Interim Report 2015

JLIF

PARTNERS

DELIVER

ENHANCE

INSIGHT

COMMUNITIES

ADAPTABILITY

OPENNESS

RESPONSIBILITY

DEVELOP

Actively generating long term sustainable value

Please see the Company's Annual Report 2014 for definitions of capitalised terms.

Fund at a Glance

Introduction

JLIF is one of Europe's largest listed infrastructure funds, with a Premium Listing on the London Stock Exchange. As a specialist equity stakeholder, we partner with public sector counterparties across the world to deliver key local and national infrastructure projects that provide government-backed, inflation-linked revenue streams. Our success is built on a collaborative approach centred on long term relationships with our clients and partners such that their changing infrastructure needs can be met in a timely and cost-effective manner.

Company at a Glance

	30 June 2015	31 December 2014
Market Capitalisation	**£991.5m**	£996.6m
Ordinary shares in issue	**812,708,366**	811,600,961
Share price	**122.0p**	122.8p
Number of assets	**57**	56
Portfolio Value	**£872.0m**[2]	£864.9m
Net Assets	**£875.8m**[3]	£887.3m
NAV per share	**107.8p**	109.3p
Dividend per share	**3.375p**	3.25p[1]
Company Cash	**£5.3m**	£4.3m
Group[4] Cash	**£19.6m**	£26.5m
Group Borrowings	**£11.7m**	£0.0m
Profit before tax	**£14.5m**[5]	£26.4m[1]
Management Fees		1.1% on APV[6] up to £500m; 1.0% from £500m to £1bn; 0.9% above £1bn
Board	**Six independent Directors**	Six independent Directors

1. Dividend per share and Profit before tax both at 30 June 2014. Refer to note 2(a) for further details of re-statement of the 30 June 2014 figure
2. The increase in Portfolio Value is the net result of acquisitions, cash received from investments, negative exchange rate movements and underlying growth in the Portfolio. See Section 3.1 of the Investment Adviser Report for further detail
3. Net Assets (Total Assets (including Portfolio Value) minus liabilities of the Group) decreased primarily as a result of negative exchange rate movements (£10.1m), low inflation and lower Group cash balances. See Section 7 of the Investment Adviser Report for further detail
4. Group is defined as the group of companies comprised of the Company, its two wholly-owned Luxembourg subsidiaries (JLIF Luxco 1 S.a.r.l and JLIF Luxco 2 S.a.r.l.), the English Limited Partnership (JLIF Limited Partnership), the General Partner (JLIF (GP) Limited) and the 26 wholly-owned subsidiaries of the English Limited Partner that together held the investments in the 57 assets at 30 June 2015
5. The decrease in Profit before tax is primarily driven by unrealised negative exchange rate movements (£10.1m) and actual inflation being below the long term rate used in the valuation of the Portfolio. See Section 7 of the Investment Adviser Report for further detail
6. Adjusted Portfolio Value as defined in the Company's Annual Report 2014

£991.5m
Market Capitalisation

£872.0m
Portfolio Value

57
Number of assets

Tunbridge Wells Hospital

02. / Chairman's Statement

"We remain focused on delivering value for our shareholders through effective management of our diversified Portfolio. While the UK market remains competitive, prospects for JLIF are encouraging, and we look forward to building on our progress over the remainder of the year."

Paul Lester CBE, Chairman

Introduction

JLIF has continued to deliver a solid performance over the first half of the year. We remain focused on delivering value for our shareholders through effective management of our diversified Portfolio, which, despite low inflation and adverse exchange rate movements, has been more than offset by the delivery of value enhancements. While the UK market remains competitive, prospects for JLIF are encouraging, and we look forward to building on our progress over the remainder of the year.

Dividends

The Portfolio continues to perform well, supporting the 3.8% growth in the dividend to 3.375 pence per share that we announced earlier this year; an above inflation increase. Today we have announced that we have a maintained the dividend at 3.375 pence per share for this first half of the year, resulting in total dividends either paid or declared in 2015 of 6.75 pence per share.

Performance

JLIF delivered a steady performance over the period, resulting in a moderate increase in total shareholder return. Our share price has performed steadily, with limited volatility. This gradual improvement in performance is reflective of the underlying performance of the Portfolio, which has grown by 3.92% during the period, primarily delivered through the net effect of the acquisitions described above, unwind of the discount rate and value enhancements. This is set out in more detail in the Investment Adviser Report.

Despite underlying Portfolio growth during the period being slightly ahead of the discount rate unwind, JLIF's Net Asset Value ("NAV"), and subsequently NAV per share, has reduced. This is due to two main factors; the first is adverse exchange rate movements in the Euro and the Canadian Dollar with spot exchange rates being applied to years of future cash flows; and the second the low inflationary environment currently being experienced, particularly in the UK. A detailed discussion on the impacts of these two factors is contained within the Investment Adviser Report.

Gearing

JLIF remains structurally ungeared at the Company level. We have a revolving credit facility within the group structure that we use for acquisitions, which we have refinanced in advance of the February 2016 maturity date. We have had a very positive response from the banking market indicating that JLIF is a robust entity with a strong track record and have secured a £180 million multi-currency revolving credit facility on improved terms from the previous facility, provided by four lenders. We retain Royal Bank of Scotland plc and ING Bank NV and have added HSBC Bank plc and Commonwealth Bank of Australia to our banking group. We look forward to working with these organisations in growing JLIF in the near future. As per the previous facility, the Company is providing a guarantee under JLIF Limited Partnership's new £180 million multi-currency revolving credit facility.

Going Concern

As stated in note 2(b) of the notes to the condensed set of financial statements, the Directors are satisfied that the Group has sufficient resources to continue in operation for the foreseeable future, a period of not less than 12 months from the date of this report. Accordingly, they continue to adopt the going concern basis in preparing this interim financial report.

Risk

The Organisation for Economic Co-operation and Development ("OECD") is undertaking a globally coordinated approach to combat base erosion and profit shifting ("BEPS"). The OECD's current action plan focuses on (amongst others areas) financing structures and tax deductibility limits, holdings structure substance requirements and thresholds in respect of permanent establishment. The OECD is scheduled to deliver its recommendations by December 2015, which are expected to drive fundamental changes in the behaviour of tax authorities globally. We are monitoring the impact of the BEPS proposals on JLIF itself and, together with other companies in the infrastructure sector, are making appropriate representations to HMRC to mitigate any adverse impact.

Board

David MacLellan, in addition to his role as Deputy Chairman, is the Senior Independent Director ("SID") of the Board. As such he serves as a sounding board for the Chairman and acts as an intermediary for the other directors; he is available to shareholders and other non-executives to address any concerns or issues they feel have not been adequately dealt with through the usual channels of communication; he meets with the other non-executive directors to review the Chairman's performance and to carry out succession planning for the Chairman's role, and both he and I continue to attend sufficient meetings with major shareholders to obtain a balanced understanding of their issues and concerns.

Investment Adviser

On 7 April, JLIF announced David Marshall's decision to retire from the Investment Adviser with effect from July this year. On 11 May, JLIF announced that Andrew Charlesworth will lead the investment team with increased support within his team. The selection and appointment of a Business Development Director is underway and it is expected to be concluded in the near future. Meanwhile, the team continues to operate effectively with additional support from both the Board and its wider advisory group.

Investment

The total number of investments in our Portfolio now stands at 57 providing good diversification. The Group completed the acquisition of a 100% stake in the North Birmingham Mental Health project in the first half of the year, as well as a further 20% stake in the Kirklees Social Housing project. The total amount of capital invested in the first half of year was approximately £14.4 million. We continue to make progress developing opportunities in new markets.

We have declined a number of opportunities so far this year, choosing not to compromise our disciplined approach to pricing, as we continue to seek to identify the high quality investments at prices that will add value. We are increasingly seeing opportunities in new markets and in geographies outside of the UK and are deploying our resources appropriately to develop these.

Outlook

The secondary market for infrastructure projects is expanding and is no longer concentrated within the UK, Canada and Australia. We see the Continental European market providing a steady pipeline of assets, and we look forward to developing those markets to improve the diversification of JLIF's Portfolio. We continue to pursue opportunities in the UK, Canada and Australia and keep a watching brief on the United States of America.

Paul Lester CBE
Chairman

28 August 2015

FINANCIAL AND OPERATIONAL HIGHLIGHTS

- Portfolio Value of £872.0 million at 30 June 2015 versus £864.9 million as at 31 December 2014
- Underlying growth of 3.92% on a rebased Portfolio Value of £839.1 million, 0.11% or £0.9 million ahead of the level of growth that would be expected from the unwind of the discount rate (adjusted for the timing of acquisitions and distributions)[7]
- Net Asset Value as at 30 June 2015 of £875.8 million, down 1.3%, principally as a result of unrealised exchange rate movements (down 0.2% excluding these)
- NAV per share of 107.8 pence, down 1.4%, or down 0.2% excluding unrealised exchange rate movements
- Acquired an additional 20% stake in the Kirklees Social Housing project from Wates Construction Limited in January 2015 taking JLIF's total shareholding in the project to 100%
- Completed acquisition of a 100% stake in the North Birmingham Mental Health project from John Laing Group plc in June 2015
- Strong cash flows continue from the diversified Portfolio of 57 projects
- Paid a dividend of 3.375 pence per share in May 2015 relating to the six month period to 31 December 2014. Offer of Scrip Dividend Alternative resulted in issue of 1,107,405 new shares at 123.1 pence per share
- Declared a dividend of 3.375 pence per share, payable in October 2015 – maintaining the increase in dividend per share announced in March 2015
- Profit before tax for the six month period of £14.5 million (30 June 2014 – £26.4 million)[8]

7 Otherwise known as Adjusted Discount Rate Unwind ("Adjusted DRU")

8 The decrease in Profit before tax is primarily driven by unrealised negative exchange rate movements and actual inflation being below the long term rate used in the valuation of the Portfolio

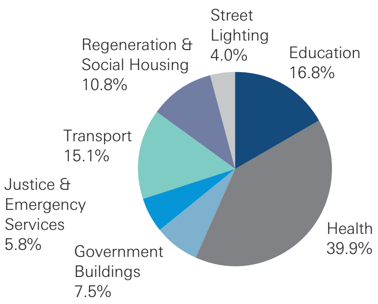
04. / Group Investment Portfolio

Health	Education	Justice & Emergency Services	Transport	Regeneration & Social Housing	Government Buildings	Street Lighting
Kingston Hospital 60%	Glasgow Schools 20%	Greater Manchester Police Stations 27.08%	E18 Road 50%	Brockley Social Housing PPP 100%	MoD Main Building 26%	Manchester Street Lighting 50%
Queen Elizabeth Hospital, Greenwich 27.5%	South Lanarkshire Schools 15%	Avon & Somerset Courts 40%	M40 Motorway (UK) 50%	Canning Town Social House 100%	Kromhout Barracks PPP Project 40%	Walsall Street Lighting 100%
Vancouver General Hospital 100%	Edinburgh Schools 20%	Metropolitan Specialist Police Training Centre 27.08%	Sirhowy Way 100%	Bentilee Hub Community Centre 100%	Groningen Tax Office 40%	Wakefield Street Lighting 50%
Newham Hospital 50%	North Swindon Schools 100%	Cleveland Police Station and HQ 50%	M6/M74 Motorway (Scotland) 11%	Camden Social Housing 50%		Barnet Street Lighting 100%
Abbotsford Regional Hospital and Cancer Centre 100%	Highland School, Enfield 100%	North East Fire and Rescue 100%	LUL Connect (CityLink) 33.5%	Islington I Housing 45%		Enfield Street Lighting 100%
Forth Valley Royal Hospital 100%	Newham Schools 100%	South East London Police Stations 50%		Islington II Housing 45%		Lambeth Street Lighting 100%
Newcastle Hospital 15%	Enfield Schools 100%			Miles Platting Social Housing 50%		Redcar and Cleveland Street Lighting 100%
Roseberry Park Hospital 100%	Leeds Combined Secondary Schools 100%			Kirklees Social Housing 100%		Surrey Street Lighting 50%
Tunbridge Wells Hospital 37.5%	Bexley Schools 100%					
Peterborough Hospital 30%	Bristol BSF 37.5%					
Realise Health LIFT (Colchester) 60%	Peterborough Schools 100%					
Northampton Mental Health 100%	Barnsley BSF 40%					
North Staffordshire Hospital 75%						
Kelowna and Vernon Hospitals 50%						
North Birmingham Mental Health 100%						

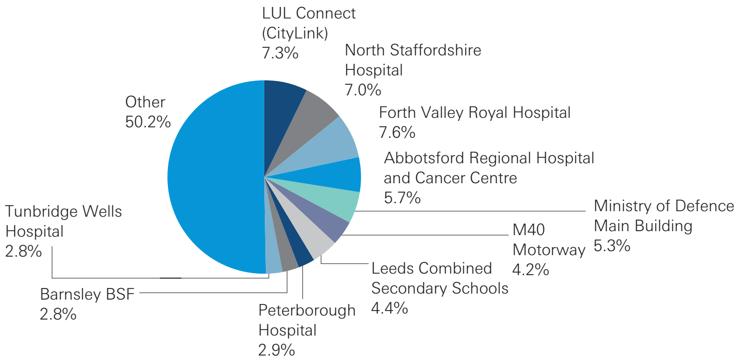
Portfolio Value

as at 30 June 2015 £872.0 million

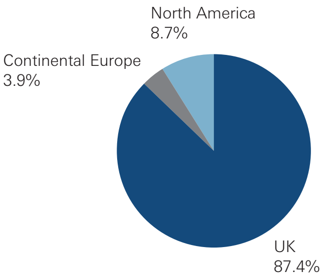
SECTOR BREAKDOWN



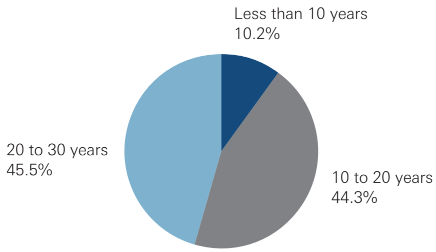
ASSET BREAKDOWN



GEOGRAPHIC BREAKDOWN

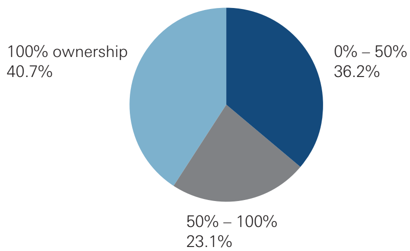


REMAINING CONCESSION LENGTH



Weighted average remaining concession length is 18.7 years (19.2 years at 31 December 2014).

SHAREHOLDING



JLIF's Portfolio is 100% operational and all of the projects within the Portfolio are classified as having availability based payment mechanisms[9].

9 Although the revenue streams for the investments in the M40, M6/M74 and Sirhowy Way projects include full or partial shadow toll mechanism they are not regarded as carrying demand risk due to their relative insensitivity to traffic movement.

06. / Investment Adviser Report

1. ABOUT THE INVESTMENT ADVISER

JLIF is advised by John Laing Capital Management Limited ("JLCM"). JLCM, a wholly owned subsidiary of John Laing plc, acts as the Investment Adviser to the Company and as the Operator of the Partnership. JLCM was incorporated in England and Wales on 19 May 2004 under the Companies Act 1985 (registered number 5132286) and has been authorised and regulated in the UK by the FCA (previously FSA) since December 2004.

2. INVESTMENT PERFORMANCE

JLIF's share price total return (including dividend) increased modestly during the six months to 30 June 2015. The share price (excluding dividends) decreased marginally from 122.8 pence at 31 December 2014 to 122.0 pence at the end of the period as illustrated in the graph opposite, however a 3.375 pence per share dividend was declared in March and paid in May. The total shareholder return for the period (including dividends paid but not declared) is approximately 3%.

The decrease in share price in early April 2015 of approximately 3.375 pence was due to the shares trading ex-dividend in relation to the dividend announced for the six month period ended 31 December 2014.

In recognition of the performance of the Portfolio and of the Company in 2014, JLIF announced an increase of its interim dividend to 3.375 pence per share in March 2015. This represented an increase of 3.8% on the previous dividend of 3.25 pence, growth well above UK RPI for the same period. JLIF has generated total shareholder return of 52.6% from launch in November 2010 to the end of June 2015, around 9.6% annualised.

Vancouver General Hospital

Location / Canada

Having reached financial close in September 2004, the Project Company was appointed to design, build, finance and operate the Gordon and Leslie Diamond Health Care Centre, part of the Vancouver General Hospital. JLIF holds a 100% stake in the project, acquired from John Laing in 2010.

South East London Police Stations

Location / United Kingdom

Covering Europe's largest police station, the project includes the provision and maintenance of 34,000m^2 of internal space, 96 custody cells and stabling for 24 police horses.

JLIF's Net Asset Value ("NAV") as at 30 June 2015 was £875.8 million, a small reduction on the NAV of £887.3 million as at 31 December 2014. On a per share basis it decreased from 109.3 to 107.8 pence. This decrease was primarily the result of unrealised negative exchange rate movements in the Canadian Dollar and Euro in the period affecting the valuation of JLIF's non-Sterling denominated investments (£10.1 million). This was also added to by actual inflation being lower than the assumed level and the impact of the dividend of 3.375 pence per share paid to shareholders in May 2015. Without the effect of unrealised exchange rate movements, NAV growth for the period would have been broadly neutral (down 0.2%), further details of which can be found in section 3. Without the effect of both unrealised exchange rate movements and the impact of inflation, the NAV would have been 0.6% higher than the NAV as at 31 December 2014.

The distributions received from the underlying projects within JLIF's Portfolio in respect of the first half of 2015 were in line with the Investment Adviser's expectations. The graph below presents a forecast of the future cash flows JLIF expects to receive from its current Portfolio over the life of the assets. The cash flows are reasonably steady throughout with some localised peaks, for example in 2026, 2029 and 2042, representing periods in which several projects come to the end of their concessions. The final years of a project's concession period often see an increase in equity distributions as more cash is available when the senior debt has been fully repaid.

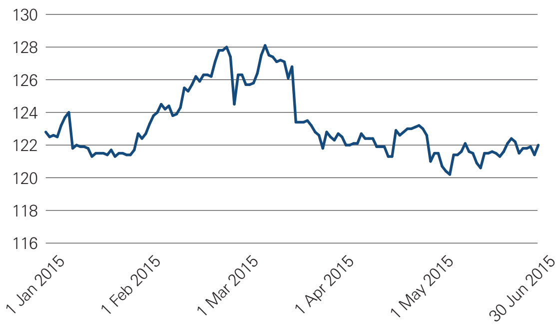
The average remaining concession length across the Portfolio as at 30 June 2015 is 18.7 years, a decline of 0.5 years from the average remaining concession length of the Portfolio as at 31 December 2014 of 19.2 years, reflecting the passage of time and that the new acquisitions have had little impact on the average remaining life of the Portfolio.

With respect to the first half of 2015, JLIF has today announced that it has maintained the interim dividend of 3.375 pence per share which will be paid in October 2015. As on previous occasions, JLIF will continue to offer a scrip dividend alternative to shareholders.

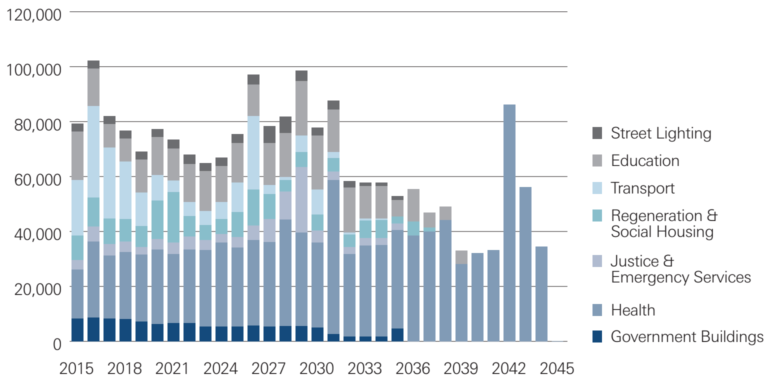
The "ongoing charges ratio" is a measure of the efficiency of managing a fund and takes account of day-to-day management costs. JLIF's ongoing charges figure is calculated in accordance with the Association of Investment Companies' ("AIC") recommended methodology. Calculated on a profit and loss basis, the ratio for the year ended 31 December 2014 was 1.21% (as shown in the table below). JLCM believes this to be competitive for the market in which JLIF operates and demonstrates efficient management of the Fund. JLIF has chosen to make an additional disclosure of the ongoing charges ratio to show acquisition fees as detailed below.

	2014 (£m)	2013 (£m)
Investment Adviser fee	**9.1**	7.0
Auditor for the Group	**0.2**	0.2
Directors' fees and expenses	**0.2**	0.2
Other ongoing expenses	**0.7**	0.6
Total expenses	**10.2**	8.0
Average NAV	**854.1**	627.9
Ongoing charges ratio (using AIC recommended methodology)	**1.21%**	1.28%
Acquisition fees	**0.0**	1.2
Ongoing charges including acquisition fees	**1.21%**	1.48%

JLIF Share Price (pence)



Anticipated cash flows from JLIF's Portfolio (£000s)



3. VALUATION

3.1 Portfolio Value

The Portfolio was valued as at 30 June 2015 at £872.0 million, compared to £864.9 million as at 31 December 2014. The increase of £7.1 million is the net impact of acquisitions, cash received from investments, exchange rate movements resulting from the appreciation of Sterling against the Euro and Canadian Dollar and underlying growth in the Portfolio. A reconciliation of the factors contributing to the growth in the Portfolio during the period is shown in the table and chart below.

	£'000s	% growth
Value at 31 December 2014	**864,887**	
Acquisitions	14,363	
Cash received from investments	(30,090)	
Changes to discount rates	–	
Exchange rate movements	(10,086)	
Opening value rebased at 31 December 2014	**839,075**	
Growth in value	32,888	3.92%
Value at 30 June 2015	**871,963**	

The weighted average discount rate ("WADR") of the Portfolio at 30 June 2015 was 7.94%, unchanged from the most recent financial year end (31 December 2014 – 7.94%). Adjusting for the impact of the timing of acquisitions made and distributions received during the period, the expected underlying growth based on the unwind of the discount rate (the Adjusted DRU) in the first half of 2015 was £32.0 million (3.81%). The actual underlying growth in value of the Portfolio during the first half of the year was £32.9 million (3.92%), £0.9 million (or 0.11%) greater than expected based on the Adjusted DRU. This is a result of £7.6 million (or 0.91%) of value enhancements partially offset by a reduction in value of £6.7 million (or 0.80%) resulting from actual inflation being lower than the level assumed.

The value enhancements of £7.6 million result principally from reductions in management services and insurance costs and, re-forecasts of future lifecycle costs. These are discussed in further detail in Section 3.2.2 below.

3.2 Valuation Assumptions

3.2.1 Discount Rate

The assets in JLIF's Portfolio are valued by discounting the future cash flows forecast by the underlying asset financial models. The discount rate applied to the asset cash flows is therefore a key determinant of the valuation. Since launch in 2010 JLIF has used a consistent methodology in determining the discount rate applicable for each asset based on the representative gilt rate for the asset plus a risk premium. Using this methodology the weighted average discount rate ("WADR") of the Portfolio at 30 June 2015 was 7.94%. This is unchanged from that used to value the Portfolio at 31 December 2014.

The UK market for operational PPP investments continues to be competitive. While transaction pricing varies according to project specific risks and characteristics, JLCM has observed a significant tempering in the downward trend in discount rates used to value assets transacting in the market. JLIF's WADR at the 30 June 2015 is therefore the same as at 31 December 2014, which JLCM believes is reflective of the current market. JLCM will continue to monitor market pricing closely to ensure the discount rates used in the valuation of JLIF's Portfolio remain appropriate. As in previous years the valuation of JLIF's Portfolio will be subjected to external independent third party appraisal at the year end.

An analysis of movements in the weighted average risk free rate and risk premium for the Portfolio is shown below.

	June 2015	December 2014	Movement
Government bond yield	**3.18%**	3.24%	(0.06%)
Risk premium	**4.76%**	4.70%	0.06%
Discount rate	**7.94%**	7.94%	0.00%

The sensitivity of the Portfolio Valuation to movements in the discount rate is presented below.

	June 2015	December 2014
- 1% (6.94%)	**Increases by 8.6% (£74.7m)**	Increases by 8.7% (£75.6m)
+ 1% (8.94%)	**Decreases by 7.5% (£65.0m)**	Decreases by 7.6% (£65.6m)

The change in the sensitivity of the Portfolio to discount rate movements is a result of changes in the profile of the underlying forecast project cash flows as a result of acquisitions in the period and value enhancements.

3.2.2 Macroeconomic Assumptions

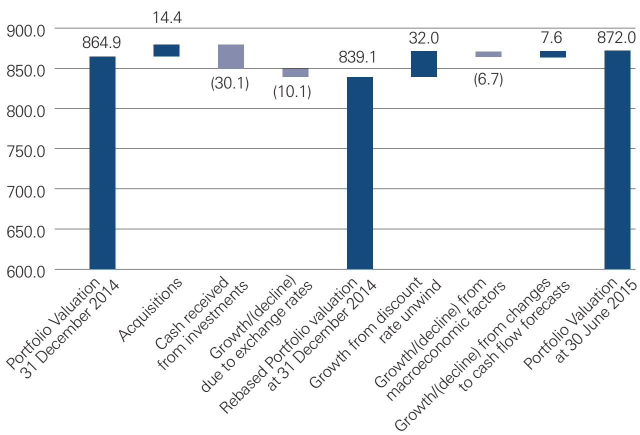
The long term inflation assumptions used in the valuation of the JLIF Portfolio as at 30 June 2015 remain unchanged from those used in the valuation at 31 December 2014. These remain based on (although slightly below) long term inflation swap rates currently available in the market. The Portfolio weighted average long term inflation rate is 2.67% (including both UK and overseas assets).

Long term UK corporation tax rates assumed in the 30 June 2015 valuation remain at the enacted rate of 20%. Corporation tax rate assumptions for all other jurisdictions in which JLIF holds investments remain unchanged from the 31 December 2014 valuation. JLIF notes the announcement made in the UK Chancellor of the Exchequer's July 2015 Budget with respect to corporation tax rates in 2017 and 2018. JLIF's policy, consistent with market practice, is to use the enacted rate in the valuation of its Portfolio, which as at 30 June 2015 remains at 20%. Based on previous sensitivities run on the Portfolio value, which can be found in the 2014 annual report on pages 27 and 28, once enacted the reduction in corporation tax in 2017 and 2018 is likely to have a positive impact on the Portfolio value of approximately 0.5% each year.

Deposit rate assumptions in all jurisdictions in the JLIF Portfolio remain unchanged from those adopted at 31 December 2014. For UK domiciled projects, which represented circa 87% of the Portfolio by value as at 30 June 2015, the assumed range of deposit rates is from 1.0% in 2015 with a gradual increase to a long term rate of 3.5% with effect from 2018 onwards. A similar trend is assumed for non-UK domiciled assets, resulting in a long term rate of 3.0% in Canada and 2.5% for Continental Europe.

3.3 Portfolio Performance

Portfolio Value movements (£000s)



The table below presents a breakdown of the growth in NAV per share over the period.

Pence per share

NAV per share at 31 December 2014			**109.3p**
Dividends to shareholders			**(3.4p)**
Portfolio growth			
Expected NAV growth	3.9p		
Inflation	(0.8p)		
Changes to cash flow forecasts	0.9p		
Exchange rate movements	(1.2p)		
		2.8p	
Other movements (cash, creditors, debtors, scrip dividend saving)	(0.9p)		
		(0.9p)	
NAV per share at 30 June 2015			**107.8p**

3.3.1 Acquisitions

In early 2015 JLIF completed the acquisition of an additional 20% stake in the Kirklees Social Housing project from Wates Construction Limited taking JLIF's total shareholding in the asset to 100%. This followed the acquisition of an initial 80% stake in the asset from John Laing in December 2014.

In September 2014 JLIF signed a Sale and Purchase Agreement with John Laing in respect of its 100% shareholding in the North Birmingham Mental Health project. Following the satisfactory completion of certain conditions precedent, the transaction was successfully completed in June 2015.

3.3.2 Distributions from investments

The cash received from investments during the period of £30.1 million was in line with that anticipated at the beginning of the year.

3.3.3 Exchange rate impact

As at 30 June 2015 the Portfolio included six assets that have cash flows denominated in non-Sterling currencies. In Canada, the Abbotsford, Vancouver and Kelowna and Vernon hospital projects have cash flows denominated in Canadian Dollar, while the E18 road, Kromhout Barracks and Groningen Tax Office projects have cash flows denominated in Euro. As at 30 June 2015 these six assets represented 12.6% of the Portfolio by value.

During the six months to 30 June 2015 both the Euro and Canadian Dollar depreciated against Sterling resulting in a decrease in the Sterling value of these investments of £10.1 million.

JLIF, within the group structure, had entered into foreign exchange hedges for 25% of the cash flows due from the Canadian projects for 2015 which resulted in an improvement to cash flows received of £0.1 million for the half year.

3.3.4 Portfolio performance

During the six month period to the 30 June 2015, the Portfolio demonstrated underlying growth of £32.9 million (or 3.92%) on a rebased opening Portfolio Value of £839.1 million. The rebased value represents the Portfolio Value after adjusting for acquisitions, cash income from investments received during the period, changes to the discount rates used to value the projects (no change from 31 December 2014) and unrealised foreign exchange movements. The growth of 3.92% exceeded that expected of 3.81% by 0.11% (£0.9 million). The expected growth is the level of growth that would arise solely from the unwind of the discount rate, adjusted to take into account both the timing of acquisitions and distributions received during the period (the "Adjusted DRU").

The growth of 0.11% (£0.9 million) in excess of that expected is a result of a combination of a number of value enhancements delivered across projects in the portfolio including insurance and major maintenance cost savings, reduced project company management costs and better than forecast actual performance (aggregate £7.6 million), offset by the negative impact of lower than forecast inflation (-£6.7 million).

During the period to 30 June 2015 a legal dispute continued between the Newcastle Hospital project company, in which JLIF holds a 15% shareholding, and the public sector client regarding the completion of 'Phase 8' (the clinical office block) of the project. Whilst the outcome of the ongoing case is not known it is not anticipated to have a material impact on the valuation of the JLIF Portfolio or its anticipated investment income.

A legal dispute is also continuing between the Peterborough Hospital project company, in which JLIF holds a 30% shareholding, and the public sector client regarding certain alleged construction defects in the fire compartmentation of the building. Whilst the outcome of the case is still to be determined, a Standstill Agreement has been reached with the parties, which enables the project operations to continue normally while the dispute is being determined. It is not anticipated that the outcome will have a material impact on the valuation of the JLIF Portfolio or its anticipated investment income.

4. INFLATION

Each project in the Portfolio receives a revenue stream from its public sector counterparty which is either fully or partially inflation linked. After taking account of the indexation of the cost base of the assets, cash flows from the Portfolio are positively correlated to inflation. As at the most recent financial year end, the approximate correlation of the Portfolio to inflation was 0.5; i.e. for every 1 percentage point increase in inflation, returns from the Portfolio increase by 0.5%.

Owing to the current low inflationary environment, analysis was undertaken on the Portfolio at the 31 December 2014 to understand the impact of a period of deflation on the Company's ability to fund future dividends from in-year distributions. The full results of this analysis can be found on page 27 of JLIF's 2014 Annual Report.

Under the most extreme scenario considered, in which 1% deflation is assumed for the next five years, reverting to the base case long term inflation assumption thereafter, the Portfolio is able to fund a dividend profile growing at 2.68% per annum (the weighted average rate of inflation for the Portfolio at the end of 2014) through to 2024.

5. RISK

There are a number of risks that could have a material impact on the performance of the Company over the remaining six months of 2015 thereby causing actual performance to differ materially from expectations. The JLIF Board reviews the Company's risk management systems on an ongoing basis and considers that the principal risks and uncertainties have not materially altered from those published in the Annual Report for the year ended 31 December 2014, with the exception of one new risk that has arisen during the period, discussed below. A detailed description of these risks and the way by which each risk is mitigated can be found on pages 10 to 13 of the 2014 Annual Report. The key risk areas are strategic, economic and external risk, political risk, operational, business processes and resourcing risk, financial, tax and accounting risk, compliance and legal risk, asset specific risk and information technology risk.

The Organisation for Economic Co-operation and Development ("OECD") is undertaking a globally coordinated approach to address base erosion and profit shifting ("BEPS"). The OECD's current action plan focuses on (amongst others areas) financing structures and tax deductibility limits, holdings structure substance requirements and thresholds in respect of permanent establishment. The OECD is scheduled to deliver its recommendations by December 2015 which are expected to drive fundamental changes in the behaviour of tax authorities globally. Since the year end, JLIF has added the OECD's ongoing review of BEPS to its risk register and, together with other companies in the infrastructure sector, is making appropriate representations to HMRC to mitigate any adverse impact. The Company will continue to monitor this risk.

6. GEARING

JLIF's £150 million revolving credit facility was drawn by £11.7 million as at 30 June 2015. The debt is held within the group structure by JLIF Limited Partnership. The facility was drawn to finance the acquisition of a 100% stake in the North Birmingham Mental Health project from John Laing.

This credit facility was due to expire in February 2016. In August 2015, JLIF refinanced the facility securing a new five year, £180 million revolving credit facility. The outstanding balance on the previous facility has been repaid in full using Group cash, also in August 2015.

The new facility is provided by four banks: Royal Bank of Scotland plc ("RBS"), HSBC Bank plc ("HSBC"), ING Bank NV ("ING") and Commonwealth Bank of Australia ("CBA"). JLIF is looking forward to continuing the existing relationship it has with RBS and ING and to developing new long term relationships with HSBC and CBA.

Both the commitment fees and the margin on the new facility are materially lower than those on the previous facility, the margin being 175bps over LIBOR. As previously, the new facility will primarily be used to fund third party acquisitions in between capital raisings.

Attached to the new facility is an accordion capability of up to £100 million, on which no fees are payable until utilised, which gives JLIF ready capacity to target larger transactions to support the growth of the Fund.

7. FINANCIAL RESULTS

The condensed financial statements of JLIF (or "the Company") for the six months ended 30 June 2015 are on pages 16 to 35.

Basis of accounting

In its latest audited financial statements for the year ended 31 December 2014 the Company adopted the narrow-scope amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures.

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28) introduced clarifications to the requirements when accounting for investment entities. The International Accounting Standard Board ("IASB") clarified that the requirement for an investment entity to consolidate a subsidiary providing services related to its investment activities such as certain subsidiaries of the Company, applies only to subsidiaries that are not themselves investment entities.

The comparative financial information for the six month period ended 30 June 2014 included in this interim report have been restated to reflect the adoption of the amendments to IFRS 10, IFRS 12 and IAS 28.

As a result of adopting the amendments to IFRS 10, IFRS 12 and IAS 28, the Company no longer consolidates its subsidiaries that provide investment services and is required instead to hold such subsidiaries at fair value. The Company accounts for its investment in its direct wholly owned subsidiary JLIF Luxco 1 S.à.r.l. at fair value. The Company, together with its direct wholly owned subsidiary JLIF Luxco 1 S.à.r.l. and all the intermediate holding subsidiaries compose the Group investing in PPP assets (the "Group").

These accounting standards are consistent with those adopted by JLIF for the year ended 31 December 2014.

The net assets of the intermediate holding companies, which at 30 June 2015 principally comprise working capital balances and borrowings from the revolving credit facility are required to be included at fair value in the carrying value of investments. The primary impact of this change is that the cash balances in some intermediate subsidiaries are presented as part of the fair value of the Company's investment in JLIF Luxco 1 S.à.r.l. This change does not affect the Net Assets.

The Group (or "Group") comprises the Company, its two wholly owned Luxembourg subsidiaries (JLIF Luxco 1 S.à.r.l. and JLIF Luxco 2 S.à.r.l.), JLIF (GP) Limited (the General Partner), JLIF Limited Partnership (the English Limited Partnership) and 26 (31 December 2014 – 26) wholly owned subsidiaries of the English Limited Partnership. The Company's subsidiaries provide services that relate to the Company's investment activities on behalf of the parent which are incidental to the management of the investment portfolio. These companies are recognised in the financial statements at their fair value which is equivalent to their Net Assets.

The Group holds the investments in the 57 (31 December 2014 – 56) PPP assets which make distributions comprising returns on investments (interest on subordinated loans and dividends on equity) together with repayments of investments (subordinated loan repayments and equity redemptions).

Result for the six months ended 30 June 2015

All amounts presented in £000s (except as noted)	**Six month ended 30 June 2015**	Year ended 31 December 2014	Restated Six months ended 30 June 2014*
Net assets[1]	**875,760**	887,329	820,685
PPP Assets[2,3]	**871,963**	864,887	805,171
Intermediate Holding companies assets[2]	**1,235**	20,787	16,535
Operating income (including unrealised foreign exchange loss)	**20,424**	77,684	31,504
Net assets per share (pence)	**107.8**	109.3	107.0
Distributions, repayments and fees from PPP investments	**30,090**	64,809	26,427
Profit before tax	**14,518**	67,158	26,442

* The results for the six month ended 30 June 2014 have been restated following the IASB clarification on Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 28)

1 Also referred to as Net Asset Value or "NAV"

2 Classified as investments at fair value through profit or loss on the Balance Sheet

3 Also referred to as Portfolio Value

Key points to note:

- Interim dividend of 3.375 pence per share declared in August 2015 and to be paid in October 2015
- 3.9% increase to £872.0 million of rebased Portfolio Value since 1 January 2015.

Net assets

The movement in net assets compared to 31 December 2014 is primarily driven by a gain in the Portfolio Value resulting from the unwind of the discount rate and value enhancements to forecast project cash flows, offset by adverse exchange rate movements, actual inflation being below assumed levels and payment of the dividend in May 2015.

The Company's Net Assets decreased from £887.3 million to £875.8 million at 30 June 2015. Net Assets include investments at fair value through profit or loss of £873.2 million (£1.2 million relate to the intermediate holding companies' fair value and £872.0 million to the Portfolio of PPP investments), a cash balance of £5.3 million, and other net liabilities of £2.7 million.

The intermediate holding companies' fair value of £1.2 million comprises cash balances of £14.3 million, offset by outstanding credit facility borrowings of £11.7 million and other net liabilities of £1.4 million.

Portfolio Value is the fair value of the investments in 57 (31 December 2014 – 56) PPP projects calculated using the discounted cash flow method.

The Portfolio Value of PPP assets increased from £864.9 million at 31 December 2014 to £872.0 million at 30 June 2015. The increase in Portfolio Value of £7.1 million during the period is the net result of acquisitions in the period of £14.4 million, underlying growth of £32.9 million (comprising discount rate unwind of £32.0 million, a negative impact resulting from low inflation of £6.7 million and a positive impact from value enhancements of £7.6 million), offset by distributions (dividends, subordinated loan interest and other fee income only) received from the PPP investments of £29.8 million, negative exchange rate movements of £10.1 million, a decrease in movement in accrued interest receivable on subordinated loans of £3.1 million and subordinated debt and equity repayments of £3.4 million.

The underlying growth in value of the Portfolio of £32.9 million was £0.9 million ahead of the expected growth of £32.0 million, based on the Adjusted DRU.

Further details on the Portfolio Valuation and the reasons for the variance are provided in Section 3 of this Investment Adviser's Report.

At 31 December 2014, the Group (Company plus intermediate holdings companies) has a total cash balance of £19.6 million (£5.3 million in the Company's balance sheet and £14.3 million in the intermediate holding companies which amount is included in the Company's balance sheet under Investment at fair value though profit or loss).

Profit before tax

The Company's profit before tax ("PBT") for the six month period ended 30 June 2015 is £14.5 million (six month period ended 30 June 2014 restated – £26.4 million), generating an earnings per share for the period of 1.8 pence (six month period ended 30 June 2014 restated – 3.4 pence). This reduction in the earnings per share is due to the foreign exchange unrealised loss on the valuation of the Portfolio of PPP investments.

In the six month period ended 30 June 2015 the operating income was £20.4 million (six month period ended 30 June 2014 restated – £31.5 million). This reflects the underlying growth of the Portfolio Value of £32.9 million (comprising discount rate unwind of £32.0 million, a negative impact resulting from low inflation of £6.7 million and a positive impact from value enhancements of £7.6 million) offset by unrealised foreign exchange loss of £10.1 million and intermediate holding companies expenses and other net costs of £2.4 million.

The operating costs included in the income statement were £5.9 million in the six month period (six month period ended 30 June 2014 restated – £5.1 million) reflecting higher administrative expenses principally arising from the higher investment advisory fee due to the increased value of the Portfolio.

Restated Cash flow statement

The Company had a total cash balance at 30 June 2015 of £5.3 million (31 December 2014: £4.3 million). The breakdown of the movements in cash is shown below.

Cash flows of the Company for the period (£ million):

	Six month period ended 30 June 2015	Restated Six month period ended 30 June 2014
Cash balance as at 1 January	**4.3**	3.2
Share issue cost	**(0.1)**	–
Net cash inflow/(outflow) from/(to) JLIF Luxco 1 S.à.r.l.	**32.9**	27.5
Directors fee and expenses	**(0.1)**	(0.1)
Investment Adviser and origination fee	**(4.8)**	(4.4)
Administrative expenses and other	**(0.9)**	(0.9)
Dividends paid in cash to shareholders	**(26.0)**	(23.8)
Cash balance at 30 June	**5.3**	1.5

The Group had a total cash balance at 30 June 2015 of £19.6 million (30 June 2014: £18.4 million), and £11.7 million borrowings (30 June 2014: nil). The breakdown of the movements in cash is shown below.

Cash flows of the Group for the six month period ended 30 June (£ million):

	2015	2014
Cash balance as at 1 January	**26.5**	24.3
Listing costs	**(0.1)**	–
Acquisition of projects	**(14.4)**	(1.9)
Acquisition costs	**(1.2)**	(0.4)
Cash received from projects (net of withholding tax)	**30.1**	26.4
Administrative expenses and other	**(6.2)**	(5.7)
Proceeds from borrowings	**11.7**	–
Financing costs (net of interest income)	**(0.9)**	(0.8)
Foreign exchange	**0.1**	0.3
Dividends paid in cash to shareholders	**(26.0)**	(23.8)
Cash balance at 30 June	**19.6**	18.4

During the period, the Group received cash of £30.1 million (six month period to 30 June 2014: £26.4 million) from its PPP Investments. This is consistent with investment revenues expected by the Group as forecast during the Portfolio Valuation process for the prior period end. The cash received from Investments in the period more than sufficiently covers the operating and administrative expenses, financing costs as well as the dividends paid to its shareholders. JLCM anticipates future revenues from Investments will continue to be in line with expectations and therefore will continue to fully cover future costs as well as planned dividends payable to its shareholders.

The Company has declared an interim dividend of £27.4 million (3.375 pence per share) payable on 20 October 2015. JLIF continues to offers a scrip dividend alternative that is the subject of a separate shareholder communication.

8. OUTLOOK

Following the Budget in July 2015, the UK Government announced plans to invest £100 billion in infrastructure over the next five years. The plan points to 'long term public and private investment in infrastructure' as a key driver of productivity. As organisations prepare themselves to invest in UK infrastructure, we expect to see secondary market deal flow buoyed by the need to free up cash to make it available for investment.

We are seeing a variety of cross-sector opportunities emerging across Continental Europe as it continues its recovery from the global financial crisis and various governments look to kick start their procurement programmes. It is expected that PPP projects are likely to play a key role in the revitalisation of the European economy and in helping address the infrastructure gap and in generating economic growth. JLIF has been invited to review nearly 40 separate projects across Continental Europe in 2015 to date demonstrating the high level of market activity in this region.

P3 in Canada has received a boost in recent weeks with the announcement of details of the new Public Transit Fund, a fund to be administered by PPP Canada to provide permanent funding to large-scale public transport projects. This will help free-up funds under the New Building Canada Plan and the P3 Canada Fund to assist with the development of smaller-scale infrastructure projects in municipalities across Canada.

In the US, 2014 built on the momentum gained in 2013 seeing several significant projects reach commercial close and with many projects in active procurement across a wide range of industry sectors. While increasing recognition of the long term benefits of the P3 model, combined with declining tax revenues, increased infrastructure demand and limited federal funding are causing public authorities to increasingly consider P3 as a procurement route there continues to be a patchwork of state and local laws that can diminish the benefits of the P3 model.

Australia continues to offer an attractive market for infrastructure investment, and JLIF has seen a number of potential opportunities arise during 2015. JLIF has continued to be selective and seek those opportunities that can add real value to its shareholders.

9. POST BALANCE SHEET EVENTS

In August 2015 JLIF Limited Partnership entered into a new revolving credit facility which replaces the previous facility. Further details of this change are provided in Section 6 on page 10.

14. / **Responsibility Statement**

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

We confirm that to the best of our knowledge:

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

b) the interim management report includes a fair review of the information required by DTR 4.2.7R (indication of important events during the first six months and description of principal risks and uncertainties for the remaining six months of the year; and

c) the interim management report includes a fair review of the information required by DTR 4.2.8R (disclosure of related parties' transactions and changes therein).

By order of the Board

Paul Lester CBE
Chairman

28 August 2015

Barnsley BSF

Location / United Kingdom

Part of the Building Schools for the Future programme, the project involves the overhaul of the existing secondary school estate in Barnsley into 11 new schools. Construction was completed in 2011 for all phases.

E18 Road

Location / Finland

Representing JLIF's only investment in Finland, this 51km stretch of motorway became fully operational in September 2009 and has a concession period running through to 2029.

Independent Review Report to John Laing Infrastructure Fund Limited

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2015 which comprises the condensed income statement, the condensed statement of financial position, the condensed statement of changes in equity, the cash flow statement and related notes 1 to 19. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the Company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" as adopted by the European Union.

Our responsibility

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

Scope of review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2015 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP
Chartered Accountant
Guernsey, Channel Islands

28 August 2015

Condensed Income Statement

six months ended 30 June

	Notes	2015 £'000s	2014 Restated* £'000s
Operating income		**20,424**	31,504
Operating expenses	5	**(5,908)**	(5,063)
Operating profit		**14,516**	26,441
Finance income		**2**	1
Profit before tax		**14,518**	26,442
Tax	6	**–**	–
Profit for the period		**14,518**	26,442
Attributable to:			
Owners of the Company		**14,518**	26,442
		14,518	26,442
Earnings per share			
From continuing operations			
Basic and diluted (pence)	8	**1.79**	3.45

All results are derived from continuing operations.

There are no items of Other Comprehensive Income in both the current and preceding period, other than profit for the period and therefore no separate Statement of Comprehensive Income has been presented.

* The comparative information has been restated to reflect the clarified amendments to 'Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)'. Refer to note 2(a) for details.

Condensed Statement of Financial Position

	Notes	30 June 2015 £'000s	31 December 2014 £'000s
Non-current assets			
Investments at fair value through profit or loss	9	**873,198**	885,674
Total non-current assets		**873,198**	885,674
Current assets			
Trade and other receivables	10	**66**	72
Cash and cash equivalents		**5,281**	4,253
Total current assets		**5,347**	4,325
Total assets		**878,545**	889,999
Current liabilities			
Trade and other payables	11	**(2,785)**	(2,670)
Total current liabilities		**(2,785)**	(2,670)
Total liabilities		**(2,785)**	(2,670)
Net assets		**875,760**	887,329
Equity			
Share capital	13	**81**	81
Share premium account	14	**849,142**	847,837
Retained earnings	15	**26,537**	39,411
Equity attributable to owners of the Company		**875,760**	887,329
Total equity		**875,760**	887,329
Net Asset Value per share		**107.8**	109.3

The financial statements were approved by the Board of Directors and authorised for issue on 28 August 2015. They were signed on its behalf by:

P Lester
Chairman

C Spencer
Director

Condensed Statement of Changes in Equity

six months ended 30 June

	Notes	Six months ended 30 June 2015 Share capital £'000s	 Share premium account £'000s	 Retained reserves £'000s	 Total equity £'000s
Balance at 1 January 2015	14 & 15	81	847,837	39,411	887,329
Profit for the period	15	–	–	14,518	14,518
Total comprehensive income for the period				**14,518**	**14,518**
Ordinary shares issued	14 & 15	–	1,363	–	1,363
Costs of shares issued		–	(58)	–	(58)
Dividend paid	7	–	–	(27,392)	(27,392)
Balance at 30 June 2015		**81**	**849,142**	**26,537**	**875,760**

	Notes	Six months ended 30 June 2014 restated* Share capital £'000s	 Share premium account £'000s	 Retained reserves £'000s	 Total equity £'000s
Restated balance at 1 January 2014*	14 & 15	77	795,945	22,092	818,114
Profit for the period	15	–	–	26,442	26,442
Total comprehensive income for the period		–		26,442	26,442
Ordinary shares issued	14 & 15	–	1,068	–	1,068
Costs of shares issued		–	(34)	–	(34)
Dividend paid	7	–	–	(24,905)	(24,905)
Restated Balance at 30 June 2014*		77	796,979	23,629	820,685

* The comparative information has been restated to reflect the clarified amendments to 'Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)'. Refer to note 2(a) for details.

Condensed Cash Flow Statement

six months ended 30 June

	Note	2015 £'000s	2014 Restated* £'000s
Profit from operations		**14,516**	26,441
Adjustments for:			
Decrease in accrued interest income		**12,377**	6,719
Net loss/(gain) on investments at fair value through profit or loss		**99**	(10,723)
Operating cash flows before movements in working capital		**26,992**	22,437
Decrease in receivables		**6**	37
Decrease/(Increase) in payables		**114**	(323)
Cash inflow from operations		**27,112**	22,151
Net cash inflow from operating activities		**27,112**	22,151
Dividends paid – equity shareholders		**(26,028)**	(23,837)
Finance income		**2**	1
Proceeds on issue of share capital (net of costs)	14	**(58)**	(34)
Net cash from financing activities		**(26,084)**	(23,870)
Net increase in cash and cash equivalents		**1,028**	(1,719)
Cash and cash equivalents at beginning of the period		**4,253**	3,190
Cash and cash equivalents at end of period		**5,281**	1,471

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to fair value.

* The comparative information has been restated to reflect the clarified amendments to 'Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)'. Refer to note 2(a) for details.

Notes to the Condensed set of Financial Statements

for the period ended 30 June 2015

1. GENERAL INFORMATION

John Laing Infrastructure Fund Limited (the "Company", or "JLIF") is a company domiciled and incorporated in Guernsey, Channel Islands, whose shares are publicly traded on the London Stock Exchange under a Premium Listing. The interim condensed unaudited financial statements of the Company as at and for the six months ended 30 June 2015 have been prepared on the basis of the accounting policies set out in the Company's 2014 Annual Report. The financial statements comprise the Company and its investment in JLIF Luxco 1 S.à.r.l. The Company and its subsidiaries invest in Public Private Partnerships ("PPP") infrastructure projects in the UK, Europe and North America.

In its latest audited financial statements for the year ended 31 December 2014 the Company adopted the narrow-scope amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures. Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28) introduced clarifications to the requirements when accounting for investment entities. The International Accounting Standard Board ("IASB") clarified that the requirement for an investment entity to consolidate a subsidiary providing services related to its investment activities such as certain subsidiaries of the Company, applies only to subsidiaries that are not themselves investment entities.

The comparative financial information for the six month period ended 30 June 2014 included in this interim report has been restated to reflect the adoption of the amendments to IFRS 10, IFRS 12 and IAS 28. The financial information for the period ended 30 June 2015 and the comparative for the period ended 30 June 2014 are prepared on a consistent basis with the accounting policies for the year ended 31 December 2014.

As a result of adopting the amendments to IFRS 10, IFRS 12 and IAS 28, the Company no longer consolidates its subsidiaries that provide investment services and is required instead to hold such subsidiaries at fair value. The Company accounts for its investment in its direct wholly owned subsidiary JLIF Luxco 1 S.à.r.l. at fair value. The Company, together with its direct wholly owned subsidiary JLIF Luxco 1 S.à.r.l. and all the intermediate holding subsidiaries compose the Group investing in PPP assets (the "Group").

The net assets of the intermediate holding companies, which at 30 June 2015 principally comprise working capital balances, are required to be included at fair value in the carrying value of investments. The primary impact of this change is that the cash balances in some intermediate subsidiaries are presented as part of the fair value of the Company's investment in JLIF Luxco 1 S.à.r.l. This change does not affect the Net Assets.

The condensed set of financial statements are presented in Sterling which is the currency of the primary economic environment in which the Company operates. Foreign operations are included in accordance with the policies set out in note 2.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The annual financial statements of John Laing Infrastructure Fund Limited are prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union and IFRS as issued by the IASB using the historical cost basis, except that the financial instruments classified at fair value through profit or loss are stated at their fair value. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting.

The same accounting policies, presentations and methods of computation are followed in this condensed set of financial statements as applied in the Company's latest annual audited financial statements for the year ended 31 December 2014.

The condensed set of financial statements incorporate the financial statements of the Company only.

Notes to the Condensed set of Financial Statements

for the period ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

Following the adoption of the Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28) in the financial statements for the year ended 31 December 2014, the Company recognises its investment in its subsidiary JLIF Luxco 1 S.à.r.l. at fair value through profit or loss. The fair value estimate of JLIF Luxco 1 S.à.r.l. includes the fair value of both this company and all of the Company's subsidiaries and PPP investments.

The financial information for the year ended 31 December 2014 is derived from the financial statements delivered to the UK Listing Authority. The financial information for the year ended 31 December 2014 included in this Interim Report does not constitute statutory accounts as defined in The Companies (Guernsey) Law, 2008. The auditors reported on the statutory accounts for the year ended 31 December 2014: their audit report was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under section 263(2) and (3) of the Companies Act (Guernsey) Law 2008.

Changes in accounting policy

The impact of applying Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28) is the non-consolidation of assets, liabilities, income and expenses of the subsidiaries which were previously consolidated on a line by line basis and the recognition of the Company's investment in JLIF Luxco 1 S.à.r.l. at fair value through profit or loss. The tables below shows the effect of reclassification of these assets, liabilities, income and expenses to Investment at fair value through profit or loss.

The following table summarises the key adjustments made to the statement of financial position on implementation of the amended accounting policy:

Balance sheet	Balance at 1 January 2014 £'000s	Impact of change in accounting policy £'000s	Restated balance at 1 January 2014 £'000s
Investments at fair value through profit or loss	795,849	21,841	817,690
Trade and other receivables	2,121	(2,034)	87
Derivative financial instruments	523	(523)	–
Cash and cash equivalents	24,348	(21,158)	3,190
Total assets	**822,841**	**(1,874)**	**820,967**
Trade and other payables	(3,664)	811	(2,853)
Current tax liabilities	(1,063)	1,063	–
Total liabilities	**(4,727)**	**1,874**	**(2,853)**
Net assets	**818,114**	**–**	**818,114**
Retained earnings	**22,092**	**–**	**22,092**

Notes to the Condensed set of Financial Statements

for the period ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of preparation (continued)

Changes in accounting policy (continued)

The effects on the Income Statement were as follows:

Income statement	Results in the period ended 30 June 2014 £'000s	Impact of change in accounting policy £'000s	Restated results 30 June 2014 £'000s
Operating income	**34,063**	**(2,559)**	**31,504**
Administrative expenses	(5,775)	712	(5,063)
Other gains	236	(236)	–
Operating expenses	**(5,539)**	**476**	**(5,063)**
Finance costs	(1,193)	1,194	1
Profit before tax	**27,331**	**(889)**	**26,442**
Tax	(889)	889	–
Profit after tax	**26,442**	**–**	**26,442**

Net assets

The restated Net Assets at 1 January 2014 reflect the recognition of the Company's investment in JLIF Luxco 1 S.à.r.l. at fair value through profit or loss. This means that previously consolidated assets accounted at book value are now recognised at fair value and included in the Company's investment at fair value. The categories of assets and liabilities have not changed and the net impact of the restatement on the overall net assets is £nil.

Profit after tax

Prior to adoption of the Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28), the Company consolidated its subsidiaries that were investment entities and recognised in its income statement, interest and dividend income received from PPP investments and the net gain or losses on investments at fair value.
The Company recognises in the restated profit after tax for the period ended 30 June 2014 and in this period's operating profit, the operating income which reflects the change in fair value of the Company's investment in JLIF Luxco 1 S.à.r.l. comprising the intermediate holding companies and the PPP asset portfolio.

Cash flow statement

The restated Cash Flow Statement at 30 June 2014 reflects the application of Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10. IFRS 12 and IAS 28). In the financial statements for the period ended 30 June 2014, the Cash Flow Statement included the Company's and the intermediate holding companies' transactions. As the Company now accounts for its investment in its sole wholly owned direct subsidiary at fair value through profit or loss, the net cash inflow from operations only includes the Company's transactions and not those within the Group as presented in the condensed financial statements at 30 June 2014. Similarly, the closing bank balance only includes the Company's balance. The intermediate holding companies' cash balances are included in investments at fair value in the statement of financial position.

Notes to the Condensed set of Financial Statements

for the period ended 30 June 2015

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(b) Going concern

The Directors, in their consideration of going concern, have reviewed cash flow forecasts prepared by the Investment Adviser, which are based on prudent market data and past experience. The Directors believe, based on those forecasts and an assessment of the Company's and the Group's committed banking facilities, that it is appropriate to prepare the financial statements of the Company on the going concern basis. In arriving at their conclusion that the Group has adequate financial resources, the Directors were mindful that the Group had unrestricted cash of £19.6 million (including £5.3 million for the Company) and a three year banking facility (available for investment in new or existing projects and working capital) of £150 million, which was due to expire in February 2016.

As at 30 June 2015, £11.7 million was drawn under the £150 million revolving credit facility. The debt is held within the group structure by JLIF Limited Partnership. The credit facility was due to expire in February 2016. In August 2015, JLIF refinanced the facility with a new five year, £180 million multi-currency revolving credit facility. Since the end of June 2015, the outstanding balance on the previous facility has been repaid in full using Group cash.

The new facility is provided by four banks: Royal Bank of Scotland plc ("RBS"), HSBC Bank plc ("HSBC"), ING Bank NV ("ING") and Commonwealth Bank of Australia ("CBA"). Both the commitment fees and the margin on the new facility are materially lower than those on the previous facility, the margin being 175bps over LIBOR. As previously, the new facility will primarily be used to fund third party acquisitions in between equity raises.

Attached to the new facility is an accordion capability of up to £100 million, on which no fees are payable until utilised, which gives JLIF ready capacity to target larger transactions to support the growth of the Fund.

The Company, through it intermediate holding companies, has investments in 57 operational PPP project companies which yield annual interest, dividends, loan repayments and other fees. The cash flow yields from the projects comfortably cover the Group's expected cash flow requirements for overheads and targeted dividend distribution policy.

The Company and its intermediate holding companies have sufficient financial resources together with their PPP investments' public sector long-term contracts across a range of infrastructure projects. As a consequence, the Directors believe that the Company and its intermediate holding companies are well placed to manage its business risks successfully.

Certain risks and uncertainties, as detailed in the 2014 Annual Report on pages 10 to 13 have been considered by the Board. The Board has concluded that these do not represent a significant threat to the Group as its income is generated from a portfolio of PPP concessions which are supported by government backed cash flows and are forecast to cover the Group's committed costs.

The Directors, at the time of approving the financial statements, are satisfied that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, a period of not less than 12 months from the date of this report. Thus, they continue to adopt the going concern basis of accounting in preparing the condensed financial statements.

(c) Segmental reporting

In the condensed financial statements, the Company recognises one investment into its 100% owned subsidiary JLIF Luxco 1 S.à.r.l. The Board of Directors considers and analyses the performance of the Company by considering the Group's main activity which is to invest into PPP assets through its intermediate holding companies. Information reported to the Company's Board of Directors for the purposes of resource allocation and assessment of segment performance is focused on the sector risk associated within the Group. The Group has investments in the Health, Education, Justice & Emergency Services, Transport, Regeneration & Social Housing, Government Buildings and Street Lighting sectors and therefore these form the Group's reportable segments under IFRS 8.

(d) Statement of compliance

Pursuant to the Protection of Investors (Bailiwick of Guernsey) Law, 1987 the Company is an Authorised Closed-Ended Investment Scheme. As an authorised scheme, the Company is subject to certain ongoing obligations.

Notes to the Condensed set of Financial Statements

for the period ended 30 June 2015

3. OPERATING SEGMENTS

Information reported to the Company's Board of Directors for the purposes of resource allocation and assessment of segment performance is focused on the sector risk associated within the Company's core activity which is to invest in PPP assets. This information is centred on the typical profile of the PPP assets including asset risk profile, the required level of maintenance and the demand in management time, all of which can vary significantly depending on the sector. Currently the projects that the Company, via its 100% owned subsidiary JLIF Luxco 1 S.à.r.l., has investments in are the following sectors and therefore these form the Company's reportable segments under IFRS 8:

Health
Education
Justice & Emergency Services
Transport
Regeneration & Social Housing
Government Buildings
Street Lighting

Segment revenue and results

The following is an analysis of the Company's operating income and results by reportable segment for the six month period ended 30 June 2015.

	Six months to 30 June 2015								
	Health £'000s	Education £'000s	Justice & Emergency Services £'000s	Transport £'000s	Regeneration & Social Housing £'000s	Government Buildings £'000s	Street Lighting £'000s	Unallocated £'000s	Total group £'000s
Operating income	**2,741**	**7,347**	**2,012**	**5,173**	**4,912**	**496**	**110**	**(2,367)**	**20,424**
Profit/(loss) before tax	**2,741**	**7,347**	**2,012**	**5,173**	**4,912**	**496**	**110**	**(8,273)**	**14,518**
Reportable segment profit/(loss)	**2,741**	**7,347**	**2,012**	**5,173**	**4,912**	**496**	**110**	**(8,273)**	**14,518**

The following is the restated analysis of the Company's operating income and results by reportable segment for the six month period ended 30 June 2014.

	Six months to 30 June 2014 restated*								
	Health £'000s	Education £'000s	Justice & Emergency Services £'000s	Transport £'000s	Regeneration & Social Housing £'000s	Government Buildings £'000s	Street Lighting £'000s	Unallocated £'000s	Total group £'000s
Operating income	9,554	8,495	1,247	5,294	4,303	3,670	1,308	(2,367)	31,504
Profit/(loss) before tax	9,554	8,495	1,247	5,294	4,303	3,670	1,308	(7,429)	26,442
Reportable segment profit/(loss)	9,554	8,495	1,247	5,294	4,303	3,670	1,308	(7,429)	26,442

The unallocated segment above includes the Company's and subsidiaries' Investment Adviser fee, general overhead costs and fair value movement of intermediate holding companies.

No inter-segment income was earned in the period ended 30 June 2015.

* The comparative information has been restated to reflect the clarified amendments to 'Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)'. Refer to note 2(a) for details.

Notes to the Condensed set of Financial Statements

for the period ended 30 June 2015

3. OPERATING SEGMENTS (CONTINUED)

Segment net assets

The following is an analysis of the Company's assets and liabilities by reportable segment for the period ended 30 June 2015.

	As at 30 June 2015								
	Health £'000s	**Education £'000s**	**Justice & Emergency Services £'000s**	**Transport £'000s**	**Regeneration & Social Housing £'000s**	**Government Buildings £'000s**	**Street Lighting £'000s**	**Unallocated £'000s**	**Total group £'000s**
Total assets	**348,633**	**146,753**	**50,447**	**131,946**	**96,133**	**65,145**	**35,190**	**4,298**	**878,545**
Total liabilities	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(2,785)**	**(2,785)**
Total net assets	**348,633**	**146,753**	**50,447**	**131,946**	**96,133**	**65,145**	**35,190**	**1,513**	**875,760**

The following is the analysis of the Company's assets and liabilities by reportable segment for the year ended 31 December 2014.

	As at 31 December 2014								
	Health £'000s	Education £'000s	Justice & Emergency Services £'000s	Transport £'000s	Regeneration & Social Housing £'000s	Government Buildings £'000s	Street Lighting £'000s	Unallocated £'000s	Total group £'000s
Total assets	343,041	142,819	50,134	134,684	90,852	68,855	36,131	23,483	889,999
Total liabilities	–	–	–	–	–	–	–	(2,670)	(2,670)
Total net assets	343,041	142,819	50,134	134,684	90,852	68,855	36,131	20,813	887,329

Information about major customers

The Company, via its subsidiaries, has four (year ended 31 December 2014: one) investments from which it receives more that 10% of the Company's operating income. The operating income was £10.5 million (year ended 31 December 2014: £12.9 million) which was reported within the Health, Transport and Education (year ended 31 December 2014 : Health) segments. The Company has treated each PPP asset as a separate customer.

Analysis by geographical areas

The following is an analysis of the Company's operating income and results by geographical area for the six month period ended 30 June 2015:

	Six months to 30 June 2015				
	UK £'000s	**Continental Europe £'000s**	**North America £'000s**	**Other – (incl Guernsey) £'000s**	**Total group £'000s**
Operating income	**26,425**	**(2,231)**	**(3,770)**	**–**	**20,424**
Profit/(loss) before tax	**26,425**	**(2,231)**	**(3,770)**	**(5,906)**	**14,518**
Reportable segment profit/(loss)	**26,425**	**(2,231)**	**(3,770)**	**(5,906)**	**14,518**

Notes to the Condensed set of Financial Statements

for the period ended 30 June 2015

3. OPERATING SEGMENTS (CONTINUED)

Analysis by geographical areas (continued)

The following is the restated analysis of the Company's operating income and results by geographical area for the six month period ended 30 June 2014:

	Six months to 30 June 2014 restated*				
	UK £'000s	Continental Europe £'000s	North America £'000s	Other – (incl Guernsey) £'000s	Total group £'000s
Operating income	31,118	377	9	–	31,504
Profit/(loss) before tax	31,118	377	9	(5,062)	26,442
Reportable segment profit/(loss)	31,118	377	9	(5,062)	26,442

* The comparative information has been restated to reflect the clarified amendments to 'Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)'. Refer to note 2(a) for details.

The operating income included in the above tables is derived from distributions received from the PPP investments. No inter-segment income was earned in the six month period ended 30 June 2015.

The following is an analysis of the Company's assets and liabilities by geographical area as at 30 June 2015:

	As at 30 June 2015				
	UK £'000s	**Continental Europe £'000s**	**North America £'000s**	**Other – (incl Guernsey) £'000s**	**Total group £'000s**
Total assets	**763,650**	**33,985**	**75,563**	**5,347**	**878,545**
Total liabilities	**–**	**–**	**–**	**(2,785)**	**(2,785)**
Total net assets	**763,650**	**33,985**	**75,563**	**2,562**	**875,760**

The following is the analysis of the Company's assets and liabilities by geographical area for the year ended 31 December 2014.

	As at 31 December 2014				
	UK £'000s	Continental Europe £'000s	North America £'000s	Other – (incl Guernsey) £'000s	Total group £'000s
Total assets	764,689	38,147	82,838	4,325	889,999
Total liabilities	–	–	–	(2,670)	(2,670)
Total net assets	764,689	38,147	82,838	1,655	887,329

4. SEASONALITY

Neither operating income nor profit are impacted by seasonality.

Notes to the Condensed set of Financial Statements

for the period ended 30 June 2015

5. OPERATING EXPENSES

	Six months ended 30 June	
	2015 **£'000s**	2014 Restated* £'000s
Investment advisory fees & asset origination fee	**4,804**	4,310
Directors' fees and expenses	**107**	100
Administration fee	**90**	59
Other expenses	**907**	594
	5,908	5,063

* The comparative information has been restated to reflect the clarified amendments to 'Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)'. Refer to note 2(a) for details.

6. TAX

The Company has obtained exempt status from income tax in Guernsey under the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989.

The income from its investments is therefore not subject to any further tax in Guernsey, although the underlying project companies in which the Group invests provide for and pay taxation at the appropriate rates in the countries in which they operate.

Following the adoption of 'Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)', the underlying tax within the subsidiary PPP assets, and intermediate holding companies which are now all held as investments at fair value through profit or loss, is no longer consolidated in the Company's results.

7. DIVIDENDS

	Six months ended 30 June	
	2015 **£'000s**	2014 £'000s
Amounts recognised as distributions to equity holders during the period:		
Final dividend for the year ended 31 December 2014 of 3.375 pence (final dividend for the year ended 31 December 2013: 3.25 pence) per share	**27,392**	24,905

The final dividend for the year ended 31 December 2014 of 3.375 pence per share, amounting to £27.4 million, was approved by the Board in March 2015 and was paid in May 2015. This dividend has been recognised in the condensed statement of changes in equity for the six months ended 30 June 2015.

An interim dividend for the six months ended 30 June 2015 of 3.375 pence per share, amounting to £27.4 million, was approved by the Board in August 2015 and is payable in October 2015. The dividend has not been included as a liability at 30 June 2015.

Notes to the Condensed set of Financial Statements

for the period ended 30 June 2015

8. EARNINGS PER SHARE

	Six months ended 30 June 2015 £'000s	2014 Restated* £'000s
Earnings		
Earnings for the purposes of basic and diluted earnings per share being net profit attributable to owners of the Company	**14,518**	26,442
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	**812,277,540**	766,514,159

* The comparative information has been restated to reflect the clarified amendments to 'Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)'. Refer to note 2(a) for details.

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

	Pence	Pence
Basic and diluted earnings per share	**1.79**	3.45

9. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

As set out in Note 1, the Company accounts for its interest in its 100% owned subsidiary JLIF Luxco 1 S.à.r.l. as an investment at fair value through profit or loss. JLIF Luxco 1 S.à.r.l. in turn owns investments in intermediate holding companies and in PPP projects.

The table below shows the Company's investment in JLIF Luxco 1 S.à.r.l. in the period as recorded in the Company's statement of financial position:

	30 June 2015 £'000s	31 December 2014 £'000s
Fair value of PPP investments	**871,963**	864,887
Fair value of intermediate holding companies	**1,235**	20,787
Fair value	**873,198**	885,674

Notes to the Condensed set of Financial Statements

for the period ended 30 June 2015

9. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Reconciliation of movement in fair value of the portfolio of assets

The table below shows the movement in the fair value of the Company's portfolio of PPP assets. These assets are held through other intermediate holding companies. The table below also presents a reconciliation of the fair value of the asset portfolio to the Company balance sheet as at 30 June 2015, by incorporating the fair value of these intermediate holding companies.

	Six months ended 30 June 2015			Year ended 31 December 2014		
	Portfolio Value 30 June 2015 £'000s	**Cash, working capital and other FV in intermediate holdings £'000s**	**Total £'000s**	Portfolio Value 31 December 2014 £'000s	Cash, working capital and other FV in intermediate holdings £'000s	Total £'000s
Opening balance	**864,887**	**20,787**	**885,674**	795,849	21,841	817,690
Acquisitions	**14,363**	**–**	**14,363**	50,779	–	50,779
Growth in value	**32,888**	**–**	**32,888†**	73,013	–	73,013†
Discount rate movements	**–**	**–**	**–†**	14,552	–	14,552†
Foreign currency exchange rate movements	**(10,086)**	**–**	**(10,086)†**	(4,497)	–	(4,497)†
Dividends received from PPP investments	**(14,078)**	**14,078**	**–†**	(27,189)	27,189	–†
Interest received from PPP investments	**(15,533)**	**15,533**	**–†**	(30,913)	30,635	(278)†
Loan stock and equity repayments	**(3,431)**	**3,431**	**–**	(6,170)	6,170	–
Movement in accrued interest	**3,097**	**–**	**3,097**	(901)	–	(901)
PPA Interest costs distributed	**–**	**(20,523)**	**(20,523)**	–	(49,963)	(49,963)
Other fee income	**(144)**	**144**	**–†**	364	–	364†
Administrative expenses	**–**	**(2,378)**	**(2,378)†**	–	(5,470)	(5,470)†
External borrowing		**(11,700)**	**(11,700)**	–	–	–
Difference in timing of capital movements between the Company and the intermediate holding companies	**–**	**(18,137)**	**(18,137)**	–	(9,615)	(9,615)
Fair value of the Company's Investment in JLIF Luxco 1 S.à.r.l.	**871,963**	**1,235**	**873,198**	864,887	20,787	885,674

† Operating income for the period ended 30 June 2015 is £20.4 million (31 December 2014: £77.7 million – six months ended 30 June 2014 restated: £31.5 million).

The above balances represent the total net movement in the fair value of the Company's investment. The "Cash, working capital and other FV in intermediate holdings" balances reflect investment in, distributions from or movement in working capital and are not value generating.

Notes to the Condensed set of Financial Statements

for the period ended 30 June 2015

9. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

The following table categorises the total net movement in fair value into its component factors:

	30 June 2015 £'000s	31 December 2014 £'000s
Portfolio valuation opening balance	**864,887**	795,849
Acquisitions	**14,363**	50,779
Distributions	**(30,089)**	(64,809)
Growth due to discount rate	**–**	14,552
Decline due to exchange rate	**(10,086)**	(4,497)
Growth from discount rate unwind	**31,955**	61,821
Growth from valuation enhancements	**933**	11,192
Portfolio valuation closing balance	**871,963**	864,887
Fair value of intermediate holding companies	**1,235**	20,787
Fair value of the Company's Investment in JLIF Luxco 1 S.à.r.l.	**873,198**	885,674

The Investment Adviser has carried out fair market valuations of the PPP investments as at 30 June 2015. The Directors have satisfied themselves as to the methodology used and the discount rates applied for the valuation of the PPP investments. Investments in PPP projects are valued using a discounted cash flow methodology. The valuation techniques and methodologies have been applied consistently with the methodology used to value the Portfolio since launch in 2010. Discount rates applied range from 7.40% to 8.54% (weighted average 7.94%) (year ended 31 December 2014: 7.40% to 8.54% (weighted average 7.94%). Note 16 details further the fair value of financial instruments.

The following economic assumptions were used in the discounted cashflow valuations:

	30 June 2015	31 December 2014
Inflation rates –		
UK	**2.75%**	2.75%
Canada	**2.10%**	2.10%
Netherlands	**1.90%**	1.90%
Finland	**3% (MAKU) and 2.5% (ELSPOT)**	3% (MAKU) and 2.5% (ELSPOT)
Deposit interest rates (UK)	**1% for 2015 rising to 3.5% from 2018**	1% for 2015, rising to 3.5% from 2018

The prevailing Sterling exchange rate were:

	30 June 2015	31 December 2014
Canadian dollar	**1.9617**	1.8054
Euro	**1.4096**	1.2808

Notes to the Condensed set of Financial Statements

for the period ended 30 June 2015

9. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

Following the substantive enactment of the UK corporation tax rate reduction to 20% from April 2015 on 2 July 2013, the long-term UK corporation tax rate assumed in the Portfolio Valuation is 20%. The fair value of the Canadian and European investments include assumed tax payments at the appropriate local rates.

On 15 January 2015, the Company, via its 100% indirectly owned subsidiary JLIF Holdings (Regeneration and Social Housing) Limited, completed the acquisition of a 20% interest in Kirklees Housing. This acquisition takes 100% investments in its indirect subsidiary.

On 30 June 2015, the Company, via its 100% indirectly owned subsidiary JLIF Investments Limited, completed the acquisition of a 100% interest in the North Birmingham Mental Health project from John Laing Social Infrastructure Limited.

10. TRADE AND OTHER RECEIVABLES

	30 June 2015 £'000s	31 December 2014 £'000s
Other debtors	**13**	12
Prepayments and accrued income	**53**	60
	66	72

The carrying amounts of the Company's trade and other receivables are all denominated in Sterling.

There were no overdue amounts included in trade receivables.

11. TRADE AND OTHER PAYABLES

	30 June 2015 £'000s	31 December 2014 £'000s
Accruals and deferred income	**2,783**	2,668
Other payables	**2**	2
	2,785	2,670

12. LOANS AND BORROWINGS

At 30 June 2015, the Company had no outstanding loans and borrowings (31 December 2014 – £nil).

The Company's intermediate holding entity, JLIF Limited Partnership had drawn £11.7 million on its credit facility to finance acquisitions during the period. The drawn amount is included in the 'Investment at fair value through profit or loss' in the Company's statement of financial position. Details of acquired project and investment at fair value through profit or loss are in note 9.

There were no other external loans and borrowings outstanding in other intermediate holding companies.

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for the period ended 30 June 2015

13. SHARE CAPITAL

Issued and fully paid	**30 June 2015 £'000s**	31 December 2014 £'000s
812,708,366 (31 December 2014 – 811,600,961) ordinary shares of 0.01p each	**81**	81

The Company is authorised to issue an unlimited number of shares.

On 22 May 2015, 1,107,405 new Ordinary Shares of 0.01 pence each at an Issue Price of 123.10 pence were issued and fully paid as a scrip dividend alternative in lieu of cash for the final dividend in respect of the year ended 31 December 2014.

All new shares issued rank pari passu with the original ordinary shares of 0.01 pence each in the capital of the Company including the right to receive all future dividends and distributions declared, made or paid.

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

14. SHARE PREMIUM ACCOUNT

	Six months ended 30 June 2015 £'000s	Year ended 31 December 2014 £'000s
Opening balance	**847,837**	795,945
Premium arising on issue of equity shares	**1,363**	52,577
Expenses of issue of equity shares	**(58)**	(685)
	849,142	847,837

15. RETAINED EARNINGS

	Six months ended 30 June 2015 £'000s	Year ended 31 December 2014 £'000s
Opening balance	**39,411**	22,092
Net profit for the period/year	**14,518**	67,158
Dividends paid (note 7)	**(27,392)**	(49,839)
	26,537	39,411

Notes to the Condensed set of Financial Statements

for the period ended 30 June 2015

16. FINANCIAL INSTRUMENTS FAIR VALUE DISCLOSURE

The Company held the following financial instruments at fair value at 30 June 2015. There have been no transfers of financial instruments between levels of the fair value hierarchy. There are no non-recurring fair value measurements.

Financial instruments by category:

	30 June 2015				
	Cash and bank balances £'000s	Loans and receivables £'000s	Financial assets at FVTPL† £'000s	Financial liabilities at amortised cost £'000s	Total £'000s
Non-current assets					
Investments at fair value through profit or loss (Level 3)	**–**	**–**	**873,198**	**–**	**873,198**
Current assets					
Trade and other receivables	**–**	**66**	**–**	**–**	**66**
Cash and cash equivalents	**5,281**	**–**	**–**	**–**	**5,281**
Total financial assets	**5,281**	**66**	**873,198**	**–**	**878,545**
Current liabilities					
Trade and other payables	**–**	**–**	**–**	**(2,785)**	**(2,785)**
Total financial liabilities	**–**	**–**	**–**	**(2,785)**	**(2,785)**
Net financial instruments	**5,281**	**66**	**873,198**	**(2,785)**	**875,760**

	31 December 2014				
	Cash and bank balances £'000s	Loans and receivables £'000s	Financial assets at FVTPL† £'000s	Financial liabilities at amortised cost £'000s	Total £'000s
Non-current assets					
Investments at fair value through profit or loss (Level 3)	–	–	885,674	–	885,674
Current assets					
Trade and other receivables	–	72	–	–	72
Cash and cash equivalents	4,253	–	–	–	4,253
Total financial assets	4,253	72	885,674	–	889,999
Current liabilities					
Trade and other payables	–	–	–	(2,670)	(2,670)
Total financial liabilities	–	–	–	(2,670)	(2,670)
Net financial instruments	4,253	72	885,674	(2,670)	887,329

† FVTPL = Fair value through profit or loss

Notes to the Condensed set of Financial Statements

for the period ended 30 June 2015

16. FINANCIAL INSTRUMENTS FAIR VALUE DISCLOSURE (CONTINUED)

The above table provides an analysis of financial instruments that are measured subsequent to their initial recognition at fair value as follows:

- Level 1: fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: fair value measurements are those derived from valuation techniques that include inputs to the asset or liability that are not based on observable market data (unobservable inputs).

There were no Level 1 assets or liabilities during the period (year ended 31 December 2014: none). There were no transfers between Level 1 and 2, Level 1 and 3 or Level 2 and 3 during the period (2014: none).

In the table above, financial instruments are held at carrying value as an approximation to fair value unless stated otherwise.

Reconciliation of Level 3 fair value measurement of financial assets and liabilities

An analysis of the movement between opening to closing balances of the investments at fair value through profit or loss is given in note 9.

The investments at fair value through profit or loss, whose fair values include the use of Level 3 inputs, include the fair value of the Company's 100% owned subsidiary JLIF Luxco 1 S.à.r.l., the intermediate holding companies and the Group's PPP investments.

The fair value of the Company's direct subsidiary and the intermediate holding companies mainly comprises cash and working capital balances. The fair value of these companies are equivalent to their Net Assets.

The Group's PPP investments are valued by discounting future cash flows from investments in both equity (dividends and equity redemptions) and subordinated loans (interest and repayments) to the Group at an appropriate discount rate. The basis of each discount rate, which is a weighted average cost of capital, is a long run average government bond rates adjusted by an appropriate premium to reflect PPP specific risk, phase of the PPP project and counterparty credit risk. The weighted average discount rate applied was 7.94% (year ended 31 December 2014: 7.94%). The discount rate is considered the most significant unobservable input through which an increase or decrease would have a material impact on the fair value of the investments at fair value through profit or loss. An increase of 1% in the discount rate would cause a decrease in the fair value of the investments of £65.0 million (year ended 31 December 2014: £65.6 million) and a decrease of 1% in the discount rate would cause an increase in the fair value of the investments of £74.7 million (year ended 31 December 2014: £75.6 million).

As at 30 June 2015, there were no material changes to the other sensitivities, which are disclosed in the Company's 2014 Annual Report.

The Directors consider that the carrying value amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements are approximately equal to their fair values.

17. TRANSACTIONS WITH INVESTMENT ADVISER AND RELATED PARTIES

Details of transactions between the Company its related parties are disclosed below. This note also details the terms of engagement by the Company with John Laing Capital Management Limited ("JLCM") as Investment Adviser and Operator of JLIF Limited Partnership ("the Limited Partnership") together with the details of further investment acquisitions from John Laing Group plc, of which JLCM is a wholly owned subsidiary.

Transactions with the Investment Adviser

JLCM's appointment as Investment Adviser is governed by an Investment Advisory Agreement which may be terminated by either party giving one year's written notice. The appointment may also be terminated if JLCM's appointment as Operator is terminated.

JLCM is also the Operator of JLIF Limited Partnership, the limited partnership through which the Group holds its investments, by the General Partner of the partnership, JLIF (GP) Limited ("the General Partner"). The Operator and the General Partner may each terminate the appointment of the Operator by either party giving one year's written notice. Either the Operator or the General Partner may terminate the appointment of the Operator by written notice if the Investment Advisory Agreement is terminated in accordance with its terms.

Notes to the Condensed set of Financial Statements

for the period ended 30 June 2015

17. TRANSACTIONS WITH INVESTMENT ADVISER AND RELATED PARTIES (CONTINUED)

JLCM is entitled to fees equal to: i) a Base fee of a) 1.1 per cent per annum of the Adjusted Portfolio Value* of the Fund** up to and including £500 million; b) 1.0 per cent per annum of the Adjusted Portfolio Value of the Fund in excess of £500 million up to and including £1 billion; c) 0.9 per cent per annum of the Adjusted Portfolio Value of the Fund in excess of £1 billion; and ii) an Asset Origination Fee of 0.75 per cent of the purchase price of new investment capital acquired by the Fund that is not sourced from any of John Laing Group plc, its subsidiary undertakings, or funds or holdings managed by John Laing Group plc or any of its subsidiary undertakings.

The total Investment Adviser fee, Operator fee and asset origination fee charged to the Income Statement for the period to 30 June 2015 was £4,804,000 (six months ended 30 June 2014: £4,310,000) of which £2,420,000 remained payable at the period end (31 December 2014: £2,410,000).

* Adjusted Portfolio Value is defined in the Investment Advisory Agreement as:
- (a) the Fair Value of the Investment Portfolio; plus
- (b) any cash owned by or held to the order of the Fund (the Group); plus
- (c) the aggregate amount of payments made to Shareholders by way of dividend in the period ending on the relevant Valuation Day, less
  - (i) any borrowings and any other liabilities of the Fund; and
  - (ii) any Uninvested Cash.

** Fund means the Company, JLIF Luxco 1 S.a.r.l., JLIF Luxco 2 S.a.r.l., and the Partnership (together with their wholly owned subsidiaries (including companies or other entities wholly owned by them together, individually or in any combination, as appropriate)) but excluding project entities.

Transactions with related parties

The Company has loans under a Profit Participating Agreement under which it received interest income from its direct subsidiary JLIF Luxco 1 S.à.r.l. As at 30 June 2015 the Profit Participating Agreements loans balance was £806,599,000 (31 December 2014: £806,599,000). The interest accrued for the six month period ended 30 June 2015 is £20,523,000 (year ended 31 December 2014: £49,963,000) of which £32,900,000 (year ended 31 December 2014: £35,562,000) was received. As at 30 June 2015, the outstanding balance of interest receivable was £11,036,000 (31 December 2014: £23,413,000). The Company accrues for the Profit Participating Agreement as part of its investment into JLIF Luxco 1 S.à.r.l. which has been fair valued.

The Directors of the Company, who are considered to be key management, received fees for their services. Total fees for the six month period ended 30 June 2015 were £101,906 (six month period ended 30 June 2014: £95,555). The Directors were paid £4,665 of expenses in the period (six month period ended 30 June 2014: £4,525). There have been no shares acquired by the Directors during the period.

All of the above transactions were undertaken on an arm's length basis.

The Directors and their spouses were paid dividends in the year of £7,510 (six month period ended 30 June 2014: £6,602).

18. GUARANTEES AND OTHER COMMITMENTS

As at 30 June 2015, the Company has provided a guarantee under the JLIF Limited Partnership's £150 million multi-currency revolving credit facility, which was due to expire in February 2016. In August 2015, JLIF Limited Partnership has refinanced the facility with a new five year, £180 million multi-currency revolving credit facility for which the Company is providing a guarantee.

As at 30 June 2015 the Company and the intermediate holding companies had no other commitments.

19. EVENTS AFTER BALANCE SHEET DATE

There are no events after the balance sheet date which are required to be disclosed, other than the renewal of the Group's debt facility which is set out in note 2(b).

Directors and Advisers

DIRECTORS (ALL NON-EXECUTIVE)

Paul Lester CBE (Chairman)
David MacLellan (Deputy Chairman & Senior Independent Director)
Helen Green
Talmai Morgan
Christopher Spencer
Guido Van Berkel

INVESTMENT ADVISER AND OPERATOR

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Cautionary Statement

Pages 2 to 13 of this report (including but not limited to the Chairman's Statement, the Investment Adviser's Report and the "Review Section") have been prepared solely to provide additional information to shareholders to assess the JLIF Group's strategies and the potential for those strategies to succeed. These should not be relied on by any other party or for any other purpose.

The Review Section may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "anticipates", "forecasts", "projects", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology.

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

These forward-looking statements reflect current expectations regarding future events and performance and speak only as at the date of this report.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Forward-looking statements are not guarantees of future performance or results and will not necessarily be accurate indications of whether or not the times at or by which such performance or results will be achieved. The Company's actual investment performance, results of operations, financial condition, liquidity, prospects, opportunities, distribution policy and the development of its financing strategies may differ materially from the impression created by the forward-looking statements contained in this report.

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

In addition, the Review Section may include target figures for future financial periods. Any such figures are targets only and are not forecasts.

This report has been prepared for the JLIF Group as a whole and therefore gives greater emphasis to those matters which are significant to John Laing Infrastructure Fund Limited and its subsidiary undertakings when viewed as a whole.

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Further copies of this statement are available by visiting the Company's website or at the address above.

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