

Interim Management Statement

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GCP Infrastructure Investments Ltd
02 December 2010

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Interim Management Statement

GCP Infrastructure Investments Limited (the 'Company'), the listed infrastructure investment company, is issuing this Interim Management Statement in accordance with FSA Disclosure and Transparency Rule 4.3. This statement relates to the period from 22 July 2010 to 2 December 2010.

Highlights

- Successful completion of a £40 million flotation on the Main Market of the London Stock Exchange on 22 July 2010 through the placing, offer for subscription and arrangements for switching (the "Issue")
- Further issues of 2.5 million new ordinary shares raising £2.6 million (the "Further Issues")
- Investment of substantially all of the proceeds from the Issue and Further Issues in GCP Infrastructure Fund Limited (the "Master Fund"), taking the Company's holding in the Master Fund to 65.3%
- Declaration of Company's first dividend of 2.15 pence per share for the period to 30 September 2010
- The NAV per share as at 30 November 2010 was 99.53 pence
- Master Fund's investments all performing as expected and in late stage negotiations for the acquisition of further investments totalling over £25 million
- Master Fund's audited financial statements for the period to 30 September 2010 released today

Ian Reeves, Chairman of GCP Infrastructure Investments Limited, said "Following the success of the IPO in July 2010, the board of directors is pleased to note that the investments held by the Master Fund have performed in line with expectations, and that the Investment Adviser is progressing with negotiations on a strong pipeline of new investment opportunities. In addition, the board notes that the shares have traded at a solid premium to NAV consistently since the IPO."

Capital Raisings

Through its successful IPO in July 2010, the Company raised £40.0 million through the Issue. The shares of the Company were admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities on 22 July 2010. Through the Further Issues, the Company issued 1,000,000 and 1,500,000 new ordinary shares in August 2010 and October 2010 respectively, taking the current issued share capital to 42.5 million shares.

Investments into the Master Fund

The Company invested substantially all of the proceeds from the Issue and Further Issues in 40.4 million Master Fund ordinary income shares, taking its holding to 65.3% of the total share capital of the Master Fund. The Company holds approximately £0.5 million in cash for working capital purposes.

Portfolio overview and performance

Through its investment in the Master Fund, the Company is exposed to a portfolio of 12 subordinated infrastructure loans (the "Loans"). The Loans have all been made against the performance of a number of UK PFI projects that are availability based and operational (the "Projects").

39% of the Loans are exposed to the healthcare sector, 31% to the leisure sector, 26% to the education sector and the remainder to street lighting and housing projects. The weighted average term of the Loans is twenty one years. The valuation of the Company's exposure to the Loans is £23.1 million (based on a valuation carried out by Mazars LLP, the Valuations Agent, as at 30 November 2010). The valuation reflects a weighted average discount rate across the portfolio of Loans of c. 10.0%.

None of the Projects has reported any material operational performance issues during the period and, to date, all interest payments due under the Loans have been paid in full.

Acquisitions and Pipeline

Since 22 July 2010, the Master Fund has made the following acquisitions:

- £2.3 million loan note that provides a subordinated exposure to a portfolio of senior UK PFI loans originated by a major bank lender; and
- £2.4 million loan note advanced against 3 operational leisure PFI projects

The Master Fund is currently in late stage negotiations for the acquisition of a variety of healthcare and education assets totalling over £25 million.

The Investment Adviser has continued to see a large number of opportunities in the market, from single asset deals, to transactions involving groups of PFI projects, to senior PFI loan portfolio guarantees. The projects are from a variety of industry sectors, including opportunities relating to student accommodation, health care, education, street lighting, offices and social housing.

The Government confirmed in both the Comprehensive Spending Review 2010 and the National Infrastructure Plan 2010 that it viewed private investment as an integral component in the funding of future UK infrastructure projects. Whilst it is possible that the procurement of infrastructure projects in the form of PFI that we have seen over the last decade will need to change, the fact that the Government is continuing to investigate the use of a range of alternative private financing mechanisms schemes to use in the future should mean in the view of the Investment Adviser, that there will continue to be a stream of new investment opportunities for the Company under similar structures that essentially give similar exposure and risk / reward profiles.

As at 30 November 2010, the Master Fund had c. £27 million of cash available to invest and the Investment Adviser is confident that this cash will be invested in line with the original timeframes envisaged of between 6 to 9 months from the flotation of the Company.

Dividends

Following the receipt of a dividend from the Master Fund, on 22 November 2010 the Company declared an interim dividend of 2.15 pence per share which will be paid on 23 December 2010 to shareholders on the register on 3 December 2010. The ex-dividend date was 1 December 2010.

Company's NAV performance

As announced separately today, the NAV per share was 99.53 pence which represents a 1.6% increase on NAV since flotation.

Master Fund developments

The audited financial statements of the Master Fund for the period to 30 September 2010 were released today. The audited financial statements of the Master Fund can be viewed here.

http://www.rms-pdf.londonstockexchange.com/rms/2239X_-2010-12-1.pdf

The financial statements reported net assets of £60.3 million and a net operating profit of £1.36 million. The Master Fund paid dividends of 2.25 pence per share and 2.75 pence per share for the periods to 30 March 2010 and 30 September 2010 respectively.

On 4 November 2010, the Master Fund announced that investor demand for shares in the Master Fund had started to grow at a faster rate than anticipated and that, in order to avoid a further increase in the level of uninvested cash, the directors of the Master Fund decided to adopt a temporary policy of rejecting subscription applications unless there are approximately equivalent redemptions in the same period. It is currently intended that this policy will initially be in place for a period of up to three months from the date of the announcement.

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GCP Infrastructure Investments Limited

The Company is a closed-ended investment company that seeks to generate returns from subordinated PFI debt and related and/or similar assets (the "Target Assets"). The Company achieves this by investing substantially all of its capital in GCP Infrastructure Fund Limited (the "Master Fund"), an open-ended investment company that holds the Target Assets. The Company is the majority shareholder of the Master Fund.

The latest monthly factsheet is available at:

<http://www.gcpuk.com/investor-relations/gcp-infrastructure-investments-limited/detail/monthly-fact-sheets/>

Gravis Capital Partners LLP

Gravis Capital Partners LLP (GCP) is the investment adviser to the Company and the Master Fund. GCP is an infrastructure investment advisory specialist. In the last five years, the partners of GCP have provided capital structuring advice in relation to infrastructure projects with an aggregate capital value in excess of £1 billion, of which a majority involved the provision of subordinated (or mezzanine) debt.

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