INTERNATIONAL PUBLIC PARTNERSHIPS

Half-yearly Financial Report
for the six months ended 30 June 2016

Contents

www.internationalpublicpartnerships.com

International Public Partnerships Limited

Registered number: 45241

Cover image: Wellington School, Tower Hamlets, London

Key Points

NAV Per Share

138.2 pps

2016 First Half Distribution

3.325 pps

2016 Full Year Distribution Target

6.65 pps

2017 Full Year Distribution Target

6.82 pps

Profit Before Tax

£109.6m

Net Asset Value

- Net Asset Value ('NAV')[1] per share of 138.2 pence as at 30 June 2016 (31 December 2015: 130.2 pence)
- NAV of £1,371.4 million as at 30 June 2016, up £81.2 million (31 December 2015: £1,290.2 million)

Shareholder Returns

- 2016 half year fully covered cash dividend[2] of 3.325 pence per share[3] (30 June 2015: 3.225 pence per share)
- Two year forward looking fully covered minimum cash dividend target[4] for the years ended 31 December 2016 and 2017 of 6.65 and 6.82 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 with a 0.75% 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 2016 of 139.2% compared to 55.6% on the FTSE All Share over that same period or on an annualised basis 9.5% compared to 4.7% (respectively)[6]

Earnings

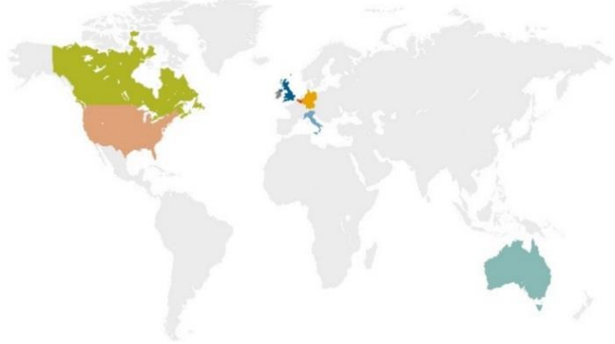
- Profit before tax of £109.6 million for the six months ended 30 June 2016 (30 June 2015: £38.4 million)

Highlights

- £60.0 million of additional investments or commitments made during the period and a further £91.2 invested or committed since 30 June 2016
- Strong pipeline of investment opportunities emerging including payments to support the Company's commitment to Thames Tideway Tunnel, one of the UK's largest Infrastructure projects
- Majority owned investments represent 70.8% of portfolio providing high level of asset control
- Underlying investments with external debt[7] represent 85.9% of the investment portfolio, 14.1% of the Company's assets have no external debt[8]

1 The methodology used to determine investment fair value is incorporated within the Net Asset Value ('NAV') as described in detail on page 10.
2 Cash dividend payments to investors are paid from net operating cash flow (after taking into account financing costs) as detailed on page 16.
3 The forecast date for payment of the full year dividend is November 2016.
4 Future profit projection and dividends cannot be guaranteed. Projections are based on current estimates and may vary in future.
5 See pages 15 and 16 for information relating to the Company's use of sensitivity analysis.
6 Source: Bloomberg. Share price plus dividends assumed to be reinvested.
7 Represents investments where debt has been provided by an external lender.
8 Represents investments where the Company owns the entire capital structure.

Company Overview



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

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

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') and similar public procurement processes.

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

Portfolio

- Geographically diversified with a portfolio across eight countries in a variety of sectors
- A focus on yielding operational investments but with an element 'in construction' offering 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 portfolio would imply a 0.75% per annum increase in return across the portfolio
- The Investment Adviser has historical success in originating and developing new 'primary market' 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 founded on asset availability, not demand, usage or other non-controllable variables
- A significant portion (10.9%) of the portfolio is invested in 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
- Total Shareholder Return since listing in 2006 to 30 June 2016 of 9.5% on an annualised basis[1]
- Share liquidity through listing and trading on the London Stock Exchange
- Target internal rate of return equal to or greater than 8% per annum 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

- Member of the FTSE 250 and FTSE All Share indices
- Listed since November 2006 with an initial market capitalisation of £300 million and current market capitalisation of £1.51 billion as at 30 June 2016 (31 December 2015: £1.38 billion)
- 992.6 million shares in issue as at 30 June 2016 (31 December 2015: 990.6 million)
- 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

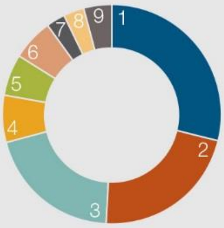
Investment Adviser Fees

- Competitive fee structure
- For investments bearing construction risk: 1.2% per annum of Gross Asset Value ('GAV')
- For fully operational assets:
  - 1.2% per annum of the 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) exceeds £1.5 billion
- 1.5% asset origination fee of the value of new investments to cover acquisition due diligence and more time/cost intensive primary market new origination activities
- Investment Adviser bears the risk of abortive transaction origination costs
- No incentive or performance fees
- Further details can be found in the Company's 2015 Annual Report on pages 12 and 13

[1] Source: Bloomberg. Share price plus dividends assumed to be reinvested.

Key Portfolio Facts
as at 30 June 2016

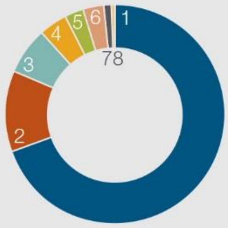
Sector Breakdown



1	Energy Transmission	29%
2	Education	22%
3	Transport	20%
4	Health	7%
5	Waste Water	6%
6	Courts	6%
7	Police Authority	3%
8	Military Housing	3%
9	Other	4%

122 investments in infrastructure projects across a variety of sectors

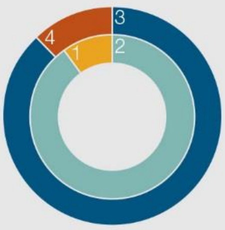
Geographic Split



1	UK	70%
2	Belgium	12%
3	Australia	7%
4	Germany	4%
5	Canada	3%
6	US	3%
7	Ireland	1%
8	Italy	<1%

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

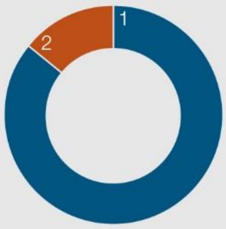
Mode of Acquisition/Asset Status



1	Construction	10%
2	Operational	90%
3	Primary Investor[1]	88%
4	Later Stage Investor[2]	12%

Early stage investor to maximise capital growth opportunities

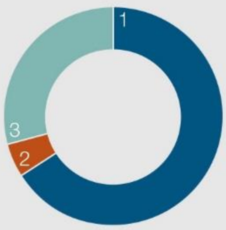
Investment Type



1	Risk Capital only[3]	86%
2	Company owns Risk Capital and Senior Debt	14%

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

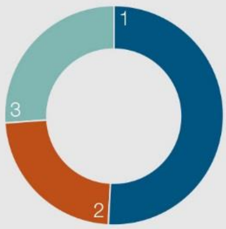
Project Ownership



1	100%	66%
2	50%–100%	5%
3	<50%	29%

Preference to hold majority stakes

Investment Life



1	<20 years	51%
2	20–30 years	23%
3	>30 years	26%

Weighted average portfolio life of 28 years[4]

Information provided in charts above is based on 30 June 2016 portfolio investment fair value. Unless otherwise stated the Company and its subsidiaries hold investments in equity, subordinated debt and senior loans made to entities owning or operating infrastructure concessions, assets or related businesses most of which are investment subsidiaries.

1 Primary Investor – asset developed or originated by the Investment Adviser or predecessor team in the primary market as a new investment opportunity.
2 Later Stage Investor – asset acquired from a third party investor in the secondary market.
3 Risk Capital – includes both project level equity and subordinated debt.
4 Once the Company has fully invested in the Tideway project the average investment life will, other things being equal, be c.40 years. Twenty-eight years represents the current weighted average investment life based on the £76.0m invested in Tideway as at 30 June 2016.

Top Ten Investments

Name of Project	Location	Sector	Status at 30 June 2016	% Holding at 30 June 2016	% Investment Fair Value 30 June 2016	% Investment Fair Value 31 December 2015
Lincs Offshore Transmission	Lincolnshire, England	Energy Transmission	Operational	100% Risk Capital[1]	13.0%	14.1%
Diabolo Rail Link[2]	Brussels, Belgium	Transport	Operational	100% Risk Capital[1]	11.7%	11.4%
Ormonde Offshore Transmission	Cumbria, England	Energy Transmission	Operational	100% Risk Capital[1] and 100% senior debt	9.9%	11.0%
Thames Tideway Tunnel[2]	London, United Kingdom	Waste Water	Under Construction	16% Risk Capital[1]	6.4%	4.9%
Angel Trains[2]	Various, United Kingdom	Transport	Operational	5% Risk Capital[1]	5.0%	4.9%
Royal Children's Hospital	Victoria, Australia	Health	Operational	100% Risk Capital[1]	3.2%	3.4%
US Military Housing[2]	Various, United States	Military Housing	Operational	100% Risk Capital[1]	2.7%	2.7%
BeNEX Rail	Various, Germany	Transport	Operational	49% Risk Capital[1]	2.7%	2.9%
Northampton Schools	Northamptonshire, England	Education	Operational	100% Risk Capital[1]	2.6%	2.7%
Hereford & Worcester Courts	Worcestershire, England	Courts	Operational	100% Risk Capital[1] and 100% senior debt	2.4%	2.7%

1 Risk Capital includes both project level equity and subordinated debt.
2 These projects contain revenues which are not solely dependent on availability but also include an element of linkage to other factors such as passenger numbers, rolling stock releasing assumptions, occupancy and/or are regulated assets. All other investments receive entirely availability based revenues.

Note that investment contribution to the portfolio is calculated on a drawn cash basis and does not take into account amounts committed through letters of credit etc. 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 2016 can be found on pages 19 and 20 of this Report.

Chairman's Letter

Dear Shareholders,

It is very pleasing to be able to report to you again that your Company continued to perform strongly - the six months to June 2016 saw very robust underlying returns from the existing portfolio. We were also fortunate in being able to bring a number of new investments into the portfolio during the period, adding incremental value to your shareholding.

The combination of portfolio growth, new investment and the subscription of new capital saw the Company's market capitalisation reach over £1.5 billion shortly after the close of the half year, up from £1.1 billion at the equivalent time last year.

Dividend Growth

In line with its stated dividend target of 6.65 pence per share for the 2016 financial year, the Company declared a dividend of 3.325 pence per share for the six months to 30 June 2016. This represents c.3.1% growth over the prior corresponding period and is consistent with the c.2.5% average annual dividend growth that has been delivered to investors since the Company's inception over nine years ago. The ability to deliver consistent and growing income to investors is at the heart of the Company's investment strategy and we appreciate its importance to investors in increasingly volatile market conditions.

The Board has once again published a minimum dividend target, being 6.65 pence per share for 2016, and guidance of 6.82 pence per share for the 2017 dividend, an average increase of c.2.5% per annum, to give additional clarity to shareholders of our future intentions.[1]

Operational and Portfolio Performance

The Company's portfolio of assets continued to perform well with revenues and cash receipts in line with management forecasts and levels of satisfaction remaining high amongst our public sector clients. As a result the cash flow and valuation performance of the Company's existing portfolio remained very healthy. Net Asset Value growth was strong during the period, increasing 6.3% to £1,371.4 million or 6.1% to 138.2 pence on a NAV per share basis.

The existing portfolio has continued to benefit from strong asset management of investments which we see as fundamental to the Company's overall long-term success. This approach not only encompasses larger-scale project issues such as ensuring that major construction schemes or project variations are tracking to schedule and budget, but the effective management of day-to-day relationships, such as ensuring that the head teachers in our schools are satisfied with the facility services being delivered and the terms of the concession contracts are being fulfilled.

Investment Activity and Capital Raising

Demand for infrastructure investment continues apace not only in the UK but internationally. The Company is well positioned and continues to prefer to focus its attention on the early phases of governments' procurement processes where it can be an active participant in the structuring and risk management of a project thereby deriving the best outcome for our investors from a project's inception. This is distinct from those whose focus is mainly to acquire investments in the secondary market where, typically, because of the competitive auction process, price is the key determinant and the project's investment parameters are dictated by the preceding owner/s. We believe our ability to originate and structure transactions so that the Company is an early stage investor into the majority of its investments is a major differentiating factor which creates real added value for our shareholders.

In this period we made investments and commitments to five infrastructure investments in the electricity transmission, regulated utility, education and transport infrastructure sectors totalling over £60.0 million. Additional commitments or investments of £91.2 million have also been made by the Company into additional infrastructure projects in the months since the end of the half year.

The largest investment during the period was the Company's commitment to the Westermost Rough offshore transmission project, where £26.8 million was invested. This is the Company's sixth such investment into what we believe to be one of the most attractive sectors in the UK at the current time.

The Company also continued to invest into the £4.2 billion Thames Tideway Project which will deliver a 25 kilometre 'super-sewer' under the River Thames in London. As at the date of this report the Company had invested some £76.0 million, with an additional £134.0 million committed by way of letter of credit to be drawn down during the construction phase of the project over the next year and a half.

The capital required to fund these new investments came from a mix of the Company's existing cash resources, its corporate debt facility and the proceeds from share issuance in the previous period.

The Company also conducted a capital raising in the first week of July 2016. Despite the turbulent market conditions that followed the Brexit decision, the offer closed significantly oversubscribed and the Company was able to enlarge the amount raised from the initial target of £75 million to £125 million. Pleasingly the placement was concluded at a very narrow discount to the market price on the day the raising was announced and was supported by a range of existing and new investors.

This new capital was immediately used to reduce the drawn balance of the Company's revolving credit facility and to invest into committed investment opportunities. We would like to thank all shareholders who participated in the offer for their support and welcome all of our new shareholders to the register.

[1] Future profit projection and dividends cannot be guaranteed. Projections are based on current estimates and may vary in future. Risk Capital includes both project level equity and subordinated shareholder debt.

Chairman’s Letter continued

Corporate Governance and Regulation

The Board has closely monitored market and political reactions following the referendum in respect of UK European Union (EU) Membership on 23 June 2016. While the decision to leave the EU will inevitably lead to uncertainty and associated market-related volatility (including but not limited to currency, credit and stock markets) the full impact of ‘Brexit’ is extremely difficult to forecast. We will continue to monitor the outcome and potential impacts.

We do however note that in our opinion the Company’s current investments are not likely to be impacted in the long-term to a significant degree by Brexit as the counterparties to the concessions in which we invest will continue to use and require our services. Moreover there are no ‘Brexit-related’ clauses that would lead to the cessation of our concession agreements. Finally, in the context of the uncertainty created by the decision, the demand for assets in which the Company invests and the associated stable and inflation-linked distributions generated, is likely to continue to be high and we see this as broadly positive for the Company and its investor base.

The OECD proposals aimed at limiting the tax deductibility of interest charges on related and third party debt remain of particular relevance to the infrastructure sector. In May 2016, following the announcements made in the 2016 Budget, Her Majesty’s Treasury invited a further consultation on the proposed regulations for corporate interest deductibility in the UK. The Company and its Investment Adviser have, in conjunction with industry participants and forums, submitted responses in this consultation. We are encouraged by movements in the latest proposals towards attempting to avoid unintended consequences on the infrastructure sector, however until detailed rules are finalised both in the UK and in other jurisdictions there remains a degree of uncertainty over any potential future impact on the Company. We will continue to work with our professional advisers and engage with industry groups as well as the relevant authorities throughout the consultation and implementation stage with an aim to mitigate unintended consequences where possible.

As reported in the 2015 Annual Report, in addition to its usual review of risks, the Board considered in more detail the cyber-risks that the Company may face – an increasingly topical area of risk for many businesses. The Board commissioned a review of the Company’s security protocols in this respect which has found that controls are fit for purpose for the Company.

Going Concern

We have reviewed comprehensive cash flow forecasts, which are based on market data and past experience, and continue to 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 at the date of this report the Group has unrestricted cash balances of £49.5 million, restricted cash balances available for investments of £26.6 million and undrawn banking facilities of £158.4 million. Forecasts indicate continuing full compliance with associated banking covenants. Further details can be found on page 21.

Outlook

Despite uncertainty in some of the markets in which we operate the Company remains confident in its ability and that of its Investment Adviser to continue to identify and execute new investments in core markets to strengthen the portfolio further. This includes both infrastructure assets within the primary PPP/PFI space and regulated infrastructure assets.

Where new investment opportunities do arise the Company will continue to be selective in those acquisitions which it brings into the portfolio to ensure that they bring long-term value to shareholders.

Finally, and notwithstanding the comments above and the opportunities listed in more detail in the Financial and Operating Review, it should be noted that the Company’s projected performance is not dependent upon making future investment commitments in order to deliver its projected returns. These can be delivered in the Company’s view from its existing assets. Further investment opportunities will, first and foremost, be judged based on whether they add value and quality to the Company’s existing portfolio.

Rupert Dorey

Rupert Dorey
31 August 2016
Chairman

Financial and Operating Review

Key Performance Indicators

The Key Objectives of the Company are set out below and ten priorities have been identified to assist in meeting these. In order to assess annual performance in meeting these objectives the Company reviews semi-annually its performance against the following Key Performance Indicators ('KPIs'). The KPIs and the relative performance for the six months to 30 June 2016 are summarised below and further details of each of these elements are provided in the sections that follow:

Key Objectives

Investor Returns			
Key Objectives	Key Performance Indicator	Six months to 30 June 2016 Performance	Page Reference
Deliver sustainable long-term returns to shareholders			
- Focus on providing shareholders with predictable, and where possible growing dividends	- Maintain and enhance distributions to shareholders	- Achieved targeted fully covered cash dividend of 3.325 pence/share, a 3.1% increase on HY 2015 dividend	10 - 17
- Deliver capital value enhancement where possible	- Total shareholder return	- Achieved. The total shareholder return since IPO is 139.2%, or 9.5% on an annualised basis	
	- NAV and NAV pence/share	- NAV of £1,371.4 million and NAV per share of 138.2 pence, an increase of 6.3% and 6.1% respectively.	

Strategic Priorities

1. Active Asset Management			
Strategic Priorities	Key Performance Indicator	Six months to 30 June 2016 Performance	Page Reference
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 HY 2016 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	18
3 Deliver **additional 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	- Around 340 variation requests processed representing c. £4.3 million of the additional works at the project level	18
	- Management of investments in the course of construction projects in line with overall delivery timetable	- Construction works on projects in line with project timetables	

	2. Value-focused Portfolio Development			
	Strategic Priorities	Key Performance Indicator	Six months to 30 June 2016 Performance	Page Reference
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	- Increased stake in Wolverhampton Phase Two Building Schools for the Future project up to 82% - Follow-on investment in Gold Coast Light Rail project	19 - 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	19 - 20
6	Enhance prospects for **capital growth** by investing in **construction phase assets** where available	- Number of investments in construction	- 4 projects currently in construction phase representing 9.8% of NAV	19 - 20
7	Identify **complementary investment sectors** within the Company's investment policy offering better returns with a similar risk profile	- Value of investments in complementary investment sectors	- Continued investment into regulated water investment, Tideway	19 - 20
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	- Committed c.£3.8 million investment into extension of the Gold Coast Light Rail project in Australia	19 - 20
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	- Investments, notably Tideway, significantly enhanced the average duration of the portfolio. Once fully invested in 2018 the weighted average portfolio duration will be c.40 years.	19 - 20

	3. Efficient Financial Management			
	Strategic Priorities	Key Performance Indicator	Six months to 30 June 2016 Performance	Page Reference
10	Provide **efficient management** of **cash holdings** and **debt facilities** available for investment and appropriate hedging policies	- Dividends paid to investors covered by operating cash flows from investments	- Dividends paid to investors 1.3 times covered by net operating cash flow[1]	21
		- New investments made from available cash (after payment of dividend) in priority to use of corporate debt	- All investments in the period funded through excess cash[2] before utilising the corporate debt facility	
		- Competitive cash deposit rates	- Benchmarked market cash rates and re-allocated based on risk/return profile where possible	
		- Use of appropriate hedging strategies	- Foreign exchange forward contracts in place at the balance sheet date to mitigate short-term foreign exchange cash flow volatility	

1 Cash dividends to shareholders are paid from net operating cash flow (including financing costs) before non-recurring operating costs.
2 Residual cash after payment of dividend and corporate costs over the next twelve months.

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 2016 was £109.6 million (30 June 2015: £38.4 million) driven largely by the net change in fair value of investments, with earnings per share of 11.14 pence (30 June 2015: 4.71 pence).

Income from portfolio investments (investment income) including fair value movements, dividends and interest in the period was impacted accordingly, rising to £124.5 million (30 June 2015: £47.0 million). These returns were partially offset by operating expenses (including finance costs) of £10.7 million (30 June 2015: £9.5 million) and adverse movements on foreign currency contracts of £5.1m (30 June 2015: gain of £0.1m)

These results allowed the Company to deliver a dividend of 3.325 pence per share for the six months to 30 June 2016 (30 June 2015: 3.225 pence per share)

Total Shareholder Return

The Company's Total Shareholder Return (share price growth plus reinvested distributions) for investors since the IPO of the Company in November 2006 to 30 June 2016 has been 139.2%, compared to a total return on the FTSE All-Share index over the same period of 55.6% or 9.5% and 4.7% (respectively) on an annualised basis[1]. The Company has exhibited relatively low levels of volatility compared to the market, as evidenced by the graph below which shows the Company's share price since IPO against the price performance of the major FTSE indices and the Company's NAV.

INPP Share Price Performance

Net Asset Valuation

The Company reported a 6.3% increase in NAV to £1,371.4 million at 30 June 2016 up from £1,290.2 million at 31 December 2015. This represented an increase of 6.1% of NAV per share to 138.2 pence per share from 130.2 pence per share at 31 December 2015.

The build-up of NAV is derived from a discounted cash flow calculation to determine the fair value of investments plus 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 2015 and 30 June 2016 are highlighted in the graph and described in more detail below.

[1] Source: Bloomberg - Share price appreciation plus income.

Financial and Operating Review continued

Net Asset Value Movement (£m)

1 Represents movements in the forward foreign exchange curves used to forecast future international project distributions.
2 The NAV Return represents, amongst other things, (i) variances in both realised and forecast project cash flows, (ii) the unwinding of the discount factor applied to those future project cash flows and (iii) changes in the Company's other net assets (see also more detail below).

Over the six months to 30 June 2016, government bond yields decreased in all countries the Company holds investments in, resulting in a positive impact on the NAV. This was partly offset by an increase in project premiums to ensure the project valuations continue to reflect current market pricing.

Sterling weakened considerably against the Australian, Canadian and United States' Dollars and the Euro over the half year to 30 June 2016, particularly after the announcement of the 'Brexit' decision, and this had a positive impact on the NAV. The most significant foreign exchange impact was seen in the valuation of the Company's Euro denominated investments.

Cash distributions were £29.2 million during the period and represent the cash elements of the dividend paid to shareholders in respect of the second half of the 2015 financial year.

The NAV Return of £37.8 million captures the following:
- Unwinding of the discount factor – the movement of the valuation date and the receipt of forecast distributions;
- Updated project forecasts – refinement of project model and macroeconomic assumptions to reflect current expectations of future cash flows and ensure that cash can be extracted from the underlying investments as early as reasonably possible; and
- Movements in the Company's working capital position.

Investment Valuation

Forecast future cash flows

The Company's investments are expected to exhibit (and historically have exhibited) 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).

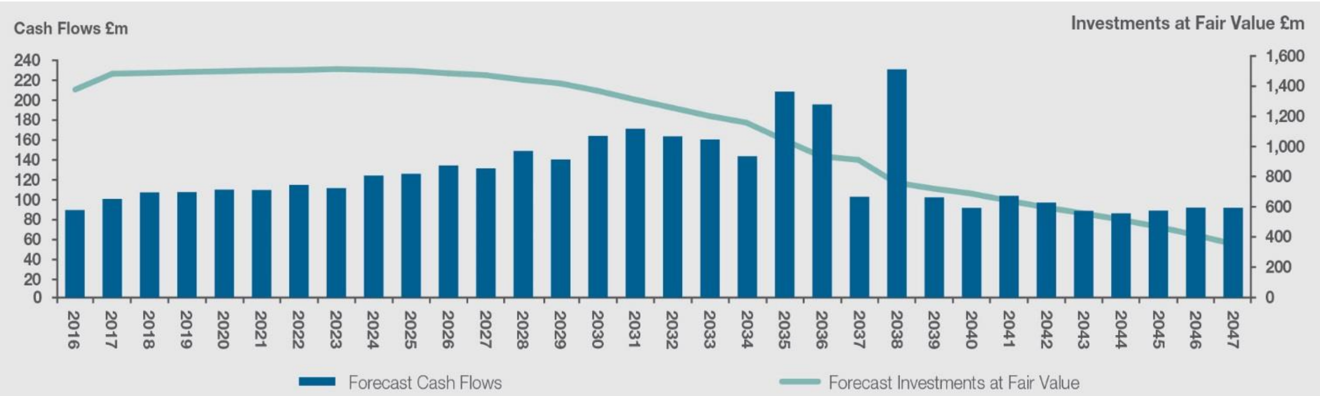
The majority of the receipts over the life of the concessions are investment income in the form of dividends or interest and principal payments from senior and subordinated debt investments.

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 overleaf illustrates how, in the event that the Company never acquires any additional assets, nor raises any additional capital and other things being equal, the value of the Company's portfolio would reduce to zero over time[1]. Equally however, 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 the same general amortising profile).

1 The chart has been updated from previously published versions and now presents Investments at Fair Value i.e. the underlying value of the assets rather than NAV for fairer presentation.

Financial and Operating Review continued

INPP Forecast Cash Flow Profile and Portfolio Valuation



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 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 2016 was £1,352.4 million, an increase of 12.6% since 31 December 2015.

Investments at Fair Value Movements (£m)

[1] Represents £17.8m of funds transferred into affiliated entities to facilitate Tideway investment immediately following the balance sheet date.
[2] The Portfolio Return represents, amongst other things, (i) variances in both realised and forecast project cash flows and (ii) the unwinding of the discount factor applied to those future project cash flows.

The Portfolio Return of £49.2 million captures the following:
- Unwinding of the discount factor – the movement of the valuation date and the receipt of forecast distributions; and
- Updated project forecasts – refinement of project model and macroeconomic assumptions to reflect current expectations of future cash flows and ensure that cash can be extracted from the underlying investments as early as reasonably possible.

In addition there was:
- A net reduction in discount rates across all jurisdictions in which the Company holds investments, leading to a £34.3 million increase in portfolio value;
- A reduction of £3.1 million following a reduction in the long-term Australian deposit rate assumptions and a one year delay in the step-up to the long-term deposit rate assumptions for all jurisdictions; and
- An increase of £43.1 million due to a significant weakening of Sterling against all four currencies the Company has exposure to.

The remaining movements relate to investments and the funding of affiliated entities totalling £74.0 million[1] and project distributions of £46.2 million.

[1] Represents £56.2m of cash investments and £17.8m of funds advanced to affiliated entities to facilitate the Tideway investment immediately following the balance sheet date.

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. Across the portfolio the weighted average inflation assumption as at 30 June 2016 was 2.56% (31 December 2015: 2.57%) and the weighted average long term deposit rate assumption was 3.00% (31 December 2015: 3.11%).

Variable	Basis	30 June 2016	31 December 2015	30 June 2015
Inflation	UK	2.75%	2.75%	2.75%
	Australia	2.50%	2.50%	2.50%
	Europe	1.00% in 2016 then 2.00%	1.00% in 2016 then 2.00%	1.00% in 2016; then 2.00%
	Canada	2.00%	2.00%	2.00%
	US[4]	N/A	N/A	N/A
Long-term Deposit Rates[1]	UK	3.00%	3.00%	3.00%
	Australia	3.00%	4.50%	4.50%
	Europe	3.00%	3.00%	3.00%
	Canada	3.00%	3.00%	3.00%
	US[4]	N/A	N/A	N/A
Foreign Exchange	GBP/AUD	1.91	2.13	2.15
	GBP/CAD	1.76	2.02	1.33
	GBP/EUR	1.14	1.28	1.95
	GBP/USD[4]	1.36	1.49	N/A
Tax Rate[2]	UK	18.00%-20.00%[3]	18.00%-20.00%[3]	20.00%
	Australia	30.00%	30.00%	30.00%
	Europe	Various (12.50%-33.99%)	Various (12.50%-33.99%)	Various (12.50%-33.99%)
	Canada	Various (26.50%-27.00%)	Various (26.50%-27.00%)	Various (25.00%-26.50%)
	US[4]	N/A	N/A	N/A

1 The 30 June 2016 portfolio valuation assumes actual current deposit rates are maintained until 31 December 2019 before adjusting to the long-term rates noted in the table above
2 Corporation tax rates are only updated once they have been substantively enacted.
3 20.00% until 31 March 2017, 19.00% from 1 April 2017 until 31 March 2020 and 18.00% from 1 April 2020.
4 The Company made its first US denominated investment during 2015. It had no USD exposure prior to this time. The investment is in fully yielding subordinated debt instruments and therefore not directly impacted by inflation, deposit and tax rates.

Discount rates

The discount rate used for valuing each investment is based on the appropriate long-term government bond yield 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 (85.9%) is comprised of investments where the Company only holds the Risk Capital in the underlying projects. The remainder of the portfolio (14.1%) is comprised of investments where the Company holds both the Risk Capital and the senior debt. In order to provide investors with a greater level of transparency, the Company publishes both a Risk Capital weighted average discount rate and a portfolio weighted average discount rate across all investments including senior debt interests.

The current discount rates used by the Company are provided in the table. These rates need to be considered against the assumptions and projections upon which the Company's anticipated cash flows are based.

Care needs to be exercised if the Company's average discount rates are to be compared with those of similar companies. In the Company's view comparisons of average discount rates between competitor investment portfolios or funds is only meaningful if there is a comparable level of confidence in the quality of forecast cash flows (and assumptions) the 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. As such assumptions are unlikely to be homogenous, and a focus on average discount rates without an assessment of these and other factors could be misleading.

Metric	30 June 2016	31 December 2015	30 June 2015	Movement 31 December 2015 – 30 June 2016
Weighted Average Government Bond Rate (Nominal) – portfolio basis – Risk Capital and senior debt	2.00%	2.31%	2.12%	(0.31%)
Weighted Average Project Premium over Government Bond Rate – Risk Capital and senior debt (Nominal)	5.37%	5.22%	5.17%	(0.15%)
Weighted Average Discount rate - Portfolio basis – Risk Capital and senior debt	7.37%	7.53%	7.29%	(0.16%)
Weighted Average Discount rate - Risk Capital only[1]	7.88%	8.09%	7.83%	(0.21%)
NAV per share	138.2p	130.2p	128.6p	8.0 p

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

The change in the weighted average discount rate in the period is principally due to the reduction in Government bond rates during the period.

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. The Company considers, however, that investors may also find a comparison with inflation adjusted government bond rates beneficial. This is the case due to the significant level of inflation linkage inherent in the Company's anticipated cash flows.

Real (i.e. inflation adjusted) bond rates are included in the table below. Using these real rates on a weighted average basis leads to a 'real' portfolio rate of (0.61%) with the difference between the 'real' and 'nominal' rates reflecting in theory the implied rates of future expected inflation. In some countries this is higher than those currently being assumed to calculate the Company's NAV. This information is provided to enable investors to make approximate comparisons of the projected return of the Company with that available from government index linked bonds. It should be noted that any such comparison can only be estimated due in part to the fact that the Company's cash flows are not fully linked to inflation and the Company's cash flows already assume a core level of inflation as set out in the section headed Macroeconomic assumptions on page 13.

	30 June 2016		31 December 2015		Movement (December 2015 – June 2016)	
Country	Nominal	Real	Nominal	Real	Nominal	Real
UK	2.05%	(0.89%)	2.33%	(0.76%)	(0.28%)	(0.13%)
Australia	2.96%	0.92%	3.29%	1.00%	(0.33%)	(0.08%)
Europe[1]	1.35%	(0.49%)	1.73%	(0.14%)	(0.38%)	(0.35%)
Canada	1.96%	0.50%	2.20%	0.55%	(0.24%)	(0.05%)
US	2.52%	0.89%	2.99%	1.18%	(0.47%)	(0.29%)
Portfolio weighted average	2.00%	(0.61%)	2.31%	(0.44%)	(0.31%)	(0.17%)

1 Includes Belgium, Germany, Ireland, and Italy. Note estimates only for Belgium and Ireland as no index linked bonds available.

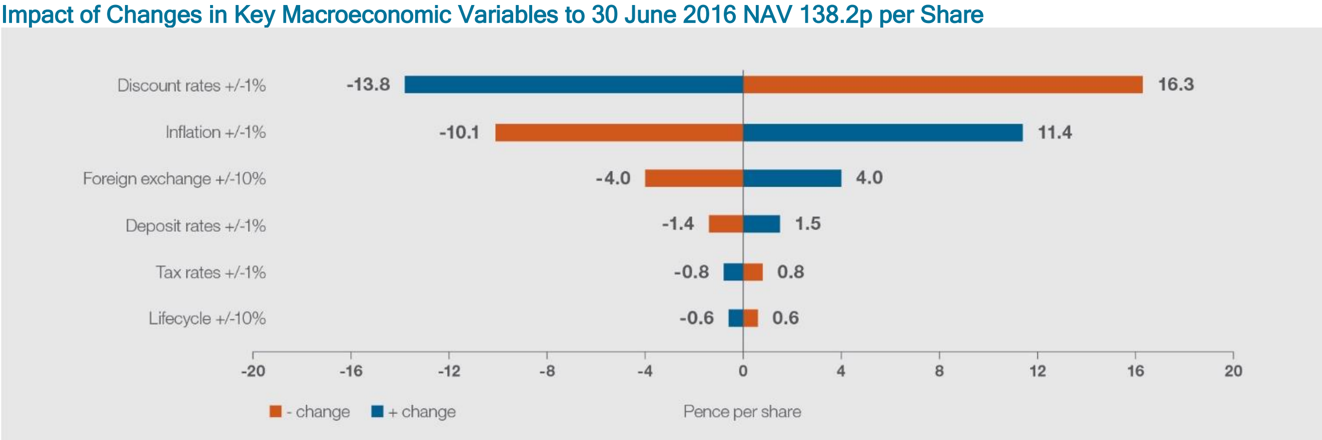
Portfolio level assumptions underlying NAV calculation

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 above) continue to be applicable
- The contracts under which payments are made to the Company and its subsidiaries remain on track and are not terminated before their contractual expiry date
- Where deductions are suffered under such contracts they are fully passed down to subcontractors
- Where possible lifecycle costs/risks are not borne by the Company but are passed down to a third party such as a facilities management contractor
- 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
- Where assets are in construction they are either completed on time or any costs of delay are borne by the contractors not the Company
- 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
- Where the Company or the infrastructure asset owning entities in which it has invested owns the residual property value in an asset that the projected amount for this value is realised
- Foreign exchange rates remain consistent with current four year forward looking projections
- There are no regulatory changes in the future which negatively impact the cash flow forecasts

Financial and Operating Review continued

Impact of Changes in Key Macroeconomic Variables to 30 June 2016 NAV 138.2p per Share



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 2016 NAV per share by 16.3 pence. Should the underlying project discount rates increase by 1% the NAV per share would decrease by 13.8 pence.

Inflation
In an environment where investors are increasingly focused on achieving long-term real rates of return on their investments, inflation protection is an important consideration for the Company. At 31 December 2015, the majority of assets in the portfolio had some degree of inflation linkage and, in aggregate, the weighted return of the portfolio would be expected to increase by 1% per annum in response to a 0.75% per annum inflation increase across the whole portfolio over the 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% per annum evenly across the portfolio there would be an 11.4 pence increase to the NAV per share. Conversely, if the rates were to decrease by 1% per annum there would be a 10.1 pence decrease to the NAV per share.

Forecasting the impact of possible future inflation/deflation on projected returns and NAV in isolation cannot be relied on as an accurate guide to the future performance of the Company as actual inflation is unlikely to follow any of these scenarios exactly and in any case, many other factors and variables will combine to determine what actual future returns are available. The analysis provided above should therefore be treated as being indicative only and not as providing any form of profit or dividend forecast.

Foreign exchange
The Company has a geographically diverse portfolio and therefore revenues are subject to foreign exchange rate risk. Should the assumed exchange rates increase by 10% per annum this could be anticipated to lead to a 4.0 pence increase in the NAV per share while a 10% per annum reduction in the exchange rates would result in a 4.0 pence decrease in NAV per share. Short-term fluctuation in foreign exchange rates are managed through currency forward contracts.

Deposit rates
The long-term weighted average deposit rate assumption across the portfolio is 3.00% 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. During the period the Company reduced the deposit rates it was assuming for its Australian assets from 4.50% to 3.00%. Taking this slight change into account and all else being equal, a 1% per annum increase in the underlying deposit rates could be anticipated to lead to a 1.5 pence increase in the NAV per share and a 1% per annum decrease in deposit rate to a 1.4 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% per annum this could be anticipated to lead to a 0.8 pence decrease in the NAV per share while a 1% per annum reduction in the tax rates could be anticipated to lead to a 0.8 pence increase in NAV per share.

Under UK group tax loss relief rules, losses within the UK group companies can be, subject to UK tax law, offset against taxable profits in other UK group companies (including controlled project entities). This group tax loss relief can reduce the overall tax charge across the portfolio and potentially reduce taxable profits substantially below the levels currently modelled by the Company.

The Company has taken a conservative approach to the valuation of future tax losses and, to date, has not incorporated these into the NAV.

Project lifecycle spend

Over a project's lifecycle there is a process of renewal required to keep the physical asset fit 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 spend will depend on the nature of the asset. In order to enhance the certainty around cash flows, around 93.53% of the Investments at Fair Value comprise investments that have been 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 cost profile is relatively small. A 10% increase in lifecycle costs would lead to a 0.6 pence reduction in NAV per share. A 10% decrease in lifecycle costs would lead to a 0.6 pence increase in NAV per share.

Cash flow movements in the period

Summary of consolidated cash flow	Six months to 30 June 2016 £ million	Six months to 30 June 2015 £ million	Year to 31 December 2015 £ million
Opening cash balance	**72.4**	**29.4**	**29.4**
Cash from investments	46.2	37.8	76.0
Operating costs (recurring)	(7.7)	(6.8)	(13.7)
Net financing costs	(1.2)	(1.1)	(3.5)
Net cash before non-recurring operating costs	**37.3**	**29.9**	**58.8**
Non-recurring operating costs	(1.0)	(1.5)	(2.8)
Net cash flow from operations[1]	**36.3**	**28.4**	**56.0**
Cost of new investments	(56.2)	(42.7)	(143.1)
Net drawdown/(repayment)of corporate debt facility	23.7	25.0	(16.3)
Proceeds of capital raisings (net of costs)	-	-	195.0
Distributions paid	(29.2)	(23.8)	(48.6)
Funds advanced to affiliated entities	(17.8)	-	-
Net cash at period end	**29.2**	**16.3**	**72.4**

[1] Net cashflows from operations are detailed further in the financial statements on page 30.

The Company's net cash reduced by £43.2 million from 31 December 2015 to £29.2 million reflecting new investments as well as dividends paid, offset by positive operating cash inflows and drawdowns on the corporate debt facility.

Cash inflows from the Company's portfolio of investments increased by £8.4 million to in comparison with the corresponding period in 2015. The increase can be attributed to both the ongoing maturity of the Company's assets and the positive impact of recent investments.

Recurring operating costs increased from £6.8 million to £7.7 million at 30 June 2016 as a result of higher management fees (in line with the increase to the Company's NAV) and other cost movements, as outlined in the accompanying table. Net financing costs are in line with the comparable period in 2015 since the majority of cash outflows associated with the higher drawn balance at 30 June 2015 were incurred in the second half of the year. Non-recurring operating costs in the period to 30 June 2016 relate principally to one-off transaction costs incurred on new investments.

New investments in the period are detailed in note 12 of the financial statements and were funded from a mix of the Company's existing cash resources, its corporate debt facilities and the proceeds from share issuance. To ensure the Company satisfied its commitment to invest £17.8 million into the Tideway project on 1 July 2016, cash was drawn on the corporate debt facility and transferred prior to the balance sheet date. This transfer is shown as "funds advanced to affiliated entities".

Dividends paid in the period of £29.2 million (30 June 2015: £23.8 million) were in respect of the six-month period ended 31 December 2015.

Corporate expenses and ongoing charges

A breakdown of corporate operating costs paid in the 6 months to 30 June is provided below

Corporate Expenses	Six months to 30 June 2016 £ million	Six months to 30 June 2015 £ million	Year to 31 December 2015 £ million
Management fees	(7.0)	(6.2)	(12.5)
Audit fees	(0.2)	(0.1)	(0.2)
Directors' fees	(0.1)	(0.1)	(0.2)
Other running costs	(0.4)	(0.4)	(0.8)
Operating costs (ongoing)	**(7.7)**	**(6.8)**	**(13.7)**

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 2016 £ million	Year to 31 December 2015 £ million	Six months to 30 June 2015 £ million
Annualised Ongoing Charges[1]	(15.4)	(13.7)	(13.7)
Average NAV[2]	1,330.8	1,143.3	1,069.9
Ongoing Charges	**(1.16%)**	**(1.20%)**	**(1.28%)**

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

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 Company's approach to risk is set out in the Risk Report of the 31 December 2015 Annual Report and Financial Statements (pages 36-44), the Risk Report includes an overview of the principle risks and their mitigation. Risk Factors are also detailed further in the Company's last Prospectus (the Placing, Open Offer and Offer for Subscription and Placing Programme Prospectus published on 19 October 2015). 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.

Financial and Operating Review continued

Performance against Strategic Priorities – 1. Active Asset Management

Investment cash flow received from the Company's portfolio of 122 investments has continued to perform in line with the Company's expectations. 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 the relationship between service providers and public sector clients. It is actively involved in the ongoing management of assets to ensure that performance standards are being met. In addition to these day-to-day activities, the Investment Adviser works with public sector clients on assignments as they arise.

These capabilities were tested in March when the Company's investment in the Diabolo Rail project was closed due to the horrifying terrorist activities at the Belgium National Airport, Zaventem, to which the project is linked. While our facilities were largely unaffected physically, as would be expected in such circumstances, rail services to the airport were suspended while security personnel and the government focussed on the atrocity. Following this the Investment Manager has worked with the Airport and other local authorities to reinstate services to the airport as quickly as possible. Although it is a short time since the incident, passengers have continued to use the service and the Company does not expect there to be any significant impact on the financial position of the project.

During the first half of 2016, our public sector clients commissioned c 340 variations resulting in over £4.3 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. Variations ranged in size from a few hundred pounds to over £1 million and demonstrate the value and flexibility of PFI/PPP contracts to respond to the changing requirements of public sector clients.

Construction work continues on the New Schools PPP Project in Australia (Victorian Schools 2). The Project comprises 15 new build schools across twelve different green-field sites in outer metropolitan Melbourne. Construction on the project is split into two tranches with the first eight schools due to be completed by 1 January 2017 and the remainder by 1 January 2018. Overall progress is on schedule, with the design submissions for the Tranche 1 schools nearly complete, construction well advanced and design submissions for Tranche 2 underway.

Enabling works on the Thames Tideway Tunnel ('Tideway') continued during the period, preparing the 24 sites across London for the driving of the tunnel itself, with the most prominent piece of work taking place in the foreshore by Blackfriars Bridge. Pleasingly during the period main works construction has started slightly earlier than planned.

The Gold Coast Stage 2 project which will link the existing light rail system with the local heavy rail network and provide users with direct access to Brisbane has commenced. Design work is underway along with early enabling works.

Projects under construction as at 30 June 2016, all of which are currently on schedule for operational commencement are set out in the table below.

Asset	Location	Construction Completion Date	Defects Completion Year	Status	% of Fair Value of Investment
Priority School Building Aggregator Programme – five batches	UK	2018	2019	On Schedule	3.32%
Thames Tideway Tunnel[1]	UK	2024	2027	On Schedule	6.40%
Victoria Schools PPP Project[1]	Australia	2018	2019	On Schedule	0.04%
Gold Coast Light Rail Stage Two[1]	Australia	2018	2019	On Schedule	0.01%

[1] Project is currently funded via a letter of credit. Investment will be made at construction completion or, in the case of Tideway, over the course of construction.

Performance against Strategic Priorities – 2. Value-focused Portfolio Development

During the six months to 30 June 2016 the Company made further investment or commitments of £60.0 million across five projects. The projects acquired were either sourced by the Investment Adviser from project inception (i.e. in response to an initial government procurement process) or were acquired 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 remains very competitive. Details of acquisitions are provided below.

Asset	Location	Acquisition/ Divestment	Operational Status	Investment/ Commitment	Acquisition date
Westermost Rough OFTO	Yorkshire, UK	Acquisition	Operational	£26.8 million	4 February 2016
Thames Tideway Tunnel	London, UK	Acquisition	Under construction	£17.1 million	1 April 2016
Priority School Building Aggregator Programme – Batch 5	Midlands, UK	Acquisition	Under construction	£5.1 million	26 April 2016
Wolverhampton BSF	Wolverhampton, UK	Acquisition	Operational	£7.2 million	29 June 2016
Gold Coast Light Rail	Gold Coast, Australia	Acquisition	Under Construction	£3.8 million	28 April 2016
Post 30 June 2016					
Thames Tideway Tunnel	London, UK	Acquisition	Under construction	£17.8 million	1 July 2016
Halton Place Building Schools for the Future	Cheshire, UK	Acquisition	Operational	£1.1 million	27 July 2016
Building Schools for the Future Portfolio	Various, UK	Acquisition	Operational	£72.3 million	22 August 2016

Westermost Rough offshore transmission project ('OFTO')

In February 2016, Transmission Capital Partners, the consortium comprising the Company, Amber Infrastructure and Transmission Investment reached financial close for the long-term license and operation of its sixth UK offshore transmission project, Westermost Rough OFTO.

The Company made a £26.8 million investment for 100% of the equity and subordinated debt of the OFTO. The OFTO will connect a windfarm containing 35 turbines generating 6MW located 8km off the coast of Yorkshire to the onshore grid network, providing enough electricity to power around 150,000 UK homes.

Thames Tideway Tunnel

In the six months to 30 June 2016 the Company invested £17.1 million into the Tideway project making a further £17.8 million contribution following the period end. As at the date of this report the Company had an additional c.£116.1 million to be invested by early 2018 (currently supported by a letter of credit) of which c.£35.2 million is expected to be committed during the remainder of 2016.

As discussed above, during the period Tideway made good progress towards commencement of construction and Tideway recently announced a 35-year £700 million loan with the European Investment Bank in addition to the £1 billion in funding already in place.

Priority Schools Building Programme 'Aggregator'

During the period the Company invested £5.1 million into the fifth and final batch 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 along with Aviva Investors and the European Investment Bank providing senior debt.

Financial and Operating Review continued

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

During the period, the Company acquired an additional 72% investment in the Wolverhampton BSF concession, growing the Company's existing 10% investment in the project to 82%.

The Company invested £7.2 million in the project with two secondary schools, Heath Park Academy in the Fallings Park area and St. Matthias School in the Wardle area of Wolverhampton. Both schools are a mixture of new build and refurbished pre-existing buildings. Upon completion, the schools will provide greatly enhanced education facilities for over 2,000 secondary school students. The project was acquired from Carillion Private Finance.

Additional investment in Gold Coast Light Rail project

The Company committed to make a further approximately AUD$7 million (c.£3.8 million) investment into a 7.3km extension to the Gold Coast Light Rail project in Queensland, Australia. The commitment is supported by a letter of credit provided by the Company.

The Company secured a 26.7% equity stake in the extension alongside Plenary Group, Marubeni Group, Palisade, Keolis and Aveng Group. Construction is expected to reach completion at the end of 2017, with operations commencing in early 2018 in time for the opening of the Gold Coast Commonwealth Games in April.

Halton Place Building Schools for the Future

In July, following the half year end, the Company purchased a 22.5% share of the subordinated debt and equity cashflows of HTP Grange Limited, a Building Schools for the Future (BSF) project located in Halton, Cheshire for £1.1 million.

Building Schools for the Future portfolio

Following the half year end, in July the Company committed to invest up to £72.3 million to acquire investment interests in a total of ten schemes. The investment opportunity was secured through pre-emption rights that INPP gained as part of its ownership of Building Schools for the Future Investments LLP ("BSFI"). INPP acquired BSFI from the Department of Education and Partnerships UK in August 2011.

Owing to its established position in UK education infrastructure, the Company already holds 10% interests in seven of the Balfour Beatty's investments in question, and as a result of the transaction will increase its stake to 90% in each scheme post-acquisition. The Company will at the same time acquire new interests in a further three BSF schemes previously under Balfour Beatty's ownership.

Financial and Operating Review continued

Performance against Strategic Priorities – 3. Efficient Financial Management

The Company seeks to generate dividends to investors that are paid from operating cash flow. For the six months ended 30 June 2016 the cash dividend paid to investors was 1.3 times covered by net operating cash flow and the Company remains confident that it will be able to grow dividends in the future.

The Company continued to make use of its £300 million corporate debt facility in the period, drawing £23.7 million in cash as short term funding for the investment in BSF Wolverhampton 2 and to finance its commitment to invest £17.8 million in the Tideway project on 1 July 2016.

In July 2016 the Group successfully raised £125 million of additional capital which was used in part to repay the cash drawn balance outstanding on the corporate debt facility. As at the date of this report, the corporate debt facility was £nil cash drawn, £141.6 million was issued as letters of credit and £158.4 million remained undrawn or unutilised and available for investment in new and existing projects until May 2018. The facility is forecast to continue in full compliance with the associated banking covenants. In addition, at the date of this report, the Group had cash balances of £76.1 million available for future investment. The Company also continues to fully cover costs and distributions from underlying cash flows from investments.

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 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. The corporate debt facility is currently subject to renewal in May 2018.

Outlook

Current Market Environment and Future Opportunities

Overall the Company continues to have a positive market outlook. Despite the uncertainties surrounding Brexit, Government support for private sector investment in infrastructure in the UK and other jurisdictions in which the Company operates continues to feature as a high public priority. Competition continues to be very high for freely marketable operational assets which are trading in the secondary market resulting in continued price inflation for those investors having to purchase in this way. As we have highlighted to you before, the Company's focus continues to be either on investments originated directly from the public sector rather than via the secondary market; or through the secondary market but usually only where the Company has an in-built competitive advantage through holding pre-existing pre-emption rights.

In addition rather than see pricing pressure in the unrestricted secondary market as a negative we are in fact encouraged as these transactions provide us with a great deal of comfort around the value of the Company's existing assets and the market's appetite for infrastructure more generally including being a firmly established class of investment asset in its own right.

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 the remainder of 2016.

In addition to the commitment to Tideway, 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 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, 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.

Current Projects	Location	Estimated Investment Opportunity/Project Capital Value	Expected Concession Length	Project Status
Thames Tideway Tunnel	UK	c. £116.1 million investment commitment remaining[1]	120 years	The Company is part of the Bazalgette consortium awarded licence to own and finance project. Investment in phases until early 2018
HUB framework projects	UK	c. £127 million[2]	c. 25 years	INPP is preferred investor under the Hub framework for various Scottish social infrastructure projects
Police Centre	Germany	c. £6 million[3]	32.5 years	Preferred bidder
Transport	Australia	c. £40 million[2]	c. 28 years	Potential refinancing transaction
Military Housing	US	c. £17 million[3]	c. 36 years	Opportunity being pursued
Education	UK	c. £2 million - £20 million[3]	c. 20 years	Further Building Schools for Future opportunities

Outlook continued

Other/medium-term opportunities

Regulated assets	UK	c. £250 million[3]	Perpetual	The Company is involved in a number of potential bids for such investments
OFTO's	UK	c. £37.5 million[3]	20 years	INPP expects to continue to bid these projects
Broadband networks	UK	c. £50 million - £100 million[3]	20 years +	Opportunities being reviewed

1 This project has reached financial close and the Company is committed to invest up to a further c.£116.1m. Residual commitment funded by letter of credit.
2 Represents the estimated current unaudited capital value of the project and includes both debt and equity.
3 Represents current estimated total future investment commitment by the Company.

The above represents potential opportunities currently under review by the Investment Adviser (and its associates) including current bids, preferred bidder opportunities and the 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 that time. In relation to opportunities where the current estimated gross value of the relevant project is given (which includes an estimate of both debt and equity), the estimates provided are not necessarily indicative of the eventual acquisition price for, or the value of, any interest that may be acquired.

Rupert Dorey
31 August 2016
Chairman

John Whittle
31 August 2016
Director

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
31 August 2016
Chairman

John Whittle
31 August 2016
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 2016 which comprises the Condensed Consolidated Statement of Comprehensive Income, the Condensed Consolidated Statement of Changes in Equity, the Condensed Consolidated Balance Sheet, 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 2016 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
31 August 2016

Condensed Consolidated Statement of Comprehensive Income (unaudited)

Six months ended 30 June 2016

	Notes	Six months ended 30 June 2016 £'000s	Six months ended 30 June 2015 £'000s
Interest income	4	**26,041**	20,707
Dividend income	4	**4,832**	9,595
Net change in fair value of investments at fair value through profit or loss	4	**93,669**	16,649
Total investment income		**124,542**	46,951
Other operating (expense) / income	5	**(4,264)**	980
Total income		**120,278**	47,931
Management costs	6,17	**(7,439)**	(6,485)
Administrative expenses		**(538)**	(552)
Transaction costs	7,17	**(844)**	(644)
Directors' fees		**(134)**	(115)
Total expenses		**(8,955)**	(7,796)
Profit before finance costs and tax		**111,323**	40,135
Finance costs	8	**(1,748)**	(1,730)
Profit before tax		**109,575**	38,405
Tax credit	9	**818**	1,011
Profit for the period		**110,393**	39,416
Earnings per share			
From continuing operations			
Basic and diluted (pence)	10	**11.14**	4.71

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 (2015: nil). The profit for the period represents the Total Comprehensive Income for the period.

Condensed Consolidated Statement of Changes in Equity (unaudited)

Six months ended 30 June 2016

	Notes	Share capital £'000s	Other distributable reserve £'000s	Retained earnings £'000s	Total £'000s
Balance at 31 December 2015		825,362	182,481	282,359	1,290,202
Total comprehensive income		-	-	110,393	110,393
Issue of ordinary shares	15	2,775	-	-	2,775
Distributions in the period	15	-	-	(31,948)	(31,948)
Balance at 30 June 2016		828,137	182,481	360,804	1,371,422

	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

Condensed Consolidated Balance Sheet (unaudited)

As at 30 June 2016

	Notes	30 June 2016 £'000s	31 December 2015 £'000s
Non-current assets			
Investments at fair value through profit or loss	11	**1,352,393**	1,201,107
Total non-current assets		**1,352,393**	1,201,107
Current assets			
Trade and other receivables	11,13	**25,253**	23,099
Cash and cash equivalents	11	**29,175**	72,391
Derivative financial instruments	11	**-**	1,719
Total current assets		**54,428**	97,209
Total assets		**1,406,821**	1,298,316
Current liabilities			
Trade and other payables	11,14	**8,377**	8,114
Derivative financial instruments	11	**3,367**	-
Total current liabilities		**11,744**	8,114
Non-current liabilities			
Bank loans	8,11	**23,655**	-
Total non-current liabilities		**23,655**	-
Total liabilities		**35,399**	8,114
Net assets		**1,371,422**	1,290,202
Equity			
Share capital	15	**828,137**	825,362
Other distributable reserve	15	**182,481**	182,481
Retained earnings	15	**360,804**	282,359
Equity attributable to equity holders of the parent		**1,371,422**	1,290,202
Net assets per share (*pence per share*)	16	**138.2**	130.2

The financial statements were approved by the Board of Directors on 31 August 2016.

They were signed on its behalf by:

Rupert Dorey
31 August 2016
Chairman

John Whittle
31 August 2016
Director

Condensed Consolidated Cash Flow Statement (unaudited)

Six months ended 30 June 2016

	Notes	Six months ended 30 June 2016 £'000s	Six months ended 30 June 2015 £'000s
Profit from operations		110,393	39,416
Adjusted for:			
Gain on investments at fair value through profit or loss	4	(93,669)	(16,649)
Unrealised exchange (gain) / loss		(596)	112
Finance costs	8	1,748	1,730
Net income tax credit	9	(818)	(1,011)
Fair value movement on derivative financial instruments	5	5,086	(68)
Working capital adjustments			
Increase in receivables		(1,661)	(1,304)
Increase / (decrease) in payables		263	(112)
		20,746	22,114
Income tax received[1]		(54)	-
Net cash inflow from operations[2]		20,692	22,114
Investing Activities			
Acquisition of investments at fair value through profit or loss	12	(56,162)	(42,695)
Funds advanced to affiliated entities[3]		(17,849)	-
Net repayments from investments at fair value through profit or loss		16,393	7,313
Net cash outflow from investing activities		(57,618)	(35,382)
Financing Activities			
Dividends paid	15	(29,173)	(23,817)
Finance costs paid		(1,225)	(727)
Net loan drawdowns	8,11	23,655	24,980
Net cash (outflow) / inflow from financing activities		(6,743)	436
Net decrease in cash and cash equivalents		(43,669)	(12,832)
Cash and cash equivalents at beginning of period		72,391	29,391
Exchange gain / (loss) on cash and cash equivalents		453	(270)
Cash and cash equivalents at end of period[4]		29,175	16,289

1 Cashflows received from unconsolidated subsidiary entities in respect of surrender of tax losses.
2 Net cash inflows from operations as disclosed in the Financial and Operating review of £36.3m includes net repayments from investments at fair value through profit and loss of £16.4m, exchange gains and losses on cash and cash equivalents of £0.5m and finance costs paid of £1.2m, reconciling back to the figure shown above.
3 Includes £17.8 million of funds advanced to affiliated entities to facilitate Tideway investment immediately following the balance sheet date. Further details are provided in note 11.4.
4 Includes restricted cash of £nil (June 2015: £nil) which can only be utilised for new investments.

Notes to the Condensed set of Financial Statements (unaudited)

Six months ended 30 June 2016

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 back cover. 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 2015 included in this Half-yearly Financial Report is derived from the 31 December 2015 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 International Financial Reporting Standards ('IFRS') as adopted by the European Union. The set of condensed consolidated financial statements included in this Half-yearly Financial Report have 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 2015, 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 2015. 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 2015, 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 at the date of this report the Group has unrestricted cash balances of £49.5 million, restricted cash balances available for investments of £26.6 million and the Company's corporate debt facility of £300 million. Following the 30 June 2016 balance sheet date, in July 2016 the Group successfully raised £125 million of additional capital which was used in part to repay the cash drawn balance outstanding on the corporate debt facility. As at the date of this report, the corporate debt facility was £nil cash drawn, £141.6 million was issued as letters of credit and £158.4 million remained undrawn or unutillised and available for investment in new and existing projects until May 2018. The 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.

2. Significant Judgements 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 2016. 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 2016 and are satisfied with the resulting conclusion.

Notes to the Condensed set of Financial Statements (unaudited)

Six months ended 30 June 2016 continued

2. Significant Judgements and Estimates continued

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 centred on the risk free rates and the maturity of the Infrastructure sector (particularly PFI/PPP) within each region. 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 2016				
	UK £'000s	Europe Non UK £'000s	North America £'000s	Australia £'000s	Total £'000s
Segmental results					
Dividend and interest income	22,191	3,396	3,053	2,233	30,873
Fair value gain on investments	44,069	27,115	10,788	11,697	93,669
Total investment income	66,260	30,511	13,841	13,930	124,542
Reporting segment profit[1]	56,374	28,851	12,870	12,298	110,393
Segmental financial position					
Investments at fair value	953,469	227,916	77,375	93,633	1,352,393
Current assets	54,428	-	-	-	54,428
Total assets	1,007,897	227,916	77,375	93,633	1,406,821
Total liabilities	(35,399)	-	-	-	(35,399)
Net assets	972,498	227,916	77,375	93,633	1,371,422

[1] Reporting segment results are stated net of operational costs including management fees.

	Six months ended 30 June 2015				
	UK £'000s	Europe Non UK £'000s	North America £'000s	Australia £'000s	Total £'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/(loss)	63,810	(12,937)	(485)	(3,437)	46,951
Reporting segment profit/(loss)[1]	55,963	(13,206)	(360)	(2,981)	39,416
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

Revenue from investee entities, representing more than 10% of the Group's interest and dividend income approximates £6.0 million (June 2015: £9.8 million). Segmental profits in Europe, North America and Australia have increased in the period in part due to the impact of foreign exchange movements following the UK referendum on membership of the European Union in June 2016.

Notes to the Condensed set of Financial Statements (unaudited)

Six months ended 30 June 2016 continued

4. Investment Income

	Six months ended 30 June 2016 £'000s	Six months ended 30 June 2015 £'000s
Interest income		
Interest on investments	26,009	20,689
Interest on bank deposits	32	18
Total interest income	26,041	20,707
Dividend income	4,832	9,595
Net change in fair value of financial assets (excluding derivatives) at fair value through profit or loss	93,669	16,649
Total investment income	124,542	46,951

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. Gains on valuations in the period are driven primarily by favourable movements in foreign denominated assets and reductions in government bond yields.

No disposals were carried out in the six months ended 30 June 2016 or the six months ended 30 June 2015.

5. Other Operating (Expense) / Income

	Six months ended 30 June 2016 £'000s	Six months ended 30 June 2015 £'000s
Fair value (loss)/gain on foreign exchange contracts	(5,086)	68
Gain on foreign exchange movements	822	912
Total other (expense) / income	(4,264)	980

Fair value movements above represent unrealised gains and losses on foreign exchange contracts. Foreign exchange movements represent unrealised gains made on foreign denominated cash and receivable balances held by the Group and realised gains or losses made on foreign exchange trades.

6. Management Costs

	Six months ended 30 June 2016 £'000s	Six months ended 30 June 2015 £'000s
Base fee (note 17)	7,439	6,485
Total management costs	7,439	6,485

7. Transaction Costs

	Six months ended 30 June 2016 £'000s	Six months ended 30 June 2015 £'000s
Investment advisory costs	844	640
Legal and professional costs	-	4
Total transaction costs	844	644

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

Notes to the Condensed set of Financial Statements (unaudited)

Six months ended 30 June 2016 continued

8. Finance Costs

	Six months ended 30 June 2016 £'000s	Six months ended 30 June 2015 £'000s
Commitment fees and other charges	**1,251**	1,350
Issue cost amortisation	**497**	380
Total finance costs	**1,748**	1,730

The Group currently has available a corporate debt facility of £300 million provided by Royal Bank of Scotland and National Australia Bank Limited. As at 30 June 2016, the cash drawn balance on the corporate debt facility was £23.7 million[1]. The drawdowns on the facility are in the form of cash drawdowns and issuance of letters of credit. Cash drawdowns are used to fund the investments and the letter of credit drawdowns are 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.

[1] At 30 June 2016, £23.7 million of the corporate debt facility was cash drawn, £159.4 million was issued as letters of credit and £116.9 million remained undrawn or unutilised.

9. Tax

	Six months ended 30 June 2016 £'000s	Six months ended 30 June 2015 £'000s
Current tax:		
UK corporation tax credit – current period	**(898)**	(1,081)
Overseas tax – current period	**80**	70
Tax credit for the period	**(818)**	(1,011)

Reconciliation of effective tax rate

	Six months ended 30 June 2016 £'000s	Six months ended 30 June 2015 £'000s
Profit before tax	**109,575**	38,405
Expected tax on profit at Guernsey income tax rate - 0% (2015: 0%)	**-**	-
Application of overseas tax rates	**80**	70
Group tax losses surrendered to unconsolidated investee entities	**(898)**	(1,081)
Tax credit for the period	**(818)**	(1,011)

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 £753 million over their full concession lives.

Notes to the Condensed set of Financial Statements (unaudited)

Six months ended 30 June 2016 continued

10. Earnings Per Share

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

	Six months ended 30 June 2016 £'000s	Six months ended 30 June 2015 £'000s
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to equity holders of the parent	**110,393**	39,416

Number of shares	**Number**	Number
Weighted average number of Ordinary Shares for the purposes of basic and diluted earnings per share	**991,001,925**	836,373,591
Basic and diluted (pence)	**11.14**	4.71

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

11. Financial Instruments

Financial assets and financial liabilities are recognised at the point of execution of the contracts. 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. Specific financial asset and liability accounting policies are provided below.

11.1 Financial assets

	30 June 2016 £'000s	31 December 2015 £'000s
Investments at fair value through profit and loss[1]	**1,352,393**	1,201,107
Financial asset loans and receivables		
Trade and other receivables	**25,253**	23,099
Cash and cash equivalents	**29,175**	72,391
Derivative financial instruments		
Currency swaps	**-**	1,719
Total financial assets	**1,406,821**	1,298,316

[1] Includes fair value of investments in associates amounting to £2.3 million (2015: £2.0 million). Movements in the period represent additional fair value gains offset by net repayments from investments.

11.2 Financial liabilities

	30 June 2016 £'000s	31 December 2015 £'000s
Financial liabilities at amortised cost		
Trade and other payables	**8,377**	8,114
Bank loans	**23,655**	-
Derivative financial instruments		
Currency swaps	**3,367**	-
Total financial liabilities	**35,399**	8,114

The carrying value of all financial assets and liabilities are considered to approximate their fair value.

11. Financial Instruments continued

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 2015 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.

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.

11. Financial Instruments continued

11.3 **Financial risk and management objectives** continued

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 2016 £'000s	31 December 2015 £'000s
Cash		
Euro	628	871
Canadian Dollar	1,285	1,107
Australian Dollar	12	11
US Dollar	1,865	3
	3,790	1,992
Current receivables		
Euro receivables	386	393
US Dollar receivables	235	-
	621	393
Investments at fair value through profit or loss		
Euro	227,916	202,968
Canadian Dollar	40,888	34,819
Australian Dollar	93,633	85,370
US Dollar	36,487	32,204
	398,924	355,361
Total	403,335	357,746

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 and similar concessions are entered into with government, quasi government, 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.

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)

11. Financial Instruments continued

11.4 Fair value hierarchy continued

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 2016, the Group's Level 2 financial instruments include currency forward contracts amounting to a liability of £3.4 million (December 2015: asset of £1.7 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 and affiliates which are classified at fair value through profit or loss. At 30 June 2016, the fair value of financial instruments classified within Level 3 totalled £1,352.4 million (December 2015: £1,201.1 million). Financial instruments are classified within 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 and Risk 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 Group or Investment Adviser and adjusted where appropriate.

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% in 2016; 2% there after	2.00%	2.50%
Long-term tax	20.00% - 18.00%	12.50% - 33.99%	26.50% - 27.00%	30.00%
Foreign exchange rates	N/A	1.14	1.36-1.76	1.91
Long-term deposit rates	3.00%	3.00%	3.00%	3.00%

11. Financial Instruments continued

11.4 Fair value hierarchy continued

Discount rate

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

- The six-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 yield decreased by 0.31%. This was offset by a 0.15% increase in the weighted average project premium to reflect current market pricing.

Valuation Methodology	**30 June 2016**	31 December 2015	Movement
Weighted Average Government Bond Rate	**2.00%**	2.31%	(0.31%)
Weighted Average Project Premium	**5.37%**	5.22%	0.15%
Weighted Average Discount Rate	**7.37%**	7.53%	(0.16%)
Weighted Average Discount Rate[1]	**7.88%**	8.09%	(0.21%)

[1] Weighted average discount rate on Risk Capital only (equity and subordinated debt).

Reconciliation of Level 3 fair value measurements of financial assets:	**30 June 2016 £'000s**
Balance at 1 January 2016	**1,201,107**
Additional investments during the period	**56,161**
Net repayments during the period	**(16,393)**
Funds advanced to affiliated entities[1]	**17,849**
Net change in fair value of investments at fair value through profit or loss	**93,669**
Balance at 30 June 2016	**1,352,393**

[1] Represents funds advanced to affiliated entities to facilitate Tideway investment immediately following the balance sheet date.

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	Change in fair value of investment £'000's	Sensitivity factor	Change in fair value of investment £'000's
Discount rate	7.37%	+1.00%	(137,181)	-1.00%	161,854
Inflation rate (overall)	2.56%	+1.00%	112,940	-1.00%	(99,945)
UK	2.75%	+1.00%	68,043	-1.00%	(59,321)
Europe	2.00%	+1.00%	32,031	-1.00%	(26,685)
North America	2.00%	+1.00%	1,083	-1.00%	(956)
Australia	2.50%	+1.00%	11,783	-1.00%	(12,983)
FX rate	n/a	+10.00%	39,936	-10.00%	(39,944)
Tax rate	21.67%	+1.00%	(7,974)	-1.00%	8,002
Deposit rate	3.00%	+1.00%	14,569	-1.00%	(13,856)

Notes to the Condensed set of Financial Statements (unaudited)

Six months ended 30 June 2016 continued

12. Investment Acquisitions

Date of acquisition	Description	**Consideration £'000's**	% Ownership post acquisition
04 February 2016	The Group acquired 100% of the equity and subordinated debt of the Westermost Rough offshore transmission project.	**26,837**	100%
01 April 2016	The Group funded a further tranche of investment in the Thames Tideway Tunnel Project.	**17,122**	15.99%
26 April 2016	The Group invested in its fifth batch of funding via the Aggregator Vehicle PLC into various PF2 schools procured under the UK governments Priority Schools Building Programme.	**5,054**	100%
29 June 2016	The Group made a follow on investment for an additional 72% interest in the Wolverhampton phase two Building Schools for the Future project.	**7,149**	82%
Total capital spend on new acquisitions during the period		**56,162**	

13. Trade and Other Receivables

	30 June 2016 £'000s	31 December 2015 £'000s
Accrued interest receivable	**19,184**	17,363
Other debtors	**6,069**	5,736
Total transaction costs	**25,253**	23,099

Other debtors included £5.1 million (2015: £4.3 million) of receivables from unconsolidated subsidiary entities for surrender of Group tax losses.

14. Trade and Other Payables

	30 June 2016 £'000s	31 December 2015 £'000s
Accrued management fee	**7,439**	6,987
Other creditors and accruals	**938**	1,127
Total trade and other payables	**8,377**	8,114

15. Share Capital and Reserves

Share capital	**30 June 2016 shares '000's**	31 December 2015 shares '000's
In issue 1 January	**990,634**	836,159
Issued for cash	**-**	150,573
Issued as a scrip dividend alternative	**1,969**	3,902
Closing shares in issue – fully paid	**992,603**	990,634

	30 June 2016 £'000's	31 December 2015 £'000's
Opening balance	**825,362**	625,289
Issued for cash (excluding issue costs)	**-**	197,996
Issued as a scrip dividend alternative	**2,775**	5,211
Total share capital issued in the period	**2,775**	203,207
Costs on issue of Ordinary Shares	**-**	(3,134)
Closing balance	**828,137**	825,362

15. Share Capital and Reserves continued

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

On 27 May 2016, 1,969,282 new Ordinary fully paid shares were issued as a scrip dividend alternative in lieu of cash for the interim dividend in respect of the six months ended 31 December 2015.

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 2016 is £182.5 million (December 2015: £182.5 million).

Retained earnings

Retained earnings	**30 June 2016 £'000's**	31 December 2015 £'000's
Opening balance	**282,359**	254,298
Net profit for the period	**110,393**	81,859
Dividends paid[1]	**(31,948)**	(53,798)
Closing balance	**360,804**	282,359

[1] Includes scrip element of £2.8 million in 2016 (2015: £5.2 million).

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 year ended 31 December 2015.

The Board approved an interim distribution of 3.325 pence per share (six months to June 2015: 3.225 pence per share).

Capital risk management

The Group seeks to efficiently manage its financial resources 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 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 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 2016 £'000's	31 December 2015 £'000's
Net assets attributable to equity holders of the parent	**1,371,422**	1,290,202

	Number	Number
Number of shares		
Ordinary shares outstanding at the end of the period	**992,603,319**	990,634,037
Net assets per share (pence per share)	**138.2**	130.2

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.

Notes to the Condensed set of Financial Statements (unaudited)

Six months ended 30 June 2016 continued

17. Related Party Transactions continued

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 2016 £'000s	For the six months to 30 June 2015 £'000s	**At 30 June 2016 £'000s**	At 31 December 2015 £'000s
International Public Partnerships GP Limited	**7,439**	6,485	**7,439**	6,987
Amber Fund Management Limited[1]	**844**	640	**184**	231
Total	**8,283**	7,125	**7,623**	7,218

[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.

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 2016, Amber Infrastructure held 8,002,379 (June 2015: 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

Claire Whittet acquired an additional 1,144 shares in the six-month period ended 30 June 2016. None of the other Directors acquired any additional shares in the Company during the period.

Notes to the Condensed set of Financial Statements (unaudited)

Six months ended 30 June 2016 continued

18. Contingent Liabilities and commitments

As at 30 June 2016, the Group has committed investments supported by letters of credit amounting to £159.4 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
01 July 2016	The Group continued funding its investment commitments as part of the Bazalgette consortium into the Tideway project. From the interim balance sheet date to the date of this report, the Group invested £17.8 million in line with the Tideway investment schedule.
14 July 2016	The Group raised £125 million through its Placing and Offer for Subscription of 83,612,040 Ordinary shares at an issue price per share of 149.5p.
27 July 2016	The Group acquired an interest in the Halton BSF project. £1.1 million was invested for a 22.5% interest in the equity and subordinated debt of the project.
22 August 2016	The Group invested £72.3 million to acquire interests in ten Building Schools for the Future (BSF) projects.

20. Other Mandatory Disclosures

New standards that the Group has applied from 1 January 2016

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 IFRS 11: Accounting for Acquisitions of interests in Joint operations (1 January 2016)
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment entities: Applying the Consolidation Exception (1 January 2016)
- Annual Improvements to IFRSs 2012-2014 Cycle (1 January 2016)
- Amendments to IAS 1 Disclosure Initiative (1 January 2016)

Notes to the Condensed set of Financial Statements (unaudited)

Six months ended 30 June 2016 continued

20. Other Mandatory Disclosures continued

Unconsolidated subsidiaries

A list of the significant investments in unconsolidated subsidiaries, including the name, country of incorporation as at 30 June 2016 and proportion of ownership is shown below:

Name	Place of incorporation (or registration) and operation	Proportion of ownership interest %
Abingdon Limited Partnership	UK	100
Aggregator PLC	UK	100
Access Justice Durham Limited	Canada	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	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 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
Kent PFI (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
Inspiredspaces Wolverhampton (Project Co 2) 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
TC Westermost Rough OFTO Limited	UK	100

The entities listed above in aggregate represent 83.1% (December 2015: 85.7%) 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

Notes to the Condensed set of Financial Statements (unaudited)

Six months ended 30 June 2016 continued

20. Other Mandatory 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 Brokers
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