INTERNATIONAL PUBLIC PARTNERSHIPS

Half-yearly Financial Report
for the six months ended 30 June 2015

Contents

www.internationalpublicpartnerships.com

International Public Partnerships Limited
Registered number: 45241

Cover image: Liverpool Central Library Project

Highlights

3.225pps

2015 First Half Distribution[3]

6.45pps

2015 Full Year Distribution Target[4]

6.65pps

2016 Full Year Distribution Target[4]

128.6pps

NAV Per Share

£38.4m

Profit Before Tax

Net Asset Value

- Net Asset Value ('NAV')[1] per share of 128.6 pence as at 30 June 2015 (127.0 pence – 31 December 2014)
- NAV of £1,077.7 million as at 30 June 2015, up £15.6 million (£1,062.1 million – 31 December 2014)

Shareholder Returns

- 2015 half year fully covered cash dividend[2] of 3.225 pence per share[3] (3.15 pence per share – 30 June 2014)
- Two year forward looking fully covered minimum cash dividend target[4] for the years ended 31 December 2015 and 2016 of 6.45 and 6.65 pence per share respectively – maintaining a long term average increase of c.2.5% per annum
- Significant degree of long term inflation linkage within the portfolio - 0.85% per annum projected increase in return for a 1% increase over anticipated average portfolio inflation[5]
- Total Shareholder Return since listing in 2006 to 30 June 2015 of 104.4%[6] compared to 52.2% on the FTSE All Share over that same period or on an annualised basis 8.6% compared to 5.0% (respectively)

Earnings

- Profit before tax of £38.4 million for the six months ended 30 June 2015 (£35.9 million – 30 June 2014)

Highlights

- £42.7 million of additional investments made during the year and a further £219.9 million committed since 30 June 2015
- Strong pipeline of investment opportunities emerging including Westermost Rough OFTO and Thames Tideway Tunnel, one of the UK's largest Infrastructure projects
- Majority owned investments represent 78.9% of portfolio providing high level of asset control
- Underlying investments with external debt[7] represent 82% of the investment portfolio, 18% of the Company's assets have no external debt[8]
- Successful renegotiation of the Company's corporate debt facility from £175 million to £300 million with substantially reduced margins and a reduction in fees charged
- Continued progress made on US opportunities through relationship with Hunt – more opportunities likely to surface in future

1 The methodology used to determine investment fair value incorporated within the Net Asset Value is described on page 12-16.
2 Cash dividend payments to investors are paid from investment cash flows (after taking into account financing costs).
3 Half year 2015 dividend is expected to be paid in October 2015.
4 Future profit projection and dividends cannot be guaranteed. Projections are based on the current estimates and may vary in the future.
5 See pages 16 and 17 for information relating to the Company's use of sensitivity analysis.
6 Source: Bloomberg. Share price plus dividends assumed to be reinvested.
7 Represent investments in equity and/or subordinated debt in underlying projects ('Risk Capital').
8 Represent investments in Risk Capital and senior debt in underlying projects.

Company Overview
About the Company

International Public Partnerships Limited (the 'Company'), in accordance with its Investment Policy, invests in equity, subordinated/mezzanine debt and senior loans made to entities owning or operating infrastructure concessions, assets or related businesses.

Investments include schools, courts houses, health facilities, police stations, and other public sector buildings, rail operations, rolling stock leasing entities, and offshore electricity transmission asset owning entities. The Company's investments are located in the UK, Europe, Australia and Canada.

Whilst the Company is able to invest in a variety of infrastructure projects, to date it has primarily invested in entities holding physical infrastructure and associated services which are regulated or procured under Public Private Partnerships ('PPP')/Private Finance Initiative ('PFI') arrangements and similar processes.

Features of International Public Partnerships Limited and its investment portfolio are:

Portfolio
> Geographically diversified with a portfolio across seven countries in a variety of sectors
> A focus on yielding operational investments but with some 'in construction' with prospects for future capital appreciation
> A significant degree of inflation linkage to investment returns - a 1% per annum increase in the anticipated rate of inflation across the while portfolio would over the medium term imply a 0.85% per annum increase in return across the portfolio
> The Investment Adviser has historical success in originating and developing investment opportunities in new sectors with low risks relative to returns
> A high degree of management and control of underlying investments to support sustained performance
> Access to a pool of pre-emptive and other preferred rights to increase investment in assets that have proven performance within the existing portfolio
> Operational performance and income from underlying investments is predominantly based on asset availability, not demand, usage or other non-controllable variables
> A significant portion of the portfolio is investment in projects with secured senior debt (where no other debt ranks in preference to the Company's investment in the asset)

Shareholder Returns
> Strong track record of delivering consistent dividend growth and capital appreciation
> Share liquidity through listing and trading on the London Stock Exchange
> 8-9% per annum target internal rate of return set at the time of initial public offering in 2006

Governance
> Experienced independent leadership and strong corporate governance
> Long-term alignment of interest with the Investment Adviser and asset manager

Market Information
> FTSE listed since November 2006 with an initial market capitalisation of £300 million
> Member of the FTSE 250 and FTSE All Share indices
> £1,138 million market capitalisation as at 30 June 2015 (31 December 2014: £1,132 million)
> 838.0 million shares in issue as at 30 June 2015 (31 December 2014: 836.2 million shares)
> The Company's shares are eligible for ISA/PEPs and SIPPs transfers
> The Company's shares are excluded from the Financial Conduct Authority restrictions which apply to non-mainstream investment products and can therefore be recommended by independent financial advisers to their clients

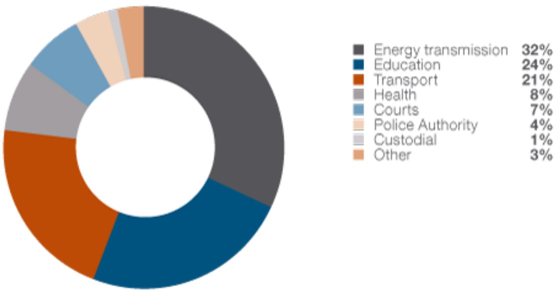
Investment Adviser Fees
> Competitive fee structure
> For fully operational assets:
- 1.2% per annum of the gross asset value (GAV) (excluding uncommitted cash from capital raisings) up to £750 million
- 1.0% per annum where GAV (excluding uncommitted cash from capital raisings) is between £750 million and £1.5 billion
- 0.9% per annum where GAV (excluding uncommitted cash from capital raisings) value exceeds £1.5 billion

> 1.2% per annum of GAV of investments bearing construction risk
> 1.5% asset origination fee of the value of new investments to cover acquisition due diligence reflecting bid risk and primary market asset development
> Investment Adviser bears the risk of abortive transaction origination costs
> No incentive or performance fees
> Further details can be found in the Company's 2014 Annual Report on pages 15 and 16

Company Overview continued

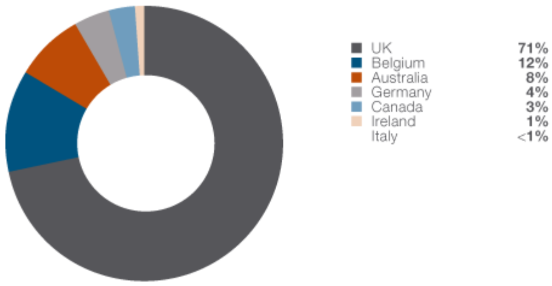
Key Portfolio Facts as at 30 June 2015

Sector Breakdown



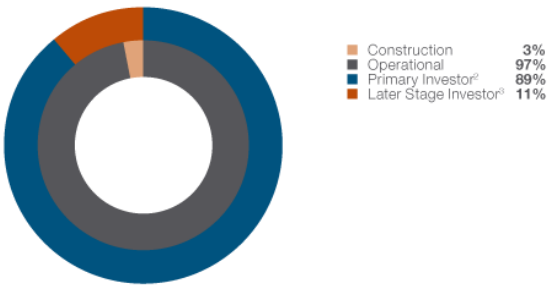
116 investments in infrastructure projects[1] across a variety of sectors

Geographical Split



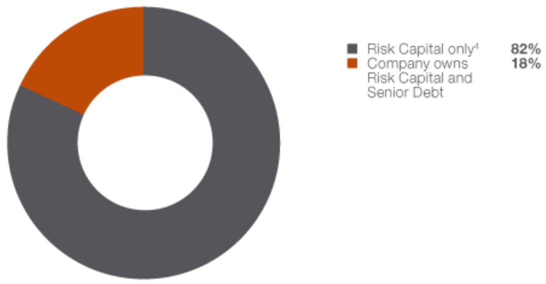
Invested in selected jurisdictions which meet the Company’s risk and return requirements

Mode of Acquisition/Asset Status



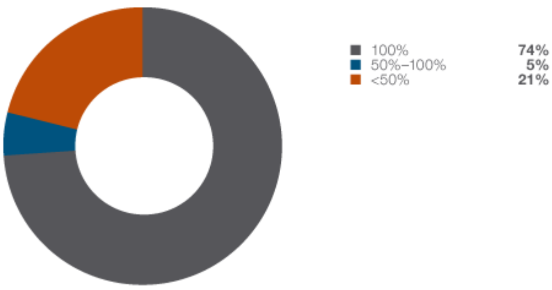
Early stage investor to maximise capital growth opportunities

Investment Type



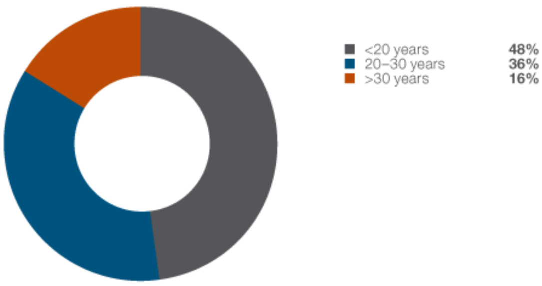
Invested across the capital structure taking into account appropriate risks to returns

Project Ownership



Preference to hold majority stakes

Concession Length



Weighted average portfolio life of 21 years

1 Fair value of investments at 30 June 2015. Unless otherwise stated the Company and its subsidiaries hold investments in equity, subordinated debt and senior loans made to entities owning or operating infrastructure concession, assets or related businesses.
2 Primary stage investor – asset developed or originated by the Investment Adviser or predecessor team.
3 Later stage investor – asset acquired in the secondary market.
4 Risk Capital’ – includes both project level equity and subordinated debt.

Company Overview continued

Top 10 Investments

	Name of Project	Location	Sector	Status at 30 Jun 2015	% Holding at 30 Jun 2015	% Investment Fair Value 30 Jun 2015	% Investment Fair Value 31 Dec 2014
	**Lincs Offshore Transmission**	Lincolnshire, England	Energy Transmission	Operational	100% Risk Capital[1]	15.5%	16.3%
	**Ormonde Offshore Transmission**	Cumbria, England	Energy Transmission	Operational	100% Risk Capital[1] and 100% senior debt	12.2%	12.5%
	**Diabolo Rail Link[2]**	Brussels, Belgium	Transport	Operational	100% Risk Capital[1]	12.0%	13.8%
	**Angel Trains[2]**	Various, United Kingdom	Transport	Operational	4.8% Risk Capital[1]	5.4%	1.9%
	**Royal Children's Hospital**	Victoria, Australia	Health	Operational	100% Risk Capital[1]	3.8%	4.5%
	**Hereford & Worcester Courts**	Worcestershire, England	Courts	Operational	100% Risk Capital[1] and 100% senior debt	3.1%	3.2%
	**BeNEX Rail**	Various, Germany	Transport	Operational	49% Risk Capital[1]	3.0%	3.5%
	**Northampton Schools**	Northamptonshire, England	Education	Operational	100% Risk Capital[1]	2.9%	3.2%
	**Alberta Schools**	Alberta, Canada	Education	Operational	100% Risk Capital[1]	2.4%	2.7%
	**Strathclyde Police Training Centre**	Strathclyde, Scotland	Police Authority	Operational	100% Risk Capital[1] and 100% senior debt	2.2%	2.3%

Further information about each of the investments in the Company's portfolio is available on the Company's website.

Significant movements in the Company's portfolio for the period ended 30 June 2015 can be found on pages 19 and 20 of this Report.

1 Risk Capital includes both project level equity and subordinated shareholder debt.

2 Northern Diabolo project revenues are dependent on availability but also include an element of linkage to passenger numbers. Angel Trains generates revenues through leases to train operating companies with elements of direct government guarantees through Section 54 undertakings. All other investments receive entirely availability based revenues.

Chairman's Letter

Dear Shareholders,

It gives me great pleasure to report to you that your Company has continued to perform well over the six month period to 30 June 2015, delivering continued dividend growth together with strong underlying operational asset performance. Over £40 million of new investment was made during the period, with the Company's near term pipeline being extremely full - the Company was named preferred bidder on its sixth offshore transmission project and, following the period end, was awarded preferred bidder status on one of the largest infrastructure projects in the UK, Thames Tideway Tunnel.

Dividend Growth

Cash flow over the first six months of 2015 continued to be strong enabling the Board to declare a dividend of 3.225 pence per share for the six months to 30 June 2015. This is c.2.5% growth on the previous period and in accordance with our previously published targets.

Given this strong performance we remain confident in achieving our target dividend of 6.45 pence per share for the 2015 financial year and 6.65 pence per share for the 2016 financial year. As in previous periods, we expect that these dividends will be at least fully covered by cash flows from investments.

Investment Activity and Market Conditions

We continue to see very strong levels of demand from competitors in the sectors in which we invest. Our differentiated focus continues to be on new investments where government agencies are seeking investors as part of a new procurement process and where we can bring expertise as an early stage investor or where we have existing projects and can utilise pre-emptive positions to access additional investment opportunities off-market. We remain very cautious of auction-based processes for operational assets where price is the only differentiating factor and where competition continues to be intense.

During the period the Company made a substantial positive revision to its valuation of Angel Trains, our fourth largest asset. This investment has generated a total return of 3.6 times since acquisition in 2008. The revaluation followed the sale by other shareholders of their interests which in turn provided tangible evidence of the uplift in value of the asset as a result of the robust outlook for demand for services in that sector.

Investments of £42.7 million were made during the period across three projects – comprising three batches of funding to support the UK government's Priority Schools Building Programme ('PSBP') totalling £26.5 million and follow-on investments in the Lewisham Building Schools for the Future project (£14.3 million) and Liverpool Library project (£1.9 million).

Following the period end the Company made a further £9.9 million commitment to the fourth batch of funding under 'PSBP'. This month the Company, as part of a consortium, also reached financial close on the Thames Tideway Tunnel project in central London investing £210 million. The £4.2 billion project is one of the most significant pieces of infrastructure being built at the current time in the UK. The Company and its Investment Adviser are pleased to have acted as leading members of the consortium selected to provide financing to the project. This project has an anticipated 120 year life once operational and will contribute to a significant increase in the average duration of the Company's portfolio as well as to augment, significantly, the robustness of the company's index linked cashflows.

The Company was granted preferred bidder status on its sixth offshore transmission ('OFTO') asset, Westermost Rough. This investment is currently expected to close towards the end of the current financial year or in early 2016 and further underlines our sector leading position in this field.

During the period the Company also made good progress on developing its pipeline of investments.

We are confident that these additional investments along with the Company's existing portfolio of assets will continue to provide investors with attractive risk adjusted returns over the long term.

Operational Highlights and Performance

The performance of the underlying assets within the Company's portfolio continues to be very strong. During the period we have focused on delivering our expected returns; worked closely with public sector clients; and managed the build-out of those assets that are in construction. We consider that control over the operational performance of investments is vital as strong asset-level relationships with public sector clients are a key factor in both protecting our reputation and safeguarding investment performance.

During the period the Company successfully revised the terms of its corporate debt facility, increasing the facility from £175 million to £300 million.

The existing facility which was due to expire in December 2016 has been extended and will now become due for renewal in May 2018. The increase to £300 million will support the strong pipeline of new projects over the next 12 months, particularly greenfield projects whereby bids are required to be fully underwritten at the time of submission. The increased facility will provide the Company with the flexibility to invest in appropriate opportunities rather than serving as long-term, structural leverage. Further details of the renewal can be found on page 21.

Corporate Governance and Regulation

As part of its commitment to maintaining an active dialogue with investors, the Board was pleased to meet with a number of investors and sell-side analysts in May, at an Investor Briefing in London. The briefing provided attendees with an overview of current market conditions, case studies on the Company's approach to investment and asset management, current pipeline opportunities and gave investors the opportunity to meet members of the Board and Investment Adviser.

Post my announcement to retire as Chairman at the 2018 Annual General Meeting, the Board is actively considering succession plans and further Board appointments to complement the Company's future development. We intend to provide shareholders with updates regarding our intentions in this regard as our plans firm over the course of the next year.

The Board continues to monitor and, where appropriate, implement changes in best practice governance and regulation. A number of enhancements, reported on within the 2014 Annual Report, have been made and bedded in during the period.

As part of the Audit and Risk Committee's ongoing monitoring of existing and emerging risks affecting the Company, it has highlighted potential changes to international tax guidance which may have a negative effect on the Company and the sector as a whole.

As outlined in the 2014 Annual Report, the Board is closely tracking the current OECD/G20 led initiative aimed to provide guidance for the promotion of alignment of certain tax rules with the focus on preventing 'tax base erosion and profit shifting' ('BEPS'). During the period, the Company participated in an industry-wide response to the guidance including supporting an infrastructure sector carve-out from the specific rules targeted at capping the level of tax deductible interest charges. The proposals remain uncertain at this stage, but could have a negative impact on the Company. At the current time we have not yet seen any noticeable impact on valuations.

Investment Adviser

In March, the Company agreed to the Hunt Companies ('Hunt'), a privately owned US group with comparable activities to those of the Amber group of Companies, becoming a 50% shareholder in the holding company of the Company's Investment Adviser, Amber Fund Management Limited ('Amber'). The pre-existing director and management shareholders of Amber continues to hold the remaining shares. The transaction was approved by the Financial Conduct Authority on 29 April 2015.

As previously noted, the transaction offers the potential to expand the activities of both the Investment Adviser and the Company into the United States which is widely seen as one of the largest growth markets for infrastructure investment in the developed world. Members of the Amber team have already begun working with their Hunt colleagues on potential investment opportunities in the United States and we are very encouraged that good progress has already been made on the Company's behalf to access investments in this market.

As part of this transaction, the Company has been granted a right of 'first look', on similar terms to the right it already enjoys with Amber, to such of Hunt's activities in public infrastructure projects in the United States which meet the Company's investment criteria.

The terms of the transaction between Amber and Hunt prohibit any sale of Amber shares by either Hunt or Amber's management for a minimum term of four years and there will be no significant changes to key management personnel within Amber or the way in which the Investment Adviser and the Company interact.

Going Concern

In our consideration of going concern we have reviewed comprehensive cash flow forecasts prepared by management, which are based on market data and past experience, and believe, based on those forecasts and an assessment of the Group's committed banking facilities and available headroom, that it is appropriate to prepare the financial statements of the Group on the going concern basis.

In arriving at our conclusion that the Group has adequate financial resources we were mindful that the Group had unrestricted cash of £30 million as at the date of this report and £38 million of undrawn banking facilities. Forecasts indicate continuing full compliance with associated banking covenants. Further details can be found on page 21.

Outlook

Overall, the Company remains positive about its prospects, both in terms of the performance of its existing investments and the opportunity to add high quality investments to the portfolio during 2015. With respect to the latter, the Company is always selective to ensure an appropriate risk and return balance within the overall portfolio.

The Company’s focus continues to be on investments originated directly from the public sector rather than via the secondary market, where competition remains intense. These ‘self originated’ assets comprise 89% of the portfolio.

As discussed earlier, the Investment Adviser continues to identify a significant number of new potential investments for the Company. In light of upcoming opportunities the Board is considering fundraising options.

This provides further grounds for optimism as to the future. More details are provided within the Outlook section of the Financial and Operating Review.

Finally, I thank all shareholders for their continued support and look forward to continuing success in the remainder of the year.

Rupert Dorey
26 August 2015
Chairman

Financial and Operating Review

Key Performance Indicators

The Company has identified ten priorities to assist it in meeting its Key Objectives. In order to assess performance in meeting these objectives the Company semi-annually reviews its performance against the following key performance indicators ('KPIs'). Progress against these KPIs for the six months to 30 June 2015 is summarised below. Further details of each of these elements are provided under the relevant headings in the sections that follow:

Key Objectives	Key Performance Indicator	Six months to 30 June 2015 Performance	Page Reference
Investor Returns			
Deliver sustainable long-term returns to shareholders			11
> Focus on providing shareholders with predictable, and where possible growing dividends	> Maintain and enhance distributions to shareholders	> Achieved targeted fully covered cash dividend of 3.225 pence/share, maintaining a long term average growth of c.2.5%	
> Obtain significant inflation-linkage in revenues	> Increase or sustain degree to which portfolio revenues are linked to inflation	> Significant degree of inflation linkage within the portfolio – a 1% increase in the anticipated rate of inflation across the whole portfolio would imply a 0.85% increase in return across the portfolio (31 December 2014: 0.85%p.a.)	16
> Deliver capital value enhancement where possible	> Total shareholder return	> Achieved. The total shareholder return since IPO is 104.4% (December 2014: 98.5%)	11
	> NAV and NAV pence/share	> NAV of £1,077.7 million (December 2014: £1,062.1 million) and NAV per share of 128.6 pence/share (December 2014: 127.0 pence / share), an increase of 1.3%	12

Strategic Priorities	Key Performance Indicator	Six months to 30 June 2015 Performance	Page Reference
Active Asset Management			
1 **Focus on delivery of anticipated returns from existing investments** > Actively manage investments to ensure that they meet financial and other targets	> Availability for all controlled investments at 98% or above	> Achieved	18
	> Returns from investments in line with expectations	> Met net revenue generation and dividend goals	
2 **Maintain high levels of public sector satisfaction and asset performance**	> Performance deductions below 3% for all projects	> Achieved	19
3 **Deliver additional capital value from existing assets through management of construction risk and delivery of operational improvements to meet client requirements**	> Number of change requests from existing contracts	> More than 402 variation requests over the 6 month period to 30 June 2015, representing over £2.9 million of additional capital investment at the project level	19
	> Management of investments in the course of construction projects in line with overall delivery timetable	> A number of new projects under construction taken on during the period	

Financial and Operating Review continued

	Strategic Priorities	Key Performance Indicator	Six months to 30 June 2015 Performance	Page Reference
		Value-focused Portfolio Development		
4	Through **relationships with co-shareholders** and **pre-emptive rights,** where applicable, increase individual investment holdings to 100% where beneficial	> Value enhancing follow-on investments made	> Additional investment totalling £16.2 million in two follow-on investments, increasing stakes held up to, in the case of Liverpool Library, 100%	20
5	Make additional acquisitions where they can be acquired on or **off market** at prospective returns that are beneficial in risk/return terms	> Value of additional investments acquired	> All investments in the period were acquired outside secondary market auction processes	20
6	Enhance prospects for **capital growth** by investing in **construction phase assets** where available	> Number of investments in construction	> Aggregator funding provided to in-construction projects that are part of the Priority Schools Building Programme	19
7	Identify **complementary investment sectors** within the Company's investment policy offering better returns with a similar risk profile	> Value of investments in complimentary investment sectors	> Continued to progress a preferred bidder opportunity and bid for further opportunities within the offshore transmission sector. The preferred bidder position is expected to reach commercial close later in 2015 > Post period end, the Company (as part of a consortium) was selected preferred bidder on Thames Tideway Tunnel project > Continue to invest in the Aggregator Priority Schools Building Programme scheme > All programmes offer access to primary investor returns for similar or lower risk	23
8	Take advantage of infrastructure opportunities internationally where investments have an appropriate risk profile and contractual structures are reliably enforceable to enhance diversification	> Number of new opportunities in international markets	> Continued to progress pipeline of international opportunities – currently 29% of portfolio is invested in jurisdictions outside the UK	23
9	Undertake continuing review of portfolio composition to ensure suitable blend of risk/return, inflation linkage, yield versus capital characteristics, level of diversification and opportunistic enhancements	> Improvement of risk/return, inflation linkage, return, diversification characteristics	> Maintained prospective portfolio inflation linkage[1] > Increased exposure to low risk investments through the 'Aggregator' funding platform	16,20

1 See pages 16 and 17 for information relating to the Company's use of sensitivity analysis.

	Strategic Priorities	Key Performance Indicator	Six months to 30 June 2015 Performance	Page Reference
		Efficient Financial Management		
10	Provide efficient management of cash holdings and debt facilities available for investment and appropriate hedging policies	> Dividends paid to investors covered by cash flows from investments > New investments made from available cash (after payment of dividend) in priority to use of corporate debt > Competitive cash deposit rates > Use of appropriate hedging strategies	> Dividends paid to investors 1.3 times covered by net cash flows from investments[1] > All investments in the period made from free cash where available, and then when appropriate by utilising the corporate debt facility and letters of credit, whilst maintaining appropriate working capital buffers > Benchmarked market cash rates and reallocated based on risk/return profile > Foreign exchange forward contracts in place during the period	21

1 Cash dividends to shareholders are paid from net cash flows from investments (including financing costs before one off costs).

Financial and Operating Review continued

Performance against Key Objectives during the period – Investor Returns

Profits and distributions

Profit before tax for the six months to 30 June 2015 was £38.4 million (30 June 2014: £35.9 million) with earnings per share of 4.71 pence (30 June 2014: 4.85 pence).

Income from portfolio investments in the period was £47.0 million (30 June 2014: £44.5 million) including fair value movements, dividends and interest. These returns were partially offset by operating expenses (including finance costs) of £9.5 million (30 June 2014: £7.9 million), of which £0.6 million (30 June 2014: £0.4 million) was non-recurring.

These results allowed the Company to deliver the fully-covered dividend of 3.225 pence per share for the six months to 30 June 2015 (30 June 2014: 3.15 pence per share), an increase of c.2.5% over the corresponding period last year, in line with previously published targets.

Total Shareholder Return

The Company reported a Total Shareholder Return (share price growth plus reinvested distributions) for investors of 104.4% (compounded annual growth rate, 'CAGR', of 8.6% per annum) for the period since the initial public offer of the Company in November 2006 to 30 June 2015. This compares to a total return on the FTSE All-Share index over the same period of 52.2% (CAGR of 5.0% per annum)[1].

The Company has continued to exhibit relatively low levels of volatility compared to the market, as evidenced by the graph below which plots the Company's share price since IPO against the price performance of the major FTSE indices and the Company's NAV.

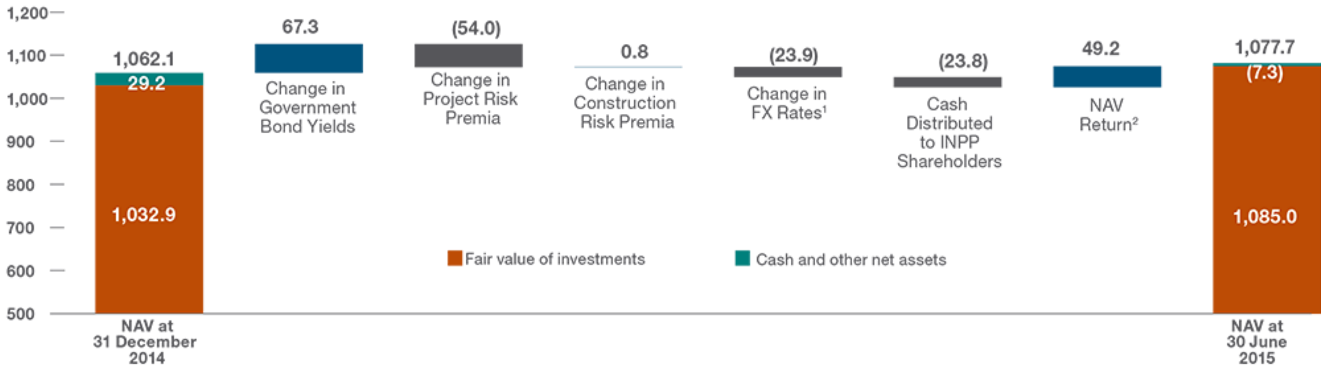
1 Bloomberg – share price appreciation plus income.

Net Asset Valuation

The Company delivered a 1.5% increase in NAV to £1,077.7 million at 30 June 2015 up from £1,062.1 million at 31 December 2014. This represented an increase of 1.3% of NAV per share to 128.6 pence per share from 127.0 pence per share at 31 December 2014.

The NAV is derived from a discounted cash flow calculation to determine the fair value of investments together with the value of cash and other net assets held within the Company's consolidated group. The key drivers of the change to the NAV between 31 December 2014 and 30 June 2015 are highlighted in the graph and described in more detail below.

Net Asset Value Movements (£m)



1 Represents movements in the forward foreign exchange curves used to forecast non-Sterling project distributions.

2 The NAV return represents, amongst other things, (i) variances in both realised and projected project cash flows, (ii) the unwinding of the discount factor applied to those future projected project cash flows and (iii) other changes in the Company's net assets.

During the period, government bond yields, on a 6 month trailing average basis, substantially decreased in all countries in which the Company holds investments, resulting in a substantial positive impact on the NAV (£67.3 million uplift). The change in 6 month average government bond yields partly reflects an adjustment the Company has made to its valuation methodology whereby the remaining maturity of a government bond used in a project's discount rate is matched as closely as possible to the remaining underlying project life rather than using a standard (typically 20 year) bond for all projects regardless of their life. The portfolio also modestly benefitted from a reduction in discount rate risk premia as assets moved out of the construction or defects liability phase and towards full operations (£0.8 million uplift). However, these increases were significantly offset by an increase in the project risk premium (£54.0 million negative impact) reflecting observable market based evidence which does not support the full reduction in government bond yields. Of note, government bond yields on a spot basis have risen during the period in all countries the Company holds investments in except for Belgium and Canada which have seen a small decrease.

In addition, the Company experienced a weakening of all non-Sterling currencies in terms of spot rates and 4 year forward curves in which it holds investments outside the UK (Belgium, Ireland, Italy, Canada, Australia) which had a £23.9 million negative impact on the NAV. The largest impact came from the Company's Euro denominated investments (£16.5 million negative impact) where the Euro weakened to a greater extent than the Australian Dollar and Canadian Dollar and due to the proportionally greater exposure of the Company to Euro-denominated investments. The negative impact of the Australian Dollar was £5.2 million and the Canadian Dollar was £2.2 million.

Cash distributions of £23.8 million were made during the period and represent the cash elements of the dividend paid to INPP shareholders.

The NAV Return of £49.2 million captures the following:

> Unwinding of the discount factor – the movement of the valuation date and the corresponding realisation of distributions received
> Optimisation of cash flows – actual distributions received above the forecast amount due to active management of the Company's portfolio, including initiatives such as negotiating and optimising project cash flows to ensure cash can be extracted from the underlying investments earlier than forecast and optimising relief for Group tax losses
> Value generated through revaluation of assets within the portfolio – notably the uplift in value of Angel Trains during the period (see commentary under 'Portfolio Performance and Return' below)
> Updated project forecasts – refinement of project model assumptions to reflect current expectations of future cash flows, including the change in macroeconomic assumptions outlined further in the 'Macroeconomic Assumptions' section below
> Movements in the Company's working capital position

Portfolio Valuation

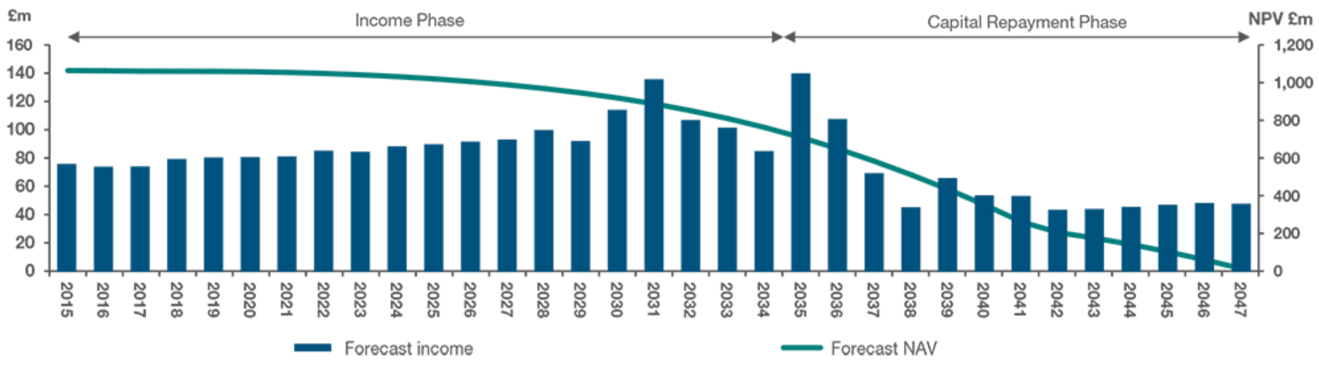
Forecast future cash flows

The Company's investments are expected to exhibit (and historically have exhibited) relatively predictable cash flows as the Company has a large degree of visibility over expected income from its current investments. The chart below sets out the Company's expectation for the evolution of investment receipts from its current portfolio (over the remaining life of current investments).

The majority of the receipts over the life of the concessions are investment income from the operational assets in the form of dividends from equity investments or interest and principal payments from senior and subordinated debt investments.

It is important for shareholders to note that the Company generally invests in infrastructure entities with finite lives (determined by concession or licence terms). As the remaining life of each of the Company's investments reduces, the Company's receipts in respect of that investment will represent return of capital as well as income. The line in the chart below illustrates how, in the event that the Company never acquires any additional assets, nor raises any additional capital and other things being equal, the NAV of the Company would reduce to zero over time. It should however equally be recognised that any future acquisitions (or disposals) or changes to the projected cash flows of any investment (or the assumptions upon which they are based) will change this projection from time to time (although it can be expected to retain a similar general amortising profile).

INPP Projected Cash Flow Profile



Note: There are many factors that may influence the actual achievement of long-term cash flows to the Company. These include both internal as well as external factors and investors should not treat the chart above as being more than an indicative profile and not a projection, estimate or profit forecast. The actual achieved profile will almost certainly be different and may be higher or lower than indicated.

Portfolio level assumptions

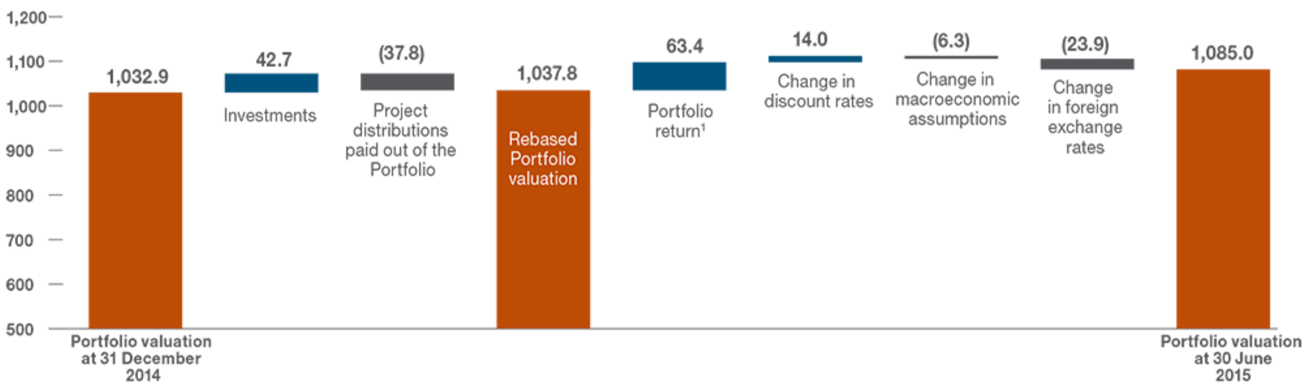
The Company is aware that there are subtle differences in approach to the valuation of portfolios of investments among different infrastructure funds. To clarify the Company's position in this regard its key cash flow inputs and broad valuation principles include:

- That key macroeconomic variables (outlined in the section below) continue to be applicable
- That the contracts under which payments are made to the Company or its investments and its subsidiaries remain on track and are not terminated before their contractual expiry date
- That deductions suffered under such contracts are fully passed down to subcontractors
- That where possible lifecycle cost risks are not borne by the Company but are passed down to a third party such as a facilities management contractor. The value of projects the Company has lifecycle exposure to is 4.4% of the portfolio
- That cash flows from and to the Company's subsidiaries and the infrastructure asset owning entities in which it has invested will be made and are received at the times anticipated
- That where assets are in construction they are either completed on time or any costs of delay are borne by the contractors not the Company
- That where the operating costs of the Company or the infrastructure asset owning entities in which it has invested are fixed by contract such contracts are performed, and where such costs are not fixed, that they remain within projected budgets
- That where the Company or the infrastructure asset owning entities in which it has invested owns the residual property value in the asset that the projected amount for this value is realised
- That where assets in which the Company invests are not GBP assets that foreign exchange rates remain consistent with current forward looking projections

Portfolio Performance and Return

The Company's investment portfolio is reviewed semi-annually by the Investment Adviser, and presented for approval by the Directors. The Directors' valuation of the portfolio, Investments at Fair Value, as at 30 June 2015 was £1,085.0 million, an increase of 5.0% since 31 December 2014.

Investments at Fair Value Movements (£m)



1 The Portfolio Return represents, amongst other things, (i) variances in projected project cash flows, (ii) the unwinding of the discount factor applied to those projected future project cash flows and (iii) any dividends received in the period.

The portfolio return of £63.4 million represents a 6.1% increase in the value of investments (12.6% on an annualised compounded basis) and can be attributed to:

- Distributions received over and above the forecast amount due to active management of the Company's portfolio including initiatives such as negotiating and optimising project cash flows to ensure cash can be extracted from project vehicles earlier than forecast and utilisation of group tax loss relief
- Unwinding of the discount factor whereby the movement of the valuation date has a positive impact on the portfolio as the valuation date approaches the peak of forecast portfolio distributions (currently forecast between 2028-2036)
- Uplift from a revaluation of existing investments to reflect current market pricing, notably the Angel Trains investment where a significant uplift in valuation occurred during the period as stakes in the company were sold by other shareholders and this market-based evidence was incorporated within the portfolio valuation
- Updating and refinement of project model assumptions to reflect current expectations of future cash flows
- Increase in forecast tax outflows in light of potential legislative changes to international tax

In addition there was:

- A net decrease in discount rates across jurisdictions in which the Company invests leading to a £14.0 million increase in portfolio value
- A reduction of £6.3 million following a change in long term UK deposit rates and short term European inflation assumptions
- A reduction of £23.9 million due to a significant strengthening of sterling spot rates and 4 year forward curve against all three currencies the Company has exposure to

The remaining movements relate to investments of £42.7 million and project distributions of £37.8 million.

Macroeconomic Assumptions

The Company reviews the macroeconomic assumptions underlying its forecasts on a regular basis.

- The key assumptions used as the basis for deriving the Company's portfolio valuation are summarised in the following table and further details are provided in note 11.4 in the financial statements. During the period two adjustments were made to the Company's macroeconomic assumptions. Firstly the European inflation rate was reduced to 1.00% until 2017, reverting to the longer term 2.00% assumption thereafter. This reflects ongoing suppressed levels of inflation experienced across the European jurisdictions in which the Company invests. The second adjustment made during the period was a reduction in the long term deposit rate used for valuing UK assets by 0.5% from 3.50% to 3.00%, again reflecting lower government bond yields which are anticipated to be more permanent in nature. The Company notes the proposed reductions in UK corporation tax rates from 20% to 19% in 2017 and from 19% to 18% in 2020. These reductions were proposed by the Chancellor of the Exchequer in the Summer Budget and are included within the Summer Finance

Bill 2015. The Company's policy is to capture changes in corporation tax rates once enacted into law, which is expected to take place before the end of the year and should have a positive impact on NAV.

Across the portfolio the weighted average inflation assumption as at 30 June 2015 was 2.57% (31 December 2014: 2.55%) and the weighted average long term deposit rate assumption was 3.12% (31 December 2014: 3.47%).

Macroeconomic assumptions		30 June 2015	31 December 2014	30 June 2014
Inflation	UK	2.75%	2.75%	2.75%
	Australia	2.50%	2.50%	2.50%
	Europe	1.00% until 2017; 2.00% thereafter	2.00%	2.00%
	Canada	2.00%	2.00%	2.00%
Long Term Deposit Rates[1]	UK	3.00%	3.50%	3.50%
	Australia	4.50%	4.50%	4.50%
	Europe	3.00%	3.00%	3.00%
	Canada	3.00%	3.00%	3.00%
Foreign exchange	GBP/AUD	2.15	2.03	1.92
	GBP/EUR	1.33	1.23	1.17
	GBP/CAD	1.95	1.84	1.82
Tax Rate	UK	20%[2]	20%[2]	20%[2]
	Australia	30%	30%	30%
	Europe	Various (no change)	Various (no change)	Various (no change)
	Canada	Various (no change)	Various (no change)	Various (no change)

1 The portfolio valuation assumes deposit rates as currently received to 31 December 2017 and then as stated thereafter.
2 The corporation taxation rates are only updated once they have been enacted.

Discount rates

The discount rate used for valuing each investment is based on the appropriate long-term Government Bond rate and a risk premium. The risk premium takes into account risks and opportunities associated with each project (including location, phase of operation/construction etc).

The majority of the Company's portfolio (82%) is invested in projects with pure 'Risk Capital' (equity and subordinated debt) in the underlying investments. The remainder (18%) is invested in projects containing senior or mezzanine debt in the underlying investments. The current discount rates used by the Company are given in the table below. These rates need to be considered against the assumptions and projections upon which the Company's anticipated cash flows are based.

The average blended discount rates need to be interpreted with care. In the Company's view they are relevant only in the context of the cash flows (and cash flow assumptions) they are applied to in calculating the fair value of investments, therefore comparison of discount rates between investment portfolios or funds is only meaningful if there is a comparable level of confidence in the quality of forecast cash flows (and assumptions) rates are applied to; the risk and return characteristics of different investment portfolios are understood; and the depth and quality of asset management employed to manage risk and deliver expected returns are identical across the compared portfolios.

Metric	30 June 2015	31 December 2014	30 June 2014	Movement 31 December 2014 to 30 June 2015
Weighted Average Government Bond Rate (Nominal) – portfolio basis – Risk Capital and senior debt	2.12%	2.79%	3.38%	(0.67%)
Weighted Average Project Premium over Government Bond Rate – Risk Capital and senior debt (Nominal)	5.17%	4.69%	4.37%	0.48%
Weighted Average Discount Rate - Portfolio basis – Risk Capital and senior debt	7.29%	7.48%	7.75%	(0.19%)
Weighted Average Discount rate - Risk Capital only[1]	7.83%	7.90%	8.21%	(0.07%)
NAV per share	128.6p	127.0p	124.8p	1.6p

1 Risk Capital is equity and subordinated debt investments.

Government bond rates

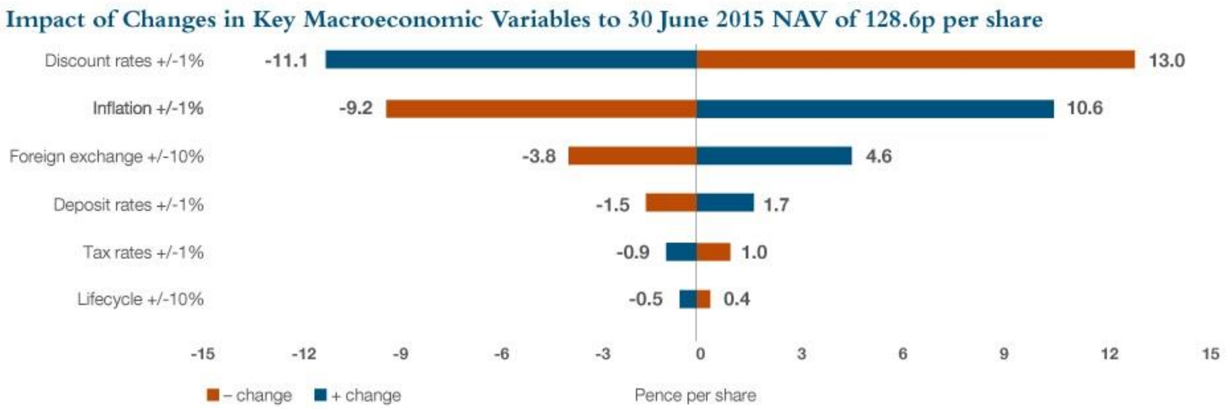
In the table above the Company has provided an analysis of the weighted average government bond rate used in calculating the discount rate. It should be noted that the nominal (i.e. non inflation linked) bond rate has been used in this calculation. During the period the methodology used to determine the relevant government bond rate was adjusted whereby the government bonds are now selected on the basis that the bond's remaining life should match the remaining life of the project as closely as possible. Previously, one bond was selected per country and this change of approach results in the government bond yield varying between projects located in the same country and aids in producing a more precise valuation.

In all cases, a six month average of the government bond yield is used. This is to reduce the impact of short term market sentiment based volatility which can inappropriately skew bond yields.

Country	30 June 2015	31 December 2014	30 June 2014	Movement (31 December 2014 to 30 June 15)
UK	2.21%	2.85%	3.36%	(0.64%)
Australia	3.17%	3.80%	4.54%	(0.63%)
Canada	2.14%	2.56%	2.91%	(0.42%)
Belgium	1.47%	2.36%	3.17%	(0.89%)
Germany	0.89%	1.64%	2.34%	(0.75%)
Ireland	1.47%	2.05%	3.15%	(0.58%)
Italy	1.09%	3.36%	4.10%	(2.27%)
Portfolio weighted average	**2.12%**	**2.79%**	**3.38%**	**(0.67%)**

Sensitivities for key macroeconomic assumptions and discount rates

The Company's NAV is based on the factors outlined above. The Company has also provided sensitivity analysis showing an indication of the impact on NAV per share from changes in macroeconomic assumptions and discount rates, as set out below. Further details can be found in note 11.5 in the financial statements. This analysis is provided as an indication of the likely impact of these variables on the NAV per share on the basis that they apply uniformly across the portfolio whereas in practice the impact is unlikely to be uniform. These sensitivities should be used only for general guidance and not as accurate predictors of outcomes.



Discount rates

The Company's approach to determining the discount rate is described in detail above. Assuming all other things are equal, a reduction of 1% to the underlying project discount rates would increase the 30 June 2015 NAV per share by 13.0 pence. Should the underlying project discount rates increase by 1% the NAV per share would decrease by 11.1 pence.

Inflation

In an environment where investors are increasingly focused on achieving real rates of return on their investments, inflation protection is an important consideration for the Company. At 30 June 2015 the majority of assets in the portfolio had some degree of inflation linkage and, in aggregate, the weighted average return of the portfolio can be expected to increase by 0.85% for a 1% inflation increase across the portfolio over currently assumed rates.

Where actual inflation is higher or lower than the assumed levels, it can be expected to impact on the Company's actual future cash flow in a correspondingly positive or negative manner other things being equal. If the underlying project inflation rates were to increase by 1% there would be a 10.6 pence increase to the NAV per share, conversely, if the rates were to decrease by 1% there would be a 9.2 pence decrease to the NAV per share.

Foreign exchange

The Company has a geographically diverse portfolio and therefore non-Sterling denominated investment returns and valuations are subject to foreign exchange rate risk. Whilst the Company enters into foreign exchange forward contracts to mitigate short-term exposures, longer-term changes are likely to impact portfolio valuations. Should the assumed exchange rates increase by 10% this would lead to a 4.6 pence increase in the 30 June 2015 NAV per share while a 10% reduction in the exchange rates would result in a 3.8 pence decrease in NAV per share.

Deposit rates

The long-term weighted average future deposit rate across the portfolio is 3.12% per annum. While operating cash balances tend to be low given the structured nature of the investments, project finance structures typically include reserve accounts to mitigate certain costs and therefore variations to deposit rates may impact the portfolio. All else being equal, a 1% increase in the underlying deposit rates would lead to a 1.7 pence increase in the 30 June 2015 NAV per share and a 1% decrease in deposit rates would lead to a 1.5 pence reduction in the NAV per share.

Tax rates

The Company has a geographically diverse portfolio and therefore post-tax investment cash inflows are impacted by tax rates across all relevant jurisdictions. Should the assumed tax rates increase by 1% this would lead to a 0.9 pence decrease in the 30 June 2015 NAV per share while a 1% reduction in the tax rates would result in a 1.0 pence increase in NAV per share.

Project lifecycle

A project's lifecycle is the process of renewal required to keep the physical asset available for use and at the standard required of it under the agreement with the occupying public sector body. The proportion of total cost that is lifecycle will depend on the nature of the asset. In order to enhance the certainty around cash flows, around 95.6% of the Company's assets (by value) are structured such that lifecycle cost risk is taken by a subcontractor for a fixed price isolating equity investors from such downside risk. As a result, the impact of any changes to the Company's lifecycle profile is relatively small. A 10% increase in lifecycle costs would lead to a 0.5 pence reduction in 30 June 2015 NAV per share. A 10% decrease in lifecycle costs would lead to a 0.4 pence increase in NAV per share.

Cash flow movements in the period

Summary of consolidated cash flow	Six months to 30 June 2015 £ million	Six months to 30 June 2014 £ million	Year to 31 December 2014 £ million
Opening cash balance	**29.4**	**80.6**	**80.6**
Cash from investments	37.8	35.5	64.0
Operating costs (recurring)	(6.8)	(6.1)	(12.2)
Net financing costs	(1.1)	(0.6)	(1.9)
Net cash flows from investments before one off costs	**29.9**	**28.8**	**49.9**
One-off costs	(1.5)	(2.3)	(5.0)
Net cash flows from investments after one off costs	**28.4**	**26.5**	**44.9**
Cost of new investments	(42.7)	(20.1)	(188.2)
Net drawdown on corporate debt facility	25.0	-	16.3
Proceeds of capital raisings (net of costs)	-	-	94.2
Disposal proceeds	-	-	22.3
Distributions paid	(23.8)	(20.2)	(40.7)
Net cash at period end	**16.3**	**66.8**	**29.4**

The Company's net cash at 30 June 2015 was £16.3 million (31 December 2014: £29.4 million), a decrease of £13.1 million reflecting new investments made in the period as well as dividends paid, offset by net cash inflows from investments and drawdowns on the corporate debt facility.

Cash inflow from the Company's investment portfolio was £37.8 million (30 June 2014: £35.5 million). The increased cash flow was mainly due to the timing of the receipt of distributions from underlying investments.

Recurring operating costs have increased from £6.1 million (30 June 2014) to £6.8 million, in line with the increase in the Company's NAV, as detailed in the 'ongoing charges' table below. One-off operating costs of £1.5 million (30 June 2014: £2.3 million) mainly represent one off transaction costs for new investments and costs associated with refinancing the corporate debt facility in the period.

Dividends paid in the period of £23.8 million (30 June 2014: £20.2 million) were in respect of the six month period ended 31 December 2014.

Corporate expenses and ongoing charges

A breakdown of corporate operating costs paid is provided below:

Corporate Expenses	Six months to 30 June 2015 £ million	Six months to 30 June 2014 £ million	Year to 31 December 2014 £ million
Management fees	(6.2)	(5.6)	(11.1)
Audit fees	(0.1)	(0.1)	(0.1)
Directors fees	(0.1)	(0.1)	(0.2)
Other running costs	(0.4)	(0.3)	(0.8)
Operating costs (ongoing)	**(6.8)**	**(6.1)**	**(12.2)**

The increase in management fees paid to the Investment Adviser is in line with the growth in managed investments and the growth of the Company's portfolio.

Ongoing Charges	Six months to 30 June 2015 £ million	Six months to 30 June 2014 £ million	Year to 31 December 2014 £ million
Annualised Ongoing Charges	(13.7)	(12.2)	(12.2)
Average NAV[1]	1,069.9	943.7	983.5
Ongoing Charges[2]	**(1.28%)**	**(1.29%)**	**(1.24%)**

1 Average of published NAVs for the relevant period.
2 The Ongoing Charges ratio was prepared in accordance with the Association of Investment Companies' ('AIC') recommended methodology, noting this excludes non-recurring costs.

Principal Risks and Uncertainties

The Board seeks to mitigate and manage risks relating to the Company through continual review, policy setting and enforcement of contractual obligations. It also regularly monitors the investment environment and the management of the Group's portfolio.

The principal risks facing the Company and their mitigation are set out on pages 35 to 38 in the 31 December 2014 Annual Report and Financial Statements and are detailed further in the Company's last Prospectus (the Placing, Open Offer and Offer for Subscription Prospectus published on 24 May 2012). These risks and uncertainties are expected to remain relevant to the Company for the next six months of its financial year and include (but are not limited to):

- Inflation risk – Revenues and expenditures of project entities with respect to infrastructure assets are generally partially or wholly subject to indexation and an assumption is made that inflation will increase at a long-term rate. The Group's ability to meet targets may be adversely or positively impacted by inflation
- Foreign exchange risk – The Group has exposures to foreign currencies and therefore exposure to exchange rate fluctuations
- Credit and counterparty risks – The risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group
- Liquidity risk – The ability to successfully access suitable financial resources in the debt, equity and related financial markets
- Contract risk – the ability of counterparties to operate contracts to the detriment of the Company and the risk of default under contract whether by the Company, its subsidiaries or it or their counterparties
- Other external risks – Includes the political and regulatory risks (including tax and accounting policies and practices) associated with the Company and its projects and changes in the competitive environment which may have an adverse impact on the Group. In particular, actions that may be taken in light of the OECD's Action plan on Base Erosion and Profit Shifting ('BEPS') may lead to fundamental changes to international tax structures and may have knock on consequences for domestic standards as well.

The Board considers and reviews the risks that the Company is exposed to on a regular basis.

Performance against Strategic Priorities – Active Asset Management

Delivery of expected returns from the existing portfolio

During the period, investment cash flow from the Company's portfolio of 116 investments has continued to perform in line with the Company's forecasts. Ensuring that the Company's assets are available for use and are performing in accordance with contractual expectations is a critical task for the Company and its service providers.

The Investment Adviser, on behalf of the Company, closely monitors any availability and performance failures at a subcontractor level and works with these service providers to mitigate the risk of deductions. For example, all projects have a dedicated Asset Manager whose task is to ensure that the project is meeting all targets required under the contract and that the public sector client is satisfied with the standard of service being achieved. Each month the Asset Managers review the performance and availability deductions data from the facilities manager contractor to identify any large or recurrent deductions. This not only ensures that remedial action can be taken in a timely manner but that the public sector client receives a high level of visibility regarding the performance of the asset.

Maintain high levels of public sector satisfaction and asset performance

All projects continue to perform to the required contractual standards as demonstrated by the continued low level of payment deductions. In addition projects such as Diabolo received the European Rail award for "Best European integration" and during the period, the German Federal Minister of Environment Barbara Hendricks presented the Federal German Ministry of Education and Research project in Berlin with the "Award for sustainable construction."

Deliver additional capital value from existing assets

During the first six months of 2015 our public sector clients commissioned in excess of 402 variations resulting in over £2.9 million of additional works at the project level. All variations were overseen by the Investment Adviser as part of the day-to-day asset management activities it undertakes in conjunction with the project facilities manager and the public sector client. The ability to deliver these variations demonstrates the value and flexibility of PFI/PPP contracts to respond to the changing requirements of public sector clients.

The day-to-day management of interfaces between the client, investors and construction partners is also of importance in relation to investments in the course of construction. For instance, at the Northamptonshire schools project the Investment Adviser worked with the procuring authority to ensure its successful delivery of the Northampton Grouped Schools PFI Wave 2 Project. This entailed the extensions at 10 primary schools and a new primary school. These works were completed in the first half of 2015 creating some 2400 new school places for Northamptonshire.

Valuation benefits from successful completion of the construction and defects correction phases of these projects and other construction projects recently completed are expected to continue to be realised in 2015 as sustained operational performance is demonstrated. All construction currently within the portfolio has been completed with defects periods completing in 2015 and early 2016.

Projects under construction as at 30 June 2015 are set out in the table below. Further details are provided in 'Value-focused portfolio development' section below.

Asset	Location	Construction Completion Date	Defects Completion Year	Status	% of Fair Value of Investment
Building Schools for the Future portfolio	UK	Various. Latest August 2015	2016	On schedule	0.2%
Priority School Building Aggregator Programme – Batches 1-3	UK	Various, Latest August 2017	2018	On schedule	2.4%

Performance against Strategic Priorities – Value focused portfolio development

The Company has further developed its portfolio through a series of acquisitions and divestments since the start of the 2015 financial year (summarised in the table below). These projects acquired were all self-originated, having either been sourced by the Investment Adviser i) from project inception (i.e. in response to an initial government procurement process); or ii) by way of further investment into the Company's existing assets. These methods of procurement remain the Company's preferred route to market as they necessarily avoid investment in the open secondary market which, as we have noted before, remains very competitive.

Asset	Location	Acquisition/ Divestment	Operational Status	Investment	Acquisition date
Six months to 30 June 2015					
Priority School Building Aggregator Programme – Batch 1	North East, UK	Acquisition	Under construction	£7.9 million	10 March 2015
Priority School Building Aggregator Programme – Batch 2	Hertfordshire, Luton and Reading, UK	Acquisition	Under construction	£10.2 million	19 March 2015
Priority School Building Aggregator Programme – Batch 3	North West, UK	Acquisition	Under construction	£8.4 million	25 March 2015
Building Schools for the Future	Lewisham, UK	Acquisition	Operational	£14.3 million	17 April 2015
Liverpool Central Library	Liverpool, UK	Acquisition	Operational	£1.9 million	30 June 2015
Asset	**Location**	**Acquisition/ Divestment**	**Operational Status**	**Investment**	**Acquisition date**
Period from 1 July 2015					
Priority School Building Aggregator Programme – Batch 4	Midlands, UK	Acquisition	Under construction	£9.9 million	13 August 2015
Thames Tideway Tunnel	London, UK	Acquisition	Under construction	Up to £210 million	24 August 2015

Priority Schools Building Programme 'Aggregator'

During the six months to 30 June 2015 the Amber Consortium of which the Company is part, reached financial close on c.£26.5 million of funding in relation to three of the five batches of schools being delivered through the Priority Schools Building Programme ('PSBP').

These projects use an innovative financing model based upon the establishment of a funding vehicle known as the 'Aggregator'. One of the key features of the Aggregator is the ability to warehouse loans and thereby aggregate total financing requirements across all five schools batches. The Aggregator is financed by a Consortium including the Company with Aviva Investors and the European Investment Bank providing senior debt.

Following the 30 June 2015 balance date, the Company committed a further £9.9 million to the fourth batch of the Aggregator scheme. The Company expects to provide up to an additional c.£11 million funding to the remaining batch. Financial close of this final batch is expected before the end of 2015.

Additional investment in Lewisham Building Schools for the Future ('BSF') project

During the period, the Company acquired an additional 40% investment in the Lewisham BSF project, increasing the Company's overall exposure to between 41% and 50% in the underlying BSF assets.

The Company invested £14.3 million for the additional 40% interest from Babcock Project Investments Limited. The Lewisham project comprises BSF schools located in the South East London borough, including Sedgehill and Conisborough Schools; Trinity School; Deptford Green School; and, Bonus Pastor, Pendergast and Drum Beat Schools.

Additional investment in Liverpool Central Library project

In June the Company acquired an additional 19.9% investment for c.£1.9 million in the Liverpool Central Library Project from Shepherd Construction. The acquisition increased the Company's overall exposure from 80.1% to 100%.

The Liverpool Central Library is one of the flagship legacy projects for the Liverpool City Council, as part of the Liverpool European Capital of Culture programme in 2008. The Company, through its investment adviser Amber Infrastructure, acted as Lead Sponsor and Manager for the £50 million project to refurbish three existing historic library buildings which included the demolition and construction of a new main library and archive complex. The Library reached construction completion in January 2013 and opened to the public in May that year.

Awarded Preferred Bidder on Westermost Rough offshore transmission project

During the period, Transmission Capital Partners, the consortium comprising INPP, Amber Infrastructure and Transmission Investment were appointed as preferred bidder for the long-term licence and operation of a further offshore transmission project.

The scheme, comprising the transmission cable connection to Westermost Rough Offshore Wind Farm represents the sixth such project that Transmission Capital Partners has been appointed to, as preferred bidder. The Company expects to invest around c.£30 million upon financial close, estimated in the fourth quarter of 2015 or early 2016.

Thames Tideway Tunnel project

In August, the Company announced that a consortium of which it is a member had reached financial close on the Thames Tideway Tunnel ('Tideway') licence. The Company will invest up to £210 million and now has a 16% stake in the project, its largest investment to date, with the remaining Risk Capital being funded by the consortium partners.

Tideway is one of the most significant UK infrastructure investment opportunities. Up to 39 million tonnes of untreated sewage are currently discharged into London's waterways every year and the project will significantly reduce this.

The Tideway is a new part of the sewer network which will carry sewage and storm water discharges from the broader London sewerage system. The Tideway will be a 7.2m diameter 25km sewer tunnel running up to 65 metres below the Thames and will effectively replace the Thames as a "sewer of last resort". The Tideway project has a design life of 120 years and is expected to provide yield to its investors for the whole of this period.

The Company's commitment to Tideway has been secured through the issue of a letter of credit under the Company's corporate debt facility. The Company's investment will be funded as the project's milestones are met with the final injection expected in early 2018.

Construction of the estimated £4.2billion project (2011 prices) will be under three main contracts. The construction Preferred Bidders were announced in February 2015, with BMB JV (Joint Venture of BAM Nuttall Ltd, Morgan Sindall Plc and Balfour Beatty Group Limited) selected for the West contract, FLO JV (Joint Venture of Ferrovial Agroman UK Ltd, Laing O'Rourke Construction) for the Central contract and CVB JV (Joint Venture of Costain, Vinci Construction Grands Projets and Bachy Soletanche) for the East contract. Construction is expected to commence in 2016 and reach completion by 2023 followed by a 120 year operational life.

During construction, the Tideway project will benefit from a bespoke regulatory framework that will allow it to start generating revenue when construction begins. Once fully operational, Ofwat will regulate the Tideway project in line with other water and sewerage company's regulatory cycles.

Performance against Strategic Priorities – Efficient financial management

The Company achieved a cash dividend to investors that was 1.3 times covered by net operating cash flow for the six months ended 30 June 2015. This compares to 1.3 times for the dividend paid during the same period last year and is consistent with the Company's approach of having dividends that are fully covered from operating cash flow. The Company remains confident that it will be able to grow dividends from operating cash flows in the future.

It remains the Company's policy not to have long-term corporate level debt and it is anticipated that to the extent that the corporate facility is drawn either directly or through the use of letters of credit to support forecast investment commitments or to fund acquisitions, this would be a short-term arrangement and equity funding, by means of a capital raising, would be sought to repay outstanding debt as soon as practicable.

As noted in the Chairman's Letter, in May the Company successfully revised the terms of its corporate debt facility, increasing the facility from £175 million to £300 million. The overall cost of the facility was substantially reduced through an improvement in the margins and a reduction in fees charged. The margins on drawn amounts of the main facility will reduce from 225 bps over Libor to 175 bps over Libor. In addition, the facility can be used to provide letters of credit, providing the Company with flexibility, particularly around investments made during the construction phase of projects. At the date of this report, £82.2 million of the corporate debt facility was drawn, £179.6 million was issued as letters of credit and £38.2 million remained undrawn or unutilised.

Outlook

Current Market Environment and Future Opportunities

Overall the Company continues to have a positive market outlook. Government support for private sector investment in infrastructure continues to feature as a high public priority. Also, secondary market competition is currently at a very high level, resulting in significant price inflation which augurs well for the value of the Company's existing assets and the market perception of infrastructure being a firmly established class of investment asset.

The Company's focus continues to be on investments originated directly from the public sector rather than via the secondary market, where competition remains intense. These 'self originated' assets comprise 89% of the portfolio.

Currently, the Investment Adviser has identified a significant investment pipeline for the Company. In addition to these potential investments the Company and its Investment Adviser have a larger number of transactions under review, which are at an earlier stage of development.

Current Pipeline

Overall, the Company remains positive about its prospects, both in terms of the performance of its existing investments and the opportunity to add high quality investments to the portfolio during 2015.

In addition to the anticipated commitment to Tideway, Westermost Rough OFTO and the Priority Schools Building Programme Aggregator projects the Investment Adviser has a pipeline of other potential investment opportunities that are at an earlier stage of development, which subject to further review and other things being equal, will be progressed as investment opportunities for the Company. Key areas of current activity within the Company and/or its Investment Adviser (or associates) include:

- Continued activities in the area of UK offshore transmission
- Enhanced access to US P3 opportunities, particularly through the relationship with Amber/Hunt
- Other UK and European primary investment opportunities (for instance in the healthcare and judicial sectors)
- Acquisition of additional investments in projects where the Company already has an investment. Typically these will arise under pre-emption and similar rights
- The growing range of opportunities in Northern Europe and Australia and New Zealand which conform to the existing risk profile within the Company's portfolio
- Appropriately priced proposals from third parties seeking to dispose of projects meeting the Company's investment criteria which have synergies with the Company's existing portfolio

Selected specific current opportunities identified by the Investment Adviser are outlined in the table below. Notwithstanding the projects listed above, it should be noted that the Company's performance is not dependent upon making additional investments in order to deliver its projected returns. Further investment opportunities will be judged by their anticipated contribution to overall portfolio returns.

Outlook continued

Project	Location	Estimated Investment Opportunity	Expected Concession Length	Project Status
Thames Tideway Tunnel	UK	Up to additional £180 million[1]	120 years	The Company is part of the Bazalgette consortium awarded licence to own and finance project. Investment in phases until early 2018
OFTOs – Westermost Rough, Humber Gateway	UK	£30 million[2]	20 years	Preferred bidder on one and shortlisted on another for third tender round OFTOs
Priority Schools Building Aggregator Programme	UK	Up to £11 million[2]	25 years	Consortium including the Company named preferred bidder
Education	Australia	Up to £18 million[2]	c. 25 years	One of two shortlisted
Judicial	Australia	c. £15million[2]	25 years	One of two shortlisted
Police Centre	Germany	c. €8 million[2]	32.5 years	Preferred Bidder awarded in July 2015
HUB framework	UK	£35 million[2]	25 years	HUB framework for various social community projects in Scotland. Preferred bidder status for both short and longer-term projects.
P3 Investment	US	c.£30 million[2]	40 years	Bidding on opportunity sourced through Hunt
Medium-term opportunities				
Judicial	Belgium, Germany, Netherlands	c.£190 million[3]	c. 25 years	The Company has the benefit of short, medium and long-term development opportunities as well as pre-emption opportunities in respect of a number of projects within the existing portfolio
Transmission	UK	£400 million[3]	20 years	Bidding two third tranche OFTOs within successful consortium

The above represents potential opportunities currently under review by the Investment Adviser (and its associates) including current bids, preferred bidder opportunities and estimated value of opportunities to acquire additional investments including under pre-emption/first refusal rights. There is no certainty these will translate to actual investment opportunities for the Company. The value referenced in relation to the pre-emption opportunities represents the estimated potential investment value which reflects the current estimate of the total likely acquisition value at the time. In relation to the remaining medium term opportunities, the figure represents the current estimated gross value of the relevant project and therefore includes both debt and equity and is not necessarily indicative of the eventual acquisition price for, or the value of, any interest that may be acquired.

1 This project has reached financial close and the Company is committed to invest up to £180 million in addition to the £30 million invested in August 2015.

2 Represents current estimated total future investment commitment by the Company.

3 Represents the estimated current unaudited capital value of the project and includes both debt and equity.

Rupert Dorey
26 August 2015
Chairman

John Whittle
26 August 2015
Director

Board of Directors

				
Background and Experience				
Rupert Dorey (Chairman)	**Giles Frost**	**Claire Whittet**	**John Whittle**	**John Stares**
Aged 55 and a resident of Guernsey, Rupert has over 30 years of experience in financial markets, including 17 years at CSFB where he specialised in credit related products. Rupert's expertise was principally in the areas of debt distribution, origination and trading, where he held a number of senior positions at CSFB, including Fixed income Credit product coordinator for European offices and head of UK Credit and Rates Sales. Since 2005 Rupert has been a Non-Executive Director for a number of Hedge Funds, Private Equity & Infrastructure Funds. Rupert is a member of the Institute of Directors.	Aged 52, resident in the United Kingdom, Giles is a founder and Director of Amber and has worked in the infrastructure investments sector for over 20 years. Giles qualified as a solicitor and partner in the law firm Wilde Sapte (now Dentons). Giles is a Director of Amber Infrastructure Group Holdings Limited, the ultimate holding company of the Investment Adviser to the Company and various of its subsidiaries.	Aged 60 and a resident of Guernsey, Claire has over 35 years' experience in the banking industry. Since 2003 Claire has been a Director and, more recently, Managing Director and Co-Head of Rothschild Bank International Ltd and Director of Rothschild Bank (CI) Ltd. Claire was previously with Bank of Scotland and was latterly Global Head of Private Client Credit at Bank of Bermuda. Claire is a Non-Executive Director on a number of other funds, is a member of the Chartered Institute of Bankers in Scotland, a member of the Chartered Insurance Institute, a Chartered Banker, a member of the Institute of Directors and holds the Institute of Directors Diploma in Company Direction.	Aged 60, John is a resident of Guernsey. John is a Chartered Accountant and holds the Institute of Directors Diploma in Company Direction. John holds non-executive positions on a number of other boards and chairs the NED committee of the Guernsey Investment Fund Association. John was previously Finance Director of Close Fund Services, a large independent fund administrator. Prior to moving to Guernsey, John was at Price Waterhouse in London before embarking on a career in business services, predominantly telecoms.	Aged 64 and a resident of Guernsey since 2001, John has 40 years business experience. Before moving to Guernsey John worked for 23 years as a management consultant with Accenture where he held a wide variety of leadership roles. He currently holds non-executive positions on the boards of several other companies. John is a Fellow of the Institute of Chartered Accounts in England and Wales, a member of the Worshipful Company of Management Consultants and a Freeman of the City of London.
Date of Appointment				
2 August 2006	2 August 2006	10 September 2012	6 August 2009	28 August 2013

Directors’ Responsibilities Statement

The Directors are responsible for preparing the Half-yearly Financial Report in accordance with applicable law and regulations. The Directors confirm to the best of their knowledge:

a) The condensed set of financial statements have been prepared in accordance with IAS 34 ‘Interim Financial Reporting’;
b) The interim financial and operating review includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year); and
c) The interim financial and operating review includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties’ transactions and changes therein).

By order of the Board

Rupert Dorey
26 August 2015
Chairman

John Whittle
26 August 2015
Director

Independent Review Report to International Public Partnerships Limited

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly Financial Report for the six months ended 30 June 2015 which comprises the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Statement of Financial Position, the Condensed Consolidated Cash Flow Statement and the related Notes 1 to 20. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly Financial Report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly Financial Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 1, the Annual Financial Statements of the Company are prepared in accordance with IFRS as adopted by the European Union. The condensed set of financial statements included in this half-yearly Financial Report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the Half-yearly Financial Report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly Financial Report for the six months ended 30 June 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP

Guernsey

26 August 2015

Condensed Consolidated Statement of Comprehensive Income (unaudited)

Six months ended 30 June 2015

	Notes	Six months ended 30 June 2015 £'000s	Six months ended 30 June 2014 £'000s
Interest income	4	**20,707**	15,330
Dividend income	4	**9,595**	14,175
Net change in fair value of investments at fair value through profit or loss	4	**16,649**	13,847
Realised gain on disposal of investments	4	**-**	1,161
Total investment income		**46,951**	44,513
Other operating income/(expense)	5	**980**	(742)
Total income		**47,931**	43,771
Management costs	6, 17	**(6,485)**	(5,628)
Administrative expenses		**(552)**	(523)
Transaction costs	7	**(644)**	(314)
Directors' fees		**(115)**	(133)
Total expenses		**(7,796)**	(6,598)
Profit before finance costs and tax		**40,135**	37,173
Finance costs	8	**(1,730)**	(1,258)
Profit before tax		**38,405**	35,915
Tax credit	9	**1,011**	986
Profit for the period		**39,416**	36,901
Earnings per share			
From continuing operations			
Basic and diluted (pence)	10	**4.71**	4.85

All results are from continuing operations in the period.

All income is attributable to the equity holders of the parent. There are no non-controlling interests within the Consolidated Group.

There are no other Comprehensive Income items in the current period (June 2014: nil). The profit for the period approximates the Total Comprehensive Income for the period.

Condensed Consolidated Statement of Changes in Equity (unaudited)

Six months ended 30 June 2015

	Share capital £'000s	Other distributable reserve £'000s	Retained earnings £'000s	Total £'000s
Balance at 31 December 2014	**625,289**	**182,481**	**254,298**	**1,062,068**
Total comprehensive income	-	-	**39,416**	**39,416**
Issue of Ordinary Shares	**2,521**	**-**	**-**	**2,521**
Distributions in the period	**-**	**-**	**(26,338)**	**(26,338)**
Balance at 30 June 2015	**627,810**	**182,481**	**267,376**	**1,077,667**

	Share capital £'000s	Other distributable reserve £'000s	Retained earnings £'000s	Total £'000s
Balance at 31 December 2013	524,393	182,481	228,517	935,391
Total comprehensive income	-	-	36,901	36,901
Issue of Ordinary Shares	3,191	-	-	3,191
Distributions in the period	-	-	(23,390)	(23,390)
Balance at 30 June 2014	527,584	182,481	242,028	952,093

Condensed Consolidated Balance Sheet (unaudited)

As at 30 June 2015

	Notes	30 June 2015 £'000s	31 December 2014 £'000s
Non-current assets			
Investments at fair value through profit or loss	11	**1,084,972**	1,032,941
Total non-current assets		**1,084,972**	1,032,941
Current assets			
Trade and other receivables	11,13	**22,002**	19,529
Cash and cash equivalents	11	**16,289**	29,391
Derivative financial instruments	11	**3,016**	2,948
Total current assets		**41,307**	51,868
Total assets		**1,126,279**	1,084,809
Current liabilities			
Trade and other payables	11,14	**7,305**	6,414
Total current liabilities		**7,305**	6,414
Non-current liabilities			
Bank loans	8,11	**41,307**	16,327
Total non-current liabilities		**41,307**	16,327
Total liabilities		**48,612**	22,741
Net assets		**1,077,667**	1,062,068
Equity			
Share capital	15	**627,810**	625,289
Other distributable reserve	15	**182,481**	182,481
Retained earnings	15	**267,376**	254,298
Equity attributable to equity holders of the parent		**1,077,667**	1,062,068
Net assets per share (pence per share)	16	**128.6**	127.0

The Half-yearly Financial Report was approved by the Board of Directors on 26 August 2015.

They were signed on its behalf by:

Rupert Dorey
26 August 2015
Chairman

John Whittle
26 August 2015
Director

Condensed Consolidated Cash Flow Statement (unaudited)

Six months ended 30 June 2015

	Notes	Six months ended 30 June 2015 £'000s	Six months ended 30 June 2014 £'000s
Profit from operations		**39,416**	36,901
Adjusted for:			
Unrealised exchange loss		**112**	325
Gain on investments at fair value through profit or loss	4	**(16,649)**	(13,847)
Finance costs	8	**1,730**	1,258
Net income tax credit	9	**(1,011)**	(986)
Fair value movement on derivative financial instruments	5	**(68)**	415
Realised gain on disposal of investments	4	**-**	(1,161)
Working capital adjustments			
(Increase)/Decrease in receivables		**(1,304)**	1,288
(Decrease)/Increase in payables		**(112)**	1,049
		22,114	25,242
Income tax received[1]		**-**	422
Net cash inflow from operations		**22,114**	25,664
Investing activities			
Acquisition of investments at fair value through profit or loss		**(42,695)**	(20,117)
Net repayments from investments at fair value through profit or loss		**7,313**	3,433
Net cash outflow from investing activities		**(35,382)**	(16,684)
Financing activities			
Dividends paid		**(23,817)**	(20,199)
Loan drawdowns		**24,980**	-
Finance costs paid		**(727)**	(2,663)
Net cash inflow/(outflow) from financing activities		**436**	(22,862)
Net decrease in cash and cash equivalents		**(12,832)**	(13,882)
Cash and cash equivalents at beginning of period		**29,391**	80,609
Exchange (loss)/gain on cash and cash equivalents		**(270)**	95
Cash and cash equivalents at end of period[2]		**16,289**	66,822

[1] Group tax losses surrendered to unconsolidated investment entities.

[2] Includes restricted cash of £nil (June 2014: £23.1 million) committed for investment purposes.

Notes to the Condensed set of Financial Statements (unaudited)

Six months ended 30 June 2015

1. Basis of Preparation

International Public Partnerships Limited is a closed ended authorised investment company incorporated in Guernsey under The Companies (Guernsey) Law, 2008. The address of the registered office is given in the inside backcover. The nature of the Group's operations and its principal activities are set out in pages 2 to 4.

These financial statements are presented in pounds Sterling as this is the currency of the primary economic environment in which the Group ('Parent and consolidated subsidiary entities') operates and represents the functional currency of the Parent and all values are rounded to the nearest (£'000), except when otherwise indicated.

The financial information for the year ended 31 December 2014 included in this Half-yearly Financial Report is derived from the 31 December 2014 Annual Report and Financial Statements and does not constitute statutory accounts as defined in The Companies (Guernsey) Law, 2008. The auditors reported on those accounts: their report was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under section 263 (2) and (3) of The Companies (Guernsey) Law, 2008.

Accounting policies

The annual financial statements of International Public Partnerships Limited are prepared in accordance with IFRS as adopted by the European Union. The set of condensed consolidated financial statements included in this Half-yearly Financial Report has been prepared in accordance with International Accounting Standard 34 – 'Interim Financial Reporting' as adopted by the European Union and should be read in conjunction with the consolidated financial statements for the year ended 31 December 2014, as they provide an update of previously reported information.

The same accounting policies, presentation and methods of computation are followed in this set of condensed financial statements as applied in the Group's latest annual audited financial statements for the year ended 31 December 2014. The new and revised IFRS and interpretations becoming effective in the period have had no impact on the accounting policies of the Group.

As disclosed in the annual financial statements for the year ended 31 December 2014, the Directors determined that International Public Partnerships Limited is an investment entity as defined by IFRS 10 on the basis that:

a) it obtains funds from one or more investor(s) for the purpose of providing those investor(s) with investment management services;
b) it commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
c) it measures and evaluates the performance of substantially all of its investments on a fair value basis.

Accordingly, these condensed consolidated financial statements consolidate only those subsidiaries that provide services relevant to its investment activities, such as management services, strategic advice and financial support to its investees. Subsidiaries that do not provide investment-related services are required to be measured at fair value through profit or loss in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

Going concern

The Directors have reviewed comprehensive cash flow forecasts prepared by management. Based on those forecasts and an assessment of the Group's ('Parent and consolidated subsidiary entities') committed banking facilities, they have concluded that it is appropriate to prepare the financial statements of the Group on a going concern basis.

In arriving at their conclusion that the Group has adequate financial resources, the Directors were mindful that the Group had unrestricted cash of £16.3 million[2] as at 30 June 2015. In May 2015, the Company's corporate debt facility was renewed to £300 million (December 2014: £175 million) of which £48.2 million[2] is uncommitted (as at 30 June 2015) and available for investment in new and existing projects until May 2018[1]. The new facility is forecast to continue in full compliance with the associated banking covenants. The Company also continues to fully cover costs and distributions from underlying cash flows from investments.

1 At 30 June 2015, £41.3 million of the corporate debt facility was drawn, £210.5 million was issued as letters of credit and £48.2 million remained undrawn or unutilised.
2 As of the date of this report £82.2 million of our corporate debt facility was drawn, £179.6 million was issued as letters of credit and £38.2 million remained undrawn.

2. Significant Judgments and Estimates

Service entities and consolidation group

Following the adoption of IFRS 10 Investment Entity Amendments, the condensed consolidated financial statements incorporate the financial statements of the Company and service entities controlled by the Company up to 30 June 2015. Typically a service entity provides management services, strategic advice and financial support to investee entities. Judgment is therefore required in assessing which entities meet these definitional requirements. The Directors have reviewed and assessed the criteria applied in the assessment of services entities based on the guidance in place as at 30 June 2015 and are satisfied with the resulting conclusion.

Fair valuation of investments at fair value through profit or loss

Fair values are determined using the income approach which discounts the expected cash flows at a rate appropriate to the risk profile of each asset. In determining the discount rate and relevant long-term government bond yields, tax risks, specific risks and the evidence of recent transactions are considered. Details of the valuation process and key sensitivities are provided in note 11.

3. Segmental Reporting

Based on a review of information provided to the chief operating decision makers, the Group has identified four reportable segments based on the geographical risk within the Group. The factors used to identify the Group's reportable segments are centered on the risk free rates and the maturity of the Infrastructure sector (particularly PFI/PPP) within each country. Further, foreign exchange and political risk are identified, as these also determine where resources are allocated. Management has concluded that the Group is currently organised into four reportable segments being UK, Europe (non UK), North America and Australia.

	Six months ended 30 June 2015				
	UK	Europe Non UK	North America[2]	Australia	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
Segmental results					
Dividend and interest income	23,761	3,345	869	2,327	30,302
Fair value gain/(loss) on investments	40,049	(16,282)	(1,354)	(5,764)	16,649
Total investment income	63,810	(12,937)	(485)	(3,437)	46,951
Reporting segment profit/(loss) [1]	**55,963**	**(13,206)**	**(360)**	**(2,981)**	**39,416**

	As at 30 June 2015				
	UK	Europe Non UK	North America[2]	Australia	Total
	£'000s	£'000s	£'000s	£'000s	£'000s
Segmental financial position					
Investments at fair value	767,779	194,409	37,131	85,653	1,084,972
Current assets	41,307	-	-	-	41,307
Total assets	809,086	194,409	37,131	85,653	1,126,279
Total liabilities	(48,612)	-	-	-	(48,612)
Net assets	760,474	194,409	37,131	85,653	1,077,667

1 Reporting segment results are stated net of operational costs including management fees.
2 North American segment currently relates entirely to projects in Canada.

Notes to the Condensed set of Financial Statements (unaudited) continued

Six months ended 30 June 2015

3. Segmental Reporting (continued)

	Six months ended 30 June 2014				
	UK £'000s	Europe Non UK £'000s	North America[2] £'000s	Australia £'000s	Total £'000s
Segmental results					
Dividend and interest income	21,891	3,448	1,679	2,487	29,505
Fair value gain/(loss) on investments	2,686	5,626	(1,362)	6,897	13,847
Realised gain on disposal of investments	1,161	-	-	-	1,161
Total investment income	25,738	9,074	317	9,384	44,513
Reporting segment profit[1]	18,619	8,610	288	9,384	36,901

	As at 30 June 2014				
	UK £'000s	Europe Non UK £'000s	North America[2] £'000s	Australia £'000s	Total £'000s
Segmental financial position					
Investments at fair value	519,999	200,707	39,727	95,726	856,159
Current assets	103,661	-	-	-	103,661
Total assets	623,660	200,707	39,727	95,726	959,820
Total liabilities	(7,727)	-	-	-	(7,727)
Net assets	615,933	200,707	39,727	95,726	952,093

1 Reporting segment results are stated net of operational costs including management fees.
2 North American segment currently relates entirely to projects in Canada.

Revenue from investee entities, representing more than 10% of the Group's interest and dividend income approximates £9.8 million (June 2014: £12.1 million). Segmental profits in the UK have increased in the period in part due to a revised valuation of Angel Trains in line with market activity. Segmental losses in Europe, North America and Australia are mainly driven by adverse foreign exchange conditions and lower than expected inflation.

4. Investment Income

	Six months ended 30 June 2015 £'000s	Six months ended 30 June 2014 £'000s
Interest income		
Interest on investments	**20,689**	15,014
Interest on bank deposits	**18**	316
Total interest income	**20,707**	15,330
Dividend income	**9,595**	14,175
Net change in fair value of financial assets at fair value through profit or loss	**16,649**	13,847
Realised gain on disposal of investments	**-**	1,161
Total investment income	**46,951**	44,513

All dividend income and interest income has resulted from transactions with unconsolidated subsidiary entities. Gains on investments at fair value through profit or loss also relate to investments in unconsolidated subsidiaries.

In the six months ended 30 June 2014, International Public Partnerships Limited agreed to divest its minority investments in a number of BSF projects resulting in a realised gain of £1.16 million. No disposals were carried out in the six months ended 30 June 2015.

5. Other Operating Income/(Expense)

	Six months ended 30 June 2015 £'000s	Six months ended 30 June 2014 £'000s
Fair value gain/(loss) on foreign exchange contracts	**68**	(415)
Gain/(loss) on foreign exchange movements	**912**	(327)
Total other income/(expense)	**980**	(742)

6. Management Costs

	Six months ended 30 June 2015 £'000s	Six months ended 30 June 2014 £'000s
Base fee (note 17)	**6,485**	5,628
	6,485	5,628

7. Transaction Costs

	Six months ended 30 June 2015 £'000s	Six months ended 30 June 2014 £'000s
Investment advisory costs	**640**	297
Legal and professional costs	**4**	17
	644	314

Details of investment advisory costs paid are provided in note 17.

8. Finance Costs

	Six months ended 30 June 2015 £'000s	Six months ended 30 June 2014 £'000s
Commitment fees and other charges	**1,350**	823
Issue cost amortisation	**380**	435
Total finance costs	**1,730**	1,258

In May 2015, the Group renewed the corporate debt facility with the existing providers, Royal Bank of Scotland and National Australia Bank Limited and increased the facility from £175 million to £300 million. As at 30 June 2015, the undrawn balance on the corporate debt facility was £48.2 million. The drawdowns in the period were in the form of cash drawdowns and issuance of letters of credit. Cash drawdowns were used to partially fund the cash invested in the period and the letter of credit drawdowns were used to back the Group's commitment to a future pipeline of cash investments.

The interest rate margin on the corporate debt facility is 175 basis points over Libor. The loan facility matures in May 2018 and is secured over the assets of the Group.

9. Tax

	Six months ended 30 June 2015 £'000s	Six months ended 30 June 2014 £'000s
Current tax:		
UK corporation tax – current year	**(1,081)**	(1,135)
Overseas tax – current year	**70**	149
Tax credit for the period	**(1,011)**	(986)

Reconciliation of effective tax rate

	Six months ended 30 June 2015 £'000s	Six months ended 30 June 2014 £'000s
Profit before tax	**38,405**	35,915
Expected tax on profit at Guernsey corporation rate - 0% (2014: 0%)	**-**	-
Application of overseas tax rates	**70**	149
Group tax losses surrendered to unconsolidated investment entities	**(1,081)**	(1,135)
Tax credit for the period	**(1,011)**	(986)

The income tax credit above does not represent the full tax position of the entire group as the investment returns received by the Company are net of tax payable at the underlying investee entity level. In accordance with the IFRS 10 investment entity amendments, underlying investment entity tax is not consolidated within these financial statements. Total forecasted corporation tax payable by the Group's underlying investments is £759 million over their full concession lives.

10. Earnings per Share

The calculation of basic and diluted earnings per share is based on the following data:

	Six months ended 30 June 2015 £'000s	Six months ended 30 June 2014 £'000s
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to equity holders of the Parent	**39,416**	**36,901**
	Number	Number
Number of shares		
Weighted average number of Ordinary Shares for the purposes of basic and diluted earnings per share	**836,373,591**	**760,877,969**
Basic and diluted (pence)	**4.71**	**4.85**

The denominator for the purposes of calculating both basic and diluted earnings per share is the same, as the Company has not issued any share options or other instruments that would cause dilution.

11. Financial Instruments

Financial assets and financial liabilities are recognised when contractual provisions of the instrument are entered into. Financial assets are derecognised when the contractual rights to the cash flows from the instrument expire or the asset is transferred and the transfer qualifies for derecognition in accordance with IAS 39 'Financial Instruments: Recognition and Measurement'. Financial liabilities are derecognised when the obligation is discharged, cancelled or expired.

11.1 Financial assets

	30 June 2015 £'000s	31 December 2014 £'000s
Investments at fair value through profit and loss[1]	**1,084,972**	1,032,941
Financial asset loans and receivables		
Trade and other receivables	**22,002**	19,529
Cash and cash equivalents	**16,289**	29,391
Derivative financial instruments		
Currency swaps	**3,016**	2,948
Total financial assets	**1,126,279**	1,084,809

1 Includes fair value of investments in associates amounting to £1.7 million (Dec 2014: £1.7 million).

11.2 Financial liabilities

	30 June 2015 £'000s	31 December 2014 £'000s
Financial liabilities		
Bank loans	**41,307**	16,327
Trade and other payables	**7,305**	6,414
Total financial liabilities	**48,612**	22,741

The carrying value of other liabilities is considered to approximate their fair value.

11.3 Financial risk and management objectives

The Group's objective in managing risk is the creation and protection of shareholder value. Risk is inherent in the Group's activities, but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. The process of risk management is critical to the Group's continuing profitability. The Group is exposed to market risk (which includes currency risk, interest rate risk and inflation risk), credit risk and liquidity risk arising from the financial instruments it holds. The Group's Investment Adviser is responsible for identifying and controlling risks. The Board of Directors supervises the Investment Adviser and is ultimately responsible for the overall risk management of the Group.

The Group's risk management framework and approach is set out within the Strategic Report in the 31 December 2014 annual financial statements.

Market Risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as changes in inflation, foreign exchange rates and interest rates.

Inflation Risk

The majority of the Group's cash flows from underlying investments are linked to inflation indices. Changes in inflation rates can have a positive or negative impact on the Group's cash flows from investments. The long-term inflation assumptions applied in the Group's valuation of investments at fair value through profit or losses are disclosed in the fair value hierarchy section 11.4.

The Group's portfolio of investments has been developed in anticipation of continued inflation at or above the levels used in the Group's valuation assumptions over the long term. Where inflation is at levels below the assumed levels, investment performance may be impaired. The level of inflation linkage across the investments held by the Group varies and is not consistent.

11.3 Financial risk and management objectives (continued)

Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows from underlying investments therefore impacting the value of investments at fair value through profit or loss. The Group has limited exposure to interest rate risk as the underlying borrowings within the investee entities are either hedged through interest rate swap arrangements or are fixed rate loans. It is generally a requirement under a PFI/PPP concession that any borrowings are matched to the life of the concession. Hedging activities are aligned with the period of the loan, which also mirrors the concession period and are highly effective. The Group's corporate facility is unhedged on the basis it is utilised as an investment bridging facility and drawn for a relatively short period of time. Therefore, the Group is not significantly exposed to cash flow risk due to changes in interest rates over its variable rate borrowings. Interest income on bank deposits held at underlying investment level is included within the fair value of investment. Sensitivity analysis showing the impact of variations in the interest income deposit rate on fair value of investment is shown in section 11.5.

Foreign Currency Risk

The Group undertakes certain transactions denominated in foreign currencies and therefore is exposed to exchange rate fluctuations. Currency risk arises in financial instruments that are denominated in a foreign currency other than the functional currency in which they are measured. The carrying amounts of the Group's foreign currency denominated monetary financial instruments at the reporting date are set out in the table below:

	30 June 2015 £'000s	31 December 2014 £'000s
Cash		
Euro	**1,542**	2,263
Canadian Dollar	**1,125**	824
Australian Dollar	**1,260**	1
	3,927	3,088
Current receivables		
Euro receivables	**348**	407
	348	407
Investments at fair value through profit or loss		
Euro	**194,409**	210,962
Canadian Dollar	**37,131**	38,858
Australian Dollar	**85,653**	93,050
	317,193	342,870
Total	**321,468**	346,365

The Group uses forward foreign exchange contracts to mitigate the risk of short-term volatility in foreign exchange on significant investment returns from overseas investments.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group has adopted a policy of dealing only with creditworthy counterparties at the underlying entity level. PFI/PPP concessions are entered into with government, quasi government, and other public or equivalent low risk bodies.

Liquidity risk

Liquidity risk is defined as the risk that the Group would encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Group invests in relatively illiquid investments (mainly non-listed equity and loans). As a closed-ended investment vehicle there are no automatic redemption of capital rights. The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities and by continuously monitoring the forecast and actual cash flows. Cash flow forecasts assume full availability of underlying infrastructure to the public sector entities. Failure to maintain assets available for use or operating in accordance with pre-determined performance standards may entitle the public sector to stop (wholly or partially) paying the income that the Group has projected to receive. Ultimate responsibility for liquidity risk management rests with the Board of Directors.

The Directors review the underlying performance of each investment on a quarterly basis, allowing asset performance to be monitored. Contractual mechanisms also allow for significant pass-down of unavailability and performance risk to sub-contractors.

11.4 Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities
- Level 2 — Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable)
- Level 3 — Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable)

During the period there were no transfers between Level 2 and Level 3 categories.

Level 1:
The Group has no financial instruments classified as level 1.

Level 2:
This category includes derivative financial instruments such as interest rate swaps, RPI swaps, currency forward contracts and investments at fair value through profit or loss. As at 30 June 2015, the Group's level 2 financial instruments include currency forward contracts amounting to an asset of £3.0 million (December 2014: asset of £2.9 million).

Financial instruments classified as level 2 have been valued using models whose inputs are observable in an active market (spot exchange rates, yield curves, interest rate curves). Valuations based on observable inputs include financial instruments such as swaps and forward contracts which are valued using market standard pricing techniques where all the inputs to the market standard pricing models are observable.

Level 3:
This category consists of investments in equity and loan instruments in underlying unconsolidated subsidiary entities which are classified at fair value through profit or loss. At 30 June 2015, fair value of financial instruments classified as level 3 totalled £1,085.0 million (December 2014: £1,032.9 million).

Financial instruments are classified as level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). A valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence demonstrating an executable exit price.

Valuation process
Valuations are the responsibility of the Board of Directors of the Company. The valuation of unlisted equity and debt investments is performed on a quarterly basis by the Investment Adviser and reviewed by the senior members of the Investment Adviser. The valuations are also subject to quality assurance procedures performed by the Investment Adviser. The Investment Adviser verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to relevant project financial models and market information. In addition, the accuracy of the computation is tested. The latest valuation is also compared with the valuations in the preceding semi-annual and annual reporting periods. The senior members of the Investment Adviser consider the appropriateness of the valuation methods and inputs. On a quarterly basis, after the checks above have been performed the Investment Adviser presents the valuation results to the Audit and Risk Committee. This includes a discussion of the major assumptions used in the valuations, with an emphasis on the more significant investments. Any changes in valuation methods and assumptions are discussed and agreed with the Company's Audit Committee.

Valuation methodology
The valuation methodologies used are primarily based on discounting the underlying investee entities future projected net cash flows at appropriate discount rates. Valuations are also reviewed against recent market transactions for similar assets in comparable markets observed by the Company or Investment Adviser and adjusted where appropriate.

Notes to the Condensed set of Financial Statements (unaudited) continued

Six months ended 30 June 2015

11.4 Fair value hierarchy (continued)

Projected net future cash flows

Cash flow forecasts for each underlying investment are generated through detailed project specific financial models. Financial models forecast the project related cash flows for the full term of the underlying service concession. The cash flows included in the forecasts used to determine fair value are typically fixed under contracts however there are certain variable cash flows which are based on management estimation. These models also forecast the dividend, shareholder loan interest payments, capital repayments and senior debt repayments (where applicable) expected from the underlying investments. Key macroeconomic inputs and assumptions utilised in projecting the Group's net future cash flows include:

	UK	Europe Non UK	North America	Australia
Inflation	2.75%	1% until 2017; 2% thereafter	2.00%	2.50%
Long-term tax rates[1]	20.00%	12.50% - 39.99%	25.00% - 26.50%	30.00%
Foreign exchange rates	n/a	1.33	1.95	2.15
Long-term deposit rates	3.50%	3.00%	3.00%	4.50%

1 Corporation tax rates are only updated once they have been enacted.

Discount rate

The discount rate used for valuation of each investment is the aggregate of the following:

- the 6 month average yield on a government bond with a remaining maturity matched as closely to the remaining life of the project as possible, issued by the national government for the location of the asset ('government bond yield')
- a premium to reflect the inherent greater risk in investing in infrastructure assets over government bonds
- a further premium to reflect the state of maturity of the asset with a larger premium applied to immature assets and/or assets in construction and/or to reflect any current asset specific or operational issues. Typically this risk premium will reduce over the life of any asset as an asset matures, its operating performance becomes more established, and the risks associated with its future cash flows decrease
- a further adjustment reflective of market based transaction valuation evidence for similar assets

Over the period, the weighted average government bond rate decreased by 0.67%. This was offset by a 0.48% increase in the weighted average project premium to reflect the transactions observed in the market and the decrease in risk premia relating to construction assets that are nearing or have reached completion.

Valuation Methodology	30 June 2015	31 December 2014	Movement
Weighted Average Government Bond Rate	**2.12%**	2.79%	(0.67%)
Weighted Average Project Premium	**5.17%**	4.69%	0.48%
Weighted Average Discount Rate	**7.29%**	7.48%	(0.19%)
Weighted Average Discount Rate[1]	**7.83%**	7.90%	(0.07%)

1 Weighted average discount rate on risk capital only (equity and subordinated debt).

Notes to the Condensed set of Financial Statements (unaudited) continued

Six months ended 30 June 2015

11.4 Fair value hierarchy (continued)

Reconciliation of Level 3 fair value measurements of financial assets

	30 June 2015 £'000s
Balance at 1 January 2015	1,032,941
Additional investments during the period	42,695
Net repayments during the period	(7,313)
Total gains in comprehensive income	16,649
Balance at 30 June 2015	**1,084,972**

11.5 Sensitivity analysis

The valuation requires management to make certain assumptions in relation to unobservable inputs to the model, the significant assumptions along with sensitivity analysis are provided below:

Significant assumptions	Weighted average rate applied in base case valuations	Sensitivity factor	Fair value impact of +change £'000	Fair value impact of +change £'000
Discount rate	7.29%	+/- 1.0%	(93,104)	108,650
Inflation rate (overall)	2.57%	+/- 1.0%	88,416	(77,156)
UK (RPI)	2.75%	+/- 1.0%	40,700	(38,151)
Europe (CPI)	2.00%	+/- 1.0%	35,350	(29,085)
North America (CPI)	2.00%	+/- 1.0%	1,193	(1,047)
Australia (CPI)	2.50%	+/- 1.0%	11,173	(8,873)
FX rate	n/a	+/- 10%	38,666	(31,638)
Tax rate	22.95%	+/- 1.0%	(7,216)	7,994
Deposit rate	3.12%	+/- 1.0%	13,976	(12,913)

12. Investment Acquisitions

Date of acquisition	Description	Consideration £'000s	Investment post acquisition
25 March 2015	The Group invested three batches of funding in Aggregator Vehicle PLC which in turn funds the UK government's Priority Schools Building Programme.	26,504	100%
17 April 2015	The Group made follow on investments in four Lewisham Building Schools for the Future projects.	14,286	41-50%
30 June 2015	The Group made a follow on investment in the Inspire Partnership Liverpool Library project.	1,905	100%
		42,695	

13. Trade and Other Receivables

	30 June 2015 £'000s	31 December 2014 £'000s
Accrued interest receivable	**15,148**	13,045
Other debtors	**6,854**	6,484
	22,002	19,529

Other debtors includes £5.0 million (December 2014: £4.9 million) of receivables from unconsolidated subsidiary entities for surrender of Group tax losses.

14. Trade and Other Payables

	30 June 2015 £'000s	31 December 2014 £'000s
Accrued management fee	**6,485**	5,980
Other creditors and accruals	**820**	434
	7,305	6,414

15. Share Capital and Reserves

Share capital

	30 June 2015 shares '000s	31 December 2014 shares '000s
In issue 1 January	**836,159**	760,642
Issued for cash	**-**	70,370
Issued as a scrip dividend alternative	**1,847**	5,147
Closing shares in issue – fully paid	**838,006**	836,159

	30 June 2015 £'000s	31 December 2014 £'000s
Opening balance 1 January	**625,289**	524,393
Issued for cash (excluding issue costs)	**-**	95,000
Issued as a scrip dividend alternative	**2,521**	6,688
Total share capital issued in the period	**2,521**	101,688
Costs on issue of Ordinary Shares	**-**	(792)
Closing balance	**627,810**	625,289

At present, the Company has one class of Ordinary Shares which carry no right to fixed income.

Other distributable reserve

On 19 January 2007, the Company applied to the Royal Court of Guernsey, following the initial placing of shares, to reduce its share premium account in order to provide a distributable reserve to repurchase its shares if and when it is considered beneficial to do so by the Directors. Following court approval, the distributable reserve account was created. The balance in the distributable reserve account as at 30 June 2015 is £182.5 million (December 2014: £182.5 million).

Retained earnings

	30 June 2015 £'000s	31 December 2014 £'000s
Opening balance	**254,298**	228,517
Net profit for the period	**39,416**	73,211
Dividends paid	**(26,338)**	(47,430)
Closing balance	**267,376**	254,298

Distributions

The Board is satisfied that, in every respect, the solvency test as required by the Companies (Guernsey) Law, 2008, was satisfied for the proposed dividend and the dividend paid in respect of the period ended 30 June 2015.

The Board approved an interim distribution of 3.225 pence per share (6 months to June 2014: 3.15 pence per share).

15. Share Capital and Reserves (continued)

Capital risk management

The Group seeks to efficiently manage its financial resources to seek to ensure that it is able to continue as a going concern while providing improved returns to shareholders through the management of the debt and equity balances. The capital structure consists of the Group's corporate facility, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings. The Group aims to deliver its objective by investing available cash and using leverage whilst maintaining sufficient liquidity to meet on-going expenses and dividend payments.

The Group's Investment Adviser reviews the capital structure on at least a semi-annual basis. As part of this review, the Investment Adviser considers the cost of capital and the risks associated with each class of capital.

16. Net Assets per Share

	30 June 2015 £'000s	31 December 2014 £'000s
Net assets attributable to equity holders of the Parent	**1,077,667**	1,062,068
	Number	Number
Number of shares		
Ordinary shares outstanding at the end of the period	**838,005,726**	836,159,373
Net assets per share (pence per share)	**128.6**	127.0

17. Related Party Transactions

During the period, Group companies entered into certain transactions with related parties that were not members of the Group but were 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, Amber Fund Management Limited ('AFML').

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

AFML is a subsidiary company of Amber Infrastructure Group Holdings Limited ('Amber Group'), in which Mr G Frost is a Director and also a shareholder.

Mr G Frost is also a Director of International Public Partnerships Limited (the 'Company'); International Public Partnerships Lux 1 Sarl; (a wholly owned subsidiary of the Company); and the majority of other companies in which the Group indirectly has an investment. The transactions with the Amber Group are considered related party transactions under IAS 24 'Related Party Disclosures'.

The Director's fees for Mr G Frost's directorship of the Company are paid to his employer, Amber Infrastructure Limited.

The amounts of the transactions in the period that were related party transactions are set out in the table below:

	Related party expense in the Income Statement		Amounts owing to related parties in the Balance Sheet	
	For the six months to 30 June 2015 £'000s	For the six months to 30 June 2014 £'000s	At 30 June 2015 £'000s	At 31 December 2014 £'000s
International Public Partnerships GP Limited	**6,485**	5,628	**6,485**	5,980
Amber Fund Management Limited [1]	**640**	297	**29**	-
Total	**7,125**	5,925	**6,514**	5,980

1 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.

17. Related Party Transactions (continued)

Investment advisory fee / profit share payable during the period is calculated as follows:

For existing construction assets:

- 1.2% per annum of gross asset value of investments bearing construction risk

For existing fully operational assets:

- 1.2% per annum of the gross asset value ('GAV') excluding uncommitted cash from capital raisings up to £750 million
- 1.0% per annum where GAV (excluding uncommitted cash from capital raisings) is between £750 million and £1.5 billion
- 0.9% per annum where GAV (excluding uncommitted cash from capital raisings) value exceeds £1.5 billion

Investment advisory fees in connection with new acquisitions are charged at a rate of 1.5% of the value of new acquisitions.

The IAA can be terminated where less than 95% of the Group's assets are available for use for certain periods and the Investment Adviser fails to implement a remediation plan agreed with the Group. The IAA may also be terminated by either party giving to the other five years notice of termination, expiring at any time after ten years from the date of the IAA.

As at 30 June 2015, Amber Infrastructure held 8,002,379 (June 2014: 8,002,379) shares in the company. The shares held by the Investment Adviser in the Company helps further strengthen the alignment of interests between the two parties.

Transactions with Directors

John Whittle acquired an additional 928 shares in the six month period ended 30 June 2015. None of the other Directors acquired any additional shares in the Company during the period.

18. Contingencies and Commitments

As at 30 June 2015 the Group has committed investments supported by letters of credit amounting to £210 million which were drawn on the Group's corporate debt facility.

There were no contingent liabilities at the date of this report.

19. Events after Balance Sheet Date

Date	Description
24 August 2015	The Group is part of the Bazalgette consortium which will invest up to £210 million in to the project. On 24 August 2015 the Group made its first investment of £30 million in the project.
13 August 2015	The Group reached financial close providing finance to a fourth batch (out of a total of five) being delivered through the Priority Schools Building Programme ('PSBP'). The batches are funded through Aggregator Plc, a 100% subsidiary of the Group. To date, the Group has invested a total of £36.4 million to the underlying batches.

20. Other Disclosures

New standards that the Group has applied from 1 January 2015

Standards and amendments to standards that became effective during the period are listed below. These have no material impact on the reported performance or financial statements of the Group.

- Amendments to IAS 19: Defined Benefit Plans (effective date 1 February 2015)
- Annual improvements to IFRSs 2010-2012 cycle (effective date 1 February 2015)
- Annual improvements to IFRSs 2011-2013 cycle (effective date 1 January 2015)

20. Other Disclosures (continued)

Unconsolidated subsidiaries

A list of the significant investments in unconsolidated subsidiaries, including the name, country of incorporation as at 30 June 2015 and proportion of ownership is shown below:

Name	Place of incorporation (or registration) and operation	Proportion of ownership interest %
Abingdon Limited Partnership	UK	100
Access Justice Durham Limited	Canada	100
Aggregator Vehicle Plc	UK	100
AKS Betriebs GmbH & Co. KG	Germany	98
BBPP Alberta Schools Limited	Canada	100
BPSL No. 2 Limited Partnership	UK	100
Building Schools for the Future Investments LLP[1]	UK	100
Calderdale Schools Partnership	UK	100
CHP Unit Trust	Australia	100
Derbyshire Courts Limited Partnership	UK	100
Derbyshire Schools	UK	100
Derbyshire Schools Phase Two Partnership	UK	100
H&W Courts Limited Partnership	UK	100
INPP Public Infrastructure Germany GmbH & Co. KG	Germany	100
Inspire Partnership Limited Partnership	UK	100
IPP CCC Limited Partnership	Ireland	100
Inspiredspaces Durham (Project Co 1) Limited	UK	91
Inspiredspaces Kent (Project Co 1) Limited	UK	58
Inspiredspaces Nottingham (Project Co 1) Limited	UK	82
Inspiredspaces Nottingham (Project Co 2) Limited	UK	82
Inspiredspaces STaG (Project Co 1) Limited	UK	90
Inspiredspaces STaG (Project Co 2) Limited	UK	90
Inspiredspaces Wolverhampton (Project Co 1) Limited	UK	82
IPP (Moray Schools) Holdings Limited	UK	100
Maesteg School Partnership	UK	100
Norfolk Limited Partnership	UK	100
Northampton Schools Limited Partnership	UK	100
Northern Diabolo N.V.	Belgium	100
Pinnacle Healthcare (OAHS) Trust	Australia	100
Plot B Partnership	UK	100
St Thomas More School Partnership	UK	100
PPP Solutions (Long Bay) Partnership	Australia	100
PPP Solutions (Showgrounds) Trust	Australia	100
Strathclyde Limited Partnership	UK	100
TH Schools Limited Partnership	UK	100
TC Robin Rigg OFTO Limited	UK	100
TC Barrow OFTO Limited	UK	100
TC Gunfleet Sands OFTO Limited	UK	100
TC Ormonde OFTO Limited	UK	100
TC Lincs OFTO Limited	UK	100

1 Holds direct and indirect investments in a portfolio of UK schools PFI concession entities.

The entities listed above in aggregate represent 84.6% (2014: 85%) of investments at fair value through profit or loss. The remaining fair value is driven from joint ventures, associate interests and minority stakes held by the Group.

20. Other Disclosures (continued)

Consolidated subsidiaries

The principal subsidiary undertakings of the Company, all of which have been included in these consolidated financial statements are as follows:

Name	Place of incorporation (or registration) and operation	Proportion of ownership interest %
International Public Partnerships Limited Partnership	UK	100
International Public Partnerships Lux 1 Sarl	Luxembourg	100
International Public Partnerships Lux 2 Sarl	Luxembourg	100
IPP Bond Limited	UK	100
IPP Investments Limited Partnership	UK	100

Contacts

Investment Adviser

Amber Fund Management Limited
1st Floor
Two London Bridge
London
SE1 9RA

Auditor

Ernst & Young LLP
Royal Chambers
St Julian's Avenue
St Peter Port
Guernsey
Channel Island
GY1 4AF

Corporate Broker

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London
EC4M 7LT

Registered Office

Heritage Hall
PO Box 225, Le Marchant Street
St Peter Port
Guernsey
Channel Islands
GY1 4HY

Legal Adviser

Carey Olsen
PO Box 98, Carey House
Les Banques
Guernsey
Channel Islands
GY1 4BZ

Public Relations

FTI Consulting
200 Aldersgate
Aldersgate Street
London
EC1A 4HD

Administrator and Company Secretary

Heritage International Fund Managers Limited
Heritage Hall
PO Box 225, Le Marchant Street
St Peter Port
Guernsey
Channel Islands
GY1 4HY

Corporate Banker

Royal Bank of Scotland International
1 Glategny Esplanade
St Peter Port
Guernsey
Channel Islands
GY1 4BQ