group's Existing and Future Investments, while likely to be characterised as income, should be treated partly as distributions of income and partly as returns of capital. Where they are returns of capital, the Group's NAV will decrease.

The Company's targeted returns for the Ordinary Shares are based on assumptions which the Directors consider reasonable. However, there is no assurance that all or any assumptions will be justified, and the Company's return may be correspondingly reduced. In particular, there is no assurance that the Company will achieve its distribution and/or IRR targets.

Ordinary Shares

The value of the Ordinary Shares and income derived from them (if any) can go down as well as up. Notwithstanding the existence of the share buyback powers as described in Part I of this Prospectus, there is no guarantee that the market price of the Ordinary Shares will fully reflect their underlying Net Asset Value or that the Net Asset Value accurately reflects market value. In the event of a winding-up of the Company, Shareholders will rank behind any creditors of the Company and, therefore, any positive return for Shareholders will depend on the Company's assets being sufficient to meet the prior entitlements of any creditors.

Dilution in Ownership and Voting Interest in the Company

If a Qualifying Shareholder does not subscribe under the Issue for such number of New Shares as is equal to his or her proportionate ownership of Existing Ordinary Shares, his or her proportionate ownership and voting interests in the Company will be reduced and the percentage that his or her Ordinary Shares will represent of the total share capital of the Company will be reduced accordingly. Those Shareholders in the United States and the Excluded Territories, subject to certain exceptions, will not be able to participate in the Open Offer. In addition, neither the Placing nor the Offer for Subscription is being made on a pre-emptive basis. As such, taking up an Open Offer Entitlement or even applying for New Shares under the Excess Application Facility will not stop a Shareholder's interest from being diluted. Shareholders outside the United Kingdom may not be able to acquire New Shares pursuant to the Issue or for future issues of Ordinary Shares. Securities laws of certain jurisdictions may restrict the Company's ability to allow participation by Shareholders in the Issue. In particular, holders of Ordinary Shares who are located in the United States may not be able to exercise any pre-emption rights unless a registration statement under the Securities Act is effective with respect to such rights or an exemption from the registration requirements is available thereunder. The Issue will not be registered under the Securities Act. Securities laws of certain other jurisdictions may restrict the Company's ability to allow participation by Shareholders in such jurisdictions in any future issue of shares carried out by the Company. Qualifying Shareholders who have a registered address in, or who are resident in or who are citizens of, countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to acquire New Shares.

Dependence on Key Personnel

There is no certainty that significant members of the Infrastructure Team will continue to be part of the Infrastructure Team or that Amber will continue as the Investment Adviser and/or Operator throughout the life of the Company. There is also no certainty that key personnel involved with individual projects or contractors will continue in their roles. If key personnel were to depart, the Group may not be able to realise its targets or objectives.

Conflicts of Interest

The Investment Adviser/Operator, the General Partner, the Administrator, the Bookrunners, any of their directors, officers, employees, agents and connected persons and the Directors and any person or company with whom they are affiliated or by whom they are employed may be involved in other financial, investment or other professional activities which may cause potential conflicts of interest with members of the Group and their investments. In particular, these parties may, without limitation: provide services similar to those provided to the Group to other entities; buy, sell or deal with infrastructure assets on its own account (including dealings with the Group); and/or take on engagements for profit to provide services including but not limited to origination, development, financial advice, transaction execution, asset and special purpose vehicle management with respect to infrastructure assets and entities including Project Entities that are or may be owned directly or indirectly by the Group. Interested Parties will not in any such circumstances be liable to account for any profit earned from any such services.

The Investment Adviser and its directors, officers, employees and agents and the Directors will at all times have due regard to their duties owed to members of the Group and where a conflict arises they will endeavour to ensure that it is resolved fairly.

Liquidity

Although the New Shares are to be listed on the premium segment of the Official List and admitted to trading on the main market of the London Stock Exchange and will be freely transferable, the ability of Shareholders to sell their New Shares in the market, and the price which they may receive, will depend on market conditions. The New Shares may trade at a discount to their respective Net Asset Values and it may be difficult for a Shareholder to dispose of all or part of his New Shares at any particular time.

The Company has the ability, subject to certain Shareholder approvals, to make tender offers for Ordinary Shares and to make market purchases of Ordinary Shares from Shareholders. Any such tender offers or market purchases will be made entirely at the discretion of the Directors. As such, Shareholders will not have any ability to require the Company to make any tender offers for, or market purchases of, all or any part of their Shares. Shareholders cannot therefore require the Company to take particular action that might reduce the discount at which New Shares are trading.

Exculpation and Indemnification

The structure through which the Group makes investments includes two English limited partnerships. Certain provisions contained in the governing documents for these partnerships may limit the liability of the relevant partnership's general partner and operator. The Group is also responsible for indemnifying the general partner and the operator (and their employees and agents) for any losses or damage incurred by them except in certain limited circumstances.

Currency Risk

If an investor's currency of reference is not GBP, 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 Group's investments will be denominated in currencies other than GBP. The Company will maintain its accounts and intends to pay distributions in GBP. Accordingly, fluctuations in exchange rates between GBP and the relevant local currencies and the costs of conversion and exchange control regulations will directly affect the value of the Group's investments and the ultimate rate of return realised by investors. Whilst the Group may enter into hedging arrangements to mitigate this risk to some extent, there can be no assurance that such arrangements will be entered into or that they will be sufficient to cover such risk.

Interest Rate Risks

Changes in interest rates may adversely affect the Group's investments. Changes in the general level of interest rates can affect the Group's profitability by affecting the spread between, amongst other things, the income on its assets and the expense of its interest bearing liabilities, the value of its interest-earning assets and its ability to realise gains from the sale of assets should this be desirable.

Changes in interest rates may also affect the valuation of the Group's assets. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Group.

The Group may finance its activities with either fixed and/or floating rate debt. With respect to any floating rate debt, the Group's performance may be affected adversely if it fails to or chooses not to limit the effects of changes in interest rates on its operations by employing an effective hedging strategy, including engaging in interest rate swaps, caps, floors or other interest rate contracts, or buying and selling interest rate futures or options on such futures. There can however be no assurance that such arrangements will be entered into or that they will be sufficient to cover such risk.

Some of the Group's Existing Investments are, and some future investments may be, in Project Entities that are financed by bonds which are insured by monoline insurers. Any downgrade in the rating of a monoline insurer may have a negative performance impact on such Project Entities, as well as potentially causing a margin increase on the related senior debt and/or default under the relevant finance documents (increasing costs and thereby potentially reducing returns in respect of that project).

Hedging Risk

Should the Group elect to enter into hedging arrangements to protect against inflation risk, currency risk and/or interest rate risk (and it will be under no obligation to do so), the use of instruments to hedge a portfolio (whether at Project Entity level or above) carries certain risks, including the risk that losses on a hedge position will reduce the Group's earnings and funds available for distribution to investors and that such losses may exceed the amount invested in such hedging instruments. There is no perfect hedge for any investment, and a hedge may not perform its intended purpose of offsetting losses on an investment and, in certain circumstances, could increase such losses. The Group may also be exposed to the risk that the counterparties with which the Group trades may cease making markets and quoting prices in such instruments, which may render the Group unable to enter into an offsetting transaction with respect to an open position.

Although the Group will 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.

Leverage

The Group has the ability to use leverage in the financing of its investments. The use of leverage increases the exposure of investments to adverse economic factors such as rising interest rates, severe economic downturns or deteriorations in the condition of an investment or its market.

The Group has a £100 million corporate debt facility that is available for use until May 2014 under the terms of the Loan Facilities Agreement. In respect of any future borrowings that the Group may incur, it is possible that the Group may from time to time not be able to refinance borrowing which becomes repayable during the life of the Group, in which case the performance of the Group may be adversely affected as the Group may be required to seek alternative sources of financing which may be unavailable or may not be on as favourable terms. If alternative sources of financing are unavailable then the Group would be required to dispose of assets in order to make such repayments and the Group may not be able to realise the same value as if it were not a forced seller and the performance of the Group may be adversely affected in such circumstances. These future borrowings of the Group may be secured on the assets of the Group and a failure to fulfil obligations under any related financing documents may permit lenders to demand early repayment of the loan and to realise their security. In such circumstances, lenders may be entitled to take ownership or dispose of the Group's assets to the extent of outstanding liabilities of the Group.

The Loan Facilities Agreement contains certain covenants and restrictions in favour of the lending banks. The Directors will continue to actively monitor and manage the Group's financing requirements with the intention that any such covenants are not breached.

Failure to Restructure

If the Group makes an investment with the intention of restructuring, refinancing or selling a portion of the capital structure thereof, there is a risk that the Group will be unable to complete successfully such a restructuring, refinancing or sale. Any such failure could lead to increased risk and cost to the Group and reduced returns.

Valuations

All investments owned by the Group will be valued in accordance with the Group's valuations methodology and the resulting valuations will be used, among other things, for determining the basis on which any Ordinary Shares are bought back by the Company and additional capital raised.

Valuations of the assets of the Group as a whole may also reflect accruals for expected or contingent liabilities, the amount or incidence of which is inevitably uncertain. It follows that some unfairness may arise between departing, continuing and new investors. A valuation is only an estimate of value and is not a precise measure of realisable value. Ultimate realisation of the market value of an asset depends to a great extent on economic and other conditions beyond the control of the Group, and valuations do not necessarily represent the price at which an investment can be sold.

All valuations made by the Company or advised by the Investment Adviser are made, in part, on valuation information provided by the Project Entities and other investment entities in which the Group has invested. Although the Investment Adviser considers 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 are typically provided by the Project Entities 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 contains information that may be out of date and require updating and completing. Shareholders should bear in mind that the actual Net Asset Values may be materially different from and in fact lower than these half yearly valuations and that the reported Net Asset Values of the Company are not required to be audited or represented by the Company to be the value that the Company's investments would actually achieve on any sale.

Recourse to the Company's Assets

The Company's assets, including any investments made by the Company and any funds held by the Company, are available to satisfy all liabilities and other obligations of the Company. If the Company becomes subject to a liability, parties seeking to have the liability satisfied may have recourse to the Company's assets generally and may not be limited to any particular asset, such as the asset giving rise to the liability. To the extent that the Company chooses to use special purpose entities for individual transactions to reduce recourse risk (and it may, but will be under no obligation to do so), the *bona fides* of such entities may be subject to later challenge.

Global Economic Conditions

The current financial and economic climate impacts upon the infrastructure (including PFI/PPP) market and the Group's activities. Should these circumstances prevail for a prolonged period within the UK, European or other markets, deal flow might be held up and capacity in debt markets might continue to be constrained in combination with the difficulty in accessing new funds. Activity within the secondary market for infrastructure assets has reduced with the capital constraints prevalent in the economy. There is a risk that the situation may persist. This could make it harder for the Group to make Further Investments (with the associated risks described above under "Lack of Residual Value and Further Acquisitions") and it could affect the solvency and operations of the Group's counterparties.

Foreign Investments

Laws and regulations of foreign countries may impose restrictions that would not exist in the UK. Investments in foreign entities have their own economic, political, social, cultural, business, industrial and labour environment and may require significant government approvals under corporate, securities, exchange control, foreign investment and other similar laws and may require financing and structuring alternatives that differ significantly from those customarily used in the UK. In addition, foreign governments may 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 or 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 GBP and therefore a portion of the distribution may be made in foreign securities or currency. It also may be difficult to obtain and enforce a judgment in a court outside of the UK.

The Company, through due diligence investigations, will analyse information with respect to political and economic environments and the particular legal and regulatory risks in foreign countries before making investments, but no assurance can be given that a given political or economic climate, or particular legal or regulatory risks, might not adversely affect an investment by the Group.

As a separate point, foreign governments may introduce new tax laws (e.g. transaction or industry specific taxes) which may change the tax profile of the relevant entity.

Distributions

The amount of distributions and future distribution growth will depend on the Group's underlying Investment Portfolio. Any change or incorrect assumption 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 Group invests) may reduce the level of distributions received by Shareholders. In particular, prospective investors should note that the States of Guernsey is undertaking a further review of its tax regime with the intention of implementing any required revisions to the regime in the period between 2013 and 2015. At this point in time, the key features of any revised regime have yet to be determined but prospective investors should refer to the section on taxation in Part VII of this Prospectus. In addition any change in the accounting policies, practices or guidelines relevant to the Group and its investments may reduce or delay the distributions received by investors. The Company's ability to pay dividends will be subject to the provisions of the Law.

To the extent that there are impairments to the value of the Group's investments that are recognised in the Company's income statement under IFRS, this may affect the profitability of the Company (or lead to losses) and affect the ability of the Company to pay dividends.

Alternative Investment Fund Managers Directive

The EU Alternative Investment Fund Managers Directive (No. 2011/61/EU) ("**AIFM Directive**") is expected to be transposed into the national legislation of each EU Member State in mid-2013 following a series of consultations from both the European Commission and the European Securities and Markets Authority together with the regulatory bodies appointed at national level by European member states. Much of the detail of the legislation is yet to be finalised and the full impact of its implementation on the Company remains uncertain. In January 2012, the FSA issued a discussion paper (DP12/1) in which it was proposed that an investment fund listed on the Official List, such as the Company, should itself be treated as the alternative investment fund manager (the "**AIFM**") under the AIFM Directive, rather than (as had been anticipated) having the option to appoint a third party manager as its AIFM. Whether or not this proposal is adopted, the implementation of the AIFM Directive is likely to significantly increase regulatory and compliance costs.

The AIFM Directive will initially allow the continued marketing of non-EU alternative investment funds ("**AIFs**"), such as the Company, by the AIFM or its agent under national private placement regimes where EU Member States choose to retain private placement regimes. Such marketing will be subject to the requirement that appropriate cooperation agreements are in place between the supervisory authorities of the relevant EU member states and the GFSC, that Guernsey is not on the Financial Action Task Force money-laundering blacklist and to compliance with certain aspects of the AIFM Directive (such aspects differing depending on whether the AIFM is based in the EU or not (as would be the case if the Company is the AIFM)). It is intended that, over time, a passport will be phased in to allow the marketing of non-EU AIFs such as the Company and that private placement regimes will be phased out. Both the adoption of the passport and the phasing out of national private placement regimes are subject to certain criteria. Consequently, there may be restrictions on the marketing of the Company's shares in the EU, which in turn may have a negative effect on marketing and liquidity of the New Shares generally. In addition, in March 2012 HM Treasury published a discussion paper on the AIFM Directive which, amongst other things, considers whether additional regulatory restrictions should be imposed on funds marketed to retail investors. If such restrictions were imposed, liquidity and marketing of the New Shares could be negatively affected and the Company's marketing and compliance costs could be increased.

Taxation

Investors should consider carefully the information given in Part VII of this Prospectus and should take professional advice about the consequences for them of investing in the Company.

The Group structure through which the Company makes investments, whilst designed to maximise post-tax returns to investors, is based on the current tax law and practice of the UK, Luxembourg, Guernsey, Australia, Belgium, Canada, France, Germany, Ireland and Italy. Such law or practice is subject to change, and any such change may reduce the net return to investors, and the Group may incur cost in taking steps to mitigate this effect.

To the extent that the Group's investments are outside the UK, it is possible that investors will be subject to some amount of foreign income, capital gains and/or withholding taxes with respect to such investments.

Worldwide Debt Cap

The Finance Act 2009 introduced complex new rules restricting the deductibility of UK interest costs which took effect from 1 January 2010.

The interest restriction potentially applies where the net debt within the Group's UK Portfolio exceeds 75 per cent. of the Group's gross external debt. If this were to affect the Group's UK Portfolio, it would have a negative effect on the cashflow expected from the Project Entities as it would give rise to permanent additional tax. Based on advice received, these measures do not currently give rise to a restriction on the deductibility of interest in relation to the Existing Portfolio. However, if Further Investments in the UK are acquired, the net debt in the Group's UK Portfolio could exceed 75 per cent. of the Group's gross external debt, which would mean that these rules could reduce cashflows and thereby affect returns from both the UK investments in the Existing Portfolio and from Further Investments in the UK.

Withholding Tax

There can be no assurance that entities in which the Group invests will not be required to withhold tax on the payment of interest or dividends. Such withheld tax would not be recoverable and so any such withholding would have an adverse effect on the Company's value.

In addition, HMRC published a consultation document on 27 March 2012 entitled "Possible changes to income tax rules on interest" which affects persons who are subject to income tax on interest in accordance with the Income Tax (Trading and Other Income) Act 2005, or who are required to deduct income tax from interest and other payments in accordance with the Income Tax Act 2007 (the "**ITA**"). Potentially, the main area of relevance to the Company in light of the mentioned consultation document relates to quoted Eurobonds.

Currently, the obligation to deduct income tax from payments of yearly interest imposed by Chapter 3 of Part 15 of the ITA is disapplied if the instrument on which the interest is paid is a quoted Eurobond (section 882 ITA). Broadly, in the UK Eurobonds are securities denominated in non-Sterling currencies. A quoted Eurobond is defined for the purposes of the rules on deduction of tax at section 987 ITA as an interest bearing security issued by a company, and listed on a recognised stock exchange.

The UK Government has invited views on amending the quoted Eurobond exemption so that it would not apply where the Eurobond is issued to a fellow group company, and listed on a stock exchange on which there is no substantial or regular trading in the Eurobond. The consultation document refers to the stock exchanges in the Channel Islands and Cayman Islands. The effect of the amended rule would be to leave untouched the quoted Eurobond exemption for the majority of Eurobond issues. It would deny the exemption only in the case of intra-group Eurobond issues rather than being directed at the raising of third party finance.

If these changes are implemented as proposed, then based on current forecasts and subject to the implementation of appropriate planning, restructuring or the claiming of an alternative relief, which should mitigate the impact of such a change, this could reduce the overall return to investors.

Transfer Pricing

To the extent that interest paid by Project Entities and Holding Entities on debt provided by parties interested in the equity of the Project Entity (for example the subordinated debt element of the Investment Capital) exceeds arm's length rates, the relevant tax authorities may seek to restrict the allowable deduction for such interest payments to arm's length rates. This could result in more tax being paid by a Project Entity or Holding Entity and ultimately may reduce the return to investors.

Important Information

In assessing an investment in the Company, investors should rely only on the information in this Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Prospectus 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, the Bookrunners or any other person. Neither the delivery of this Prospectus nor any subscription or purchase of New Shares made pursuant to this Prospectus shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to the date of this Prospectus.

REGULATORY INFORMATION

This Prospectus does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy New Shares in any jurisdiction in which such offer or solicitation is unlawful. Issue or circulation of this Prospectus may be prohibited in some countries.

Prospective investors should consider carefully (to the extent relevant to them) the notices to residents of various countries set out at pages 95 to 96 of this Prospectus.

This Prospectus relates not only to the New Shares to be issued pursuant to the Issue, but also to any Ordinary Shares to be issued to AFML under the Incentive Fee arrangements during the period of 12 months from the date of this Prospectus and to the 68,428,447 Ordinary Shares issued between 1 September 2010 and the date of this Prospectus by way of tap issue (the “**Tap Shares**”).

INVESTMENT CONSIDERATIONS

The contents of this Prospectus are not to be construed as advice relating to legal, financial, taxation, investment 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 New Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of New 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 New 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.

This Prospectus should be read in its entirety before making any investment in the New 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 Incorporation and Articles of Incorporation 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 “believes”, “estimates”, “anticipates”, “forecasts”, “projects”, “expects”, “intends”, “may”, “will” or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company's actual results to differ materially from those indicated in these statements. These factors include but are not limited to those described in the part of this Prospectus entitled “Risk Factors”, which should be read in conjunction with the other cautionary statements that are included in this Prospectus. Any forward-looking statements in this Prospectus reflect the Company's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations and growth strategy.

These forward-looking statements apply only as of the date of this Prospectus. Subject to any obligations under the Listing Rules, the Disclosure and Transparency Rules and the 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 Prospectus which could cause actual results to differ before making an investment decision.

For the avoidance of doubt, nothing in the foregoing paragraphs under the heading “Forward-Looking Statements” constitutes a qualification of the working capital statement contained in paragraph 2.14 of Part IX of this Prospectus.

PRESENTATION OF INFORMATION

MARKET, ECONOMIC AND INDUSTRY DATA

Market, economic and industry data used throughout this Prospectus is derived from various industry and other independent sources.

The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

CURRENCY PRESENTATION

Unless otherwise indicated, all references in this Prospectus to “GBP”, “Sterling”, “pounds sterling”, “£”, “pence” or “p” are to the lawful currency of the UK, all references to “USD” are to the lawful currency of the US, all references to “€” or “Euro” are to the lawful currency of the Eurozone countries, all references to “Australian Dollars” are to the lawful currency of Australia and all references to “Canadian Dollars” are to the lawful currency of Canada.

LATEST PRACTICABLE DATE

References to the “latest practicable date” in this Prospectus are to 22 May 2012.

DEFINITIONS AND GLOSSARY

A list of defined terms used in this Prospectus is set out at pages 97 to 105. A glossary of selected infrastructure-related terms used in this Prospectus is set out on page 106.

GOVERNING LAW

Unless otherwise stated, statements made in this Prospectus are based on the law and practice currently in force in England and Wales or Guernsey (as appropriate) and are subject to changes therein.

Expected Timetable and Issue Statistics

EXPECTED TIMETABLE

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

<i>Event</i>	<i>Date</i>
Record Date for entitlements under the Open Offer	23 May 2012
Despatch of this Prospectus and the AGM Circular to Existing Shareholders and, to Qualifying Non-CREST Shareholders only, the Open Offer Application Forms	25 May 2012
Offer for Subscription and Placing Open	25 May 2012
Ex-entitlement date for the Open Offer	25 May 2012
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock account of Qualifying CREST Shareholders in CREST	As soon as possible after 8.00 a.m. on 28 May 2012
Recommended latest time for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST (i.e. if the Open Offer Entitlements are in CREST and the Existing Shareholder wishes to convert them into certified forms)	4.30 p.m. on 11 June 2012
Latest time and date for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3.00 p.m. on 12 June 2012
Latest time and date for splitting Open Offer Application Forms (to satisfy <i>bona fide</i> market claims only)	3.00 p.m. on 13 June 2012
Latest time and date for receipt of completed Subscription Forms under the Offer for Subscription and payment in full under the Offer for Subscription and settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 15 June 2012
Latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer and Offer for Subscription and settlement of relevant CREST instructions (as appropriate)	11.00 a.m. on 15 June 2012
Latest time and date for receipt of Placing commitments	11.00 a.m. on 15 June 2012
Latest time and date for receipt of forms of proxy	2.45 p.m. on 19 June 2012
Annual General Meeting	2.45 p.m. on 21 June 2012
Results of the Issue announced through a Regulatory Information Service	22 June 2012
Admission and commencement of dealings in the New Shares	25 June 2012
New Shares issued in uncertificated form expected to be credited to accounts in CREST	25 June 2012
Despatch of definitive share certificates for the New Shares issued in certificated form	As soon as possible after 2 July 2012

The dates and times specified above are subject to change. In particular, the Directors may, with the prior approval of the Bookrunners bring forward or postpone the closing time and date for the Placing, the Open Offer and the Offer for Subscription by up to two weeks. If such date is changed the Company will notify investors who have subscribed for New Shares of changes to the timetable either by post, by electronic mail or by the publication of a notice through a Regulatory Information Service.

ISSUE STATISTICS

Issue Price per New Share	116.25 pence
Target number of New Shares being issued ⁶	154,838,710
Estimated net proceeds of the Issue ⁷	177,226,500
International Security Identification Number (ISIN) for the New Shares available under the Placing and Offer for Subscription	GB00B188SR50
ISIN for the Open Offer Entitlements	GB00B85M5564
ISIN for the Excess CREST Open Offer Entitlements	GB00B85M6869
ISIN for use by CREST applicants for the Offer for Subscription (if CREST applications are offered in the Company's sole discretion)	GG00B8G02Z83
SEDOL	B188SR5

⁶ Calculated on the basis that the targeted Issue size of £180 million is reached.

⁷ Calculated on the basis that the targeted Issue size of £180 million is reached and maximum Placing Fees are paid.

Directors, Agents and Advisers

Directors (all non-executive)	Keith Dorrian (<i>Chairman</i>) Rupert Dorey Giles Frost Carol Goodwin John Whittle
Investment Adviser and Operator	Amber Fund Management Limited Two London Bridge London SE1 9RA
Administrator to Company, Company Secretary and Registered Office	Heritage International Fund Managers Limited Heritage Hall PO Box 225 Le Marchant Street St. Peter Port Guernsey GY1 4HY (Telephone + 44 1481 716 000)
Registrar	Capita Registrars (Guernsey) Limited 2nd Floor No 1 Le Truchot St. Peter Port Guernsey GY1 4AE
UK Transfer Agent	Capita Registrars The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Receiving Agent	Capita Registrars Corporate Actions The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Sponsor, Broker, Financial Adviser and Joint Bookrunner	Numis Securities Limited The London Stock Exchange Building 10 Paternoster Square London EC4M 7LT
Joint Bookrunner	Barclays Bank Plc 5 The North Colonnade Canary Wharf London E14 4BB
Auditors	Ernst & Young Royal Chambers St. Julians Avenue St. Peter Port Guernsey GY1 4AF
Reporting Accountants to the Issue	Ernst & Young Royal Chambers St. Julians Avenue St. Peter Port Guernsey GY1 4AF
Legal Advisers to the Company as to English Law	Hogan Lovells International LLP Atlantic House Holborn Viaduct London EC1A 2FG
Legal Advisers to the Company as to Guernsey Law	Carey Olsen P O Box 98 Carey House Les Banques St. Peter Port Guernsey GY1 4BZ
Legal Advisers to the Bookrunners	Eversheds LLP 1 Wood Street London EC2V 7NS

Part I

Information on the Company

INTRODUCTION

The Company is a Guernsey incorporated authorised closed-ended investment company which currently invests directly or indirectly in public or social infrastructure assets and concessions located in the UK, Australia, Belgium, France, Germany, Ireland, Italy and Canada and, it is anticipated in due course, in certain other parts of the world. The Company is advised by Amber Fund Management Limited and provides investors with access to Amber's network of infrastructure executives to manage the Company's existing investment portfolio and to source future infrastructure assets to provide income and capital growth.

The Existing Ordinary Shares are admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. The Company raised £300 million in its initial public offer which closed on 9 November 2006 and it subsequently raised a further £84 million through the issue of C Shares on 17 April 2008 (which converted into Existing Ordinary Shares on 30 June 2008) and a further £89.3 million through the issue of Ordinary Shares on 28 January 2010. The Company has also raised a total of £76.7 million through tap issues of the Tap Shares, including £52 million on 13 September 2011. The Company had a market capitalisation of £624.5 million (as at 22 May 2012) and a NAV of £624.3 million (as at 31 December 2011). The NAV per Existing Ordinary Share (as at 31 December 2011) was 116.9 pence which has grown by 18.4 per cent. since the Initial Public Offer.

The £473.3 million which the Company raised in aggregate through its Initial Public Offer, the C Share Issue and the 2010 Issue were invested within the timeframes indicated in the prospectuses published in connection with these capital raisings. The Company retains a committed £100 million loan facility from the Royal Bank of Scotland plc and National Australia Bank Limited and has utilised approximately £18.1 million of this facility. The Directors believe that the Company has the opportunity to invest in further infrastructure investments meeting the Company's investment policies.

This Prospectus relates not only to the New Shares to be issued pursuant to the Issue, but also to any Ordinary Shares to be issued to AFML under the Incentive Fee arrangements during the period of 12 months from the date of this Prospectus (as further described later in this Part I under "Fees and Expenses") and to the Tap Shares (as issued as at the date of this Prospectus).

BACKGROUND TO AND REASONS FOR THE ISSUE

The Company intends to raise £180 million through the Issue, although the Company has the ability to increase the size of the Issue by up to 50 per cent. of the targeted amount. The Issue comprises a Placing, an Open Offer to Qualifying Shareholders on a pre-emptive basis and an Offer for Subscription, in aggregate equalling up to 154,838,710 New Shares at an Issue price of 116.25 pence per New Share.

Regardless of the eventual size of the Issue, the Net Issue Proceeds will be used first to discharge the Group's indebtedness of approximately £18.1 million and then, to the extent they are not required for repayment under the terms of the Loan Facilities Agreement, to finance the acquisition of Further Investments or to discharge third party debt incurred to acquire Further Investments and to meet other operational expenses of the Group's business, as a result of which the Directors anticipate that the Net Issue Proceeds are likely to be fully deployed within 6 to 12 months.

Further Investments are anticipated to include the Pipeline Investments, which comprise additional investments in the UK offshore electricity transmission sector, further investments in UK PPP-type assets, and another investment in a German PPP project (the "**Pipeline Investments**"). The aggregate investment value of these opportunities is estimated by the Directors, based on the advice of Amber, to be approximately £170 million⁸.

The Company has exclusive access to the Pipeline Investments as these are projects where either the Group or Amber (with the right of first refusal for the Company on disposal by Amber) is the Preferred Bidder to acquire the corresponding Investment Capital. Whilst the Company has exclusive access to the Pipeline Investments on disposal by Amber, there is no guarantee that they will be acquired or if they are on what terms.

In addition to the Pipeline Investments, Amber is also engaged in developing a number of other projects which if successfully developed are anticipated to be likely to fit within the Company's investment criteria and which the Company would have the right (but no obligation) to acquire on disposal by Amber. There are further opportunities on which Amber or the Group are bidding on, developing or are in discussions on which have an estimated capital/investment value of in excess of £1.5 billion⁹. The Group also has opportunities in mature or semi-mature stage PPP projects where it has the benefit of pre-emption rights arising from the Existing Portfolio. All such opportunities are, in the view of the Directors, likely to bring additional value to the Company and the proceeds arising from the Issue will allow the Company to pursue such opportunities more effectively.

8 The estimated investment value reflects the Directors' current unaudited estimate, based on the advice of the Investment Adviser, of the likely total acquisition price at the expected time of acquisition. It will not necessarily equal the eventual acquisition price for, or the value of, any interest that may be acquired by the Group in relation to such project which will depend on a range of factors.

9 The meaning of capital/investment value depends on the investment in question. Further details are set out in Part IV of this Prospectus.

Whilst there is no guarantee that the Pipeline Investments will be acquired and if they are on what terms, or whether the other projects that the Investment Adviser is engaged in will be acquired by the Group, the Directors believe that the Pipeline Investments and other such projects are indicative of the attractive and suitable investment opportunities that currently exist and are expected to arise and have concluded that it is now an appropriate time to seek to raise additional capital for the Company. Since the list of Pipeline Investments and Further Investments in Part IV of this Prospectus is indicative only, the Company will not prioritise the use of Net Issue Proceeds for any particular investment.

The Directors believe that as a result of the strong performance of the Company to date there is demand from existing investors for further investment in the Company and from new investors for investment in the Company that cannot be satisfied in the secondary market.

The Directors believe that the proposed Issue has the following principal benefits:

- the discharge of the Group's existing indebtedness under its corporate debt facility of approximately £18.1 million will reduce the amount of interest payments made by the Group and the facility will be available for re-drawing;
- the Net Issue Proceeds will provide the Group with capital with which to (subject to further due diligence and agreement as to the terms of any acquisition) acquire some or all of the Pipeline Investments and to pursue other investment opportunities which the Directors believe are likely to increase as methods of procurement of public infrastructure such as public private partnerships continue to be adopted and developed in various countries;
- the Net Issue Proceeds will provide the Group with capital with which to, through the acquisition of Further Investments, further diversify the asset base in the Existing Portfolio, both geographically and across industry sectors;
- Existing Shareholders will be able to subscribe for further Ordinary Shares in the Company and those investors who would not otherwise have been able to invest in the Company will have the opportunity to make an investment;
- the market capitalisation of the Company will increase following the Issue and it is expected that the secondary market liquidity of the Ordinary Shares will be enhanced through a larger and more diversified Shareholder base; and
- the Issue will provide a larger asset base for the Company over which its fixed operating costs may be spread, thereby providing a reduction to the Company's total expense ratio.

NET ASSET VALUE UPDATE

The last Net Asset Value per Existing Ordinary Share published by the Company was as at 31 December 2011 and was 116.9 pence. The next Net Asset Value per Existing Ordinary Share due to be published by the Company will be as at 30 June 2012, and is expected to be published in August 2012. In advance of this, the Directors, based on the advice of the Investment Adviser and taking into account the dividend of 2.925 pence per Ordinary Share declared on 19 April 2012, estimate that as at 17 May 2012 the Estimated Net Asset Value is not less than 115.2 pence per Existing Ordinary Share.

The Estimated Net Asset Value is an estimate of the Directors based on the advice of the Investment Adviser and based on unaudited financial information of the Group, but using the same methodology as is used for the half-yearly Net Asset Values. This Estimated Net Asset Value and the information that has been used to prepare it has not been audited or reviewed by any person outside the Amber Group other than the Directors. As such, there can be no assurance that the Net Asset Value as at 30 June 2012 will reflect the Estimated Net Asset Value which is prepared as at 17 May 2012.

INVESTMENT OBJECTIVES

The Company will seek to provide Shareholders with a predictable and attractive yield on the Company's investments. The Company's intention is to provide, over the long-term, distributions at levels that are both sustainable and which preserve the capital value of the Group's portfolio of infrastructure investments over the long-term (subject, where relevant, to amortisation of the Group's investments over the term of the relevant concession periods of such investments). The Company will target a minimum dividend per annum and the Company will aim to maintain and enhance the level of distributions. The Company's target dividend for 2012 is 6 pence per Ordinary Share which equates to a dividend yield (based on the Net Asset Value per Share as at 31 December 2011) of approximately 5.1 per cent¹⁰.

The Company's ability to make distributions and/or to pay dividends will be subject always to the requirements of the Law.

The Directors also believe that long-term capital growth can be achieved. The Company will target an IRR equal to or greater than 8 per cent¹¹, on the Initial Public Offer issue price of 100 pence per Ordinary Share to be achieved over the long-term and the Company hopes to achieve this through (amongst other techniques) asset development, future acquisitions, active management and prudent use of gearing. The Directors believe, based on the advice of the Investment Adviser, that there are currently opportunities to acquire Further Investments that may enhance the Company's IRR.

10 These are targets only and not profit forecasts. There can be no assurance that these targets will be met or that the Company will make any distributions whatsoever.

11 These are targets only and not profit forecasts. There can be no assurance that these targets will be met or that the Company will make any distributions whatsoever.

INVESTMENT POLICY

The Company's investment policy is to invest directly or indirectly in public or social infrastructure assets located in the UK, Australia, Europe and North America. The Investment Adviser will also consider investment in other core OECD countries, such as New Zealand, where it considers that the risk profile of a particular opportunity meets the Company's requirements.

The Group intends to continue acquiring operational and construction phase assets from Amber and/or third party vendors. The Group intends (but is not bound) to hold its investments for the long-term and may well hold its investments for the life of a project. The Group will seek to enhance the capital value of its investments and the income derived from its investments.

The Group intends to acquire Further Investments within any of the following parameters:

- investments with characteristics similar to the Existing Portfolio;
- investments in other assets, businesses or concessions having a public infrastructure character and in respect of which availability based payments are or will become payable or in respect of which a property rental is or will become payable or in respect of which user paid charges (or payments related to amount of use) are or will become payable; or
- investments in infrastructure assets or concessions which, based on the advice of the Investment Adviser, the Directors believe have high barriers to entry and expect to generate an attractive total rate of return over the whole of the life of the investments.

Such investments may be for Investment Capital in single assets or portfolios of assets and may arise globally. The Group may therefore make investments in any location or jurisdiction where the investment in question meets the parameters set out above, although the Group does not currently expect to invest to any material extent in infrastructure projects located in non-OECD countries in the foreseeable future.

It is expected that Further Investments will be sourced by the Investment Adviser and Operator and it is likely that some of these will be investments that have been originated and developed by, and may be acquired from the Amber Group. Members of the Amber Group and other companies in which Amber has an interest also provide services including but not limited to origination, development, financial advice, transaction execution, asset and special purpose vehicle management with respect to infrastructure assets and entities including Project Entities that are or may be owned directly or indirectly by the Group. They will not be liable to account for any profit earned from any such services.

The Group has established the following procedures and arrangements to deal with the possible conflicts of interest that may arise in respect of any proposed acquisition of an investment from the Amber Group and to manage the conduct of such acquisitions accordingly. The potential conflicts of interest that may arise include that Amber will be an existing investor in the asset while its subsidiary, AFML, acts on the "buiside" as Investment Adviser and Operator. The Investment Advisory Agreement contains procedures with the intention of ensuring that the terms on which the vendors of such assets dispose of their assets are fair and reasonable to the vendors; and on the "buiside" AFML as Investment Adviser and Operator must be satisfied as to the appropriateness of the terms for and the price of, the acquisition.

Key features of these procedures include:

- the creation of separate committees within the Amber Group. These committees represent the interests of the vendors on the one hand (the "**Sellside Committee**") and the Company on the other (the "**Buyside Committee**"), to ensure arm's length decision making and approval processes. The membership of each committee is restricted in such a way as to ensure its independence and to minimise conflicts of interest arising;
- a requirement for the Buyside Committee to conduct an independent due diligence process on the assets proposed to be acquired prior to making an offer for their purchase;
- a requirement for any offer made for the assets to be supported by advice on the fair market value for the transaction from an independent expert;
- the establishment of "information barriers" between the Buyside and Sellside Committees with appropriate information barrier procedures to ensure information that is confidential to one or the other side is kept confidential to that side;
- the provision of a "release letter" to each employee of the relevant Amber Group company who is a member of the Buyside and Sellside Committees. The release letter confirms that the employee shall be treated as not being bound by his/her duties as an employee to the extent that such duties conflict with any actions or decisions which are in the employee's reasonable opinion necessary for him/her to carry out as a member of the Buyside Committee or Sellside Committee;
- individuals with material direct or indirect economic interests in the relevant assets will not participate in Buyside Committee and Sellside Committee discussions regarding the relevant assets; and
- a requirement that the financial statements, policies and records of any such asset offered to the Company can be made compliant with IFRS.

In addition to the procedures detailed above, the acquisition of assets from any member of the Amber Group will be considered and approved by the Independent Directors of the Company. In considering any such acquisition, the Independent Directors will, as they deem necessary, review and ask questions of the Buyside Committee of the Investment

Adviser and the Group's other advisers and the acquisition will be approved by the Directors on the basis of this advice. The purpose of these procedures is to ensure that the terms upon which any investment is acquired from a member of the Amber Group is on an arm's length basis.

Any entities that provide services to the Group and/or affiliates of such entities and the Directors and any person or company with whom the Directors are affiliated or by whom they are employed may contract or enter into any financial or other transaction with any member of the Group or with any Shareholder or any entity whose securities are held by or for the account of the Group, or be interested in any such contract or transaction.

While there are no restrictions on the amount of the Company's assets which may be invested in any one area or sector, the Group will, over the long-term, seek a spread of investments both geographically and across industry sectors in order to achieve a broad balance of risk in the Company's portfolio. Shareholders should note that the actual asset allocation will depend on the development of the infrastructure market, market conditions and the judgment of the Investment Adviser and the Board as to what is in the best interests of Shareholders at the time of the relevant investment.

The Group will not (other than in respect of Holding Entities) lend to, or invest in the securities of, any one company or group, more than 20 per cent. of the Group's total assets (as calculated at the time the investment or loan is made). The Directors have adopted this investment restriction with the intention of maintaining a spread of investment risk. This investment restriction applies at the time of investment. The Group will not be required to rebalance its Investment Portfolio in accordance with such investment restriction as a result of a change in the Net Asset Value of any investment or of the Net Asset Value of the Group as a whole.

Until the Group is fully invested and pending re-investment or distribution of cash receipts, cash received by the Group will be invested in cash, cash equivalents, near cash instruments, money market instruments and money market funds and cash funds. The Group may also hold derivative or other financial instruments designed for efficient portfolio management or to hedge interest, inflation or currency rate risks.

The Company and any other member of the Group may also lend cash which it holds as part of its cash management policy.

Where investments are made in currencies other than GBP, it is expected that the Group will consider whether to hedge currency risk in accordance with the Group's currency and hedging policy as determined from time to time by the Directors.

A portion of the Group's underlying investments may be denominated in currencies other than GBP. For example, a portion of the Existing Portfolio and some of the Pipeline Investments are denominated in Australian Dollars, Canadian Dollars and Euro. However, any dividends or distributions in respect of the Ordinary Shares will be made in GBP and the market prices and Net Asset Value of the New Shares and the Existing Ordinary Shares will be reported in GBP.

Currency hedging may be carried out to seek to provide some protection to the level of GBP dividends and other distributions that the Group aims to pay on the Ordinary Shares, and in order to reduce the risk of currency fluctuations and the volatility of returns that may result from such currency exposure. Such currency hedging may include the use of foreign currency borrowings to finance foreign currency assets and forward foreign exchange contracts.

Interest rate hedging may be carried out to seek to provide protection against increasing costs of servicing debt drawn down by the Group to finance investments. This may involve the use of interest rate derivatives and similar derivative instruments. Hedging against inflation may also be carried out and this may involve the use of RPI swaps and similar derivative instruments.

It is intended that the currency, interest rate and any inflationary hedging policies be reviewed by the Directors on a regular basis to ensure that the risks associated with movements in foreign exchange rates, interest rates and inflation are being appropriately managed.

Such transactions (if carried out) will only be undertaken for the purpose of efficient portfolio management to enhance returns from the portfolio and will not be carried out for speculative purposes. The execution of currency, interest rate and inflationary hedging transactions is at the discretion of AFML in its capacity as Operator, subject to the policies set by and the overall supervision of the Directors.

The Group intends to make prudent use of leverage to enhance returns to investors, to finance the acquisition of investments and to satisfy working capital requirements. Borrowings may be made by the Company itself or by any of the Holding Entities.

Under the Articles, the Group's outstanding borrowings, including any financial guarantees to support subscription obligations in relation to investments, are limited to up to 50 per cent. of the Gross Asset Value of the Group's investments and cash balances, with the Company having the ability to borrow in aggregate up to 66 per cent. of such Gross Asset Value on a short term (i.e. less than 365 day) basis if considered appropriate. Circumstances where this might be the case include for the purposes of new acquisitions. For the purposes of the borrowing limitation, outstanding borrowings exclude intra-group borrowings and the debts of underlying Project Entities. The Group may borrow in currencies other than GBP as part of any currency hedging strategy.

Material changes to the investment policy set out in this section may only be made by ordinary resolution of the Shareholders in accordance with the Listing Rules.

INVESTMENT STRATEGY

The Directors believe that the opportunity offered to the Company by its relationship with Amber will lead to the Group being well placed to acquire Further Investments meeting the Company's investment objectives and policy. The Directors believe that there are two ways in which this is likely to occur:

- acquisition of Further Investments developed by Amber (the Directors are aware of a number of further transactions (including certain of the Pipeline Investments) within the PPP sector for which Amber is Preferred Bidder or which are under development by Amber); and
- acquisition of Further Investments that are sourced through opportunities identified by Amber's Infrastructure Team (including certain of the Pipeline Investments).

The Group will seek to acquire further infrastructure assets where the Directors believe that this will create Shareholder value and expect that the project origination skills of AFML and Amber will assist the Group in identifying new investment opportunities.

Such acquisitions may be of single assets, of portfolios or of shares in companies or partnership interests. The Directors anticipate, based on the advice of the Investment Adviser, that sufficient attractive investment opportunities will be available to the Company over the next 6 to 12 months to utilise the Net Issue Proceeds (to the extent the Net Issue Proceeds are not required for the discharge of the Company's outstanding indebtedness of approximately £18.1 million).

The acquisition of Further Investments will be financed from cash reserves including those arising from the Net Issue Proceeds, and/or by raising debt and/or through seeking additional capital from the Shareholders and equity capital markets or a combination of these. Acquisitions will be led by a desire to increase value for Shareholders.

Further Investments may be either direct or indirect (i.e. through the Group investing in a company or other entity which itself has a direct or indirect interest in the underlying investment opportunity).

It is currently expected that any Further Investments will, as with the Existing Portfolio, be held through the Group structure (as described in this Part I below under the heading "Group Structure") but the Directors and the Investment Adviser will keep the structure under review and amend it as may be appropriate for the most efficient holding of investments.

DETAILS OF THE NEW SHARES

The Company is targeting a capital raising of £180 million (with the ability to increase the size of the capital raising by up to 50 per cent. of the targeted amount) by way of an Issue of New Shares at an Issue Price of 116.25 pence per New Share, representing a discount of 0.6 per cent. to the Closing Price of 116.9 pence per Existing Ordinary Share as at the close of business on 22 May 2012 (being the latest practicable date prior to the publication of this Prospectus) and a premium of 0.9 per cent. to the Estimated Net Asset Value per Existing Ordinary Share (as at 17 May 2012)¹².

The Issue comprises a Placing, an Open Offer and an Offer for Subscription, in aggregate equalling up to 154,838,710 New Shares at the Issue price of 116.25 pence per New Share. The Open Offer will be made to Qualifying Shareholders at the Issue Price, on the terms and subject to the conditions of the Open Offer, on the basis of:

1 New Share for every 6 Existing Ordinary Shares held on the Record Date

Qualifying Shareholders that take up all of their Open Offer Entitlements may also apply under the Excess Application Facility for additional New Shares that they would otherwise not be entitled to. The Excess Application Facility will be comprised of New Shares that are not taken up by Qualifying Shareholders under the Open Offer pursuant to their Open Offer Entitlements and any New Shares that the Directors determine should be reallocated from the Offer for Subscription to satisfy demand from Qualifying Shareholders in preference to prospective new investors under the Offer for Subscription.

The Directors have the discretion (but are not obliged) to scale back the Offer for Subscription and/or the Placing in favour of the Open Offer by reallocating New Shares that would otherwise be available under the Placing and/or Offer for Subscription to be available to Qualifying Shareholders through the Excess Application Facility under the Open Offer. The Placing may also be scaled back in favour of the Offer for Subscription, and *vice versa*. Any New Shares that are available under the Open Offer and are not taken up by Qualifying Shareholders pursuant to their Open Offer Entitlements or under the Excess Application Facility will be reallocated to the Placing and/or the Offer for Subscription and available thereunder.

Application will be made for the New Shares to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities. The New Shares to be issued pursuant to the Issue will rank *pari passu* in all respects with the Existing Ordinary Shares.

The Issue is conditional upon the passing of the Issue Pre-emption Resolution at the Annual General Meeting, Admission of the New Shares to be issued pursuant to the Issue occurring no later than 8.00 a.m. on 25 June 2012 (or such later time and/or date as the Company and the Bookrunners may agree and the Company notify to Shareholders being no later than 9 July 2012) and the Issue Agreement not being terminated and becoming unconditional in accordance with its terms.

¹² The Estimated Net Asset Value is an estimate of the Directors based on the advice of the Investment Adviser and based on unaudited financial information of the Group, but using the same methodology as is used for the half-yearly Net Asset Values. This Estimated Net Asset Value and the information that has been used to prepare it has not been audited or reviewed by any person outside the Amber Group other than the Directors. As such, there can be no assurance that the Net Asset Value as at 30 June 2012 will reflect the Estimated Net Asset Value which is prepared as at 17 May 2012.

WORK IN PROGRESS

The Company in its ordinary course of business continues to review new investment opportunities and may enter into transactions in the period of time from the date of this Prospectus to the time of Admission. Examples of such transactions include the acquisition of Further Investments. Whilst it is not anticipated at this stage that there will be any such transactions that will give rise to an obligation to issue a supplementary prospectus under section 87G of FSMA or the Prospectus Rules, the Company will keep this under review.

INVESTMENT ADVISER AND OPERATOR

Under the Investment Advisory Agreement, AFML, an investment manager authorised and regulated in the UK by the FSA, acts as the Company's Investment Adviser. AFML also acts as Operator of the Partnership through which the Company currently conducts its investment activities, and in its capacity as Operator of the Partnership acts as discretionary investment manager of the Group's investments.

Summaries of the terms of the Investment Advisory Agreement and the Operating Agreement are provided in paragraphs 10.1 and 10.3 (respectively) of Part IX of this Prospectus. Details of the Limited Partnership Agreement constituting the Partnership are contained in paragraph 10.2 of Part IX of this Prospectus. Further details on AFML can be found in Part V of this Prospectus.

RELATIONSHIP WITH AMBER

AFML is a wholly-owned subsidiary of Amber. Amber was formed through the management-led buyout of the Babcock & Brown PPP business in 2009 and is led by Giles Frost (who is also a Director of the Company), Hugh Blaney and Michael Gregory who were responsible for the establishment of the Company in 2006 and who have over 10 years' experience working together.

Members of the Amber Infrastructure Team have originated, developed or provided financial advisory services in respect of each of the projects in the Existing Portfolio and the Pipeline Investments. With AFML as the Investment Adviser for the Company and Operator of the Partnership, the Group retains access to the management teams and personnel who have been responsible for the origination and/or development of the significant majority of the projects in the Existing Portfolio and the Pipeline Investments to date and who have provided financial advisory and/or management services to substantially all of them.

In addition, the Group enjoys a contractual right of first refusal of any PPP/PFI projects meeting its investment criteria which companies within the Amber Group are willing to transfer, although this does not confer upon the Group an absolute right or any obligation to acquire any such projects.

Amber is responsible for carrying out investment management and advisory functions for the Group through its wholly owned subsidiary AFML. The Amber Infrastructure Team currently comprises over 60 people with approximately 350 years of combined experience in infrastructure and/or PPP. Amber currently has teams in the UK, Europe, North America and Australia and is headquartered in London. The Amber Infrastructure Team has extensive experience of originating and managing PFI/PPP and other infrastructure projects.

The Directors believe the Company has already benefitted and expect the Company to continue to benefit from the relationship with Amber for the following reasons:

- Amber does not seek to be a long-term owner of infrastructure investments that it originates or develops. The Directors believe that the Group's relationship with Amber puts the Group in a strong position as a potential acquirer of such infrastructure investments where they fit the Group's investment policies.
- The Directors believe that Amber is incentivised to source additional investment opportunities for the Group by the fee arrangements agreed between the Company and the Amber Group in respect of future acquisitions of infrastructure investments.
- Amber's commercial interests are substantially aligned with those of the Group through the Incentive Fee arrangements.
- The Directors anticipate that the relationship with Amber will afford the Group access to the pipeline of public infrastructure projects currently in development by Amber.
- The Directors believe that the Group will benefit from the infrastructure project origination skills of Amber.

GROUP STRUCTURE

The Company has invested in the Existing Portfolio and currently intends to invest in any Further Investments (including the Pipeline Investments to the extent that these are acquired) indirectly via a series of holding entities, as follows.

The Company holds equity and debt in a Luxembourg company, International Public Partnerships Lux 1 S.à r.l. ("**Luxco 1**") which in turn holds equity and debt in a similar entity, International Public Partnerships Lux 2 S.à r.l. ("**Luxco 2**"). Both Luxco 1 and Luxco 2 are wholly-owned subsidiaries of the Company (direct and indirect respectively, with Luxco 2 being wholly-owned by Luxco 1). The Company controls the investment policies of Luxco 1 and Luxco 2 and its Directors comprise a majority of the directors of Luxco 1 and Luxco 2.

Luxco 2 is the sole limited partner in the Partnership, an English limited partnership of which International Public Partnerships GP Limited (a special purpose vehicle) is the general partner (the “**General Partner**”). The General Partner’s ultimate holding company is Amber.

The General Partner, on behalf of the Partnership, appointed AFML, whose ultimate holding company is Amber, as Operator of the Partnership. Luxco 2 invests the contributions it receives from Luxco 1 in capital contributions and partner loans to the Partnership and its wholly owned companies, which acquire and hold Investment Capital in Project Entities directly or through intermediate wholly owned companies or other entities.

The Group’s investments are registered in the name of the General Partner, its wholly owned companies or entities or their nominees. In particular, approximately 91.5 per cent. of the Group’s investments (by Net Asset Value as at 31 December 2011) are held through a further English limited partnership, IPP Investments Limited Partnership, which is indirectly wholly owned by the Partnership. The general partner of this partnership is IPP Bond Limited and the limited partner is IPP Investments UK Limited, both of which are wholly owned by IPP Holdings 1 Limited, an English limited company wholly owned by the Partnership.

DISTRIBUTION POLICY

Distributions on the Ordinary Shares are expected to be paid twice a year, normally in respect of the six months to 30 June and 31 December, and are expected to be made by way of dividend. The Company’s ability to make distributions whether by dividend or otherwise, will be subject always to the requirements of the Law. Subject to market conditions, it is intended that distributions will be paid as interim dividends.

In relation to the payment of dividends, on 1 July 2008, The Companies (Guernsey) Law, 2008 came into force in Guernsey. This replaced The Companies (Guernsey) Law, 1994. One of the immediate effects of the Companies (Guernsey) Law, 2008 was to replace the requirement for dividend and distribution payments to be made from distributable profits (similar to that to which UK companies are subject and formerly applicable to Guernsey companies) with a solvency based test. The use of the solvency test requires the directors of the Company to carry out a liquidity or cashflow test and a balance sheet solvency test before any dividend or distribution payment can be made. The test requires the Board to make a future assessment by making reference to the solvency test being satisfied immediately after a distribution or dividend payment is made. If at the time a dividend or distribution payment is to be made the Directors believe that the solvency test cannot be passed, then no payment may be made.

Shareholders who do not dispose of the New Shares issued to them pursuant to the Issue will be entitled to any dividends declared and paid in respect of such Ordinary Shares after the Issue. Assuming that Admission occurs before a dividend is declared in respect of the period ending 30 June 2012, the first dividend in respect of the New Shares after completion of the Issue is expected to be declared in respect of the period ending 30 June 2012.

New Shares issued pursuant to the Issue will rank equally with the Existing Ordinary Shares for the purposes of any distribution. The Company may also make distributions by way of capital distributions (subject always to the Law and the Articles) as well as, or in lieu of, by way of dividend if and to the extent that the Directors consider this to be appropriate.

The Directors intend that the Company will generally restrict distributions (by way of dividend or otherwise) to the level of Distributable Cashflows. However, the Directors may, where they consider this to be appropriate in respect of acquisitions where the assets are not fully cash generative, distribute greater amounts in excess of Distributable Cashflows.

Project Entities which are operational usually make distributions to the Group twice a year, and occasionally these payments may be received shortly after a distribution period of the Company end due to timing of payment process. The Directors intend to include such amounts in Distributable Cashflows where it is clear these payments relate to the period concerned. A portion of Distributable Cashflows may include cash receipts from the repayment of subordinated and/or senior debt elements of the Investment Capital in Project Entities in which the Group invests.

The majority of the Group’s investments are (indirectly) interests held by Project Entities in concession-type contracts that have no certain residual value to the Group after expiry of the concession. Investors should therefore be aware that in respect of the majority of the Group’s investments, while the cashflows making up anticipated distributions to Shareholders are expected to constitute income at first, as the life of each concession ends the projected cashflow from that concession and its contribution to distributions to Shareholders will increasingly over time represent a return of capital from the Investment Portfolio. In the absence of other investments made by the Group, the Group’s NAV is therefore also expected to reduce in line with distributions as concessions expire.

The Company retains the discretion to reinvest the capital proceeds of any investments which are transferred or sold by the Group during the life of the Company.

SCRIP DIVIDEND ALTERNATIVE

Pursuant to a resolution passed at the Company’s annual general meeting on 25 May 2011, the Company may offer Shareholders the opportunity to receive future dividends from the Company wholly or partly in the form of new Shares rather than cash. This power is only valid for dividends declared in respect of financial periods ending before the Annual General Meeting. As such, at the Annual General Meeting to be held on 21 June 2012, a resolution will be proposed to renew this power until the annual general meeting to be held in 2013 or if earlier, 18 months from the passing of the resolution.

The proposed resolution, if passed, will give the Company the ability to offer a scrip dividend alternative in the future; however, the decision of whether to offer such scrip dividend alternative in respect of any future dividend will be made by the Directors

at the time that the relevant dividend is declared. The Directors anticipate seeking a renewal of the ability to offer a scrip dividend alternative at each future annual general meeting of the Company.

The Directors believe that the ability for Shareholders to elect to receive future dividends from the Company wholly or partly in the form of new Shares in the Company rather than cash is likely to benefit both the Company and certain Shareholders. The Company will benefit from the ability to retain cash which would otherwise be paid as dividends. To the extent that a scrip dividend alternative is offered in respect of any future dividend, Shareholders will be able to increase their Shareholdings without incurring dealing costs or paying stamp duty reserve tax and the Directors have been advised that under current UK law and HMRC practice, certain UK resident Shareholders may be able to treat Shares issued in lieu of a cash dividend as capital for tax purposes.

DISCOUNT MANAGEMENT

At the Company's annual general meeting on 25 May 2011, a special resolution was passed authorising the Company (subject to the Listing Rules and all other applicable legislation and regulations) to make market purchases of up to 14.99 per cent. of its issued Ordinary Shares. Such authorisation can assist in addressing any imbalance between the supply of and demand for the Ordinary Shares, can assist in minimising any discount to Net Asset Value at which the Ordinary Shares may be trading and can also increase the Net Asset Value per Ordinary Share.

The authorisation of 25 May 2011 will expire at the end of the Annual General Meeting of the Company to be held on 21 June 2012. The Directors are therefore seeking a renewal of this authority from Shareholders at the Annual General Meeting and anticipate seeking further renewals at each future annual general meeting of the Company. Purchases of Shares will be made within guidelines established from time to time by the Directors. The timing of any purchases will be decided by the Directors in light of prevailing market conditions. Any such purchases will only be made in accordance with the Law and the Listing Rules in force from time to time or any successor laws, rules or regulations. The Listing Rules currently provide that where the Company purchases its Shares the price to be paid must not be more than 105 per cent. of the average market value of Shares for the five Business Days before the purchase is made or if higher, the higher of the latest independent trade and the highest current independent bid at the time of purchase for any number of Shares on the trading venue where the purchase is carried out.

Additionally in order to minimise further the risk of the Shares trading at a discount to Net Asset Value and to assist in the narrowing of any discount at which the Shares may trade from time to time, the Company may make tender offers from time to time (subject to the prior approval of Shareholders of the terms of any such tender offers).

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.

TREASURY SHARES

The Company is able to hold Ordinary Shares acquired by way of market purchase or by way of tender offer as treasury shares i.e. the Ordinary Shares remain in issue owned by the Company rather than being cancelled. Such Ordinary Shares may be subsequently cancelled or sold for cash.

Up to ten per cent. of each of the Ordinary Shares in issue at any time may be bought by the Company in the market (as described above) or by way of tender offer and held as treasury shares. This would give the Company the ability to sell Ordinary Shares held as treasury shares quickly and cost efficiently, and would provide the Company with additional flexibility in the management of its capital base.

FURTHER TAP ISSUES

The Directors, in consultation with the Sponsor and the Investment Adviser, may from time to time issue further Ordinary Shares pursuant to tap issues to take advantage of opportunities in the market as they arise, but only if they believe it would be advantageous to Shareholders to do so. Any such tap issues will be done pursuant to an exemption under FSMA from the requirement to prepare a prospectus and will be made on a non-pre-emptive basis. To enable the Company to do this, a resolution will be proposed at the Annual General Meeting to authorise the Directors to allot up to the aggregate number of Ordinary Shares as represent less than 10 per cent. of the number of Ordinary Shares already admitted to trading on the London Stock Exchange's main market immediately following the Annual General Meeting (as well as to allot further Ordinary Shares to the Investment Adviser as payment of its Incentive Fee (if any), as described further below under "Fees and Expenses").

LIFE OF THE COMPANY

The Company has been established with an unlimited life. In addition to the possibility of the share purchase and tender facilities mentioned above, Shareholders may seek to realise their holdings through disposals in the market.

CONFLICT OF INTEREST AND AVOIDANCE

Arrangements have been established to deal with potential conflicts of interest in relation to future acquisitions of investments from Amber (including the Pipeline Investments) and these are described under the heading "Investment Policy" above in this Part I, in Part IV in relation to the Pipeline Investments and in paragraph 10.1 of Part IX in relation to the procedures under the Investment Advisory Agreement. See also the "Conflicts of Interest" risk factor on page 16.

The Investment Adviser and/or Operator, the General Partner, the Administrator, the Bookrunners, any of their directors, officers, employees, agents and connected persons and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an **"Interested Party"**) may be involved in other financial, investment or other professional activities which may cause potential conflicts of interest with members of the Group and their investments. In particular, Interested Parties may, without limitation: provide services similar to those provided to the Group to other entities; buy, sell or deal with infrastructure assets on its own account (including dealings with the Group); and/or take on engagements for profit to provide services including but not limited to origination, development, financial advice, transaction execution, asset and special purpose vehicle management with respect to infrastructure assets and entities including Project Entities that are or may be owned directly or indirectly by the Group. Interested Parties will not in any such circumstances be liable to account for any profit earned from any such services. The Investment Adviser and its directors, officers, employees and agents and the Directors will at all times have due regard to their duties owed to members of the Group and where a conflict arises they will endeavour to ensure that it is resolved fairly.

Subject to the arrangements explained above, the Group may (directly or indirectly) acquire securities from or dispose of securities to any Interested Party or any investment fund or account advised or managed by any such person. An Interested Party may provide professional services to members of the Group (provided that no Interested Party will act as Auditor to the Company) or hold Shares and buy hold and deal in any investments for its own account notwithstanding that similar investments may be held by the Group (directly or indirectly). An Interested Party may contract or enter into any financial or other transaction with any member of the Group or with any Shareholder or any entity any of whose securities are held by or for the account of the Group, or be interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions to which it is contractually entitled in relation to any sale or purchase of any investments of the Group effected by it for the account of the Group, provided that in each case the terms have either been agreed with the Company or are no less beneficial to the Group than a transaction involving a disinterested party and any commission is in line with market practice.

FINANCIAL INFORMATION AND REPORTS TO SHAREHOLDERS

The Group's annual reports are prepared up to 31 December each year and it is expected that copies will be sent to Shareholders in the following April. Shareholders will also receive an unaudited interim report covering the six-month period to 30 June each year. The most recent annual audited accounts of the Group in respect of the year ended 31 December 2011 together with the annual audited accounts of the Group in respect of all periods since the Company's incorporation have been published. The annual audited accounts of the Group in respect of the years ending 31 December 2009, 31 December 2010 and 31 December 2011 are incorporated by reference into Part VIII of this Prospectus (as summarised in the checklist in Part X of this Prospectus).

The audited accounts of the Group are drawn up in GBP and prepared under IFRS. Under IFRS the Group prepares an income statement which, unlike a statement of total return, does not differentiate between revenue and capital. The Group's management and administration fees, finance costs and all other expenses are charged through the income statement. The Group's accounts consolidate the Partnership and therefore, under IFRS rules, changes to the underlying fixed, intangible or financial assets will be reflected in the Group's income statement. Also, some fair value movements may go directly to equity rather than income, if the Directors make the relevant elections.

VALUATIONS

The Company will, with the assistance of AFML, produce fair market valuations of the Group's investments on a six monthly basis as at 30 June and 31 December. The Group will adopt a valuation methodology for the valuation of its infrastructure investments based on the recommendations of the Investment Adviser. The valuation principles used in such methodology will be based on discounted cashflow methodology, and adjusted for EVCA (European Private Equity and Venture Capital Association) guidelines and otherwise where appropriate, given the special nature of infrastructure investments.

The value of any cash in hand or on deposit and accounts receivable, short-term negotiable instruments and cash dividends or receivables accrued and not yet received shall be deemed to be the full amount thereof, unless it is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate to reflect the true value thereof. Gilts and other short-term money market instruments will be valued at their bid market price.

The Company will, with the assistance of AFML, calculate the Net Asset Value of Ordinary Shares as at 30 June and 31 December in each year and this will be reported to Shareholders in the Company's annual report and interim financial statements. All valuations made by the Company will be made, in part, on valuation information provided by the Project Entities in which the Group has invested.

Although the Investment Adviser and the Company will evaluate all such information and data, they may not be in a position to confirm the completeness, genuineness or accuracy of such information or data. In addition, the financial reports, where not provided by AFML acting as asset manager in relation to the Project Entities, are typically 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 Values may be materially different from these half-yearly estimates. The Directors do not envisage any circumstances other than those arising out of any change in or waiver of the Listing Rules in which valuations will be suspended.

FEES AND EXPENSES

General

The fee arrangements in respect of the fees payable by the Company to its service providers will remain unchanged as a result of the Issue, save to the extent that the consequent increase in Gross Asset Value causes the Base Fee payable to the Investment Adviser to be reduced, as described further below.

Issue Costs

Under the Issue Agreement, the Bookrunners are entitled to Placing Fees equal to up to 1.25 per cent. of the gross Issue proceeds (less such part of the gross Issue proceeds upon which the Bookrunners and the Investment Adviser have agreed to share such commission, whereby the Investment Adviser will be entitled to receive an amount between 0.75 per cent. and 1.25 per cent. of holdings of certain agreed accounts). Part of this commission is payable in the Board's discretion depending on the performance of the Bookrunners and the Investment Adviser. The Directors also have the discretion to pay additional amounts to the Bookrunners where they consider this is merited by their performance. The Investment Adviser's commission referred to above is payable as the Financial Advisory Fee under the Investment Advisory Agreement as described below and is not in addition to this fee.

The Bookrunners are entitled to appoint distributors in connection with the Issue. Any fees and commissions payable to such distributors will be met by the Bookrunners and will not be charged separately to the Company. Shareholders may be required to pay commissions to their brokers (if any).

In addition, the Company will incur Issue expenses, which are those that are necessary for the Issue and include fees covering legal, registration, printing and distribution costs, the additional fee of £10,000 payable to each Director in connection with the Issue and any other applicable expenses. On the basis that the target Issue size of £180 million is reached, the Issue expenses to be met from the proceeds of the Issue (excluding VAT where relevant, and excluding the Placing Fees and any Financial Advisory Fee) are estimated to be approximately £428,500.

As set out on page 24 under the heading "Issue Statistics", based on the targeted Issue size of £180 million being reached the estimated net proceeds of the Issue will be £177,226,500 (assuming the full Placing Fees are paid). To partly mitigate against the Issue Costs to the Company, the New Shares are being issued at a premium of 1.05 pence per Share (0.9 per cent.) to the Estimated Net Asset Value per Existing Ordinary Share of 115.2 pence as at 17 May 2012.

The Investment Adviser is entitled under the Investment Advisory Agreement to a Financial Advisory Fee of 1.5 per cent. of the gross Issue proceeds. However, the Investment Adviser has agreed to waive a portion of such Financial Advisory Fee so that such fee is capped at a maximum of 1.25 per cent. of the gross Issue proceeds less the Placing Fees. For the avoidance of doubt in no circumstances will the aggregate of the Placing Fees and the Financial Advisory Fee exceed the aggregate of 1.25 per cent. of the gross Issue proceeds. The Placing Fees and the Financial Advisory Fee are in addition to, and are not included in, the estimated Issue expenses referred to above. The Issue Costs (being the expenses of the Issue together with the Placing Fees and the Financial Advisory Fee) will be attributed to and borne by the Company.

ONGOING COSTS

Base Fee

In aggregate, AFML and the General Partner are entitled to a Base Fee in each year at the annual rate of 1.2 per cent. per annum of the Gross Asset Value of the Investment Portfolio. The Base Fee accrues and is payable quarterly in arrears on 31 March, 30 June, 30 September and 31 December in each year. For payments due in respect of the quarters ending on 31 March and 30 September, the payment shall equal 40 per cent. of the total payment made in respect of the immediately preceding quarter (i.e. that ending on 31 December or 30 June as appropriate), provided that the immediately following quarterly payment of the Base Fee will be adjusted such that the total Base Fee paid for the relevant half year ending on 30 June or 31 December (as appropriate) is calculated on the Gross Asset Value for that half year period.

The Base Fee is subject to certain adjustments on a time basis in respect of acquisitions of the Group during the course of a half year. AFML is entitled to retain any commissions, fees or any other form of remuneration in relation to any transaction without deduction or set off from either the Base Fee or the Incentive Fee.

The Company and the Investment Adviser have agreed that the Base Fee will, with effect from 30 June 2012, reduce to 1 per cent. per annum in respect of such part of the Gross Asset Value relating to operational projects (being those projects that have fully completed their construction stages and have been certified as being fully operational by the relevant counterparty and senior lender) as exceeds £750 million.

Incentive Fee

In respect of the Ordinary Shares, in aggregate AFML and the General Partner are also entitled to an Incentive Fee in respect of each Incentive Period equal to 20 per cent. in aggregate of the excess (if any) of the Ordinary Share Return over the Benchmark Return in each Incentive Period, provided that the Incentive Fee in respect of the Ordinary Shares shall only be payable if and to the extent that the change in the Ordinary Share Return Index in the relevant Incentive Period is greater than the change in the Benchmark Return Index in such period. If the change in the Ordinary Share Return Index is less than the change in the Benchmark Return Index in any Incentive Period, the number of basis points by which the change in the Ordinary Share Return Index is less than the change in the Benchmark Return Index will be carried forward and deducted from the Ordinary Share Return Index of the subsequent Incentive Period for the purposes of determining whether in such subsequent Incentive Period the change in the Ordinary Share Return Index exceeds the change in the Benchmark Return Index.

The Incentive Fee is payable in cash, save that, subject to the Law, the Listing Rules and all other applicable requirements, the Company may with the written consent of AFML pay up to 60 per cent. of the Incentive Fee by issuing Ordinary Shares of an equivalent value to AFML. The issue price of any Ordinary Share issued in lieu of a cash payment in respect of an Incentive Fee shall be the Volume Weighted Average Price at which Ordinary Shares traded on the London Stock Exchange over the period of twenty days immediately following the date on which AFML consented to the issue of Ordinary Shares in lieu of a cash payment of the Incentive Fee.

Expenses and Overhead Costs

Under the terms of the Investment Advisory Agreement the Investment Adviser is entitled to a reimbursement of any reasonable out-of-pocket expenses and costs of the Company paid on behalf of the Company by the Investment Adviser provided that the Company will not be required to reimburse the Investment Adviser for any out-of-pocket expense or cost in excess of £5,000 unless the Company's written consent was obtained prior to the cost or expense being incurred.

Under the terms of the Limited Partnership Agreement, the General Partner is entitled to recover an amount as agreed between Luxco 2 (as limited partner) and the General Partner as being the sum spent on the General Partner's or the Operator's corporate overheads incurred in providing services in respect of the Group (including employee costs, office rental and IT software and hardware). The amount agreed in respect of the period until 30 June 2007 shall be increased annually in line with inflation in the UK.

Administration Fees

The Administrator is entitled to an annual administration fee from the Company equal to 0.01 per cent. of the Net Asset Value of the Company per annum subject to a minimum of £10,000 per annum, together with a fee for Company secretarial services of £20,000 in the Company's first year of operation and £12,500 per annum thereafter, subject to a time cost override. The Administrator is also entitled to a fee for accounting services including preparation of annual and interim accounts based on time spent subject to a minimum of £10,000 per annum and a maximum of £35,000 per annum (increased on 11 September 2009 from £25,000 per annum).

Registrar and Transfer Agency Fees

The Registrar is entitled to receive a quarterly fee in arrears based on the number of Shareholders (subject to an annual minimum fee of £4,750) and the number of transfers. The Registrar is also entitled to receive a fee of £1,500 per annum for maintaining the register and for the provision of a UK transfer agent.

Receiving Agency Fees

The Receiving Agent is entitled to receive fees based on the services provided, subject to a minimum of £8,700 for the Open Offer and £4,500 for the Offer for Subscription.

Broker Fees

The Sponsor, who acts as corporate broker to the Company, is entitled to an annual fee of £30,000 (subject to annual review).

Directors' Fees

The Directors will be remunerated for their services at such rate as the Directors shall determine, provided that the aggregate amount of such fees shall not exceed £250,000 per annum (or such other sums as the Company in general meeting shall from time to time determine).

Investment and Financial Advisory Costs

The Group will bear stamp duties, taxes, commission, foreign exchange costs, bank charges, registration fees relating to investments, insurance and security costs and all other costs associated with the acquisition, holding and disposal of investments. The costs and charges relating to any deposits pending investment or investments in cash or near cash assets on a temporary basis together with any costs and expenses of any hedging activities will be borne by the Group.

The Company may appoint the Investment Adviser to provide financial advisory services to the Company, including without limitation equity and debt raising advisory services (including capital markets issues, equity and debt raisings and where applicable, arranging underwritings) and general financial and commercial advice, including in relation to disposals of assets. The Investment Adviser if appointed is entitled to a fee of 1.5 per cent. of the amount of equity raised in relation to any equity capital raising conducted by it on the Company's behalf (although a reduced fee is being charged in respect of the Issue, as described above), and 0.2 per cent. of the committed amount of any debt facility which it arranges. In respect of each acquisition of an investment by the Company or any of its associates the Investment Adviser is entitled to an asset origination fee (the "Acquisition Fee") of 1.5 per cent. of the Enterprise Value of the asset acquired (provided that this will be set off against any financial advisory fee payable on a contemporaneous equity capital raising, and *vice versa*, and reduced by any fee paid to a third party in respect of such acquisition). The Company may also in its sole and absolute discretion pay to the Investment Adviser an asset disposal fee (not to exceed 1.5 per cent. of the Enterprise Value of the asset being disposed of) in respect of each disposal of an asset by the Company or any of its associates. Fees for any other advisory services are to be agreed between the Company and AFML on a case by case basis and the Investment Advisory Agreement includes provisions to ensure that the Company is not charged twice in respect of the same services. However, for the avoidance of doubt, members of the Amber Group and other companies in which Amber has an interest may provide services including but not limited to origination, development, financial advice, transaction execution, asset and special purpose vehicle management

with respect to infrastructure assets and entities including Project Entities that are or may be owned by the Group, and these will not be subject to any set off.

Other Fees and Expenses

Under the Loan Facilities Agreement, the Group must pay a commitment fee of 1 per cent. per annum of the undrawn facility is also payable, together with certain fronting, arrangement and administration fees as agreed by the parties from time to time.

The Company will also be responsible for other ongoing operational costs and expenses which will include the Auditors' fees, as well as listing fees, regulatory fees, directors and officers' insurance cover, printing and legal expenses and other expenses (including insurance and irrecoverable VAT). The Luxcos will bear the costs of their administration, including directors' fees, employee salaries and office lease charges. The Partnership will bear the expenses of its operation.

The Directors consider that the fees described above reflect arm's length market based fees.

Part II

The Infrastructure Market and Characteristics of the Company's Investment Portfolio

THE INFRASTRUCTURE MARKET

Introduction

Infrastructure can broadly be defined as the physical assets and systems that support a country or community. These assets comprise or enable services such as transportation, utilities, and communications ("economic" infrastructure) and provide social needs such as housing, health, transport and education services ("social" infrastructure).

Development and modernisation of infrastructure, both social and economic, is core to economic growth of any country and normally requires significant initial investment. Historically, infrastructure has been procured and funded by the public sector, with the taxpayer taking both the responsibility, and risk, of asset delivery, cost and operation.

To seek better value for money for taxpayers, to share the burden of financing and in some cases to overcome constraints imposed by the public sector budgetary process, governments around the world have turned to the private sector to assist in the procurement of infrastructure.

Private sector involvement in the provision of infrastructure has steadily increased with privatisation of existing businesses and the use of concessions to procure new assets. Under the concession-based procurement model, of which PFI (Private Finance Initiative) and PPP (Public Private Partnership) are variations, a private sector entity is normally contracted to construct, finance and then operate a piece of infrastructure for an agreed period of time. In some other types of initiative (e.g. the NHS LIFT initiative), the private sector entity contracted to procure an asset has majority private sector shareholders with minority public sector shareholders.

Social infrastructure has frequently been procured through the PFI/PPP model, with economic infrastructure procurement spanning a number of different variants.

A number of factors are driving the global growth of private sector involvement in economic and social infrastructure, including:

- recognition that properly focused infrastructure expenditure can aid economic growth;
- historic underinvestment, in some countries, in existing assets and new infrastructure needs;
- significant infrastructure requirements resulting from population growth and economic development;
- environmental considerations (e.g. new forms of electricity generation and transmission and renewed investment in rail as opposed to road transport);
- evidence in some studies that the private sector is achieving significant cost efficiencies in the delivery and operation of infrastructure compared to the public sector: and
- budgetary pressure and a need to manage public debt levels.

The success of private sector involvement in the infrastructure sector has led many governments to implement standardised procurement models such as PFI and PPP as well as other models of introducing private sector capital into the provision of public infrastructure. Although many countries often used these models initially to procure transportation infrastructure, many (for example the UK and Australia) responded to the success of their initial projects by extending the scope into the provision of other social infrastructure assets such as education and healthcare facilities.

Among the conclusions reached by the UK National Audit Office in a 2009 report on PFI/PPP Projects in the UK were:

- "Most private finance projects are built close to the agreed time, price and specification: in our sample, 69 per cent. of PFI construction projects between 2003 and 2008 were delivered on time and 65 per cent. were delivered at the contracted price. Of those delivered late, 42 per cent. were delivered within six months of the agreed time, and under half experienced price increases."
- "Public bodies using private finance are normally satisfied with the services provided by contractors. High levels of satisfaction are normally reflected in our reports, case studies and surveys. Whilst we recognise that contract

managers may be biased in their response, they are likely to also be the most informed individuals for a project.”
(Source: NAO Report October 2009 “Private Finance Projects”)

As at 30 November 2011, there were over 700 operational PFI projects with an aggregate capital value in excess of £54 billion in the UK (Source: HM Treasury website, PFI Signed Projects List November 2011 spreadsheet). It was also estimated that there were 49 PFI/PPP projects in the procurement pipeline with an estimated aggregate capital value of £6.3 billion (Source: HM Treasury website, Projects in Procurement November 2011 spreadsheet).

Infrastructure Project Structures

The Existing Portfolio uses a variety of structures. The majority of the projects in the Existing Portfolio conform to a typical PFI/PPP structure. Under such a structure, a consortium of private sector entities form a Project Entity which enters into a contract with a Public Sector Client to design, build, finance and maintain a public or social infrastructure asset in accordance with agreed service standards and is remunerated for this under a mechanism agreed by both parties. Although the Project Entity will be responsible for the construction of the infrastructure asset in the case of PFI/PPP, it will not usually have full ownership rights over the asset which will usually revert to public sector ownership on termination of the relevant contract (although this is not the case with respect to a few projects in the Existing Portfolio where the residual value interest belongs to the Group, and in relation to Angel Trains and BeNEX which do not operate under the PFI/PPP model).

The Project Entity will fund the initial project costs, including the cost of the construction of the infrastructure asset through a mixture of:

- long-term senior debt contributed by banks or through the issue of bonds (although in some cases the Group may also fund the senior debt required by the Project Entity); and
- equity and subordinated debt (including by way of partnership or shareholder loans) contributed by the financial investors and other consortium members participating in the Project Entity.

Senior debt is sometimes drawn first, and equity and subordinated debt subscription amounts are sometimes drawn towards the end of the construction phase. In some instances, bank letters of credit are required to be provided upfront in respect of the equity and subordinated debt subscription amounts.

Once the social infrastructure asset has been built, and provided the agreed service levels are met, the Project Entity will receive payments from the public sector body for the remainder of the concession. The payments are often partially or wholly inflation-linked or fixed in real terms with reference to specific inflation indexes (e.g. RPI or CPI). They are generally either “availability based” or “demand based”, depending on the nature of the project.

“Availability based” PFI/PPP projects entitle the Project Entity to receive regular payments from the public sector body to the extent that the project asset is “available” for use in accordance with contractually agreed service levels and performance standards. In some cases (particularly with projects not undertaken on a PFI/PPP basis) these payments may be indirect – for instance where private sector entities are under the obligation to make payments but where their obligation to pay is supported explicitly or implicitly by public policy or by legal obligation. “Demand-based” projects entitle the Project Entity to receive payments related to the usage of the project asset, either directly from the end user or from the public sector procuring authority.

Once payments received by the Project Entity have been used to service senior debt repayments, operating costs and other expenses and funding of reserves, they will be used to remunerate the equity and sub-debt owners in the form of interest payments on subordinated debt, repayment of subordinated debt principal and dividend payments.

At the outset of a PFI/PPP project, the Project Entity will generally enter into contracts with subcontractors with the aim of passing on to the latter the various risks associated with providing the construction and operational services. In this way, the risks of cost overruns and delays and deductions from concession revenues for poor performance are usually largely passed on, subject to the relevant caps and other limits on liability, to the Project Entity’s construction contractors and facilities managers. It should be noted that other investments that the Company may make in infrastructure assets may have other approaches to risk allocation or retention.

OFTOs

The PFI/PPP model of social infrastructure procurement has also been utilised in other areas of infrastructure development. For instance, Ofgem’s tender process for offshore transmission projects (“**OFTOS**”), pursuant to which Ofgem selects a party to own, operate and maintain electricity transmission links between the offshore wind farms and the National Grid in key locations throughout the UK, is one example of how economic infrastructure can be procured through a concession-type model. The assets for these projects comprise onshore and offshore substations and cables connecting the mainland grid network to an offshore substation.

These projects have been recognised as being high value, low risk assets. The fact that income from these offshore transmission assets is linked to inflation and is based on an availability (as opposed to demand) model, with performance deductions capped at 10 per cent. of the base fee in any one year, means these projects have also been recognised as having a strong correlation to the risk profile of a typical PFI/PPP project – there is no exposure (either in terms of revenue or penalties) to wind farm performance or credit. However, typically offshore transmission projects do not, under the current procurement process, pass any construction risk to a successful bidder as the transmission asset is only acquired post-completion. Also, such projects do not provide direct recourse to a public sector body.

Other key investment characteristics of OFTOs include:

- no pricing reviews;
- predicted low operation and maintenance costs compared to other project finance sectors, together with highly proven technology;
- 40+ year life on a major asset with the possibility of a revenue extension beyond the initial 20 year term; and
- a favourable regulatory framework through Ofgem and the broader move towards renewable energy generation, as set out in The European Renewable Energy Directive (where 15 per cent. of UK energy consumption is targeted to be from renewable energy sources by 2020).

ALTERNATIVE INFRASTRUCTURE STRUCTURES

One of the features of the developing usage of private capital to invest in and finance public infrastructure projects is the development of new and innovative structures for the delivery of public infrastructure. These structures may offer additional opportunities for the Company.

In 2009 the UK National Audit Office summarised some of the available structures as follows. (Source: NAO Report October 2009 "Private Finance Projects")

Examples of the different models of private finance

<i>Type of model</i>	<i>Some examples of when used</i>	<i>Key technical characteristics</i>
Private Finance Initiative (PFI)	Roads, bridges, hospitals, schools, prisons, police stations, government departments, social housing, waste projects, IT projects.	A private sector consortium is appointed after competition to deliver a project; The party contracting with the public sector is usually a special purpose vehicle; There is an output specification with clear requirements; There is a long term service contract (e.g. 25-30 years); Payment is by way of unitary charge for services once they are available; Standardised contracts have been developed over time.
Joint ventures	Low carbon technologies; Defence equipment; ISIS Waterside Regeneration.	The Government, in conjunction with one or more private sector parties, makes a contribution to a commercial venture, shares aspects of control and aims to share risks and returns on an agreed basis.
Strategic Infrastructure Partnerships	Local Education Partnerships in Schools (LEPs); Local Improvement Finance Trusts in primary care (LIFT).	Special (often exclusive) arrangement to address infrastructure-related issues over a period of time; A private partner is appointed to deliver a flow of projects over time; It could be a joint venture or be established through a contract; The private sector partner provides most of the works and services required by the contracting authority; It is suitable for procuring a stream of projects including a "bundle" of small projects which otherwise would be too small for PFI.
Hybrid	The MoD London Estate (MoDEL); ProCure21.	Any combination of the above models in which the procurement authority adopts a very specific approach to solve unique procurement challenges; Usually associated with novel and complex projects.
Local Asset Backed Vehicles	Regional Development Agencies' regeneration projects; British Waterways Board's projects.	Public private joint venture; Usually the public sector puts in land and property and the private sector puts in financial and other resources; The development of the asset is expected to yield returns to cover costs and fund development; The partners share the increase/decrease in value of the land and property, usually on a 50/50 basis; The model is suitable where there is a pipeline of projects; Often the public sector shares more of the risks and rewards than in PFI; The public sector has greater influence and leverage over projects than is usual in public private housing developments; Land banking by the private sector can be prevented by provisions to transfer assets back to the public sector if pre-agreed timescales are not met.

<i>Type of model</i>	<i>Some examples of when used</i>	<i>Key technical characteristics</i>
Concession	Toll Roads	A private sector consortium is granted a private entity exclusive rights to build, operate and maintain a ring-fenced asset over a long period of time (it could be much longer than for PFIs); The private sector company recovers its investment through future charges for services once the project is in operation; High risks associated to future demands; Public sector has no or little involvement in contract management.
Integrator	Ministry of Defence's projects (e.g. Military Flying Training System); Building Schools for the Future programme.	Variation of other PPPs, but the private equity is held only by a company which specialises in putting together (integrating) different suppliers rather than giving work to supply companies who are also its shareholders; The public sector authority procures a project delivery organisation (the integrator) to manage the delivery of a project through pre-procurement preparation, procurement, construction and into operation; There is scope for project risks to be better managed because the integrator only profits from the project development work, not from sub-contracts. This model also has an impact on interface risks because it reduces the integration of design, build and operations, as these are carried out by businesses with no interest in the project company.

More recently, the Treasury Select Committee has recommended that the regulated asset base ("**RAB**") model, currently used in the financing of utility and transport networks, be investigated for use on a wider basis in UK infrastructure delivery (Source: Treasury Committee Seventeenth Report on the Private Finance Initiative). The development of this model may offer additional investment opportunities for the Company.

Infrastructure UK and the evolution of the UK infrastructure market

Since the election of a new UK government in May 2010, there has been a renewed government focus and interest in the UK infrastructure sector. The creation of Infrastructure UK ("**IUK**"), a distinct unit within HM Treasury, and the successor to Partnerships UK (a joint venture between HM Treasury and the private sector) was announced in the June 2010 Emergency Budget. IUK's core remit is to (i) provide greater clarity and coordination over the planning, prioritisation and enabling of investment in UK infrastructure and (ii) improve delivery of UK infrastructure through achieving greater value for money (Source: HM Treasury website).

IUK is also responsible for the publication of an annual National Infrastructure Plan. Two such plans have published since June 2010, in October 2010 and November 2011. The overarching aim of each National Infrastructure Plan is to provide a strategic focus for meeting the UK's infrastructure requirements and each plan sets out the country's medium term infrastructure needs, how those will be funded and delivered, together with information on how the UK will plan and prioritise to meet its infrastructure goals.

IUK therefore has oversight of UK infrastructure delivery and, in particular, the development of alternative models of delivery and improvement of existing models and it is currently engaging in a consultation process to determine the future form of the Private Finance Initiative. The results of that consultation process are expected to be announced in 2012. Evidence of the Government's continued commitment to the PFI sector includes the announcement in July 2011 of its intention to deliver a £2 billion programme to develop between 100 and 300 schools utilising private investment.

The 2011 National Infrastructure Plan (the "**2011 Plan**") evidences the Government's commitment to the use of a mix of private and public funding for medium term infrastructure requirements: "*almost two thirds of the [UK's] expected [infrastructure] investment between 2011 and 2015 will be privately funded and the remainder will either be partially or fully publicly funded*" (Source: the 2011 Plan). The Government acknowledges that the delivery of the UK's infrastructure needs, and the coordination of the necessary private funding, will present significant challenges given the ongoing instability in the global financial markets. The 2011 Plan sets out a number of measures through which the Government will look to facilitate infrastructure expenditure, including:

- "bringing new investors into UK infrastructure. The Government has signed a Memorandum of Understanding with two groups of UK pension funds (including the National Association of Pension Funds and the Pension Protection Fund, and a separate group representing pension plans and infrastructure fund managers) to support additional investment in UK infrastructure."
- "exploring new sources of revenue to support investment.... It will explore innovative ways of financing this work, including tolls, which will also be investigated for other new capacity proposals."
- "allowing local authorities more flexibility to support major infrastructure."

- “using guarantees when investors cannot accommodate certain risks. The Government will, subject to affordability, consider using transparent forms of guarantee to support specific projects where this provides best value for money for taxpayers and users, recognising that the private sector cannot always bear every risk in major new projects.”

Once the Government has completed its review to determine the future form of the Private Finance Initiative, the infrastructure industry may have further clarity regarding the future facilitation of infrastructure expenditure and the issues references above.

Global Trends

Global infrastructure is a constantly evolving market and spans a number of procurement models. Although Britain has been a front-runner in developing PFIs/PPPs and in the use of private investment in infrastructure development in general, a number of governments around the world have turned to the PFI/PPP model and other models of infrastructure procurement involving the use of private capital as a viable option for providing essential public assets and services in an efficient and cost-effective manner. There is a broadly common desire by the public sector in many countries to increase infrastructure provision and services within imposed budgetary constraints.

The global development of the PFI/PPP model (and related or similar forms of procurement) continues to progress as more countries implement the legal and institutional frameworks required to accommodate PFIs/PPPs. The publication *Infra-News* maintains a database of international project finance projects including those in the PFI/PPP sector. More than 2,000 projects are recorded on this database. Since 2009 the journal has published a number of articles highlighting the growth of PFI/PPP procurement and other forms of public infrastructure development. These have included in the course of recent years review and commentary on the development of these opportunities within Australia, New Zealand, Spain, Russia, Germany, France and the United States. IUK has also created a dedicated international unit responsible for advising and assisting overseas governments and other development/multilateral agencies in relation to the ongoing development of PPP models globally.

Aside from PFI/PPP, the European utilities sector may also present opportunities for investment. In 2012 and beyond, the publications *Infra-News* and *Infrastructure Journal* both highlighted the potential opportunities presented by the European utilities sector. Gas and electricity transmission, and water network operation, are all sectors undergoing a period of change because of wider regulatory issues and divestment of assets by large corporates.

Although the global infrastructure market is in constant evolution, the Directors believe it is possible to highlight some key themes that are proving to be relevant in the current market:

- A strong desire on the part of most governments to promote increased infrastructure investment in order to renew and improve social, energy and transport infrastructure. This is clear from the UK Government's National Infrastructure Plan and similar plans issued by other governments (e.g. in New Zealand and Australia).
- A focus in the UK in particular, but also overseas in ensuring and demonstrating better value for money from private sector investment in infrastructure. This focus has been accentuated, in the UK, by a series of reports from the National Audit Office and Parliamentary Select Committees and has culminated in a review by HM Treasury over the future operation of the Private Finance Initiative in the UK as noted above.
- The third current theme remains the steady increase in appetite from investors – particularly pension fund investors – to gain greater exposure to infrastructure investment. This is matched by the desire of governments, with the UK Government being a forerunner in this development as noted above.

In overall terms therefore the Directors believe that the political climate is supportive of the private sector infrastructure investment industry but the industry in general needs to become more sensitive to public sector and taxpayer concerns and be more transparent in demonstrating the value for money benefits that private sector investment in infrastructure does bring.

The Opportunities Provided for the Company by the Market

The Directors believe that the development of the global public and social infrastructure market provides opportunities for the Group to invest both in markets where either the Group or Amber already has a presence and also in new regions and sectors as they embrace PFI/PPP and similar models. Such opportunities may take the form of investments in greenfield projects, where the Group may invest at financial close prior to the commencement of construction, or the acquisition of stakes in projects developed by other parties.

In more mature markets it has been common for the original developers, in particular construction contractors, to consider selling their equity interests once a project has become operational. In recent years a number of developers have sold either individual or portfolio equity interests in projects they have developed. The Directors intend to pursue such opportunities and believe that the track record of Amber will be a positive factor in assisting the Company to grow the Investment Portfolio.

Areas of particular focus for the Group currently include:

- continued application in the area of UK electricity transmission where the Group has already had success;
- delivery of additional investments from areas of business where it already has involvement. Examples of this include additional investment opportunities arising through the Building Schools for the Future Investment in the UK and other electricity transmission opportunities that may come as a result of relationships formed from current activities;
- the wider regulated utility market both in the UK and elsewhere where attractive returns can be projected from assets with low risk profiles;

- social infrastructure projects in Germany, Australia and elsewhere which conform to the existing risk profile within the Company's portfolio;
- opportunities arising in the UK health and social care sphere where an active pipeline of small to medium sized opportunities continues to exist; and
- opportunities that arise from re-pricing of capital in the debt capital markets.

Overall, the Directors believe that the Company is well placed in the event that the infrastructure pipeline in any one particular sector, or geography, is adversely affected. Further detail is provided in the Pipeline Investments section in Part IV of this Prospectus.

CHARACTERISTICS OF THE COMPANY'S INVESTMENT PORTFOLIO

Overview

An investment in the Company will provide Shareholders with exposure to the infrastructure asset class. The Directors believe that infrastructure investments made in accordance with the Company's investment policy are attractive because of some or all of the following (depending on the investment):

- yields which are attractive relative to the asset risk profile;
- the likelihood of long-term stable cashflows;
- high barriers to entry to competition;
- the creditworthy nature of counterparties;
- predictable low volatility returns;
- the effective pass-down of project related risks to subcontractors;
- opportunities to enhance the value of investments;
- low exposure to changes in the business cycle;
- low correlation to other investment classes e.g. property or other equity classes; and
- the growth potential of the asset class.

Additionally the Directors believe that the Company has distinguishing features from other listed investment entities offering exposure to similar assets. These include:

- the experience and track record of Amber in the management of infrastructure assets;
- the development and origination capacity of Amber with respect to new opportunities for the Group;
- the combination of operational assets and assets in construction within the Existing Portfolio;
- the geographical diversity of the assets in the Existing Portfolio;
- the strong majority ownership of the Group in most of the assets within the Existing Portfolio;
- weighted average concession length of 23 years (as at 31 December 2011); and
- weighted average debt tenor of 22 years (as at 31 December 2011).

Some of the features of the Company's investment portfolio can be further explained as follows.

Long-Term Stable Cashflows

Infrastructure assets tend to have long-term stable cashflow characteristics. The majority of projects in the Existing Portfolio consist of projects where the income stream is based on the physical availability of the assets and the standard to which certain services are provided. The obligations on the Project Entity to ensure availability relating to service levels are generally passed down to subcontractors on the basis that the subcontractors will account for any revenue receivables lost due to any default of theirs which compromises availability or service levels, subject to any applicable cap on liability. The existence of a robust insurance programme that provides for payment both for the capital cost of renewal and the lost revenue consequent upon the occurrence of an insured event together with the subcontractor pass down provisions are designed to ensure as far as reasonably possible that the cashflows which provide a return on Investment Capital are non-volatile and predictable.

High Barriers to Entry

Infrastructure assets that are based purely on availability payment streams are indifferent to competition since the payment obligations on the part of the Public Sector Clients are fixed. Some assets have revenue streams that are dependent upon

user paid charges. The Group will invest in these types of assets where it believes that sound revenue projections exist or revenue levels have been established. Usually infrastructure assets with this sort of payment stream benefit from high barriers to entry to competition (e.g. in respect of a toll tunnel, the complexity and high cost of building a competing tunnel).

The Creditworthy Nature of Counterparties

The Project Entities in respect of the Existing Portfolio generally benefit from an availability-based revenue stream ultimately payable by or indirectly supported by a Government entity, a local government entity or a statutory corporation (i.e. a UK National Health Service Trust) or their non-UK equivalents. The Directors believe that each of these is a high quality creditworthy counterparty.

Predictable Low Volatility Returns

The projected returns from the assets in the Existing Portfolio are not guaranteed but where projects are operational, the experience to date has shown low levels of volatility of returns. Where investments have revenue streams that are dependent on user paid charges, once long-term use patterns have been established then these can also be expected to show low levels of volatility.

Effective Pass Down of Project Related Risks to Subcontractors

PFI/PPP type projects are generally structured such that risks and obligations imposed on the Project Entity by the Public Sector Client are intended to be passed down by way of subcontract to parties responsible for design and construction, and for facilities management of the project in question, subject to contractual terms. Other risks are sought to be backed off by insurance arrangements. The intention in structuring these projects in this way is to reduce exposure to risk and hence volatility in that part of the overall project income stream projected to be available to provide a return on Investment Capital.

Low Exposure to Changes in the Business Cycle

Infrastructure assets tend to be an essential part of the fabric of communities and hence they are necessary assets both in times of economic growth and in times of recession.

Low Correlation to Other Investment Class e.g. Property or Other Equity Classes

Investments in infrastructure assets of the nature of the majority of projects in the Existing Portfolio usually have fixed (subject in the case of most projects to partial or full indexation in line with an inflation index and to periodic contractual benchmarking) income streams or income streams that are dependent upon predicted or established user demand. Income streams are frequently not linked to market forces (unlike rent reviews in real estate investments) nor exposed to competitive or technological pressures (unlike many equities). The Directors believe that the closest correlation for infrastructure assets is likely to be bond or other fixed interest investments but that infrastructure assets often provide additional equity upside opportunities not available to bondholders.

Creating Value

The Company has targeted an IRR for investors of 8 per cent. or greater¹³ on the Initial Public Offer issue price of 100 pence per Ordinary Share over the long-term. While the Directors believe that the Existing Portfolio will offer an attractive current yield, the Directors believe that the Existing Portfolio also have characteristics that are likely to allow increased value to be derived by the Group over time. Further value enhancement may also be achieved in respect of any Further Investments acquired by the Group.

Some of the sources of increased value may include the following:

- prudent investment and application of surplus cash;
- prudent use of gearing and hedging interest, currency and inflationary risks (as described in Part I of this Prospectus);
- creating efficiencies through the management of the long-term maintenance and asset replacement regime for the Project Entities;
- introducing more efficient financing structures and scale advantage;
- promoting increased third party income from the projects comprised in the Existing Portfolio;
- providing soft and hard facilities management services to projects on a portfolio basis thus achieving economies of scale;
- variations arising from changing requirements of Public Sector Clients; and
- acquisitions of Further Investments (as described in Part I of this Prospectus).

¹³ This is a target only and not a profit forecast. There can be no assurance that this target will be met, or that the Company will make any distributions whatsoever.

Value Increase Upon Completion of Construction

The Directors believe that market investors apply a higher valuation (i.e. apply a lower discount rate on projected cashflows) when the construction phase of projects has been concluded. This is likely to be because the construction phase is perceived as the phase of a project which is most subject to risk. Where the Group has economic interests in projects which are in construction it is likely that these interests will become more valuable when the construction phases end (assuming that project completion is achieved in line with projections).

Delivering Economies of Scale

The Existing Portfolio consists predominantly of direct and indirect investment in Investment Capital in Project Entities. Currently many of these Project Entities have their own arrangements for matters such as insurance and the setting aside of reserves to meet future asset maintenance and renewal costs. The Directors believe that efficiencies may be achieved by dealing with such matters on a portfolio basis.

Many of the projects within the Existing Portfolio also include the provision of "soft FM" services being facilities management services in areas such as cleaning, catering and security. Currently these services are all also provided on a project by project basis. Opportunity may also exist for these services to be provided more efficiently on a portfolio basis, subject to existing contractual structures.

Change Requests

The Public Sector Clients who receive services from the projects comprised within the Existing Portfolio may from time to time require changes to the project facilities. For PFI projects, typically this occurs in the construction phase but sometimes this may occur after construction. In the case of NHS LIFT projects, no changes can be made during the construction period. Where additional capital expenditure is required, Project Agreements typically provide that any new investment shall be made on terms that such new investment receives a projected return equal to the return projected on the original investment into the project. The Directors consider it likely given the remaining length of the concessions within the Existing Portfolio that changes of this sort are likely to occur although the timing of these cannot be predicted.

Income Generation

Some projects in the Existing Portfolio have the ability to generate income from third parties, for example by letting out school facilities for use after normal hours. In this instance, this income is typically to be shared between the public and private sectors. The Directors believe that there is potential with respect to certain of the projects in the Existing Portfolio for this income to be enhanced.

Review of the Capital Structuring of Project Entities

Most of the Project Entities have the benefit of senior debt facilities which are limited recourse whereby the lender's only security is the assets of that Project Entity or that Project Entity's shares. A number of other comparable projects completed under the UK Project Finance Initiative have undertaken refinancings whereby the senior debt taken out by the Project Entities has been replaced by new senior debt. In a number of cases this has allowed additional limited recourse debt to be introduced (with the additional amounts of debt being utilised to provide accelerated returns for investors) and/or for the cost of that debt to be reduced. Typically in PFI/PPP projects, this possibility arises in the period after construction completion. In the UK, however, provisions exist through a code of practice and through contractual provisions with respect to some projects to the effect that in certain circumstances, up to 70 per cent. of gains from some financial engineering activities must be shared with the relevant Public Sector Client.

Deposits Pending Investment

It is anticipated that part of the Net Issue Proceeds may be applied on deposit with banks which are lenders to the Group in respect of the acquisition of investments comprised in the Existing Portfolio, in order that interest accruing on such deposits may be netted off against interest which would otherwise accrue on such borrowings. The Company and any other member of the Group may also lend cash which it holds as part of its cash management policy.

Part III

The Existing Portfolio

INTRODUCTION

The Existing Portfolio includes direct and indirect interests in Investment Capital in Project Entities which have:

- a direct or indirect entitlement (subject to contractual performance) to public sector or government or quasi-government backed revenues or, in the case of one asset, toll revenues;
- finished construction or are in the course of construction of public or social infrastructure facilities for the provision of services relating to health, schools, government offices, courthouses, police and custodial facilities, rail infrastructure and rolling stock, electricity transmission, showgrounds or which are operating transport concessions; and
- contractual structures that usually provide for the majority of construction and operational project risks to be “passed down” by the Project Entity to subcontractors who take responsibility for such risks, subject to pre-defined caps on liability.

The Existing Portfolio consists of direct and indirect interests in Investment Capital in: a series of projects developed under the PFI programme of the UK government, the NHS LIFT programme, the Scottish government's NPD model, the PPP programmes of certain states within Australia and PPP or similar-type programmes of Belgium, Canada, France, Ireland and Italy, Ofgem's offshore electricity transmission tender process; and investments in BSFI (the original holding entity for the UK Government's minority investments in the national Building Schools for the Future programme), Angel Trains and BeNEX. Notable occupants of premises comprised in the Existing Portfolio include the UK Court Service, Thames Valley Police, HM Revenue and Customs and the Government of New South Wales.

The details of the Existing Portfolio in this Prospectus are unaudited.

INTERESTS COMPRISING THE EXISTING PORTFOLIO

A breakdown of the interests held by the Group in each of the projects or investments comprising the Existing Portfolio is set out below. The scheduled completion date (where relevant) for each project referred to in the tables below is the date currently estimated for completion of the main construction works relating to the relevant project in each case. The actual completion dates may vary from those stated.

PFI/PPP AND OTHER NON NHS LIFT PROJECTS AND INVESTMENTS

<i>Project/Investment Name</i>	<i>Country</i>	<i>Per cent. Economic Interest Owned by the Group</i>	<i>Status (Scheduled Completion Date)</i>	<i>Per cent. of Company's NAV¹⁴</i>
Abingdon Police Station	UK	100 per cent.	Operational	–
Alberta Schools	Canada	75 per cent.	Operational	4.4
Amiens Hospital Project	France	95 per cent.	Operational	–
Angel Trains	UK	4.6 per cent.	Operational	2.8
BeNEX	Germany	49 per cent.	Operational	5.6
Bootle Government Offices	UK	100 per cent.	Operational	–
Brescia Hospital	Italy	37 per cent.	Operational	–
Calderdale Schools	UK	100 per cent.	Operational	–
Derbyshire Magistrates Courts	UK	100 per cent.	Operational	–
Derbyshire Schools Phase 1	UK	100 per cent.	Operational	–
Derbyshire Schools Phase 2	UK	100 per cent.	Operational	–
Diabolo Project	Belgium	75 per cent.	Construction completed February 2012; rail safety certification on programme for completion in June 2012	12.3
Dublin Criminal Courts Project	Ireland	100 per cent.	Operational	2.2
Durham Courthouse	Canada	100 per cent.	Operational	–
Gold Coast Light Rail Project	Australia	26.6 per cent.	Construction (expected to complete in line with scheduled completion in May 2014)	–

¹⁴ Valuation of each project is as at 31 December 2011 and is unaudited. The per cent NAV has been provided for the Group's ten largest projects or investments by NAV.

<i>Project/Investment Name</i>	<i>Country</i>	<i>Per cent. Economic Interest Owned by the Group</i>	<i>Status (Scheduled Completion Date)</i>	<i>Per cent. of Company's NAV¹⁴</i>
Hereford & Worcester Magistrates Courts	UK	100 per cent.	Operational	–
Liverpool Library	UK	80 per cent.	Construction (expected to complete in line with scheduled completion in November 2012)	–
Long Bay Forensic and Prison Hospitals Project	Australia	100 per cent.	Operational	2.7
Maesteg School Project	Wales, UK	100 per cent.	Operational	–
Moray Schools	Scotland, UK	100 per cent.	Operational	–
New South Wales Schools Project	Australia	25 per cent.	Operational	–
Norfolk Police HQ	UK	100 per cent.	Operational	–
North Wales Police HQ	Wales, UK	100 per cent.	Operational	–
Northamptonshire Schools	UK	100 per cent.	Operational	4.4
Orange Hospital	Australia	100 per cent.	Operational	3.6
Pforzheim Schools	Germany	98 per cent.	Operational	–
Royal Children's Hospital	Australia	100 per cent.	Phase 1 completed September 2011; Phase 2 expected to complete in line with scheduled completion in December 2014	7.7
Royal Melbourne Showgrounds Redevelopment Project	Australia	100 per cent.	Operational	–
St Thomas More School	UK	100 per cent.	Operational	–
Strathclyde Police Training Centre	Scotland, UK	100 per cent.	Operational	–
Tower Hamlets Schools	UK	100 per cent.	Operational	2.8

In the table above, “economic interest owned” means the equity ownership by the Group. In addition, the Group owns 100 per cent. of the issued subordinated debt in Amiens Hospital and 38 per cent. of the issued subordinated debt in Brescia Hospital.

The Group also holds a 4.55 per cent. interest in the River City Motorway project in Australia, which is in administration and which therefore makes up 0 per cent. of the Company's NAV as at 31 December 2011, and an option to share in any future equity returns in relation to the Reliance Rail project in Australia (which makes up 0 per cent. of the Company's NAV as at 31 December 2011).

BUILDING SCHOOLS FOR THE FUTURE INVESTMENTS LLP (“BSFI”)

In August 2011, the Group completed the £58.4 million acquisition of 100 per cent. of the members' interests in Building Schools for the Future Investments LLP (“BSFI”).

BSFI was established by the UK Government in 2006 and holds approximately 10 per cent. stakes in 32 Local Education Partnerships (“LEPs”) set up to deliver the program to build and/or refurbish all the secondary schools in England. As at 30 April 2012, BSFI held approximately 10 to 25 per cent. stakes in each of 51 design, build, finance and operate projects delivered by LEPs to develop in excess of 100 secondary schools and two leisure centres. These figures include the three follow-on investments that the Group has completed since its acquisition of the portfolio, being the Leicester, Essex and Salford & Wigan BSFs, which represent a further £2.1 million of investment.

The projects are located across England including Barking and Dagenham, Barnsley, Birmingham, Blackburn and Bolton, Bradford, Bristol, Cambridgeshire, Derbyshire, Durham, Essex, Hull, Islington, Kent, Lancashire, Leeds, Leicester, Lewisham, Luton, Newcastle, Newham, Nottingham, Rochdale, Salford and Wigan, Sandwell, Sheffield, Somerset, Southwark, South Tyneside and Gateshead, Tameside, Waltham Forest and Wolverhampton.

As at April 2012, 41 of the projects are fully operational. 10 schools are still in construction, and are expected to become operational over a phased period up to 2014. In addition, BSFI has the benefit of enhanced shareholder rights when compared to other investors in the projects. Pre-emption rights also offer the opportunity to increase holdings in the underlying projects.

Revenues are all availability based and payable by the respective local authority.

As at 31 December 2011, the Group's holding in BSFI comprised 10.3 per cent. of the Company's NAV.

HEREFORD & WORCESTER MAGISTRATES COURTS AND STRATHCLYDE POLICE TRAINING CENTRE

The Group has acquired 100 per cent. of the senior debt interest in two PPP projects in which it also owns 100 per cent. of the Investment Capital, being Hereford & Worcester Magistrates Courts and Strathclyde Police Training Centre. As at 31 December 2011, the Group's senior debt interest in these projects comprised 8.2 per cent. of the Company's NAV.

OFFSHORE TRANSMISSION

The Group has been successful in tendering for UK offshore electricity transmission projects (“OFTOs”) and has secured 4 of the 9 projects awarded in the first round of the Ofgem tender process. It has reached financial close on 3 projects, being Barrow (90MW), Robin Rigg East and West (180MW) and Gunfleet Sands 1 & 2 (173MW). It has also been appointed Preferred Bidder on two additional projects: Ormonde (150MW) and Lincs (250 MW), both of which are referred to in Part IV of this Prospectus. The Group has also been shortlisted on two additional projects being tendered through the second round tender process by Ofgem, being Gwynt y Mor (576 MW) and London Array Phase 1 (630 MW). As at 31 December 2011, the Group’s interest in the three projects which have closed to date was 6.4 per cent. of the Company’s NAV.

NHS LIFT PORTFOLIO: INTERESTS IN SUBORDINATED DEBT

The UK National Health Service LIFT (Local Improvement Finance Trust) initiative (“NHS LIFT”) was introduced to promote the development of new and refurbished primary community health facilities and facilities for general medical practitioners. These franchises represent an agreement entered into by the local NHS primary care trusts in each area whereby the trusts agreed to grant to a LiftCo (a company in which Amber or the Group has an indirect shareholding) an exclusive right (subject to compliance with certain obligations) to develop and invest in all primary care health facilities procured by that trust over the twenty year term of the agreement.

Each of the NHS LIFT projects in the Existing Portfolio as set out in the table below is part of this series of ongoing exclusive pipeline relationships with the NHS, the earliest of which expires in 2031. Under these arrangements Amber or the Group has the right to provide Investment Capital to projects developed by LiftCo for the NHS. The NHS LIFT projects developed under the NHS LIFT initiative and forming part of the Existing Portfolio generally include interests in subordinated debt borrowed to finance the construction of these projects, with the Group being one of a number of lenders under the subordinated credit agreement for each project, generally lending just under half of the subordinated debt in each case.

<i>Project Name</i>	<i>Issuer</i>	<i>Status (Scheduled Completion Date)</i>
Alexandra Avenue Primary Care Centre	BBG Lift Accommodation Services Limited	Operational
Beckenham Hospital	BBG Lift Accommodation Services Limited	Operational
Garland Road Health Centre	BBG Lift Accommodation Services Limited	Operational
Lakeside	BBG Lift Accommodation Services Limited	Operational
Harrow NRC (comprises three projects)	BHH Lift Accommodation Services Limited	Operational
Monks Park Health Centre	BHH Lift Accommodation Services Limited	Operational
Mt Vernon	BHH Lift Accommodation Services Limited	Operational
Sudbury Health Centre	BHH Lift Accommodation Services Limited	Operational
Fishponds Primary Care Centre	Bristol Infracare LIFT (1) Ltd	Operational
Hampton House Health Centre	Bristol Infracare LIFT (1) Ltd	Operational
Shirehampton Primary Care Centre	Bristol Infracare LIFT (2) Ltd	Operational
Whitchurch Primary Care Centre	Bristol Infracare LIFT (2) Ltd	Operational
Bristol Community Hospital	Bristol Infracare LIFT (3) Ltd	Operational
Ridge Hill Learning Disabilities Centre	Dudley Infracare LIFT (1) Ltd	Operational
Stourbridge Health and Social Care Centre	Dudley Infracare LIFT (1) Ltd	Operational
Brierley Hill	Dudley Infracare LIFT (1) Ltd	Operational
Church Road Health Centre	East London LIFT Accommodation Services Limited	Operational
Barking Road Health Centre	East London LIFT Accommodation Services Limited	Operational
Frail Elders Hospital	East London LIFT Accommodation Services Limited	Operational
Mile End Specialist Addition Unit	East London LIFT Accommodation Services Limited	Operational
Barkantine Health Centre	ELAS No 2 Limited	Operational
Hackney Children’s Development Centre	ELAS No 2 Limited	Operational
Vicarage Lane Health Centre	ELAS No 2 Limited	Operational
Newby Place	ELAS No 3 Limited	Operational
Nightingale Lane	ELAS No 4 Limited	Operational
South East Resource Centre	ELAS No 4 Limited	Operational
East Oxford	Oxford Infracare LIFT (1) Ltd	Operational
Blackbird Leys Health Centre	Oxford Infracare LIFT (1) Ltd	Operational
Gascote Palliative Care Centre South	Walsall Lift Accommodation Services Limited	Operational
Gem Centre (Children’s Primary Care Centre), Bentley Bridge	Wolverhampton City and Walsall Lift Accommodation Services Limited	Operational
Phoenix Centre (Parkfields Primary Care Centre)	Wolverhampton City and Walsall Lift Accommodation Services Limited	Operational

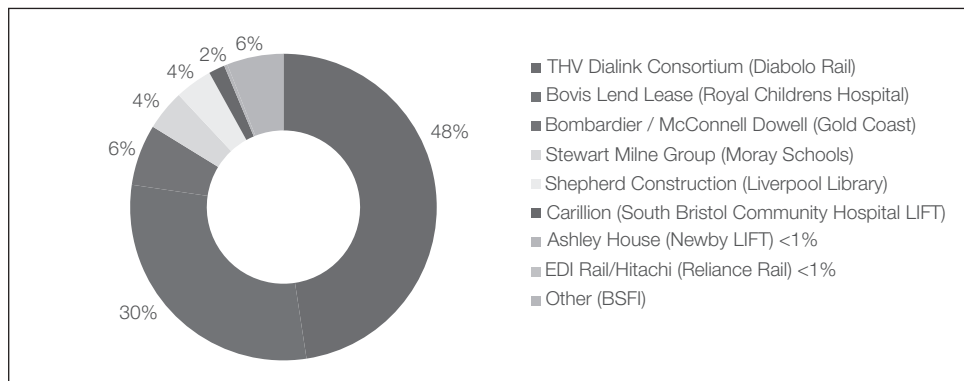
FEATURES OF THE EXISTING PORTFOLIO¹⁵

AI, 20.4.3

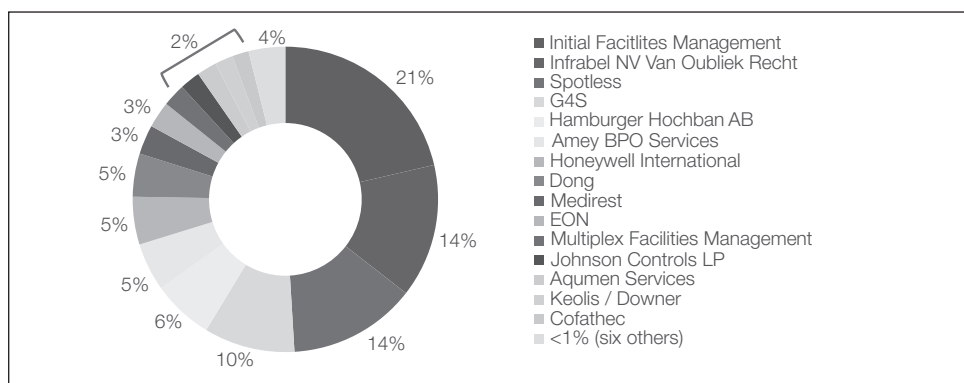
AXV, 8.2

A Diverse Range of Partners

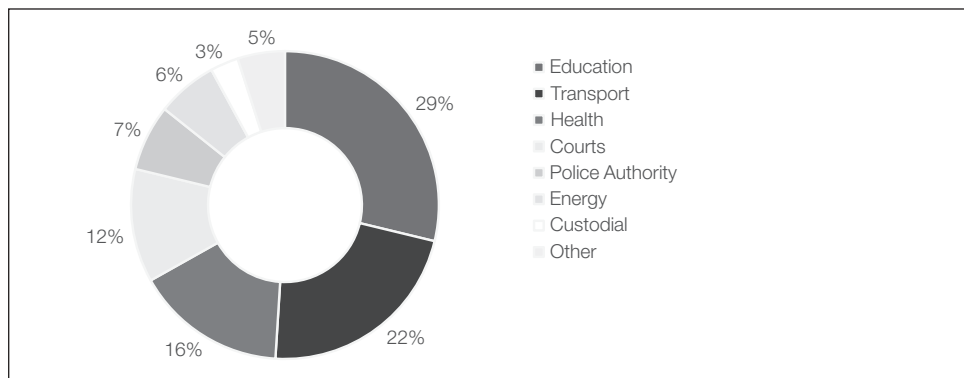
The chart below shows the key construction contractors on those projects within the Existing Portfolio that are still under construction.



The chart below shows the Company's key service providers on those projects that have commenced operations.

**Sector Breakdown**

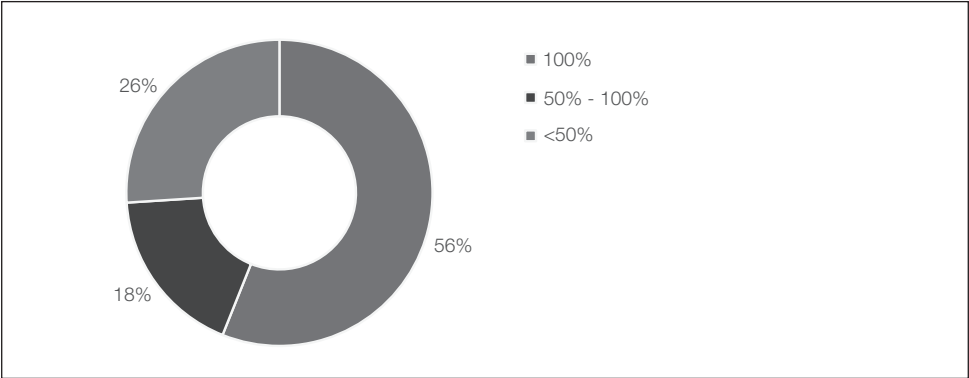
The chart below shows a breakdown of the Existing Portfolio by sector (based on unaudited values as at 31 December 2011).



15 Figures as at 31 December 2011 are unaudited but are taken from the annual report and financial statements for the Group for the period ended 31 December 2011.

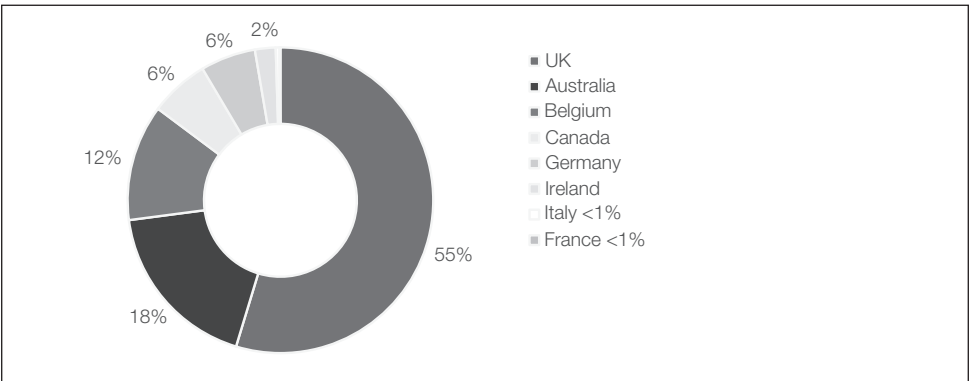
Ownership Split

The chart below shows a breakdown of the Existing Portfolio by ownership split of the relevant project (based on unaudited values as at 31 December 2011).



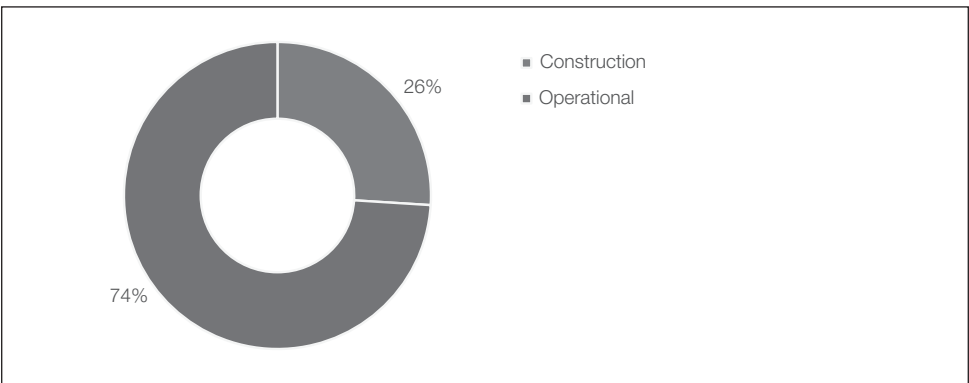
Geographic Split

The chart below shows a breakdown of the Existing Portfolio by geographical location of the relevant project (based on unaudited values as at 31 December 2011).



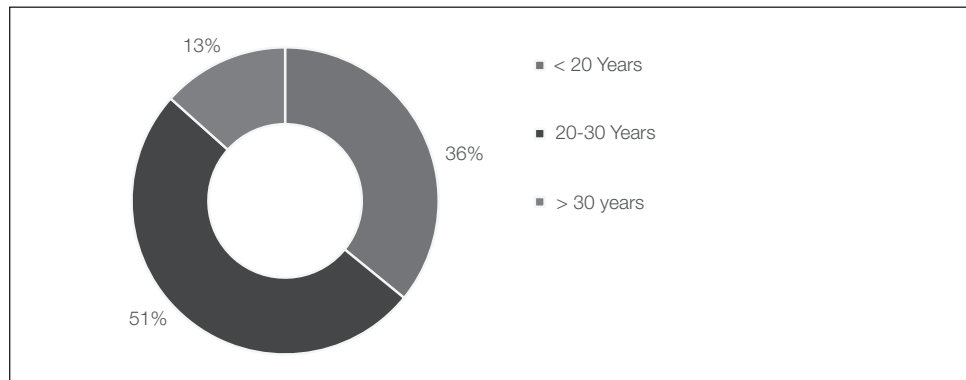
Asset Status

The chart below shows a breakdown of the Existing Portfolio by the status of the relevant project, i.e. whether such project is operational or in construction (based on unaudited values as at 31 December 2011).



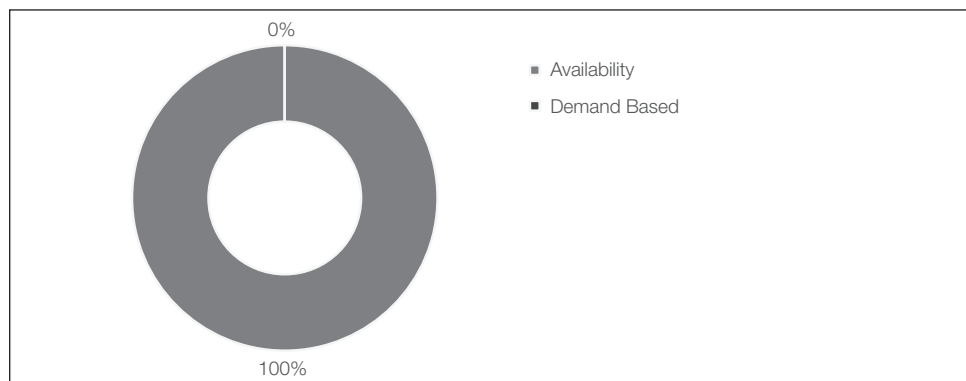
Concession Length

The chart below shows a breakdown of the Existing Portfolio by length of the concession of the relevant project (based on unaudited values as at 31 December 2011).



Payment Type

The chart below shows a breakdown of the Existing Portfolio by payment type of the relevant project, i.e. whether such project is demand-based or availability-based (based on unaudited values as at 31 December 2011). (For these purposes, Diabolo project revenues are dependent on availability but also include a linkage to passenger numbers.)



The pie charts above show a breakdown of the Group's portfolio as at 31 December 2011¹⁶. This breakdown reflects the NAV of the investments comprised in the Group's portfolio which is based on the fair market valuation of the Investment Portfolio calculated using a discounted cashflow methodology. The discount rates used reflects the risks associated with the individual projects.

The table below shows the valuation methodology used by the Group as at 31 December 2011 and 30 June 2011¹⁷:

AI, 20.4.3
AXV, 8.2

Valuation Methodology	31 December 2011	30 June 2011
NAV per Ordinary Share	116.9 pence	113.6 pence
Weighted Average Risk-Free Rate*	3.84 per cent.	4.55 per cent.
Weighted Average Project Premium	4.66 per cent.	4.07 per cent.
Weighted Average Discount Rate	8.50 per cent.	8.62 per cent.
Discount Rate Range	6.50 per cent. to 11.25 per cent.	6.36 per cent. to 15.23 per cent.

* For financial periods before 30 June 2011, the Company's portfolio was valued utilising risk free rates offered at each of 30 June and 31 December. To reduce the potential impact of volatility in risk free rates over the previous six month period, the valuations for 30 June 2011 and 31 December 2011 are based on average risk free rates over the previous six month period. It is expected that the Company will continue to calculate risk free rates on this basis in the future. The change in methodology had no impact on the Company's NAV at 30 June 2011 or 31 December 2011.

For this Part of the Prospectus the NAV of the RiverCity Motorway Project has been calculated based on the closing share price for the holding company for the RiverCity Motorway Project as at 31 December 2011.

HOLDING STRUCTURES FOR, AND RETURN OF INVESTMENT FROM, THE EXISTING PORTFOLIO

The Company has invested in the Existing Portfolio indirectly through the Holding Entities described in Part I of this Prospectus under the heading "Group Structure". Through this holding structure, the Company holds directly and indirectly interests in Investment Capital in Project Entities. Accordingly, the return on investment accruing to the Group is made in the form of payments of interest and principal under principal and subordinated loan arrangements, partnership distributions, share dividends and trust distributions by Project Entities and intermediate holding entities, partnership and trusts.

¹⁶ Figures as at 31 December 2011 are unaudited but are taken from the annual report and financial statements for the Group for the period ended 31 December 2011.

¹⁷ Figures as at 31 December 2011 are unaudited and taken from the annual report and financial statements for the Group for the period ended 31 December 2011. Figures as at 30 June 2011 are unaudited and taken from the interim report and financial statements for the Group for the period ended 30 June 2011.

Part IV

Interests Comprising the Further Investments

INTRODUCTION

The Group intends to acquire Further Investments, being either new direct investments by the Group or investments acquired from Amber and/or third party vendors that meet the Company's investment policy as set out in Part I of this Prospectus.

In particular, the Group has exclusive access to a number of investment opportunities where either the Group or Amber (with the right of first refusal for the Company upon disposal by Amber) is the Preferred Bidder to acquire or provide the Investment Capital in certain projects. These Pipeline Investments comprise indirect interests in Investment Capital in a further OFTO project under the offshore electricity transmission tender process, a portfolio of additional interests in schools consequent upon the existing investment in BSFI and an investment in a further German infrastructure project. The Pipeline Investments have an estimated aggregate investment value of approximately £170 million¹⁸.

The potential acquisition by the Group of any of the Pipeline Investments is subject, among other things, to those projects reaching legal completion and to the Group having conducted satisfactory due diligence in relation to such Pipeline Investments, and any such acquisitions will be subject to agreement having been reached between the Group and the relevant counterparty as to the terms of the acquisitions. There is therefore no guarantee that any of the Pipeline Investments will be acquired and if they are on what terms.

In addition to the Pipeline Investments, the Investment Adviser and the Group are bidding on, developing, or are in discussions in relation to a number of other projects with an aggregate estimated value in excess of £1.5 billion¹⁹. The Company has a right of first refusal to acquire projects upon disposal by the Investment Adviser provided they fit the Company's investment criteria, but there is no guarantee that the Investment Adviser will be successful in any such bidding process or that the Group will acquire an interest in such projects. As with the Pipeline Investments, such projects and their estimated capital values and expected investments dates are only indicative.

As noted above, the Company expects to deploy the Issue proceeds in repayment of the Company's outstanding debt facility pursuant to the Loan Facilities Agreement (approximately £18.1 million currently being outstanding) and then, to the extent the proceeds are not required for repayment under the Loan Facilities Agreement, into Further Investments. The Group may invest by way of equity, subordinated debt and/or senior debt (or any combination thereof) and may or may not also utilise third party senior debt. In particular, some investments, including one of the Pipeline Investments, are expected to have no third party gearing at project level. If the Group acquires the interests in the Ormonde OFTO, the Group may acquire the senior debt as well as equity and subordinated debt interests. Should the acquisition of senior debt take place the Investment Adviser has agreed to waive its Acquisition Fee on the proportion of the interests in Ormonde OFTO that represents senior debt, thereby bringing the Acquisition Fee for the Ormonde OFTO in line with the Group's investments in other OFTOs which have third party gearing at project level. If the Group acquires interests in the Ormonde OFTO, in accordance with the terms of the Investment Advisory Agreement the Group's entire interest in the Ormonde OFTO (including the senior debt acquired) will be taken into account in calculating the Base Fee and any Incentive Fee to which the Investment Adviser is entitled.

PIPELINE INVESTMENTS

A breakdown of the interests comprising the Pipeline Investments is set out in the table below. The expected investment date for each project referred to in the table reflects Amber's or the Directors' best estimate of the date for reaching financial close in each case. The estimated investment value of a particular Pipeline Investment reflects the Directors' current unaudited estimate, based on the advice of the Investment Adviser, of the likely total acquisition price at the time of acquisition. It will not necessarily equal the eventual acquisition price for, or the value of, any interest that may be acquired by the Group in relation to such project which will depend on a range of factors.

18 The estimated investment value reflects the Directors' current unaudited estimate, based on the advice of the Investment Adviser, of the likely total acquisition price at the expected time of acquisition. It will not necessarily equal the eventual acquisition price for, or the value of, any interest that may be acquired by the Group in relation to such project which will depend on a range of factors.

19 This figure differs depending on the asset in question. See page 53 for a full explanation.

<i>Project</i>	<i>Location</i>	<i>Estimated Investment Value</i>	<i>Expected Investment Date</i>	<i>Expected Concession Length</i>	<i>Description of Project</i>	<i>Anticipated Form of Investment</i>
Ormonde OFTO	UK	Up to around £115 million	Q2 2012	20 years	Operation of the offshore transmission cable between the UK mainland and the Ormonde wind farm	Equity, subordinated debt and senior debt
BSFI interests	UK	Around £42 million	Q2/Q3 2012	c.20-25 years	Various additional interests arising out of the pre-emption opportunities presented by INPP's August 2011 investment in BSFI LLP	Equity and subordinated debt
BMBF	Germany	£8 million	Q4 2012	27 years	Involves construction and operation of new office facilities for the Federal German Ministry of Education and Research in Berlin. Currently in construction	Equity and subordinated debt

Descriptions of the OFTO scheme and the Group's investment in BSFI can be found in Parts II and III of this Prospectus. In respect of the third Pipeline Investment, the Investment Adviser is part of a consortium that closed the BMBF project in 2011. The transaction has been recognised as a flagship project for the Federal Government of Germany and the infrastructure media have referred to it as a landmark deal in the German PPP market as only the second federal PPP project overall and the first one in the civil sector. Construction is scheduled to complete in 2014.

FURTHER OPPORTUNITIES (FOLLOWING 12 – 18 MONTHS)

A breakdown of the interests comprising the potential additional investments referred to in the introductory section on the previous page is included below.

It should be noted that the estimated capital/investment differs depending on the investment in question and is only the Directors' current estimate based on the advice of the Investment Adviser. Where it is used in relation to the three OFTOs listed, the healthcare projects and the Australasian opportunity, it includes both debt and equity contributions but it is not necessarily the acquisition price for or the value of any interest that may be acquired by the Group. Where it is used in relation to potential pre-emption opportunities and the European utility opportunity, it reflects the potential acquisition price at the expected time of acquisition but it does not necessarily equal the eventual acquisition price for, or the value of any interest that may be acquired by the Group in relation to such project. In all cases the eventual acquisition price and the value of any interest acquired will depend on a range of factors.

<i>Project</i>	<i>Location</i>	<i>Estimated Capital/ Investment Value</i>	<i>Expected Investment Date</i>	<i>Initial Revenue Period</i>	<i>Description of Project</i>
Lincs OFTO	UK	£282 million	2012/2013	20 years	The Company is part of a consortium that has been named as Preferred Bidder for the Lincs OFTO.
Further OFTOs – London Array Phase 1 and Gwent y Mor	UK	£734 million	2012/2013	20 years	The Company is part of a consortium that has been shortlisted on two of the round 2 OFTOs scheduled to close in 2012/2013.
Healthcare projects	UK	£45 million	2012	25 – 35 years	Amber has been appointed preferred bidder on a number of community healthcare projects in the UK.
Pre-emption opportunities	UK and Europe	Various – in excess of £300 million	It is anticipated that some opportunities may arise in 2012	Various	The Company has the benefit of pre-emption rights in respect of a number of projects within the Existing Portfolio.
European utility opportunity	Europe	£191 million	2012	Up to 20 years	Potential investment in a European utility opportunity
Australasian PPP social infrastructure project	Australasia	£192 million	2012	25 years	Potential investment in an Australasian PPP social infrastructure asset

PIPELINE INVESTMENT HOLDING STRUCTURES

If any of the Pipeline Investments are acquired by the Group they will be held by the Group consistent with the way the Investment Capital in Project Entities in the Existing Portfolio is currently held. The structure by which the Group obtains a return on its investment in the Pipeline Investments will be consistent with the structure for such return which is in place for the Existing Portfolio. Details of the holding structure for and the structure of returns from the Existing Portfolio are described in Part III of this Prospectus.

“BUYSIDE” AND “SELLSIDE” POTENTIAL CONFLICT OF INTEREST AVOIDANCE PROCEDURES

A number of possible potential conflicts of interest may arise in relation to the acquisition of certain of the Pipeline Investments. These include that on the “sellside” Amber is an existing investor in one of the Pipeline Investments while its wholly-owned subsidiary AFML acts on the “buyside” as Investment Adviser and Operator. In connection with the proposed acquisition of the Pipeline Investments, to ensure that the Pipeline Investments will be acquired on an arm’s length basis, the procedures as detailed in Part I of this Prospectus (under the heading “Investment Policy”) will be followed.

The Company intends that by following such conflict of interest avoidance procedures the acquisition by the Group of any of the Pipeline Investments and any Further Investments where the same approach is followed will be structured as ordinary course transactions, and the Company will therefore not seek Shareholder approval for such acquisitions.

Part V

Management and Administration

DIRECTORS

The Directors, the majority of whom are Independent Directors, will be responsible for the overall management of the Company. The Directors, all of whom are non-executive, are listed below.

Keith Dorrian (*Independent Non-Executive Chairman*), aged 65, a resident of Guernsey, is an experienced professional in the banking, finance and fund management industries. A former committee member of the Guernsey Investment Fund Association he was also a director of ANZ Bank (Guernsey) Limited and until his retirement in December 2003, Managing Director of Management International (Guernsey) Limited, the Fund Administration Company of the Bank of Bermuda Group in Guernsey. Prior to retirement he had local responsibility for the Bank's Global Fund Services products with over USD14 billion of assets being administered from Guernsey. Prior to this he was employed by Manufacturers Hanover Trust and First National Bank of Chicago. He holds the Institute of Directors Diploma in Company Direction and holds a number of directorships in listed offshore property funds, funds of hedge funds and hedge funds.

Rupert Dorey (*Independent Non-Executive Director*), aged 52, a resident of Guernsey, has over 22 years' experience in debt capital markets, specialising in credit related products, including derivative instruments. Mr. Dorey's expertise is principally in the areas of debt distribution, origination and trading, covering all types of debt from investment grade to high yield and distressed debt. He was at Credit Suisse First Boston for 17 years from 1988 until May 2005, holding a number of positions including fixed income credit product coordinator for European offices and head of UK Credit and Rates Sales. Since leaving CSFB, Mr. Dorey is acting in a non-executive directorship capacity for a number of hedge funds, funds of hedge funds and private equity funds.

Giles Frost (*Non-Executive Director*), aged 49, resident in the United Kingdom, is a director of Amber. Prior to the management buyout by Amber described below, he was joint head of the European public infrastructure business unit at Babcock & Brown. He was employed at Babcock & Brown for nine years and was involved in the development, investment and management of projects in the public infrastructure sector throughout this time. Prior to joining Babcock & Brown he was a solicitor and partner in the law firm Wilde Sapte.

Carol Goodwin (*Independent Non-Executive Director*), aged 68, a resident of Guernsey, has extensive experience in the finance industry and has held senior executive positions with several European and North American banks, managing businesses in London, Toronto, Montreal, Amsterdam, Nassau and Guernsey. During the periods 1994-1996 and 1998-2001 Ms Goodwin held the position of Managing Director of Investec Bank (Channel Islands) Limited and continues to be a director of the bank and other subsidiary and associated Investec companies. She was also recently Vice Chairman of another Guernsey bank and serves as a non-executive director for a number of other financial services entities, including a variety of listed and unlisted investment funds. Ms Goodwin is a Fellow of the Institute of Canadian Bankers, a Trust and Estate Practitioner and a Chartered Director and Fellow of the Institute of Directors.

John Whittle (*Independent Non-Executive Director*), aged 56, a resident of Guernsey, was until recently Finance Director of Close Fund Services where he successfully initiated a restructuring of client financial reporting services and was a key member of the business transition team. He was at Price Waterhouse in London before embarking on a career in business services, predominantly in telecoms. He co-led the business turnaround of Talkland International (now Vodafone Retail). He is a non-executive director of several investment funds and is a Chartered Accountant.

Further details of the Directors' current and previous directorships are set out in paragraph 6 of Part IX of this Prospectus.

AMBER, THE INVESTMENT ADVISER AND THE OPERATOR

Introduction

Amber Fund Management Limited (formerly BBPP Fund Management Limited, "**AFML**") acts as the Investment Adviser to the Company and as the Operator of the Partnership. Under the terms of the Limited Partnership Agreement and the Operating Agreement, the Operator manages the Partnership and its assets, subject to compliance with the investment policies and restrictions set out in this Prospectus. AFML is a wholly owned subsidiary of Amber Infrastructure Group Limited ("**Amber**"). AFML was incorporated in England and Wales on 10 November 2008 under the Companies Act 1985 (registered number 06745576) and is authorised and regulated in the UK by the Financial Services Authority.

Amber

Members of the Amber Infrastructure Team have been involved in the development and/or management of over £4.5 billion worth of projects in eight countries, meaning that the Amber Infrastructure Team is a leading developer of such assets. Amber operates as a specialist developer, manager, adviser and investor in the field of public infrastructure. Amber also has specialists in the utilities, rail, health, schools and courts sectors.

Amber focuses on generating attractive returns and developing long-term investment management roles in relation to assets or investment vehicles acquired or originated. This is designed to provide the Group and other entities which Amber Group

companies may advise with new transaction opportunities. As an investment adviser (through AFML), Amber seeks to provide investors with exposure to classes of asset which could not otherwise easily be accessed on the public markets and with the intention of delivering returns that outperform relevant benchmarks.

The Amber group was formed through the management-led buyout of the Babcock & Brown PPP business described below. Amber is led by Giles Frost, Hugh Blaney and Michael Gregory who were responsible for the establishment of the Company in 2006 and who have over 10 years' experience working together. The Amber Infrastructure Team currently comprises over 60 people with approximately 350 years of combined experience in infrastructure and/or PPP. Amber currently has teams in the UK, Europe, North America and Australia and is headquartered in London.

Management-Led Buy Out

Until June 2009, the Group was managed, advised and operated by companies in the Babcock & Brown group. Amber acquired the entire share capital of BBPP Fund Management Limited (renamed Amber Fund Management Limited, "**AFML**") and the rights to provide the investment advisory and management services to the Company that were previously supplied by the Babcock & Brown group as a whole pursuant to a conditional agreement dated 29 March 2009 (together, the "**MBO**"). The MBO was approved by a 99.6 per cent. majority of Shareholders who voted in May 2009 and completed on 23 June 2009. Amber also acquired the General Partner of the Partnership.

The Investment Adviser

Pursuant to the Investment Advisory Agreement AFML, a subsidiary of Amber and an investment adviser regulated in the UK by the FSA, acts as the Company's Investment Adviser.

AFML is resourced in the discharge of its obligations as Investment Adviser and Operator through the secondment and deployment to it of Amber Infrastructure Team members.

AFML's appointment as investment adviser may be terminated in the circumstances detailed in the Investment Advisory Agreement and summarised in paragraph 10.1 of Part IX.

Amber – specialist fund manager

In addition to its role as Investment Adviser to the Company, AFML also acts as investment adviser to a number of other infrastructure or urban development funds:

- Regeneration Investment for Wales – A specialist fund, launched in 2010, by European institutions focussed on economic development opportunities in Wales;
- London Energy Efficiency Fund (LEEF) – A specialist fund, launched in 2011, established by the Mayor of London and the European Investment Bank (EIB) with support from Royal Bank of Scotland (RBS) investing in energy efficiency in public buildings; and
- Scottish Partnership for Regeneration in Urban Cities (SPRUCE) – A specialist fund, launched in 2011, by the Scottish Government and the EIB with support from RBS investing in Scottish regeneration.

The Operator

In addition to its role as Investment Adviser to the Company, AFML acts as the Partnership's manager and Operator.

A summary of the terms of the Limited Partnership Agreement is provided in paragraph 4 of Part IX of this Prospectus and a summary of the terms of the Operating Agreement is provided in paragraph 10.3 of Part IX of this Prospectus. AFML's appointment as manager and Operator of the Partnership may be terminated in circumstances detailed in the Operating Agreement.

Further Investments

In addition to the Pipeline Investments, Amber has a number of projects under development or review. For instance, Amber currently has ongoing bids for a number of infrastructure projects. Based on previous success rates of the Amber Infrastructure Team, the Directors anticipate that a number of these bids (and future bids) will be successful (although there can be no guarantee of this). Whilst no formal commitment exists on the part of Amber to offer these opportunities to the Group at any stage, it is anticipated that the Group will be invited in the future to make proposals to invest in or acquire certain future assets originated by Amber in the public infrastructure sector as Amber has granted the Company a contractual right of first refusal covering such opportunities. Consequently, the Directors believe that Amber is well positioned to originate additional investment opportunities for the Group.

Performance to Date of the Company

Since listing on 9 November 2006, the Company has:

- Achieved a current market capitalisation of £624.5 million (as at 22 May 2012) and NAV of £624.3 million (as at 31 December 2011);

- Reported a NAV per Existing Ordinary Share of 116.9 pence (based on a 31 December 2011 valuation), a 2.8 per cent. increase from a NAV per Existing Ordinary Share of 113.6 pence (based on a 30 June 2011 valuation²⁰). The NAV per Existing Ordinary Share based on a 31 December 2010 valuation was 113.1 pence and the Estimated Net Asset Value per Existing Ordinary Share as at 17 May 2012 is not less than 115.2 pence²¹;
- Paid or will pay total distributions of 5.85 pence per Ordinary Share for the 2011 financial year, both in line with the targets stated in the IPO Prospectus and growing the distribution by 2.5 per cent. to 3 per cent. each year since the IPO, with distributions entirely covered by operating cashflow;
- Achieved total shareholder return since the Initial Public Offer of 45.2 per cent. as at 22 May 2012²²;
- By reference to its Ordinary Share price as at 22 May 2012 outperformed the FTSE All Share Index by 29.1 per cent. and the FTSE 250 Index by 8.8 per cent. in each case since the Initial Public Offer;
- Invested the Initial Public Offer proceeds in the initial portfolio contemplated by the IPO Prospectus, consisting of interests in health, education, courts, police authority, government accommodation, leisure, health/custodial and transport projects;
- Invested the balance of the Initial Public Offer proceeds within the timeframe indicated at the time of the Initial Public Offer in courts, transport (including increasing the Company's interest in one project), education and health projects;
- Invested the C Share Issue proceeds in the interests contemplated in the C Share Issue Prospectus, consisting of interests in health (including NHS LIFT) and transport projects (including increasing the Company's interest in one project);
- Invested the balance of the C Share Issue proceeds following the acquisitions contemplated in the C Share Issue Prospectus and approximately £58 million of a £100 million debt facility in interests in health (including NHS LIFT and increasing the Company's interest in one project), education and transport projects;
- Converted C Shares into Ordinary Shares because 80 per cent. of the C Share Issue proceeds had been invested by 30 June 2008 in accordance with the Company's investment policy;
- Invested the 2010 Issue proceeds in the interests contemplated in the 2010 Issue Prospectus, consisting of interests in health, government accommodation, education and transport projects (including increasing the Company's interest in BeNEX);
- Renewed the Company's £100 million debt facility with Royal Bank of Scotland and National Australia Bank in April 2011;
- Invested the balance of the 2010 Issue proceeds, proceeds from tap issues and loans under the Company's debt facility (as renewed) in three offshore electricity transmission projects, one rail project (Gold Coast Light Rail) and one education portfolio (the acquisition of BSFI); and
- Completed a number of initiatives including the following:
 - Completed construction at the Garland Road Health Centre in Greenwich, London, a project part-financed by way of subordinated debt under the NHS LIFT initiative;
 - Completed construction under the PFI/PPP project to design and construct and provide facilities management at 27 schools in Tower Hamlets, London;
 - Re-priced several facilities management agreements;
 - Pooled insurance contracts resulting in significant reductions in premiums;
 - Completed the acquisition of the senior debt interest in two PFI projects in which the Group holds Investment Capital, being Hereford and Worcester Magistrates Courts and Strathclyde Police Training Centre;
 - Completed 42 sites under the PFI/PPP project to design, construct and finance 30 existing schools and 12 new schools in Northamptonshire, and to provide facilities management at all sites;
 - Completed construction of the Durham Courthouse project;
 - Completed the new Dublin Criminal Courts facility;
 - Completed a variation to the Tower Hamlets Schools project; and
 - Successfully managed construction on both the Liverpool Library and Moray Schools projects with completion scheduled for November and June 2012 respectively.

20 Figures as at 30 June 2011 are unaudited and taken from the interim report and financial statements for the Group for the period ended 30 June 2011.

21 The Estimated Net Asset Value is an estimate of the Directors based on the advice of the Investment Adviser and based on unaudited financial information of the Group, but using the same methodology as is used for the half-yearly Net Asset Values. This Estimated Net Asset Value and the information that has been used to prepare it has not been audited or reviewed by any person outside the Amber Group other than the Directors. As such, there can be no assurance that the Net Asset Value as at 30 June 2012 will reflect the Estimated Net Asset Value which is prepared as at 17 May 2012.

22 Total shareholder return is capital appreciation of the Ordinary Shares plus cash dividends.

INVESTMENT PROCESS FOR FURTHER INVESTMENTS

Due Diligence Procedures

In considering any future investment opportunities for the Group, members of the Amber Infrastructure Team evaluate the project risks which they believe are material to making an investment decision in relation to additional assets. Where appropriate, they complement their analysis through the use of professional expertise including engineering and/or technical consultants, environmental consultants, accountants, taxation and legal advisers, financial modellers and insurance experts. These advisers may carry out due diligence, which is intended to provide a second and independent review of key aspects of a project providing confidence as to the projects deliverability and likely revenue production. All investment evaluations are expected to be supported by financial modelling utilising sensitivity analyses on key variables including, for example, demand risk and fluctuations in revenue and cost.

In addition, members of the Amber Infrastructure Team carry out other risk assessments, for instance on counterparties, contractors, subcontractors, equity investors, and other parties as appropriate (and having regard to country risk).

Investment Approval

A structured investment approval process has been adopted to ensure appropriate selection of prospective investments. In particular AFML, as Investment Adviser and Operator, has adopted investment procedures agreed with the Company which involve the establishment of an investment committee of the Operator (the “**Investment Committee**”) made up of senior Amber employees. The Investment Committee reviews prospective new investments and ultimately, independently of Amber, approves any acquisition. The Investment Committee considers the suitability of the acquisition in relation to the existing portfolio and its match with the Company’s investment policy. AFML as Operator has full discretion over acquisitions and disposals although in practice it has always been the policy of the Operator to consult with and obtain the approval of the Directors in respect of acquisitions and disposals by the Group and such discretion is in any case subject to the conflict of interest procedures described in Part I of this Prospectus (under the heading “Investment Policy”) where an acquisition or disposal involves Amber. It is anticipated that this process will continue to be applied in respect of Further Investments.

Where there is a requirement to raise new equity funds whether or not directly related to an acquisition, the Investment Committee makes a recommendation to the Directors to proceed. Raising new money is therefore a decision for the Directors. Cash proceeds of equity raisings will be invested at the discretion of AFML as Operator in accordance with the Company’s investment strategy and policy and in accordance with the Company’s conflict of interest avoidance procedures detailed in Part I.

Investment Monitoring

A majority of the projects by value within the Existing Portfolio currently benefit from project level asset management from Amber group companies or other companies in which Amber may have an interest. These services are generally provided at a fixed price linked to inflation under separate contracts and cover the provision of asset management services such as Public Sector Client liaison, invoicing, project monitoring, statutory accounting and bookkeeping. By virtue of the Investment Advisory Agreement and the Operating Agreement, the investment performance of the Investment Portfolio is also actively monitored by AFML, usually through board representation but also through regular dialogue with the key parties involved.

Under these arrangements the Group expects to receive regular management and annual audited accounts from each Project Entity in which the Group makes an investment as well as management progress reports addressing critical factors such as actual performance against service requirements. These are reviewed by AFML to determine compliance with agreed targets. Where the Group does not invest directly in a Project Entity (for instance, in the Existing Portfolio, in relation to Angel Trains and BeNEX), AFML actively monitors the financial performance of the investment entities.

AFML, as part of the services provided to the Company and the Partnership under the Investment Advisory Agreement and the Operating Agreement, keeps the assets of the Group under review and advises from time to time on actions or strategies that could beneficially be implemented to enhance the returns from the Investment Portfolio.

Part VI

Issue Arrangements

THE ISSUE

The Company is targeting a capital raising of up to £180 million by way of an Issue of New Shares, but has the right to accept subscriptions under the Issue of up to £270 million. The Issue comprises up to 154,838,710 New Shares to be issued at a price of 116.25 pence per New Share. The Issue comprises a Placing, an Open Offer and an Offer for Subscription. On the basis that the targeted issue size of £180 million is reached, it is expected that the Company will receive approximately £177,226,500 million after the Issue Costs of approximately £2,773,500 (assuming maximum Placing Fees and including these and any Financial Advisory Fee).

The Company examined a number of options for raising equity and has concluded, on the advice of the Sponsor, that the combination of the Placing, the Open Offer and the Offer for Subscription allows Existing Shareholders to participate in the Issue by subscribing for New Shares pursuant to their Open Offer Entitlements on a pre-emptive basis as well as applying for further New Shares under the Open Offer (by virtue of the Excess Application Facility), while providing the Company with the flexibility to raise the desired quantum of equity capital from new investors via the combined Placing and Offer for Subscription.

The Issue Price of 116.25 pence per New Share represents a discount of 0.6 per cent. to the Closing Price of 116.9 pence per Existing Ordinary Share as at the close of business on 22 May 2012 (being the latest practicable date prior to the publication of this Prospectus) and a premium of 0.9 per cent. to the Estimated Net Asset Value per Existing Ordinary Share (as at 17 May 2012)²³.

Based on the terms of the Open Offer Entitlement described below, up to 89,039,031 New Shares may be issued to Qualifying Shareholders under the Open Offer, although this figure may be increased in the manner described in this Part VI. As at the date of this Prospectus, the actual number of New Shares to be subscribed under each of the Placing, the Open Offer and the Offer for Subscription is not known. The maximum number of New Shares available under the Issue should not be taken as an indication of the number of New Shares finally to be issued.

CONDITIONS TO THE ISSUE

The Issue is conditional upon the following Issue Conditions:

- The Issue Pre-emption Resolution being passed at the Annual General Meeting;
- Admission of the New Shares becoming effective by not later than 8.00 a.m. (London time) on 25 June 2012 (or such later date (being no later than 9 July 2012) as may be provided for in accordance with the terms of the Issue Agreement); and
- the Issue Agreement becoming otherwise unconditional in all respects and not being terminated in accordance with its terms before Admission becomes effective.

If these Issue Conditions are not met, unless they are waived the Issue will not proceed. Subject to those matters upon which the Issue is conditional, the Directors, with the consent of the Bookrunners, may bring forward or postpone the closing date for the Placing, the Open Offer and the Offer for Subscription by up to two weeks.

THE PLACING

The Placing is not underwritten and may be scaled back in favour of either the Open Offer or the Offer for Subscription.

The fees payable to the Bookrunners under the Issue Agreement are detailed in Part I under the heading "Issue Expenses". Further details of the terms of the Issue Agreement are set out in paragraph 10.6 of Part IX.

THE OPEN OFFER

Open Offer Entitlement

The Open Offer will be made to Qualifying Shareholders at the Issue Price, on the terms and subject to the conditions of the Open Offer, on the basis of:

1 New Share for every 6 Existing Ordinary Shares held on the Record Date

On this basis, up to 89,039,031 New Shares may be issued to Qualifying Shareholders pursuant to the Open Offer, although the Placing and the Offer Subscription may be scaled back in the Directors' discretion to increase the size of the Open Offer

²³ The Estimated Net Asset Value is an estimate of the Directors, based on the advice of the Investment Adviser, and based on unaudited financial information of the Group, but using the same methodology as is used for the half-yearly Net Asset Values. This Estimated Net Asset Value and the information that has been used to prepare it has not been audited or reviewed by any person outside the Amber Group other than the Directors. There can be no assurance that the Net Asset Value as at 30 June 2012 will reflect the Estimated Net Asset Value which is prepared as at 17 May 2012.

by reallocating New Shares that would otherwise be available under the Placing and/or the Offer for Subscription to be available to Qualifying Shareholders through the Excess Application Facility (described below). Qualifying Shareholders should be aware that the Open Offer is not a rights issue and Open Offer Application Forms cannot be traded.

Fractional entitlements under the Open Offer will be rounded down to the nearest whole number of New Shares and any fractional entitlements to Open Offer Shares will be disregarded in calculating Open Offer Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility.

The latest time and date for acceptance and payment in full in respect of the Open Offer will be 11.00 a.m. on 15 June 2012.

The terms and conditions of application under the Open Offer are set out at the end of this Prospectus. These terms and conditions should be read carefully before an application is made. Investors should consult their stockbroker, bank manager, solicitor, accountant or other financial advisor if they are in doubt.

The Open Offer is not underwritten and is not subject to scaling back in favour of either the Placing or the Offer for Subscription.

Excess Application Facility under the Open Offer

Qualifying Shareholders that take up all of their Open Offer Entitlements may also apply under the Excess Application Facility for additional New Shares that they would otherwise not be entitled to. The Excess Application Facility will be comprised of Open Offer Shares which are not taken up by Qualifying Shareholders pursuant to their Open Offer Entitlement, fractional entitlements under the Open Offer and any New Shares that the Directors determine should be reallocated from the Offer for Subscription to satisfy demand from Qualifying Shareholders in preference to prospective new investors under the Offer for Subscription ("**Excess Shares**").

Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Open Offer Entitlement should complete the relevant sections on the Open Offer Application Form.

Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4.2(c) of the "Terms and Conditions of the Open Offer" on page 115 of this Prospectus for information on how to apply for Excess Shares pursuant to the Excess Application Facility.

Excess applications may be allocated in such manner as the Directors determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all. To the extent any Open Offer Shares remain unallocated pursuant to Open Offer Entitlements and under the Excess Application Facility, and the Placing and/or the Offer for Subscription is oversubscribed, such Open Offer Shares will at the Directors' discretion be allocated to subscribers under the Placing and/or the Offer for Subscription.

Action to be Taken under the Open Offer

Qualifying Non-CREST Shareholders will be sent an Open Offer Application Form giving details of their Open Offer Entitlement.

Qualifying CREST Shareholders will not be sent an Open Offer Application Form. Instead, Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlement and their Excess CREST Open Offer Entitlement as soon as practicable after 8.00 a.m. on 28 May 2012.

Persons that have sold or otherwise transferred all of his or her Existing Ordinary Shares held in certificated form before 25 May 2012 should forward this Prospectus, together with any Open Offer Application Form (duly renounced), if and when received, at once to the purchaser or transferee, or the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee, except that such the Prospectus should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including, but not limited to, the United States and the Excluded Territories.

Any Existing Shareholder that has sold or otherwise transferred only some of his or her Existing Shares held in certificated form before 25 May 2012 should refer to the instruction regarding split applications in the "Terms and Conditions of the Open Offer" at the end of this Prospectus and in the Open Offer Application Form.

For any Existing Shareholder that has sold or otherwise transferred only part of his or her holding of Existing Ordinary Shares held in uncertificated form before 25 May 2012, a claim transaction will automatically be generated by Euroclear UK & Ireland which, on settlement, will transfer the appropriate Open Offer Entitlement and Excess CREST Open Offer Entitlement to the purchaser or transferee.

Full details of the Open Offer are contained in the Terms and Conditions of the Open Offer at the end of this Prospectus. If you have any doubt what action you should take, you should seek your own financial advice from your stockbroker, solicitor or other independent financial adviser duly authorised under FSMA who specialises in advice on the acquisition of shares and other securities immediately.

THE OFFER FOR SUBSCRIPTION

The Offer for Subscription is only being made in the UK but, subject to applicable law, the Company may allot New Shares on a private placement basis to applicants in other jurisdictions. The terms and conditions of application under the Offer for Subscription and the Subscription Form are set out at the end of this Prospectus. These terms and conditions should be read

carefully before an application is made. Investors should consult their stockbroker, bank manager, solicitor, accountant or other financial advisor if they are in doubt.

BASIS OF ALLOCATION UNDER THE ISSUE

The Placing may be scaled back in favour of the Open Offer or the Offer for Subscription and the Offer for Subscription may be scaled back in favour of the Placing or the Open Offer. The Open Offer is being made on a pre-emptive basis to Qualifying Shareholders and is not subject to scaling back in favour of either the Placing or the Offer for Subscription. The Directors have the discretion to scale back the Placing and/or the Offer for Subscription in favour of the Open Offer by reallocating New Shares that would otherwise be available under the Placing and/or the Offer for Subscription to be available to Qualifying Shareholders through the Excess Application Facility under the Open Offer. Any New Shares that are available under the Open Offer and are not taken up by Qualifying Shareholders pursuant to their Open Offer Entitlements and under the Excess Application Facility will be reallocated to the Placing and/or the Offer for Subscription and available thereunder.

The Directors have the discretion to determine the basis of allotment between Qualifying Shareholders under the Excess Application Facility, any scaling back of or reallocation of Open Offer Shares to the Placing and/or the Offer for Subscription, and any increase in the size of the Issue (up to 50 per cent. above the targeted amount). In exercising this discretion, the Directors generally intend to give priority to Existing Shareholders over prospective new Shareholders, although the Directors will seek to balance the benefits to the Company of allowing Existing Shareholders to maintain or increase the size of their relative Shareholdings with expanding the Shareholder base of the Company.

GENERAL

CREST accounts will be credited with New Shares on the date of Admission and it is anticipated that, where Shareholders have requested them, certificates in respect of the New Shares to be held in certificated form will be dispatched as soon as possible following 2 July 2012. Pending receipt by Shareholders of definitive share certificates, if issued, the Registrar will certify any instruments of transfer against the relevant register of members.

The New Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Shares, including the right to receive all dividends or other distributions declared, made or paid after the date of their issue.

All applications for New Shares will be payable in full.

The results of and basis of allocation under the Issue are expected to be announced on 22 June 2012. The basis of allocation shall be determined by the Company after consultation with the Investment Adviser and the Bookrunners.

To the extent that any application for subscription is rejected in whole or in part or the Directors determine in their absolute discretion that the Issue should not proceed, monies received will be returned to each relevant applicant at its risk and without interest.

Regardless of the eventual size of the Issue, the Net Issue Proceeds will be used to achieve the investment objectives of the Company as described in Part I of this Prospectus, first for the repayment of the Group's existing third party debt (currently in an amount of approximately £18.1 million) and then, to the extent the Net Issue proceeds are not needed for repayment under the Loan Facilities Agreement, for the acquisition of Further Investments, discharging third party debt incurred to acquire Further Investments after Admission, and to meet other operational expenses of the Group's business. The proportion of the Net Issue Proceeds allocated to each such use will depend on the size of the Net Issue Proceeds, when the Group's outstanding debt under the Loan Facilities Agreement becomes repayable in accordance with its terms, and the future decisions of the Investment Adviser and the Company. The investment activities described in this paragraph are expected to have a positive effect on earnings. Since the list of Pipeline Investments and Further Investments is indicative only, the Company will not prioritise the use of proceeds for any one investment.

Financial intermediaries who are investing on behalf of clients should make separate applications. Multiple applications or suspected multiple applications on behalf of a single client may be rejected. The International Security Identification Number (ISIN) for the New Shares is GB00B188SR50 and the SEDOL is B188SR5.

OVERSEAS INVESTORS

The attention of persons resident outside the UK is drawn to the notices to investors set out at pages 95 to 96 of this Prospectus which contains restrictions on the holding of New Shares by such persons. This Prospectus does not constitute an offer to sell or an offer to subscribe for or buy New Shares in any jurisdiction in which such offer or solicitation is unlawful.

In particular investors should note that the New 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 of the United States and the Company has not registered, and does not intend to register, as an investment company under the Investment Company Act. Accordingly, the New Shares may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit of, any US Persons except in a transaction meeting the requirements of an applicable exemption from the registration requirements of the Securities Act.

CREST

CREST is a paperless settlement procedure enabling securities to be transferred from one person's CREST account to another without the need to use share certificates or written instruments of transfer. The Articles permit the holding of New Shares under the CREST system and the Company has applied for the New Shares to be admitted to CREST with effect

from Admission. Accordingly, settlement of transactions in the New Shares following Admission may take place within the CREST system if any Shareholder so wishes (provided that the New Shares are not in certificated form).

CREST is a voluntary system and upon the specific request of a Shareholder, the New Shares of that Shareholder which are being held under the CREST system may be exchanged, in whole or in part, for share certificates.

If a Shareholder or transferee requests New Shares to be issued in certificated form a share certificate will be despatched either to them or their nominated agent (at their own risk) within 21 days of completion of the registration process or transfer, as the case may be, of the New Shares. Shareholders who are non-US Persons holding definitive certificates may elect at a later date to hold their New Shares through CREST in uncertificated form provided they surrender their definitive certificates.

DEALING ARRANGEMENTS

Application has been made for the New Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that such Admission will become effective, and that unconditional dealings in the New Shares will commence at 8.00 a.m. on 25 June 2012.

SETTLEMENT

The latest time and date for acceptance and payment in full is expected to be 11.00 a.m. on 15 June 2012, unless otherwise announced by the Company.

The Open Offer

The procedure for acceptance and payment is set out in "Terms and Conditions of the Open Offer" at the end of this Prospectus and, in respect of Qualifying Non-CREST Shareholders, in the Open Offer Application Form.

The Placing

Payment for the New Shares to be acquired under the Placing should be made in accordance with settlement instructions provided to investors by the Bookrunners. To the extent that any application or subscription for New Shares is rejected in whole or part, monies will be returned to the applicant without interest.

The Offer for Subscription

Payment for New Shares applied for under the Offer for Subscription should be made in accordance with the instructions contained in the Subscription Form set out at the end of this Prospectus.

ANTI-MONEY LAUNDERING

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK and/or Guernsey, any of the Company and its agents, the Administrator, the Investment Adviser and the Bookrunners may require evidence in connection with any application for New Shares, including further identification of the applicant(s), before any New Shares are issued.

Each of the Company and its agents, the Administrator, the Investment Adviser and the Bookrunners reserve the right to request such information as is necessary to verify the identity of a Shareholder or prospective Shareholder and (if any) the underlying beneficial owner or prospective beneficial owner of a Shareholder's New Shares. In the event of delay or failure by the Shareholder or prospective Shareholder to produce any information required for verification purposes, the Directors, in consultation with the Bookrunners and the Investment Adviser, may refuse to accept a subscription for New Shares, or may refuse to register the transfer of New Shares held by any such Shareholder.

Part VII

Taxation

INTRODUCTION

The following paragraphs, which are intended as a general guide only, summarise the tax treatment of the Group and certain types of investors. This has been provided for general information purposes only and does not address every potential tax consequence that might be relevant to the Group or particular investors. It applies, unless otherwise stated, only to the Group and companies within the Group. This summary is based on the law as at the date of this Prospectus and published practice of certain tax authorities and is therefore subject to change, possibly retrospectively.

If Shareholders or prospective Shareholders are in any doubt as to their tax position they should consult their own professional adviser without delay.

THE GROUP

Guernsey Taxation

The Company

In response to the European Code of Conduct Group review Guernsey introduced its “zero 10” corporate tax regime on 1 January 2008 and abolished the exempt tax status for the majority of companies. Under the “zero ten” regime, companies incorporated in Guernsey are resident in Guernsey for tax purposes with the standard rate of income tax for companies being 0 per cent. There are exceptions to the standard rate, with banks paying tax at ten per cent. on certain elements of income, and all companies are taxable at twenty per cent. on income from rental property in Guernsey and on income from activities regulated by the Office of the Director General of Utility Regulation. However, collective investment schemes (“**CIS**”) are eligible for and therefore can and will apply for exempt status for Guernsey tax purposes under The Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989, as amended (the “**Exempt Ordinance**”), as these were not identified as being harmful by the European Union Code of Conduct Group. Under the provisions of the Exempt Ordinance, exemption is granted by the Director of Income Tax on an annual basis, provided the CIS continues to comply with the requirements of the Exempt Ordinance and upon payment of an annual fee which is currently fixed at £600. It is a condition of the exemption that no investment or other property of the CIS will be situated in Guernsey, other than a relevant bank deposit or an interest in another body to which an exemption from tax has been granted, is acquired or held.

Once exempt status has been granted, the CIS is treated as not being resident in Guernsey for the purposes of liability to Guernsey income tax. Under current law and practice therefore, the CIS should only be liable for tax in Guernsey in respect of income arising in Guernsey, other than bank deposit interest, and at zero per cent.

In keeping with its ongoing commitment to meeting international standards, the States of Guernsey is undertaking a further review of its tax regime with the intention of implementing any required revisions to the regime in the period between 2013 and 2015. At this point in time, the key features of any revised regime have yet to be determined, and we would not expect them to have any impact on CIS.

Guernsey Tax Implications for Investors

Shareholders resident outside Guernsey will not be subject to any tax in Guernsey in respect of or in connection with the acquisition, holding or disposal of any Shares owned by them. Such shareholders will receive dividends without deduction of Guernsey income tax.

In relation to distributions, Shareholders resident for tax purposes in Guernsey, Alderney or Herm will only incur Guernsey income tax on actual distributions made to them. Such Shareholders will not be taxed on the underlying investment income nor on any deemed distributions where the Company is exempt.

Guernsey does not levy taxes upon capital inheritances, capital gains, gifts, sales or turnover, nor are there any estate duties, save for a small *ad valorem* fee for the grant of probate or letters of administration.

Guernsey does not impose stamp duty or capital duty on the issue of the New Shares.

EU Savings Directive

Guernsey has introduced equivalent measures to the EU Savings Tax Directive (the “**Directive**”). Under the Directive, income derived from Undertakings for Collective Investment in Transferable Securities or “UCITS” funds and undertakings for CIS established outside the EU are potentially caught within the Directive. The Guernsey government has issued guidance which states that only Class A funds established in Guernsey should be within scope of the Directive. All other funds are regarded as out of scope. Accordingly, paying agents are not required to operate the measures on distributions made to shareholders by companies established in Guernsey that are not Class A funds. On the basis that the Company is not a Class A fund, it should therefore not be subject to the Directive.

The operation of the Directive is currently under review by the European Commission and a number of changes have been outlined which, if agreed, will significantly widen its scope. These changes could lead to the Company having to comply with the Directive in the future.

Luxembourg Taxation

The directors of Luxco 1, Luxco 2, and NA S.à r.l. (individually a “**Group Luxco**” and together the “**Group Luxcos**”) continue to manage the companies with the view that they will be fully taxable companies resident for tax purposes only in Luxembourg. The Directors continue to manage affairs with the intention that any tax burden in the Group Luxcos is minimised. In addition they will seek to ensure that the holdings in the subsidiaries continue to qualify for the Luxembourg participation exemption such that dividend income and capital gains generated from such holdings are exempt from Luxembourg corporate income tax.

Transparency of Partnership

The Partnership should continue to be treated as fiscally transparent for Luxembourg tax purposes and therefore Luxco 2 is beneficially entitled to the income and capital arising from the Project Entities (after first deducting any amounts apportioned to the General Partner under the terms of the Limited Partnership Agreement).

Financing Margin

The Group Luxcos’ interest income should continue to be fully taxable in Luxembourg. Interest expense is fully deductible for tax purposes subject to an appropriate arm’s length margin on the financing activity being taxable in Luxembourg. The appropriateness of the margins will be confirmed in a transfer pricing study.

Withholding Tax

The Directors will continue to manage the affairs of the Group with the intention that withholding taxes that may arise between the Partnership, the Group Luxcos and the Company are eliminated to the extent possible. It is not expected that Luxco 1 will pay dividends to the Company; however in the event that dividends are paid they will be subject to 15 per cent. withholding tax.

Net Worth Tax

Net worth tax of 0.5 per cent. on the Group Luxcos’ worldwide net worth is payable annually. However, the Directors consider that the amount charged should continue to be minimal on the basis that the assets that are assessed for net worth tax exclude equity funded shares in subsidiaries provided they continue to qualify for the participation exemption. Debts to finance such qualifying participations, however, are not deductible for net worth tax purposes.

EU Savings Directive

Currently, any interest paid or attributed by one of the Group Luxcos to the Company is not subject to obligations under the EU Savings Directive. This may change, however, as the EU Savings Directive currently is under review. According to the draft amended Directive, significant modifications of the scope of application of the EU Savings Directive would be made, and additional look-through rules would be introduced, which could lead the Group Luxcos to become subject to the Directive. According to the current draft text, if the updated EU Savings Directive enters into force in 2010, the earliest date that the updated Directive would apply from is 1 January 2013.

United Kingdom Taxation

Taxation of Partnership

The General Partner and the Operator continue to conduct the business of the Partnership with the intention that for United Kingdom tax purposes the Partnership is not regarded as carrying on a trade in the United Kingdom. On the basis that the Partnership continues to be a fiscally transparent entity for tax purposes which is not carrying on a trade in the UK, Luxco 2 should not be subject to UK tax on its share of the Partnership profits.

UK Project Entities

The UK Project Entities will continue to be subject to UK corporation tax, currently at a rate of 24 per cent. on their taxable income. Luxco 2 should receive dividend and interest income from the UK and other EU project subsidiaries, without tax being withheld at source, subject to the provisions of the EU Interest and Royalties Directive and the UK/Luxembourg double taxation agreement, as far as interest is concerned.

Australian Taxation

Taxation of Australian Project Entities

Australian Project Entities may include companies, partnerships and trusts formed in Australia to undertake infrastructure projects or provide infrastructure services.

Australian resident companies are subject to income tax at the corporate tax rate of 30 per cent. Australian resident partners in an Australian general partnership are taxed on their share of the partnership’s net income (at 30 per cent. for corporate partners). Australian resident beneficiaries that are presently entitled to the income of an Australian trust are taxed on their share of the trust’s net income (at 30 per cent. for corporate beneficiaries). UK resident beneficiaries that are presently entitled

to the income of an Australian trust are generally subject to a final withholding tax on interest, royalties and dividend income (as explained below) and a non-final withholding tax on other Australian sourced income (at 30 per cent. for corporate beneficiaries, provided the beneficiary is not itself a trustee of another trust).

However if the trust is a “managed investment trust”, other Australian sourced income is subject to a 7.5 per cent. final withholding tax if the beneficiary is UK resident.

Interest incurred by an Australian Project Entity on debt used for income producing purposes or in carrying on business should be generally deductible for Australian tax purposes, subject to the Australian thin capitalisation rules, transfer pricing rules and the payment of interest withholding tax (where applicable).

Australian Withholding Tax

Generally, distributions paid from Australian Project Entities may be subject to Australian tax by assessment or withholding, with the rate of tax dependent on the type and tax profile of the Project Entity and also the ownership percentage held in that investment.

Generally for dividends paid to UK residents by Australian companies, or entities treated as companies, there will be no Australian withholding tax on franked dividends whereas unfranked dividends are subject to Australian withholding tax of 15 per cent., which may be reduced to 5 per cent. under the Australia/United Kingdom Double Tax Agreement. It is anticipated that the reduced rate of 5 per cent. should continue to apply to dividends paid by Australian Project Entities to IPP (Aust) Limited, a UK resident company where the shareholding exceeds 10 per cent.

Broadly, dividends are franked to the extent they are paid out of profits on which Australian corporate tax has been paid and are unfranked to the extent they are paid out of profits that have not been subject to Australian corporate tax.

Australian interest withholding tax generally applies at 10 per cent. on interest paid by Australian Project Entities to foreign entities. Exemptions may apply in certain cases, including interest on certain “publicly offered” debt securities and syndicated loans, interest paid to an Australian branch of a foreign bank and interest paid to financial institutions resident in certain countries with which Australia has a tax treaty.

Capital Gains Tax

Generally, capital gains made on disposals of assets by Australian Project Entities would be taxable in Australia as explained above. Capital gains made by UK resident holding entities on disposal of Australian Project Entities would be subject to Australian tax only if the relevant asset is “taxable Australian property”. This includes real property and natural resource rights situated in Australia, assets used in carrying on business through an Australian permanent establishment and shares or other interests in entities whose underlying assets consist principally of Australian real property. The tax consequences will be different if the gain made is determined to be ordinary income as opposed to a capital gain.

UK Taxation of Income from Australian Project Entities

The Australian Project Entities will continue to be held directly, or indirectly by a UK holding company, IPP (Aust) Limited, which is wholly owned by the Partnership. IPP (Aust) Limited will continue to be subject to UK corporation tax, currently at a rate of 24 per cent. on its taxable profits.

As a result of legislation introduced by the Finance Act 2009, dividends and other distributions received from Australian Project Entities should in most instances, be exempt from UK corporation tax. The new legislation also provides that UK tax credits will not be available for overseas tax suffered on dividends received from the Australian Project Entities except in very limited circumstances, which are not expected to apply.

Other EU and Canadian Taxation

The Group includes Project Entities established, in addition to those in Australia and the UK, in France, Belgium, Germany, Ireland and Canada.

Generally, distributions paid from these other EU and Canadian Project Entities may be subject to domestic tax in their own jurisdiction by assessment or withholding, with the rate of tax dependent on the type and tax profile of the Project Entity and also the ownership percentage held in that investment.

The interests in the other EU and Canadian Project Entities are either held by Luxembourg S.à.r.l.s (that are wholly owned by the Partnership), or directly by the Partnership itself.

In general, the Luxembourg S.à.r.l.s, or Luxco 2 (sole limited partner in the Partnership), should continue to receive dividend and interest income from the other EU Project Entities without tax being withheld at source, subject to the provisions of the EU Parent Subsidiary Directive and the EU Interest and Royalties Directive and local country rules.

For dividends and interest paid by Canadian Project Entities to Luxembourg, reduced rates of withholding tax under the tax treaty between Canada and Luxembourg should remain available and it is anticipated that treaty withholding tax rates of 10 per cent. on interest and 5 per cent. on dividends should continue to apply on payments of dividends and interest from Canada to Luxembourg in most circumstances.

There could be a potential Canadian income tax exposure arising as a result of a disposal of a Canadian Project Entity in circumstances where a Canadian Project Entity is considered to be taxable Canadian property. This could be the case, for

example, if more than 50 per cent. of the fair market value of the shares or units of a Canadian Project Entity is derived directly or indirectly from real or immovable property situated in Canada. Under certain circumstances, the Canada/Luxembourg double taxation treaty may exempt a gain on a disposal of taxable Canadian property.

TAXATION OF INVESTORS IN THE COMPANY

The following is a summary of the UK tax considerations relevant to investors in the Company. The summary is based on current UK tax legislation and HM Revenue & Customs practice which may be subject to change, with or without retrospective effect. These considerations may not apply to certain categories of investors, such as dealers. If Shareholders are in any doubt as to their tax position or if they are subject to tax in any jurisdiction other than the UK, they should consult an appropriate professional adviser immediately.

Shareholders should rely only upon advice received from their own tax advisers based upon their own individual circumstances and the laws applicable to them.

General

The following comments only apply to Shareholders who hold their interest in the Company for investment purposes.

A new regime for offshore funds applies with effect for accounting periods beginning on or after 1 December 2009 in accordance with the Offshore Funds (Tax) Regulations 2009. Under the new rules, the definition of an offshore fund is based on a characteristics approach detailed in section 355, part 8 of the Taxation (International and Other Provisions) Act 2010. As the Company does not maintain any pre-existing (or propose any) arrangements that could allow existing or prospective investors to realise their investment entirely (or almost entirely) with reference to Net Asset Value, it is not expected that the Company will be treated as an offshore fund for the purposes of these new Regulations.

Disposal of Shares

UK resident shareholders

A disposal of New Shares by a Shareholder who is (at any time in the relevant United Kingdom tax year or, as the case may be, accounting period) resident or, in the case of an individual, ordinarily resident in the United Kingdom for tax purposes may give rise to a chargeable gain (currently taxable at a rate of 18 per cent. up to the basic rate band of £35,000 and 28 per cent. for any remaining gains above the basic rate band) or an allowable loss for the purposes of United Kingdom taxation on chargeable gains, depending on the Shareholder's specific circumstances.

Special rules apply to UK individual shareholders who are not domiciled in the UK, or are resident but not ordinarily resident in the UK.

Non-UK resident shareholders

A Shareholder who is not resident and, in the case of an individual, not ordinarily resident in the United Kingdom for UK taxation purposes and whose New Shares are not attributable to a trade, profession or vocation carried on in the UK through a branch or agency (or permanent establishment) will not be subject to UK tax on any gains realised on a disposal of New Shares (save as mentioned below in relation to temporarily non UK resident individuals).

Temporary non-UK resident shareholders

A Shareholder who is an individual who has ceased to be resident or ordinarily resident in the UK for tax purposes for a period of less than five years of assessment and who disposes of New Shares during that period resulting in capital gain may become liable to UK capital gains tax under section 10A of the Taxation of Capital Gains Act 1992 ("**TCGA 1992**"), if the shareholder returns to the UK and becomes UK resident again within five years of assessment. The tax legislation in this respect applies to individuals who have been resident in the UK for at least four of the seven years of assessment before their departure from the UK.

Section 10A TCGA 1992 can apply to non-domiciled shareholders who are resident in the UK and who then become temporarily non-resident, where they leave the UK and then resume residence in the UK within 5 years of assessment. In this case, any UK gains in the intervening period are taxed in the year of return. The way that any foreign gains in the intervening period are taxed depends on whether the shareholder claims to use the remittance basis in the year of return.

If the shareholder is not a remittance basis user, foreign gains are taxed in the same way as they are for UK domiciled shareholders – i.e., gains made in the intervening period are fully taxed in the UK in the year of return. If the shareholder uses the remittance basis in the year of return, foreign gains in the intervening period are taxed if those gains are remitted to the UK. Therefore any foreign gains remitted in the period while the taxpayer is temporarily non-resident will be taxed in the year of return.

Taxation of Distributions

Dividends

Subject to their personal circumstances, individual Shareholders resident in the UK for taxation purposes will be liable to UK income tax based on the gross amount of the dividends received from the Company. Dividends received by corporate Shareholders who are otherwise within the charge to UK corporation tax will be exempt from UK corporation tax.

UK resident individual Shareholders who own less than 10 per cent. of the issued share capital of the Company will be entitled to tax credits in respect of any dividends received from the Company (no UK tax credit will be attached to dividends received by any other individual Shareholder). The tax credits will be 10 per cent. of the aggregate dividend and the tax credit itself (equivalent to one-ninth of the cash dividend). Shareholders, including those who hold their shares through an ISA, who are not liable to income tax in respect of their dividends, will not be entitled to claim any part of the tax credit.

There is no income tax charge arising in a year of assessment for individual Shareholders who derive maximum savings income of up to £2,710 in the 2012/13 year of assessment.

Individual Shareholders who derive dividend income of up to £34,370 in the 2012/13 year of assessment, will be liable to income tax at a rate of 10 per cent. on dividend income received and such Shareholders will have no further liability to tax on their dividends.

Individual Shareholders who derive dividend income of up to £150,000 in the 2012/13 year of assessment, will be liable to income tax on the sum of their dividend plus the tax credit (to the extent that, taking that sum at the top slice of their income, it falls above the threshold for the higher rate of income tax) at the rate of 32.5 per cent., against which they can offset the 10 per cent. tax credit.

Individual Shareholders who derive dividend income in excess of £150,000 in the 2012/13 year of assessment, will be subject to income tax on their dividend income at 42.5 per cent., against which they can offset the 10 per cent. tax credit.

Individual Shareholders who are resident but not domiciled and/or not ordinarily resident in the UK and who claim the remittance basis of taxation will only be liable to UK income tax on dividends received from the Company if the dividends are remitted to the UK. If remitted to the UK, the rate of tax on such dividends is: 20 per cent. rather than 10 per cent.; 40 per cent., rather than 32.5 per cent.; and 50 per cent. rather than 42.5 per cent., with tax rates referenced to the dividend income thresholds detailed above (subject to the rules on tax credits described above).

It is worth noting that income tax rates will reduce from 6 April 2013 with the top rate of income tax applying to dividend income reducing from 42.5 per cent. to 37.5 per cent. and the additional income tax rate reducing from 50 per cent. to 45 per cent.

Scrip Dividends

The Company has, and, if the Scrip Dividend Resolution is passed at the Annual General Meeting, will continue to have, the ability to offer Shareholders the opportunity to elect to receive future dividends from the Company wholly or partly in the form of new Shares rather than cash.

A scrip dividend is a scrip issue of new shares made in lieu of a cash dividend. Shareholders can choose whether to receive a cash dividend or the equivalent dividend in shares. The shares issued under a scrip dividend arrangement have an equivalent cash value to the cash dividend.

A UK resident corporate Shareholder will not be liable to UK corporation tax where they elect to receive new shares instead of a cash dividend.

For the purposes of computing any future liability to UK corporation tax on chargeable gains, no consideration will be treated as having been paid for the new shares. The new shares will be added to the corporate shareholder's existing holding of shares in the Company and treated as though they had been acquired when the corporate shareholder's existing holding was acquired.

UK-resident exempt funds will not be liable to tax on chargeable gains arising upon a Subsequent Disposal of investments held for the purposes of the Company.

Where a UK resident individual shareholder accepts new shares from the Company in place of a cash dividend, the individual should not be liable to UK income tax in this respect.

For capital gains tax purposes, where the election to receive new shares instead of a cash dividend is made then no consideration will be treated as having been paid for the new shares, as is the case for a UK resident corporate shareholder.

UK-resident individual shareholders may be subject to UK capital gains tax in respect of chargeable gains arising on a Subsequent Disposal depending on their individual circumstances. The new shares will be treated as a new asset acquired on the date the shares are issued and the "cash equivalent" of the new shares will be treated as being the base cost of the new shares.

No stamp duty or stamp duty reserve tax is payable on the issue of new shares in these circumstances.

The ability of the Company to offer Shareholders the opportunity to elect to receive future dividends from the Company wholly or partly in the form of new Shares rather than cash for financial periods after the Annual General Meeting is conditional on the passing of the Scrip Dividend Resolution at the Annual General Meeting. Even if the Scrip Dividend Resolution is passed, the decision of whether to offer a scrip dividend alternative will be at the discretion of the Directors.

Capital Distributions

Where a UK resident shareholder receives a capital distribution, this will be treated as a part disposal of their holding. The capital gain or loss is calculated as proceeds less proportional base cost calculated under the part disposal rules subject to any available exemption or relief.

Stamp duty and stamp duty reserve tax ("SDRT")

The following comments are intended as a guide to the general UK stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply.

Stamp duty (at the rate of 0.5 per cent. of the amount of the value of the consideration for the transfer rounded up where necessary to the nearest £5) is payable on any instrument of transfer of the New Shares executed within the UK or, in certain circumstances, on an instrument which is executed offshore but later has to be relied on in the UK. UK stamp duty is not in point where shares are purchased for any amount of consideration up to £1,000 and the acquisition is not part of a larger transaction.

However, for instances where non-UK shares are being transferred stamp duty should not be payable if the instrument of transfer is executed and retained outside the UK, the consideration for the transfer does not include UK property (e.g. cash credited to a UK bank account) and the transfer instrument does not relate to a matter or thing done or to be done in the UK (e.g. an obligation is performed in the UK) or if there is no instrument of transfer because the transfer is settled electronically via CREST.

Broadly SDRT is payable at 0.5 per cent. of the consideration provided and applies to agreements to transfer chargeable securities (broadly this includes shares issued or raised by a body corporate incorporated in the UK or not incorporated in the UK if the shares are on a register kept in the UK or the shares are paired with shares issued by a body corporate incorporated in the UK). SDRT applies where for example the share transfer is completed electronically, i.e. a paperless transaction.

Other United Kingdom Tax considerations

The attention of individuals ordinarily resident in the United Kingdom is drawn to Chapter 2 of Part 13 of the Income Tax Act 2007. These contain anti-avoidance provisions dealing with the transfer of assets to overseas persons in circumstances which may render such individuals liable to taxation in respect of undistributed profits of the Company. There may be changes to these provisions in the Finance Bill 2013, subject to a consultation process.

The attention of UK resident corporate Shareholders is drawn to the provisions concerning "Controlled Foreign Companies" which are currently detailed in Chapter IV of Part XVII (Sections 747 to 756) of the Income and Corporation Taxes Act 1988 ("**The Taxes Act**") which may have the effect in certain circumstances of subjecting a company resident in the UK to UK corporation tax on the profits of a company resident outside the UK. If the Company, resident outside the UK, is under the "control" of persons resident in the UK, the Company may be a "controlled foreign company" for the purposes of Section 747 of the Taxes Act. It may also be a controlled foreign company where the Company is at least 40 per cent. controlled by a United Kingdom resident person and at least 40 per cent. (but not more than 55 per cent.) controlled by a non-UK resident person.

If the Company is a controlled foreign company then any UK resident company which, either alone or together with connected or associated persons, has an interest of 25 per cent. or more in the Company may be assessed to corporation tax in respect of the "chargeable" profits of the Company which are attributable to such Shareholder's interest in the Company. The "chargeable profits" of the Company do not include any of its capital gains. UK resident companies holding 25 per cent. or more of the Shares of the Company (directly or indirectly) should take their own specific professional advice. The effect of these provisions could be to render such companies liable to United Kingdom corporation tax in respect of the undistributed income of the Company.

Reform of the UK tax legislation is detailed in Clause 180 & Schedule 20 (Controlled Foreign Companies and Foreign Permanent Establishments) which are detailed in the Finance Bill 2012 (published on 29 March 2012) and supplement the draft CFC legislation first published on 6 December 2011 and now included in the Finance Bill 2012.

The new regime introduced by this clause will have effect for accounting periods beginning on or after 1 January 2013.

It is anticipated that the shareholdings in the Company will be such as to ensure that the Company would not be a close company if resident in the UK. If, however the Company were to be close if resident in the UK, then in accordance with Section 13 of the Taxation of Chargeable Gains Act 1992, part of any chargeable gains accruing to the Company or the Group Luxcos may be apportioned to certain UK residents or in the case of an individual, ordinarily resident Shareholders. The Shareholder may thereby become chargeable to capital gains tax or corporation tax on chargeable gains on the gains apportioned to them, depending on their specific circumstances. Section 13 was extended with effect from 6 April 2008 to individuals domiciled outside the United Kingdom, subject to the remittance basis in particular circumstances. There may be further changes to these provisions in the Finance Bill 2013, subject to a consultation process.

Non-UK investors

Individuals or corporate Shareholders 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 their own professional advice.

Life Companies

The following paragraphs are based on current UK legislation and are intended as general comments on the UK taxation of a UK resident proprietary life assurance company investor in the Company and may not be relevant to all life assurance companies. Hence each life assurance company should obtain its own separate advice. The comments assume that the life assurance company's interest in the Company is held as an investment of its long-term insurance fund, that the company writes basic life and general annuity business ("**BLAGAB**") and gross roll-up business ("**GRB**"), and that the company is taxed on the "I minus E" basis. The comments also assume that the life assurance company's interest in the Company does not constitute a relevant interest in an offshore fund for the purposes of Section 212 of the Taxation and Chargeable Gains Act 1992.

Dividend Distributions and Disposals of Shares

To the extent that chargeable gains on the disposal of the Shares are referable to BLAGAB they will be included in the life company's I minus E computation and will generally be taxed at a rate of either 20 or 24 per cent., with the precise rate applicable depending upon the particular circumstances of the life company.

Where the chargeable gains are referable to GRB, they should not be taxable directly in the I minus E computation. Investment return attributable to the Shares may, however, be taken into account in determining the taxable profit arising to the company from writing the GRB.

As a result of legislation introduced by the Finance Act 2009, the receipt of dividends received from the Company post 1 July 2009 which are referable to BLAGAB should be exempt from UK corporation tax. Dividends referable to GRB will be taken into account in determining the taxable profit arising to the Company from writing the GRB.

The life assurance tax regime will change significantly, with effect from 1 January 2013. The analysis above, however, should not change significantly, although GRB will be renamed and grouped with protection and PHI business and known as "non-BLAGAB" business.

ISAs, PEPs and SIPPs

It is expected that the New Shares will be eligible for inclusion in ISAs (subject to applicable subscription limits) provided that they have been acquired through the Open Offer or the Offer for Subscription (but not any New Shares acquired directly under the Placing) and that the New Shares will not be taxable property for the purposes of Investment-Regulated Pension Schemes (including schemes formerly known as SIPPs).

OTHER CONSIDERATIONS

U.S. Foreign Account Tax Compliance Act withholding

The Foreign Account Tax Compliance Act ("**FATCA**") provisions of the U.S. Hiring Incentives to Restore Employment Act impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to a non-U.S. financial institution (a "foreign financial institution" or "FFI") that does not become a "Participating FFI" and is not otherwise exempt or deemed compliant. The Fund is an FFI for FATCA purposes. In general, an FFI becomes a Participating FFI by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide certain information about its investors or account holders. Alternatively, certain FFIs may be deemed compliant with FATCA. The new withholding regime will be phased in beginning in 2014.

The IRS has not yet provided final guidance regarding compliance with FATCA and no assurance can be provided that the Fund will enter into an agreement with the IRS or otherwise be deemed compliant with FATCA. If the Fund does not enter into such an agreement and is not deemed compliant with FATCA, the Fund may be subject to a 30 per cent. withholding tax on all, or a portion of all, payments received, directly or indirectly, from U.S. sources or in respect of U.S. assets including the gross proceeds on the sale or disposition of certain U.S. assets. Any such withholding imposed on the Fund may reduce the amounts available to the Fund to make payments to its Shareholders.

In the alternative, if the Fund does become a Participating FFI, Shareholders may be required to provide certain information to the Fund or otherwise comply with (or be exempt from) FATCA to avoid withholding on certain amounts paid by the Fund. Payments made after 31 December 2016 from non-U.S. sources may also be subject to withholding to the extent that payments are attributable to US source income and assets. As the interests in the fund are publicly traded, such withholding generally should only apply to payments to entities that are non-participating FFIs.

If an amount in respect of FATCA withholding tax is deducted or withheld, the Fund will not pay additional amounts as a result of the deduction or withholding. As a result, investors may, if FATCA is implemented as currently proposed, receive a smaller net investment return from the Fund than expected.

FATCA is particularly complex and its application to the Fund is uncertain at this time. In particular the rules are not yet final and they could still be subject to significant change. Each prospective investor should consult its own tax advisor to obtain a more detailed explanation of FATCA and to learn how this legislation might affect the investor in its particular circumstance.

Part VIII

Financial Information

DOCUMENTS INCORPORATED BY REFERENCE

The annual report and financial statements of the Group for the year ended 31 December 2009, the year ended 31 December 2010 and the year ended 31 December 2011 as have been published contain the audited consolidated financial statements of the Group for the relevant financial period together with the audit report by the Auditors thereon. The following annual reports and financial statements of the Group are incorporated by reference into this Prospectus which should be read and construed in conjunction with such documents, except for documents incorporated by reference therein:

- Annual report and financial statements of the Group for the year ended 31 December 2009;
- Annual report and financial statements of the Group for the year ended 31 December 2010; and
- Annual report and financial statements of the Group for the year ended 31 December 2011.

Copies of these documents which are deemed incorporated herein are available as provided in paragraph 12.14 of Part IX of this Prospectus.

OPERATING AND FINANCIAL REVIEW

The annual report and audited financial statements of the Group for the year ended 31 December 2009, the year ended 31 December 2010 and the year ended 31 December 2011 (each as incorporated into this Prospectus by reference) include descriptions of the Company's financial condition (in both capital and revenue terms), details of the Company's investment activity and portfolio exposure and changes in its financial condition for each of those periods.

SIGNIFICANT CHANGE

There has been no significant change in the financial position of the Group since 31 December 2011, being the end of the last financial period for which financial information has been published, such information being audited annual financial information.

RELATED PARTY TRANSACTIONS*

In addition to the related party transactions disclosed in the documents incorporated by reference in Part X of this Prospectus as listed above, since 31 December 2011 (being the end of the period covered by such documents) Group companies entered into certain transactions with related parties who are not members of the Group and who are related parties by reason of being in the same group as Amber Infrastructure Group Holdings Limited, which is the ultimate holding company of the Investment Adviser.

Under the Investment Advisory Agreement, AFML was appointed to provide investment advisory services to the Company including advising the Company as to the strategic management of its portfolio of investments.

AFML is a subsidiary company of Amber Infrastructure Group Holdings Limited, in which Giles Frost is a director and also a substantial shareholder.

As Giles Frost is also a Director of the Company, Luxco 1 (a wholly owned subsidiary of the Company) and the majority of other companies in which the Company indirectly has an investment, the transactions with the Amber Group are considered related party transactions under IAS 24 "Related Party Disclosures".

The emoluments for Giles Frost are paid to his employer, Amber Infrastructure Limited.

* This section has been prepared in accordance with, and letters (a) to (g) in the table below relate to, the explanatory notes on related party transactions in the Company's annual report and accounts for the year ended 31 December 2011.

The amounts of the transactions in the period from 31 December 2011 to 22 May 2012 that were related party transactions are set out in the table below.

	<i>Amounts paid to related parties in Income Statement</i>		<i>Amounts paid to/(received from) related parties in Balance Sheet*</i>		<i>Amounts owing to/(from) related parties in Balance Sheet**</i>	
	<i>For the period ending</i>	<i>For the year ended</i>	<i>For the period ending</i>	<i>For the period ending</i>	<i>For the period ending</i>	<i>For the period ending</i>
	<i>22 May 2012</i>	<i>31 December 2011</i>	<i>22 May 2012</i>	<i>31 December 2011</i>	<i>22 May 2012</i>	<i>31 December 2011</i>
	<i>£'000s</i>	<i>£'000s</i>	<i>£'000s</i>	<i>£'000s</i>	<i>£'000s</i>	<i>£'000s</i>
Amber Fund Management Ltd (a)	334	1,447	–	–	334	–
International Public Partnerships GP Limited (b)	3,111	7,545	–	–	3,111	3,976
Amber Asset Management Limited (c)	980	1,737	–	48	980	774
Amber Australia Pty Ltd (d)	804	1,219	–	1,591	20	311
Amber GmbH (e)	205	257	–	–	179	–
ANALLC (f)	138	555	–	–	21	–
Amber Infrastructure Ltd (g)	–	384	–	7,148	–	–
Total	5,571	13,144	–	8,787	4,646	5,061

* Represents amounts paid to related parties to acquire or make investments or advisory fees associated with investments which are subsequently recorded in the balance sheet.

** Represents debtors and creditors outstanding with related parties at each balance sheet date.

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed.

Related party transactions include accrued estimates for fees incurred pursuant to the Investment Advisory Agreement and underlying asset management agreements for periods where such fees have not yet been invoiced and have been calculated by reference to the relevant period of time over which the contracted services have been provided. Such accruals have been estimated where necessary for the period since the audited financial statements for the financial year ended 31 December 2011 up until 22 May 2012, based upon most relevant billing history and relate to services provided consistent with those under such arrangements during the financial year ended 31 December 2011.

Figures as at 22 May 2012 are unaudited.

Transactions with directors

There were no purchases of shares from the Company by directors during the period commencing on 1 January 2012 and ending on 22 May 2012 (being the latest practicable date before the date of this Prospectus).

Remuneration paid to the non executive directors is disclosed in Part IX of this Prospectus.

Part IX

Additional Information

1. THE COMPANY

- 1.1 The Company was incorporated on 2 August 2006 and is registered as a limited liability company in Guernsey under the Law with registered number 45241.
- 1.2 The registered office of the Company is Heritage Hall, PO Box 225, Le Marchant Street, St. Peter Port, Guernsey GY1 4HY (telephone: +44 1481 716000). The Company operates under the Law and the regulations made thereunder.
- 1.3 The Company is regulated by the Guernsey Financial Services Commission and is authorised as an authorised closed-ended investment scheme under Section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Authorised Closed-Ended Investment Scheme Rules, 2008 made thereunder. Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.
- 1.4 The Company's accounting periods terminate on 31 December of each year.
- 1.5 Changes in the authorised and issued share capital of the Company since incorporation are as summarised in paragraph 2 of this Part IX of this Prospectus.
- 1.6 On 27 September 2006 the Company's shareholders resolved to change the name of the Company from "Babcock and Brown Public Partnerships Limited" to "Babcock & Brown Public Partnerships Limited". This change of name was approved by the Court on 6 October 2006. On 18 May 2009 the Company's shareholders resolved to change the name of the Company from "Babcock & Brown Public Partnerships Limited" to "International Public Partnerships Limited". This change of name was approved by the Guernsey Registrar of Companies on 24 June 2009.

2. FINANCIAL INFORMATION ON THE COMPANY'S SHARE CAPITAL

- 2.1 The Company was incorporated with an authorised share capital of £100,000 divided into 1,000,000,000 unclassified shares of 0.01 pence each. The unclassified shares may be issued as, amongst other things, Ordinary Shares, as C Shares (in the circumstances described in paragraph 9.2 of this Part IX) or otherwise on such terms and conditions as the Directors may from time to time determine in accordance with the Articles and the Law.
- 2.2 Two Ordinary Shares were issued for the purposes of incorporation to the subscribers to the Memorandum of Incorporation. Both such Ordinary Shares were transferred on admission of the Ordinary Shares to the Official List.
- 2.3 On 9 October 2006, the shareholders of the Company passed a special resolution in writing:
 - (a) authorising the Company to make market purchases (within the meaning of section 5 of the Companies (Purchase of Own Shares) Ordinance 1998 (now repeated and replaced by the provisions of the Law)) of the Ordinary Shares; and
 - (b) cancelling the amount standing to the credit of the share premium account of the Company, conditional on the confirmation of the Court and upon the Initial Public Offer issue agreement becoming unconditional, and crediting an equivalent amount to a distributable reserve as described in paragraph 2.7 below.

The authority referred to in paragraph 2.3(a) expired on 12 June 2009 and was renewed at the Company's annual general meetings on 9 July 2009, 3 June 2010 and 25 May 2011. The current authority will expire at the end of the Annual General Meeting of the Company to be held on 21 June 2012 and at the Annual General Meeting it will be proposed to renew it again until the annual general meeting to be held in 2013 (or if earlier) 18 months from the date of the authority.

- 2.4 In addition to the issue of two Ordinary Shares referred to in paragraph 2.2 above, the Company issued:
 - (a) pursuant to the IPO, 299,999,998 unclassified shares as Ordinary Shares on 9 November 2006;
 - (b) pursuant to the C Share Issue, 83,685,759 C Shares on 17 April 2008 which were admitted to the Official List on 22 April 2008 at an issue price of 100.00 pence per share. The C Shares were converted to Ordinary Shares on 30 June 2008 at a conversion rate of 0.8928 Ordinary Shares for every 1 C Share;
 - (c) pursuant to the 2010 Issue, 78,495,308 Ordinary Shares on 28 January 2010;
 - (d) as a result of the scrip dividend alternative announced on 11 March 2010, 1,216,998 Ordinary Shares to Shareholders who elected to receive the same instead of a dividend of 2.775 pence per Ordinary Share;

- (e) by way of payment of £3,415,973 of Incentive Fee to the Investment Adviser, 2,991,220 shares on 13 May 2010;
- (f) as a result of the scrip dividend alternative announced on 24 August 2010, 1,622,132 Ordinary Shares to Shareholders who elected to receive the same instead of a dividend of 2.85 pence per Ordinary Share;
- (g) as a result of the scrip dividend alternative announced on 8 March 2011, 3,244,167 Ordinary Shares to Shareholders who elected to receive the same instead of a dividend of 2.85 pence per Ordinary Share;
- (h) as a result of the scrip dividend alternative announced on 30 August 2011, 3,521,274 Ordinary Shares to Shareholders who elected to receive the same instead of a dividend of 2.925 pence per Ordinary Share; and
- (i) since 1 September 2010 to the date of this Prospectus, 68,428,447 Ordinary Shares in aggregate through tap issues.

The total number of Ordinary Shares in issue as at 22 May 2012 was therefore 534,234,191.

- 2.5 In accordance with the power granted to the Board by the Articles, and subject to satisfaction of the Issue Conditions, it is expected that 232,258,065 unclassified shares (assuming the maximum size of the Issue is reached) or such lesser number of unclassified shares equal to the actual size of the Issue will be issued as Ordinary Shares pursuant to a resolution of the Board to be passed prior to and conditional upon Admission.
- 2.6 The Company has offered its Existing Shareholders (other than Excluded Shareholders) a scrip dividend alternative in respect of a dividend of 2.925 pence per Ordinary Share for the period 1 July to 31 December 2011. If all qualifying Shareholders elect to receive new Ordinary Shares instead of a cash dividend, approximately 13,252,934 further Ordinary Shares will be issued on 15 June 2012.
- 2.7 On 9 October 2006, the Company passed a special resolution to reduce the share capital of the Company by cancelling the whole amount standing to the credit of the share premium account following completion of the issue of the Ordinary Shares pursuant to the Initial Public Offer (less any issue expenses set off against that account) and to credit an equivalent amount to the Company's distributable reserves. The reserve created on such cancellation was made available as a distributable reserve to be used for all purposes permitted by the Companies (Guernsey) Law, 1994, including the buy-back of Ordinary Shares and the payment of distributions. This resolution was subsequently confirmed by the Court in accordance with the Law on 19 January 2007.
- 2.8 There are no statutory provisions under Guernsey law which confer rights of pre-emption in respect of the issue or allotment of any class of shares. The Company's Articles contain pre-emption provisions (see further paragraph 9.10 of this Part IX below), although the Directors have proposed to disapply these provisions in respect of the Placing, the Open Offer and the Offer for Subscription pursuant to the Issue Pre-emption Resolution to be considered by Existing Shareholders at the Annual General Meeting which has been convened for 21 June 2012. In addition, resolutions will be proposed at the Annual General Meeting to disapply pre-emption rights in respect of up to 10 per cent. of the Company's issued share capital following the conclusion of the Issue in order to facilitate tap issues and to enable the Company to pay the Investment Adviser's Incentive Fee by way of Ordinary Shares instead of cash, together with certain other ordinary business. Further details of the Issue Pre-emption Resolution and the other resolutions are contained in the AGM Circular which is being circulated to Existing Shareholders at the same time as this Prospectus.
- 2.9 Except in relation to the scrip dividend alternative referred to in paragraph 2.6, no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.
- 2.10 The authorised share capital and the maximum issued share capital of the Company (all of which will be fully paid) immediately following the Issue (assuming the maximum size of the Issue is reached and assuming the maximum number of Ordinary Shares are taken up by Existing Shareholders pursuant to the scrip dividend alternative referred to in paragraph 2.6) will be as follows:

	<i>Authorised Number of Shares</i>	<i>Nominal (£)</i>	<i>Issued Number of Shares</i>	<i>Nominal (£)</i>
Ordinary Shares	779,745,190	77,974.52	779,745,190	77,974.52
C Shares	0	0	0	0
Unclassified Shares	220,254,810	22,025.48	0	0

- 2.11 Save as disclosed in this Part IX and pursuant to the Issue, since the date of its incorporation no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, either for cash or any other consideration, and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the Issue or sale of any such capital.
- 2.12 All of the New Shares will be in registered form and eligible for settlement in CREST. Temporary documents of title will not be issued.

- 2.13 The Net Issue Proceeds will be used first to repay outstanding debt of the Company and then, to the extent repayment is not required under the terms of the Loan Facilities Agreement, to acquire Further Investments or to discharge third party debt incurred to acquire Further Investments, and to meet other operational expenses of the Group's business. Had the Issue been effected as at 31 December 2011 (the date as at which the most recent audited accounts of the Company that are incorporated by reference in this Prospectus were prepared), and on the basis that the targeted size of the Issue is reached and the maximum Placing Fees are paid, the effect of the Issue on the assets and liabilities of the Company shown in the balance sheet would be an additional cash holding of £177,226,500 million reflecting the Net Issue Proceeds, which would, if the Net Issue Proceeds are invested in Further Investments that are earnings accretive, be earnings enhancing. The Company intends to apply for a block listing of any Ordinary Shares to be issued to AFML pursuant to the Incentive Fee arrangements and any tap issues to be admitted to the Official List.

Working Capital and Indebtedness

- 2.14 The Company is of the opinion that the Group has sufficient working capital for its present requirements, that is for at least 12 months from the date of this Prospectus.
- 2.15 The Company has the power to borrow – details are set out under the heading “Investment Policy” in Part I of this Prospectus.

2.16 Capitalisation and indebtedness

The following table shows the indebtedness of the Company (distinguishing between secured and unsecured indebtedness) as at 31 December 2011 (being the last date in respect of which the Company has published audited financial statements).

<i>Current Debt</i>	<i>Recourse £'000</i>	<i>Non-Recourse £'000</i>	<i>Total £'000</i>
Guaranteed	–	–	–
Secured ²⁴	–	44,037	44,037
Unguaranteed/unsecured	–	–	–
Total current debt		44,037	44,037
<i>Non-Current Debt</i>	<i>Recourse £'000</i>	<i>Non-Recourse £'000</i>	<i>Total £'000</i>
Guaranteed	–	–	–
Secured	18,059	2,377,255	2,395,314
Unguaranteed/unsecured	–	–	–
Total Non-Current Debt	18,059	2,377,255	2,395,314
Total	18,059	2,421,292	2,439,351

Note: The above table shows gross indebtedness including accrued interest. After netting off unamortised debt arrangement fees of £52.5 million total indebtedness would be £2,387 million as shown in the Company's 31 December 2011 audited financial statements.

The following table shows the capitalisation of the Company as at 31 December 2011 (being the last date in respect of which the Company has published audited financial statements).

<i>Shareholders' Equity²⁵</i>	<i>Recourse £'000</i>	<i>Non-Recourse £'000</i>	<i>Total £'000</i>
Share capital	259,763	–	259,763
Other distributable reserves	219,360	–	219,360
Total	479,123	–	479,123

Save as disclosed below there has been no material change in the capitalisation and indebtedness of the Company since 31 December 2011 (being the last date in respect of which the Company has published audited financial statements).

Between 31 December 2011 and 31 March 2012 indebtedness of the Group increased in the normal course of business due to a combination of net movements on drawdowns and repayment of non-recourse Project Entity loans, and retranslation of overseas Project Entity loans denominated in foreign currencies into Sterling as detailed below:

- Due to the strengthening of Sterling against other currencies, the non-recourse debt of the Project Entities denominated in currencies other than Sterling decreased by approximately £21.6 million.

24 Other than the £18.1 million drawn pursuant to the £100 million committed corporate facility, all existing funding is project specific PFI/PPP style funding that is non-recourse in nature and is secured by lending agreements that are contained within the individual project companies.

25 In accordance with ESMA (formerly CESR) guidance the Company's revenue reserve has been excluded from Shareholders' equity.

- Further construction activity on the Diabolo Rail and Liverpool Library projects resulted in an increase in non-recourse debt of approximately £32.5 million and £6.5 million respectively; and
- There has been a net reduction in non-recourse debt during the period by approximately £16.4 million, which would result in an increase of £1 million in the figures for total non-recourse debt and total debt compared to the figures as at 31 December 2011 shown in the indebtedness table below.

The aggregate net impact of the above is an increase of £1 million. Figures as at 31 March 2012 are unaudited.

2.17 **Net indebtedness**

The following table shows the Group's net indebtedness (including accruals) as at 31 March 2012 (based on unaudited unpublished financial information as at 31 March 2012:

	<i>Corporate Debt £'000</i>	<i>Non-Recourse Debt £'000</i>	<i>Total £'000</i>
A. Cash	42,518	365,221 ²⁶	407,739
B. Cash equivalent	–	–	–
C. Trading securities	–	–	–
D. Liquidity (A) + (B) + (C)	42,518	365,221	407,739
E. Current financial receivables	–	–	–
F. Current bank debt	–	34,808	34,808
G. Current portion of non-current debt	–	–	–
H. Other current financial debt	–	11,517	11,517
I. Current financial debt (F) + (G) + (H)	–	46,325	46,325
J. Net current financial indebtedness/ (cash) (I) – (E) – (D)	(42,518)	(318,397)	(361,415)
K. Non-current bank loans	18,059	1,225,594	1,243,653
L. Bonds issued	–	–	–
M. Other non-current loans	–	–	–
N. Non-current financial indebtedness (K) + (L) + (M)	18,059	2,376,017	2,394,076
O. Net financial indebtedness (J) + (N)	(24,459)	2,057,121	2,032,662

- 2.18 Ernst & Young is the current Auditor of the Company. Ernst & Young have acted as Auditor since 1 April 2011 and were auditor for the Group's interim report and financial statements for the period ended 30 June 2011 and for the Group's annual report and financial statements for the year ended 31 December 2011 (which is incorporated by reference into this Prospectus pursuant to Part VIII). Their address is on page 25 of this Prospectus.
- 2.19 Deloitte LLP (formerly named Deloitte & Touche LLP and of P.O. Box 137 Regency Court, Glatigny Esplanade, St. Peter Port, Guernsey GY1 3HW) was the Company's auditor from its incorporation to 1 April 2011, including in respect of the Group's annual report and financial statements for the years ended 31 December 2009 and 31 December 2010, each of which are incorporated by reference into this Prospectus pursuant to Part VIII. The Directors are of the view that there are no circumstances or facts relating to Deloitte LLP ceasing to act as auditor that should be drawn to the attention of Shareholders.
- 2.20 The annual report and accounts are prepared according to standards laid out under IFRS as adopted in the EU.

3. **HOLDING ENTITIES: LUXCOS**

As explained in Part I of this Prospectus under the heading "Group Structure" the Company holds its assets through two Luxembourg companies, each being a "*société à responsabilité limitée*" ("**S.à r.l.**") (broadly the equivalent of a private company), and each qualifying as a SOPARFI. The status of SOPARFI is relevant for the tax treatment of the investment structure. Luxco 2 is the sole limited partner in the Partnership.

4. **THE PARTNERSHIP**

- 4.1 The Partnership was registered on 26 September 2006 as a limited partnership under the Limited Partnerships Act 1907 of England with the name Babcock & Brown Public Partnerships Limited Partnership with registered number LP11596. On 20 July 2009 the name of the Partnership was changed to International Public Partnerships Limited Partnership. The principal place of business of the Partnership is at Two London Bridge, London SE1 9RA. The Partnership is governed by the Limited Partnership Agreement dated 23 June 2009 and a supplemental deed of limited partnership dated 24 May 2012 between the General Partner (a wholly owned special purpose subsidiary of Amber Infrastructure Group Limited and as such an Amber group company) as general partner and Luxco 2 as limited partner. Amber Fund Management Limited acts as Operator pursuant to the Operating Agreement (as amended and novated by a deed of amendment and novation between BBIML, AFML, the General Partner, Luxco 2 and the Partnership dated 23 June 2009). The management and operation of the Partnership on the intended basis may amount to the regulated activity of operating a collective investment scheme under UK legislation. In order to lawfully carry on a regulated activity in the UK a person must be authorised by the FSA to carry on the activity in question unless an exemption applies. As such AFML, which has been authorised by the FSA to carry on, amongst other

things, the regulated activity of operating a collective investment scheme, has been appointed as Operator to manage and operate the Partnership.

- 4.2 Under the Limited Partnership Agreement, the General Partner has full discretion to acquire, dispose of and manage the assets of the Partnership subject to investment guidelines which reflect the investment strategy, policy and restrictions applying to the Company as set out in this Prospectus (or to appoint on behalf of the Partnership a person that is authorised by the FSA to so manage the assets of the Partnership). The General Partner (or any Operator appointed by the Partnership) may effect borrowings for the Partnership within limits to be prescribed by the limited partner.
- 4.3 The Limited Partnership Agreement provides that the General Partner will not be liable for losses incurred by the Partnership or Luxco 2 (as limited partner) in the absence of gross negligence, fraud, gross professional misconduct, wilful default, wilful illegal act or any material breach of its obligations under the Limited Partnership Agreement. The General Partner and its agents and employees are entitled to be indemnified out of the Partnership assets against claims, liabilities, costs, damages or expenses incurred or threatened by reason of their acting as such, subject to the same exceptions.
- 4.4 Under the Limited Partnership Agreement, the General Partner is entitled to distributions equal to the Base Fee and Incentive Fee save that any such distributions to the General Partner under the Limited Partnership Agreement shall be offset against any payments in respect of the Base Fee and Incentive Fee to the Investment Adviser pursuant to the Investment Advisory Agreement. The General Partner is also entitled to an amount as agreed between Luxco 2 (as limited partner) and the General Partner as being the sum spent on the General Partner's or the Operator's corporate overheads incurred in providing services in respect of the Group (including employee costs, office rental and IT software and hardware).
- 4.5 The General Partner can be removed and replaced in certain circumstances such as the material breach of its obligations under the Limited Partnership Agreement, insolvency (or analogous event) (subject to replacement by a similarly constituted Amber group company that is not insolvent or subject to any analogous event) or if the Investment Advisory Agreement or Operating Agreement is terminated. On the retirement or replacement of AFML as Investment Adviser and/or Operator, the General Partner can be required to continue as general partner of the Partnership, save that the General Partner's powers will be limited to appointing a replacement operator on such terms to be approved by Luxco 2, and the General Partner shall not be entitled to any remuneration for so acting. The terms upon which the Investment Advisory Agreement and Operating Agreement can be terminated and AFML removed as Investment Adviser and Operator are described at paragraphs 10.1 and 10.3 of this Part IX.

5. DIRECTORS' AND OTHER INTERESTS

- 5.1 The Directors shall be remunerated for their services at such rate as the Directors shall from time to time determine. The aggregate remuneration and benefits in kind of the Directors in respect of the Company's accounting period ending on 31 December 2011 and paid out of the assets of the Company was £180,000. Each of the Directors receives a Director's fee of £32,000 per annum save for the Chairman who receives £47,000 per annum and the Chairman of the Audit Committee who receives £37,000 per annum²⁷. Each of the Directors will be entitled to receive an additional £10,000 in the current financial year for their services in connection with the Issue. 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. While Giles Frost is an employee of Amber his Director's emoluments will be paid to Amber. No commissions or performance related payments have been or will be made to the Directors by the Company. The aggregate remuneration of the Directors shall not exceed £250,000²⁸ per annum (or such other sum as the Company in general meeting shall determine).
- 5.2 No Director has a service contract with the Company, nor are any such contracts proposed. Keith Dorrian, Rupert Dorey and Giles Frost were appointed as non-executive directors by the subscribers to the Memorandum of Incorporation on the incorporation of the Company. Their appointments were confirmed by letters dated 29 September 2006. Carol Goodwin was appointed as a non-executive director on 19 February 2007. John Whittle was appointed as a non-executive director on 6 August 2009. The Directors' appointments are subject to the Articles and can be terminated in accordance with the Articles without notice and without compensation.
- 5.3 No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.
- 5.4 As stated in this Part IX of this Prospectus, Giles Frost is a director of Amber whose subsidiary AFML is the Investment Adviser and Operator.
- 5.5 There are potential conflicts of interest between Giles Frost's duties as Director to the Company and his private interests or other duties. These are as disclosed in the section on Risk Factors under "Conflicts of Interest", Part V and this Part IX of this Prospectus in relation to Giles Frost's position as an employee of Amber. Other than as so disclosed, there are no potential conflicts of interest between the duties of the Directors to the Company and their private interests or other duties and none of the Directors has, or has had, any material personal 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.

²⁷ These fees were decided by the Board following the Company's annual general meeting on 9 July 2009.

²⁸ This figure was increased from £125,000 per annum by the Company at its annual general meeting on 9 July 2009.

- 5.6 The following Directors (or where applicable persons related to them) have indicated that they will subscribe for New Shares in the Issue:

<i>Name</i>	<i>Number of Shares</i>
Rosemary Dorey (wife of Rupert Dorey)	100,000
Giles Frost	25,000
Carol Goodwin	10,000

No other Director will be participating in the Issue.

6. OTHER DIRECTORSHIPS

- 6.1 In addition to their directorships of the Company, the Directors are or have been, members of the administrative, management or supervisory bodies or partners of the following companies or partnerships, at any time in the previous five years:

<i>Director</i>	<i>Current Directorships and Partnerships:</i>	
Keith Dorrian	AB Alternative Strategies PCC Limited AB International Fund PCC Limited Arab Bank Fund Managers (Guernsey) Limited BH Credit Catalysts Limited Cayuga Investment Management Limited Eagle & Dominion Limited Eagle & Dominion Growth Fund Limited Emerging Markets Private Equity Fund GP Limited	Eurocastle Investments Limited IIAB PCC Limited K A N Consulting Limited MasterCapital Fund Limited PSource Structured Debt Limited Strategic Investment Portfolio Holdings Limited Strategic Investments GP Limited Third Point Offshore Investors Limited UK Commercial Property Trust Limited
<i>Director</i>	<i>Past Directorships and Partnerships:</i>	
Keith Dorrian	AB Asia Pacific Growth Fund Limited ACUS (Channel Islands) Ltd Ashmore Management Company (Guernsey) Limited Assetholder PCC No 2 Limited Clarion ICC Limited CitiRoad PCC Limited Danube Property Company Limited ELVEN Investments Limited FPP Asia Pacific Fund Limited GTA University Centre Limited Helios Alternative Strategies Limited Hermes Commodities Umbrella Fund Limited HCIF Index Sub Fund Limited	HSBC Global Absolute Limited IDFC General Partner Limited Hermes Absolute Return Fund Limited Jade General Partner Limited Montier Asia and Emerging Markets Fund of Funds Limited Montier Long Short Equity Fund of Funds Limited Montier Multistrategy Fund of Funds Limited Montier Asset Management Limited Montier Multistrategy Master Fund Montier Multi Strategy Closed End Fund of Funds Limited Total Return Alternative Strategies Limited
<i>Director</i>	<i>Current Directorships and Partnerships:</i>	
Rupert Dorey	AAA Guernsey Limited AIAF PCC Limited Convertible Bond Arbitrage Fund AIAF PCC Limited G7 Fixed Income Fund AIAF PCC Limited Fixed Income Macro Fund AIAF PCC Limited Global Macro Fund AIAF PCC Limited Strategic Equity Advantage Fund AP Alternative Assets LP Celadon Fund PCC Limited Clifford Estate Company Limited Clifford Estate Company (Chattels) Limited Cognis General Partner Limited Cognis 1 Fund LP Cognis 1 Master Fund LP	CQS Diversified Fund Limited Endurance High Performance Fund Limited Episode Inc Episode LLP Global Credit Opportunities Master Investment Company Limited Green Park Capital Investment Management Limited Harbourvest Senior Loans Europe Limited M&G General Partner Inc Onesimus Dorey (Holdings) Limited Partners Group Global Opportunities Limited Saltus European Debt Strategies Limited Tetragon Financial Group Fund Limited Tetragon Financial Group Master Fund Limited
<i>Director</i>	<i>Past Directorships and Partnerships:</i>	
Rupert Dorey	Acencia Debt Strategies Limited AIAF PCC Limited Sustainable Future Long Short Equity Fund AIAF PCC Limited Central European Long Short Fund Castle Asia Alternatives PCC Limited Corazon Argentum Fund Limited Dexion Commodities Limited	FAP Hedge Fund Opportunities Fund GP Limited FAP Hedge Fund Opportunities Fund Limited FAP Hedge Fund Opportunities Master Fund Limited MAISF PCC Ltd UK Equity Long Short Fund PSolve Alternatives PCC Limited Niche Opportunities Fund

<i>Director</i>	<i>Current Directorships and Partnerships:</i>	
Giles Frost	Abingdon Limited AHBB ELL Holdings Limited Amber Asset Management Holdings Limited Amber Asset Management Limited Amber Australian Investments Limited Amber Australian Pty Amber Fund Management Limited Amber GmbH Amber Green LEEF FP Limited Amber Green LEEF GP Limited Amber Green SPRUCE FP Limited Amber Green SPRUCE GP Limited Amber Infrastructure Group Holdings Limited Amber Infrastructure Group Limited Amber Infrastructure Holdings Limited Amber Infrastructure Limited Amber Investment Holdings Limited Amber LIFT (Sapphire) Investments Limited Amber Partnerships GP Limited BBG HoldCo Limited Bexley Bromley and Greenwich LIFT Company Limited Black Country STM Limited Bootle Derby Holdings Limited Bootle PFI Solutions 1998 (2) Limited BSFI Leisure Limited BSFI LIP1 Limited BSFI LIP2 Limited Building Schools for the Future Investments (Bristol) Ltd Calderdale Schools Limited Derbyshire Courts (Property Co-Trustee) Limited Derbyshire Courts Limited Derbyshire Schools Limited Derbyshire Schools Phase Two Limited East London Lift Accommodation Services Limited East London Lift Accommodation Services No2 Limited East London Lift Company Limited East London Lift Holdco No2 Limited East London Lift Holdco No3 Limited East London Lift Investments Limited East London Schools Limited Ellas No 3 Limited European Healthcare Investments Fieldsecond Limited H&W Courts Limited INPP LEEF Limited INPP SPRUCE Limited Inspire Partnership (No.1) Limited Inspire Partnership GP Limited Inspire Partnership Holdings Limited International Public Partnerships GP Limited International Public Partnerships Lux 1 Sàrl International Public Partnerships Lux 2 Sàrl IPP (Aust) Limited IPP (Aust) Orange Limited IPP (Aust) RCH Limited IPP (Derbyshire Courts) Limited IPP (Moray Schools) Holdings Limited IPP (Moray Schools) Limited IPP (PPP) Limited IPP (Tower Hamlets Schools) Limited IPP Bond Limited IPP Development Investments Limited IPP Guernsey 1 Limited IPP Guernsey 2 Limited	IPP Holdings 1 Limited IPP Investments UK Limited IPP Land Limited IPP PFI Holdings Limited IPP Properties (Abingdon) Limited IPP Properties (Bootle) Limited IPP Properties (Calderdale Schools) Limited IPP Properties (Derbyshire Schools Phase Two) Limited IPP Properties (Derbyshire Schools) Limited IPP Properties (H&W Courts) Limited IPP Properties (Norfolk) Limited IPP Properties (Rhyl St. Asaph) Limited IPP Properties (St Thomas More) Limited IPP Properties (Strathclyde) Limited IPP Properties Limited IPP Properties No. 2 Limited Lift Healthcare Investments Limited Long Eaton School Limited Maesteg School Limited Maesteg School (IPP) Limited Maesteg School (Bridgend) Limited Narville Limited Newbold (Derbyshire Schools Phase Two) Limited Northampton Schools (Highgate) Limited Northampton Schools (IPP) Limited Northampton Schools Limited Northern Diabolo (Holdings) Sàrl NW (BBP) Limited Odyssey Healthcare Limited OFTO Superholdco Limited Peak Courts Limited PPP Senior Funding Limited Rhyl St. Asaph Limited Short Sided Soccer Willenhall Limited St Thomas More Limited STM(H) Limited Strathclyde Limited Taskmore Limited TC Barrow Holdco Limited TC Barrow OFTO Limited TC Gunfleet Sands Holdco Limited TC Gunfleet Sands OFTO Limited TC Ormonde Holdco Limited TC Ormonde OFTO Limited TC Robin Rigg Holdco Limited TC Robin Rigg OFTO Limited TH (11th Hour) Limited TH Funding Acquisition LCC Tower Hamlets Holdings Limited Tower Hamlets Schools Limited Transmission Capital Partners GP Limited Transmission Capital Partners Holdings Limited Wellesley Barracks Limited WISP Nantgarw (Property Co-Trustee) Limited WISP Nantgarw GP Limited WISP Nantgarw LP Limited WISP Newport (Property Co-Trustee) Limited WISP Newport GP Limited WISP Newport LP Limited WISP Properties Limited WISP Strategic Partnership Limited WISP Swansea (Property Co-Trustee) Limited WISP Swansea GP Limited WISP Swansea LP Limited Wymondham Limited

<i>Director</i>	<i>Past Directorships and Partnerships:</i>	
Giles Frost	Afteracross Limited AHBB LHIL Holdings Ltd Amber Green Investment Holdings Ltd Ashley House Plc BBG LIFT Accommodation Services Limited BBG Holdco Limited CHGP CILP Limited CIGP IFLP Limited Canjam Limited Healthcare Improvement Partnership (Wolverhampton City and Walsall) Limited IFGP Limited	Infracare Group Limited Infracare Capital Limited Infracare (Midlands) Limited Infracare Partnering Limited Infracare (South) Limited Infracare (South West) Limited Leeds Wellington Land Limited Lift Investors Limited Wolverhampton City and Walsall Holdco Limited Wolverhampton City and Walsall LIFT Accommodation Services Limited
<i>Director</i>	<i>Current Directorships and Partnerships:</i>	
Carol Goodwin	AB Alternative Strategies Fund PCC Limited AB International Fund PCC Limited Arab Bank Fund Managers (Guernsey) Limited Curlew Group Holdings Limited Dalton Capital (Asia) Limited Dalton Capital (Guernsey) Limited Dexion Trading Limited Eastern European Property Fund Episode Inc. Episode L.P.	General Holdings Limited Investec Bank (Channel Islands) Limited Investec Bank (Channel Islands) Nominees Limited IIAB PCC Limited Melchior European Fund Limited Melchior European (Master) Fund Limited M&G General Partner Inc. Yorkshire Guernsey Limited (in voluntary liquidation)
<i>Director</i>	<i>Past Directorships and Partnerships:</i>	
Carol Goodwin	AB Asia Pacific Growth Fund Limited Asian Bond Fund Blackfish-Investec Capital Management Limited Dalton Strategic Partnerships LLP Curlew Investments Limited Finch Management & Marketing Ltd HX2 Fund India Synthetic Warrant Fund Invego Belgium SA/N.V. Investec Bank (Channel Islands) Insurance Management Services Limited Investec Investment Management Services Ltd Investec Mauritius BV Investec (Overseas Holdings) BV Investec (USA) BV	Japan Synthetic Warrant Fund Melchior Global Macro Fund Limited Melchior Global Macro Fund Limited Melchior Japan Fund Limited Melchior Japan Fund 002 Limited Melchior Japan (Master) Fund Limited Melchior Japan (Master) Fund 002 Limited PAI Europe III General Partner Limited PAI Europe IV GP Limited Premier Structured Plans Limited Stratton Street PCC Limited The Dejima Fund Limited The Finch Fund Limited The Finch Innovation Fund Limited
<i>Director</i>	<i>Current Directorships and Partnerships:</i>	
John Whittle	Advance Frontier Markets Fund Limited Aurora Russia Limited Avoca Senior Loans Europe Limited B&Q (Retail) Guernsey Limited B&Q (Retail) Jersey Limited CPL GP Limited CPL Guernsey Limited Dynamic Fund IC Limited EMP Europe (CI) Limited FTSE UK Commercial Property Index Fund Limited GC Dynamic Investments ICC Limited Guernsey International Management Company Limited India Capital Growth Fund Limited Merchant Asset Management (Guernsey) Limited Merchant Financing Funds ICC Limited	Mid Europa III Management Limited Perusa Partners Management Ltd Pont du Val Ltd The Solar Park Fund (GBP) IC Ltd Saunderton Data Centre GP Limited Sciens Acqua Master Fund Sciens Global Strategic Fund Limited Steadfast Capital III (GP) Limited Sustainable Agroforestry IC Limited Sustainable Earth IC Ltd Sustainable Red IC Limited Sustainable Teak and Agarwood IC Limited The IPM renewable Energy Fund ICC Ltd The Merchant Gemini Turnaround Fund IC Limited The Offshore Mutual Fund PCC Limited The Sustainable Forestry ICC Limited
<i>Director</i>	<i>Past Directorships and Partnerships:</i>	
John Whittle	Aurora II GP Ltd Blue Skye GP Ltd Close Fund Services Limited GS High Frequency Limited	GS Volatility Strategy IC Ltd Legion International Ltd MSS UK Property Index Fund Management Ltd

- 6.2 As disclosed above Rupert Dorey is a director of Tetragon Financial Group Fund Limited (“**Tetragon Fund**”) and Tetragon Financial Group Master Fund Limited (“**Tetragon Master Fund**”). Tetragon Fund, Tetragon Master Fund and their six directors (including Mr Dorey) have been served with proceedings in the Royal Court of Guernsey instigated by one of Tetragon Fund’s former directors seeking to impugn a decision of Tetragon Fund to enter into a joint venture

with GreenOak Real Estate. Those proceedings are confined to claims for damages and other relief against Tetragon Fund and Tetragon Master Fund's directors. Tetragon Fund and Tetragon Master Fund have issued a public statement stating that they and their directors believe that there is no merit whatsoever in these proceedings and will take all necessary steps to ensure they are dismissed as quickly as possible.

6.3 At the date of this Prospectus, none of the Directors:

- (a) has any convictions in relation to fraudulent offences for at least the previous five years;
- (b) except for Ms Goodwin, who is a director of Yorkshire Guernsey Limited which is in shareholders' voluntary liquidation, has been bankrupt, a director of any company or been a member of the administrative, management or supervisory body 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 or sanction of him by any statutory or regulatory authority (including any designated professional body) 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.

6.4 The Company will maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

6.5 The business address of the Directors is Heritage Hall, PO Box 225, Le Marchant Street, St. Peter Port, Guernsey GY1 4HY.

6.6 As at the close of business on 22 May 2012 (the latest practicable date prior to publication of this Prospectus), the Directors (or persons related to them where indicated) had the following interests in the issued share capital of the Company:

<i>Name of Director</i>	<i>Number of Ordinary Shares</i>
Keith Dorrian (indirect holding through a retirement annuity trust)	44,205
Giles Frost	275,000
Rosemary Dorey (wife of Rupert Dorey)	493,687
Carol Goodwin (through an investment company)	33,983
John Whittle (indirect holding through a retirement annuity trust)	34,875

7. MAJOR INTERESTS

7.1 As at the close of business on 22 May 2012 (the latest practicable date prior to publication of this Prospectus) insofar as is known to the Company, no person had a direct interest in three per cent. or more of the issued share capital of the Company.

As at the close of business on 22 May (the latest practicable date prior to publication of this Prospectus) insofar as is known to the Company, the following persons had an indirect interest in three per cent. or more of the issued share capital of the Company.

<i>Name of Shareholder</i>	<i>No. of Ordinary Shares</i>	<i>Per cent. of Ordinary Shares in the Company before the Issue</i>
Schroder Investment Management Ltd.	71,457,727	13.38
Investec Wealth & Investment Ltd.	60,797,320	11.38
M&G Investment Management Ltd.	41,945,504	7.85
Brewin Dolphin Ltd.	38,345,974	7.18
Sarasin & Partners LLP	22,103,519	4.14
Deutsche Bank Group AG	19,866,494	3.72
Legal & General Investment Management Ltd.	17,920,951	3.35
British Steel Pension Fund	17,632,153	3.30

7.2 Save as disclosed in 7.1 above, the Company is not aware of any person who, as at the close of business on 22 May 2012 was directly or as at the close of business on 22 May 2012 was indirectly interested in three per cent. or more of the issued Share capital of the Company.

7.3 Those interested, directly or indirectly, in three per cent. or more of the issued share capital of the Company do not now and, following the Issue, will not, have different voting rights from other holders of Shares in the Company.

7.4 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 Issue.

8. MEMORANDUM OF INCORPORATION

The Memorandum of Incorporation of the Company provides that the objects of the Company include carrying on business as an investment company. The objects of the Company are set out in full in clause 3 of the Memorandum of Incorporation, a copy of which is available for inspection at the addresses specified in paragraph 12.14 of this Part IX.

9. ARTICLES OF INCORPORATION

The Articles of Incorporation of the Company contain provisions, *inter alia*, to the following effect:

9.1 **Votes of Members**

Subject to the restrictions referred to below and subject to any special rights or restrictions for the time being attached to any class of shares, every member (being an individual) present in person or by proxy or (being a corporation) present by a duly authorised representative at a general meeting has, on a show of hands, one vote and, on a poll, one vote for every share held by him.

9.2 **Shares**

Ordinary Shares of 0.01p each

(a) INCOME

Holders of Ordinary Shares are entitled to receive and participate in any dividends or other distributions out of the profits of the Company available for dividend or distribution and resolved to be distributed in respect of any accounting period or any other income right to participate therein.

(b) CAPITAL

Holders of Ordinary Shares are entitled on the winding-up of the Company to receive out of the assets of the Company available for distribution an amount equal to the nominal value of the Ordinary Shares plus any surplus remaining after payment of the nominal value of the Ordinary Shares (and the nominal value of the nominal shares in issue at the time).

C Shares

In order to prevent the issue of further shares diluting the existing Shareholders' share of the NAV of the Company, if the Directors consider it appropriate they may issue further shares as "C Shares". C Shares constitute a temporary and separate class of shares which are issued at a fixed price determined by the Company. It is expected that the issue proceeds from the issue of C Shares will be invested in a new portfolio of investments, which will initially be attributed solely to the C Shares. Once the further investments have been made, the C Shares will be converted into Ordinary Shares on a basis which reflects the respective net asset values per share represented by the two classes of shares (and calculated using the same methodology for the calculation of Net Asset Value). The Articles contain full details of the conversion mechanism and the rights attaching to the C Shares.

9.3 **Dividends and Distributions**

- (a) The Company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Directors.
- (b) The Company may make distributions of capital in accordance with the Law and the Articles. Whenever a distribution falls to be considered by the Board, the Directors will consider whether to distribute a dividend or otherwise.
- (c) The Directors may if they think fit at any time declare and pay such interim dividends as appear to be justified by the position of the Company.
- (d) All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee thereof. No dividend shall bear interest against the Company. Any dividend unclaimed after a period of twelve years from the date of declaration or payment of such dividend shall be forfeited and shall revert to the Company.
- (e) The Directors are empowered to create reserves before recommending or declaring any dividend. The Directors may also carry forward any profits which they think prudent not to distribute by dividend.
- (f) The Directors may, if authorised by an ordinary resolution, offer any holders of any class of shares (excluding treasury shares) the right to elect to receive further shares, whether or not of that class, credited as fully paid, instead of cash in respect of all or part of any dividend specified by the ordinary resolution (a "**Scrip Dividend**"). The ordinary resolution may specify a particular dividend or all or any dividends declared within a specified period, but such period may not end later than the conclusion of the fifth annual general meeting of the Company to be held following the date on which the ordinary resolution is passed.
- (g) The basis of allotment of a Scrip Dividend shall be decided by the Directors so that, as nearly as may be considered convenient, the value of the further shares including any fractional entitlement is equal to the amount of cash dividend which would otherwise have been paid. The value of the further shares shall be calculated by reference to the average of the middle market quotations for a fully paid share of the relevant class in the Daily Official List of the London Stock Exchange for the day on which shares are first quoted ex the relevant dividend and the four subsequent dealing days, or in such other manner as the directors may decide.
- (h) Shares issued pursuant to a Scrip Dividend shall rank *pari passu* in all respects with the fully paid shares of the same class then in issue except as regards participation in the relevant dividend.

- (i) The Directors may decide that the right to elect for any scrip dividend shall not be made available to Shareholders resident in any territory where in the opinion of the Directors compliance with local laws or regulations would be impossible or unduly onerous.
- (j) For the avoidance of doubt, shares allotted pursuant to a Scrip Dividend shall not be treated as allotted for cash for the purposes of the pre-emption rights contained in the Articles.

9.4 **Issue of Shares**

- (a) Without prejudice to any special rights previously conferred on the holders of any class of shares, any share in the Company may be issued with such preferred, deferred or other special rights, or such restrictions whether in regard to dividend, return of capital, voting or otherwise as the Company may at any time by ordinary resolution determine or, subject to and in default of such resolution, as the Directors may determine.
- (b) Subject to the Articles the unissued shares shall be at the disposal of the Directors and they may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they determine.
- (c) The Company may on any issue of shares pay such commission as may be fixed by the Directors and disclosed in accordance with the Law. The Company may also pay brokerages.

9.5 **Variation of Rights**

If at any time the capital of the Company is divided into different classes of shares, the rights attached to any class of shares may (unless otherwise provided by the terms of issue) be varied with the consent in writing of the holders of three-fourths of the issued shares of that class (excluding any shares held as treasury shares) or with the sanction of a special resolution passed at a separate meeting of the holders of such shares (excluding any shares held as treasury shares). The necessary quorum shall be two persons holding or representing by proxy at least one third of the issued shares of the class. Every holder of shares of the class concerned shall be entitled at such meeting to one vote for every share held by him on a poll. The rights conferred upon the holders of any shares or class of shares issued with preferred or other rights shall not be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or the exercise of any power under the disclosure provisions requiring shareholders to disclose an interest in the Company's shares as set out in the Articles.

9.6 **Restriction on Voting**

A member of the Company shall not be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company:

- (a) unless all amounts due from him or such share have been paid; or
- (b) in the circumstances mentioned in paragraph 9.8 below.

9.7 **Notice Requiring Disclosure of Interest In Shares**

The Directors may serve notice in writing on any member requiring that member to disclose to the Company to the satisfaction of the Directors the identity of any person (other than the member) who has an interest in the shares held by the member and the nature of such interest. Any such notice shall require any information in response to such notice to be given within such reasonable time as the Directors may determine.

The Directors may be required to exercise these powers on a requisition of members holding not less than one tenth of the paid up capital of the Company carrying the right to vote at general meetings. If any member is in default in supplying to the Company the information required by the Company within the prescribed period, the Directors in their absolute discretion may serve a direction notice on the member. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the "Default Shares") and any other shares held by the member, the member shall not be entitled to vote in general meetings or class meetings.

Where the Default Shares represent at least 0.25 per cent. of the class of shares concerned the direction notice may additionally state that dividends and distributions on such shares will be retained by the Company (without interest) and that no transfer of the shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

9.8 **Transfer of Shares**

In respect of those Ordinary Shares held in certificated form, the following shall apply to the transfer of Ordinary Shares held in such form:

- (a) subject as provided below, any Shareholder may transfer all or any of his Ordinary Shares by instrument of transfer in any usual or common form which the Directors may approve. The instrument of transfer of any Ordinary Shares shall be signed by or on behalf of the transferor (and in the case of a partly paid share by the transferee also); and
- (b) an instrument of transfer should be lodged at the registered office or such other place as the Board may prescribe accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to prove the title of the transferor or to show the right of the transferor to make the transfer.

The Board may, in its absolute discretion, refuse to register a transfer:

- (a) of any share which is not fully paid up or on which the Company has a lien provided that, in the case of a listed share, this would not prevent dealings from taking place on an open and proper basis;
- (b) if it is in respect of more than one class of share;
- (c) if it is in favour of more than four joint transferees;
- (d) of a certificated share, if the transfer, having been delivered for registration to the registered office or such other place as the Board may decide, is not accompanied by the certificate for the shares to which it related and such other evidence as the Board may reasonably require to prove title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so; and
- (e) the Board may refuse to register a proposed transfer of a certificated share to any person who may cause or is likely to cause the assets of the Company to be considered plan assets within the meaning of the regulations adopted under ERISA or which holding would or might result in the Company being required to register or qualify under the Investment Company Act.

Subject to the provisions of the Guernsey CREST Regulations, the registration of transfers of Ordinary Shares whether held in certificated or uncertificated form may be suspended at such times and for such periods as the Board may from time to time determine provided that such suspension shall not be for more than 30 days in any year.

9.9 **Compulsory Transfer of Shares**

If it shall come to the notice of the Directors that any shares:

- (a) are or may be owned or held directly or beneficially by any person whose ownership or holding or continued ownership or holding of those shares (whether on its own or in conjunction with any other circumstance appearing to the Board to be relevant) might in the sole and conclusive determination of the Board cause a pecuniary or tax disadvantage to the Company or any other holder of shares or other securities in the Company; or
- (b) are or may be owned or held directly or beneficially by any person that is a pension or other benefit plan subject to Title I of ERISA and in the opinion of the Directors the assets of the Company may be considered “plan assets” within the meaning of regulations adopted under ERISA; or
- (c) are or may be owned or held directly or beneficially such that the aggregate number of United States Persons who are holders or beneficial owners (which for these purposes shall include beneficial ownership by attribution pursuant to Section 3(c)(1)(A) of the Investment Company Act) of shares or other securities of the Company and who are Private Offering Holders (as defined in the Articles) is or may be more than 75; or
- (d) are or may be owned or held directly or beneficially by any person to whom a transfer of shares or whose ownership or holding of any shares might in the opinion of the Directors require registration of the Company as an investment company under the Investment Company Act,

the Directors may serve a written notice (a “Transfer Notice”) upon the person (or any one of such persons where shares are registered in joint names) appearing in the register as the holder (the “Vendor”) of any of the shares concerned (the “Relevant Shares”) requiring the Vendor within 21 days (or such extended time as in all the circumstances the Directors consider reasonable) to transfer (and/or procure the disposal of interests in) the Relevant Shares to another person who, in the sole and conclusive determination of the Directors, would not fall within paragraph (a), (b) or (d) above and whose ownership or holding of such shares would not result in the aggregate number of Private Offering Holders who are beneficial owners or holders of shares or other securities of the Company being 75 or more (such a person being hereinafter called an “Eligible Transferee”). On and after the date of such Transfer Notice, and until registration of a transfer of the Relevant Share to which it relates pursuant to the provisions referred to in this paragraph 9.9, the rights and privileges attaching to the Relevant Shares will be suspended and not capable of exercise.

If within 21 days after the giving of a Transfer Notice (or such extended time as in all the circumstances the Directors consider reasonable) the Transfer Notice has not been complied with to the satisfaction of the Directors, the Company may sell the Relevant Shares on behalf of the holder thereof, subject to the Guernsey CREST Regulations, by instructing a member firm of the London Stock Exchange to sell them at the best price reasonably obtainable at the time of sale, to any Eligible Transferee or Eligible Transferees. To give effect to a sale, the Directors may authorise in writing any officer of the Company or any officer or employee of the secretary of the Company to transfer the Relevant Shares on behalf of the holder thereof (or any person who is automatically entitled to the shares by transmission or by law), or to cause the transfer of the Relevant Shares, to the purchaser and in relation to an uncertificated share may require the operator to convert the share into certificated form in accordance with the requirements of CREST applicable to the Company and an instrument of transfer executed by that person will be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the Relevant Shares. The purchaser is not bound to see to the application of the purchase money and the title of the transferee is not affected by any irregularity in or invalidity of the proceedings connected to the sale.

The net proceeds of the sale of the Relevant Shares, after payment of the Company's costs of the sale, will be received by the Company, whose receipt will be a good discharge for the purchase moneys, and will belong to the Company and, upon their receipt, the Company will become indebted to the former holder of, or person who is automatically entitled to the shares by transmission or by law to, the Relevant Shares for an amount equal to the net proceeds of transfer upon surrender by him or them, in the case of certificated shares, of the certificate for the Relevant Shares which the Vendor shall forthwith be obliged to deliver to the Company. The Company is deemed to be a debtor and not a trustee in respect of that amount for the member or other person. No interest will be payable on that amount and the Company will not be required to account for money earned on it. The amount may be employed in the business of the Company or as it thinks fit. The Company may register or cause the registration of the transferee as holder of the Relevant Shares and thereupon the transferee will become absolutely entitled thereto.

A person who becomes aware that he falls within any of paragraphs 9.9(a), or 9.9(b) or 9.9(d) above or, being a Private Offering Holder and a beneficial owner or holder of shares, becomes aware that the aggregate number of Private Offering Holders who are beneficial owners or holders of shares or other securities of the Company is more than 75, shall forthwith, unless he has already received a Transfer Notice pursuant to the provisions referred to in this paragraph 9.9 above either transfer the shares to one or more Eligible Transferees or give a request in writing to the Directors for the issue of a Transfer Notice in accordance with the provisions referred to above. Every such request shall, in the case of certificated shares, be accompanied by the certificate(s) for the shares to which it relates.

Subject to the provisions of the Articles, the Directors will, unless any Director has reason to believe otherwise, be entitled to assume without enquiry that none of the shares are held in such a way as to entitle the Directors to serve a Transfer Notice in respect thereof. The Directors may, however, at any time and from time to time call upon any holder (or any one of joint holders or a person who is automatically entitled to the shares by transmission or by law) of shares by notice in writing to provide such information and evidence as they require upon any matter connected with or in relation to such holder of shares. In the event of such information and evidence not being so provided within such reasonable period (not being less than 21 clear days after service of the notice requiring the same) as may be specified by the Directors in the said notice, the Directors may, in their absolute discretion, treat any share held by such a holder or joint holders or a person who is automatically entitled to the shares by transmission or by law as being held in such a way as to entitle them to serve a Transfer Notice in respect thereof.

The Directors will not be required to give any reasons for any decision, determination or declaration taken or made in accordance with these provisions. The exercise of the powers conferred by the provisions referred to in this paragraph 9.9 may not be questioned or invalidated in any case on the grounds that there was insufficient evidence of direct or beneficial ownership or holding of shares by any person or that the true direct or beneficial owner or holder of any shares was otherwise than as appeared to the Directors at the relevant date provided that the said powers have been exercised in good faith.

9.10 ***Alteration of Capital and Purchase of Shares***

The Company may at any time by ordinary resolution increase its share capital by such sum to be divided into shares of such amount as the resolution may prescribe.

The Company may from time to time, subject to the provisions of the Law, purchase its own shares (including any redeemable shares) in any manner authorised by the Law.

Subject to any direction to the contrary that may be given by the Company by special resolution, the Company shall not allot any Shares for cash to any person unless it has made an offer to each Member to allot to him on the same or more favourable terms a proportion of those Shares which is as nearly as practicable equal to the proportion of the aggregate of all Shares of such class in issue represented by Shares of such class then held by such Member. The offeree shall have a period of not less than twenty one days within which to accept the offer, and if the offer is not accepted, it will be deemed to be declined. After the expiration of that period, or, if earlier, on the receipt by the Company of acceptances or refusals of the offer from each person to whom the offer was made, the Board may dispose of those Shares that have not been taken up in the offer, in such manner as they think most beneficial to the Company. The Board may likewise so dispose of any new Shares which (by reason of the ratio which the new Shares bear to shares held by those Members entitled to an offer of new Shares) cannot, in the opinion of the Board, be conveniently offered under this provision.

The Company may by ordinary resolution consolidate and divide all or any of its share capital into shares of a larger amount than its existing Shares; subdivide all or any of its Shares into shares of a smaller amount than is fixed by the Memorandum of Incorporation; cancel any Shares which at the date of the resolution have not been taken or agreed to be taken and diminish the amount of its authorised share capital by the amount of Shares so cancelled.

The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with and subject to any authorisation and consent required by the Law.

9.11 ***Interests of Directors***

- (a) Save as mentioned below, a Director may not vote or be counted in the quorum on any resolution of the Directors (or a committee of the Directors) in respect of any matter in which he has (together with any interest of any person connected with him) to his knowledge a material personal interest (other than by virtue of his interest in Shares or debentures or other securities of the Company).

- (b) A Director shall be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:
 - (i) the giving of any guarantee security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;
 - (ii) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
 - (iii) the offer of securities of the Company or its subsidiaries in which offer he is or may be entitled to participate or in the underwriting or sub underwriting of which he is to participate;
 - (iv) any proposal concerning any other company in which he is interested, directly or indirectly, as an officer or shareholder or otherwise, provided that he, together with persons connected with him, is not to his knowledge the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of any such company or of the voting rights of such company;
 - (v) any arrangement for the benefit of any employees of the Company or any of its subsidiaries which accords to the Director only such privileges and advantages as are generally accorded to the employees to whom the arrangement relates; or
 - (vi) any proposal for the purchase or maintenance of insurance for the benefit of Directors or persons including the Directors.
- (c) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employment with the Company or any company in which the Company is interested, those Directors may be counted in the quorum for the consideration of such proposals and such proposals may be divided and considered in relation to each Director separately and, in such case, each of the Directors concerned (if not debarred from voting under paragraph 9.11(a) and (b) above) shall be entitled to vote in respect of each resolution except that concerning his own appointment.
- (d) Any Director may act by himself or by his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- (e) Any Director may continue to be or become a director, managing director, manager or other officer or member of a company in which the Company is interested, and any such Director shall not be accountable to the Company for any remuneration or other benefits received by him.

9.12 **Directors**

- (a) The Directors shall be remunerated for their services at such rate as the Directors shall determine provided that the aggregate amount of such fees shall not exceed £125,000²⁹ per annum (or such other sums as the Company in general meeting shall from time to time determine). The Directors shall also be entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the performance of their duties.
- (b) If any Director having been requested by the Directors shall render or perform extra or special services or shall travel or go to or reside in any country not his usual place of residence for any business or purpose of the Company he shall be entitled to receive such sum as the Directors may think fit for expenses and also such remuneration as the Directors may think fit either as a fixed sum or as a percentage of profits or otherwise and such remuneration may as the Directors shall determine be either in addition to or in substitution for any other remuneration which he may be entitled to receive.
- (c) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as the Directors may determine.
- (d) The Directors may from time to time appoint one or more of their body (other than a Director resident in the UK) to the office of managing director or to any other executive office for such periods and upon such terms as they determine.
- (e) The Directors may at any time appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until, and shall be eligible for re-election at, the next general meeting following his appointment but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at that meeting if it is an annual general meeting. Without prejudice to those powers, the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director.
- (f) At the first annual general meeting of the Company all of the Directors shall retire from office. At each annual general meeting thereafter, one third of the Directors (or if their number is not three or an integral multiple of

²⁹ The Company resolved at its annual general meeting on 9 July 2009 to increase this figure to £250,000 per annum, although the Articles have not been amended to reflect the new figure.

three), the number nearest to, but (except where there are less than three Directors) not greater than one-third shall retire from office.

- (g) Subject to the provisions of the Articles, the Directors to retire by rotation on each occasion shall be those of the Directors who have been longest in office since their last appointment or re-appointment but, as between persons who became or were last re-appointed Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. In addition, any Director who would not otherwise be required to retire at any annual general meeting which is the third annual general meeting after the later of his appointment by the Company in general meeting and re-election as a Director of the Company in general meeting, shall nevertheless be required to retire at such annual general meeting.
- (h) The maximum number of Directors shall be seven and the minimum number of Directors shall be two. The majority of the Directors shall at all times be resident outside the UK.
- (i) Unless otherwise fixed by the Company in general meeting, a Director shall not be required to hold any qualification shares.
- (j) Each Director is required to retire at 70 years of age.
- (k) The office of Director shall be vacated if the Director resigns his office by written notice, if he shall have absented himself from meetings of the Directors for a consecutive period of six months and the Directors resolve that his office shall be vacated, if he becomes of unsound mind or incapable, if he becomes insolvent, suspends payment or compounds with his creditors, if he is requested to resign by written notice signed by all his co-Directors, if the Company in general meeting by ordinary resolution shall declare that he shall cease to be a Director, or if he becomes resident in the UK and, as a result, a majority of the Directors are resident in the UK.
- (l) The Directors may appoint a Chairman, who will not have a second or casting vote.

9.13 **General Meetings**

Notice for any general meeting shall be sent by the secretary of the Company or any other person appointed by the Directors not less than fourteen days before the meeting. The notice must specify the time and place of the general meeting and, in the case of any special business, the general nature of the business to be transacted. With the consent in writing of all the members a meeting may be convened by a shorter notice or at no notice in any manner they think fit. The accidental omission to give notice of any meeting or the non-receipt of such notice by any Shareholder shall not invalidate any resolution, or any proposed resolution otherwise duly approved, passed or proceeding at any meeting. The quorum for the general meeting shall be two members present in person or by proxy.

9.14 **Winding-Up**

- (a) On a winding up, the surplus assets remaining after payment of all creditors including payment of bank borrowings (other than the surplus attributable to any C Shares), shall be applied in the following priority:
 - (i) first, in the payment to the holders of Ordinary Shares of a sum equal to the nominal amount of the Ordinary Shares of such class held by such holders provided that there are sufficient assets available in the Company to enable such payment to be made;
 - (ii) second, in payment to the holders of the nominal shares of sums up to the nominal amount paid up thereon (to the extent that there are any nominal shares in issue); and
 - (iii) third, in the payment to the holders of the Ordinary Shares of any balance then remaining, including but without limitation the balance of any assets in the Company.
- (b) On a winding up, the surplus assets attributable to the C Shares (if any) shall be divided amongst the holders of C Shares *pro rata* according to their holdings of C Shares.
- (c) On a winding up, the liquidator may, with the authority of a special resolution, divide amongst the members *in specie* any part of the assets of the Company. The liquidator may with like authority vest any part of the assets in trustees upon such trusts for the benefit of members as he shall think fit but no member shall be compelled to accept any assets in respect of which there is any liability.
- (d) Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company the liquidator may, with the sanction of an ordinary resolution, receive in compensation, or part compensation for the transfer or sale shares policies or other like interests for distribution among the members or may enter into any other arrangements whereby the members may, in lieu of receiving cash, shares, policies or other like interests, participate in the profits of or receive any other benefit from the transferee.

9.15 **Borrowing Powers**

The Directors may exercise all the powers of the Company to borrow money (in whatever currency the Directors determine from time to time) and to give guarantees, mortgage, hypothecate, pledge or charge all or part of its undertaking property or assets and uncalled capital and to issue debentures and other securities whether outright or

as collateral security for any liability or obligation of the Company or of any third party, provided always that the Company's borrowing policy will limit outstanding borrowings, including any financial guarantees to support subscription obligations to 50 per cent. of the Gross Asset Value of its investments and cash balances, with the Company having the ability to borrow in aggregate up to 66 per cent. of the Gross Asset Value on a short (i.e. less than 365 days) basis if the Directors consider appropriate. For this purpose, outstanding borrowings exclude intra-group borrowings and the debts of underlying Project Entities.

10. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or a Holding Entity or a wholly owned company of a Holding Entity since incorporation of the Company and are, or may be, material and there are no other contracts entered into by the Company or a Holding Entity or a wholly owned company of a Holding Entity which include an obligation or entitlement which is material to the Company as at the date of this Prospectus.

10.1 **Investment Advisory Agreement**

Pursuant to an investment advisory agreement dated 10 October 2006, between the Company and the Investment Adviser (as amended and novated pursuant to a deed of amendment and novation between BBIML, AFML, the Company and BBL dated 23 June 2009 and as further amended on 24 May 2012, the "**Investment Advisory Agreement**"), the Investment Adviser provides investment advisory services to the Company. The services to be provided under the Investment Advisory Agreement include (*inter alia*) advising the Company in respect of the strategic management of the Investment Portfolio and the Holding Entities. As the Company conducts its investment activities through the Holding Entities, the Investment Advisory Agreement does not confer any discretionary investment management powers on the Investment Adviser (the Group's discretionary investment management being conducted by AFML in its capacity as Operator of the Partnership). The Company and AFML have agreed in the Investment Advisory Agreement to use best endeavours to establish a binding service level agreement. The Investment Advisory Agreement also incorporates a procedure to manage any conflicts of interest arising in connection with the acquisition by the Company of any assets from AFML. Under the Investment Advisory Agreement, it is also anticipated that the Company will (without prejudice to its right to appoint another adviser) appoint the Investment Adviser to provide financial advisory services to the Company, including without limitation equity and debt raising advisory services (including capital markets issues, equity and debt raisings and where applicable, arranging underwritings) and general financial and commercial advice, including in relation to disposals of assets. The Company is under no obligation to appoint the Investment Adviser, however. Details of fees which the Investment Adviser may be entitled to for financial advisory services and the partial waiver of such fee in relation to the Issue are set out in Part I of this Prospectus under the heading "Fees and Expenses". The Investment Advisory Agreement includes provisions to ensure that the Company is not charged twice in respect of the same financial advisory services.

Other than as stated above, the aggregate fees payable to AFML in its capacity as Investment Adviser and Operator and to the General Partner are described in Part I of this Prospectus under the heading "Fees and Expenses". The Investment Adviser is entitled to retain any commissions, fees or any other form of remuneration in relation to any transaction without deduction or set off from either the Base Fee or the Incentive Fee. The Investment Adviser is also entitled to reimbursement for any reasonable out-of-pocket expenses and costs of the Company paid on behalf of the Company, provided that the Company is not required to pay or reimburse the Investment Adviser for any out-of-pocket expense or cost in excess of £5,000 unless the Company's written consent was obtained prior to the cost or expense being incurred.

The Investment Advisory Agreement may be terminated by either party giving to the other five years notice of termination at any time after 10 years from the date of the Investment Advisory Agreement (10 October 2006).

The Investment Advisory Agreement may also be terminated immediately by either party:

- (a) if the other party fails to make a payment when due which is not paid within 30 days of being notified of the failure to make a payment;
- (b) in the case of a breach by the other party (in the case of a breach by the Investment Adviser only, which has a material adverse effect on the Company or on the ability of the Investment Adviser to continue to provide services) where the breach remains unremedied for 30 days after the breaching party has been notified to do so or, if such breach is not capable of remedy, if it fails to offer compensation in respect of such breach which is reasonably acceptable to the non-breaching party; or
- (c) upon the insolvency or analogous event of the other party.

The Investment Advisory Agreement may also be terminated immediately by the Company:

- (a) upon the insolvency or analogous event of any other member of the Amber group where that insolvency or analogous event has a material adverse effect on the Company or on the ability of AFML to continue to provide services and acceptable alternative arrangements have not been put into place within the specified time period;
- (b) upon a change of control of AFML or Amber without the Company's prior consent;

- (c) if the Investment Adviser is no longer permitted by applicable laws, rules and regulations to provide its services under the Investment Advisory Agreement;
- (d) if the Operator is removed or replaced in accordance with the Operating Agreement; or
- (e) in the event of a breach of any term of any service level agreement agreed by the Investment Adviser and the Company that has occurred more than three times where such breach has not been remedied within 30 days of it first occurring.

The Investment Adviser may terminate the Investment Advisory Agreement immediately if the Ordinary Shares are no longer listed.

In addition, the Company can terminate the Investment Advisory Agreement by giving six months' written notice to the Investment Advisor, and without the need for a resolution of the Shareholders, in either of the following circumstances: (a) if at any time the Benchmark Return Index outperforms the Ordinary Share Return Index by more than 3 per cent. in at least four out of the immediately preceding five semi-annual periods (unless the reason for the outperformance of the Benchmark Return Index was to a material extent caused by the occurrence of an event or events of *force majeure*); or (b) a material number of key Amber group investment personnel cease to be employed by the Amber group and in the Company's reasonable opinion there is a realistic risk that the Investment Adviser will not be able to meet its obligations, provided those persons are not replaced to the Company's satisfaction within a specified time period.

The Investment Advisory Agreement provides that the Company shall indemnify the Investment Adviser and its officers, directors, employees and agents for losses of any nature arising in connection with the Investment Advisory Agreement (except where fraud, negligence, wilful default or material breach of the agreement are involved on the part of the Investment Adviser or its officers, directors, employees and/or agents). The Investment Advisory Agreement also provides that the Investment Adviser shall have no liability to the Company or to any Shareholder except for losses resulting from the negligence, wilful default, fraud or material breach of the agreement by the Investment Adviser or any of its officers, directors, employees and/or agents. The Investment Adviser shall indemnify the Company and its officers, directors, employees and agents in respect of losses of any nature resulting from the fraud, gross negligence, wilful default or material breach of the agreement by the Investment Adviser, its officers, directors, employees and/or agents.

10.2 **Limited Partnership Agreement**

A description of the terms of the Limited Partnership Agreement governing the Limited Partnership (of which Luxco 2 (a wholly-owned subsidiary of the Company) is the sole limited partner) is included at paragraph 4 of this Part IX above.

10.3 **Operating Agreement**

Pursuant to an amended and restated operating agreement between the General Partner (for itself and on behalf of the Partnership) and the Operator (as amended by a deed of amendment and novation dated 23 June 2009, the "**Operating Agreement**"), the Operator manages and operates the Partnership and its investments.

The Operator is entitled to such fees as shall be agreed between the General Partner and the Operator from time to time. Any such fees shall be payable out of the General Partner's own assets and not out of the assets of the Partnership. The Operator need not account for fees received as Investment Adviser to the Company or in relation to provision of services by it or its associates to project companies.

The Operating Agreement may be terminated by either the Partnership or the Operator giving to the other five years notice of termination expiring at any time after 10 October 2016.

The Partnership can terminate the Operating Agreement immediately (and the General Partner shall so terminate the Operating Agreement if directed to do so by Luxco 2 in its capacity as limited partner):

- (a) if the Operator commits a material breach of the agreement or any other breach that has a material adverse effect on the Partnership or on the Operator's ability to continue to operate and manage the Partnership and the partnership assets, and either the Operator fails to remedy the breach within 30 days of being notified to do so or, if the breach is incapable of remedy, it fails to offer compensation in respect of such breach which is reasonably acceptable to the General Partner;
- (b) upon the insolvency or analogous event occurring in respect of the Operator;
- (c) if the Operator is no longer permitted by applicable laws, rules and regulations to provide its services under the Operating Agreement; or
- (d) if the Investment Advisory Agreement has been terminated.

The Operator may terminate the Operating Agreement immediately:

- (a) if the General Partner or the Partnership fails to make a payment under the agreement when due and fails to remedy such breach within 30 days of being notified of it;

- (b) the General Partner or the Partnership breaches the agreement and either fails to remedy the breach within 30 days of being notified to do so, or if the breach is incapable of remedy, fails to offer compensation in respect of such breach which is reasonably acceptable to the Operator; or
- (c) upon the insolvency or analogous event occurring in respect of the General Partner or any of the Partnership assets.

The Operating Agreement provides that the Partnership shall indemnify the Operator and its officers, directors, associates, consultants, partners, employees and agents for losses of any nature arising in connection with the Operating Agreement (except where fraud, gross negligence, wilful default, gross professional misconduct, wilful illegal act or any material breach are involved on the part of the Operator or its officers, directors, employees or agents). The Operating Agreement also provides that the Operator shall have no liability to the Company or to any Shareholder except for losses resulting from the gross negligence, gross professional misconduct, wilful default, wilful illegal act, fraud or any material breach of the agreement by the Operator or any of its employees. The Operator shall also indemnify the General Partner, the Partnership and their officers, directors, agents, delegates and employees in respect of any losses incurred by the General Partner or the Partnership arising in connection with the Operating Agreement resulting from fraud, gross negligence, wilful default or material breach of the agreement by the Operator, and its officers, directors, employees and agents.

10.4 **Administration Agreement**

Pursuant to an administration agreement dated 10 October 2006, between the Company and the Administrator (the “**Administration Agreement**”), the Administrator was appointed to provide administrative and company secretarial services to the Company. Such services include (*inter alia*) maintaining the Company’s books and records, preparing interim and annual accounts of the Company, calculating the NAV of the Ordinary Shares, arranging for and administering the issue of shares in the Company and providing such other services as are customarily provided by administrators in Guernsey of Guernsey companies. In the performance of its duties under the Administration Agreement, the Administrator shall at all times be subject to the control and review of the Board.

The fees of the Administrator under the Administration Agreement are described in Part I of this Prospectus under the heading “Administration Fees”. The Administrator shall also be entitled to receive all reasonable and properly evidenced out of pocket expenses incurred by it in the performance of its duties under the Administration Agreement.

The Administration Agreement can be terminated by either party on 90 days’ written notice to the other. The Administration Agreement may also be terminated immediately by either party: (a) on the insolvency (or analogous event) occurring in respect of the other party; or (b) in the case of a breach by the other party which remains unremedied for 30 days after such party has been notified of the breach.

The appointment of the Administrator shall be terminated immediately if the Administrator ceases to be licensed by the Guernsey Financial Services Commission to provide the services under the Administration Agreement.

The Administration Agreement provides that the Administrator shall not be liable for any loss or damage suffered by the Company as a result of the Administrator carrying out its duties under the Administration Agreement unless the loss or damage arises out of the Administrator’s fraud, negligence, wilful default or breach of the Administration Agreement. The Company has indemnified the Administrator against any liabilities of whatever nature arising out of the Administrator properly performing its duties under the Administration Agreement (provided that fraud, negligence, wilful default or breach of the Administration Agreement on the part of the Administrator is absent).

10.5 **Loan Facilities Agreement**

The Company (as Borrower) renewed its £100,000,000 multicurrency revolving credit loan facility agreement on 20 April 2011 together with the Partnership, the General Partner and The Royal Bank of Scotland PLC (as Lender, Arranger, Agent, Issuing Bank, Issuing Agent and Security Trustee) and National Australia Bank Limited (as Lender, Arranger and Issuing Bank) (such loan agreement being the “**Loan Facilities Agreement**”).

The Company is able to utilise the facility under the Loan Facilities Agreement by way of loans or letters of credit, and is required to apply any amounts borrowed to: finance the purchase price of Investment Capital acquired by the Group; finance any subordinated debt and equity contribution obligations of the Group in relation to the acquisition of any Investment Capital; finance or refinance any costs incurred by the Group in relation to the acquisition of any Investment Capital; make downstream loans or equity contributions or letters of credit to any subsidiary of the Company in relation to any of the other listed purposes; general corporate and working capital purposes (subject to certain limits and other than for distributions, repayments of subordinated debt, return of capital contributions, etc.); and/or repaying the previous facility.

The facility is open for new loan requests until 8 April 2014, after which any amount not drawn down by the Company will be cancelled. Each loan taken through the facility must be repaid on the last day of its interest period (which period may be up to nine months from the utilisation date), and on 8 May 2014 all loans must be repaid in full. Repayment may be made or required before the due date in certain circumstances. The interest payable on each loan is the aggregate of the applicable margin (2.25 per cent.), LIBOR (or EURIBOR for loans in Euro), and the lenders’ costs of compliance (if any) as calculated under the Loan Facilities Agreement.

10.6 **Issue Agreement**

Pursuant to the Issue Agreement dated 24 May 2012 between the Company, the Bookrunners and the Investment Adviser, the Bookrunners have been appointed as the Company's bookrunners and Numis has been appointed as the Company's Sponsor in relation to the Issue.

The Issue Agreement contains certain representations and warranties from the Company and the Investment Adviser to the Bookrunners concerning, amongst other things, the Company's authority to issue the New Shares and the accuracy of the prospectus for the Issue. The Bookrunners also have the benefit of an indemnity from the Company and the Investment Adviser in relation to liabilities incurred by the Bookrunners in the discharge of their duties under the Issue Agreement save (amongst other things) to the extent that the same are determined by a court of competent jurisdiction or by agreement between the parties to have arisen as a result of fraud, gross negligence or wilful default of the relevant Bookrunner or its associates.

The Investment Adviser has the benefit of a counter indemnity from the Company in respect of any claims by the Bookrunners against the Investment Adviser save that such counter indemnity is limited to amounts recovered by or on behalf of the Company and any of the Holding Entities from any person (other than the Investment Adviser) in connection with the Issue.

10.7 **Registrar Agreement**

Pursuant to a registrar agreement dated 10 October 2006, between the Company and the Registrar, (the "**Registrar Agreement**") the Registrar was appointed to act as the Company's registrar in Guernsey.

The Registrar Agreement may be terminated by either the Company or the Registrar giving to the other three months' written notice expiring at any time. In the case of the Company serving such notice on the Registrar, such notice must expire after the first anniversary of the date of the Registrar Agreement. The Registrar Agreement may also be terminated immediately by either party: (a) on the insolvency (or analogous event) occurring in respect of the other party; or (b) in the case of a breach by the other party which remains unremedied for 30 days after such party has been notified of the breach. In addition, the Company may terminate the Registrar Agreement if, in the opinion of the Directors the Registrar is guilty of fraud wilful default or gross negligence in the performance of its duties under the Registrar Agreement; or if the Registrar ceases to be the holder of any licence, consent, permit or registration enabling it to act as registrar of the Company; or if the Registrar chooses to increase its fees in any annual review thereof.

The fees of the Registrar under the Registrar Agreement are described in Part I of this Prospectus under the heading "Registrar and Transfer Agency Fees". The Registrar shall also be entitled to receive all reasonable out of pocket expenses properly incurred by it in the performance of its duties under the Registrar Agreement, and will be entitled to recover from the Company various disbursements including postage, printing, telephone and CREST transaction costs.

The Registrar Agreement provides that the Company shall indemnify the Registrar and its agents, officers and employees from and against any and all liabilities that they may incur in connection with the Registrar Agreement, save in the case of fraud, negligence or wilful default of the Registrar or its agents, officers and employees (or as may be due to any breach of the terms of the Registrar Agreement). The aggregate liability of the Registrar under the Registrar Agreement is limited to the lesser of £1,000,000 or an amount equal to ten times the annual fee payable to the Registrar under the Registrar Agreement.

10.8 **Receiving Agent Agreement**

Pursuant to a receiving agent agreement dated 24 May 2012 between the Company and the Receiving Agent (the "**Receiving Agent Agreement**"), the Receiving Agent agrees to provide receiving agent services to the Company in relation to the Open Offer and the Offer for Subscription. Under the Receiving Agent Agreement, the Company agrees to indemnify the Receiving Agent (and its subsidiary and parent undertakings from time to time) against all losses, damages, liabilities, fees, court costs and expenses resulting from a breach of the agreement by the Company, and in relation to any third party claims arising from the agreement or the receiving agent services, except to the extent that any loss resulted solely from the fraud or wilful default of the Receiving Agent or its subsidiary or parent undertaking.

The Company also agrees to indemnify the Receiving Agent for any liabilities it may suffer in connection with any changes to the application criteria or to the terms of the Open Offer after publication of this Prospectus.

Subject to the Receiving Agent receiving fees for work performed and reimbursement for certain costs, either party may terminate the Receiving Agent Agreement if the other commits a material breach which is not remedied within 14 days of notice to do so, or upon the insolvency or analogous event of the other party.

The Receiving Agent is entitled to receive various fees depending on the services provided, subject to a minimum of £8,700 for the Open Offer and £4,500 for the Offer for Subscription together with certain reasonable expenses.

10.9 **Broker Agreement**

Pursuant to an agreement dated 29 July 2009 and a supplemental letter agreement dated 25 August 2010 (the "**Broker Agreement**"), Numis has been appointed as the Company's broker. Under the Broker Agreement, Numis provides broker and adviser services to the Company including advising the Company on market expectations, share

prices and an investor liaison programme, as well as co-ordinating the Company's tap issues of further Ordinary Shares.

In return for these services, Numis is entitled to the fees described in Part I of this Prospectus under the heading "Broker Fees". It is also entitled to reimbursement of any properly incurred out-of-pocket expenses, costs and disbursements, provided that it must obtain the Company's approval prior to incurring any single expense in excess of £2,000, aggregate monthly expenses in excess of £10,000 or legal or other professional fees.

The Broker Agreement can be terminated by either party for any reason on 30 days' notice as well as with immediate effect in certain other defined circumstances such as material breach of the Broker Agreement by the other party, insolvency of the Company.

The Broker Agreement incorporates Numis' standard terms and conditions, including a provision limiting the liability of Numis and its associates, and requiring the Company to indemnify Numis and its associates against losses, except in each case where the liability or loss arises from the fraud, negligence or material breach of the Broker Agreement or the wilful default of Numis or any of its associates.

11. AVAILABILITY OF THIS PROSPECTUS

Copies of this Prospectus are available for viewing only during normal Business Hours, free of charge, at the FSA's National Storage Mechanism at <http://www.morningstar.co.uk/uk/NSM>.

Copies of this Prospectus may be collected, free of charge during normal Business Hours, from AFML at Two London Bridge, London SE1 9RA or from the registered office of the Company.

12. GENERAL

- 12.1 The Issue of the New Shares is not underwritten.
- 12.2 The Company is a closed-ended investment company incorporated under the laws of Guernsey and authorised by the Guernsey Financial Services Commission as a closed-ended investment scheme. 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 the Disclosure and Transparency Rules and is bound to comply with applicable law such as the relevant parts of FSMA.
- 12.3 There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the last 12 months which may have or have had a significant effect on the Company's and/or the Group's financial position or profitability.
- 12.4 The Issue Price of 116.25 pence per New Share represents a premium of 116.24 pence over its nominal value of 0.01 pence. No expenses are to be charged directly to any placee or subscriber pursuant to the Issue.
- 12.5 The Company complies with the corporate governance obligations which apply to Guernsey registered companies. The Company is a member of the Association of Investment Companies ("AIC") and follows the AIC's Corporate Governance Guide for Investment Companies save that, in view of the Board's non-executive nature and the requirement of the Articles that one-third of Directors retire by rotation at least every three years, the Directors consider it inappropriate for the Directors to be appointed for a specified term.
- 12.6 As a Guernsey authorised closed-ended collective investment scheme, the Company is subject to the GFSC Finance Sector Code of Corporate Governance issued by the GFSC and which came into force on 1 January 2012 (the "**Guernsey Code**"). The Company is deemed to comply with the Guernsey Code by virtue of its compliance with the AIC Corporate Governance Guide for Investment Companies.
- 12.7 The Company's audit committee is comprised of all the Directors. The audit committee has the following remit to meet bi-annually and to consider, *inter alia*: (a) annual and interim accounts; (b) auditor reports; and (c) terms of appointment and remuneration for the Auditors (including overseeing the independence of the auditor particularly as it relates to the provision of non-audit services).
- 12.8 The Company has not so far established a separate remuneration committee as the Directors are satisfied that any relevant issues can be properly considered by the Directors as a whole.
- 12.9 Where information contained in this Prospectus has been sourced from a third party, the Company confirms that such information has been accurately reproduced and the source identified 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.
- 12.10 The Company has not had any employees since its incorporation and does not own any premises. No amounts have been set aside or accrued by the Company or its subsidiaries to provide pension, retirement or similar benefits.
- 12.11 The New Shares will be created and issued by the Company in accordance with the provisions of the Articles and the Law.

12.12 The City Code on Takeovers and Mergers (the “**City Code**”) applies to the Company. The Existing Ordinary Shares are, and the New Shares will be, subject to the rules regarding mandatory takeover offers set out in the City Code. Under Rule 9 of the City Code, when (i) a person acquires shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company subject to the City Code or (ii) any person who, together with persons acting in concert with him, is interested in shares which in aggregate carry not less than 30 per cent. but not more than 50 per cent. of the voting rights of the company subject to the City Code, and such person, or any person acting in concert with him, acquires an interest in additional shares which increases his percentage of the voting rights, then in either case that person together with the persons acting in concert with him is normally required to make a general offer in cash, at the highest price paid by him, or any person acting in concert with him, for shares in the company within the preceding 12 months, for all the remaining equity share capital of the Company.

12.13 The Company will comply with the investment restrictions imposed by the Listing Rules from time to time. As at the date of this Prospectus, the Listing Rules require that the Company:

- (a) must, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its investment policy set out in Part I of this Prospectus (as the same may be amended in accordance with the Listing Rules);
- (b) must not conduct any trading activity which is significant in the context of the Group as a whole; and
- (c) should avoid cross-financing between businesses forming part of the Investment Portfolio and the operation of common treasury functions as between the Company and any of its investee companies.

In addition, the Listing Rules require that no more than 10 per cent. of the Group’s assets are invested in other listed closed-ended investment funds (although the Company does not expect to make any such investments).

12.14 ***Documents for Inspection***

Copies of the following documents may be inspected at the offices of Hogan Lovells International LLP, Atlantic House, Holborn Viaduct, London EC1A 2FG and at the registered office of the Company during normal Business Hours on any day (except Saturdays, Sundays and public holidays) from the date of this Prospectus until the Open Offer, the Offer for Subscription and the Placing close:

- (a) the Memorandum and Articles of Incorporation of the Company;
- (b) the annual report and audited consolidated financial statements of the Group for each of the periods ended 31 December 2009, 31 December 2010 and 31 December 2011; and
- (c) this Prospectus.

This Prospectus will also be available at <http://www.morningstar.co.uk/uk/NSM> from the date of this Prospectus until the Open Offer, the Offer for Subscription and the Placing close.

Dated 24 May 2012

Part X

Checklist of documentation incorporated by reference

<i>Information incorporated by reference</i>	<i>Page reference in incorporated information</i>	<i>Reference in Prospectus</i>
Annual report and audited accounts of the Group for the period ended 31 December 2009 including the following information:		Part VIII
• Audit report;	37–38	
• Consolidated balance sheet;	43–44	
• Consolidated income statement;	39	
• Consolidated statement of changes in equity;	41–42	
• Consolidated cashflow statement; and	45	
• Notes to the consolidated financial statements including the Group's accounting policies.	46–100	
The operating and financial review information, which includes information on restrictions affecting the use of capital resources, incorporated by reference in such report and accounts is provided in the following sections:		
• Chairman's statement;	6–9	
• Investment Adviser's report; and	16–20	
• Directors' Report.	22–29	
Related party transactions are set out in the Notes to the consolidated financial statements	95–100	
Annual report and audited accounts of the Group for the period ended 31 December 2010 including the following information:		Part VIII
• Audit report;	39	
• Consolidated balance sheet;	43–44	
• Consolidated income statement;	40	
• Consolidated statement of changes in equity;	42	
• Consolidated cashflow statement; and	45	
• Notes to the consolidated financial statements including the Group's accounting policies.	46–96	
The operating and financial review information, which includes information on restrictions affecting the use of capital resources, incorporated by reference in such report and accounts is provided in the following sections:		
• Letter from the Board;	6–10	
• Investment Adviser's report; and	11–20	
• Directors' Report.	28–31	
Related party transactions are set out in the Notes to the consolidated financial statements	94–96	

<i>Information incorporated by reference</i>	<i>Page reference in incorporated information</i>	<i>Reference in Prospectus</i>
Annual report and audited accounts of the Group for the period ended 31 December 2011 including the following information:		Part VIII
• Audit report;	41	
• Consolidated balance sheet;	45–46	
• Consolidated income statement;	42	
• Consolidated statement of changes in equity;	44	
• Consolidated cashflow statement; and	47	
• Notes to the consolidated financial statements including the Group's accounting policies.	48–93	
The operating and financial review information, which includes information on restrictions affecting the use of capital resources, incorporated by reference in such report and accounts is provided in the following sections:		
• Chairman's statement;	6–8	
• Investment Adviser's report; and	10–20	
• Directors' Report.	30–34	
Related party transactions are set out in the Notes to the consolidated financial statements.	92–93	

Notices to Overseas 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 FSMA and 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 jurisdictions. 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 DANISH INVESTORS

This document, any offering material or any information contained herein relating to the New Shares are not for public distribution in Denmark. This document, any offering material or any information contained herein relating to the New Shares may not be reproduced, redistributed or passed on, directly or indirectly, or published, in whole or in part, for any purpose to any other Danish citizen other than those to whom copies have been sent, nor used for any other purpose.

This document has not been produced for and is not intended to form basis for any public offering of the New Shares in Denmark and therefore will not be notified, registered or approved by the Danish Financial Supervisory Authority (*Finanstilsynet*). Accordingly neither this document nor any offering material or information contained herein relating to the New Shares shall constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, shares in Denmark in accordance with the Danish Securities Trading Act.

This document, any offering material or any information contained herein are only directed to a limited number of investors in Denmark and/or at persons who have professional experience in matters relating to investments falling within the definition of Professional or Qualified Investors or Approved Counterparties pursuant to the Danish Securities Trading Act and the Executive Order on Investor Protection.

FOR THE ATTENTION OF FINNISH INVESTORS

This document does not constitute an offer to the public in Finland. The New Shares cannot be offered or sold in Finland by means of any document to any persons other than "Qualified Investors" as defined by the Finnish Securities Markets Act (*Arvopaperimarkkinalaki, 495/1989*) as amended, or in any other circumstances which do not require the publication by the issuer or any other entity of a prospectus pursuant to Article 3 of the Directive 2003/71/EC.

No action has been taken to authorise an offering of the New Shares to the public in Finland and the distribution of this document is not authorised by the Financial Supervisory Authority in Finland.

This document is strictly for private use by its holder and may not be passed on to third parties or otherwise publicly distributed. Subscriptions will not be accepted from any persons other than the person to whom this document has been delivered.. This document may not include all the information that is required to be included in a prospectus in connection with an offering to the public.

FOR THE ATTENTION OF GUERNSEY INVESTORS

This document is being circulated to a restricted group of persons in the Bailiwick of Guernsey. The New Shares are only offered in Guernsey as part of a private placement and only those persons to whom this document has been directly communicated by the Company or its appointed agent may accept the offer contained herein. The Prospectus Rules, 2008 do not apply to the offer of the New Shares pursuant to the Issue and the consent or approval of the Guernsey Financial Services Commission is not required for the restricted circulation of this document within the Bailiwick of Guernsey.

The New Shares may be promoted in or from within the Bailiwick of Guernsey by persons regulated by the Guernsey Financial Services Commission as licensees under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended). Persons appointed by the Company and not so licensed may not promote the Company in Guernsey to private investors and may only distribute and circulate any document relating to New Shares in Guernsey to persons regulated as licensees under the Protection of Investors (Bailiwick of Guernsey) Law, 1987 as amended, the Banking Supervision (Bailiwick of Guernsey) Law, 1994, the Insurance Business (Bailiwick of Guernsey) Law, 2002 or the Regulation of Fiduciaries, Administration Business and Company Directors, etc. (Bailiwick of Guernsey) Law, 2000, and provided that the provisions of section 29(1)(cc) of the Protection of Investors (Bailiwick of Guernsey) Law, 1987 (as amended) are satisfied. Promotion of the New Shares may not be made in any other way.

FOR THE ATTENTION OF IRISH INVESTORS

The Company has not been approved to market the New Shares generally to the public in Ireland by any regulatory authority in Ireland. This document constitutes an offering only to those persons in Ireland to whom the New Shares may be lawfully sold and only by persons permitted to sell such securities.

The Company is not a collective investment scheme subject to the authorisation and supervision of the Central Bank of Ireland and is not supervised or authorised by the Central Bank of Ireland. This document has not been reviewed or approved by the Central Bank of Ireland.

FOR THE ATTENTION OF JERSEY INVESTORS

Subject to certain exemptions (if applicable), the Company shall not raise money in Jersey by the issue anywhere of the New Shares, and this prospectus relating to the New Shares shall not be circulated in Jersey, without first obtaining consent from the Jersey Financial Services Commission pursuant to the Control of Borrowing (Jersey) Order 1958, as amended. No such consents have been obtained by the Company. Subject to certain exemptions (if applicable), offers for securities in the Company may only be distributed and promoted in or from within Jersey by persons with appropriate registration under the Financial Services (Jersey) Law 1998, as amended.

FOR THE ATTENTION OF SWEDISH INVESTORS

This document has not been, and will not be, registered with or approved by the Swedish Financial Supervisory Authority (*Finansinspektionen*). Accordingly, this document may not be made available, nor may the New Shares otherwise be marketed and offered for sale, in Sweden, other than under circumstances that are deemed not to be an offer to the public in Sweden under the Swedish Financial Instruments Trading Act (*lag (1991:980) om handel med finansiella instrument*). The New Shares are being offered to qualified investors and a limited number of unqualified investors in Sweden only.

FOR THE ATTENTION OF US INVESTORS

The New Shares offered by this document have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or under any state securities laws and may not be offered or sold directly or indirectly in or into the United States, or to or for the account or benefit of any US person (within the meaning of Regulation S under the Securities Act).

Definitions

"2010 Issue"	means the public offering of Ordinary Shares by way of firm placing, open offer and offer for subscription in accordance with the 2010 Issue Prospectus;
"2010 Issue Prospectus"	means the prospectus issued by the Company in connection with the 2010 Issue dated 16 December 2009;
"Acquisition Fee"	means the asset origination fee payable to the Investment Adviser of 1.5 per cent. of the Enterprise Value of the asset being acquired;
"Administration Agreement"	means the administration agreement between the Company and the Administrator dated 10 October 2006;
"Administrator"	means Heritage International Fund Managers Limited;
"Admission"	means admission of the New Shares to be issued pursuant to the Placing, Open Offer or Offer for Subscription (as applicable) to the Official List and/or to trading on the London Stock Exchange as the context may require;
"AFML"	means Amber Fund Management Limited, a company incorporated in England and Wales (registered number 06745576) regulated and authorised by the FSA;
"AGM Circular"	means the circular to be sent to Existing Shareholders in relation to the Annual General Meeting;
"Amber" or "Amber Group"	means Amber Infrastructure Group Limited, a company incorporated in England and Wales (registered number 06812600) and "Amber Group" shall include any subsidiary or associated undertaking of Amber Infrastructure Group Limited;
"Angel Trains"	means the business of Angel Trains Limited, in which the Company (through its subsidiaries and the holding structure of the Angel Trains project) is an investor, which company provides rolling stock leasing services to train operating companies in the UK;
"Annual General Meeting"	means the annual general meeting of the Company to be held on 21 June 2012 (or any adjournment thereof);
"Articles" or "Articles of Incorporation"	means the articles of incorporation of the Company in force from time to time;
"Auditors"	means the auditors from time to time of the Company, the current such auditors being Ernst & Young, who are registered with the Institute of Chartered Accountants of England & Wales;
"Average Market Capitalisation"	means the average market capitalisation of the Company in respect of the relevant period calculated by reference to the Volume Weighted Average Price of the average number of Ordinary Shares for which a price is quoted on the London Stock Exchange for the last 20 LSE Trading Days in the relevant period;
"Babcock & Brown"	means Babcock & Brown Limited a company incorporated (or formerly incorporated) in Australia (registered number 53 108 614 955) or any wholly owned subsidiary or related entity;
"Barclays"	means Barclays Bank plc, acting through its investment bank;
"Base Fee"	means the annual asset management fee/profit share to which AFML and the General Partner are in aggregate entitled to as described in Part I of this Prospectus under the heading "Base Fee";
"BBIML"	means Babcock & Brown Investment Management Limited, a company incorporated in England and Wales (registered number 04071543) regulated and authorised by the FSA;
"BBL"	means Babcock & Brown Limited, a company incorporated in England and Wales with registered number 2645511;
"Benchmark Return"	means the value of n in the following formula $n = AMC \times BRI;$

	where AMC is the Average Market Capitalisation in respect of the relevant period; and BRI is the increase or decrease in the Benchmark Return Index over the relevant period expressed as a percentage based on the daily closing value of the Benchmark Return Index over the last 20 days of trading of Ordinary Shares in the relevant period (or if there have been less than 20 days of trading in the relevant period the average value on the days in the relevant period on which the Ordinary Shares traded or if there have been no trades, on the last day on which the Ordinary Shares traded) compared with the value of this index in respect of the last 20 days of trading of Ordinary Shares in the immediately preceding period (calculated on the same basis);
"Benchmark Return Index"	means an index measuring the accumulated value of the aggregate return obtained by investors in the Current 15 Year Gilt plus 2.5 per cent., taking into account interest paid and changes in capital value (and assuming that such interest is reinvested into the Current 15 Year Gilt on the date payable);
"BeNEX"	means BeNEX GmbH, the holding company established to assume responsibility for all of Hamburger Hochbahn AG's bus and rail operations outside Hamburg;
"BLAGAB"	means a basic life assurance and general annuity business;
"Board"	see "Directors" below;
"Bookrunners"	means Numis and Barclays;
"BSFI"	means Building Schools for the Future Investments LLP, a limited liability partnership incorporated in England with number OC320795;
"Business Day"	means any day (other than a Saturday or Sunday or bank holiday) on which commercial banks are open for business in London and Guernsey;
"Business Hours"	means the hours between 9.30 a.m. and 5.30 p.m. on any Business Day;
"Buyside Committee"	means the committee within Amber representing the interests of the Company in respect of an acquisition;
"C Share Issue"	means the public offering of C Shares by way of placing and offer for subscription in accordance with the C Share Issue Prospectus;
"C Share Issue Prospectus"	means the prospectus issued by the Company in connection with the C Share Issue dated 18 March 2008;
"C Shares"	means the temporary and separate class of shares that the Directors may determine to issue from time to time as described in paragraph 9.2 of Part IX of this Prospectus;
"Capita Registrars"	means a trading name of Capita Registrars Limited;
"certificated" or "in certificated form"	means where a share or other security is not in uncertificated form;
"City Code"	means the City Code on Takeovers and Mergers;
"Closing Price"	the closing middle-market quotation of an Ordinary Share, as derived from the Daily Official List on a given day;
"Company"	means International Public Partnerships Limited (formerly named Babcock & Brown Public Partnerships Limited), a company incorporated in Guernsey (registered number 45241);
"Court"	means the Royal Court of Guernsey;
"CREST"	means a paperless settlement procedure operated by Euroclear UK & Ireland enabling system securities to be evidenced otherwise than by written instrument;
"CREST Manual"	means the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear UK on 15 July 1996 and as amended since);

“CREST Member”	means a person who has been admitted to Euroclear UK as a system member (as defined in the CREST Regulations);
“CREST Regulations”	means the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/378), as amended;
“CREST Sponsor”	means a CREST participant admitted to CREST as a CREST sponsor;
“CREST Sponsored Member”	means a CREST Member admitted to CREST as a sponsored member;
“Current 15 Year Gilt”	means in respect of the relevant period, such 15 year fixed interest gilt (or gilt with 15 years remaining) issued by the UK Debt Management Office (or any replacement or successor to it) as the Directors shall, acting reasonably and in consultation with the Investment Adviser, select as the current 15 year gilt applicable at the commencement of such period;
“Daily Official List”	means the daily record setting out the prices of all trades in shares and other securities conducted on the London Stock Exchange;
“Default Shares”	means Ordinary Shares in respect of which there is a default to disclose certain information to the Company in respect of interests in such Ordinary Shares as described in paragraph 9.7 of Part IX;
“Directors” or “Board”	means the directors from time to time of the Company (or any duly constituted committee thereof) as the context may require, and “Director” is to be construed accordingly;
“Disclosure and Transparency Rules”	means the disclosure rules and the transparency rules made by the FSA under section 73A of FSMA;
“Distributable Cashflows”	means, in any year, (i) all cash received by the Group from its investments, including but not limited to (a) interest payments on subordinated debt, (b) repayments of subordinated debt, (c) dividend payments, (d) release of reserves, (e) intra-Group loans and (f) retained earnings from previous periods, less (ii) management and advisory fees, interest on external borrowings, running costs and taxation;
“EEA State”	means a state in the European Economic Area;
“Enterprise Value”	means the enterprise value of the relevant asset including risk capital and direct and indirect transaction costs incurred in connection with the investment (provided that in the case of the calculation of the enterprise value of investments developed under PFI or PPP procurements and held by highly leveraged special purpose project entities, the enterprise value will exclude the value of any senior project-level debt held in the relevant special purpose project entities;
“ERISA”	means the United States Employee Retirement Income Security Act of 1974 and the regulations promulgated thereunder (in each case as amended);
“ESMA”	means The European Securities and Markets Authority;
“Estimated Net Asset Value”	means estimated Net Asset Value based on unaudited financial information of the Group, but using the same methodology as is used for the half-yearly Net Asset Values as calculated by the Investment Adviser as at 17 May 2012;
“EU”	means the European Union;
“Euroclear UK & Ireland” or “Euroclear UK”	means Euroclear UK & Ireland Limited, the operator of CREST;
“EVCA”	means the European Private Equity and Venture Capital Association;
“Excess Application”	means an application made by a Qualifying Shareholder that has taken up the full amount of his or her Open Offer Entitlement under the Excess Application Facility;
“Excess Application Facility”	means the arrangement pursuant to which Qualifying Shareholders may apply for additional New Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer;
“Excess CREST Open Offer Entitlement”	means in respect of each Qualifying CREST Shareholder, the entitlement (in addition to their Open Offer Entitlement) to apply for New Shares pursuant to the Excess Application Facility;

“Excess Shares”	means: (a) New Shares which are not taken up by Qualifying Shareholders pursuant to their Open Offer Entitlement and are available to other Qualifying Shareholders; together with (b) New Shares that the Directors have reallocated from the Offer for Subscription to be available to Qualifying Shareholders, and in each case that are offered to Qualifying Shareholders under the Excess Application Facility;
“Excluded Shareholders”	means Shareholders with a registered address in or who are located in the United States or one of the Excluded Territories;
“Excluded Territories”	means Australia, Canada, Japan, South Africa and New Zealand and any other jurisdiction where the extension or availability of the Open Offer (and any other transaction contemplated thereby) would breach any applicable law or regulation;
“Existing Investment”	means a direct or indirect interest in Investment Capital held by the Group as at the date of this Prospectus and described in Part III of this Prospectus;
“Existing Ordinary Share”	means an Ordinary Share that is in issue as at the date of this Prospectus;
“Existing Portfolio”	means the portfolio of direct and indirect interests in Investment Capital held by the Group as at the date of this Prospectus and described in Part III of this Prospectus;
“Existing Shareholder”	means a holder of an Existing Ordinary Share;
“Financial Advisory Fee”	means the fee of 1.5 per cent. of the gross Issue proceeds payable to the Investment Adviser which will be partially waived by the Investment Adviser as set out in Part I of this Prospectus under the heading “Fees and Expenses”;
“FSA”	means the UK Financial Services Authority;
“FSMA”	means the Financial Services and Markets Act 2000 of the United Kingdom, as amended;
“Further Investments”	means potential future direct and indirect interests in Investment Capital that may be acquired by the Company, which may include interests in Investment Capital in the Pipeline Investments and where the context permits shall include the underlying projects or investment entities;
“General Partner”	means International Public Partnerships GP Limited (formerly Babcock & Brown Public Partnerships GP Limited) a company incorporated in England and Wales (registered number 05938778);
“Gross Asset Value”	means the gross asset value of the Investment Portfolio calculated on a fair market basis and including (a) borrowings and other liabilities of any member of the Group; (b) subscription obligations of any member of the Group; and (c) firm commitments in respect of future assets or investments made by any member of the Group, but excluding: (a) such part of the proceeds of the Issue that are not invested or committed to be invested, until such time the relevant part of the Issue proceeds are invested or committed to be invested; and (b) any project debt liabilities of any Project Entity;
“Group”	means the Company, the Luxcos and the Partnership (together with their subsidiaries (as that term is defined in the Law) or companies wholly owned by them together, individually or in any combination as appropriate);
“Guernsey CREST Regulations”	means Rule 22 and such other of the rules and requirements of CREST as may be applicable to the Company from time to time;
“HMRC”	means HM Revenue & Customs;
“Holding Entities”	means all or any of Luxco 1, Luxco 2 and the Partnership;
“IFRS”	means International Financial Reporting Standards;
“Incentive Fee”	means the performance related asset management fee/profit share in respect of each Incentive Period to which AFML and the General Partner are in aggregate entitled as described in Part I of this Prospectus under the heading “Incentive Fee”;
“Incentive Period”	means each period of six months ending on 30 June or 31 December;
“Independent Directors”	means the Directors that are independent of Amber;

"Infrastructure Team"	means the infrastructure team of Amber;
"Initial Public Offer" or "IPO"	means the initial public offering of Existing Ordinary Shares by way of placing and offer for subscription conducted in 2006;
"Interested Party"	means the Investment Adviser, the Amber Group, the Administrator, the Bookrunners, any of their directors, officers, employees, agents and connected persons and the Directors and any person or company with whom they are affiliated or by whom they are employed;
"Investment Adviser"	means AFML 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 the Investment Adviser and the Company as amended by a deed of amendment and novation dated 23 June 2009 and on 24 May 2012 between BBIML, AFML, the Company and BBL;
"Investment Capital"	means partnership equity, partnership loans, share capital, trust units, shareholder loans and/or debt interests in or to Project Entities or any other entities or undertakings in which the Group invests;
"Investment Committee"	means the investment committee established by the Operator as described Part V of this Prospectus under the heading "Investment Approval";
"Investment Company Act"	means the United States Investment Company Act of 1940;
"Investment Portfolio"	means the assets and investments from time to time owned by or held by or to the order of any member of the Group from time to time;
"IPO Prospectus"	means the prospectus issued by the Company in connection with the Initial Public Offer dated 11 October 2006;
"IRR"	means internal rate of return;
"ISA"	means Individual Savings Account;
"Issue"	means the issue of New Shares pursuant to the Placing, the Open Offer and the Offer for Subscription;
"Issue Agreement"	means the issue agreement relating to the Issue between the Company, the Bookrunners and the Investment Adviser, dated 24 May 2012;
"Issue Conditions"	means the conditions to the Issue as set out in Part VI of this Prospectus under the heading "Conditions to the Issue";
"Issue Costs"	means the Issue expenses, Placing Fees and Financial Advisory Fee as detailed in Part I of this Prospectus;
"Issue Pre-emption Resolution"	means the resolution to be proposed at the Annual General Meeting in connection with the Issue disapplying pre-emption rights in respect of the Issue;
"Issue Price"	means 116.25 pence per New Share;
"Law"	means the Companies (Guernsey) Law, 2008, as amended or replaced from time to time;
"Limited Partnership Agreement"	means the amended and restated deed of limited partnership dated 23 June 2009 supplemented by a deed dated 24 May 2012 between the General Partner as a general partner and Luxco 2 as sole limited partner;
"Listing Rules"	means the listing rules made by the UK Listing Authority under section 73A of FSMA;
"Loan Facilities Agreement"	means the multicurrency revolving credit loan facility agreement dated 20 April 2011 between the Company as borrower together with the Partnership, the General Partner, and The Royal Bank of Scotland PLC and National Australia Bank Limited;
"London Stock Exchange"	means London Stock Exchange plc;
"LSE Trading Day"	means any day on which the main market of the London Stock Exchange is open for non-automated trading business;

"Luxco 1"	means International Public Partnerships Lux 1 S.à r.l., a taxable company established in Luxembourg under the legal form of a S.à r.l., a wholly owned subsidiary of the Company;
"Luxco 2"	means International Public Partnerships Lux 2 S.à r.l., a taxable company established in Luxembourg under the legal form of a S.à r.l., a wholly owned subsidiary of Luxco 1 and thereby a wholly owned indirect subsidiary of the Company;
"Luxcos"	means Luxco 1 and Luxco 2;
"MBO"	means the management-led buy-out of Babcock & Brown's PPP business by Amber referred to in Part V of this Prospectus;
"member account ID"	means the identification code or number attached to any member account in CREST;
"Memorandum of Incorporation"	means the memorandum of incorporation of the Company;
"Net Asset Value" or "NAV"	means the net asset value of the Company in total or (as the context requires) per Share calculated in accordance with the Company's valuation policies and as described in Part I of this Prospectus under the heading "Valuations";
"Net Issue Proceeds"	means the proceeds of the Issue, after deduction of the Issue Costs;
"New Shareholder"	means the holder of a New Share;
"New Shares"	means the Ordinary Shares to be issued under the terms set out in this Prospectus and having the rights set out in the Articles and "New Share" shall be construed accordingly;
"NHS LIFT"	means the UK National Health Service LIFT (Local Improvement Finance Trust) initiative as described in Part III;
"NPD"	means the Scotland government's non-profit distributing public private partnership procurement model;
"Numis"	means Numis Securities Limited, The London Stock Exchange Building, 10 Paternoster Square London EC4M 7LT;
"OECD"	means the Organisation for Economic Co-operation and Development;
"Ofgem"	means the UK Office of the Gas and Electricity Markets;
"OFTO"	means a project developed under Ofgem's offshore transmission tender process;
"Offer for Subscription"	means the offer for subscription to the public in the UK of New Shares on the terms set out in this Prospectus and (where applicable) the Subscription Form;
"Official List"	means the official list maintained by the UK Listing Authority;
"Open Offer"	means the offer to Qualifying Shareholders, constituting an invitation to apply for New Shares, on the terms and subject to the conditions set out in this Prospectus and, in the case of Qualifying Non-CREST Shareholders, the Open Offer Application Form;
"Open Offer Application Form"	the personalised application form on which Qualifying Non-CREST Shareholders who are registered on the register of members of the Company as at the Record Date may apply for New Shares (including Excess Shares under the Excess Application Facility) under the Open Offer;
"Open Offer Entitlement"	means the entitlement of Qualifying Shareholders to apply for Open Offer Shares on the basis of 1 Open Offer Share for every 6 Existing Ordinary Shares held and registered in their names on the Record Date;
"Open Offer Shares"	means the New Shares being offered in aggregate to Qualifying Shareholders pursuant to the Open Offer together, where the context requires, with Excess Shares allotted under the Excess Application Facility;
"Operating Agreement"	means the amended and restated agreement between the Operator and the General Partner (for itself and for and on behalf of the Partnership), as amended by a deed of amendment and novation dated 23 June 2009 between BBIML, AFML, the General Partner, Luxco 2 and the Partnership,

	pursuant to which the Operator provides the services of an operator to the Partnership;
"Operator"	means AFML acting in its capacity as operator of the Partnership;
"Ordinary Share Return"	means the value of n in the following formula: $n = \text{AMC} \times \text{OSRI};$ where AMC is Average Market Capitalisation in respect of the relevant period; and OSRI is the movement in the Ordinary Share Return Index over the relevant period expressed as a percentage based on the average daily closing value of the Ordinary Share Return Index on the last 20 days of trading of Ordinary Shares on the London Stock Exchange in the relevant period (or if there have been less than 20 days of trading in the relevant period the average value on the days in the relevant period on which the Ordinary Shares traded or if there have been no trades, on the last day on which the Ordinary Shares traded) compared with the average daily closing value of the Ordinary Share Return Index on the last 20 days of trading of Ordinary Shares on the London Stock Exchange in the immediately preceding relevant period;
"Ordinary Share Return Index"	means an index measuring the accumulated value of Ordinary Shares traded on the London Stock Exchange and taking into account any Company dividends and distributions paid (assuming that such dividends as distributions are reinvested in Ordinary Shares at the market price on the date payable) and changes in capital value of Ordinary Shares;
"Ordinary Shares"	means ordinary shares of 0.01 penny each in the capital of the Company;
"Partnership"	means International Public Partnerships Limited Partnership (formerly named Babcock & Brown Public Partnerships Limited Partnership), a limited partnership registered in England (registered number LP11596), the limited partnership which holds and manages the Group's investments, as further described in paragraph 4 of Part IX of this Prospectus;
"PFI"	means the Private Finance Initiative procurement model;
"Pipeline Investments"	means Further Investments in relation to which Amber or the Group is a Preferred Bidder, as defined in Part I of this Prospectus and described further in Part IV of this Prospectus;
"Placing"	means the placing of New Shares by the Bookrunners pursuant to the Issue Agreement;
"Placing Fees"	means the fees which the Bookrunners are entitled to under the Issue Agreement as described in Part I of this Prospectus under the heading "Issue Costs";
"PPP"	means the Public Private Partnership procurement model;
"Preferred Bidder"	means the person with the right to acquire Investment Capital in respect of a project after the conclusion of the competitive phase of the bidding process in respect of that project but before the financial close has occurred;
"Private Sector Client"	means a procuring client that is in the private sector;
"Project Agreement"	means the agreement between a Project Entity and the Public Sector Client under which the Project Entity agrees to procure the construction of an infrastructure project and/or the provision of services in relation to that project;
"Project Entity"	means a special purpose entity (including any company, partnership or trust) formed to undertake an infrastructure project or projects or provide infrastructure services;
"Prospectus"	means this document;
"Prospectus Rules"	means the prospectus rules made by the FSA under section 73A of FSMA;
"Public Sector Client"	means a procuring client that is in the public sector;
"Qualifying CREST Shareholders"	means Qualifying Shareholders holding Existing Ordinary Shares in Uncertificated form in CREST;

“Qualifying Non-CREST Shareholders”	means Qualifying Shareholders holding Existing Ordinary Shares in certificated form;
“Qualifying Shareholders”	means holders of Existing Ordinary Shares on the register of members of the Company at the Record Date, other than the Excluded Shareholders;
“Receiving Agent”	means Capita Registrars;
“Receiving Agent Agreement”	means the agreement dated 24 May 2012 between the Company and the Receiving Agent, pursuant to which the Receiving Agent agrees to provide receiving agent services to the Company in respect of the Issue;
“Record Date”	means the close of business on 23 May 2012;
“Registrar”	means Capita Registrars (Guernsey) Limited;
“Registrar Agreement”	means the registrar agreement between the Company and the Registrar dated 10 October 2006;
“Regulatory Information Service”	means a regulatory information service approved by the FSA and on the list of Regulatory Information Services maintained by the FSA;
“RPI”	means the UK retail price index;
“S.à r.l.”	means a <i>société à responsabilité limitée</i> ;
“Scrip Dividend Resolution”	means the resolution to be proposed at the Annual General Meeting to renew the Directors’ authority to offer Shareholders the opportunity to elect to receive new Ordinary Shares instead of cash dividends;
“SDRT”	means Stamp Duty Reserve Tax;
“Securities Act”	means the United States Securities Act of 1933;
“Sellside Committee”	means the committee within Amber to represent the interests of the vendors in respect of acquisitions;
“Share”	means a share in the capital of the Company (of whatever class);
“Shareholder”	means a registered holder of a Share;
“SIPPs”	means self-invested personal pensions;
“SOPARFIs”	means a <i>société à participations financiers</i> ;
“Sponsor”	means Numis in its capacity as sponsor to the Company in relation to the Issue;
“Strategic Partnering Board”	means the strategic partnering board established under the NHS LIFT initiative relevant to each Project Entity carrying out a NHS LIFT project;
“Subscription Form”	means the application form attached to this Prospectus for use in connection with the Offer for Subscription;
“Tap Shares”	means the 68,428,447 shares issued by way of tap issues between 1 September 2010 and the date of this Prospectus;
“TCGA 1992”	means the Taxation of Capital Gains Act 1992;
“UK” or “United Kingdom”	means the United Kingdom of Great Britain and Northern Ireland;
“UK GAAP”	means the Generally Accepted Accounting Principles applicable in the UK;
“UK Listing Authority” or “UKLA”	means the Financial Services Authority in its capacity as a competent authority for listing in the UK pursuant to Part VI of FSMA;
“UK Portfolio”	means the Group’s portfolio of direct and indirect investments in Investment Capital in relation to projects in the UK;
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the shares or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“US” or “United States”	means the United States of America its territories and possessions any state of the United States and the District of Columbia;

**"US Person" or
"United States Person"**

has the meaning given in Regulation S under the Securities Act;

"VAT"

means value added tax; and

"Volume Weighted Average Price"

means, in respect of any day on which an Ordinary Share is traded on the London Stock Exchange, the volume weighted average price per Ordinary Share for sales in those securities on the London Stock Exchange on that day, where each price is weighted by the number of Ordinary Shares sold at various prices that day.

GLOSSARY

Set out below are some terms used in the infrastructure sector and in this Prospectus and their common meanings.

“availability-based”	In respect of a project, the cashflows payable under the Project Agreement depend largely on the relevant asset being made available for use and not on the demand for or level of use of the asset.
“capital value”	The estimated total development cost in terms of capital expenditure as included in the bid submission for a project. Capital value includes both debt and equity contributions and it is not the acquisition price for, or the value of, any interest that may be acquired.
“concession”	The exclusive rights granted to a Project Entity (usually under a Project Agreement) for it to construct and operate particular infrastructure assets for the procuring client.
“demand-based”	In respect of a project, the cashflows on which the project depends are based largely on the demand for or level of use of the asset. This means that for payments to be received, the relevant asset must be available for use by the Project Entity and consumers must in fact use the infrastructure.
“discount rate”	A factor (usually expressed in per cent. per annum) applied to future predicted cashflows to allow their present value to be calculated by reference to the time of receipt and the risk associated with the relevant cashflow.
“equity”	Risk capital in an entity including shares and partnership interests. Equity is sometimes used to describe both the shares and subordinated debt subscribed in a Project Entity.
“financial close”	The point at which a Project Entity becomes bound to carry out the project under the Project Agreement and all funding and other arrangements become effective. If the Project Entity enters into interest rate swap arrangements, these are usually priced and become effective at financial close.
“FM” or “facilities management”	The activities required to be performed by a Project Entity during the operational phase of a project. These include the maintenance of the project assets over the asset life, these being “hard FM” (including life-cycle improvement works) and may include ancillary services relating to the project assets (“soft FM”) such as cleaning, catering, security, reception, portering and caretaking.
“life-cycle risk”	The risk that the cost of major maintenance exceeds the budgeted amounts over the design life, or, if shorter, the concession period for an infrastructure asset. Typical major maintenance works include periodic resurfacing of roads or roof and elevator replacement for buildings.
“mature” or “semi-mature”	A mature project is a project on which all phases of construction have been completed and which is 100 per cent. revenue generating. A semi-mature project, is a project which is partially (even substantially) complete and/or is not yet generating 100 per cent. revenue.
“pre-emption rights”	Rights under existing agreements belonging to a holder of Investment Capital to acquire further Investment Capital, either because new Investment Capital is being issued or because another holder wishes to transfer some or all of its Investment Capital.
“preferred bidder”	The point at which a procuring client chooses a single bidder to have the right to acquire Investment Capital in respect of a project after the conclusion of the competitive phase of the bidding process but before financial close has occurred.
“residual value”	The value of a project asset upon expiry of the Project Agreement. For many projects that are concession-based, there will be no residual value.
“senior debt”	The secured finance granted to the Project Entity with first ranking security over the project assets. It is usually provided by either bank or bond financing and comprises 85 per cent. to 90 per cent. of a typical PFI/PPP Project Entity's financing requirements.
“subordinated debt”	The debt raised by a Project Entity that ranks behind the senior debt in terms of debt service rights and repayment on enforcement. Subordinated debt may be secured or unsecured and frequently comprises substantially all of the Project Entity's equity funding.

Terms and Conditions of the Placing

1. DEFINITIONS

"Bookrunner"	means, in this section of the Prospectus only, Numis or Barclays as applicable;
"Investor"	means each person to whom these conditions apply, as described below, who confirms his agreement to the Bookrunner and the Company to subscribe for New Shares under the Placing;
"Money Laundering Regulations"	means the Criminal Justice (Proceeds of Crime) (Financial Services Businesses) (Bailiwick of Guernsey) Regulations 2007, the Guernsey Financial Services Commission's Handbook for Financial Services Business on Countering Financial Crime and Terrorist Financing, and the Money Laundering Regulations 2007 as such may be amended, supplemented or replaced from time to time;
"Regulation S"	means Regulation S as promulgated under the Securities Act; and
"Securities Act"	means the United States Securities Act of 1933, as amended.

2. INTRODUCTION

These terms and conditions apply to persons making an offer to subscribe for New Shares under the Placing. The Investor hereby agrees with the Bookrunner and the Company to be bound by these terms and conditions as being the terms and conditions upon which New Shares will be sold under the Placing. An Investor shall, without limitation, become so bound if the Bookrunner confirms its allocation of New Shares under the Placing to such Investor.

Upon being notified of its allocation of New Shares in the Placing, an Investor shall be contractually committed to acquire the number of New Shares allocated to them at the Issue Price and to the fullest extent permitted by law, will be deemed to have agreed not to exercise any rights to rescind or terminate or otherwise withdraw from such commitment. Dealing may not begin before any notification is made.

3. AGREEMENT TO ACQUIRE NEW ORDINARY SHARES

The Placing is conditional upon the following conditions:

- (i) the Issue Pre-Emption Resolution being passed at the Annual General Meeting;
- (ii) the admission becoming effective by not later than 8.00 a.m. (London time) on 25 June 2012 (or such later date (being no later than 9 July 2012) as may be provided for in accordance with the terms of the Issue Agreement); and
- (iii) the Issue Agreement becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission becomes effective,

Subject to the above conditions, an Investor agrees to become a Shareholder of the Company and agrees to acquire New Shares at the Issue Price. The number of New Shares issued to such Investor under the Placing shall be in accordance with the arrangements described above.

4. PAYMENT FOR NEW SHARES

Each Investor undertakes to pay the Issue Price for the New Shares issued to such Investor in such manner as shall be directed by the Bookrunner. In the event of any failure by an Investor to pay as so directed by the Bookrunner, the relevant Investor shall be deemed hereby to have appointed the Bookrunner or any nominee of the Bookrunner to sell (in one or more transactions) any or all of the New Shares in respect of which payment shall not have been made as so directed and to have agreed to indemnify on demand the Bookrunner in respect of any liability for UK stamp duty and/or stamp duty reserve tax arising in respect of any such sale or sales.

5. REPRESENTATIONS AND WARRANTIES

By receiving this document, each Investor and, in the case of paragraph 5.12 below, any person confirming his agreement to subscribe for New Shares on behalf of an Investor or authorising the Bookrunner to notify an Investor's name to the Registrars, is deemed to acknowledge, agree, undertake, represent and warrant to each of the Bookrunner, the Registrars and the Company that:

- 5.1 the Investor has read this document in its entirety and acknowledges that its participation in the Placing shall be made solely on the terms and subject to the conditions set out in these terms and conditions, the Issue Agreement and the Articles. Such Investor agrees that these terms and conditions and the contract note issued by the Bookrunner to such Investor represents the whole and only agreement between the Investor, the Bookrunner and the Company in relation to the Investor's participation in the Placing and supersedes any previous agreement between any of such parties in relation to such participation. Accordingly, all other terms, conditions, representations, warranties and other

statements which would otherwise be implied (by law or otherwise) shall not form part of these terms and conditions. Such Investor agrees that none of the Bookrunner nor any of its officers or directors will have any liability for any such other information or representation and irrevocably and unconditionally waives any rights it may have in respect of any such other information or representation;

- 5.2 neither the Bookrunner nor any person affiliated with the Bookrunner or acting on its behalf is responsible for or shall have any liability for any information, representation or statement contained in this document or any information previously published by or on behalf of the Company or any member of the Group and will not be liable for any decision by an Investor to participate in the Placing based on any information, representation or statement contained in this document or otherwise;
- 5.3 the Investor has not relied on the Bookrunner or any person affiliated with the Bookrunner in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision;
- 5.4 in agreeing to purchase New Shares under the Placing, the Investor is relying on this Prospectus and/or any supplementary prospectus (as the case may be) or any regulatory announcement that may be issued by the Company and not on any other information or representation concerning the Group, the Placing or the New Shares. Such Investor agrees that neither the Bookrunner nor its officers, directors or employees will have any liability for any such other information or representation and irrevocably and unconditionally waives any rights it may have in respect of any such other information or representation;
- 5.5 save in the event of fraud on its part (and to the extent permitted by the rules of the FSA), neither the Bookrunner nor any of its directors or employees shall be liable to an Investor for any matter arising out of the role of the Bookrunner as the Company's adviser and broker or otherwise, and that where any such liability nevertheless arises as a matter of law each Investor will immediately waive any claim against the Bookrunner and any of its directors and employees which an Investor may have in respect thereof;
- 5.6 such Investor has complied with all such laws and such Investor will not infringe any applicable law as a result of such Investor's agreement to purchase New Shares under the Placing and/or acceptance thereof or any actions arising from such Investor's rights and obligations under the Investor's agreement to purchase New Shares under the Placing and/or acceptance thereof or under the Articles;
- 5.7 the Investor has accepted that its application is irrevocable and if for any reason it becomes necessary to adjust the expected timetable as set out in this Prospectus, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates. In particular, the Directors have the discretion to extend the last time and/or date for applications under the Placing, and any such extension will not affect applications already made, which will continue to be irrevocable. The Investor will be deemed to have agreed that this paragraph shall constitute a collateral contact between the Investor and the Company which will become binding upon despatch by post to, or (in the case of delivery by hand) on receipt by, the Bookrunner of the Investor's application;
- 5.8 to the fullest extent permitted by law, the Investor acknowledges and agrees to the disclaimers contained in this document and acknowledges and agrees to comply with the selling restrictions set out in this document;
- 5.9 the Ordinary Shares have not been and will not be registered under the Securities Act, or under the securities legislation of, or with any securities regulatory authority of, any state or other jurisdiction of the United States or under the applicable securities laws of the Excluded Territories or where to do so may contravene local securities laws or regulations;
- 5.10 the Investor is not a person located in the United States and is eligible to participate in an "offshore transaction" (as defined in Regulation S) conducted in accordance with Regulation S and the New Shares were not offered to such Investor by means of "directed selling efforts" as defined in Regulation S;
- 5.11 the Investor is not a resident of the Excluded Territories or the US and acknowledges that the New Shares have not been and will not be registered nor will a prospectus be prepared in respect of the New Shares under the securities legislation of the Excluded Territories or the US and, subject to certain exceptions, may not be offered or sold, directly or indirectly, in or into those jurisdictions;
- 5.12 in the case of a person who confirms to the Bookrunner on behalf of an Investor an agreement to purchase New Shares under the Placing and/or who authorises the Bookrunner to notify such Investor's name to the Registrars, that person represents and warrants that he has authority to do so on behalf of the Investor;
- 5.13 the Investor undertakes to provide satisfactory evidence of its identity within such reasonable time (in each case to be determined in the absolute discretion of the Bookrunner) to ensure compliance with the Money Laundering Regulations;
- 5.14 the Investor is not, and is not applying as nominee or agent for, a person which is, or may be, mentioned in any of sections 67, 70, 93 and 96 of the Finance Act 1986 (depository receipts and clearance services);
- 5.15 if you are a resident in the European Economic Area, you are a qualified investor within the meaning of the law in the Relevant Member State implementing Article 2(1)(e)(i), (ii) or (iii) of the Prospectus Directive (Directive 2003/71/EC); and
- 5.16 the exercise by the Bookrunner of any rights or discretions under the Issue Agreement shall be within its absolute discretion and the Bookrunner need not have any reference to any Investor and shall have no liability to any Investor

whatsoever in connection with any decision to exercise or not to exercise any such right and each Investor agrees that it shall have no rights against the Bookrunner or its directors or employees under the Issue Agreement.

The Company and the Bookrunner will rely upon the truth and accuracy of the foregoing representations, warranties and undertakings.

6. MISCELLANEOUS

The rights and remedies of the Bookrunner, the Registrars and the Company under these terms and conditions are in addition to any rights and remedies which would otherwise be available to each of them and the exercise or partial exercise of one will not prevent the exercise of others.

On application, each Investor may be asked to disclose, in writing or orally to the Bookrunner:

- (i) if he is an individual, his nationality; or
- (ii) if he is a discretionary fund manager, the jurisdiction in which the funds are managed or owned.

All documents will be sent at the Investor's risk. They may be sent by post to such Investor at an address notified to the Bookrunner.

The provisions of these terms and conditions of the Placing may be waived, varied or modified as regards specific Investors or on a general basis by the Bookrunner.

The contract to subscribe for New Shares and the appointments and authorities mentioned herein will be governed by, and construed in accordance with, the laws of England and Wales. For the exclusive benefit of the Bookrunner, the Company and the Registrars, each Investor irrevocably submits to the exclusive jurisdiction of the English courts in respect of these matters. This does not prevent an action being taken against an Investor in any other jurisdiction.

In the case of a joint agreement to subscribe for New Shares, references to an "Investor" in these terms and conditions are to each of such Investors and such joint Investors' liability is joint and several.

The Bookrunner and the Company each expressly reserve the right to modify the Placing (including, without limitation, its timetable and settlement) at any time before allocations of Ordinary Shares under the Placing are determined.

Terms and Conditions of the Open Offer

1. INTRODUCTION

The Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders is 23 May 2012. Open Offer Application Forms are expected to be posted to Qualifying Non-CREST Shareholders on or around 25 May 2012 and Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST as soon as possible after 8.00 a.m. on 28 May 2012. The latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is expected to be 11.00 a.m. on 15 June 2012 with Admission and commencement of dealings in Open Offer Shares expected to take place at 8.00 a.m. on 25 June 2012.

This Prospectus and, for Qualifying Non-CREST Shareholders only, the Open Offer Application Form contain the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 4 of these Terms and Conditions which gives details of the procedure for application and payment for the Open Offer Shares. The attention of Overseas Shareholders is drawn to paragraph 6 of these Terms and Conditions.

The Open Offer Shares will, when issued and fully paid, rank equally in all respects with Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

Application will be made to the Financial Services Authority for the Open Offer Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange for the Open Offer Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

The Open Offer is an opportunity for Qualifying Shareholders to apply for, in aggregate, up to 89,039,031 Open Offer Shares *pro rata* to their current holdings at the Issue Price of 116.25 pence per Open Offer Share in accordance with these Terms and Conditions.

The Excess Application Facility is an opportunity for Qualifying Shareholders who have applied for all of their Open Offer Entitlements to apply for additional New Shares. The Excess Application Facility will be comprised of Open Offer Shares that are not taken up by Qualifying Shareholders under the Open Offer pursuant to their Open Offer Entitlements, fractional entitlements under the Open Offer and any New Shares that the Directors determine should be reallocated from the Offer for Subscription to satisfy demand from Qualifying Shareholders in preference to prospective new investors under the Offer for Subscription. There is no limit on the amount of New Shares that can be applied for by Qualifying Shareholders under the Excess Application Facility, save that the maximum amount of New Shares to be allotted under the Excess Application Facility shall be limited by the maximum size of Issue (as may be increased by the Directors by up to 50 per cent. of the targeted amount) less New Shares issued under the Open Offer pursuant to Qualifying Shareholders' Open Offer Entitlements and any New Shares that the Directors determine to issue under the Placing and the Offer for Subscription. Allotments under the Excess Application Facility shall be allocated in such manner as the Directors may determine in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders will be met in part or at all.

Any Qualifying Shareholder who has sold or transferred all or part of his/her registered holding(s) of Ordinary Shares prior to 8.00am on the "Ex" date 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 apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

2. THE OPEN OFFER

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Open Offer Application Form), Qualifying Shareholders are being given the opportunity to apply for any number of Open Offer Shares at the Issue Price (payable in full on application and free of all expenses) up to a maximum of their Open Offer Entitlement which shall be calculated on the basis of:

1 Open Offer Share for every 6 Existing Ordinary Shares

registered in the name of each Qualifying Shareholder on the Record Date and so in proportion for any other number of Ordinary Shares then registered.

Fractions of Open Offer Shares will not be issued to Qualifying Shareholders in the Open Offer and fractional entitlements under the Open Offer will be rounded down to the nearest whole number of New Ordinary Shares.

Applications by Qualifying Shareholders will be satisfied in full up to the amount of their individual Open Offer Entitlement.

Open Offer Entitlements will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating Open Offer Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Accordingly, Qualifying Shareholders with fewer than 6 Existing Ordinary Shares will not receive an Open Offer Entitlement but may apply for Excess Shares under the Excess Application Facility.

Qualifying Shareholders may apply to acquire less than their Open Offer Entitlement should they so wish. In addition, Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility. Please refer to paragraphs 4.1(c) and 4.2(c) of these Terms and Conditions for further details of the Excess Application Facility.

Holdings of Existing Ordinary Shares 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.

If you are a Qualifying Non-CREST Shareholder, the Open Offer Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box 3).

Qualifying CREST Shareholders will have Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraph 4.2 of these Terms and Conditions and also to the CREST Manual for further information on the relevant CREST procedures.

The Open Offer Entitlement, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Open Offer Shares shown in Box 4 on the Open Offer Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST.

The Excess Application Facility enables Qualifying Shareholders to apply for any whole number of Excess Shares in excess of their Open Offer Entitlement. Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Open Offer Entitlement should complete Box 7 on the Open Offer Application Form. Excess applications may be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders will be met in full or in part or at all.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Open Offer Application Forms are not negotiable documents and cannot be traded.

Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up Open Offer Shares will have no rights under the Open Offer. Any Open Offer Shares which are not applied for in respect of the Open Offer may be issued to Qualifying Shareholders to meet any valid applications under the Excess Application Facility or will be issued to the subscribers under the Placing or Offer for Subscription, with the proceeds retained for the benefit of the Company.

Application will be made for the Open Offer Entitlements and Excess CREST Open Offer Entitlements to be credited to Qualifying CREST Shareholders' CREST accounts. The Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts as soon as possible after 8.00 a.m. on 28 May 2012.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Application has been made for the Open Offer Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST.

The Open Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

3. CONDITIONS AND FURTHER TERMS OF THE OPEN OFFER

The Open Offer is conditional on the Issue Pre-emption Resolution being passed at the Annual General Meeting, Admission becoming effective by not later than 8.00 a.m. (London time) on 25 June 2012 (or such later date (being not later than 8.00 a.m. on 9 July 2012) as may be provided for in accordance with the terms of the Issue Agreement, and the Issue Agreement becoming otherwise unconditional in all respects and not being terminated in accordance with its terms before Admission becomes effective.

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Issue will not proceed and any applications made by Qualifying 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.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in certificated form as soon as possible after 2 July 2012. In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST by 25 June 2012.

Applications will be made for the Open Offer Shares to be listed on the premium segment of the Official List and to be admitted to trading on the London Stock Exchange's main market for listed securities. Admission is expected to occur on

25 June 2012, when dealings in the Open Offer Shares are expected to begin. All monies received by the Registrar in respect of Open Offer Shares will be placed on deposit in a non-interest bearing account by the Receiving Agent.

If for any reason it becomes necessary to adjust the expected timetable as set out in this Prospectus, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates. In particular, the Directors have the discretion to extend the last time and/or date for applications under the Open Offer, and any such extension will not affect applications already made, which will continue to be irrevocable.

4. 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 Open Offer Application Form in respect of your entitlement under the Open Offer or you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your CREST stock account in respect of such entitlement.

Qualifying Shareholders who hold their Existing Ordinary Shares in certificated form will be issued Open Offer Shares in certificated form. Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be issued Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2(g) of these Terms and Conditions.

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 and Excess CREST 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 and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not want to apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Open Offer Application Form.

4.1 If you have an Open Offer Application Form in respect of your entitlement under the Open Offer

(a) General

Subject as provided in paragraph 6 of these Terms and Conditions in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Open Offer Application Form. The Open Offer Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 3. It also shows the maximum number of Open Offer Shares for which they are entitled to apply under the Open Offer, as shown by the total number of Open Offer Entitlements allocated to them set out in Box 4. Box 5 shows how much they would need to pay if they wish to take up their Open Offer Entitlements in full. Any fractional entitlements to Open Offer Shares will be disregarded in calculating Open Offer Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility.

Any Qualifying Non-CREST Shareholders with fewer than 6 Existing Ordinary Shares will not receive an Open Offer Entitlement but may apply for Excess Shares pursuant to the Excess Application Facility (see paragraph 4.1(c) of these Terms and Conditions). Qualifying Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Open Offer Application Form by virtue of a *bona fide* market claim. Qualifying Non-CREST Shareholders may also apply for Excess Shares under the Excess Application Facility by completing Box 7 of the Open Offer Application Form.

The instructions and other terms set out in the Open Offer Application Form form part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders.

(b) Bona fide market claims

Applications to acquire Open Offer Shares may only be made on the Open Offer Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer. Open Offer Application Forms may not be assigned, transferred or split, except to satisfy *bona fide* market claims up to 3.00 p.m. on 13 June 2012. The Open Offer Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee. Qualifying Non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Open Offer Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Open Offer Application Form should not, however be forwarded to or transmitted in or into the United States or any Excluded Territory. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Open Offer Application Form. If the market claim

is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraphs 4.2(b) below.

(c) *Excess Application Facility*

Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. Qualifying Non-CREST Shareholders wishing to apply for Excess Shares, may do so by completing Box 7 of the Open Offer Application Form. The maximum amount of New Shares to be issued under the Excess Application Facility (the “**Maximum Excess Application Number**”) shall be limited to: (a) the maximum size of Issue (as may be increased by the Directors by up to 50 per cent. of the targeted amount); less (b) New Shares issued under the Open Offer pursuant to Qualifying Shareholders’ Open Offer Entitlements and any New Shares that the Directors determine to issue under the Placing and Offer for Subscription. Excess Applications will therefore only be satisfied to the extent that: (a) other Qualifying Shareholders do not apply for their Open Offer Entitlements in full; (b) where fractional entitlements have been aggregated and made available under the Excess Application Facility; and (c) if the Directors exercise their discretion to reallocate New Shares that would otherwise have been available under the Placing or Offer for Subscription to the Excess Application Facility. Qualifying Shareholders can apply for up to the Maximum Excess Application Number of New Shares under the Excess Application Facility, although applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant’s risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

(d) *Application procedures*

Qualifying Non-CREST Shareholders wishing to apply to acquire all or any of the Open Offer Shares should complete the Open Offer Application Form in accordance with the instructions printed on it. Completed Open Offer Application Forms together with the appropriate cheques should be posted in the accompanying pre-paid envelope for use within the UK only or returned by post or by hand (during normal business hours only) to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (who will act as Receiving Agent in relation to the Open Offer) so as to be received by the Receiving Agent by no later than 11.00 a.m. on 15 June 2012, after which time Open Offer Application Forms will not be valid.

Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Open Offer Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery.

All payments must be in pounds sterling and made by cheque or banker’s draft made payable to **Capita Registrars Limited re: IPPL – Open Offer A/C** and crossed “A/C Payee Only”. Cheques or banker’s drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker’s drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort 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 banker’s drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Postdated cheques will not be accepted. Third party cheques (other than building society cheques or banker’s drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds by printing the Qualifying Shareholder’s name on the back of the draft and adding the branch stamp) will not be accepted.

Cheques or banker’s drafts will be presented for payment upon receipt. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker’s drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

If cheques or banker’s drafts are presented for payment before the condition of the Issue is 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 Open Offer does 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 Open Offer.

The Company may in its sole discretion, but shall not be obliged to, treat an Open Offer Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Open Offer Application Forms received after 11.00 a.m. on 15 June 2012; or

- (ii) applications in respect of which remittances are received before 11.00 a.m. on 15 June 2012 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Open Offer Application Form in due course but, in any event, within two Business Days.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

(e) *Effect of application*

By completing and delivering an Open Offer Application Form the applicant:

- (i) represents and warrants to the Company and the Bookrunners that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he 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;
- (ii) agrees with the Company and the Bookrunners that all applications under the Open Offer and contracts resulting therefrom shall be governed by and construed in accordance with the laws of England and Wales;
- (iii) confirms to the Company and the Bookrunners that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this Prospectus, and the applicant accordingly agrees that no person responsible solely or jointly for this Prospectus or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this Prospectus, he will be deemed to have had notice of all information in relation to the Company contained in this Prospectus;
- (iv) represents and warrants to the Company and the Bookrunners that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he received such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (v) represents and warrants to the Company and the Bookrunners that if he has received some or all of his Open Offer Entitlements from a person other than the Company he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) requests that the Open Offer Shares to which he will become entitled be issued to him on the terms set out in this Prospectus and the Open Offer Application Form;
- (vii) represents and warrants to the Company and the Bookrunners that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Excluded Territory or any jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Excluded Territory or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (viii) confirms that he has reviewed the restrictions contained in these terms and conditions;
- (ix) warrants that, if he is an individual, he is not under the age of 18;
- (x) agrees that all documents and cheques sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at the risk of the person(s) entitled thereto; and
- (xi) confirms that in making the application he is not relying and has not relied on either of the Bookrunners or any person affiliated with either of the Bookrunners in connection with any investigation of the accuracy of any information contained in this Prospectus or his investment decision.

All enquiries in connection with the procedure for application and completion of the Open Offer Application Form should be addressed to the Receiving Agent, Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by calling Capita Registrars on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from

mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

Qualifying Non-CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Open Offer Application Form.

4.2 If you have Open Offer Entitlements and Excess CREST 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 6 of these Terms and Conditions in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the maximum number of Open Offer Shares for which he is entitled to apply to acquire under the Open Offer. Entitlements to Open Offer Shares will be rounded down to the nearest whole number and any fractional Open Offer Entitlement will therefore also be rounded down. Any fractional entitlements to Open Offer Shares will be disregarded in calculating Open Offer Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Any Qualifying Non-CREST Shareholders with fewer than 6 Existing Ordinary Shares will not receive an Open Offer Entitlement but may apply for Excess Shares pursuant to the Excess Application Facility.

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

If for any reason the Open Offer Entitlements and/or Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 8.00 a.m. on 28 May 2012, or such later time and/or date as the Company may decide, an Open Offer Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements and Excess CREST Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this Prospectus will be adjusted as appropriate and the provisions of this Prospectus applicable to Qualifying Non-CREST Shareholders with Open Offer Application Forms will apply to Qualifying CREST Shareholders who receive such Open Offer Application Forms.

CREST Members who wish to apply to acquire some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact the Receiving Agent on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday (except UK public holidays).

Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

Please note the Receiving Agent cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or Excess CREST Open Offer Entitlements. If you are a CREST Sponsored Member you should consult your CREST Sponsor if you wish to apply for Open Offer Shares as only your CREST Sponsor will be able to take the necessary action to make this application in CREST.

(b) Market claims

Each of the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and the Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder 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 and the Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) Excess Application Facility

Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. The Excess Application Facility enables Qualifying CREST Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 6 of these Terms and Conditions: "Terms and Conditions of the Open Offer" in relation to Overseas

Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement of 40 million Excess Shares (due to CREST limits on size) in order for any applications for Excess Shares to be settled through CREST. If a Qualifying Shareholder wishes to apply for more Excess Shares, such Qualifying CREST Shareholder should contact Capita Registrars to arrange for a further credit up to the maximum amount of New Shares to be issued under the Excess Application Facility.

Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Open Offer Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions in paragraph 4.2(f) below and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and the relevant Open Offer Entitlement be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open offer Entitlement claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more *bona fide* market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that a separate USE Instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

The maximum amount of New Shares to be issued under the Excess Application Facility (the “**Maximum Excess Application Number**”) shall be limited to: (a) the maximum size of Issue (as may be increased by the Directors by up to 50 per cent. of the targeted amount); less (b) New Shares issued under the Open Offer pursuant to the Qualifying Shareholder’s Open Offer Entitlement and any New Shares that the Directors determine to issue under the Placing and Offer for Subscription. Excess Applications will therefore only be satisfied to the extent that: (a) other Qualifying Shareholders do not apply for their Open Offer Entitlements in full; (b) where fractional entitlements have been aggregated and made available under the Excess Application Facility; and (c) if the Directors exercise their discretion to reallocate New Shares that would otherwise have been available under the Placing or Offer for Subscription to the Excess Application Facility. Qualifying Shareholders can apply for up to the Maximum Excess Application Number of New Shares under the Excess Application Facility, although applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant’s risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

All enquiries in connection with the procedure for application of Excess CREST Open Offer Entitlements should be made to the Receiving Agent on the shareholder helpline 0871 664 0321, or, if calling from overseas, +44 208 639 3399. Calls to the 0871 664 0321 number are charged at ten pence per minute from a BT landline, other telephone provider costs may vary. Lines are open from 9.00 a.m. to 5.00 p.m. on Monday to Friday excluding public holidays. Please note the Receiving Agent cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their entitlement or apply for Excess Shares.

(d) *USE instructions*

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements and/or Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a 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 participant ID and member account ID specified below, with a number of Open Offer Entitlements and Excess CREST Open Offer Entitlements corresponding to the number of Open Offer 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 Open Offer Shares referred to in (i) above.

(e) *Content of USE Instruction in respect of Open Offer Entitlements*

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 Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Receiving Agent);
- (ii) the ISIN of the Open Offer Entitlement. This is GB00B85M5564;

- (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 participant ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of the Receiving Agent in its capacity as a CREST receiving agent. This is 27641IPP;
- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This 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. This must be on or before 11.00 a.m. on 15 June 2012; and
- (ix) the Corporate Action Number for the Open Offer. This 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 Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 15 June 2012. In order 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:

- (x) a contact name and telephone number (in the free format shared note field); and
- (xi) 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 15 June 2012 in order to be valid is 11.00 a.m. on that day. If the Issue does not become unconditional by 8.00 a.m. on 25 June 2012 or such later time and date as the Company and the Bookrunners determine (being no later than 9 July 2012), the Issue will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. Any interest earned on such monies will be retained for the benefit of the Company.

(f) *Content of USE instruction in respect of Excess CREST Open Offer Entitlements*

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

- (i) the number of Excess Shares for which the application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to the Registrar);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GB00B85M6869;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of the Receiving Agent. This is 7RA33;
- (vi) the member account ID of the Receiving Agent. This is 27641IPP;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Excess Shares referred to in paragraph (f)(i) above;
- (viii) the intended settlement date. This must be on or before 11.00 a.m. on 15 June 2012; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for the application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 15 June 2012.

In order 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:

- (x) a contact name and telephone number (in the free format shared note field); and
- (xi) 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 15 June 2012 in order to be valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

In the event that the Open Offer does not become unconditional by 8.00 a.m. on 25 June 2012 or such later time and date as the Directors determine (being no later than 9 July 2012), the Open Offer will lapse, the Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will be retained for the benefit of the Company.

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

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Open Offer Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Open Offer Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Open Offer 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 Open Offer Application Form.

A holder of an Open Offer Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or acquiring the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 11.00 a.m. on 15 June 2012. After depositing their Open Offer Entitlement into their CREST account, CREST holders will, shortly after that, receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by the Receiving Agent.

In particular, having regard to normal processing times in CREST and on the part of the Registrar, the recommended latest time for depositing an Open Offer 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 Open Offer Application Form as Open Offer Entitlements or Excess CREST Open Offer Entitlements in CREST, is 3.00 p.m. on 12 June 2012 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements or Excess CREST Open Offer Entitlements from CREST is 4.30 p.m. on 11 June 2012 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements or Excess CREST Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Open Offer Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements or Excess CREST Open Offer Entitlements prior to 11.00 a.m. on 15 June 2012. CREST holders inputting the withdrawal of their Open Offer Entitlement from their CREST account must ensure that they withdraw both their Open Offer Entitlement and the Excess CREST Open Offer Entitlement.

Delivery of an Open Offer 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 Open Offer Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Registrar by the relevant CREST Member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing Open Offer Entitlements into CREST" on page 3 of the Open Offer Application Form, and a declaration to the Company and the Receiving Agent from the relevant CREST Member(s) that it/they is/are not in the United States or citizen(s) or resident(s) of any Excluded Territory or any jurisdiction in which the application for New Ordinary Shares is prevented by law 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.

(h) *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 15 June 2012 will constitute a valid and irrevocable application under the Open Offer.

(i) *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 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 15 June 2012. 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.

(j) *Incorrect or incomplete applications*

If a USE Instruction includes a CREST payment for an incorrect sum, the Company, through the Registrar, reserves the right:

- (i) to reject the application in full and refund the payment to the CREST Member in question (without interest);
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE Instruction, refunding any unutilised sum to the CREST member in question (without interest).

(k) *Effect of valid application*

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

- (i) represents and warrants to the Company and the Bookrunners that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he 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;
- (ii) agrees to 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 Registrar'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);
- (iii) agrees with the Company and the Bookrunners that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;
- (iv) confirms to the Company and the Bookrunners that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this Prospectus, and the applicant accordingly agrees that no person responsible solely or jointly for this Prospectus or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this Prospectus, he will be deemed to have had notice of all the information in relation to the Company contained in this Prospectus;
- (v) represents and warrants to the Company and the Bookrunners that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements and Excess Open Offer Entitlements or that he has received such Open Offer Entitlements and Excess CREST Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) represents and warrants to the Company and the Bookrunners that if he has received some or all of his Open Offer Entitlements and Excess Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlement and Excess CREST Open Offer Entitlements by virtue of a *bona fide* market claim.
- (vii) subject to certain limited exceptions, requests that the New Ordinary Shares to which he will become entitled be issued to him on the terms set out in this Prospectus, subject to the Memorandum of Incorporation and Articles of Incorporation;
- (viii) represents and warrants to the Company and the Bookrunners that he is not, nor is he applying on behalf of any Shareholder who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Excluded Territory or any jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Excluded Territory or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (ix) confirms that he has reviewed the restrictions contained in these terms and conditions;

- (x) warrants that, if he is an individual, he is not under the age of 18;
 - (xi) agrees that all documents and cheques sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at the risk of the person(s) entitled thereto; and
 - (xii) confirms that in making the application he is not relying and has not relied on either of the Bookrunners or any person affiliated with either of the Bookrunners in connection with any investigation of the accuracy of any information contained in this Prospectus or his investment decision.
- (l) *Company's discretion as to the 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 these Terms and Conditions;
 - (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 dematerialised instruction (in this sub-paragraph the “**first instruction**”) as not constituting a valid application 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 has 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 Open Offer Shares by means of 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 any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.
- (m) *Lapse of the Open Offer*
In the event that the Open Offer does not become unconditional by 11.00 a.m. on 25 June 2012 or such later time and date as the Company and the Bookrunners may agree (being no later than 9 July 2012), the 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 Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies, if any, will be retained for the benefit of the Company.

5. ANTI-MONEY LAUNDERING REGULATIONS

5.1 *Holders of Open Offer Application Forms*

To ensure compliance with the Money Laundering Regulations, the Receiving Agent may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Open Offer Application Form is lodged with payment (which requirements are referred to below as the “**verification of identity requirements**”). If the Open Offer 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 Open Offer Application Form.

The person lodging the Open Offer 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 (for the purposes of this paragraph 5 the “**relevant Open Offer Shares**”) 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 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 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 Registrar 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.

Submission of an Open Offer Application Form with the appropriate remittance will constitute a warranty to each of the Company, the Registrar, and the Bookrunners from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no. 91/308/EEC));
- (ii) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;
- (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- (iv) if the aggregate subscription price for the Open Offer Shares is less than €15,000 (approximately £13,000).

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 cheque or banker's draft in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques, should be made payable to **Capita Registrars Limited re: IPPL – Open Offer A/C** in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only". 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 by stamping or endorsing the cheque/bankers' draft to such effect. The account name should be the same as that shown on the Open Offer Application Form; or
- (b) if the Open Offer Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation 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, Russian Federation, Singapore, South Africa, Switzerland, Turkey, UK Crown Dependencies and the US and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Open Offer Application Form written confirmation that it has that status and a 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. If the agent is not such an organisation, it should contact the Registrar.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact the Receiving Agent by telephone on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 a.m. to 5.00 p.m. (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

If the Open Offer Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of €15,000 (approximately £13,000) or more and is/are lodged by hand by the acceptor in person, or if the Open Offer Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11.00 a.m. on 15 June 2012, the Registrar has not received evidence satisfactory to it as aforesaid, the Registrar may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

5.2 **Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST**

If you hold your Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Open Offer Entitlements and Excess CREST 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 Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer 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.

6. OVERSEAS SHAREHOLDERS

This Prospectus has been approved by the FSA, being the competent authority in the United Kingdom.

Accordingly, the making of the Open Offer to persons resident in, or who are citizens of, or who have a registered address in, countries other than the United Kingdom may be affected by the law or regulatory requirements of the relevant jurisdiction. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

6.1 General

The distribution of this Prospectus and the making of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or agents, custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.

No action has been or will be taken by the Company, the Bookrunners, or any other person, to permit a public offering or distribution of this Prospectus (or any other offering or publicity materials or Open Offer Application Form(s) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

Receipt of this Prospectus and/or an Open Offer Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this Prospectus and/or the Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed. Open Offer Application Forms will not be sent to, and Open Offer Entitlements nor Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in the United States or an Excluded Territory or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this Prospectus and/or an Open Offer Application Form in any territory other than the United Kingdom and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Open Offer Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory in which the Open Offer Application Form is received or in which the person is resident or located, such an invitation or offer could lawfully be made to him or her and such Open Offer Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements 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. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this Prospectus and/or the Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed. It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company, the Bookrunners, or any of their respective representatives, is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this Prospectus and/or an Open Offer Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or might contravene local securities laws or regulations. If a copy of this Prospectus and/or an Open Offer Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company and the Bookrunners determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this Prospectus and/or an Open Offer Application Form and/or transfers Open Offer Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of these Terms and Conditions and specifically the contents of this paragraph 6.

Subject to paragraphs 6.2 to 6.6 below, any person (including, without limitation, custodians, agents, nominees and trustees) outside of the United Kingdom wishing to apply for Open Offer Shares in respect of the Open Offer must satisfy himself or herself as to the 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 Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from the United States or an Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or in the case of a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in the United States or an Excluded Territory or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders is drawn to paragraphs 6.2 to 6.6 below.

Notwithstanding any other provision of this Prospectus or the relevant Open Offer Application Form, the Company reserves the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or bankers' drafts or where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST.

Due to restrictions under the securities laws of the United States and the Excluded Territories Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of (as applicable), any Excluded Territory will not qualify to participate in the Open Offer and will not be sent an Open Offer Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements.

The Open Offer Shares have not been and will not be registered under the relevant laws of the United States or any Excluded Territory or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into the United States or any Excluded Territory or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Excluded Territory except pursuant to an applicable exemption.

No public offer of Open Offer Shares is being made by virtue of this Prospectus or the Open Offer Application Forms into the United States or any Excluded Territory. Receipt of this Prospectus and/or an Open Offer Application Form and/or a credit of an Open Offer Entitlement or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this Prospectus and/or the Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed.

6.2 The United States

None of the New Ordinary Shares, the Open Offer Entitlements nor the Excess CREST Open Offer Entitlements have been or will be registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States and may be offered, sold, taken up, exercised, resold, renounced, transferred, distributed or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of the Existing Ordinary Shares or the New Ordinary Shares in the United States.

Accordingly, the Open Offer is not being made in the United States and none of this Prospectus, the Open Offer Application Form nor the crediting of Open Offer Entitlements to a stock account in CREST constitutes or will constitute an offer, or an invitation to apply for, or an offer or invitation to acquire any Open Offer Shares in the United

States. This Prospectus will not be sent to any Shareholder with a registered address or who is otherwise located in the United States.

Any person who acquires Open Offer Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this Prospectus and/or the Open Offer Application Form or by applying for Open Offer Shares in respect of Open Offer Entitlements credited to a stock account in CREST and delivery of the Open Offer Shares, that (1) they are not, and that at the time of acquiring the Open Offer Shares they will not be, in the United States or applying for Open Offer Shares on behalf of, or for the account of, persons in the United States unless (a) the instruction to apply was received from a person outside the United States and (b) the person giving such instruction has confirmed that (i) it has authority to give such instruction and (ii) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the Open Offer Shares in an "offshore transaction" within the meaning of Regulation S, and (2) they are not applying for the Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any Open Offer Shares into the United States.

The Company reserves the right to treat as invalid any Open Offer Application Form (or renunciation thereof) that appears to the Company or its agents to have been executed in or despatched from the United States, or that provides an address in the United States for the acceptance or renunciation of the Open Offer, or where the Company believes such acceptance or renunciation may infringe applicable legal or regulatory requirements. The Company will not be bound to allot (on a non-provisional basis) or issue any Open Offer Shares to any person or to any person who is acting on behalf of, or for the account or benefit of, any person on a non-discretionary basis with an address in, or who is otherwise located in, the United States in whose favour an Open Offer Application Form or any Open Offer Shares may be transferred or renounced. In addition, the Company and the Bookrunners reserve the right to reject any many-to-many instruction sent by or on behalf of any CREST Member with a registered address or who is otherwise located in the United States in respect of Open Offer Shares or who does not make the above warranty. Any payment made in respect of Open Offer Application Forms under any of these circumstances will be returned without interest.

6.3 ***Excluded Territories***

Due to restrictions under the securities laws of the Excluded Territories, Shareholders who have a registered address in, or who are resident or ordinarily resident in, or citizens of, any Excluded Territory, will not qualify to participate in the Open Offer and will not be sent an Open Offer Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Excluded Territory or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Excluded Territory or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Excluded Territory except pursuant to an applicable exemption.

No offer of Open Offer Shares is being made by virtue of this Prospectus or the Open Offer Application Forms into any Excluded Territory.

6.4 ***Overseas territories other than Excluded Territories***

Open Offer Application Forms will be sent to Qualifying Non-CREST Shareholders and Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or the Excluded Territories may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this Prospectus and the Open Offer Application Form. Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares in respect of the Open Offer.

6.5 ***Representations and warranties relating to Overseas Shareholders***

(a) *Qualifying Non-Crest Shareholders*

Any person completing and returning an Open Offer Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, the Bookrunners and the Registrar that, except where proof has been provided to the Company's satisfaction that such person's use of the Open Offer Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within the United States or any Excluded Territory; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Open Offer Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a non-discretionary basis for a person located within any Excluded Territory (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories. The Company and/or the Registrar may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Open Offer Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or an Excluded Territory or in a manner that may

involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or an Excluded Territory for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph (a).

(b) *Qualifying Crest Shareholders*

A CREST Member or CREST Sponsored Member who makes a valid acceptance in accordance with the procedures set out in these Terms and Conditions represents and warrants to the Company and the Bookrunners that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) he or she is not accepting within the United States or any Excluded Territory; (ii) he or she is not accepting in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) he or she is not accepting on a non-discretionary basis for a person located within any Excluded Territory (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) he or she is not acquiring any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories.

6.6 Waiver

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and the Bookrunners in their absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Open Offer Application Form and, in the event of more than one person executing an Open Offer Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

7. ADMISSION, SETTLEMENT AND DEALINGS

The result of the Open Offer is expected to be announced on 22 June 2012. Applications will be made to the UKLA for the Open Offer Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange for the Open Offer Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 25 June 2012.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 15 June 2012 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, New Shares will be issued in uncertificated form to those persons who submitted a valid application for New Ordinary Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE Instruction was given.

Notwithstanding any other provision of this Prospectus, the Company reserves the right to send Qualifying CREST Shareholders an Open Offer Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or 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 of any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

For Qualifying Non-CREST Shareholders who have applied by using an Open Offer Application Form, share certificates in respect of the New Ordinary Shares validly applied for are expected to be despatched by post as soon as possible after 2 July 2012. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the UK share register of the Company. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 4.1 above and their respective Open Offer Application Form.

8. TIMES AND DATES

The Company shall, in agreement with the Bookrunners and after consultation with its financial and legal advisers, be entitled to amend the dates that Open Offer Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this Prospectus and in such circumstances shall notify the UKLA, and make an announcement on a Regulatory Information Service approved by the UKLA and, if appropriate, by Shareholders but Qualifying Shareholders may not receive any further written communication.

If a supplementary prospectus is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this Prospectus, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary prospectus (and the dates and times of principal events due to take place following such date shall be extended accordingly).

9. GOVERNING LAW AND JURISDICTION

The terms and conditions of the Open Offer as set out in this Prospectus, the Open Offer Application Form and any non-contractual obligation related thereto shall be governed by, and 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 Prospectus or the Open Offer Application Form. By taking up Open Offer Shares in accordance with the instructions set out in this Prospectus and, where applicable, the Open Offer Application Form, Qualifying 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.

10. FURTHER INFORMATION

Your attention is drawn to the further information set out in this Prospectus and also, in the case of Qualifying Non-CREST Shareholders and other Qualifying Shareholders to whom the Company has sent Open Offer Application Forms, to the terms, conditions and other information printed on the accompanying Open Offer Application Form.

Terms and Conditions of Application Under the Offer for Subscription

The New Shares are only suitable for investors who understand that there is a potential risk of capital loss, that there may be limited liquidity in the underlying investments of the Company, for whom an investment in the New Shares is part of a diversified investment programme and who fully understand and are willing to assume the risks involved in such an investment programme.

The Company reserves the right, in the absolute discretion of the Directors, to authorise in advance the making of an application under the Offer for Subscription through CREST instead of submitting a paper application and cheque. However, this will only be available to selected applicants invited by the Bookrunners to apply through CREST.

A TERMS AND CONDITIONS FOR ALL APPLICANTS OTHER THAN SELECTED APPLICANTS

In the case of a joint Application, references to you in these terms and conditions of Application are to each of you, and your liability is joint and several. Please ensure you read these terms and conditions in full before completing the Subscription Form.

Unless otherwise defined herein, defined terms in the Prospectus shall have the same meaning in these terms and conditions and in the notes on how to complete the Subscription Form, and:

"Applicant" means a person or persons (in the case of joint applicants) whose name(s) appear(s) on the registration details (Box 2A) of a Subscription Form;

"Application" means the offer made by an Applicant by completing a Subscription Form and posting (or delivering) it to the Receiving Agent as specified in the Prospectus;

"Money Laundering Regulations" means the Criminal Justice (Proceeds of Crime) (Financial Services Businesses) (Bailiwick of Guernsey) Regulations 2007, the Guernsey Financial Services Commission's Handbook for Financial Services Business on Countering Financial Crime and Terrorist Financing, and the Money Laundering Regulations 2007 as such may be amended, supplemented or replaced from time to time;

"Prospectus" means the prospectus dated 24 May 2012 published by the Company;

"Receiving Agent" means Capita Registrars and/or the Administrator as the context permits; and

"US Person" has the meaning given in Regulation S of the US Securities Act of 1933.

The Terms and Conditions

- (a) The contract created by the acceptance of an Application under the Offer for Subscription will be conditional on:
- (i) The Issue Pre-emption Resolution being passed at the Annual General Meeting;
 - (ii) Admission becoming effective by not later than 8.00 a.m. (London time) on 25 June 2012 (or such later date (being no later than 9 July 2012) as may be provided for in accordance with the terms of the Issue Agreement); and
 - (iii) the Issue Agreement becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission becomes effective.
- (b) The right is reserved by the Company to present all cheques and banker's drafts for payment on receipt and to retain application monies and refrain from delivering an Applicant's New Shares into CREST or issuing an Applicant's New Shares in certificated form (as the case may be) pending clearance of the successful Applicant's cheques and bankers drafts. The Company also reserves the right to reject in whole or part or to scale back or limit any Application. The Company may treat Applications as valid and binding if made in accordance with the prescribed instructions and the Company may, at its discretion, accept an Application in respect of which payment is not received by the Company prior to the closing of the Offer for Subscription. If any Application is not accepted in full or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance thereof will be returned (without interest) by returning each relevant Applicant's cheque or banker's draft or by crossed cheque in favour of the first-named Applicant, through the post at the risk of the person(s) entitled thereto except where the amount is less than £5. In the meantime, application monies will be retained by the Receiving Agent in a separate account.
- (c) Under the Money Laundering Regulations 2007, Capita Registrars Limited may be required to verify the identity of persons who subscribe for in excess of the sterling equivalent of €15,000 of New Shares under the Offer for Subscription.

The Receiving Agent may therefore undertake electronic searches for the purposes of verifying identity. To do so the Receiving Agent may verify the details against the Applicant's identity, but also may request further proof of identity. The Receiving Agent reserves the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to its satisfaction.

Payments must be made by cheque or banker's draft in pounds sterling drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to **"Capita Registrars Limited re: IPPL – Offer for Subscription A/C"**. 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 by stamping or endorsing the building society cheque/bankers' draft to such effect.

The account name should be the same as that shown on the Application.

The following is provided by way of guidance to reduce the likelihood of difficulties, delays and potential rejection of a Subscription Form (but without limiting the Receiving Agent's right to require verification of identity as indicated above):

- (i) Applicants should make payment by a cheque drawn on an account in their own name; and
 - (ii) if an Applicant makes the Application as agent for one or more persons, he should indicate on the Subscription Form whether he is a UK or EU regulated person or institution (for example a bank or stockbroker) and specify his status. If an Applicant is not a UK or EU regulated person or institution, he should contact the Receiving Agent.
- (d) By completing and delivering an Subscription Form, you, as the Applicant (and, if you sign the Subscription Form on behalf of somebody else or a corporation, that person or corporation, except as referred to in paragraph (viii) below):
- (i) offer to subscribe for the number of New Shares specified in your Subscription Form (or such lesser number for which your Application is accepted) on the terms of and subject to the Prospectus, including these terms and conditions, and subject to the Memorandum and Articles of Incorporation of the Company;
 - (ii) agree that, in consideration of the Company agreeing to process your Application, your Application cannot be revoked and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to, or (in the case of delivery by hand) on receipt by, the Receiving Agent of your Subscription Form;
 - (iii) agree and warrant that your cheque or banker's draft may be presented for payment on receipt and will be honoured on first presentation and agree that if it is not so honoured you will not be entitled to receive the New Shares until you make payment in cleared funds for the New Shares and such payment is accepted by the Company in its absolute discretion (which acceptance shall be on the basis that you indemnify it, and the Receiving Agent against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that, at any time prior to the unconditional acceptance by the Company of such late payment, the Company may (without prejudice to its other rights) avoid the agreement to subscribe such New Shares and may issue or allot such New Shares to some other person, in which case you will not be entitled to any payment in respect of such New Shares other than the refund to you at your risk of the proceeds (if any) of the cheque or bankers draft accompanying your application, without interest;
 - (iv) agree that (A) any monies returnable to you may be retained pending clearance of your remittance and the completion of any verification of identity required by the Money Laundering Regulations, and (B) monies pending allocation will be retained in a separate account and that such monies will not bear interest;
 - (v) undertake to provide satisfactory evidence of your identity within such reasonable time (in each case to be determined in the absolute discretion of the Company and the Receiving Agent) to ensure compliance with the Money Laundering Regulations;
 - (vi) agree that in respect of those New Shares for which your Application has been received and is not rejected, acceptance of your Application shall be constituted, at the election of the Company, either (i) by notification to the UK Listing Authority and the London Stock Exchange of the basis of allocation (in which case acceptance shall be on that basis) or (ii) by notification of acceptance thereof to the Receiving Agent;
 - (vii) authorise the Receiving Agent to procure that your name (together with the name(s) of any other joint Applicant(s)) or your nominee (e.g. CREST) is/are placed on the register of members of the Company in Guernsey in respect of such New Shares referred to in paragraph (vi) above and to send a crossed cheque for any monies returnable by post without interest at the risk of the persons entitled thereto to the address of the person (or in the case of joint holders, the first named person) named as an applicant in the Subscription Form;
 - (viii) represent and warrant to the Company and the Bookrunners that if you sign the Subscription Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person or corporation, and such person or corporation will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained herein and undertake to enclose your power of attorney or a copy thereof duly certified by a solicitor or bank with the Subscription Form;
 - (ix) agree with the Company and the Bookrunners that all Applications, acceptances of Applications and contracts resulting therefrom shall be governed by and construed in accordance with English law, and that

you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;

- (x) confirm to the Company and the Bookrunners that, in making such Application, you are not relying on any information or representation in relation to the Company other than that contained in this Prospectus;
 - (xi) irrevocably authorise the Company or any person authorised by it to do all things necessary to effect registration of any New Shares subscribed by or issued to you into your name(s) or into the name(s) of any person(s) in whose favour the entitlement to any such New Shares has been transferred and authorise any representative of the Company to execute any document required therefor;
 - (xii) agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations concerning the Company and the New Shares contained therein;
 - (xiii) confirm that you have reviewed the restrictions contained in these terms and conditions;
 - (xiv) warrant that, if you are an individual, you are not under the age of 18;
 - (xv) agree that all documents and cheques sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at the risk of the person(s) entitled thereto;
 - (xvi) represent and warrant that in connection with your application you have observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue or transfer or other taxes due in connection with your application in any territory and that you have not taken any action for yourself or as nominee, agent or on behalf of any person which will or may result in the Company acting in breach of the regulatory or legal requirements of any territory in connection with the Offer for Subscription or your Application;
 - (xvii) save where you have satisfied the Company that an appropriate exemption applies so as to permit you to subscribe, represent and agree that you are not (i) a US Person (meaning any person who is a US Person within the meaning of Regulation S adopted under the United States Securities Act of 1933 (as amended)) and are not acting on behalf of a US Person, that you are not purchasing with a view to re-sale in the US or to or for the account of a US Person and that you are not an employee benefit plan as defined in section 3(3) of ERISA (whether or not subject to the provisions of Title 1 of ERISA) or an individual retirement account as defined in section 408 of the US Internal Revenue Code or (ii) a resident of Canada, Australia or Japan or any other territory or acting on behalf of any person in any territory in which the subscription by you or by you on behalf of any person for New Shares under the Offer for Subscription would be unlawful or in breach of any applicable regulations without further action on the part of the Company; and
 - (xviii) agree, on request by the Company, or the Receiving Agent on behalf of the Company to disclose promptly in writing to the Company or the Receiving Agent any information which the Company, or the Receiving Agent, may reasonably request in connection with your Application and authorise the Company or the Receiving Agent on behalf of the Company, to disclose any information relating to your Application as it considers appropriate.
- (e) No person receiving a copy of this Prospectus and/or a Subscription Form in any territory other than the UK may treat the same as constituting an invitation or an offer to him; nor should he in any event use a Subscription Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or the Subscription Form could lawfully be used without contravention of any, or compliance with any unfulfilled registration or other legal or regulatory requirements. It is the responsibility of any person outside the UK wishing to apply for New Shares under the Offer for Subscription for himself or on behalf of any person to satisfy himself as to full observance of the laws of any relevant territory in connection with any such application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in any such territory and paying any issue, transfer or other taxes required to be paid in any such territory.
- (f) The New 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 of the United States and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, US Persons. The Company has not been and will not be registered as an "investment company" under the Investment Company Act, and investors will not be entitled to the benefits of the Investment Company Act. In addition, relevant clearances have not been, and will not be, obtained from any securities commission or authority of any province of Canada, Australia or Japan and, accordingly, unless an exemption under any relevant legislation or regulations is applicable, none of the New Shares may be offered, sold, renounced, transferred or delivered, directly or indirectly, in Canada, Australia or Japan. Unless the Company has expressly agreed otherwise in writing or unless an exemption under relevant legislation or regulation is applicable (the applicability of which you hereby represent and warrant), you represent and warrant to the Company that you are not a US Person or a resident of Canada, Australia or Japan and that you are not subscribing for such Shares for the account of any US Person or resident of Canada, Australia or Japan and that you will not offer, sell, renounce, transfer or deliver, directly or indirectly New Shares subscribed for by you in the United States, Canada, Australia or Japan or to any US Person or resident of Canada, Australia or Japan. No Application will be accepted if it bears an address in the United States, Canada, Australia or Japan unless an appropriate exemption is available as referred to above.

- (g) Pursuant to The Data Protection (Bailiwick of Guernsey) Law 2001 (the “**DP Law**”), the Company the Administrator and/or the Registrar may hold personal data (as defined in the DP Law) relating to past and present Shareholders.
- (h) Such personal data held is used by the Administrator and the Registrar to maintain the Company’s register of Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned in paragraph (i) below when (1) effecting the payment of dividends and redemption proceeds to Shareholders and the payment of commissions to third parties and (2) filing returns of Shareholders and their respective transactions in shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.
- (i) The countries referred to in paragraph (h) above include, but need not be limited to, those in the European Economic Area and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, Japan, New Zealand, Singapore, South Africa, Switzerland and the United States of America.
- (j) By becoming registered as a holder of New Shares in the Company, a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Company the Administrator or the Registrar of any personal data relating to them in the manner described above.
- (k) The basis of allocation will be determined by the Directors after consultation with the Investment Adviser and the Bookrunners at their absolute discretion. The right is reserved to reject in whole or in part and/or scale down and/or ballot any Application or any part thereof. The right is reserved to treat as valid any Application not in all respects completed in accordance with the instructions relating to the Subscription Form, including if the accompanying cheque or banker’s draft is for the wrong amount.
- (l) If for any reason it becomes necessary to adjust the expected timetable as set out in this Prospectus, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates. In particular, the Directors have the discretion to extend the last time and/or date for Applications, and any such extension will not affect Applications already made, which will continue to be irrevocable.
- (m) Save where the context otherwise requires words and expressions defined in the Prospectus have the same meanings when used in these terms and conditions and in the Subscription Form and explanatory notes in relation thereto.

B TERMS AND CONDITIONS FOR SELECTED APPLICANTS

Unless otherwise defined herein, defined terms in the Prospectus shall have the same meaning in these terms and conditions, and:

“**Application**” means an application for New Shares made by sending a USE instruction through CREST in accordance with these terms and conditions;

“**Selected Applicant**” means a person invited in writing by either of the Bookrunners to apply under the Offer for Subscription through CREST; and

“**Subscription Entitlement**” means in respect of each Selected Applicant the entitlement to apply for New Shares pursuant to the Offer for Subscription.

1. INTRODUCTION

Subscription Entitlements are expected to be credited to stock accounts of Selected Applicants in CREST as soon as possible after 8.00 a.m. on 8 June 2012. The latest time and date for payment in full under the Offer for Subscription and settlement of relevant CREST instructions is expected to be 11.00 a.m. on 15 June 2012 with Admission and commencement of dealings in New Shares expected to take place at 8.00 a.m. on 25 June 2012.

Selected Applicants should note that, although the Subscription Entitlements will be credited to CREST and be enabled for settlement, applications in respect of Subscription Entitlements may only be made by the Selected Applicant originally entitled.

2. PROCEDURE FOR APPLICATION AND PAYMENT

Selected Applicants should refer to the CREST Manual for further information on the CREST procedures referred to below.

2.1 General

Each Selected Applicant will receive a credit to its stock account in CREST of its Subscription Entitlement equal to the maximum number of New Shares for which it is entitled to apply to acquire under the Offer for Subscription (being the maximum size of the Offer for Subscription) and Selected Applicants may apply for any whole number of New Shares up to and including such number. Applications under the Offer for Subscription will be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Selected Applicants will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the Selected Applicant (at the Selected Applicant’s risk) without interest as soon as practicable by way of CREST payment or cheque if required.

The CREST stock account to be credited will be an account under the participant ID and member account ID advised to the Bookrunners by the Selected Applicant prior to 6 June 2012.

If, for any reason, the Subscription Entitlements cannot be admitted to CREST by, or the stock accounts of Selected Applicants cannot be credited on, 8 June 2012, or such later time and/or date as the Company may decide, Selected Applicants will be advised by the Bookrunners to apply in the Offer for Subscription using the Subscription Form attached to the Prospectus and in accordance with the "Terms and Conditions of Application under the Offer for Subscription for all Applicants other than Selected Applicants" above.

A Subscription Entitlement may not be sold or otherwise transferred.

Selected Applicants should note that, although the Subscription Entitlements will be admitted to CREST, they will have limited settlement capabilities. The Subscription Entitlements will be neither tradable nor listed and applications may only be made by the Selected Applicants originally entitled. There will be no market claims in respect of Subscription Entitlements. Nor will it be permitted to withdraw Subscription Entitlements from CREST.

All enquiries from Selected Applicants in connection with the procedure for application of Subscription Entitlements should be made to the Receiving Agent on the shareholder helpline 0871 664 0321, or if calling from overseas, +44 208 639 3399. Calls to the 0871 664 0321 number are charged at ten pence per minute from a BT landline, other telephone provider costs may vary. Lines are open from 9.00 a.m. to 5.00 p.m. on Monday to Friday excluding public holidays. Please note the Receiving Agent cannot provide financial advice on the merits of the Offer for Subscription or as to whether Selected Applicants should apply for New Shares.

2.2 **USE instructions**

Selected Applicants who want to apply for New Shares must send a USE Instruction to Euroclear which, on its settlement, will have the following effect:

- (a) the crediting of a stock account of the Receiving Agent under the participant ID and member account ID specified below, with a number of Subscription Entitlements corresponding to the number of New Shares applied for; and
- (b) 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 Shares referred to in (a) above).

2.3 **Content of USE instruction in respect of Subscription Entitlements**

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

- (a) the number of the New Shares for which the application is being made (and hence the number of the Subscription Entitlement(s) being delivered to the Receiving Agent);
- (b) the ISIN of the Subscription Entitlement. This is GG00B8G02Z83;
- (c) the CREST participant ID of the accepting CREST member;
- (d) the CREST member account ID of the accepting CREST member from which the Subscription Entitlements are to be debited;
- (e) the participant ID of the Receiving Agent. This is 7RA33;
- (f) the member account ID of the Receiving Agent. This is 27641IPP;
- (g) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of New Shares referred to in (a) above;
- (h) the intended settlement date. This must be before 11.00 a.m. on 15 June 2012; and
- (i) the Corporate Action Number for the Offer for Subscription. This will be available by viewing the relevant corporate action details in CREST.

In order for the application in respect of a Subscription Entitlement under the Offer for Subscription to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11.00 a.m. on 15 June 2012.

In order to assist prompt settlement of the USE instruction, CREST members may consider adding the following non-mandatory fields to the USE instruction:

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

Selected Applicants should note that the last time at which a USE instruction may settle on 15 June 2012 in order to be valid is 11.00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Subscription Entitlement facility.

In the event that the Offer for Subscription does not become unconditional by 8.00 a.m. on 25 June 2012 or such later time and date as the Directors determine (being no later than 9 July 2012), the Offer for Subscription will lapse, the Subscription Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Selected Applicant by way of a CREST payment or a cheque if required, without interest, as soon as practicable thereafter. Any interest earned on such monies will be retained for the benefit of the Company.

2.4 **Validity of application**

A USE instruction complying with the requirements set out in these Terms and Conditions which settles by no later than 11.00 a.m. on 15 June 2012 will constitute a valid and irrevocable application under the Offer for Subscription.

2.5 **CREST procedures and timings**

Selected Applicants 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 Offer for Subscription. It is the responsibility of the CREST Member concerned to take such action as shall be necessary to ensure that a valid application is made as stated above by 11.00 a.m. on 15 June 2012. In this connection Selected Applicants are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

In addition, it should be noted that as the possibility of applying for New Shares under the Offer for Subscription through CREST will only be available to selected persons invited by the Bookrunners, interested persons will need to have registered their interest in applying through CREST and to have been formally invited by the Bookrunners to do so by 6 June 2012 in order to allow time for the crediting of Subscription Entitlements.

2.6 **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:

- (a) to reject the application in full and refund the payment to the CREST Member in question (without interest);
- (b) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of New Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and
- (c) in the case that an excess sum is paid, to treat the application as a valid application for all the New Shares referred to in the USE instruction, refunding any unutilised sum to the CREST member in question (without interest), save for amounts less than £5 which will be retained for the benefit of the Company.

2.7 **Effect of valid application**

- (a) The contract created by the acceptance of an Application under the Offer for Subscription will be conditional on:
 - (i) The Issue Pre-emption Resolution being passed at the Annual General Meeting;
 - (ii) Admission becoming effective by not later than 8.00 a.m. (London time) on 25 June 2012 (or such later date (being no later than 9 July 2012) as may be provided for in accordance with the terms of the Issue Agreement); and
 - (iii) the Issue Agreement becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission becomes effective.
- (b) The Company reserves the right to reject in whole or part or to scale back or limit any Application. The Company may treat Applications as valid and binding if made in accordance with the prescribed instructions and the Company may, at its discretion, accept an Application in respect of which payment is not received by the Company prior to the closing of the Offer for Subscription. If any Application is not accepted in full or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance thereof will be returned (without interest) by returning each relevant Applicant's CREST payment (or if required, a cheque through the post at the risk of the person(s) entitled thereto) except where the amount is less than £5. In the meantime, application monies will be retained by the Receiving Agent in a separate account.
- (c) A Selected Applicant who makes or is treated as making a valid application in accordance with the procedures set out in these Terms and Conditions:
 - (i) offers to subscribe for the number of New Shares specified in the USE instruction (or such lesser number for which the Application is accepted) on the terms of and subject to the Prospectus, including these terms and conditions, and subject to the Memorandum and Articles of Incorporation of the Company;
 - (ii) represents and warrants to the Company and the Bookrunners that it has the right, power and authority, and has taken all action necessary, to make the application under the Offer for Subscription

and to execute, deliver and exercise its rights, and perform its obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for New Shares or acting on behalf of any such person on a non-discretionary basis;

- (iii) agrees to 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);
- (iv) represents and warrants that it is the Selected Applicant originally entitled to the Subscription Entitlements;
- (v) agrees that, in consideration of the Company agreeing to process its Application, the Application cannot be revoked and that this paragraph shall constitute a collateral contract between the Selected Applicant and the Company which will become binding upon sending of a valid USE instruction;
- (vi) agrees that (A) any monies returnable to the Selected Applicant may be retained pending the completion of any verification of identity required by the Money Laundering Regulations, and (B) monies pending allocation will be retained in a separate account and that such monies will not bear interest;
- (vii) undertakes to provide satisfactory evidence of the Selected Applicant's identity within such reasonable time (in each case to be determined in the absolute discretion of the Company and the Receiving Agent) to ensure compliance with the Money Laundering Regulations;
- (viii) agrees that in respect of those New Shares for which an Application has been received and is not rejected, acceptance of the Application shall be constituted, at the election of the Company, either (i) by notification to the UK Listing Authority and the London Stock Exchange of the basis of allocation (in which case acceptance shall be on that basis) or (ii) by notification of acceptance thereof to the Receiving Agent;
- (ix) authorises the Receiving Agent to procure that the Selected Applicant's name (together with the name(s) of any other joint Applicant(s)) or any nominee (e.g. CREST) is/are placed on the register of members of the Company in Guernsey in respect of such New Shares referred to in paragraph (v) above;
- (x) agrees with the Company and the Bookrunners that all Applications, acceptances of Applications and contracts resulting therefrom shall be governed by and construed in accordance with English law, and that the Selected Applicant submits to the jurisdiction of the English Courts and agrees that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
- (xi) confirms to the Company and the Bookrunners that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this Prospectus;
- (xii) irrevocably authorises the Company or any person authorised by it to do all things necessary to effect registration of any New Shares subscribed by or issued to the Selected Applicant into its name(s) or into the name(s) of any person(s) in whose favour the entitlement to any such New Shares has been transferred and authorise any representative of the Company to execute any document required therefor;
- (xiii) agrees that, having had the opportunity to read the Prospectus, it shall be deemed to have had notice of all information and representations concerning the Company and the New Shares contained therein;
- (xiv) confirms that it have reviewed the restrictions and procedures contained in these terms and conditions;
- (xv) agrees that all documents and cheques sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at the risk of the person(s) entitled thereto;
- (xvi) represents and warrants that in connection with its application such Selected Applicant has observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue or transfer or other taxes due in connection with your application in any territory and that it has not taken any action for itself or as nominee, agent or on behalf of any person which will or may result in the Company acting in breach of the regulatory or legal requirements of any territory in connection with the Offer for Subscription or your Application;
- (xvii) save where the Selected Applicant has satisfied the Company that an appropriate exemption applies so as to permit it to subscribe, represents and agrees that it is not (i) a US Person (meaning any person who is a US Person within the meaning of Regulation S adopted under the United States Securities Act of 1933 (as amended)) and is not acting on behalf of a US Person, that it is not purchasing with a view to re-sale in the US or to or for the account of a US Person and that it is not an employee benefit plan as defined in section 3(3) of ERISA (whether or not subject to the provisions of Title 1 of ERISA) or an individual retirement account as defined in section 408 of the US Internal Revenue Code or (ii) a resident of Canada, Australia or Japan or any other territory or acting on behalf of any person

in any territory in which the subscription by the Selected Applicant or by it on behalf of any person for New Shares under the Offer for Subscription would be unlawful or in breach of any applicable regulations without further action on the part of the Company; and

- (xviii) agrees, on request by the Company, or the Receiving Agent on behalf of the Company to disclose promptly in writing to the Company or the Receiving Agent any information which the Company, or the Receiving Agent, may reasonably request in connection with the Application and authorise the Company or the Receiving Agent on behalf of the Company, to disclose any information relating to the Application as the Company or the Receiving Agent considers appropriate.
- (d) No person receiving a copy of this Prospectus and/or being credited with Subscription Entitlement(s) in any territory other than the UK may treat the same as constituting an invitation or an offer to him; nor should he in any event make an Application unless, in the relevant territory, such an invitation or offer could lawfully be made to him or the Application could lawfully be made without contravention of any, or compliance with any unfulfilled registration or other legal or regulatory requirements. It is the responsibility of any person outside the UK wishing to apply for New Shares under the Offer for Subscription for himself or on behalf of any person to satisfy himself as to full observance of the laws of any relevant territory in connection with any such application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in any such territory and paying any issue, transfer or other taxes required to be paid in any such territory.
- (e) The New 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 of the United States and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, US Persons. The Company has not been and will not be registered as an “investment company” under the Investment Company Act, and investors will not be entitled to the benefits of the Investment Company Act. In addition, relevant clearances have not been, and will not be, obtained from any securities commission or authority of any province of Canada, Australia or Japan and, accordingly, unless an exemption under any relevant legislation or regulations is applicable, none of the New Shares may be offered, sold, renounced, transferred or delivered, directly or indirectly, in Canada, Australia or Japan. Unless the Company has expressly agreed otherwise in writing or unless an exemption under relevant legislation or regulation is applicable (the applicability of which the Selected Applicant hereby represents and warrants), the Selected Applicant represents and warrants to the Company that it is not a US Person or a resident of Canada, Australia or Japan and that it is not subscribing for such Shares for the account of any US Person or resident of Canada, Australia or Japan and that it will not offer, sell, renounce, transfer or deliver, directly or indirectly New Shares subscribed for by the Selected Applicant in the United States, Canada, Australia or Japan or to any US Person or resident of Canada, Australia or Japan. No Application will be accepted if it bears an address in the United States, Canada, Australia or Japan unless an appropriate exemption is available as referred to above.
- (f) Pursuant to The Data Protection (Bailiwick of Guernsey) Law 2001 (the “**DP Law**”), the Company the Administrator and/or the Registrar may hold personal data (as defined in the DP Law) relating to past and present Shareholders.
- (g) Such personal data held is used by the Administrator and the Registrar to maintain the Company’s register of Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned in paragraph (i) below when (1) effecting the payment of dividends and redemption proceeds to Shareholders and the payment of commissions to third parties and (2) filing returns of Shareholders and their respective transactions in shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.
- (h) The countries referred to in paragraph (g) above include, but need not be limited to, those in the European Economic Area and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, Japan, New Zealand, Singapore, South Africa, Switzerland and the United States of America.
- (i) By becoming registered as a holder of New Shares in the Company, a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Company the Administrator or the Registrar of any personal data relating to them in the manner described above.
- (j) The basis of allocation will be determined by the Directors after consultation with the Investment Adviser and the Bookrunners at their absolute discretion. The right is reserved to reject in whole or in part and/or scale down and/or ballot any Application or any part thereof. The right is reserved to treat as valid any Application not in all respects completed in accordance with the instructions in these Terms and Conditions.
- (k) If for any reason it becomes necessary to adjust the expected timetable as set out in this Prospectus, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates. In particular, the Directors have the discretion to extend the last time and/or date for Applications, and any such extension will not affect Applications already made, which will continue to be irrevocable.
- (l) Save where the context otherwise requires words and expressions defined in the Prospectus have the same meanings when used in these terms and conditions.

2.8 **Company's direction as to the rejection and validity of applications**

The Company may in its sole discretion:

- (a) treat as valid (and binding on the Selected Applicant concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in these Terms and Conditions;
- (b) accept an alternative properly authenticated dematerialised instruction from a Selected Applicant 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;
- (c) treat a properly authenticated dematerialised instruction (in this sub-paragraph the **"first instruction"**) as not constituting a valid application 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 has 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
- (d) accept an alternative instruction or notification from a Selected Applicant, 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 Selected Applicant, the Selected Applicant is unable validly to apply for New Shares by means of 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 any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

2.9 **Lapse of the Offer for Subscription**

In the event that the Offer for Subscription does not become unconditional by 11.00 a.m. on 25 June 2012 or such later time and date as the Company and the Bookrunners may agree (being no later than 9 July 2012), the Offer for Subscription will lapse, the Subscription Entitlements admitted to CREST will be disabled and the Receiving Agent will refund the amount paid by a Selected Applicant by way of a CREST payment, without interest, as soon as practicable thereafter (or if required by cheque). Any interest earned on such monies, will be retained for the benefit of the Company.

3. **Anti-Money Laundering Regulation**

The Receiving Agent may be obliged to establish the identity of the Selected Applicant or the person or persons on whose behalf a Selected Applicant makes an application. Selected Applicants must therefore contact the Registrar 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 2007. 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 Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the New 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.

4. **Overseas Applicants**

Overseas applicants should note that Subscription Entitlements will not be credited to stock accounts in CREST of persons with registered addresses in the United States or an Excluded Territory or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

5. **General**

Subscription Entitlements held in CREST are expected to be disabled in all respects after 11.00 a.m. on 15 June 2012. If the conditions to the Offer for Subscription described above are satisfied, New Shares will be issued in uncertificated form to those persons who submitted a valid application for New Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE instruction was given.

Notwithstanding any other provision of this Prospectus, the Company reserves the right to send Selected Applicants a Subscription Form instead of crediting the relevant stock account with Subscription Entitlements, and to allot and/or issue any New 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 of any part of CREST) or on the part of the facilities and/or systems operated by the Receiving Agent in connection with CREST.

The Company shall, in agreement with the Bookrunners, be entitled to amend the dates that Subscription Entitlements are credited to stock accounts in CREST, without prejudice to their discretion to amend the timetable for the Offer for Subscription as described elsewhere in this Prospectus with an announcement on a Regulatory Information Service.

Notes on how to complete the Subscription Form

Applications should be returned so as to be received no later than 11.00 a.m. on 15 June 2012.

HELP DESK: If you have any questions relating to the completion and return of the Subscription Form, please telephone Capita Registrars between 9.00 a.m. and 5.00 p.m. (London time) Monday to Friday (except UK public holidays) on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the offer nor give any financial, legal or tax advice.

1. APPLICATION

Fill in (in figures) in Box 1 the amount you wish to subscribe for. Applications should be for a minimum of £1,000 and thereafter in multiples of £500. Financial intermediaries who are investing on behalf of clients should make separate applications for each client.

2A. HOLDER DETAILS

Fill in (in block capitals) the full name and address of the first holder and the names only of any joint holders. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the Subscription Form at section 3.

2B. CREST

If you wish your New Shares to be deposited in a CREST Account in the name of the holders given in section 2A, enter in section 2B the details of that CREST Account. Where it is requested that New Shares be deposited into a CREST Account please note that payment for such Shares must be made prior to the day such New Shares might be allotted and issued. It is not possible for an applicant to request that New Shares be deposited in their CREST Account on a delivery against payment basis. Any Subscription Form received containing such a request will be rejected.

3. SIGNATURE

All holders named in section 2A must sign section 3 and insert the date. The Subscription Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Subscription Form.

4. CHEQUE/BANKER'S DRAFT, PAYMENT DETAILS

Payment must be made by a cheque or banker's draft accompanying your application. Payment by cheque or banker's draft must accompany your Subscription Form and be for the exact amount entered in Box 1 of your Subscription Form. Your cheque or bankers draft must be made payable to "**Capita Registrars Limited re: IPPL – Offer for Subscription A/C**" and crossed A/C Payee. 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 by stamping or endorsing the building society cheque or bankers draft to such effect. Your cheque or bankers draft must be drawn in sterling on an account at a bank branch in the UK or the Channel Islands and must bear a UK bank sort code number in the top right hand corner. No receipt will be issued.

5. RELIABLE INTRODUCER DECLARATION

Applications with a value greater than £10,000 will be subject to Guernsey's verification of identity requirements. This will involve you providing the verification of identity documents listed below UNLESS you can have the declaration provided at section 5 of the Subscription Form given and signed by a firm acceptable to the Company. In order to ensure your application is processed timely and efficiently all applicants are strongly advised to have the declaration provided in section 5 of the Subscription Form completed and signed by a suitable firm.

If the declaration in section 5 cannot be completed and the value of the application is greater than £10,000, in accordance with internationally recognised standards for the prevention of money laundering, the documents listed below must be provided with the completed Subscription Form as appropriate. Notwithstanding that the declaration in section 5 has been completed and signed, the Receiving Agent and the Company reserves the right to request of you the identity documents listed below and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time, your application may be rejected or revoked. Where certified copies

of documents are requested below, such copy documents should be certified by a senior signatory of a firm which is either a government approved bank, stockbroker, investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation, and the name of the firm should be clearly identified on each document certified.

A. For Each Holder Being an Individual Enclose:

- (1) a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport, Government or Armed Forces identity card, driving licence; and
- (2) certified copies of at least two of the following documents which purport to confirm that the address given in section 2 is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill, a recent bank statement, a council rates bill, or similar document issued by a recognised authority; and
- (3) if none of the above documents show the date and place of birth of the Applicant enclose a note of such information; and
- (4) details of the name and address of their personal bankers from which the Registrar or the Receiving Agent may request a reference, if necessary.

B. For Each Holder Being a Company (a "Holder Company") Enclose:

- (1) a certified copy of the certificate of incorporation of the holder company; and
- (2) the name and address of the holder company's principal bankers from which the Registrar or the Receiving Agent may request a reference, if necessary; and
- (3) a statement as to the nature of the holder company's business, signed by a director; and
- (4) a list of the names and residential addresses of each director of the holder company; and
- (5) for each director provide documents and information similar to that mentioned in A above; and
- (6) a copy of the authorised signatory list for the holder company; and
- (7) a list of the names and residential/registered address of each ultimate beneficial owner interested in more than 5 per cent. of the issued share capital of the holder company and, where a person is named, also complete C below and, if another company is named (hereinafter a **"beneficiary company"**), also complete D below.

If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.

C. For each person named in B(7) as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in A(1) to (4)

D. For each beneficiary company named in B(7) as a beneficial owner of a holder company enclose:

- (1) a certified copy of the certificate of incorporation of that beneficiary company; and
- (2) a statement as to the nature of that beneficiary company's business signed by a director; and
- (3) the name and address of that beneficiary company's principal bankers from which the Registrar or the Receiving Agent may request a reference, if necessary; and
- (4) enclose a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company.

E. If the payor is not the Applicant and is not a bank providing its own cheque or banker's payment on the reverse of which is shown details of the account being debited with such payment (see note 4 on how to complete this form) enclose:

- (1) if the payor is a person, for that person the documents mentioned in A(1) to (4); or
- (2) if the payor is a company, for that company the documents mentioned in B(1) to (7); and
- (3) an explanation of the relationship between the payor and the holder(s).

The Registrar or the Receiving Agent reserves the right to ask for additional documents and information.

6. CONTACT DETAILS

To ensure the efficient and timely processing of your Subscription Form, please provide contact details of a person that the Registrar or Receiving Agent may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in section 3 on behalf of the first named holder. If no details are entered here and the Registrar or Receiving Agent requires further information, any delay in obtaining that additional information may result in your Application being rejected or revoked.

[THIS PAGE IS INTENTIONALLY LEFT BLANK]

Subscription Form

Instructions for Delivery of Completed Subscription Forms

Completed Subscription Forms should be returned, by post or by hand (during normal business hours only), to Capita Registrars, Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received no later than 11.00 a.m. on 15 June 2012, together in each case with payment in full in respect of the application. If you post your Subscription Form, you are recommended to use first class post and to allow at least two days for delivery. Subscription Forms received after this date may be returned.

For Office Use Only

Log No.

IMPORTANT: BEFORE COMPLETING THIS FORM, YOU SHOULD READ THE ACCOMPANYING NOTES.

To: Capita Registrars, acting as receiving agent for International Public Partnerships Limited

1. APPLICATION

I/We the person(s) detailed in section 2A below offer to subscribe the amount shown in Box 1 for New Shares subject to the Terms and Conditions set out in the Prospectus dated 24 May 2012 and subject to the memorandum and articles of incorporation of the Company.

Box 1 Subscription monies

(minimum subscription of £1,000 and then in multiples of £500.)

--

2A. DETAILS OF HOLDER(S) IN WHOSE NAME(S) SHARES WILL BE ISSUED (BLOCK CAPITALS)

Mr, Mrs., Miss or Title

Forenames (in full)

Surname/Company Name:

Address (in Full)

Designation (if any)

Mr, Mrs., Miss or Title

Forenames (in full)

Surname/Company

Mr, Mrs. Miss or Title

Forenames (in full)

Surname/Company Name

Mr, Mrs., Miss or Title

Forenames (in full)

Surname/Company Name

2B. CREST DETAILS

(Only complete this section if New Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in section 2A).

CREST Participant ID

CREST Member Account ID



3. SIGNATURE(S) ALL HOLDERS MUST SIGN

First holder signature:

Second Holder Signature:

Name (Print)

Name (Print)

Dated:

Dated:

Third holder signature:

Fourth Holder Signature:

Name (Print)

Name (Print)

Dated:

Dated:

4. CHEQUES/BANKER'S DRAFT DETAILS

Pin or staple to this form your cheque or bankers draft for the exact amount shown in section 1 made payable to "**Capita Registrars Limited re: IPPL – Offer for Subscription A/C**". Cheques and bankers payments must be drawn in sterling on an account at a bank branch in the UK or the Channel Islands and must bear a UK bank sort code number in the top right hand corner.

5. RELIABLE INTRODUCER DECLARATION

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed in section 5 of the notes on how to complete this Subscription Form.

The declaration below may only be signed by a person or institution (such as a government approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the "**firm**") which is itself subject in its own country to operation of "customer due diligence" and anti-money laundering regulations no less stringent than those which prevail in Guernsey. Acceptable countries include Austria, Belgium, Canada, Denmark, Finland, France, Germany, Gibraltar, Greece, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, the UK and the United States of America.

DECLARATION: To the Company and the Receiving Agent

With reference to the holder(s) detailed in section 2A, all persons signing at section 3 and the payor identified in section 6 if not also the Applicant (collectively the "**subjects**") WE HEREBY DECLARE:

1. we operate in one of the above mentioned countries and our firm is subject to money laundering regulations under the laws of that country which, to the best of our knowledge, are no less stringent than those which prevail in Guernsey;
2. we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
3. each of the subjects is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to immediately provide to you copies thereof on demand;
4. we confirm the accuracy of the names and residential/business address(es) of the holder(s) given at section 2A and if a CREST Account is cited at section 2B that the owner thereof is named in section 2A;
5. having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the New Shares mentioned; and
6. where the payor and holder(s) are different persons we are satisfied as to the relationship between them and reason for the payor being different to the holder(s).

The above information is given in strict confidence for your own use only and without any guarantee, responsibility or liability on the part of this firm or its officials.

Signed

Name:

Position

having authority to bind the firm.

Name of regulatory authority

Firm's Licence number:

Website address or telephone number of regulatory authority:

STAMP of firm giving full name and business address

6. CONTACT DETAILS

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Receiving Agent may contact with all enquiries concerning this application. Ordinarily this contact person should be the (or one of the) person(s) signing in section 3. If no details are entered here and the Registrar or the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.

CONTACT

Investor & Media Relations

Amber Fund Management Limited
Two London Bridge
London
SE1 9RA
T + 44 (0)20 7939 0550
E investorrelations@amberinfrastructure.com

www.internationalpublicpartnerships.com

International Public Partnerships

c/o Heritage International Fund Managers Limited
Heritage Hall, PO Box 225
Le Marchant Street, St Peter Port
Guernsey GY1 4HY

Tel: +44 (0)1481 716000