INTERNATIONAL PUBLIC PARTNERSHIPS

26 August 2010

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

International Public Partnerships Limited (INPP), the listed infrastructure investment company, which invests in global public infrastructure projects developed under the public private partnerships (PPP) and private finance initiative (PFI) procurement methods, today announces interim results for the six months ended 30 June 2010.

Highlights

- Net Asset Value (NAV) of £516.5 million as at 30 June 2010 (£420.2m - 31 December 2009)
- NAV per share of 112.9p as at 30 June 2010 (112.1p - 31 December 2009)
- Half year dividend of 2.85p per share (up 3%)
- Completion of £89.3million capital raising in January 2010 – on track to be fully invested by the end of 2010
- Three new investments made (UK and Germany) and further investment opportunities identified
- Total shareholder return since inception of 35.8% (FTSE 250 -0.5%)
- Outperformance of FTSE 250 by 2.5% and FTSE All Share by 10.4% in reporting period

Giles Frost, Director, International Public Partnerships Limited, commented:

"I am pleased to report another solid set of results for the company. The continued strong performance of the underlying assets in the portfolio combined with the attractive pipeline of new investments, indicates a positive future for the company. We believe that recent government spending cuts may offer more long-term opportunities for the company, which continues to be well positioned to offer investors stable returns which are uncorrelated with general economic conditions."

Keith Dorrian, Chairman, International Public Partnerships Limited, said:

"Despite the ongoing volatility in the general equity markets, INPP has yet again underlined its strong investment strategy and delivered a solid set of interim results. We remain enthusiastic about the long-term outlook for PPP/PFI investment both in the U.K. and overseas and the Board is pleased to continue its declared policy of incrementally increasing distributions paid to shareholders."

INPP will be holding a results briefing at 9:30am today at Financial Dynamics - Holborn Gate, London WC2A 1PB. For those investors and analysts that cannot attend in person, a conference call facility will also be available. The dial-in number for the call is +44 (0)20 7138 0822, and the confirmation code is 4221718.

A copy of the results presentation can be downloaded from the Company's website: www.internationalpublicpartnerships.com

For further information:

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Notes to Editors:

About International Public Partnerships (INPP):

International Public Partnerships (INPP) is a listed infrastructure investment company which invests in global public infrastructure projects developed under the public private partnerships (PPP) and private finance initiative (PFI) procurement methods.

Listed in 2006, INPP is a long-term investor in 53 social and transport infrastructure projects, including schools, hospitals, courts and police headquarters in the UK, Europe, Australia and Canada. INPP seeks to provide its shareholders with both a long-term government-backed yield and capital growth through investment across both construction and operational phases of 25-40 year concessions.

Amber Infrastructure Group (Amber) is the Investment Advisor to INPP and consists of 50 dedicated infrastructure specialists which originate and source a strong pipeline of projects for INPP.

International Public Partnerships Limited

Half yearly financial report for the six months ended 30 June 2010

Registered number: 45241

International Public Partnerships Limited

Contents

Cautionary Statement

The Chairman’s Statement and Investment Advisor’s Report (“IAR”) have been prepared solely to provide additional information for shareholders to assess the Group’s strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

The Chairman’s Statement and IAR may include statements that are, or may be deemed to be, „„forward-looking statements’’. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms „„believes’’, „„estimates’’, „„anticipates’’, „„expects’’, „„intends’’, „„may’’, „„will’’ or „„should’’ or, in each case, their negative or other variations or comparable terminology.

These forward-looking statements include all matters that are not historical facts. They appear in a number of places throughout this document and include statements regarding the intentions, beliefs or current expectations of the Directors and the Investment Advisor concerning, amongst other things, the investment objectives and investment policy, financing strategies, investment performance, results of operations, financial condition, liquidity, prospects, and distribution policy of the Company and the markets in which it invests.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance. The Company’s actual investment performance, results of operations, financial condition, liquidity, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this document.

Subject to their legal and regulatory obligations, the Directors and the Investment Advisor expressly disclaim any obligations to update or revise any forward-looking statement contained herein to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any statement is based.

This Half Yearly Report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to International Public Partnerships Limited and its subsidiary undertakings when viewed as a whole.

International Public Partnerships Limited

Responsibility Statement

The Directors are responsible for preparing this half-yearly financial report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

a) the condensed set of financial statements has been prepared in accordance with IAS 34 „Interim Financial Reporting';

b) the interim management report 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 management report 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,

Keith Dorrian

Chairman

26 August 2010

International Public Partnerships Limited

Summary

International Public Partnerships Limited (LSE: INPP) is a FTSE 250 Company that invests in social infrastructure projects. The portfolio consists of 53 projects in the U.K., Australia, Canada, Germany, France, Belgium, Italy and Ireland. Examples include schools, hospitals, courthouses, police stations, transport infrastructure and rolling stock.

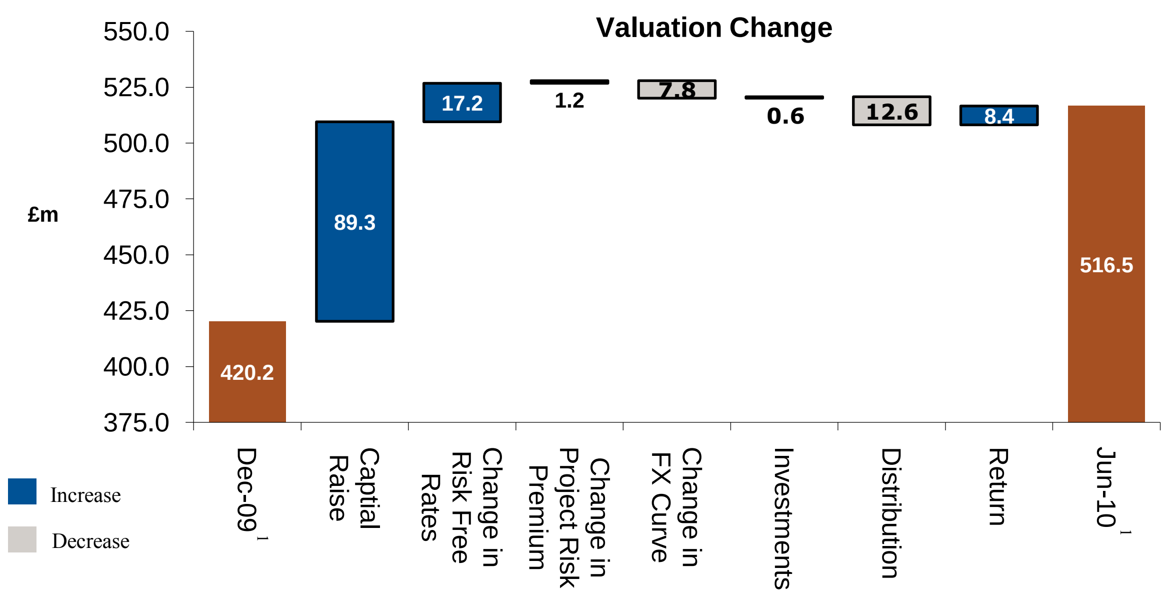
The Company listed on the London Stock Exchange in November 2006 with a market capitalisation of £300 million. In April 2008, the Company raised a further £84 million via a C-share capital listing and in January 2010 the Company completed a further capital raising of £89 million by way of a placement, open offer and offer for subscription. The proceeds from the January 2010 issue were used to reduce the Company's corporate debt facility to zero and the remainder of this capital is earmarked for identified projects which the Company expects to complete investment in by the end of 2010.

International Public Partnerships is advised by Amber Fund Management Limited, a specialist infrastructure advisor and manager with over 50 staff dedicated to advising, managing, investing in and developing infrastructure projects and investments.

Financial Highlights

- Net Asset Value (NAV)[1] of £516.5 million as at 30 June 2010 (£420.2 million – 31 December 2009).
- NAV per share 112.9 pence as at 30 June 2010 (112.1 pence – 31 December 2009).
- Full year target distribution for year ended 31 December 2010 of 5.7 pence per share (up 3% from 2009).
- Half year 2010 distribution of 2.85 pence per share (forecast for payment 15 October 2010).
- IFRS accounting loss before tax of £2.44 million for the period ended 30 June 2010.
- IFRS Net Assets of £364.3 million as at 30 June 2010.
- Completion of capital raising – £89.3 million in January 2010.
- Uncommitted cash at 30 June 2010 of £42 million (representing recourse Group cash balances adjusted for the first half 2010 distribution).
- Outperformance of FTSE All Share by 10.4% since 1 January 2010.

Analysis of Change in NAV Portfolio Valuation for the period ended 30 June 2010



International Public Partnerships Limited

Summary (continued)

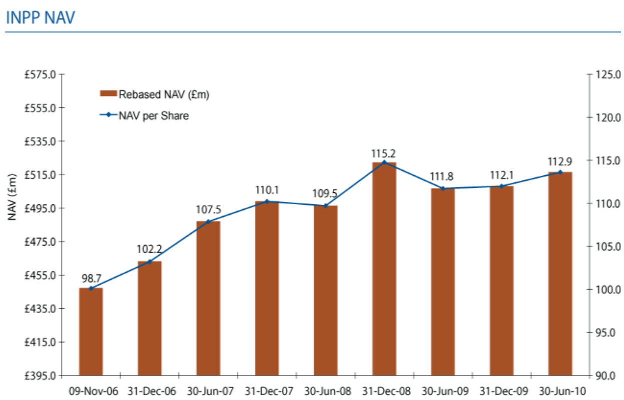
[1] Net Asset Value (NAV) as shown above is fair market valuation of the Group's economic interests, calculated utilising discounted cash flow methodology[2], adjusted for EVCA (European Private Equity and Venture Capital Association) guidelines, a methodology considered appropriate, given the special nature of infrastructure investments. Estimated future cash flows accruing to each economic interest[3] have been discounted using discount rates that reflect the risks associated with that interest. The Net Asset Value referred to above and on other pages differs from the basis of recording net assets utilising International Financial Reporting Standards as set out in the balance sheet included in the financial statements. The key differences are that the IFRS balance sheet includes assets and liabilities valued initially on acquisition at fair value and subsequently at amortised cost. Further the IFRS net assets have been impacted, amongst other things, by changes in the fair value of financial hedging instruments that are entered into by the Group to minimise risk associated with changes in interest rates.

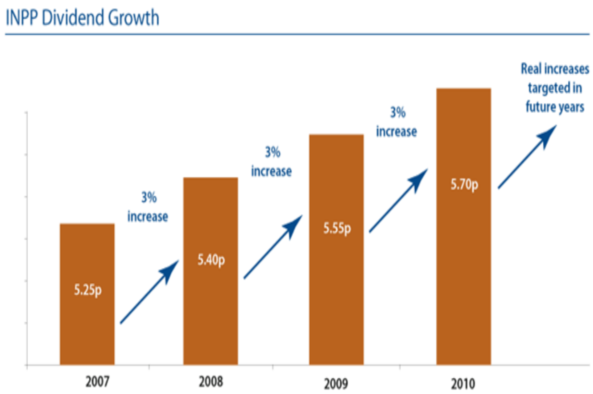
[2] The only current exception to this methodology is with respect to the valuation of the stapled units in RiverCity Motorway project. These have been valued using the closing share price at 30 June („market value').

The Net Asset Value also includes:

- the Strathclyde and Hereford and Worcester senior debt interests which have been valued at the loan principal outstanding at 30 June plus the costs associated with terminating the underlying fixed interest rate arrangements at 9 November 2006.
- Cash, cash equivalents and assets and liabilities attributable to the Company and intermediate holding companies at 30 June.

[3] The Group's economic interests at 30 June are set out in the Portfolio Interests section of this half yearly financial report.





International Public Partnerships Limited

Chairman's Statement

I am pleased to present the Company's Half Yearly report for the period from 1 January to 30 June 2010 which evidences the continuing effectiveness of the Company's Investment Strategy and the solid performance of the Investment Advisor, Amber Fund Management limited.

Your Company's Investment Strategy of investing in a portfolio of public infrastructure assets continues to provide stable and predictable returns. Despite the ongoing volatility in the general equities markets, your Company has once again outperformed the FTSE 250 and AllShare indices by 2.5% and 10.4% respectively in the reporting period. A shareholder who has held the Company's stock since the time of the Company's launch had at 30 June 2010 seen a total return, before any tax, of 35.8% compared to a total return on the FTSE 250 of negative 0.5% over that same period.

The principal benefit of investing in public infrastructure as an asset class is that, by virtue of the long term, government backed contracts that underpin it, and the Investment Advisor's ability to structure these assets on a matched funded basis, portfolio performance is largely uncorrelated to some of the wider economic factors which have caused such volatility in other asset classes.

Highlights in the Period

The Company's successful £89 million equity capital raising concluded in January and was well supported by both the Company's existing shareholders and a number of new investors. These funds enabled the repayment, in February, of the £58 million balance on the Company's £100 million revolving corporate debt facility and provided substantial new equity capital to enable the Board to continue with its investment programme.

In the reporting period the Company made two new investments in the UK and one in Germany and has subsequently identified several further potential investment opportunities which will, subject to the satisfactory completion of due diligence and independent valuation, result in the Company investing the remainder of the capital raising proceeds by the targeted investment date of the end of 2010.

Of these potential investments a number are currently being progressed through the due diligence and valuation phases and the Company's future investments are likely to include the redevelopment of the Liverpool Central Library, which reached financial close in July 2010 as well as three offshore wind power transmission projects for which, during August 2010, the Company's consortium was named as preferred bidder. These transmission projects are expected to reach financial close by the end of the year, and when combined with a number of additional investments which are currently at an advanced stage of review in the UK, Ireland and Australia will result in the Company being fully invested by the end of 2010.

During the reporting period the substantial completion of construction on the Alberta Schools project in Canada (the remainder was completed in July) and the Dudley Brierley Hill NHS LIFT project in the UK were achieved. Both projects were completed on time and to budget, a further validation of the expertise and performance of the Investment Advisor and its consortium partners. The continued strong performance of the portfolio has enabled the Board to continue its declared policy of incrementally increasing distributions paid to shareholders.

Financial results for the period

The Net Asset Value (NAV) of the Group's investments was £516.5 million at 30 June 2010, which on a per share basis represents an increase of 0.8 pence since 31 December 2009. This is mainly due to a general decrease in risk free rates in the countries where the Company has assets.

On a cash basis, receipts from the portfolio (i.e. the underlying PFI/PPP concessions) produced investment cashflows to the Company of £15.7 million. This will enable the payment of the first half 2010 distribution of £11.5 million.

Chairman's Statement (continued)

On a consolidated IFRS basis the Group reported a small loss before tax of £2.4 million for the period. This was mainly due to volatility in the currency markets, in particular a strengthening of the pound against the euro, volatility in CPI and the impact on index linked bond financed projects and the impairment of RiverCity Motorway as a result of the continued deterioration in the share price. The Company whenever possible hedges its currency exposure, however given the nature of cashflow receipts there will always be some exposure that cannot be hedged. The Company has also recognised a further impairment on the RiverCity Motorway project of £4.8 million. This project represents less than 0.1% of the Company's portfolio by value and therefore any further impairment impact on the Company will be minimal. Full details of this impairment are contained in the Investment Advisor's report.

Gearing

The Company retains a committed £100 million loan facility from the Royal Bank of Scotland plc and NAB Capital Limited. As previously disclosed, the Company repaid the outstanding balance of £58 million with proceeds from the capital raising. The intention of the Board, since the Company's IPO, has been to utilise the revolving corporate debt facility as a bridging facility between capital raisings. The Board does not intend to maintain long term corporate debt within the Company and uses debt at the corporate level to bridge the acquisition of attractive investment opportunities for the Company in between equity capital raisings. All other borrowings of the Group relate to the underlying project vehicles, are match funded and remain non-recourse to the Company.

Distribution

Your Board's declared policy is to manage the Company in such a way so as to, as far as is possible, continue to provide a consistent growing dividend for our investors together with potential for capital growth. In line with the continued strong performance of the portfolio, the Board is pleased to confirm a distribution for the first half of 2010 of 2.85 pence per share which will be paid to investors in October 2010 (2010 full-year target: 5.7 pence per share) and will be entirely covered by operating cashflow from the underlying projects. This represents a 3% increase on the previous period. The targeted final instalment of 2.85 pence per share for the second half of the year is expected to be paid in May 2011.

A scrip dividend option will be in operation for the October 2010 distribution as well as in respect of future distributions, subject to the Directors being satisfied that this is in the best interests of the Company at the relevant time. Applications for participation in the scrip dividend option will be sent to investors in September 2010.

Outlook

We believe the long-term outlook for PPP/PFI investment both in the U.K. and overseas remains solid. Governments around the world are continuing to require new infrastructure projects to be delivered and the majority of countries are encouraging the use of private sector investment to fund these.

The Company supports the comments made by the UK Chancellor as part of his June budget, reiterating the Government's continued commitment to infrastructure. Capital spending is being viewed as a key initiative to restore the health of the UK economy and as such the Government has pledged that core infrastructure projects will be protected from further cuts with a preference for projects that generate a significant economic benefit including renewable energy, transport projects and urban regeneration, all areas in which the Investment Advisor has significant experience.

Private financing of public infrastructure will continue to be encouraged, as was evidenced by the recent announcement by Ofgem in their award of seven offshore transmission projects to private sector bidders, including the Company's consortium which was named as preferred bidder for three of the seven projects awarded. As part of the announcement, Ofgem reiterated its intention to develop a further £20 billion worth of projects over the coming years, and your Company is well placed to participate in this process.

Chairman's Statement (continued)

From an investor perspective, with interest rates remaining low, the ability of the Company to provide stable non market-correlated returns to investors at or ahead of current levels should remain attractive and this, coupled with what appear to be significant and accretive market opportunities will ensure the continued development of your Company.

The combination of current market conditions, the continued performance of the underlying assets in the portfolio and the ongoing opportunities, indicate a very positive future.

Keith Dorrian

Chairman

26 August 2010

International Public Partnerships Limited

Portfolio Interests

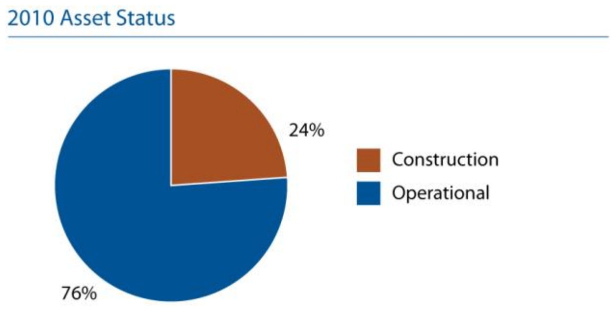
The Company held economic interests in the following projects at 30 June 2010 as set out below.

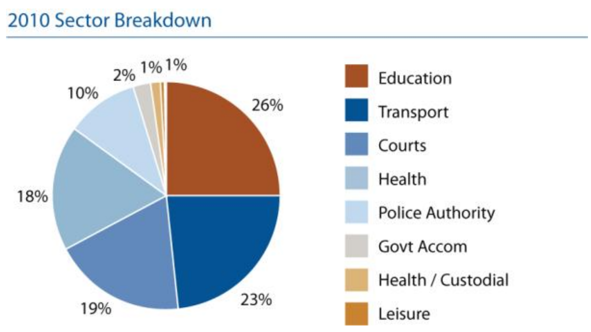
Transport	**Education**
• Angel Trains UK • BENeX • Diabolo • Reliance Rail • River City Motorway	• Alberta Schools • Calderdale Schools • Derbyshire Schools Phase 1 • Derbyshire Schools Phase 2 • Maesteg Schools • Moray Schools • Northamptonshire Schools • NSW Schools • Pforzheim Schools • St Thomas More School • Tower Hamlets Schools
Health	**Courts**
• Medicaste Amiens Hospital Project • Brescia Hospital • Orange Hospital • Royal Childrens' Hospital	• Derbyshire Magistrates Courts • Dublin Criminal Courts Project • Durham (Canada) Courthouse Project • Hereford & Worcester Magistrates Courts
Police Authority	**Government Accommodation**
• Abingdon Police • Norfolk Police HQ • North Wales Police HQ • Strathclyde Police Training Centre	• Bootle Government Offices
Health / Custodial	**Leisure**
• Long Bay Forensic and Prison Hospitals Project	• Royal Melbourne Showgrounds Redevelopment Project
Health Subordinated Debt interests	**Health Subordinated Debt interests**
• Alexandra Avenue Primary Care Centre • Barkantine Health Centre • Barking Road Health Centre • Beckenham Hospital • Brierley Hill • Church Road Health Centre • Dunnock Way & East Oxford • Fishponds & Hampton House • Frail Elders Hospital • Garland Road Health Centre • Gem Centre Bentley Bridge	• Hackney Childrens' Development Centre • Lakeside • Mile End Specialist Addition Unit • Monks Park Health Centre • Mt Vernon • Phoenix Centre • Ridge Hill & Stourbridge • Shirehampton & Whitchurch • South East Resource Centre • Sudbury Health Centre • Vicarage Lane Health Centre

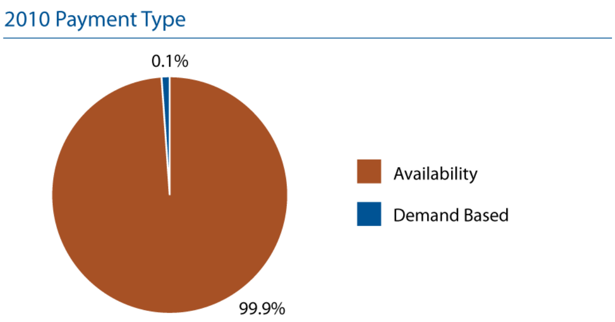
International Public Partnerships Limited

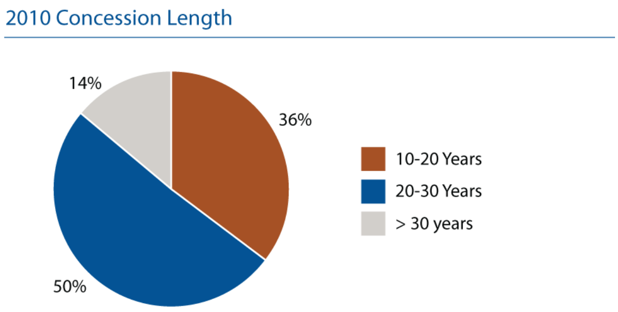
Portfolio Interests (continued)

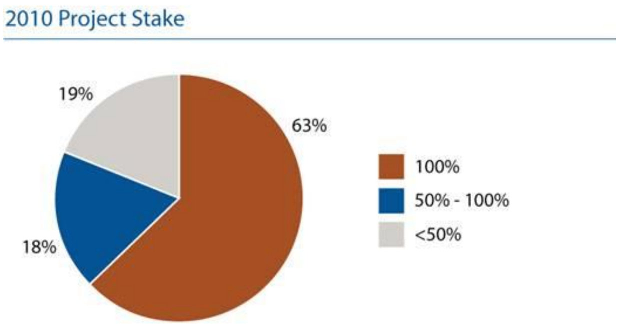
Portfolio Breakdown at 30 June 2010

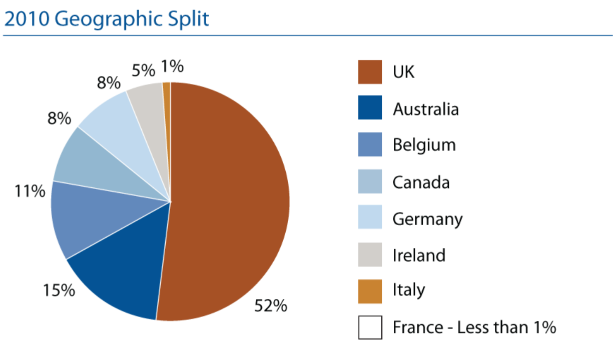












The pie charts above show a breakdown of the Group's portfolio at 30 June 2010. This breakdown is based on the fair market valuation of the Group's investments calculated utilising discounted cash flow methodology, as referred to on page 3. The discount rate used reflects the risks associated with the individual projects. The RiverCity Motorway project has been valued based on the project's closing share price ('market value') at 30 June 2010.

International Public Partnerships Limited

Investment Advisor's Report

Investment Advisor

Amber Fund Management Limited (AFML) is a wholly owned subsidiary of Amber Infrastructure Group Limited. Amber Infrastructure has a global investment and advisory focus and AFML is authorised and regulated in the U.K. by the Financial Services Authority.

Portfolio Highlights

- Solid share price performance
- Capital raised in January on track to be invested by the end of the year
- Exciting pipeline of further opportunities
- UK government spending cuts not expected to be an adverse factor

Investment Performance

The first six months of 2010 has been a successful period for the Company. Performance was strong during this period with valuations remaining stable and a small increase in the Company's share price which stood for much of the period at a premium to Net Asset Value. In our view this premium is at least in part due to the significant and attractive pipeline of opportunities which the Company has access to, as well as the latent value within that part of the Company's portfolio which remains in construction. At 30 June, 24% of the Company's portfolio was in construction, more than half of this is expected to be completed within the next 18 months.

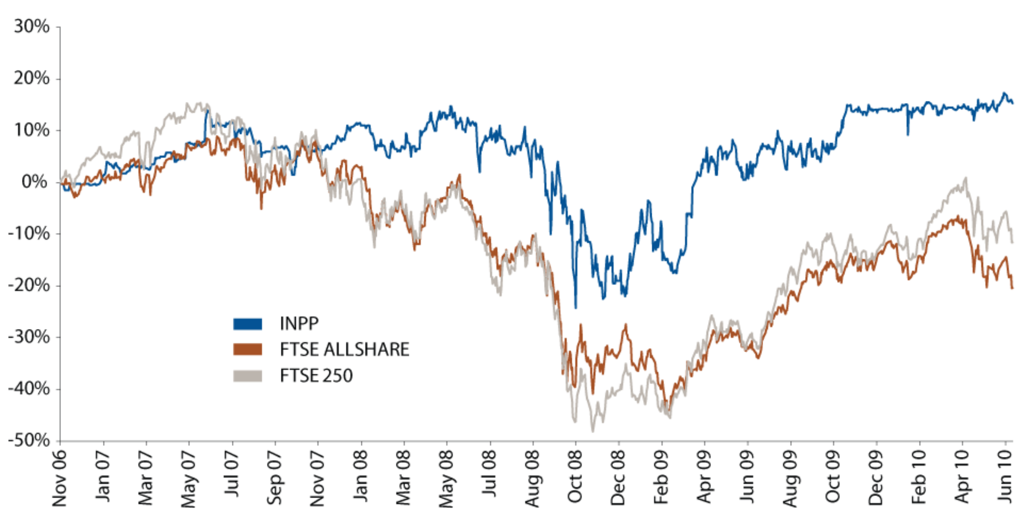
For the reasons set out below we continue to be enthusiastic about the opportunities before us and we are not dismayed by recent government spending cut announcements – we believe that these offer more opportunity than threat in the longer term.

The Company continues to be well covered through operating cashflow from the underlying projects on its target dividend. The target dividend payment for the current year is 5.7 pence per share, an increase of 3% over the prior year, and this will be paid in two halves, the first half being paid in October 2010.

We believe that the Company continues to offer an attractive proposition for those investors seeking returns from investments whose performance is to a substantial extent uncorrelated with general economic conditions. This is particularly the case in the current environment where income returns on other assets (particularly cash and gilts) are very low.

The total shareholder return (share price growth plus distributions) for investors from the launch of the Company in November 2006 to 30 June 2010 has been 35.8%, compared to a total return on the FTSE 250 of negative 0.5%.

INPP Performance v FTSE



International Public Partnerships Limited

Investment Advisor's Report (continued)

Portfolio Performance

The assets within the Portfolio again continued to perform on an overall basis in line with the Company's projections.

At 30 June 2009, 31% of the portfolio was under construction. This has reduced to 24% at 30 June 2010 following the handover of Durham Courthouse in Canada and Dublin Courts in Ireland which occurred in November 2009, and construction completion on two further projects in the past six months, Alberta Schools in Canada and Dudley Brierley Hill NHS LIFT project in the UK. As expected, both of these projects were completed on time and to budget.

Each of the projects in the table below are currently under construction and, with one exception, are either on schedule or ahead of time. The single exception within the Company's construction portfolio is the Reliance Rail project in Australia (0.3% of the portfolio by value) where stage 1 of the project is likely to be delayed by 5 months as there is a continuing delay in the delivery of the completed train sets by the manufacturers Hitachi and EDI Downer. However, the final completion date for this project remains projected for 2013. As was previously announced, the Company's investment in this asset was re-valued downwards at the end of 2009 and the investment advisor sees no current grounds for any reversal of that re-valuation. The project continues to be closely overseen by the Amber asset management team in Australia who meet regularly with the consortium to consider the progress of the project.

Asset	Location	Expected Completion Date	Status	% of INPP NAV
Pforzheim Schools	Germany	September 2010	On schedule	0.3%
Orange Hospital	Australia	July 2011	On schedule	3.4%
South East Resource Centre	UK	July 2011	On schedule	0.1%
Moray Schools	UK	February 2012	On schedule	0.8%
Diabolo Rail	Belgium	February 2012	On schedule	11.0%
Reliance Rail	Australia	September 2013	On schedule[1]	0.3%
Royal Children's Hospital	Australia	December 2014	On schedule	8.3%

1 Stage 1 is currently 5 months behind schedule; however the last independent report indicates that the final delivery date is still capable of achievement.

The only other asset of note and which has negatively impacted the portfolio in the period was the RiverCity Motorway project in Australia whose share price has been under pressure since the road opened in March 2010 to lower than expected traffic levels. The project represents less than 0.1% of the Company's portfolio and any further reduction in the share price of RiverCity Motorway ($A0.02 at 30 June 2010) will have very little impact on the Company's profitability as the asset is now valued at less than £0.4m. The RiverCity Motorway project differs from the remainder of the portfolio in that revenues generated by the project are based on the level of demand for that asset (i.e. motorists paying a toll) rather than the availability of the asset, the latter being the basis upon which the vast majority of the portfolio's revenues are received and which is uncorrelated to the level of demand for an asset. Going forward, it is the Company's intention only to invest in availability-based, or similar, projects rather than any demand-based infrastructure given the stable level of returns the Company seeks to achieve for its investors.

Acquisitions

During the period the Company acquired additional investments in three projects: the South East Resource Centre, a project developed under the UK NHS LIFT programme, and interests in two schools projects, Pforzheim Schools in Germany (98%) and Moray Schools in Scotland (100%).

Investment Advisor’s Report (continued)

Capital Raising

The pipeline of opportunities open to the Company prompted the Board to commence a process to raise additional investment capital for the Company in late 2009. This process concluded in January 2010 and the Company raised £89.3 million at a premium to its Net Asset Value. The proceeds were used to reduce the draw down on the Company’s debt facility to zero and the remainder of these proceeds are earmarked for identified projects that the Company expects to complete investment in by the end of 2010. This includes potential investments in the Liverpool Central Library, which reached financial close in July 2010, as well as three offshore transmission projects recently awarded by Ofgem to the Company’s consortium and which are expected to reach financial close by the end of the year.

Valuation and Net Asset Valuation Calculation

The Administrator (Heritage International Fund Managers Limited) calculates the Net Asset Value (NAV) of an Ordinary Share with the assistance of AFML, and produces fair market valuations of the Group’s investments on a six-monthly basis as at 30 June and 31 December. The valuation methodology used is based on discounted cash flow methodology and utilises the discount rates set out below, with the exception of the Company’s investment in the RiverCity Motorway project which is valued at mark-to-market as it is the Company’s only listed investment.

Over the six month period from 31 December 2009 to 30 June 2010 the Company’s Net Asset Value increased by 0.8 pence per share to 112.9 pence per share. This was driven by a decrease in the weighted average risk-free rate during the period, with a small offset from a strengthening of the pound against the euro. The Company’s portfolio was valued at £516.5 million at 30 June 2010 (31 December 2009: £420.2m).

Analysis of Change in NAV Portfolio Valuation for the period ended 30 June 2010

	£m
Net Asset Value as at 31 December 2009	420.2
Capital raise (excluding fees)	89.3
Change in risk-free rates	17.2
Change in project risk premium	1.2
Change in foreign exchange curve	(7.8)
Investments made in the period	0.6
Distribution – period 1 July to 31 Dec 2009	(12.6)
Return on investment portfolio	8.4
Net Asset Value as at 30 June 2010	**516.5**

The major determinants of the discount rate utilised in establishing a present value for the Company’s assets includes the risk free rate (derived from the relevant government bond) applicable in the geography in which each asset is located as at the valuation date and the risk premium over the risk free rate deemed applicable to the asset in question. 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. This is particularly the case where assets move from being in construction to becoming operational. This risk premium is based on the advice of the Investment Advisor, market knowledge, advice from the Company’s external advisors and is consistent with information in the public domain from comparable transactions.

International Public Partnerships Limited

Investment Advisor's Report (continued)

Over the period from 31 December 2009 to 30 June 2010 the weighted average discount rate applicable across the portfolio decreased by 45 b.p. to 8.18%. The discount rates used for valuing each of the underlying assets in the Company's portfolio range from 6.04% to 14.98%.

Valuation Methodology	**30 June 2010**	**31 December 2009**	**30 June 2009**	**Movement (June 10 – Dec 09)**
NAV per share	112.9	112.1	111.8	+0.8 pence per share
Weighted Average Discount Rate	8.18%	8.63%	8.61%	-45 b.p.
Weighted Average Risk-Free Rate	4.25%	4.68%	4.67%	-43 b.p.
Weighted Average Project Premium	3.93	3.96%	3.94%	-3b.p.
Discount Rate Range	6. 04 % - 14.98%	6.42% - 15.33%	6.35% - 15.0%	- 38 b.p. - 35 b.p.

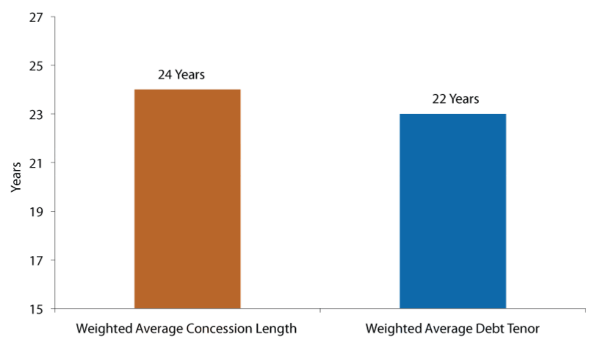
Despite the movement in macro economic factors during the period, there were no significant changes to the Company's future expected cash flows. Future net operating cashflows remain as forecast and remain projected to cover the Company's forecast future distributions until 2034.

Gearing

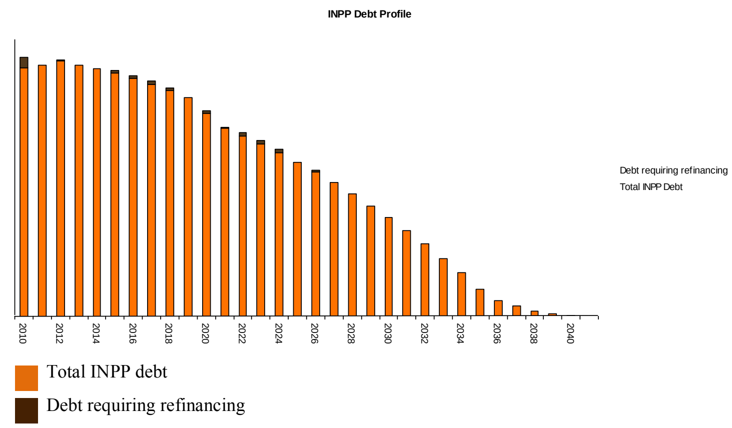
The outstanding balance on the Company's corporate debt facility was repaid in entirety from the proceeds of the equity capital raising in February 2010 and the Company maintains a zero debt balance at the corporate level. At the asset-level, the Company seeks to secure long-term debt matched where possible to the concession life of an asset at the time of acquisition.

Currently, the weighted average concession life remaining in the portfolio is 24 years, compared to a weighted average debt tenure of 22 years. As a result, less than 1% of total debt is required to be refinanced over the next 31 years, ensuring strong protection from any future interest rate movements.

Concession Length vs Debt Tenor



Company Debt Profile



Distributions

The continued performance of the portfolio has allowed the Directors to increase the target distribution for 2010 to 5.7 pence per share, an increase of 3% on 2009, and is again expected to be entirely covered by operating cash flow from the underlying projects.

Investment Advisor's Report (continued)

Given the robust coverage of the distribution by operating cashflow in future years, the Directors are confident of increasing the distribution again in 2011 and expect to make an announcement about this later in the year.

Inflation Protection

Movements in inflation result in changes to revenue due to the inflation linkage inherent in most of the Company's concessions. At 30 June 2010, 72% of total revenue was inflation linked, however payments to facilities management providers and a portion of the asset-level debt have similar arrangements. The Company has assumed a long-term inflation forecast for the purposes of establishing a fair market valuation of 2.5% (2006-2009: 2.5%). This is in line with the Bank of England's long term inflation target.

Outlook

We remain very positive about the Company's outlook. None of the projects that the investment advisor or the Company are involved with have been cancelled, or are expected to be cancelled in any further Government spending reviews. We believe that some sectors of the PPP market will continue to offer very attractive opportunities. These include:

- Local and community health (eg NHS LIFT) in which the Company has been a leading sponsor and investor over the last four years. The Company is now progressing similar opportunities in Ireland
- The first and subsequent tender rounds for offshore wind power transmission projects in the UK in which the Company's consortium has recently been named as preferred bidder for three of the initial round of seven projects offered by Ofgem
- The number of secondary market opportunities being offered by existing owners of PPP assets as they look to recapitalise their balance sheets
- The very significant development pipeline of new projects being brought forward in Australia and Canada
- The fact that the utilisation of private capital to finance public infrastructure projects has now become the norm in most developed economies.

Given the solid outlook, and the continued strong performance of the assets within the portfolio, we believe the Company is well positioned to continue to deliver on its investment objectives.

Amber Fund Management Limited
26 August 2010

International Public Partnerships Limited

Independent Review Report to the Members of 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 2010 which comprise the condensed consolidated income statement, 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 related notes 1 to 18. 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 International Standard on Review Engagements (UK & Ireland) 2410, „*Review of Interim Financial Information performed by the Independent Auditor of the Entity*' issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to them in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review 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 report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the group are prepared in accordance with IFRSs. 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'.

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 2010 is not prepared, in all material respects, in accordance with International Accounting Standard 34 and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP

Chartered Accountants

Guernsey, Channel Islands

26 August 2010

International Public Partnerships Limited

Condensed Consolidated Income Statement (unaudited)
Six months ended 30 June 2010

	Notes	Six months ended 30 June 2010 £'000s	Six months ended 30 June 2009 £'000s
Continuing operations			
Revenue	3,4	245,774	253,235
Cost of sales		(236,733)	(246,705)
Gross profit		**9,041**	**6,530**
Investment income		73,593	58,226
Other gains and losses	3	(6,729)	(3,154)
Share of results from associates		2,562	952
Other operating income	3	3,064	84
Total other income		**72,490**	**56,108**
Finance costs	3	(62,583)	(40,975)
Operating expenses	3	(12,652)	(10,037)
Administrative expenses	3	(1,406)	(1,585)
Impairment charges	3	(7,330)	-
Total other expenses	3	**(83,971)**	**(52,597)**
(Loss)/ profit before tax		**(2,440)**	**10,041**
Tax credit	5	921	1,220
(Loss)/ profit for the period from continuing operations		**(1,519)**	**11,261**
Attributable to:			
Equity holders of the parent		**(2,016)**	**11,709**
Minority interest – share of profits/ (losses)[1]		**497**	**(448)**
		Pence	**Pence**
(Loss)/ earnings per share			
From continuing operations			
Basic	7	(0.45)	3.12
Diluted	7	(0.45)	3.12

1 The minority interest share of profit/ (losses) relates to the 25% holding in the Diabolo project, the 25% holding in the Alberta Schools project and the 5% holding in the Amiens (France) Hospital project that are not held by the Group.

International Public Partnerships Limited

Condensed Consolidated Statement of Comprehensive Income (unaudited)
Six months ended 30 June 2010

	Six months ended 30 June 2010 £'000s	Six months ended 30 June 2009 £'000s
(Loss)/ profit for the period from continuing operations	**(1,519)**	**11,261**
Other comprehensive income, net of tax		
Net (decrease)/ increase in foreign exchange translation reserves	(2,901)	4,464
Net increase/ (decrease) in fair value of available for sale financial assets	1,833	(4,121)
Net (decrease)/ increase in fair value of hedging derivatives	(43,991)	38,330
Other comprehensive (loss)/ income for the six months, net of tax	**(45,059)**	**38,673**
Total comprehensive (loss)/ income	**(46,578)**	**49,934**
Total comprehensive (loss)/ income attributable to:		
Equity holders of the parent	**(42,063)**	**45,373**
Minority interest	**(4,515)**	**4,561**

International Public Partnerships Limited

Condensed Consolidated Statement of Changes in Equity (unaudited)
Six months ended 30 June 2010

	Share capital Ordinary	Share premium account	Hedging and translation reserves	Revaluation reserves	Other distribut-able reserve	Retained earnings	Total	Minority Interests	Total Equity
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Balance at 31 December 2008	37	81,758	(68,635)	(4,152)	293,506	(802)	301,712	3,451	305,163
Distribution paid during the period	-	-	-	-	-	(10,117)	(10,117)	-	(10,117)
Total comprehensive income/(loss) for the six months	-	-	37,798	(4,134)	-	11,709	45,373	4,561	49,934
Balance at 30 June 2009	37	81,758	(30,837)	(8,286)	293,506	790	336,968	8,012	344,980

	Share capital Ordinary	Share premium account	Hedging and translation reserves	Revaluation reserves	Other distribut-able reserve	Retained earnings	Total	Minority Interests	Total Equity
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Balance at 31 December 2009	37	81,758	(30,595)	(7,694)	272,991	8,281	324,778	6,419	331,197
Issue of Ordinary share capital	8	-	-	-	-	-	8	-	8
Issue fees applied to share premium account	-	(1,804)	-	-	-	-	(1,804)	-	(1,804)
Share premium on issue of Ordinary Shares	-	94,081	-	-	-	-	94,081	-	94,081
Distribution paid during the period	-	-	-	-	(12,577)	-	(12,577)	-	(12,577)
Total comprehensive (loss)/income for the six months	-	-	(41,786)	1,739	-	(2,016)	(42,063)	(4,515)	(46,578)
Balance at 30 June 2010	45	174,035	(72,381)	(5,955)	260,414	6,265	362,423	1,904	364,327

International Public Partnerships Limited

Condensed Consolidated Statement of Financial Position (unaudited)
As at 30 June 2010

	Notes	30 June 2010 £'000s	31 December 2009 £'000s
Non-current assets			
Intangible assets	10	271,340	272,877
Property, plant and equipment		8,292	8,503
Interests in associates	9	51,356	49,357
Available for sale financial assets	11	1,041,698	844,362
Deferred tax asset		6,340	2,928
Financial asset loans and receivables		470,792	466,409
Total non-current assets		1,849,818	1,644,436
Current assets			
Available for sale financial assets	11	14,935	21,631
Financial asset loans and receivables		9,987	8,058
Trade and other receivables		18,462	23,736
Cash and cash equivalents		727,889	839,133
Total current assets		771,273	892,558
Total assets		2,621,091	2,536,994
Current liabilities			
Trade and other payables		100,673	135,856
Current tax liabilities		1,553	486
Bank loans	12	107,710	84,782
Derivative financial instruments		569	497
Short-term provisions	13	-	900
Total current liabilities		210,505	222,521
Non-current liabilities			
Bank loans	12	1,807,791	1,793,127
Derivative financial instruments		149,336	85,791
Deferred tax liabilities		89,132	104,358
Total non-current liabilities		2,046,259	1,983,276
Total liabilities		2,256,764	2,205,797
Net assets		364,327	331,197

International Public Partnerships Limited

Condensed Consolidated Statement of Financial Position (unaudited)
As at 30 June 2010 (continued)

	Notes	30 June 2010 £'000s	31 December 2009 £'000s
Equity			
Share capital	14	45	37
Share premium account		174,035	81,758
Revaluation reserves		(5,955)	(7,694)
Hedging and translation reserves		(72,381)	(30,595)
Other distributable reserves		260,414	272,991
Retained earnings		6,265	8,281
Equity attributable to equity holders of the parent		362,423	324,778
Minority interests		1,904	6,419
Total equity		364,327	331,197

The half yearly financial report was approved by the Board of Directors on 26 August 2010.

They were signed on its behalf by:

Keith Dorrian

Chairman

26 August 2010

Rupert Dorey

Director

26 August 2010

International Public Partnerships Limited

Condensed Consolidated Cash Flow Statement (unaudited)
Six months ended 30 June 2010

	Notes	Six months ended 30 June 2010 £'000s	Six months ended 30 June 2009 £'000s
Net cash used in operating activities	15	(1,608)	(7,791)
Investing Activities			
Interest received		23,145	25,657
Dividends received from associates and investments		3,513	459
Acquisition of subsidiaries (net of cash acquired)		(420)	-
Investment in financial and intangible assets[1]		(235,312)	(209,950)
(Investment in)/ repayment of debt instruments		(4,106)	5,216
Sales of listed securities		445	-
Net cash used in investing activities		**(212,735)**	**(178,618)**
Financing Activities			
Proceeds from issue of shares		89,289	-
Share issue expenses paid		(1,804)	-
Dividends paid		(11,197)	(10,117)
Proceeds from borrowings		17,158	96,930
Loan amendment fee		-	(500)
Net cash provided by financing activities		**93,446**	**86,313**
Net decrease in cash and cash equivalents		(120,897)	(100,096)
Cash and cash equivalents at beginning of period		839,133	1,006,818
Exchange gains		9,653	2,835
Cash and cash equivalents at end of period		**727,889**	**909,557**

[1] Net cash used in investing activities represents the construction costs incurred on service concessions under development.

Cash and cash equivalents of £727.9 million at 30 June 2010 (£909.6 million at 30 June 2009) includes £673.0 million held by non-recourse PFI project entities (£875.3 million at 30 June 2009).

International Public Partnerships Limited

Notes to the Condensed set of Financial Statements (unaudited)
Six months ended 30 June 2010

1. General information

International Public Partnerships Limited is an authorised closed ended investment company incorporated in Guernsey under The Companies (Guernsey) Law, 2008. The address of the registered office is given on page 30. The nature of the Group's operations and its principal activities are set out in the Investment Advisor's Report on pages 9 to 13.

These condensed financial statements are presented in Pounds Sterling as the currency of the primary economic environment in which the Group operates and represents the functional currency of the Group.

The financial information for the year ended 31 December 2009 is derived from the financial statements delivered to the UK Listing Authority. The financial information for the year ended 31 December 2009 included in this half-yearly report 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.

2. Accounting policies

The annual financial statements of International Public Partnerships Limited are prepared in accordance with IFRS. The set of condensed financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standards 34 - ‚*Interim Financial Reporting*'.

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 2009, with the exception of the amendments made to IAS 1 – ‚*Presentation of Financial Statements'* and the additional reporting requirements of IFRS 3 (revised 2008) – ‚*Business Combinations*' which are effective for reporting periods commencing on or after 1 January 2010.

The Directors, in their consideration of going concern have reviewed comprehensive cash flow forecasts prepared by management, which are based on prudent market data and past experience and believe, based on those forecasts and an assessment of the Group's committed banking facilities and the available headroom, that it is appropriate to prepare the financial statements of the Group on the 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 £54.9 million as at 30 June 2010, banking facilities (available for investment in new or existing projects) which are committed until May 2011 and is forecast to continue in full compliance with the associated banking covenants.

Certain risks and uncertainties, as detailed in the 2009 Annual Report on pages 46 to 57, which arise as a result of the current economic environment, have been considered by the Board. The Board has concluded that these do not represent a significant threat to the Group as its income is generated from a portfolio of PFI concessions which are supported by government backed cash flows and are forecast to cover the Group's committed costs.

Notes to the Condensed set of Financial Statements (unaudited) Six months ended 30 June 2010 (continued)

3. Profit before tax

Profit before tax for the period has been arrived at after charging:

	Six months ended 30 June 2010 £'000s	Six months ended 30 June 2009 £'000s
Asset management fees	5,129	4,614
Amortisation of intangible assets	5,066	4,068
Other operating expenses	2,457	1,355
Operating expenses	12,652	10,037
Audit & accounting	437	391
Legal fees	542	772
Bank service charges	145	100
Other administrative expenses	282	322
Administrative expenses	1,406	1,585
Impairment of available for sale financial assets	7,330	-
Total finance costs	62,583	40,975
Total other expenses	83,971	52,597
Depreciation	208	208

Revenue of £245.8 million (2009 - £253.2 million) and Cost of Sales of £236.7 million (2009 - £246.7 million) have both decreased during the period as a result of a number of projects finishing construction in the second half of 2009 including Durham Courthouse in Canada and Dublin Courts in Ireland.

Other gains and losses of £6.7 million (2009 - £3.1 million) includes £3.5 million of unrealised foreign exchange losses (2009 - £5.8 million loss) and a decrease of £2.7 million originating from changes arising in the cash flows of financial assets in the construction phase (2009 - £2.2 million increase).

Other operating income of £3.1 million (2009 - £0.1 million) includes a £2.3 million distribution from Angel Trains UK which partially offsets the £2.7 impairment charge relating to this investments (as discussed below) representing the revised carrying value of the project.

The asset management fees noted above excludes fees paid by non consolidated associate entities.

As noted above the Group, incurred impairment losses of £7.3 million as a result of an assessed permanent reduction in the recoverability of RiverCity Motorway of £4.8 million and Angel Trains UK of £2.7 million.

4. Segment reporting

IFRS 8 - *Operating segments* adopts a ‚through the eyes of the management' approach to an entity's reporting of information relating to its operating segments and also requires an entity to report financial and descriptive information about its reportable segments.

Based on a review of information provided to the chief operating decision makers in International Public Partnerships Limited the Group has identified four reportable segments based on the geographical risk associated within the Group. The factors used to identify the Group's reportable segments are centred on the risk free rates and the maturity of the PFI/PPP industry within each country. Further, foreign exchange and political risk is 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), Australia and

4. Segment reporting (continued)

North America. These reportable segments are the basis on which the Group reports information to the chief operating decision makers.

Segment information is presented below.

	Six months ended 30 June 2010				
	UK	**Europe Non UK**	**Australia**	**North America**	**TOTAL**
	£'000s	**£'000s**	**£'000s**	**£'000s**	**£'000s**
Revenues from external customers	22,438	26,324	154,213	42,799	245,774
Interest revenue	19,951	4,971	35,085	13,586	73,593
Interest expense	(13,720)	(5,321)	(31,400)	(12,142)	(62,583)
Net interest revenue	**6,231**	**(350)**	**3,685**	**1,444**	**11,010**
Depreciation	(207)	(1)	-	-	(208)
Amortisation	(2,318)	(2,068)	(678)	(2)	(5,066)
Impairment charges	(2,633)	-	(4,697)	-	(7,330)
Income from associates	71	560	1,931	-	2,562
Taxation	411	75	746	(311)	921
Reportable segment profit/(loss)	4,128	(649)	(5,577)	579	(1,519)
Assets					
Reportable segment	914,423	274,170	955,055	477,443	2,621,091
Liabilities					
Reportable segment	(551,379)	(294,202)	(949,777)	(461,406)	(2,256,764)
Investments in associates	10,529	25,374	15,453	-	51,356

	Six months ended 30 June 2009				
	UK	**Europe Non UK**	**Australia**	**North America**	**TOTAL**
	£'000s	**£'000s**	**£'000s**	**£'000s**	**£'000s**
Revenues from external customers	25,684	52,342	73,785	101,424	253,235
Interest revenue	21,246	2,263	29,159	5,558	58,226
Interest expense	(15,869)	(1,121)	(15,649)	(8,336)	(40,975)
Net interest revenue	**5,377**	**1,142**	**13,510**	**(2,778)**	**17,251**
Depreciation	(207)	(1)	-	-	(208)
Amortisation	(2,319)	(1,069)	(678)	(2)	(4,068)
(Loss)/income from associates	(339)	1,284	7	-	952
Taxation	(629)	(375)	346	(562)	(1,220)
Reportable segment profit/(loss)	2,863	(2,671)	12,454	(1,385)	11,261
Assets					
Reportable segment	977,254	152,006	777,790	329,462	2,236,512
Liabilities					
Reportable segment	(602,296)	(174,874)	(781,407)	(332,955)	(1,891,532)
Investments in associates	6,466	26,526	12,019	-	45,011

No inter-segment sales were made for the six months ended 30 June 2010 (none for the six months ended 30 June 2009).

Notes to the Condensed set of Financial Statements (unaudited) Six months ended 30 June 2010 (continued)

5. Tax

Income tax for the six month period includes a current tax charge of £0.8 million (June 2009 - £1.1 million) and a deferred tax credit of £1.7 million (June 2009 – £2.3 million credit). Tax is calculated at 28% (June 2009 - 28%) representing the best estimate of the average annual effective income tax rate expected for the full year, applied to the pre-tax income of the six month period.

The headline UK corporate tax rate has been reduced from 28% to 27% effective from 1 April 2011. If this rate change had been substantively enacted at 30 June 2010, the impact upon the current period would have been a deferred tax credit of £2.5 million to the Profit and Loss account and a deferred tax credit of £0.1 million to equity.

6. Distributions

The Board has approved an interim distribution for the period 1 January 2010 to 30 June 2010 of 2.85 pence per share.

A summary of the distributions are as follows:

Period	No of Ordinary Shares	Amount per share	Record Date	Payment Date
Incorporation to 30 June 2007	300,000,000	3.35 pence per share	28 Sept „07	26 Oct „07
1 July to 31 December 2007	300,000,000	2.62 pence per share	14 Mar „08	2 May „08
1 January to 30 June 2008	374,714,645	2.70 pence per share	5 Sept „08	3 Oct „08
1 July to 31 December 2008	374,714,645	2.70 pence per share	27 Mar „09	13 May „09
1 January to 30 June 2009	374,714,645	2.77 pence per share	11 Sept „09	9 Oct „09
1 July to 31 December 2009	453,209,953[1]	2.77 pence per share	19 Mar „10	6 May „10
1 January to 30 June 2010[2]	457,418,171	2.85 pence per share	3 Sept „10	15 Oct „10

1 This distribution was paid to holders who acquired shares under the Placing, Open Offer and Offer for Subscription that was finalised on 28 January 2010.

2 This distribution was approved by the board of Directors on 23 August 2010 and has not been included as liabilities in the Condensed Statement of Financial Position at 30 June 2010.

7. (Loss)/earnings per share

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

(Loss)/earnings

	Six months ended 30 June 2010 £'000s	Six months ended 30 June 2009 £'000s
(Loss)/ earnings for the purposes of basic and diluted earnings per share being net profit attributable to equity holders of the parent	(2,016)	11,709
	Number	**Number**
Number of shares		
Weighted average number of Ordinary Shares for the purposes of basic earnings per share	443,313,870	374,714,645
Weighted average number of Ordinary Shares for the purposes of diluted earnings per share	443,313,870	374,714,645

7. (Loss)/earnings per share (continued)

The weighted average number of shares is based on the period from 1 January 2010 to 30 June 2010 and 1 January 2009 to 30 June 2009 for the comparatives.

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

	Six months ended 30 June 2010 pence/share	Six months ended 30 June 2009 pence/share
Basic	(0.45)	3.12
Diluted	(0.45)	3.12

8. Acquisition of subsidiaries

On 25 May 2010, the Group acquired 97% of the issued capital of AKS Betriebs GmbH & Co. KG (known as Pforzheim PFI concession) and 100% of the total share capital of the General Partner, AKS Verwaltungs GmbH, for a cash consideration of €1 million. This transaction has been accounted for by the purchase method of accounting and the consolidated figures are shown in the group accounts. AKS Betriebs GmbH & Co. KG, has entered into a forfeiting finance arrangement, under which the project company (SPV) has sold a portion of the unitary charge to the senior lender and the Authority declares a waiver of objection. As a result, 80% of the construction costs and the senior bank debt are without recourse to the project entity and are not included in the consolidated figures.

The acquiree's identified assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at fair value at the acquisition date on a provisional basis. As a result, an acquisition gain of €30k has been taken to the income statement.

AKS Betriebs GmBH & Co. KG made an immaterial contribution to revenue and profit for the period to 30 June 2010 as the entity was acquired on 25 May 2010.

If the acquisition had been completed on the first day of the period, there would not be any material change to either the Group revenue for the year or Group profit attributable to equity holders of the parent as the underlying PFI asset is under construction.

9. Interests in associates

On 22 June 2010, the Group acquired 100% of the A Class Ordinary Shares in IPP (Moray Schools) Holdings Limited (plus 100% of subordinated debt in IPP (Moray Schools) Limited), a company that will design, build, finance and operate replacement facilities for the Moray School program in Scotland that was procured under the non profit distributing model. The rights associated with the A Class Ordinary Shares do not give the Group the ability to control the significant financial and operating policies of the entity or the ability to benefit from governing the entity; it does not consolidate this concession.

The consideration paid for the acquisition of the shares and subordinated debt of the project was £3.8 million.

10. Intangible assets

The decrease in the intangible asset balance during the period represents amortisation during the period.

11. Financial assets

There has been an increase in the total available for sale financial assets balance from £866 million at 31 December 2009 to £1,057 million at 30 June 2010 principally due to construction activity during the period.

12. Bank loans

On 5 February 2010, the Company repaid the outstanding balance of £58 million on the corporate debt facility. The amount undrawn at 30 June 2010 was £100 million representing 100% of the facility. The interest rate margin on the corporate facility is 175 basis points over Libor. The loan facility matures on 8 May 2011 and is secured over all of the assets of the Company.

Current bank loans of £107.7 million (2009 - £84.8 million) and non-current bank loans of £1,807.8 million (2009 - £1,735.1 million) relate to non recourse PFI concession loans.

13. Short-term provisions

The decrease in short term provisions during the period is due to the successful settlement of the claim for additional construction costs on a PFI concession which has led to the release of the provision.

14. Share Capital

The total number of Ordinary shares in issue at 30 June 2010 was 457,418,171, the movement during the period is detailed below:

	Date	Number of Ordinary shares
Opening balance of shares	**31 Dec 2009**	**374,714,645**
Number of Ordinary shares issued under the Placing	21 Jan 2010	24,604,914
Number of Ordinary shares issued under the Open offer and Offer for subscription	4 Feb 2010	53,890,394
Number of Ordinary shares issued to the Investment Advisor in relation to the 2009 performance fee (refer to note 17)	5 May 2010	2,991,220
Number of Ordinary shares issued under the Scrip dividend alternative	6 May 2010	1,216,998
Closing balance of shares	**30 June 2010**	**457,418,171**

Notes to the Condensed set of Financial Statements (unaudited)
Six months ended 30 June 2010 (continued)

15. Notes to the cash flow statement

	Six months ended 30 June 2010 £'000s	Six months ended 30 June 2009 £'000s
(Loss)/ profit for the period after taxation	(1,519)	11,261
Adjusted for:		
Investment revenue recognised in profit and loss	(25,479)	(25,517)
Share of profit from associates	(2,562)	(952)
Interest on bank loans (finance costs)	60,128	37,996
Depreciation of plant property and equipment	208	208
Amortisation of intangible assets	5,066	4,068
Amortisation of loan issue costs	2,440	1,892
Income tax expense recognised in profit & loss	(921)	(1,220)
Other (losses)/gains	6,729	3,155
Impairment	7,330	-
Operating cash flows before movements in working capital	51,420	30,891
Decrease in receivables	9,566	7,091
(Decrease)/ increase in payables	(678)	1,053
Cash generated by operations	60,308	39,035
Interest paid	(62,180)	(47,115)
Income taxes received	264	289
Net cash outflow from operating activities	(1,608)	(7,791)

Cash and cash equivalents held by the Group are short-term bank deposits with an original maturity of three months or less. The carrying value of these assets approximates to their fair value.

16. Contingent liabilities

The Company has issued a standby letter of credit to BBPP Alberta Schools Limited for CAD $5.8 million, which is undrawn at the date of this report. The annual cost of providing this standby letter of credit is 1.75% p.a. of the value, being CAD $101,500.

As the project moves into the operational phase this standby letter of credit may no longer be required.

17. Related party transactions

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

During the period, Group companies entered into certain transactions with related parties who are not members of the Group and who are related parties by reason of being in the same group as Amber Infrastructure Group Limited, which is the ultimate holding company of the Investment Advisor, Amber Fund Management Limited ("AFML").

Mr Giles Frost is a Director of the Company and also a Director and substantial shareholder of Amber Infrastructure Group Limited. Hence, transactions with Amber Infrastructure Group Limited are considered related party transactions under IAS 24 "Related Party Disclosures".

17. Related party transactions (continued)

Related party transactions arose in the period or the prior period with the following entities all of whom have Amber Infrastructure Group as their ultimate holding company:

	Amounts paid to related parties in Income Statement		Amounts paid to related parties in Balance Sheet		Amounts owing to related parties on Balance Sheet	
	For the 6 months ended 30 June 2010 £'000s	For the 6 months ended 30 June 2009 £'000s	30-Jun-10 £'000s	31-Dec-09 £'000s	30-Jun-10 £'000s	31-Dec-09 £'000s
International Public Partnerships GP Limited (a)	3,124	3,170	-	-	3,124	11,711
Amber Asset Management Holdings Limited (b)	5,012	1,444	-	145	931	375
Amber Fund Management Ltd (c)	70	-	-	778	70	44
Total	8,206	4,614	-	923	4,125	12,130

a. International Public Partnerships GP Limited is the General Partner of the limited partnership through which the Company holds its investment and is entitled to a Base Priority Profit Share, Incentive Priority Profit Share and as Operator of International Public Partnerships Limited Partnership (the "Partnership") an operating fee.

b. Amber Asset Management Holdings Limited (registered in England and Wales) is a related party of the Group and its subsidiary companies have various asset management agreements with the underlying PFI concession companies of the Group to provide asset management services. This amount also includes fees incurred for the arrangement and origination of the Moray Schools project.

c. Amber Fund Management Limited (AFML), the Investment Advisor, is a related party of the Group. The aggregate fees payable to AFML in its capacity as Investment Advisor includes both base and performance fees, however the amount is reduced by any base or performance fees that have been paid (or are due and payable) to International Public Partnerships GP Limited (see (a)). During the period acquisition fees payable to AMFL for the Pforzheim Schools and Moray Schools projects that were acquired by the Group are outstanding and payment is expected before year end.

Shares held by the Investment Advisor

In part settlement of the performance fee that was payable at 31 December 2009, 40% of the value was accepted in shares by the Investment Advisor, being £3.4 million. As a result, Amber Infrastructure Limited (AIL) received 2,991,220 Ordinary Shares of the Company on 5 May 2010 at 114.1 pence per share. This shareholding helps strengthen the alignment of interests between the Company and the Investment Advisor. As at 30 June 2010 AIL still held these shares.

Notes to the Condensed set of Financial Statements (unaudited)
Six months ended 30 June 2010 (continued)

17. Related party transactions (continued)

Transactions with directors

The following directors have purchased shares in the Company following the capital raising of Ordinary Shares. These were acquired on 4 February 2010.

Director	Number of Ordinary Shares
Keith Dorrian	2,075
Carol Goodwin	20,550
Rupert Dorey (including spouse)	170,000
Total purchased	**192,625**

18. Events after the balance sheet date

There have been no events after the balance sheet date for the Company or the Group.

International Public Partnerships Limited

Directors and Advisors

Directors

Keith Dorrian	Independent Non- Executive Chairman
Rupert Dorey	Independent Non- Executive Director
Giles Frost	Non- Executive Director
Carol Goodwin	Independent Non- Executive Director
John Whittle	Independent Non- Executive Director
Registered Office	Heritage Hall PO Box 225, Le Marchant Street, St Peter Port, Guernsey, Channel Islands, GY1 4HY
Administrator & Company Secretary	Heritage International Fund Managers Limited Heritage Hall, PO Box 225, Le Marchant Street, St Peter Port, Guernsey, Channel Islands, GY1 4HY
Investment Advisor	Amber Fund Management Limited Two London Bridge, London SE1 9RA
Auditors	Deloitte LLP Recognised Auditors P.O. Box 137, Regency Court, Glategny Esplanade, St Peter Port, Guernsey, Channel Islands, GY1 3HW
Legal Advisor	Mourant Ozannes 1 Le Marchant Street St Peter Port, Guernsey, Channel Islands GY1 4HP
Broker	Numis Securities Limited The London Stock Exchange Building, 10 Paternoster Square, London EC4M 7LT
Bankers	Royal Bank of Scotland International 1 Glategny Esplanade, St Peter Port, Guernsey, Channel Islands GY1 4BQ
Public Relations	Financial Dynamics Holborn Gate, 26 Southampton Buildings, London, WC2A 1PB
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