



GCP Infrastructure Investments Limited
Half-yearly report and financial statements 2016

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Company

About us

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 its capital in debt secured against UK infrastructure projects primarily 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 over £698 million as at 31 March 2016.

Highlights for the period

- Dividends of 3.8 pence per share paid for the six month period to 31 March 2016
- Profit for the period of £21.9 million
- Ordinary shares trading at a 9.1% premium at 31 March 2016
- £20 million successfully raised through a significantly oversubscribed share issue
- Loans advanced totalling £46.4 million secured against UK renewable energy, social housing and PFI projects, with a further £11.5 million advanced post period end
- Company NAV per ordinary share as at 31 March 2016 of 107.68 pence
- Third-party valuation of the Company’s investment portfolio at 31 March 2016 of £687.4 million

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 progressively increased its dividend for every period since inception and has paid or declared a dividend of 7.6 pence per annum for the previous three financial years.

Capital preservation

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

The valuation 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 107.68 pence. The ordinary shares have traded at a premium to their net asset value since IPO.

Diversification

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

The Company has increased the number of investments in its portfolio from 40 as at 30 September 2015 to 42 as at 31 March 2016. The investment portfolio is exposed to a wide variety of sectors in terms of project type and source of underlying cash flow.

Key performance highlights

3.8p

Dividends paid for the six month period to 31 March 2016

£21.9m

Profit for the six month period ended 31 March 2016

107.68p

NAV per share as at 31 March 2016

117.50p

Share price at 31 March 2016

42

Number of investments as at 31 March 2016

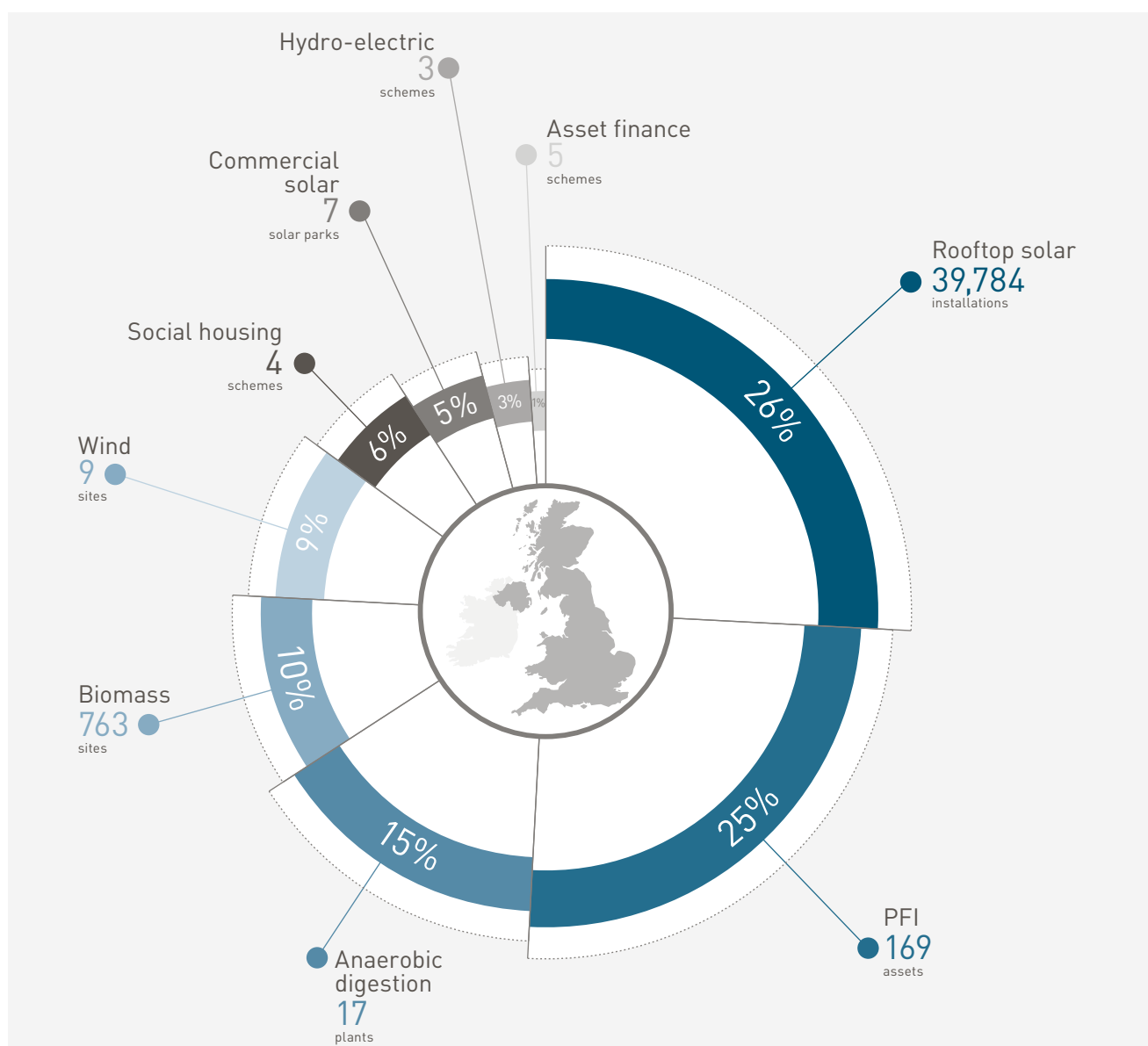
12.2%¹

Size of largest investment

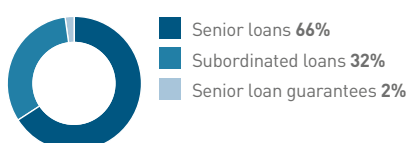
¹ The Cardale PFI Investments Limited loan is secured on a cross-collateralised basis against 14 separate operational PFI projects, with no exposure to any individual project being in excess of 10% of the investment portfolio.

Portfolio at a glance

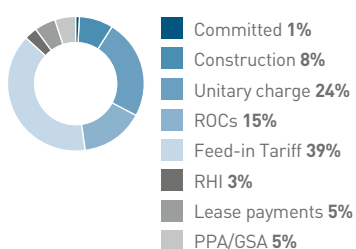
The Company's portfolio comprises underlying assets located across the UK and which fall under the following classifications:



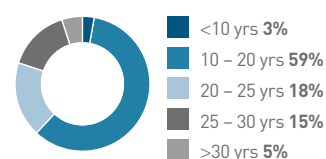
Portfolio by investment type



Portfolio by cash flow type



Portfolio by expected term



Chairman's interim statement



Mr Ian Reeves CBE
Chairman



The Company advanced £46.4 million of loans secured against a variety of UK renewable energy, social housing and PFI projects.

On behalf of the Board, I am pleased to report a period of consolidation, robust performance and measured growth in a challenging investment environment. The Company raised £20 million through an equity issuance that was significantly oversubscribed, a reflection of the strong continuing demand for the Company's shares. Primarily through the strength of its relationships with existing borrowers, the Company advanced £46.4 million of loans secured against a variety of UK renewable energy, social housing and PFI projects. In addition, post period end the Company advanced a further £11.5 million under existing facilities. The performance of the Company's portfolio has enabled the delivery of consistent returns to shareholders through dividends of 3.8 pence per share for the six month period to 31 March 2016, and a relatively stable share price through what has been a volatile period in the wider equity markets.

Market background

The inflow of capital into the UK infrastructure sector has continued unabated during the period. Investors are many and varied, from large institutions investing through private funds or segregated mandates to individuals buying shares issued by listed investment companies. All, however, are attracted to the perceived stability and dependability of UK infrastructure investments, particularly in a volatile and uncertain market and a low interest rate environment.

The supply of new assets has not matched this investor appetite. The volume of projects procured under PFI and PF2 over the last five years has not reached the levels expected by the industry and this restricted pipeline has resulted in a highly competitive secondary market. Whilst the UK Government announced in March 2016 a National Infrastructure Delivery Plan, which updates and replaces the previous NIP and amounts to £250 billion of opportunities for private sector investment, the timing and deliverability of such a pipeline remains unknown.

The UK Government has also recently made a number of key policy decisions in the renewable energy space with the withdrawal or significant scaling back of a number of key incentives for prospective developers of renewable energy assets. These policy changes will significantly curtail the number of new projects being developed.

The UK Government has made repeated commitments regarding the development of social and affordable housing. This is an area that the Company has invested in and the Investment Adviser is paying close attention to announcements regarding the form of future governmental support.

Investment outlook

This imbalance between supply and demand, combined with the very low interest rate environment, has driven down yields on UK infrastructure assets with dependable UK public sector backed cash flows, continuing a movement in pricing that has been going on for several years.

Despite the growing attractiveness of the sector in general, institutional investors in particular tend to be restricted to opportunities larger in size and profile, with additional parameters limiting investments to specific types of project technology, security and with overall limits to construction exposure.

In response to these challenging market conditions, the Company has focused on working with existing borrowers where strong relationships have enabled the Company to lend at attractive rates against well-performing operational assets supported by legacy subsidy regimes.

The Company still remains well positioned to achieve attractive returns in respect of opportunities relating to smaller infrastructure projects in areas that are poorly served by the broad lending market. Particular areas of focus are social housing for vulnerable adults, small scale PFI and established areas within the renewable energy sector.

Placing programme and issuance of ordinary shares

The Company raised a total of £20 million during the period through a significantly oversubscribed capital raise under the 2015 placing programme. A total of 16.9 million new ordinary shares were issued at a price of 118.0 pence. A further 1.2 million new ordinary shares were issued under the Company's scrip dividend alternative. Further details on the share movements are disclosed in note 9.

Following the expiry of the 2015 placing programme, the Investment Adviser continues to see opportunities in the infrastructure debt market. To take advantage of these opportunities and in light of the continued demand for the Company's equity, on 18 April 2016, the Company announced the publication of a prospectus in respect of a new placing programme for 2016.

Net asset value and share price performance

The net assets of the Company have grown from £619.5 million at 30 September 2015 to £640.2 million at 31 March 2016 as a result of the £20 million of equity capital raised and the upward revaluation of the Company's solar, PFI and wind assets, offset by the reduction in the valuation of one biomass asset. The Company's net asset value per share has increased from 107.47 pence to 107.68 pence in the six month period to 31 March 2016 due to investment revaluations and the accretive nature of the share issuances.

The Company's shares have continued to trade at a significant premium to NAV, with an average premium over the period of 9.1%. The share price was 117.50 pence as at 31 March 2016, down 3.1% over the period.



Chairman's interim statement continued

Financing

The Company has continued to make use of its revolving £50 million credit facility with RBSI (the "Facility"). The Facility has enabled the Company to raise and deploy capital more efficiently. All amounts drawn under the Facility have been used in accordance with the Company's investment policy. As at 31 March 2016 £50 million was drawn under the Facility, although £32 million repaid post period end.

Dividend policy

The Directors have absolute discretion as to the payment of dividends. An interim dividend of 1.90 pence per share for the period 1 October 2015 to 31 December 2015 was declared on 14 January 2016 and paid on 25 February 2016. A further interim dividend of 1.90 pence per share for the period from 1 January 2016 to 31 March 2016 was declared on 14 April 2016 and will be paid on 27 May 2016.

Board composition

The Board would like to extend a warm welcome to Michael Gray and Julia Chapman who have been appointed as non-executive Directors of the Company with effect from 1 October 2015. Michael Gray (FCIBS) is a Jersey resident, a qualified Corporate Banker and Corporate Treasurer. Julia Chapman is a solicitor with over 25 years' experience in the investment fund and capital markets sectors.

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 ("UK Code") which was updated in September 2014, and the Association of Investment Companies Code of Corporate Governance which was updated in February 2015 and accompanying guide ("AIC Code and Guide"). A copy of the UK Code is available at www.frc.org.uk; a copy of the AIC Code and Guide can be found at www.theaic.co.uk.

In September last year, the Board decided it would be in the best interests of the Company's shareholders for the Audit Committee to conduct a formal audit tender process in order to assist in assessing the performance of the existing external Auditor against other providers in the market and to determine whether it was appropriate to seek a new firm as external Auditor with respect to the 30 September 2016 year end. As a result of this process, the Audit Committee found that the experience within the sector as well as the strength of the overall audit team demonstrated by KPMG Channel Islands Limited ("KPMG") would be better aligned to the Company. The appointment of KPMG in place of Ernst & Young LLP was approved at the Annual General Meeting on 12 February 2016.

The Company continues to be 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.

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 2015 annual report and 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. The full details can be found on pages 32 to 35 of the annual report for the year ended 30 September 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, in preparing the unaudited interim condensed financial statements, they have adopted the going concern basis.

Related parties

The Directors consider that the related parties and related party transactions for the six month period as at 31 March 2016, are consistent with the 30 September 2015 audited financial statements and are outlined in note 11 of the unaudited interim condensed financial statements.



Mr Ian Reeves CBE

Chairman

26 May 2016



Company key facts

Company information	<p>GCP Infrastructure Investments Limited 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 Main Market of 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>
Investment strategy	Infrastructure debt.
Market capital	As at 31 March 2016: £698.7 million.
Net asset value	As at 31 March 2016: £640.2 million.
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. The Investment Adviser is also entitled to receive a fee of £60,000 per annum 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	The Company is classed as an externally managed AIF under the AIFMD.
Investment policy	<p>The Company's investment policy is detailed on pages 6, 7, 34 and 35 of the prospectus dated 30 March 2015.</p> <p>The prospectus was subsequently updated on 18 April 2016 and the investment policy is now detailed on pages 6, 7 and 31.</p>
Website	www.gcruk.com

Investment Adviser's report

The Investment Adviser, Gravis Capital Partners LLP, 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 basis of the remuneration of the Investment Adviser is set out in note 11 to the interim unaudited condensed financial statements.

Investment objectives and policies

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.

Further information on the Company's investment strategy can be found on pages 12 to 15 of the Company's annual report for the year ended 30 September 2015. The investment strategy is substantially unchanged since publication.

Attractions of infrastructure debt investment

The attractive quality of infrastructure debt is its stability through changing macro-economic and credit conditions. Infrastructure assets are usually of an essential nature and given the high capital cost and long-dated cash flows generated, they are generally most efficiently financed by long-dated debt. Prior to the financial crisis in 2007, this debt was typically provided by either the banking or debt capital markets, however, new regulatory rules and liquidity requirements contributed to the withdrawal of a banking market faced with the prospect of funding long-term assets with short-term deposits. In recent years we have seen a number of international banks returning to the sector, in addition to institutional lenders and debt funds entering the market as potential debt providers.

The infrastructure sector continues to provide investors with an important source of diversification. Infrastructure debt provides long-term, predictable income streams and is particularly suited to those investors with longer dated liabilities and a limited capacity for risk. The asset class has a low correlation to the market and is widely insulated from the economic risks associated with publicly listed bonds and equities. The generally public sector backed nature along with the sector's credit profile makes it particularly attractive to institutional investors seeking to take advantage of the favourable investment characteristics of the asset class.

Loans advanced and prepaid

The Company made eight investments totalling £46.4 million during the period, five of which were made under existing facilities. The Company's GCP Onshore Wind 2 Limited loan was repaid during the quarter. Since the repayment was unscheduled, the amount repaid included a fee and was greater than its valuation. Post period end, the Company advanced £11.5 million under existing facilities.



Investment Adviser's report continued

Investments made during the period (including extensions¹)

Investment	Loan		Project
GCP Rooftop Solar 5 Limited ¹	Amount	£3.1 million	Portfolios of domestic solar panel installations in England installed by A Shade Greener Limited.
	Term	21 years	
	Security	Subordinated	
	Status	Operational	
GCP Biomass 4 Limited ¹	Amount	£2.7 million	Construction of a waste to energy Biomass facility in Widnes, England.
	Term	16 years	
	Security	Subordinated	
	Status	Construction	
GCP Social Housing 1 Limited ¹ B notes	Amount	£0.7 million	Portfolio of housing units for occupation by adults with learning difficulties.
	Term	40 years	
	Security	Senior	
	Status	Operational	
GCP Social Housing 1 Limited ¹ C notes	Amount	£3.6 million	Funding for construction and renovation of housing units for occupation by adults with learning difficulties.
	Term	1 year	
	Security	Senior	
	Status	Operational	
GCP Social Housing 1 Limited ¹ D notes	Amount	£19.2 million	Portfolio of housing units for occupation by adults with learning difficulties.
	Term	35 years	
	Security	Senior	
	Status	Operational	
GCP Biomass 5 Limited B notes	Amount	£4 million	Construction of a food waste anaerobic digestion facility in Wales.
	Term	15 years	
	Security	Senior	
	Status	Construction	
GCP Biomass 5 Limited C notes	Amount	£8 million	Construction of a food waste anaerobic digestion facility in England.
	Term	15 years	
	Security	Senior	
	Status	Construction	
GCP Asset Finance 1 Limited C notes	Amount	£5.1 million	Construction of a number of availability based accommodation PPP assets in Scotland under the NPD procurement model.
	Term	27 years	
	Security	Subordinated	
	Status	Construction	
Investments totalling £46.4 million			

Pre-payments received during the period

Investment	Loan		Project
GCP Onshore Wind 2 Limited	Amount	£6.4 million	Three 500KW single turbine wind sites in England and Wales.
	Term	12 years	
	Security	Senior	
	Status	Operational	

Investments made post period end

Investment	Loan		Project
GCP Social Housing 1 Limited	Amount	£0.3 million	Portfolio of social housing units for occupation by adults with learning or physical difficulties.
	Term	35 years	
	Security	Senior	
	Status	Operational	
GCP Social Housing 1 Limited B Notes	Amount	£4.6 million	Portfolio of social housing units for occupation by adults with learning or physical difficulties.
	Term	40 years	
	Security	Senior	
	Status	Operational	
GCP Biomass 5 Limited C Notes	Amount	£4 million	Construction of an anaerobic digestion facility in England.
	Term	17 years	
	Security	Senior	
	Status	Construction	
GCP Social Housing 1 Limited D Notes	Amount	£2.6 million	Portfolio of social housing units for occupation by adults with learning or physical difficulties.
	Term	35 years	
	Security	Senior	
	Status	Operational	
Investments totalling £11.5 million			

Investment portfolio

The valuation of the Company's 42 investments at 31 March 2016 was £687.4 million.

The Company's investments are supported by infrastructure projects geographically located across the UK. At 31 March 2016 the weighted average annualised yield was 8.9% across the portfolio with a weighted average expected term of 14 years. Just under 90% of the projects the Company is exposed to are fully operational. The remaining projects are either committed or under construction.

Portfolio performance

The PFI and social housing projects that support the Company's investments have experienced no material operational or construction issues.

Whilst the operation and construction performance of the renewable energy projects against which the Company has made loans has been materially as expected, a number of macro-economic and policy factors have negatively impacted forecasted net cash flows. The removal of the Climate Change Levy exemption, lower than anticipated power prices and the continuing low inflation environment have all reduced the predicted income generated. However, it is the current expectation of the Investment Adviser that the cash flows expected to arise to the Company from such projects in the form of debt service payments will not be affected.

With regard to asset specific issues, the cash flows generated by two biomass projects have been lower than expected due primarily to delays in grid connection and slower than predicted operational ramp up. In one of these cases, action has been taken to support the borrower and ensure that the Company's investment is protected. As a result no material concerns have arisen in relation to the performance of the Company's loan.

With respect to the other biomass project, the Investment Adviser and its technical adviser have worked closely throughout the period to consider alternative actions available to address the continuing underperformance of the plants. The Board has conducted an ongoing evaluation of the cost of remedial capital works and refinancing options, and as a result concluded in November 2015 that the valuation of the loan should be reduced by 0.35% of the Company's NAV and further in March 2016 by 0.44% of the Company's NAV. The aggregate impact of these revaluations was a reduction of 0.79% in the Company's NAV as at 31 March 2016.

In the period there has been a continued tightening of yields available on operational renewables assets, in November 2015 certain wind assets were revalued upwards by the Valuation Agent and subsequently, in March 2016, certain solar assets in the portfolio were revalued upwards. The aggregate of these revaluations was an increase of 0.4% in the Company's NAV as at 31 March 2016.

Investment Adviser's report continued

Key exposures

Top ten investments				
Loan	Cash flow type	Project type	Annualised yield	% of total assets
Cardale PFI Investments Ltd ¹	Unitary charge	Various UK PFI	9.1%	12.2%
GCP Rooftop Solar 6 Ltd	Feed-in Tariff	Rooftop solar	7.2%	8.8%
GCP Biomass 1 Ltd	ROCs	Anaerobic digestion	10.5%	6.5%
GCP Biomass 5 Ltd	Feed-in Tariff	Anaerobic digestion	8.2%	5.6%
GCP Green Energy 1 Ltd	ROCs	Onshore wind	7%	5.5%
GCP Rooftop Solar 4 Ltd	Feed-in Tariff	Rooftop solar	9.3%	4.9%
GCP Healthcare 1 Ltd	Unitary charge	Various UK PFI	9.6%	4.6%
GCP Rooftop Solar 5 Ltd	Feed-in Tariff	Rooftop solar	10.1%	3.5%
GCP Biomass 4 Ltd	ROCs	Biomass	10.5%	3.3%
GCP Onshore Wind 3 Ltd	ROCs	Onshore wind	9.8%	3.2%
				58.1%

¹ The Cardale PFI investments limited loan is secured on a cross-collateralised basis against 14 separate operational PFI projects, with no exposure to any individual project being in excess of 10% of the investment portfolio.

Top ten project counterparties	
E.ON Energy Ltd (Ofgem)	29.3%
Ofgem	16.2%
Power NI (Ofgem)	8.8%
Bespoke Supportive Tenancies	4.1%
Centrica (Ofgem)	3.3%
Viridian Energy Supply Limited (Ofgem)	3.2%
Co-op Group (Ofgem)	3.1%
Smartest Energy Ltd (Ofgem)	2.6%
Aberdeen City Council	2.4%
Salford City Council	1.8%
74.8%	

Top ten facilities managers	
A Shade Greener Maintenance Limited	28.6%
Agrikomp (UK) Ltd	6.6%
Agrivert Group	5.6%
Burmeister & Wain Scandinavian Contractor A/S	5.6%
Vestas Northern Europe A/S	5.6%
Grosvenor Facilities Management Ltd	4.1%
Bespoke Supportive Tenancies	4.1%
Senvion SE	3.2%
Smarter Energy Solutions Ltd	2.6%
Osspower Ltd	2.6%
68.6%	

Investment valuation

The Valuation Agent, Mazars LLP carries out a fair market valuation of the Company's investments on behalf of the Board on a quarterly basis (prior to 31 March 2016 this was performed 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 weighted average discount rate at 31 March 2016 was 8.33%, an increase of 1 basis point from 8.32% as at 30 September 2015. The valuation of investments is sensitive to changes in discount rates applied. Sensitivity analysis detailing the impact of a change in discount rates is given in note 10.

Financial performance

The Company has prepared its half-yearly report and financial statements in accordance with IAS 34 as adopted by the European Union, as with previous years.

In the six month period to 31 March 2016, the Company's portfolio generated net income/gains on investments of £25.5 million. The profit for the period was £21.9 million, with earnings per share of 3.7 pence. The Company's ongoing charges percentage at 31 March 2016 was 1.28% on an annualised basis.

The Company has maintained an annual dividend of 7.6 pence per share, paying a dividend of 1.90 pence for each of the two quarters ending 31 December 2015 and 31 March 2016.

Cash position

The Company received debt payments of £42.2 million during the period, comprising £26.6 million of interest payments and £15.6 million of loan principal payments, materially in line with expectations. The Company paid dividends of £22.2 million (including £1.4 million in scrip dividends) during the year.

The Company drew down a further £8.4 million on its loan facility, raised £20 million of equity capital and made investments totalling £46.4 million. Total cash reserves at the period end were £4.4 million.

Project exposure

As at 31 March 2016, the Company does not have any exposure to projects purely 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 total portfolio value at 31 March 2016 was 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).

Conflicts of interest

The Company has given its consent for the Investment Adviser to act as the investment manager to Project Finance Investments Limited ("Project Finance"), a closed-ended investment company listed on the London Stock Exchange's Main Market. Project Finance is focused predominantly on debt investments secured against physical assets and/or contracted cash flows.

The Company has given its consent on the basis that where the Investment Adviser identifies an investment which, in its opinion acting reasonably and in good faith, falls within the Company's remit, the Company will have a right of first refusal.



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 report and unaudited interim condensed financial statements in accordance with applicable 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 of 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. 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 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 interim condensed 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 interim condensed financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

Directors' responsibility statement

The Directors confirm to the best of their knowledge that:

- the unaudited interim condensed set of financial statements has been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union;
- the Chairman's interim statement and the Investment Adviser's report constitute the Company's interim management report which 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 Ian Reeves CBE
Chairman
26 May 2016



Mr David Pirouet FCA
Director
26 May 2016

Independent review report

To GCP Infrastructure Investments Limited

Introduction

We have been engaged by GCP Infrastructure Investments Limited (the “Company”) to review the interim condensed financial statements in the half-yearly report for the six months ended 31 March 2016 which comprises the unaudited interim condensed statement of comprehensive income, unaudited interim condensed statement of financial position, unaudited interim condensed statement of changes in equity, unaudited interim condensed statement of cash flows and the related explanatory notes. We have read the other information contained in the half-yearly report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the unaudited interim condensed financial statements.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Disclosure and Transparency Rules (the “DTR”) of the UK’s Financial Conduct Authority (the “UK FCA”). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors’ responsibilities

The half-yearly report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”). The interim condensed financial statements included in this half-yearly report have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the EU.

Our responsibility

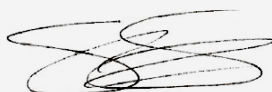
Our responsibility is to express to the Company a conclusion on the interim condensed financial statements in the half-yearly report based on our review.

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the unaudited interim condensed set of financial statements in the half-yearly report for the six months ended 31 March 2016 is not prepared, in all material respects, in accordance with IAS 34 as adopted by the EU and the DTR of the UK FCA.



Steven D. Stormonth

For and on behalf of
KPMG Channel Islands Limited
Chartered Accountants
Jersey
26 May 2016

Unaudited interim condensed statement of comprehensive income

For the period 1 October 2015 to 31 March 2016

	Notes	Period ended 31 March 2016 £'000	Period ended 31 March 2015 £'000
Income			
Net income/gains on investments at fair value through profit or loss	3	25,484	23,744
Other income	3	1,214	1,463
Total income		26,698	25,207
Expense			
Investment advisory fees	11	(2,803)	(2,114)
Operating expenses		(1,181)	(963)
Total expense		(3,984)	(3,077)
Total operating profit before finance costs		22,714	22,130
Finance costs			
Finance expenses		(813)	(30)
Profit for the period		21,901	22,100
Other comprehensive income		—	—
Total comprehensive income		21,901	22,100
Basic and diluted earnings per share (p)	6	3.7273	4.4696

Unaudited interim condensed statement of financial position

As at 31 March 2016

	Notes	As at 31 March 2016 £'000	As at 30 September 2015 (audited) £'000
Assets			
Cash and cash equivalents		4,459	4,906
Other receivables and prepayments		67	49
Amounts held on security account		1,440	1,230
Financial assets at fair value through profit or loss	10	687,404	657,730
Total assets		693,370	663,915
Liabilities			
Other payables and accrued expenses	7	(2,096)	(2,018)
Amounts held on security account		(1,440)	(1,230)
Borrowings	8	(49,588)	(41,123)
Total liabilities		(53,124)	(44,371)
Net assets		640,246	619,544
Capital and reserves			
Share capital	9	5,946	5,765
Share premium	9	620,101	599,242
Other capital reserves		101	101
Retained earnings		14,098	14,436
Total capital and reserves		640,246	619,544

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



Mr Ian Reeves CBE
Chairman
26 May 2016



Mr David Pirouet FCA
Director
26 May 2016

Unaudited interim condensed statement of changes in equity

For the period 1 October 2015 to 31 March 2016

	Notes	Share capital £'000	Share premium £'000	Other capital reserves £'000	Retained earnings £'000	Total equity £'000
At 1 October 2014		4,504	461,402	101	4,796	470,803
Profit for the period		—	—	—	22,100	22,100
Equity shares issued		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
At 1 October 2015		5,765	599,242	101	14,436	619,544
Profit for the period		—	—	—	21,901	21,901
Equity shares issued	9	181	21,188	—	—	21,369
Share issue costs		—	(329)	—	—	(329)
Dividends	5	—	—	—	(22,239)	(22,239)
At 31 March 2016		5,946	620,101	101	14,098	640,246

Unaudited interim condensed statement of cash flows

For the period 1 October 2015 to 31 March 2016

	Notes	Period ended 31 March 2016 £'000	Period ended ¹ 31 March 2015 £'000
Cash flows from operating activities			
Total operating profit before finance costs		22,714	22,130
Purchases of financial assets		(43,649)	(206,211)
Repayment of financial assets		15,646	1,509
Movement in financial assets		(1,671)	21,635
Increase in other payables and accrued expenses		135	815
(Increase)/decrease in trade and other receivables		(18)	13
Decrease in dividends receivable		—	44,558
Net cash flow generated from operating activities		(6,843)	(115,551)
Cash flows from financing activities			
Proceeds from issue of shares		19,664	67,532
Proceeds from borrowings		8,400	49,246
Dividends paid	5	(20,863)	(16,702)
Finance costs paid		(805)	—
Net cash flow generated from financing activities		6,396	100,076
Net decrease in cash and cash equivalents		(447)	(15,475)
Cash and cash equivalents at beginning of the period		4,906	38,431
Cash and cash equivalents at end of the period		4,459	22,956
Net cash generated by operating activities includes:			
Investment income received		26,561	39,129
Deposit interest received		10	106

¹ Certain comparative balances have been reclassified to reflect the correct classification of these balances. These reclassifications have had no impact on the Company's net result or net assets.

Notes to the unaudited interim condensed financial statements

For the period 1 October 2015 to 31 March 2016

1. General information

GCP Infrastructure Investments Limited is a public company incorporated and domiciled 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 the Collective Investment Funds (Jersey) Law 1988.

The ordinary shares of the Company are listed on the Main Market of the London Stock Exchange.

The Company makes infrastructure investments through acquiring (or acquiring an interest in) debt instruments issued by infrastructure project companies (or by their existing lenders or holding vehicles) that are, or are expected to be, in receipt of public sector backed cash flows.

2. Significant accounting policies

2.1 Basis of preparation

The half-yearly financial statements for the six month period to 31 March 2016 have been prepared in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

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 2015. The financial statements for the year ended 30 September 2015 were audited by Ernst & Young LLP who issued an unqualified audit opinion.

The audited financial statements of the Company as at and for the year ended 30 September 2015 were prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union.

The financial information contained in the unaudited interim condensed financial statements for the period 1 October 2015 to 31 March 2016 have not been audited but have undergone a review by the Company's Auditor in accordance with International Standards on Review Engagements (UK & Ireland) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity issued by the Auditing Practices Board for use in the UK.

The unaudited interim condensed 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 accounting policies adopted in the preparation of the unaudited interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 30 September 2015.

There are no new IFRS or IFRIC interpretations that are effective that would be expected to have a material impact on the Company's financial statements.

2.2 Significant accounting judgements and estimates

Functional and presentation currency

Items included in the financial statements of the Company are measured in the primary economic environment in which the Company operates. The financial statements of the Company are presented in Pound Sterling which is the Company's functional and presentation currency, and all values have been rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

Financial assets at fair value through profit or loss

Holdings of the portfolio of loan notes held by the Company are shown as financial assets at fair value through profit or loss in the unaudited interim condensed statement of financial position.

Merger of the Subsidiary

On 30 September 2015 the Company merged with GCP Infrastructure Asset Holdings Limited (the "Subsidiary"). Prior to the merger, the Subsidiary was treated as wholly owned by the Company for the purpose of holding its investments. In accordance with IFRS 10, subsequent to the merger, the Company was treated as an investment entity and the Subsidiary was measured at fair value through profit or loss.

The merger of the Company and the Subsidiary has had no impact on the presentation of the interim condensed financial statements or the accompanying note disclosures aside from the classification of dividend income to loan interest received. Pre 30 September 2015, the Subsidiary received loan interest from its portfolio, which it then distributed to the Company by way of a dividend. Post-merger, the Company receives interest income directly from the portfolio of investments.

2.3 Segmental Information

For management purposes, the Company is organised into one main operating segment. The chief operating decision maker of the Company is the Board of Directors. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon the 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.

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 2016 £'000	31 March 2015 £'000
Channel Islands	10	106
United Kingdom	26,688	25,101
Total	26,698	25,207

Until the date of merger the Company's main income was derived from dividends paid by the former Subsidiary, which was a company domiciled in the Channel Islands. Subsequent to the merger the Company's main income is derived from interest on loans to project companies held at fair value through profit or loss.

3. Operating income

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

	31 March 2016 £'000	31 March 2015 £'000
Cash and cash equivalents	10	106
Net income/gains on investments at fair value through profit or loss	25,484	23,744
Other income	1,204	1,357
Total	26,698	25,207

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

	31 March 2016 £'000	31 March 2015 £'000
Loan interest received	26,561	—
Dividend income	—	39,129
Impairment	(5,100)	—
Net income/gains on investments at fair value through profit or loss	4,023	(15,385)
Total	25,484	23,744

Notes to the unaudited interim condensed financial statements continued

For the period 1 October 2015 to 31 March 2016

4. Taxation

Profits arising in the Company for the period from 1 October 2015 to 31 March 2016 are subject to tax at the standard rate of 0% (31 March 2015: 0%) in accordance with the Income Tax (Jersey) Law 1961 as amended.

5. Dividends

Total dividends paid for the period 1 October 2015 to 31 March 2016 totalled 3.80 pence per share as follows:

	Pence	31 March 2016 £'000	31 March 2015 £'000
Current period dividends			
31 March 2016	1.90	—	—
31 December 2015/2014	1.90	11,286	9,763
	3.80		
Prior period dividends			
30 September 2015/2014	1.90	10,953	8,558
30 June 2015	1.90	—	—
	3.80		
Dividends in statement of changes in equity		22,239	18,321
Dividends settled in shares ¹		(1,376)	(1,619)
Dividends in cash flow statement		20,863	16,702

¹ The dividends settled in shares are where shareholders have elected to take the scrip dividend alternative.

6. Earnings per share

Basic and diluted 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 2016			
Basic and diluted earnings per ordinary share	21,901	587,571,646	3.7273
Period ended 31 March 2015			
Basic and diluted earnings per ordinary share	22,100	494,447,841	4.4696

7. Other payables and accrued expenses

	31 March 2016 £'000	30 September 2015 £'000
Investment advisory fees	1,409	1,381
Other expenses	687	637
Total	2,096	2,018

8. Borrowings

	31 March 2016 £'000	30 September 2015 £'000
RBSI loan facility	50,000	41,600
Unamortised arrangement fees	(412)	(477)
Total	49,588	41,123

The table below analyses the movement for the period:

	31 March 2016 £'000	30 September 2015 £'000
Opening balance	41,600	—
Loan drawdowns	8,400	91,600
Repayment of loans	—	(50,000)
Total	50,000	41,600

On 23 March 2015 the Company entered into a three year £50 million revolving credit facility with RBSI (the "Facility"). Interest on amounts drawn under the Facility is charged at LIBOR plus 2.25% per annum. A commitment fee is payable on undrawn amounts. The total costs incurred to establish the Facility of £754,000 (including the arrangement fee of £675,000) have been offset against the amount drawn down. At the 31 March 2016 the Facility was fully drawn. Post period end, the Company partially repaid £32 million of its £50 million revolving loan facility, with the drawn down balance on the Facility standing at £18 million as at the date of approval of these unaudited interim condensed financial statements.

9. Authorised and issued share capital

	Number of shares	31 March 2016 £'000	Number of shares	30 September 2015 £'000
Share capital				
Ordinary shares issued and fully paid				
At 1 October	576,481,586	5,765	450,420,663	4,504
Issued in the period	18,117,982	181	126,060,923	1,261
At 31 March	594,599,568	5,946	576,481,586	5,765

The 18,117,982 shares issued in the period represent 16,949,153 ordinary shares issued under the placing programme and 1,168,829 ordinary shares issued under the scrip dividend alternative.

	31 March 2016 £'000	30 September 2015 £'000
Share premium		
Ordinary shares issued and fully paid		
Opening balance	599,242	461,402
Issued in the period	21,188	141,577
Share issue costs	(329)	(3,737)
At period end	620,101	599,242

The Company's share capital is represented by ordinary shares. Quantitative information about the Company's share capital is provided in the statement of changes in equity.

As at 31 March 2016, the Company's issued share capital comprised 594,599,568 ordinary shares, none of which were held in treasury.

Notes to the unaudited interim condensed financial statements continued

For the period 1 October 2015 to 31 March 2016

10. Financial instruments

10.1 Capital management

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

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. The Company raises capital on a highly conservative basis only when it has a clear view of a robust pipeline of highly advanced investment opportunities.

The Company may borrow up to 20% of its NAV as at such time any such borrowings are drawn down. At the period end borrowings amounted to 7.8% of NAV.

10.2 Financial risk management objectives

The Company has an investment policy and strategy as summarised in its prospectus dated 30 March 2015 (the prospectus was subsequently updated on 18 April 2016) 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. The Company's investment activities expose it to various types of risks 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 exposed include market risk, interest rate risk, credit risk and liquidity risk.

10.3 Market risk

The Company's portfolio of assets is held at fair value, and their values are monitored by the Valuation Agent (up until 31 March 2016 these were monitored monthly, after which it changed to quarterly). 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 in respect of 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 Company is calculated by applying a relevant market discount rate to the contractual cash flows expected to arise from each 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:

- Pound 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.

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 valuations are reviewed by the Investment Adviser and the subsequent NAV is reviewed and approved by the Directors on a quarterly basis (valuations were reviewed monthly until 31 March 2016).

10.4 Interest rate risk

Interest rate risk has the following effect:

Fair value of financial assets

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

Future cash flows

The Company 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 to the Company.

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 Company in line with its investment policy and strategy.

Where the debt instrument is subordinated, the Company 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 against movement in interest rates where appropriate, through the use of interest rate swaps.

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 with the Company. Credit risk is generally higher when a non-exchange traded financial instrument is involved because the counterparty is not an exchange clearing house. The assets classified at fair value through profit or loss do not have a published credit rating, however the Investment Adviser monitors the financial position and performance of the project companies on a regular basis to ensure that credit risk is appropriately managed.

The Company is exposed to differing levels of credit risk on all its assets. Per the unaudited interim condensed statement of financial position, the Company's total exposure to credit risk is £693 million.

The Directors do not consider credit risk to be a significant input into the valuation process due to the fact that the underlying cash flows supporting the financial instruments are mainly backed by the UK public sector in the form of subsidy payments (FIT and ROC payments) for renewables transactions or unitary charge payments for PFI transactions. In addition, the nature of the underlying projects and the extent of due diligence performed is considered to mitigate any residual credit risk to a level where sensitivity to credit risk is considered to be minimal.

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 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 significant exposures are reported to the Directors quarterly.

Notes to the unaudited interim condensed financial statements continued

For the period 1 October 2015 to 31 March 2016

10. Financial instruments continued

10.5 Credit risk continued

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

Concentration of credit risk associated with counterparties is deemed to be low. The counterparties are typically public sector entities and in the view of the Investment Adviser and Board, the UK Government has both the ability and willingness to satisfy its obligations.

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 Company 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.

The Directors consider the change in fair value of financial instruments that is attributable to change in credit risk is to be insignificant and therefore no sensitivity analysis has been provided in this respect.

The Directors have assessed the credit quality of the portfolio at the year end and based on the parameters set out above are satisfied that the credit quality remains within an acceptable range for long dated debt.

10.6 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 or redeem its shares 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 2016 to the contractual maturity date. The Directors have elected to present both assets and liabilities in the liquidity disclosure below to illustrate the net liquidity exposure of the Company.

The cash flows are on an undiscounted basis.

	Less than one month £'000	One to three months £'000	Three to twelve months £'000	Greater than twelve months £'000	Total £'000
31 March 2016					
Financial assets					
Cash and cash equivalents	4,459	—	—	—	4,459
Other receivables and prepayments	—	—	67	—	67
Amounts held on security	—	1,440	—	—	1,440
Financial assets at fair value through profit or loss	7,198	21,532	53,799	1,311,077	1,393,606
Total financial assets	11,657	22,972	53,866	1,311,077	1,399,572
Financial liabilities					
Other payables and accrued expenses	—	2,096	—	—	2,096
Amounts held on security	—	1,440	—	—	1,440
Borrowings	—	49,588	—	—	49,588
Total financial liabilities	—	53,124	—	—	53,124

30 September 2015	Less than one month £'000	One to three months £'000	Three to twelve months £'000	Greater than twelve months £'000	Total £'000
Financial assets					
Cash and cash equivalents	4,906	—	—	—	4,906
Other receivables and prepayments	—	—	49	—	49
Amounts held on security	—	—	—	1,230	1,230
Financial assets at fair value through profit or loss	5,164	33,319	46,863	1,242,288	1,327,634
Total financial assets	10,070	33,319	46,912	1,243,518	1,333,819
Financial liabilities					
Other payables and accrued expenses	—	2,018	—	—	2,018
Borrowings	—	41,123	—	—	41,123
Amounts held on security account	—	—	—	1,230	1,230
Total financial liabilities	—	43,141	—	1,230	44,371

10.7 Fair values of financial assets and liabilities

The Company's investment in the Subsidiary (up until the merger on 30 September 2015) was designated as a financial asset at fair value through profit or loss. As explained in note 2.2, the Subsidiary was a holding vehicle used solely to hold the Company's investments and therefore the Directors believed that it was appropriate to value this entity on its portfolio of assets held. The Company's existing financial assets are designated as financial assets at fair value through profit or loss. At 31 March 2016 the Company held no financial liabilities at fair value through profit or loss.

Basis of determining fair value

The Valuation Agent carries out quarterly fair valuations of the financial assets of the Company (prior to 31 March 2016 valuations were performed monthly). These valuations are reviewed by the Investment Adviser and the subsequent NAV is reviewed and approved by the Directors on a quarterly basis. The basis for the Valuation Agent's valuations is described in note 10.3.

Fair value measurements

Investments are measured and reported at fair value and 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 1 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.

Notes to the unaudited interim condensed financial statements continued

For the period 1 October 2015 to 31 March 2016

10. Financial instruments continued

10.7 Fair values of financial assets and liabilities continued

Fair value measurements continued

The table below summarises all securities held by the Company based on the fair valuation technique adopted:

	Fair value hierarchy	31 March 2016 £'000	30 September 2015 £'000
Financial assets at fair value through profit or loss			
Loan notes – PFI and renewables excluding biomass	Level 2	517,961	492,299
Loan notes – biomass	Level 3	169,443	165,431

The Directors 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 transaction in the biomass sector, the Directors have classified the Company's investments in biomass projects as Level 3. The significant input for the Level 3 at year end is the discount rate for biomass investments which are considered to be primarily modelled rather than market observed and these range from 8.4% to 10.5% on performing assets. A discount rate of 25.7% was applied to one of the biomass investments to reflect an impairment arising from the continued underperformance of the biomass plants.

The following table shows a reconciliation of all movements in the fair value of financial instruments categorised within Level 3 between the beginning and end of the period:

	31 March 2016 £'000	30 September 2015 £'000
Financial assets at fair value through profit or loss		
Opening balance	165,431	389,036
Fair value gains and losses through profit or loss	156	(5,011)
Purchases	14,748	224,453
Repayments	(5,792)	(20,819)
Impairment	(5,100)	—
Decrease in intercompany loan	—	70,066
Merger of Subsidiary	—	(657,725)
Introduction of loan notes through merger	—	165,431
Closing balance	169,443	165,431

For the Company's financial instruments categorised as Level 3, changing the discount rate used to value the underlying instruments alters the fair value. A change in the discount rate used to value the Level 3 investments would have the following effect on profit before tax:

31 March 2016	0.50%	0.25%	0.00%	(0.25%)	(0.50%)
Change in discount rate					
Valuation of financial assets at fair value (£'000)	164,879	167,133	169,443	171,808	174,231
Change in valuation of financial assets at fair value (£'000)	(4,564)	(2,309)	—	2,365	4,789

In determining the discount rate for calculating the fair value of financial assets at fair value through profit or loss, movements to Pound Sterling interest rates, comparable credit markets and observable yield on comparable instruments could give rise to changes in the discount rate.

The Directors consider the inputs used in the valuation of investments and the appropriateness of their classification in the fair value hierarchy. In particular the Directors are satisfied that significant inputs into the discount rate, other than in respect of biomass investments as noted above, are market observable. Should the valuation approach change causing an investment to meet the characteristics of a different level of the fair value hierarchy, it will be reclassified accordingly. During the period there were no transfers of investments between levels therefore no further disclosure is considered necessary by the Directors.

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 £165,000 (31 March 2015: £141,000). As at 31 March 2016 liabilities in respect of these services amounted to £66,000 (30 September 2015: £47,000).

Throughout the period to 31 March 2016 Paul De Gruchy held an indirect interest in the Company via GCP Infrastructure OEIC Limited. He held a direct interest of 284,309.45 ordinary accumulation shares and an indirect interest in 396,461.30 ordinary accumulation shares of GCP Infrastructure OEIC Limited. Following GCP Infrastructure OEIC Limited's decision to wind up its affairs, these holdings were redeemed on 31 March 2016 and with effect from 20 April 2016, Mr De Gruchy now holds directly or indirectly, and together with his family members, 439,779 ordinary shares in the Company.

Investment Adviser

The Company is party to an Investment Advisory Agreement with the Investment Adviser, amended and restated in November 2015, pursuant to which the Company has appointed the Investment Adviser to provide advisory services relating to the assets on a day-to-day basis in accordance with its investment objectives and policies, subject to the overall supervision and direction of the Board of Directors. As a result of the responsibilities delegated under this Agreement the Company considers it to be a related party by virtue of being "key management personnel".

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 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 and at its discretion 1% of the value of any transactions entered into by the Company (where possible the Investment Adviser seeks to charge this fee to the borrower).

During the period, the Company expensed £2,803,066 (31 March 2015: £2,113,544) in respect of investment advisory fees and expenses. As at 31 March 2016 liabilities in respect of these services amounted to £1,408,912 (30 September 2015: £1,381,469).

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

The voting partners of the Investment Adviser hold directly or indirectly, and together with their family members, 1,372,457 ordinary shares in the Company.

The non-voting partners of the Investment Adviser hold directly or indirectly, and together with their family members, 3,329,934 ordinary shares in the Company.

Notes to the unaudited interim condensed financial statements continued

For the period 1 October 2015 to 31 March 2016

12. Subsequent events after the report date

On 15 April 2016, the Company announced the refinancing by Aviva of a loan completed on 25 March 2015, with an aggregate value of £59.7 million secured on a senior basis against the cash flows arising from a number of portfolios of domestic solar panel installation in England. The Company has retained a subordinated investment of £23.9 million secured against the cash flows from the same portfolios of solar assets at a materially enhanced rate of return. Following the refinancing, the Company partially repaid £32 million of its £50 million revolving loan facility, with the drawn down balance on the Facility standing at £18 million as at the date of approval of these unaudited interim condensed financial statements.

Subsequent to the reporting date, in addition to the transaction noted above, the Company advanced £11.5 million under existing facilities.

On 18 April 2016, the Company announced that it has instituted a new placing programme for 2016 in respect of the issue of shares up to 175 million ordinary shares.

13. Ultimate controlling party

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

Glossary

AIF	Alternative Investment Fund
AIFM	Alternative Investment Fund Manager
AIFMD	Alternative Investment Fund Managers Directive
CIF Law	Collective Investment Funds (Jersey) Law 1988
The Company	GCP Infrastructure Investments Limited
The Facility	Credit facility with RBSI
FCA	Financial Conduct Authority
FIT	The Feed-in Tariff
GSA	Gas sales agreement
NAV	Net asset value
NIP	National Infrastructure Plan
Ordinary shares	The ordinary share capital of GCP Infrastructure Investments Limited
PFI	Private Finance Initiative
Placing programme	2015 placing programme in respect of 150,000,000 new ordinary shares
PPA	Power purchase agreement
RBSI	Royal Bank of Scotland International Limited
RHI	The Renewable Heat Incentive
ROCs	Renewable Obligation Certificates
The Subsidiary	GCP Infrastructure Asset Holdings Limited (formerly GCP Infrastructure Fund Limited)

Company information

The Company

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Administrator, secretary and registered office of the Company

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Clive Spears (Deputy Chairman)
Julia Chapman
Michael Gray
Paul de Gruchy
David Pirouet

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1 Resigned 2 March 2016

2 Appointed 2 March 2016

3 Resigned 12 February 2016

4 Appointed 12 February 2016

5 Authorised and regulated by the Financial Conduct Authority



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