



GCP Infrastructure Investments Limited
Half-yearly report and financial statements 2015

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GCP Infrastructure Investments Limited (the "Company") is the only UK-listed fund focused primarily on investments in UK infrastructure debt.

The Company achieves its investment policy by investing substantially all of its capital in debt secured against UK infrastructure projects in the renewable energy and PFI sectors that generate long-dated, public-sector backed revenues. The Company is currently exposed to a diversified portfolio of partially inflation-protected investments.

The Company is a closed-ended investment company incorporated in Jersey. It was admitted to the Official List and to trading on the London Stock Exchange's Main Market in July 2010 and since then it has grown to a market capitalisation of just over £603.9 million as at 31 March 2015.



Visit us online
www.gcpuk.com



At a glance

£603.9m

Market capitalisation

HY 2014 – £391.5m

£543.7m

Total net assets

HY 2014 – £371.2m

105.69p

NAV per share

HY 2014 – 104.54p

117.50p

Share price

HY 2014 – 110.25p

3.8p

Dividends paid

HY 2014 – 3.8p

£22.1m

Profit for the period

HY 2014 – £18.9m

43

Number of investments

HY 2014 – 32

Highlights for the period

- Dividends of 3.8 pence per share declared for the six month period to 31 March 2015
- Profit for the period of £22.1 million up 16.9% from £18.9 million at 31 March 2014
- Ordinary shares trading at a 11% premium at 31 March 2015
- £70 million successfully raised through a significantly over-subscribed placing of ordinary shares
- £50 million revolving credit facility agreed with Royal Bank of Scotland International
- Loans advanced totalling c. £135.6 million secured against UK renewable energy projects and social housing projects
- The infrastructure projects that support the Company's investments have experienced no operational or construction issues which would materially impact those investments
- Company NAV per ordinary share as at 31 March 2015 of 105.69 pence
- Third party valuation of the Company's investment portfolio of £572.1 million
- Due diligence is ongoing on a pipeline of attractive investment opportunities in a variety of renewable energy transactions

Investment objectives

The Company invests in UK infrastructure debt to meet the following key objectives:

Dividend income

To provide shareholders with regular, sustainable and long term dividends.

The Company has maintained or steadily increased its dividend every period since inception and has paid or declared a dividend of 7.60 pence for the previous two financial years.

Capital appreciation

To preserve the capital value of its investment assets over the long term.

The valuation of each of the Company's investments is in excess of the principal value outstanding. The increase in valuation has resulted in a net asset value per share of 105.69 pence. The ordinary shares have always traded at a premium to their net asset value.

Diversification

To create a diversified portfolio of debt secured against UK infrastructure projects.

The Company has increased the number of investments in its portfolio to 43 at the end of the period. The investment portfolio is exposed to a wide variety of sectors in terms of project type and underlying cash flow.

Key performance highlights

7.6p

Dividends paid in 2013/14

£22.1m

Profit for the period

105.69p

NAV per share

117.50p

Share price at 31 March 2015

43

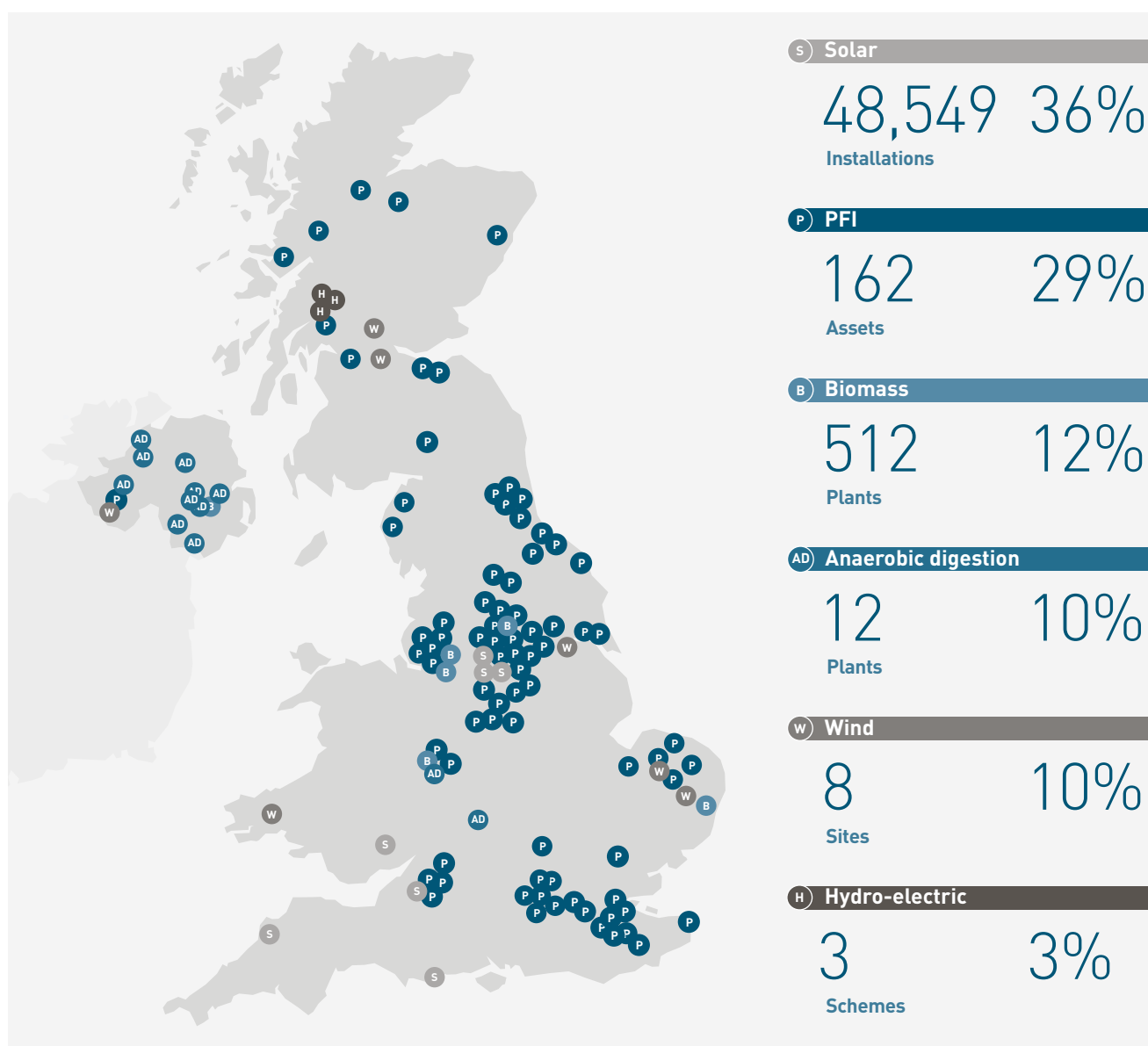
Number of investments

10%

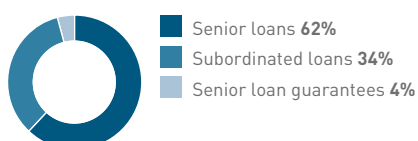
Size of largest investment as a percentage of total assets

Portfolio at a glance

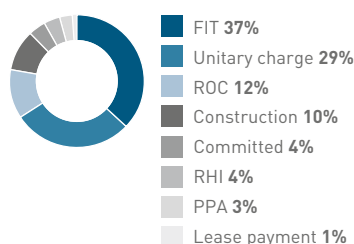
The Company's portfolio comprises of underlying assets located across the UK and which fall under the following classifications:



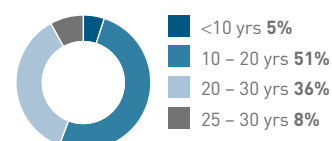
Portfolio by investment type



Portfolio by cash flow type



Portfolio by expected term



Chairman's interim statement



Ian Reeves CBE
Chairman



The Company made nine investments totalling £135.6 million during the period across a variety of social housing and renewable energy transactions.

On behalf of the Board I am pleased to report a period of considered growth. The robust performance of the underlying assets supporting the Company's investments and the resulting financial performance of the Company led to the payment of dividends totalling 3.8 pence per share for the period.

The Company raised £70 million through a significantly oversubscribed share issuance under the 2014 Placing Programme and put in place a £50 million revolving credit facility in March 2015. The capital raised and the credit facility enabled the Company to make nine investments – seven new loans and two advances under existing facilities, totalling £135.6 million. Net assets increased from £470.8 million at year end to £543.7 million at 31 March 2015.

The Company announced a new placing programme in March 2015 for the potential issue of up to 150 million new ordinary shares that will give the Company the capacity and flexibility to take advantage of current and future investment opportunities.

UK infrastructure market

There has been a significant increase in the amount of both equity and debt capital available for investment in infrastructure projects both in the UK and globally.

The understandably widely-held view that the UK public sector will honour on time and in full its payment obligations under existing PFI and renewable energy contracts is resulting in an ever growing range of investors seeking an exposure to UK infrastructure assets. The weight of capital chasing a relatively limited pool of assets has driven up prices right across the sector. This trend has been apparent for a number of years in the secondary solar and PFI markets but there has been significant recent transactional evidence suggesting investors are pushing up prices in other renewable energy sectors such as wind and biomass.

There has been a significant increase in the amount of both equity and debt capital available for investment in infrastructure projects both in the UK and globally.

The infrastructure debt market has become more competitive over the last two years and considerably so in the last six months. The active long-dated infrastructure lenders in recent times have been the insurers and a small number of German and Japanese banks. However, this group of lenders has been joined by a few other banks and more significantly by insurers and pension funds that have begun making specific allocations to both infrastructure equity and infrastructure debt investments. This influx of capital has driven down credit spreads to the extent that in long-established infrastructure sectors such as PFI, margins have fallen to pre-2007 levels.

Investment outlook

The combination of low long-term interest rates and falling credit spreads has resulted in the availability of infrastructure debt at historically low levels and a challenging lending environment. However, the Company retains certain key advantages that mean it is still able to find attractive lending opportunities; it has the ability to lend against smaller transactions, to make decisions and transact quickly and to take subordinated as well as senior debt positions.

As such the Company is able to offer long-term debt competitively in certain renewable energy and social housing sectors and the Investment Adviser is conducting due diligence on a pipeline of investment opportunities.

Investment portfolio

The Company made nine investments totalling £135.6 million during the period across a variety of social housing and renewable energy transactions, seven of which were new loans and two were additional advances under existing facilities. Post period end the Company made one new investment of £2.1 million secured against one social housing project in England and three additional advances under existing facilities totalling £12 million.

At 31 March 2015, the Company was exposed to a portfolio of 43 infrastructure loans, valued at £572.1 million with an annualised yield of 9.2% and an average life across the portfolio of 14 years.



Chairman's interim statement continued

Financial results

The Company has prepared its financial statements for the period in accordance with IFRS, adopting IFRS 10 and the Investment Entity amendments for the first time. These require the Company to prepare financial statements which do not consolidate its Subsidiary, GCP Infrastructure Asset Holdings Limited.

The Subsidiary is structured as a holding company for the Company's investments and as at the period end its valuation is identical to that of its, and by extension the Company's, investment portfolio. Whilst the amended standards do not stipulate that the Company need provide information on the underlying portfolio held by the Subsidiary, the Board and the Investment Adviser have chosen to continue to provide portfolio information for transparency purposes. Comparatives for the six months to 31 March 2014 have been restated.

The Company has generated profit for the period of £22.1 million, up from £18.9 million for the prior period. The increased profit has been driven by growth of the investment portfolio following the deployment of the capital raised from the 2014 Placing Programme into a variety of infrastructure projects.

Dividends

The Company has maintained its dividend, declaring and paying a dividend of 1.90 pence for each of the two financial quarters, giving a total dividend for the period of 3.80 pence per share. The Company continues to offer a scrip dividend alternative under which shareholders may elect to receive new ordinary shares in lieu of the cash dividend.

Net asset growth

The net asset value of the Company has grown from £470.8 million at 30 September 2014 to £543.7 million at 31 March 2015 as a result of the capital raised under the Placing Programme and a partial revaluation in January 2015 of the Company's solar and PFI portfolios. The Company's NAV per share has increased to 105.69 pence in the period from 104.53 pence at 30 September 2014.

Debt facility

In March 2015 the Company entered into a three-year £50 million revolving credit facility with Royal Bank of Scotland International Limited. The debt facility allows the Company to raise and deploy capital more efficiently. All amounts drawn under the facility are to be used to finance investments in accordance with the Company's investment policy. At 31 March 2015 the facility is fully drawn.

Placing Programme

In November 2014, the Company successfully raised gross proceeds of £70 million through a Placing Programme in respect of up to 100 million ordinary shares. The Placing Programme was significantly oversubscribed and as such applications were scaled back. A total of 62.6 million ordinary shares were admitted to the Official List and to trading on the London Stock Exchange's Main Market for listed securities on 25 November 2014.

On 30 March 2015 the Company announced the publication of a new prospectus relating to a placing programme to issue up to 150 million ordinary shares.

Trevor Hunt

The Company announced on 6 May 2015 the sudden death of Trevor Hunt. Trevor was a Director of the Company from inception and during that time made a huge contribution to its success. Trevor was greatly respected by his colleagues and will be sorely missed. The Company is currently taking steps to identify a new director with the requisite skill set to join the Board.

Governance and compliance

The Board recognises the importance of a strong corporate governance culture and continues to maintain principles of good corporate governance as set out in the UK Corporate Governance Code (the "Code") which was updated in 2012 and 2014, the Association of Investment Companies ("AIC") Code of Corporate Governance, which was updated in 2013 and 2015, and accompanying guide ("AIC Code and Guide"). A copy of the Code is available at www.frc.org; a copy of the AIC Code and Guide can be found at www.theaic.co.uk.

The Company is classed as an externally-managed AIF under the AIFMD. The Investment Adviser acts as the Company's AIFM and Capita Trust Company (Jersey) Limited acts as depositary to the Company.



Ian Reeves CBE
Chairman

Company key facts

Company information	<p>GCP Infrastructure Investments Limited (the "Company") is a public company incorporated in Jersey on 21 May 2010 with registration number 105775. The Company is governed by the provisions of the Companies (Jersey) Law, 1991, as amended and is a certified fund in Jersey pursuant to the CIF Law and Jersey Listed Fund Guide.</p> <p>The Company is a closed-ended investment company incorporated under the laws of Jersey. The shares of the Company are listed on the London Stock Exchange.</p>
Investment Adviser and AIFM	<p>Gravis Capital Partners LLP is the Investment Adviser and AIFM to the Company. The Investment Adviser was incorporated in England and Wales on 14 October 2007 under the Limited Liability Partnership Act 2000 (registered number OC332060) and is authorised and regulated by the Financial Conduct Authority (registration number 487393).</p>
Company Secretary and Administrator	<p>Capita Financial Administrators (Jersey) Limited is a company incorporated in Jersey on 24 October 2003 with registered number 86301.</p>
Stockbrokers	<p>Stifel Nicolaus Europe Limited, Cenkos Securities Limited.</p>
Depositary	<p>Capita Trust Company (Jersey) Limited.</p>
Investment strategy	<p>Infrastructure debt.</p>
Market capital	<p>At 31 March 2015: £603.9 million.</p>
Net asset value	<p>At 31 March 2015: £543.7 million.</p>
Annual management fee	<p>Under the terms of the Investment Advisory Agreement, the Investment Adviser receives an investment advisory fee from the Company equal to 0.9% per annum of the net asset value of the Company (net of cash holdings). This fee is calculated and payable in arrears at each quarter year end. The Investment Adviser is also entitled to an acquisition fee of up to 1% (at the discretion of the Investment Adviser) of the cost of each asset acquired by the Company.</p> <p>The Investment Adviser is also entitled to receive a fee of £60,000 for its services to the Company as the Company's appointed Alternative Investment Fund Manager under AIFMD.</p>
ISA, PEP and SIPP status	<p>The Company's ordinary shares are eligible for inclusion in PEPs and ISAs (subject to applicable subscription limits) provided that they have been acquired by purchase in the market, and they are permissible assets for SIPPs.</p>
Non-mainstream pooled investment status	<p>The Board confirmed that it conducts the Company's affairs, and intends to continue to conduct its affairs, so that the Company's shares will be "excluded securities" under the FCA's new rules. This is on the basis that the Company, which is resident outside the EEA, would qualify for approval as an investment trust by the Commissioners for HM Revenue and Customs under Sections 1158 and 1159 of the Corporation Tax Act 2010 if resident and listed in the United Kingdom. Therefore, the Company's shares do not amount to non-mainstream pooled investments. Accordingly, the promotion of the Company's shares will not be subject to the FCA's restriction on the promotion of non-mainstream pooled investments.</p>
AIFMD status	<p>The Company is classed as an externally-managed AIF under the Alternative Investment Fund Managers Directive.</p>
Investment policy	<p>The Company's investment policy is detailed in part I and on page 34 of the prospectus dated 30 March 2015.</p>
Website	<p>www.gcruk.com</p>



Investment Adviser's report

Despite the challenging lending environment the Company has developed a pipeline of attractive investment opportunities.

The Investment Adviser

Gravis Capital Partners LLP (the "Investment Adviser"), provides investment advisory services to the Company, including investment recommendations, any necessary investment due diligence, management of and reporting on the existing loan portfolio and financial reporting support. The Investment Adviser also provides advice regarding the Company's equity and debt funding requirements. The Investment Adviser is the AIFM to the Company.

The partners of the Investment Adviser formed Gravis Capital Partners LLP in May 2008 with a view to developing a specialist infrastructure advisory boutique. This business model was amended to focus specifically on fund management, principally in the area of UK infrastructure, in July 2009.

The partners of the Investment Adviser have a long track record of working within the UK infrastructure market, particularly with regard to debt advisory work. They have advised extensively on debt structures in a large number of infrastructure sectors, including a wide variety of renewable energy sectors, healthcare, education, court buildings, specialised offices, registered social landlord accommodation and transport.

The Company is party to an Investment Advisory Agreement under which the Investment Adviser provides advisory services relating to the Company's assets on a day-to-day basis in accordance with the investment objectives and policies agreed by the Company and under the overall supervision and direction of the Board of Directors.

The basis of the remuneration of the Investment Adviser is set out in note 11 to the financial statements. An increase in the fees payable for the provision of AIFM services was agreed by the Board in October 2014.

Investment portfolio

Portfolio overview

The valuation of the Company's investments at 31 March 2015 was £572.1 million. The Company made nine investments during the period (seven new loans and two advances under existing facilities) thereby further diversifying its investment portfolio both by number of investments and by sector.

The Company's investments are supported by a total of 95 underlying infrastructure projects located across the UK. At 31 March 2015 the weighted average annualised yield was 9.2% across the portfolio with a weighted average expected term of 14 years.

Key exposures

Top ten investments			
Loan	Cash flow type	Project type	% of total assets
GCP Rooftop Solar 6 Ltd	Feed-in tariff	Rooftop solar	10.0%
GCP Biomass 1 Ltd	ROCs	Anaerobic digestion	7.1%
GCP Rooftop Solar 4 Ltd	Feed-in tariff	Rooftop solar	5.6%
GCP Healthcare 1 Ltd	Unitary charge	Various UK PFI	5.2%
GCP Green Energy 1 Ltd	ROCs	Onshore wind	3.9%
GCP Onshore Wind 3 Ltd	ROCs	Onshore wind	3.6%
GCP Biomass 4 Ltd	ROCs	Biomass	3.4%
GCP Rooftop Solar 5 Ltd	Feed-in tariff	Rooftop solar	3.4%
GCP Rooftop Solar 2 Ltd	Feed-in tariff	Rooftop solar	3.1%
GCP Commercial Solar 1 Ltd	Feed-in tariff	Commercial solar	2.9%

Top ten project counterparties		Top ten facilities managers	
E.ON Energy Ltd (Ofgem)	33%	A Shade Greener Maintenance Limited	33%
Ofgem	11%	Agrikomp (UK) Ltd	7%
Power NI (Ofgem)	10%	Vestas Northern Europe A/S	7%
Smartest Energy Ltd (Ofgem)	4%	Burmeister & Wain Scandinavian Contractor A/S	6%
Co-op Group (Ofgem)	4%	Smarter Energy Solutions Ltd	3%
Viridian Energy Supply Limited (Ofgem)	4%	Osspower Ltd	3%
Centrica (Ofgem)	4%	Robertson Facilities Management Limited	3%
Aberdeen City Council	3%	Grosvenor Facilities Management	3%
Salford City Council	2%	MWH Treatment Limited	3%
Slough Borough Council	2%	Pinnacle FM Limited	3%

Investment Adviser's report continued

Portfolio performance

The Subsidiary's underlying investment portfolio has performed in line with expectations, generating £22.4 million in investment income (net gain on the portfolio plus loan interest received) over the period. The net gain on the underlying investment portfolio was £4.6 million and includes accrued interest income and a partial portfolio revaluation by the Valuation Agent in January 2015.

Over 90% of the projects the Company is exposed to are fully operational and none have reported any operational issues during the period which would materially impact these investments. The remainder of the assets are either committed or under construction.

Acquisitions

The Company made nine investments totalling £135.6 million during the period, two of which were made under existing facilities. The Company made one new investment of £2.1 million post period-end and three additional advances under existing facilities totalling £12 million.

Investments made during the period (including extensions*)

Investment	Loan		Project
GCP RHI Boiler 1 Limited	Amount	£14.0m	A portfolio of domestic biomass boilers.
	Term	10 years	
	Security	Senior	
	Status	Operational	
GCP Biomass 2 Limited*	Amount	£1.0m	A 10.3MWe recovered wood-fuelled power plant under construction in England.
	Term	17 years	
	Security	Senior	
	Status	Construction	
GCP Biomass 4 Limited	Amount	£19.8m	A 20.2MWe wood-fuelled biomass combined heat and power plant in England.
	Term	18 years	
	Security	Subordinated	
	Status	Construction	
GCP Hydro 1 Limited B	Amount	£6.5m	A 1.9MW and one 0.9MW hydro-electric scheme in Scotland.
	Term	18 years	
	Security	Senior	
	Status	Construction	
GCP Hydro 1 Limited C	Amount	£3.4m	A 0.9MW hydro-electric scheme in Scotland.
	Term	18 years	
	Security	Senior	
	Status	Construction	
GCP Green Energy 1 Limited	Amount	£22.6m	A 8.2MW wind farm and two solar parks totalling 6.8MW.
	Term	19 years	
	Security	Senior	
	Status	Operational	
GCP Rooftop Solar 5 Limited*	Amount	£7.1m	A number of portfolios of domestic solar panel installations in England installed by A Shade Greener Limited.
	Term	21 years	
	Security	Subordinated	
	Status	Operational	
GCP Rooftop Solar 6 Limited	Amount	£59.8m	A number of portfolios of domestic solar panel installations in England installed by A Shade Greener Limited.
	Term	21 years	
	Security	Senior	
	Status	Operational	
GCP Social Housing 1 Limited	Amount	£1.4m	A number of social housing units for occupation by adults with learning or physical difficulties.
	Term	35 years	
	Security	Senior	
	Status	Operational	

Investments made post period-end (including extensions*)

Investment	Loan		Project
GCP Social Housing 1 Limited B notes	Amount	£2.1m	A number of social housing units for occupation by adults with learning or physical difficulties.
	Term	40 years	
	Security	Senior	
	Status	Operational	
GCP Biomass 1 Limited*	Amount	£3.5m	A series of 500KW, on-farm anaerobic digestion plants primarily in Northern Ireland.
	Term	12 years	
	Security	Senior	
	Status	Construction	
GCP Social Housing 1 Limited*	Amount	£1.9m	A number of social housing units for occupation by adults with learning or physical difficulties.
	Term	35 years	
	Security	Senior	
	Status	Operational	
GCP Green Energy 1 Limited*	Amount	£6.6m	A 8.2MW wind farm and two solar parks totalling 6.8MW.
	Term	19 years	
	Security	Senior	
	Status	Operational	

Infrastructure debt market

In the immediate aftermath of the credit crunch, the primary providers of long-term debt to the UK infrastructure market were a small number of German and Japanese banks and primarily UK insurers. The years that followed saw the very gradual and sporadic emergence of infrastructure debt funds and pension funds. The ability of domestic banks to lend over the long term remained constrained by liquidity and regulatory concerns.

The last year has seen a significant and rapid increase in the number of lenders to the market, primarily driven by insurers and pension funds that have started making specific allocations to investment in infrastructure debt and equity. Previously any investment in infrastructure would usually have come from a general alternatives allocation.

The increase in capital seeking infrastructure debt exposure has driven down the credit spreads across the sector. Spreads have been falling

for a number of years in the PFI and solar sectors, but recent transactions right across the renewable energy sector suggest the downward trend is widespread.

At the same time long-term sterling interest rates have experienced significant falls. The graph below tracks the movement in the GBP 30-year swap in recent months.

Low long-term interest rates and reducing credit spreads have resulted in a historically low cost of borrowing for many UK infrastructure projects.

GBP 30-year swap



Investment Adviser's report continued

Investment focus

If the Company is to make new investments, in order to maintain its dividend levels it must lend capital at certain fixed levels. The reduced cost of debt available in the UK infrastructure market has meant that the Company's debt is uncompetitive in many sectors that the Company has invested in to date. Whilst this means it is unlikely the Company will be able to make material investments in some of these sectors, such as senior solar or subordinated PFI debt, the Company has benefited from an increase in the valuation of these investments on its balance sheet.

The Company does, however, have advantages that should result in lending opportunities. The Company has a diverse group of borrowers that are a constant source of potential deals and indeed the majority of recent growth has come from existing relationships.

The Company's debt remains attractive to owners or developers of smaller renewable energy and social housing transactions whose capital needs are below the radar of the vast majority of the lending market. Lending small amounts to developers trusting they will aggregate material portfolios has been a highly successful investment strategy of the Company in the domestic rooftop solar, onshore wind and biomass sectors.

The Company's ability to transact swiftly is highly attractive to renewable energy developers that need to develop projects before changes in the subsidy regime.

The Company retains a first mover advantage in certain renewable energy sectors using technologies that have a long track record and history in other parts of the world like continental Europe or Canada but that are new to the UK.

The Company has also maintained an advantage in its ability to take subordinated as well as senior positions, something that the majority of competing lenders are unable to do.

As such, the Investment Adviser has been able to continue to develop a pipeline of highly attractive investment opportunities.

Investment valuation

Mazars LLP (the "Valuation Agent") is responsible for carrying out a fair market valuation of the Company's investments on a monthly basis. The valuation principles used by the Valuation Agent are based on a discounted cash flow methodology. A fair value for each asset acquired by the Company is calculated by applying a discount rate (determined by the Valuation Agent) to the cash flow expected to arise from each asset.

The Valuation Agent determines the discount rate it believes the market would reasonably apply to each investment taking, into account, inter alia, the following significant inputs:

- sterling interest rates;
- movements of comparable credit markets; and
- observable yields on other comparable instruments.

In addition, the following are also considered as part of the overall valuation process:

- general infrastructure market activity and investor sentiment; and
- changes to the economic, legal, taxation or regulatory environment.

The Valuation Agent exercises its judgement in assessing the expected future cash flows from each investment. Given that the investments of the Company are generally fixed income debt instruments (in some cases with elements of inflation protection) or other investments with a similar economic effect, the focus of the Valuation Agent is on assessing the likelihood of any interruptions to the debt service payments, in light of the operational performance of the underlying asset.

The Valuation Agent utilises the key valuation inputs set out above to determine an appropriate valuation for each investment. In the period there has been a tightening of yields available on secondary PFI and operational renewables assets, and with this in mind the Valuation Agent in January 2015 decided to revalue certain assets in the portfolio upwards. This led to a £4.5 million revaluation gain on the portfolio. The weighted average discount rate at 31 March 2015 was 8.54%, a decrease of 30 basis points from 8.84% as at 30 September 2014.

Financing

On 23 March 2015 the Company executed a three-year £50 million revolving credit facility with Royal Bank of Scotland International Limited. All amounts drawn under the facility are to be used in or towards the financing of investments in accordance with the Company's investment policy.

The terms of the credit facility are more favourable than the terms that were agreed by the Company with RBS International on a smaller facility in 2011, reflecting the tightening of credit margins in the bank lending market. Interest on amounts drawn under the facility is charged at a rate of LIBOR plus the margin. The margin is 2.25% per annum. A commitment fee is payable on undrawn commitments. An arrangement fee was levied upon signing, details of which are given in note 8 to the financial statements.

Voluntary prepayment and cancellation is permitted in minimum amounts of £500,000. The facility is secured, inter alia, by way of a charge over accounts of the Company, a charge over the shares in the Subsidiary held by the Company and a UK debenture from the Subsidiary.

The facility imposes various minimum interest cover and loan-to-value ratios on the Company. At 31 March 2015 the Company has operated comfortably against all such measures and is in full compliance with all loan covenants.

Issuance of ordinary shares

In November 2014, the Company successfully raised further gross proceeds of £70 million through the Company's 2014 Placing Programme. The issue was significantly oversubscribed and as such applications were scaled back. A total of 62.6 million ordinary shares were admitted to the Official List and to trading on the London Stock Exchange's Main Market for listed securities on 25 November 2014.

The placing price was set at 111.75 pence per ordinary share. This represented a premium of 8.3% over the NAV as at 10 November 2014 and was therefore accretive for existing shareholders. The placing price also represented a discount of 3.9% to the closing price per ordinary share as at close of business on 14 November 2014 of 116.25 pence.

Placing Programme

Following the expiry of the 2014 Placing Programme, the Investment Adviser continues to see significant opportunities in the infrastructure debt market. To take advantage of these opportunities, and in light of the ongoing demand for the Company's equity (which has performed strongly and has traded at a premium to its NAV since the IPO) the Company announced on 30 March 2015 that it had instituted a new placing programme of ordinary shares.

The Company is targeting potential issues of up to 150 million new ordinary shares (in aggregate) under the placing programme. The Company will invest the net proceeds of the placing programme in accordance with its investment objectives and policy.

The Directors believe that instituting the placing programme will have the following benefits:

- the Company will be able to raise additional capital promptly, enabling it to take advantage of current and future investment opportunities, thereby further diversifying its investment portfolio, both by number of investments and by sector;
- an increase in the market capitalisation of the Company will help to make the Company attractive to a wider investor base;
- it is expected that the secondary market liquidity in the ordinary shares will be further enhanced as a result of a larger and more diversified shareholder base. The placing programme will partially satisfy market demand for ordinary shares from time to time and improve liquidity in the market for ordinary shares; and
- the Company's fixed running costs will be spread across a wider shareholder base, thereby reducing the total expense ratio.

At 31 March 2015 the Company was substantially fully invested following the deployment of £135.6 million of capital into a number of infrastructure investments.

Further details on the share movements are disclosed in note 9.

Investment Adviser's report continued

Accounting basis

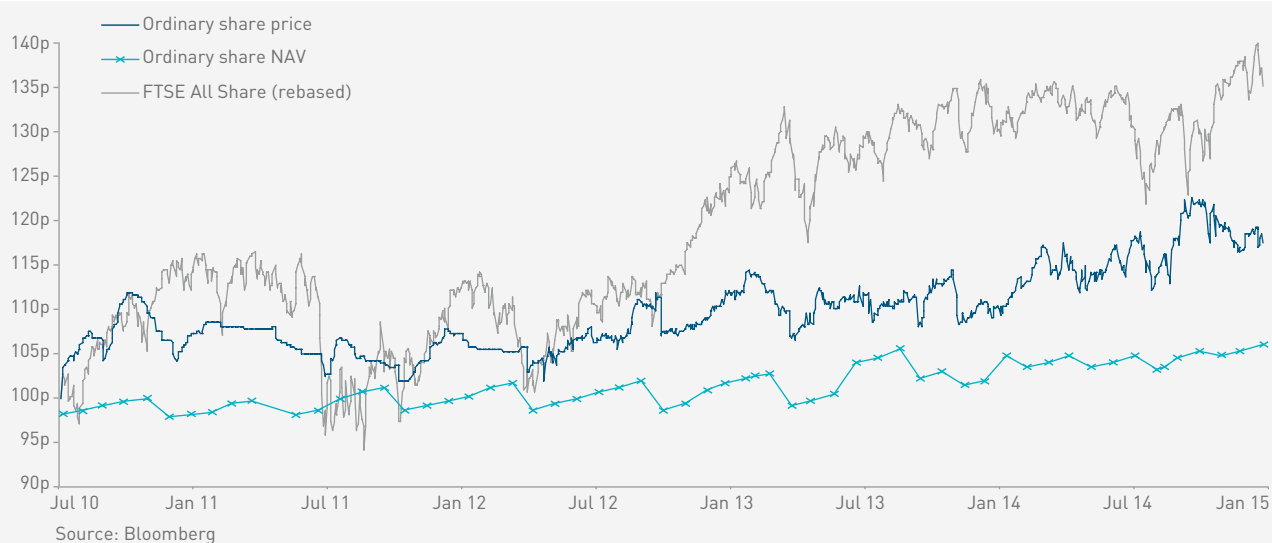
The Company has prepared its financial statements for the period in accordance with IFRS, adopting IFRS 10 and the Investment Entity amendments for the first time. These require the Company to prepare financial statements which do not consolidate the Subsidiary as a result of the Company meeting the criteria of an investment entity under IFRS. Comparatives for the six months to 31 March 2014 have therefore been restated.

Under the amended standards the Company is required to value the Subsidiary at its fair value on the statement of financial position, which, in the view of the Investment Adviser will obscure the true composition of the investment portfolio, given the nature of the Subsidiary as a holding vehicle for the Company's investments. The Subsidiary is structured as a holding company for the Company's investments and as such its look-through asset value is the same as the Company's portfolio. Full portfolio information has been provided for transparency purposes.

Net asset value and share price performance

The Company delivered a total shareholder return of 2.87% over the first six months of the financial year and 57.4% since IPO. The Company has continued to trade at a significant premium to NAV, with an average premium over the period of 13.1% and the premium at period end of 11.2%. The share price hit an all-time peak of 122.50 pence on 19 December 2014. Historic share price information from IPO to date is set out below:

Share price performance



Financial performance

£25.2m

Income

HY 2014 – £20.6m

£18.3m

Dividends

HY 2014 – £16.0m

£543.7m

Net asset value

HY 2014 – £371.2m

£22.1m

Profit

HY 2014 – £18.9m

£31.9m

Operating cash flow generation

HY 2014 – £16.3m

Profitability

The Company has delivered strong results with £22.1 million of profit generated in the period, up from £18.9 million in the prior period, reflecting increased income and capital returns from a more diverse investment portfolio. The Company's operating profit margin has increased year-on-year from 82% to 83% driven primarily by the absence of the restructuring cost incurred in the prior period. Total operating costs for the period were £3.1 million.

Cash generation

A total of £31.9 million of operating cash flows were generated by the Company's infrastructure debt portfolio. Total capital raised in the period amounted to £70 million, which was used to finance nine investments. The remaining cash flows relate to the payment of dividends, resulting in a net increase in cash and cash equivalents at the period end giving total cash reserves of £23.0 million.

Dividends paid

The Company declared interim dividends of 1.90 pence per ordinary share for the three-month periods ending 31 December 2014 and 31 March 2015 bringing the total dividends declared or paid in the period to 3.8 pence per share.

Principal risks and uncertainties

The Directors consider that the principal risks and uncertainties facing the Company are substantially unchanged since the publication of the Company's 2014 annual report and consolidated financial statements and are expected to remain relevant to the Company for the next six months of its financial year.

Principal risks faced by the Company include (but are not limited to) execution risk, portfolio risk, financial risk, operational risk and regulatory, legal and compliance risk.

Investment Adviser's report continued

Strategic overview

Investment objectives

The Company's investment objectives are to provide its shareholders with regular, sustained, long-term distributions and to preserve the capital value of its investment assets over the long term, by generating exposure to subordinated PFI debt and/or similar assets.

The Company makes investments in subordinated debt instruments issued by infrastructure project companies, their owners or their lenders, and assets with a similar economic effect. The Company may also acquire (or acquire interests in) the senior debt of infrastructure project companies, or their owners.

The objective of the Company is to generate a diversified portfolio of subordinated debt infrastructure assets and related and/or similar assets and to maintain its portfolio so that not more than 10% in value of the Company's total assets from time to time consist of securities or loans relating to any one individual infrastructure asset (having regard to the risks relating to any cross-default or cross-collateralisation provisions). This objective is subject to the Company having a sufficient level of investment capital from time to time and the ability of the Company to invest its cash in suitable investments and is subject to the investment restrictions described in the investment strategy below.

Similarly, it is the intention of the Directors that the assets of the Company are (as far as is reasonable in the context of a UK infrastructure portfolio) appropriately diversified by asset type (e.g. PFI healthcare, PFI education, solar power, biomass etc.) and by revenue source (e.g. NHS Trusts, local authorities, FIT, ROCs etc.).

Non-financial objectives of the Company

The key non-financial objectives of the Company are:

- maintain strong relationships with all key stakeholders of the Company, including shareholders and borrowers; and
- develop and increase the market's understanding of the investment strategy of the Company and infrastructure as an investment class.

Key policies

Distributions

The Company aims to provide its shareholders with regular, sustained, long-term distributions.

Gearing policy

Structural gearing is permitted at Company level up to a maximum of 20% of the Company's NAV immediately following draw down of the relevant debt. In March 2015 the Company agreed a £50 million revolving credit facility with Royal Bank of Scotland International which was fully drawn at the period end.

Capital raising and financing

The Company may seek to raise additional capital from time to time to the extent that the Directors and the Investment Adviser believe the Company will be able to make suitable investments. This will enable the Company to achieve greater diversification of risk and to benefit from economies of scale in relation to the operational costs of the Company.

Investment strategy

The Company achieves its investment objectives primarily by seeking exposure to debt (both senior and subordinated) secured against UK infrastructure projects with the following characteristics:

- pre-determined, very long term, public-sector backed revenues;
- no construction or property risk; and
- contracts where payments do not depend on the level of use of the project assets.

In accordance with the Company's prospectus, the investments as described above must make up a minimum of 75% of the Company's total assets. The Company may also consider, in respect of up to an absolute maximum of 25% of its total assets (at the time the relevant investment is made), taking exposure to:

- projects that have not yet completed construction;
- projects in the regulated utilities sector; and
- projects with "demand" based concessions (i.e. where the payments received depend on the level of use of the project assets) or which have private-sector sponsored concessions, to the extent that the Investment Adviser considers that there is a reasonable level of certainty in relation to:
 - the likely level of demand; and
 - the stability of the resulting revenue.

As at 31 March 2015 the Company does not have any exposure to projects in the regulated utilities sector or projects with demand based concessions. The Company's exposure to projects that have not yet completed construction with reference to net assets at 31 March 2015 is 9.8%.

There is no, and it is not anticipated that there will be any, outright property exposure of the Company (except potentially as additional security).



Statement of Directors' responsibilities

Under the terms of the Disclosure and Transparency Rules of the UK Listing Authority, the Directors are responsible for preparing the half-yearly financial report and unaudited financial statements in accordance with applicable law and regulations.

The Directors are required to:

- properly select suitable accounting policies and apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRS are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company's financial position and financial performance;
- make judgements and estimates that are reasonable and prudent; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the applicable laws. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom and Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In preparing the half-yearly financial report and unaudited financial statements, the Directors are responsible for ensuring that they give a true and fair view of the state of affairs of the Company at the end of the period and the profit or loss of the Company for that period.

The Directors confirm that the half-yearly financial report and unaudited financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

Distribution policy

The Directors have absolute discretion as to the payment of distributions. An interim distribution of 1.90 pence per share for the period 1 October 2014 to 31 December 2014 was declared on 13 January 2015 and paid on 24 February 2015. A further interim distribution of 1.90 pence per share for the period from 1 January 2015 to 31 March 2015 was declared on 7 April 2015 and is to be paid on 26 May 2015.

Going concern statement

After making enquiries and considering the impact of risks and opportunities on expected cash flows, the Directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the half-yearly results. Details of the principal risks and uncertainties faced by the Company can be found on page 15. Further details of the principal risks and uncertainties faced by the Company and the way in which they are managed can be found in the Company's Annual Report for the year ended 30 September 2014. The principal risks are substantially unchanged since publication.

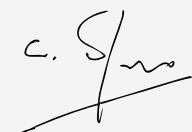
The Directors confirm to the best of their knowledge that:

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

By Order of the Board:



Mr David Pirouet
21 May 2015



Mr Clive Spears
21 May 2015

Unaudited statement of comprehensive income

For the period 1 October 2014 to 31 March 2015

	Notes	Period ended 31 March 2015 £'000	Period ended 31 March 2014 Restated* £'000
Income			
Net gain on Subsidiary at fair value through profit or loss	3	23,744	20,637
Other income	3	1,463	7
		25,207	20,644
Expense			
Investment advisory fees	11	(2,114)	(446)
C share issue costs		—	(134)
Restructure costs		—	(407)
Operating expenses		(963)	(749)
		(3,077)	(1,736)
Total operating profit before finance costs		22,130	18,908
Finance costs			
Interest expense		(30)	—
Profit for the period		22,100	18,908
Other comprehensive income		—	—
Total comprehensive income		22,100	18,908
Basic earnings per share (p)	6	4.4696	6.2659

* Certain amounts shown here do not correspond to the 2014 half-yearly report and financial statements and reflect adjustments. Refer to note 2.

Unaudited statement of financial position

As at 31 March 2015


	Notes	As at 31 March 2015 £'000	As at 30 September 2014 Restated* £'000
Assets			
Cash and cash equivalents		22,956	38,431
Other receivables and prepayments		43	55
Receivable from Subsidiary		—	44,558
Financial assets designated at fair value through profit or loss	10	572,104	389,037
Total assets		595,103	472,081
Liabilities			
Other payables and accrued expenses	7	(2,123)	(1,278)
Loans and borrowings	8	(49,246)	—
Total liabilities		(51,369)	(1,278)
Net assets		543,734	470,803
Capital and reserves			
Share capital	9	5,145	4,504
Share premium	9	529,913	461,402
Other capital reserves		101	101
Retained earnings		8,575	4,796
Total capital and reserves		543,734	470,803

* Certain amounts shown here do not correspond to the 2014 annual report and financial statements and reflect adjustments. Refer to note 2.

Signed and authorised for issue on behalf of the Board of Directors



Mr David Pirouet
21 May 2015



Mr Clive Spears
21 May 2015

Unaudited statement of changes in equity

For the period 1 October 2014 to 31 March 2015

	Notes	Share capital £'000	Share premium £'000	Other capital reserves £'000	Retained earnings £'000	Total equity attributable to owners of the Company £'000
At 1 October 2013 (restated*)		2,814	287,239	66	3,497	293,616
Profit for the period		—	—	—	18,908	18,908
Equity shares issued		736	73,956	—	—	74,692
Dividends	5	—	—	—	(16,051)	(16,051)
At 31 March 2014 (restated*)		3,550	361,195	66	6,354	371,165
At 1 October 2014		4,504	461,402	101	4,796	470,803
Profit for the period		—	—	—	22,100	22,100
Equity shares issued	9	641	70,978	—	—	71,619
Share issue costs		—	(2,467)	—	—	(2,467)
Dividends	5	—	—	—	(18,321)	(18,321)
At 31 March 2015		5,145	529,913	101	8,575	543,734

* Certain amounts shown here do not correspond to the 2014 half-yearly report and financial statements and reflect adjustments. Refer to note 2.

Unaudited statement of cash flows

For the period 1 October 2014 to 31 March 2015

	Notes	Period ended 31 March 2015 £'000	Period ended 31 March 2014 Restated* £'000
Net cash flow generated from operating activities		31,868	16,292
Cash flows from investing activities			
Investment in Subsidiary		(154,823)	(1,425)
Capital repayments received from Subsidiary		7,759	—
Net cash flow used in investing activities		(147,064)	(1,425)
Cash flows from financing activities			
Proceeds from issue of shares		66,890	79,732
Share issuance costs		(2,467)	—
Distributions paid	5	(16,702)	(15,041)
Credit facility drawdown		50,000	—
Net cash flow generated from financing activities		99,721	64,691
Net (decrease)/increase in cash and cash equivalents		(15,475)	79,558
Cash and cash equivalents at beginning of the period		38,431	936
Cash and cash equivalents at end of the period		22,956	80,494
Non-cash items arising from switching shares			
Issue of shares		—	73,666
Acquisition of Subsidiary shares not already owned		—	(73,666)
		—	—
Net cash generated by operating activities includes:			
Dividends received		39,129	16,421
Deposit interest received		106	7

* Certain amounts shown here do not correspond to the 2014 half-yearly report and financial statements and reflect adjustments. Refer to note 2.

Notes to the unaudited financial statements

For the period 1 October 2014 to 31 March 2015

1. General information

GCP Infrastructure Investments Limited (the "Company") is a public company incorporated in Jersey with registration number 105775, on 21 May 2010. The Company is governed by the provisions of the Companies (Jersey) Law, 1991, as amended, and the Collective Investment Funds (Jersey) Law 1988.

The Company is a closed-ended investment company incorporated under the laws of Jersey. The ordinary shares of the Company are listed on the Main Market of the London Stock Exchange.

Through its Subsidiary, the Company makes infrastructure investments through acquiring (or acquiring interest in) debt instruments issued by infrastructure project companies (or by their existing lenders or holding vehicles) that are contracted by the public sector to design, finance, build and operate public infrastructure assets.

2. Significant accounting policies

2.1 Basis of preparation

The half-yearly financial statements for the six month period 1 October 2014 to 31 March 2015 have been prepared in accordance with IAS 34 Interim Financial Reporting.

The half-yearly financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company's annual financial statements as at 30 September 2014.

The financial information contained in the half-yearly financial statements for the six month period 1 October 2014 to 31 March 2015 has not been audited or reviewed by the Company's Auditors pursuant to the Auditing Practices Board guidance.

The half-yearly financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss. The financial statements are presented in sterling and all values have been rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

The Company has historically raised new capital through C share issues which convert in accordance with the C share prospectus into ordinary shares. When in issue, the net assets attributable to the C share class are accounted for and managed by the Company as a distinct pool of assets, with the Company ensuring that separate cash accounts are created and maintained. Similarly, C share cash invested by the Company is managed as a distinct pool of C share assets.

Changes to accounting standards and interpretations

The accounting policies adopted in the preparation of the half-yearly financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 September 2014, except for the adoption of new standards and interpretations that were effective for accounting periods commencing on or after 1 October 2014.

The Company has applied, for the first time, IFRS 10 Consolidated Financial Statements.

IFRS 10 (including the investment entities amendments) has made a significant impact to the presentation of the financial performance and position of the Company as its adoption requires the restatement of results previously presented.

IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC 12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities.

In addition, IFRS 10 includes an exception from consolidation for entities, which meet the definition of an investment entity, and requires such entities to recognise investments at fair value through profit or loss, other than investments in entities that provide investment-related services.

The Company meets the definition of an investment entity (see note 2.2) and therefore all investments are recognised at fair value through profit or loss. This has changed the treatment of the Company's investment in the Subsidiary, which was previously consolidated and is now treated as an investment in Subsidiary at fair value.

Under the transitional provisions of IFRS 10 this change in accounting policy is required to be accounted for retrospectively. Therefore, the relevant comparative figures have been restated.

The impact on reserves as at 1 October 2013 is nil.

Notes to the unaudited financial statements continued

For the period 1 October 2014 to 31 March 2015

2. Significant accounting policies continued

2.1 Basis of preparation continued

The impact of these changes on the statement of financial position as at 30 September 2014 and the statement of comprehensive income and statement of cash flows for the six months ended 31 March 2014 are shown below:

Impact on statement of financial position

Decrease in cash and cash equivalents	(350)
Increase in receivable from Subsidiary	44,558
Decrease in other receivables and prepayments	(521)
Decrease in financial assets designated at fair value through profit or loss	(43,690)
Decrease in other payables and accrued expenses	3

Impact on net assets at 30 September 2014

—

Impact on statement of comprehensive income

Decrease in income	(6,077)
Decrease in expenses	1,844
Decrease in distributions to non-controlling interest	4,233

Impact on profit for the period ended 31 March 2014

—

Impact on statement of cash flows

Increase in cash flow generated from operating activities	6,911
Decrease in cash flow used in investing activities	14,473
Increase in cash generated from financing activities	2,568
Change in net increase/(decrease) in cash and cash equivalents	23,952
Decrease in cash at beginning of the period	(24,455)

Decrease in cash at end of the period

(503)

2.2 Significant accounting judgements and estimates

The preparation of financial statements requires the Directors of the Company to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability in the future. For more details, refer to note 10.

Assessment as investment entity

Entities that meet the definition of an investment entity within IFRS 10 are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them. The criteria which define an investment entity are, as follows:

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

The Company reports to its investors via monthly investor information, and to its management, via internal management reports, on a fair value basis. All investments are reported at fair value to the extent allowed by IFRS in the Company's annual reports.

The Board has also concluded that the Company meets the additional characteristics of an investment entity, in that it indirectly holds a portfolio of investments by investing in an investment entity that itself holds a portfolio of investments; the investments are predominantly in the form of listed and unlisted loan notes; it has more than one investor and its investors are not related parties.

The Board has concluded that the Company meets the definition of an investment entity.

These conclusions are assessed continually.

Fair value of Subsidiary

The Company holds all of the shares in the Subsidiary, which is a holding vehicle used to hold the Company's investments.

The Subsidiary is a holding vehicle used solely to hold the Company's investments and therefore the Directors believe it is appropriate to value this entity based on its portfolio of assets held. The assets held by the Subsidiary are valued monthly by the Valuation Agent.

Going concern

After making enquiries and considering the impact of risks and opportunities on expected cash flows, the Directors have a reasonable expectation that the Company has adequate financial resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going concern basis in preparing the financial statements.

3. Segment information

For management purposes, the Company is organised into one main operating segment. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

Operating income

The following table analyses the Company's operating income per geographical location. The basis for attributing the operating income is the place of incorporation of the counterparty.

	31 March 2015 £'000	31 March 2014 £'000
Channel Islands	25,207	20,644
Total income	25,207	20,644

The Company's income is derived from the Subsidiary, which is a company domiciled in the Channel Islands.

The table below analyses the Company's operating income for the period per investment type:

	31 March 2015 £'000	31 March 2014 £'000
Cash and cash equivalents	106	7
Financial assets at fair value through profit or loss	23,744	20,637
Other investment income	23,850	20,644
Other non-investment income	1,357	—
Total income	25,207	20,644

The table below analyses the operating income derived from the Company's financial assets and liabilities at fair value through profit or loss:

	31 March 2015 £'000	31 March 2014 £'000
Dividend income	39,129	16,421
Net movement in financial assets at fair value through profit or loss	(15,385)	4,216
Total income	23,744	20,637

The above presentation of the operating income follows the adoption of IFRS 10 and in particular in respect of the 2015 figures, reflects the decision in March 2015 to distribute all available reserves of the Subsidiary, thus reducing the value of the Subsidiary. The net movement in financial assets at fair value through profit or loss includes a net gain of £4.6 million on the Subsidiary's underlying portfolio, which is in line with previous periods.

Notes to the unaudited financial statements continued

For the period 1 October 2014 to 31 March 2015

4. Taxation

Profits arising in the Company for the period from 1 October 2014 to 31 March 2015 are subject to tax at the rate of 0% (31 March 2014: 0%).

5. Dividends

Total dividends paid at Company level for the period 1 October 2014 to 31 March 2015 totalled 3.80 pence per share (31 March 2014: 3.80 pence per share) as follows:

	Pence	31 March 2015 £'000	31 March 2014 £'000
Current period dividends			
31 March 2015	1.90	—	—
31 December 2014	1.90	9,763	5,538
	3.80		
Prior period dividends			
30 September 2014	1.90	8,558	10,693
30 June 2014	1.90	—	—
	3.80		
Dividends in changes in equity		18,321	16,051
Dividends settled in shares*		(1,619)	16,702
Dividends in cash flow statement		(1,010)	15,041

* The dividends settled in shares are where shareholders have elected to take the scrip dividend alternative.

6. Earnings per share

Basic earnings per share are calculated by dividing profit for the period attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the period.

	Profit £'000	Weighted average number of ordinary shares	Pence per share
Period ended 31 March 2015			
Basic earnings per ordinary share	22,100	494,447,841	4.4696
Period ended 31 March 2014			
Basic earnings per ordinary share	18,908	301,751,470	6.2659

Diluted earnings per share have not been presented historically due to the inherent variability associated with the C share conversion calculation and estimates required to calculate the diluted earnings per share. The C shares do not convert to ordinary shares until the value of the investments of the Company is at least 90% of the NAV of the Company. This requirement aims to minimise the potential impact of any dilution to earnings per share arising from the C share conversion. There were no C shares in issue during the period 1 October 2014 to 31 March 2015.

7. Other payables and accrued expenses

	31 March 2015 £'000	30 September 2014 £'000
Investment advisory fees	1,100	940
Other expenses	1,023	338
Total	2,123	1,278

8. Loans and borrowings

	31 March 2015 £'000	30 September 2014 £'000
RBSI loan facility	49,246	—
Total	49,246	—

On 23 March 2015 the Company entered into a three-year £50 million revolving credit facility with Royal Bank of Scotland International (the "Facility"). Interest on amounts drawn under the Facility is charged at a rate of LIBOR plus 2.25% per annum. A commitment fee is payable on undrawn amounts. An arrangement fee of £675k was levied upon signing. The facility was fully drawn on 24 March 2015. The total costs incurred to establish the facility (including the arrangement fee) of £754k have been offset against the amount drawn on the facility.

9. Authorised and issued share capital

	Number of shares	31 March 2015 £'000
Share capital		
Ordinary shares issued and fully paid		
At 1 October 2014	450,420,663	4,504
Issued in the period	64,029,623	641
At 31 March 2015	514,450,286	5,145

	31 March 2015 £'000	31 March 2014 £'000
Share premium		
Ordinary shares		
Opening balance	461,402	287,239
Issued in the period	70,978	73,956
Share issue costs	(2,467)	—
At 31 March 2015	529,913	361,195
C Shares		
Opening balance	—	79,200
At 31 March 2015	—	79,200

The Company's share capital is represented by ordinary shares, in addition to C Shares and deferred shares when in issue. Quantitative information about the Company's capital is provided in the statement of changes in equity.

The ordinary shares, and C shares when in issue, carry the rights to assets attributable to their respective share class and do not carry the rights to assets attributable to the Company as a whole.

The ordinary shares and C shares carry the right to dividends out of the profits available for distribution attributable to each share class, if any, as determined by the Directors. Each holder of an ordinary share or C share is entitled to attend meetings of shareholders and, on a poll, to one vote for each share held.

Notes to the unaudited financial statements continued

For the period 1 October 2014 to 31 March 2015

9. Authorised and issued share capital continued

The deferred shares do not carry the right to dividends out of the profits available for distribution or assets attributable to the Company and are in existence for C share conversion purposes only. As at 31 March 2015 there are no deferred shares in issue (30 September 2014: nil).

As at 31 March 2015, the Company's issued share capital comprised 514,450,286 ordinary shares, none of which were held in treasury.

10. Financial instruments

10.1 Capital management

The Company is funded from equity balances, comprising issued ordinary share capital and retained earnings, as detailed in note 9, and a revolving credit facility, as detailed in note 8.

The Company may borrow up to 20% of its NAV as at such time any such borrowings are drawn down.

10.2 Financial risk management objectives

The Company has an investment policy and strategy as summarised in its prospectus dated 30 March 2015 that sets out its overall investment strategy and its general risk management philosophy and has established processes to monitor and control these in a timely and accurate manner. These guidelines are the subject of regular operational reviews undertaken by the Investment Adviser to ensure that the Company's policies are adhered to as it is the Investment Adviser's duty to identify and assist in the control of risk. The Investment Adviser reports regularly to the Directors who have ultimate responsibility for the overall risk management approach.

The Investment Adviser and the Directors ensure that all investment activity is performed in accordance with the investment guidelines. Through its investment in the Subsidiary and the underlying investments it holds, the Company is exposed to various types of risk that are associated with the financial instruments and markets in which it invests. Risk is inherent in the Company's activities and it is managed through a process of ongoing identification, measurement and monitoring. The financial risks to which the Company is indirectly exposed to through its Subsidiary include market risk, interest rate risk, credit risk and liquidity risk.

As explained in note 2.2, the Subsidiary is a holding vehicle used solely to hold the Company's investments and therefore the Directors believe there is no market risk, interest rate risk, credit risk and liquidity risk associated with the investment in the Subsidiary. The Directors have therefore chosen to include details of the indirect risks associated with the assets held by the Subsidiary, rather than the direct investment in the Subsidiary.

10.3 Indirect market risk

The Subsidiary's portfolio of assets is held at fair value, and their values are monitored on a monthly basis by the Valuation Agent. There is a risk that market movements may decrease the value of the assets without regard to the assets' underlying performance.

The Valuation Agent considers the movements in comparable credit markets and publicly available information around each project in assessing the expected future cash flows from each investment.

The valuation principles used are based on a discounted cash flow methodology. A fair value for each asset acquired by the Subsidiary is calculated by applying relevant market discount rate to the contractual cash flow expected to arise from each such asset.

The Valuation Agent determines the discount rate that it believes the market would reasonably apply to each investment taking, inter alia, into account the following significant inputs:

- sterling interest rates;
- movements of comparable credit markets; and
- observable yield on other comparable instruments.

In addition, the following are also considered as part of the overall valuation process:

- general infrastructure market activity and investor sentiment; and
- changes to the economic, legal, taxation or regulatory environment.

10.4 Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing level of market interest rates on the fair value of financial assets and liabilities, future cash flows and borrowings.

Interest rate risk has the following effect:

Indirect risk

Fair value of financial assets and liabilities

Interest rates are one of the factors which the Valuation Agent takes into account when valuing the Subsidiary's financial assets.

Future cash flows

The Subsidiary primarily invests in senior and subordinated debt instruments of infrastructure project companies. The financial assets have fixed interest rate coupons, albeit with some inflation protection, and as such movements in interest rates will not directly affect the future cash flows payable.

Interest rate hedging may be carried out to seek to provide protection against falling interest rates in relation to assets that do not have a minimum fixed rate of return acceptable to the investment policy and strategy.

Where the debt instrument is subordinated, the Subsidiary is indirectly exposed to the gearing of the infrastructure project companies. The Investment Adviser ensures as part of its due diligence that the project company senior debt has been hedged where appropriate.

Direct risk

Borrowings

During the period the Company made use of a revolving credit facility with RBSI, which was used to finance investments made by the Company. Details of the RBSI facility are given in note 8.

Any potential financial impact of movements in interest rates on the cost of borrowings on the Company is mitigated by the short-term nature of such borrowings.

10.5 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into. Credit risk is generally higher when a non exchange-traded financial instrument is involved because the counterparty is not an exchange clearing house.

The Company and Subsidiary are exposed to differing levels of credit risk on all their assets. Per the statement of financial position, the Company's total exposure to credit risk (direct and indirect) is £595 million.

Indirect risk

The role and position within an infrastructure project structure of the Subsidiary's direct counterparty will vary from deal to deal. However, in most cases it is the credit position of the project company and its group companies that is of ultimate importance.

The Investment Adviser uses detailed cash flow forecasts to assess the credit worthiness of project companies and their ability to pay all costs as they fall due. After an investment is made, the forecasts are regularly updated with information provided by the project companies in order to monitor ongoing financial performance.

The project companies will receive a significant portion of revenue from government departments and public sector or local authority clients.

The project companies are also reliant on their subcontractors, particularly facilities managers, continuing to perform their service delivery obligations such that revenues are not disrupted. The credit standing of each significant subcontractor is monitored on an ongoing basis, and period end exposures are reported to the Directors quarterly.

Concentration of credit risk to any project company did not exceed 10% of the Subsidiary's portfolio as at the period end.

The credit risk associated with each project company is mitigated because the cash flows receivable are secured over the assets of the project company, which in turn has security over the assets of the underlying projects. The debt instruments held by the Subsidiary are held at fair value, and the credit risk associated with these investments is one of the factors which the Valuation Agent takes into account when valuing the financial assets.

Notes to the unaudited financial statements continued

For the period 1 October 2014 to 31 March 2015

10. Financial instruments continued

10.6 Direct liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected.

The following table analyses all of the Company's financial assets and liabilities into relevant maturity groupings based on the remaining period from 31 March 2015 to the contractual maturity date.

	Less than one month £'000	One to three months £'000	Three to twelve months £'000	Greater than twelve months £'000	No stated maturity £'000	Total £'000
31 March 2015						
Financial assets						
Cash and cash equivalents	22,956	—	—	—	—	22,956
Other receivables and prepayments	—	—	43	—	—	43
Investment in Subsidiary at fair value through profit or loss	—	—	—	—	572,104	572,104
Total financial assets	22,956	—	43	—	572,104	595,103
Financial liabilities						
Other payables and accrued expenses	—	2,123	—	—	—	2,123
Credit facility utilised	—	50,000	—	—	—	50,000
Total financial liabilities	—	52,123	—	—	—	52,123
30 September 2014						
Financial assets						
Cash and cash equivalents	38,431	—	—	—	—	38,431
Other receivables and prepayments	—	—	55	—	—	55
Receivable from Subsidiary	—	—	—	—	44,558	44,558
Financial assets at fair value through profit or loss	—	—	—	—	389,037	389,037
Total financial assets	38,431	—	55	—	433,595	472,081
Financial liabilities						
Other payables and accrued expenses	—	1,278	—	—	—	1,278
Total financial liabilities	—	1,278	—	—	—	1,278

10.7 Fair values of financial assets

The Company's investment in the Subsidiary is designated as a financial asset at fair value through profit or loss.

As explained in note 10.2, the Subsidiary is a holding vehicle used solely to hold the Company's investments and therefore the Directors believe it is appropriate to value this entity based on its portfolio of assets held.

Basis of determining fair value

The Valuation Agent carries out monthly fair valuations of the financial assets of the Subsidiary. These valuations are reviewed by the Investment Adviser and the Directors of both the Company and Subsidiary. The basis for the Valuation Agent's valuations is described in note 10.3.

As explained above, the valuation of the Subsidiary is based on the portfolio of assets it holds, which takes into account the valuations carried out by the Valuation Agent and any other assets. Any expenses associated with the Subsidiary are borne by the Company.

Fair value measurements

Investments held by the Company and the Subsidiary are measured and reported at fair value are classified and disclosed in one of the following fair value hierarchy levels depending on whether their fair value is based on:

- level 1: quoted prices in active markets for identical assets or liabilities;
- level 2: inputs other than quoted prices included in level one that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and
- level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

An investment is always categorised as level 1, 2 or 3 in its entirety. In certain cases the fair value measurement for an investment may use a number of different inputs that fall into different levels of the fair value hierarchy. In such cases, an investment level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgement and is specific to the investment.

The table below summarises the Company's investment in the Subsidiary based on its position in the fair value hierarchy:

	Fair value hierarchy	31 March 2015 £'000	30 September 2014 £'000
Investment in Subsidiary at fair value through profit or loss			
Subsidiary (historical cost 2015: £564 million, 2014: £360 million)	Level 3	572,104	389,037

The following table shows a reconciliation of all movements in the fair value of the Company's investment in the Subsidiary between the beginning and end of the period:

	31 March 2015 £'000	31 March 2014 £'000
Investment in Subsidiary at fair value through profit or loss		
Opening balance – 1 October 2014	389,037	293,070
Fair value gains and losses through profit or loss	(15,385)	4,216
Purchases	206,211	75,091
Repayments	(7,759)	—
Closing balance – 31 March 2015	572,104	372,377

The table below summarises all securities held by the Subsidiary based on its position in the fair value hierarchy:

	Fair value hierarchy	31 March 2015 £'000	30 September 2014 £'000
Financial assets at fair value through profit or loss			
Loan notes (historical cost 2015: £432 million, 2014: £318 million)	Level 2	465,300	347,153
Loan notes (historical cost 2015: £105 million, 2014: £85 million)	Level 3	106,804	85,574

The Directors of the Subsidiary have classified the financial instruments as level 2 or level 3 depending on whether or not there is a consistent data set of comparable and observable market transactions. Due to the limited number of comparable and observable market transactions in the biomass sector, the Directors of the Subsidiary have classified the Subsidiary's investments in biomass projects as level 3. Due to the lack of comparable and observable market transactions, the average discount rate used on the level 3 investments was 9.97%, compared with the portfolio average of 8.54% as at 31 March 2015.

Notes to the unaudited financial statements continued

For the period 1 October 2014 to 31 March 2015

10. Financial instruments continued

10.7 Fair values of financial assets continued

Fair value measurements continued

The table below shows how changes in discount rate affect the changes in the valuation of the Subsidiary's financial assets at fair value:

31 March 2015

Change in discount rate	0.50%	0.00%	(0.50%)
Value of financial assets at fair value (£'000)	552,941	572,104	592,460
Change in value of financial assets at fair value (£'000)	(19,163)	—	20,356

30 September 2014

Change in discount rate	0.50%	0.00%	(0.50%)
Value of financial assets at fair value (£'000)	417,285	432,727	448,554
Change in value of financial assets at fair value (£'000)	(14,902)	—	15,827

11. Related party disclosures

As defined by IAS 24 Related Party Disclosures, parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Directors

The non-executive Directors of the Company are considered to be the key management personnel of the Company. Directors' remuneration for the period totalled £141k (31 March 2014: £72k).

Investment Adviser

The Company is party to an Investment Adviser Agreement with the Investment Adviser, dated 31 January 2014, pursuant to which the Company and the Subsidiary have appointed the Investment Adviser to provide advisory services relating to the assets on a day-to-day basis in accordance with their investment objectives and policies, subject to the overall supervision and direction of their respective Boards of Directors.

For its services to the Company, the Investment Adviser receives an annual fee at the rate of 0.90% of the net asset value of the Company (or such lesser amount as may be demanded by the Investment Adviser at its own absolute discretion) multiplied by the sum of:

- the NAV of the Company; less
- the value of the cash holdings of the Company and the Subsidiary pro rata to the period for which such cash holdings have been held.

The Investment Adviser is also entitled to claim for expenses arising in relation to the performance of certain duties.

During the period, the Company expensed £2,114k (31 March 2014: £446k) in respect of investment advisory fees and expenses. In respect of the comparative period the investment advisory fees were primarily charged to the Subsidiary up till the 7 February 2014 and thereafter to the Company.

Partners of the Investment Adviser also sit on the boards of and control several intermediary investment vehicles which the Subsidiary invests in.

As at 31 March 2015, the partners of the Investment Adviser hold directly or indirectly, and together with their family members, 1,296,427 ordinary shares in the Company.

Grosvenor PFI Holdings Limited

Whilst not a related party by accounting definition, the owners of Grosvenor PFI Holdings Limited have a 15% non-voting partnership interest in the Investment Adviser. Grosvenor PFI Holdings Limited is a borrower of the Subsidiary.

Grosvenor PFI Holdings Limited controls several intermediary investment vehicles in which the Subsidiary invests.

12. Subsequent events after the report date

On 1 April 2015 the Company advanced an additional £3.5 million to GCP Biomass 1 Limited under an existing facility. The loan is secured on a senior basis against an on-farm anaerobic digestion plant to be constructed in Northern Ireland.

On 8 April 2015 the Company announced an interim dividend of 1.90 pence per share, which is to be paid on 26 May 2015.

On 27 April 2015 the Company advanced an additional £1.9 million to GCP Social Housing 1 Limited under an existing facility. The loan is secured on a senior basis to finance the acquisition of a number of social housing units for occupation by adults with learning or physical difficulties.

On 30 April 2015 the Company announced it had committed to subscribe for a loan note of up to £20.0 million. The Company advanced c. £2.1 million at completion and the majority of the balance is expected to be advanced at regular intervals over the next twelve months. The loan note was issued by GCP Social Housing 1 Limited and the proceeds were used to provide a loan facility secured on a senior basis to finance the acquisition of a number of social housing units for occupation by adults with learning or physical difficulties. The social housing units will be subject to one or more fully repairing and insuring leases with terms of up to 60 years with one or more housing associations in England regulated by the Homes and Communities Agency.

On 6 May 2015 the Company advanced an additional £6.6 million to GCP Green Energy 1 Limited under an existing facility. The loan is secured on a senior basis to finance a 8.2MW wind farm and two solar parks totalling 6.8MW.

On 12 May 2015 the Company announced that as expected the GEM 1 Loan of c. £14 million secured against the performance of a portfolio of senior UK PFI loans, was redeemed in full on 11 May 2015.

13. Ultimate controlling party

It is the view of the Directors that there is no ultimate controlling party.

Glossary of key terms

AIFMD	Alternative Investment Fund Managers Directive
Borrower	The entity which issues loan notes to GCP Infrastructure Asset Holdings Limited, usually a special purpose vehicle
CIF Law	Collective Investment Funds (Jersey) Law 1988
The Company	GCP Infrastructure Investments Limited
C shares	A share class issued by the Company from time to time, Conversion Shares are used to raise new funds without penalising existing shareholders. The funds raised are ring fenced from the rest of the Company until they are substantially invested
FCA	Financial Conduct Authority
FIT	The Feed-in Tariff
The Law	The Companies (Jersey) Law 1991
NAV	Net asset value
Ordinary shares	The ordinary share capital of GCP Infrastructure Investments Ltd
PFI	Private Finance Initiative
Placing Programme	2014 Placing Programme in respect of 100,000,000 new ordinary shares
RHI	The Renewable Heat Incentive
ROCs	Renewable Obligation Certificates
Tap issue	Issue of new equity capital
The Scheme	The reorganisation of the Company such the Subsidiary was to become wholly-owned
The Subsidiary	GCP Infrastructure Asset Holdings Limited (formerly GCP Infrastructure Fund Limited)

Company information

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Custodian and depositary

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Clive Spears (Deputy Chairman)
Paul de Gruchy
David Pirouet

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