

INTERNATIONAL PUBLIC PARTNERSHIPS

Placing, Open Offer and Offer for Subscription
Prospectus 2009



International Public Partnerships Limited

Registered number: 45241



Sponsor and Placing Agent



THIS DOCUMENT AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document you should consult a person authorised for the purposes of the Financial Services and Markets Act 2000 who specialises in advising on the acquisition of shares and other securities.

A copy of this document, which comprises a prospectus relating to International Public Partnerships Limited (the “Company”), prepared in accordance with the Prospectus Rules of the Financial Services Authority made pursuant to section 85 of the Financial Services and Markets Act 2000, has been delivered to the Financial Services Authority in accordance with Rule 3.2 of the Prospectus Rules.

If you sell or otherwise transfer or have sold or otherwise transferred all of your Existing Ordinary Shares in the Company before 8:00 am on 17 December 2009 (the “Ex” date), please forward this document together with the accompanying Open Offer Application Form (if any) to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee, except that such documents should not be sent into any jurisdiction where to do so might constitute a violation of local securities laws, including but not limited to the United States and the Excluded Territories. Please refer to paragraph 6 of the Terms and Conditions of the Open Offer contained at the end of this document if you intended to send this document and/or the Open Offer Application Form outside the United Kingdom. If you have sold or transferred only part of your registered holding of Existing Ordinary Shares in the Company, please contact your stockbroker, bank or other agent through whom the sale or transfer was effected immediately and refer to the instructions regarding split applications set out in this document and, for Qualifying Non-CREST Shareholders, in the Open Offer Application Form.

INTERNATIONAL PUBLIC PARTNERSHIPS LIMITED

(incorporated in Guernsey with registered no 45241)

Firm Placing of 24,604,914 New Shares, Open Offer of 18,735,733 New Shares and Offer for Subscription of up to 44,571,441 New Shares, with the ability to increase the size of the Issue by 17,582,418 New Shares, each at an Issue Price of 113.75 pence per New Share

and

**Admission to the Official List and trading on the
London Stock Exchange’s main market for listed securities**

Sponsor and Placing Agent:

Numis Securities Limited

Prospective investors should read this entire document and, in particular, the matters set out under the heading “Risk Factors” on pages 5 to 16, when considering an investment in the Company.

It is expected that an application will be made to the UK Listing Authority for all of the New Shares (issued and to be issued) to be admitted to the Official List and for all such New Shares to be admitted to trading on the London Stock Exchange’s main market. It is expected that such admission will become effective, and that unconditional dealings in the New Shares will commence, for New Shares issued under the Firm Placing, on 21 January 2010 and for New Shares issued under the Open Offer and Offer for Subscription, on 28 January 2010.

The New Shares are not dealt in on any other recognised investment exchange and no other such applications have been made or are currently expected.

The Company is regulated by the Guernsey Financial Services Commission and is deemed to have authorisation as an authorised closed-ended investment scheme under Section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Authorised Closed-Ended Investment Scheme Rules, 2008 made thereunder. Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Company or for the correctness of any of the statements made or opinions expressed with regard thereto.

The Company is targeting a raising of £100 million through the Issue although the Company has the ability to increase the size of the Issue by up to 20 per cent. of the targeted amount.

The Company and its Directors, whose names appear on page 20 of this document, accept responsibility for the information contained in this document. To the best of the knowledge of the Company and the Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

The Placing Agent is acting for the Company and no-one else in connection with the Issue and will not regard any other person as their client in relation to the Issue and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for providing advice in relation to the Issue or any transaction or arrangement referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on the Placing Agent by FSMA or the regulatory regime established thereunder, the Placing Agent accepts no responsibility whatsoever for the contents of this document or for any other statement made or purported to be made by it, or on its behalf, in connection with the Company, the New Shares or the Issue. The Placing Agent accordingly disclaims all and any liability whether arising in tort, contract or otherwise (save as referred to above) which it might otherwise have in respect of such document or any such statement. No representation or warranty, express or implied is made or given by or on behalf of the Placing Agent or any of its affiliates or any of such person's directors, officers or employees or any other person as to the accuracy, completeness or fairness of the information or opinions contained in this document and no responsibility or liability is accepted for any such information or opinions.

The New Shares offered by this document have not been and will not be registered under the United States Securities Act of 1933, or under the applicable state securities laws of the United States and, subject to certain exceptions, may not be offered or sold directly or indirectly in or into the United States, or to or for the account or benefit of any US person (within the meaning of Regulation S under the Securities Act). In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended.

Prospective investors should consider carefully (to the extent relevant to them) the notices to residents of various countries set out at pages 86 to 89 of this document.

The latest time and date for acceptance and payment in full under the Open Offer is 11:00 am on 22 January 2010. If you are a Qualifying Non-CREST Shareholder, Open Offer Application Forms should be completed in accordance with the Terms and Conditions of the Open Offer contained at the end of this document as soon as possible and in any event, so as to be received no later than 11:00 am on 22 January 2010. An application may only be made on the enclosed Open Offer Application Form which is personal to the Qualifying Non-CREST Shareholder named thereon, and may not be assigned or transferred, except to satisfy *bona fide* market claims. Qualifying CREST Shareholders who wish to apply for Open Offer Shares and Excess Shares in respect of all or some of their Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST must send (or if they are CREST sponsored members, procure that their CREST sponsor sends) the relevant CREST instructions, which to be valid must settle by no later than 11:00 am on 22 January 2010. Applications under the Offer for Subscription should be made on the Subscription Form set out at the end of this document and should be returned so as to be received together with payment in full no later than 11:00 am on 22 January 2010.

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Summary

THE FOLLOWING INFORMATION IS BASED ON, AND SHOULD BE READ AS AN INTRODUCTION TO AND IN CONJUNCTION WITH, THE FULL TEXT OF THE PROSPECTUS AND ANY INVESTMENT DECISION RELATING TO THE ISSUE SHOULD BE BASED ON THE CONSIDERATION OF THE PROSPECTUS AS A WHOLE.

Where a claim relating to information contained in this Prospectus is brought before a court, the plaintiff investor might, under the national legislation of the EEA States, have to bear the costs of translating this Prospectus before legal proceedings are initiated. Civil liability attaches to those persons who are responsible for this summary, including any translation of this summary, but only if this summary is misleading, inaccurate or inconsistent when read together with other parts of this Prospectus.

THE COMPANY

The Company is a limited liability, Guernsey incorporated authorised closed-ended investment company. The Company offers Shareholders an exposure to investment in infrastructure assets, particularly those with a public or social character such as those developed by public bodies under private finance initiative (“**PFI**”) or public private partnership (“**PPP**”) procurement.

The Existing Ordinary Shares are admitted to the Official List and to trading on the London Stock Exchange’s main market for listed securities. The Company raised £300 million in its initial public offer (the “**IPO**”) which closed on 9 November 2006. It subsequently raised a further £84 million through the issue of C Shares on 17 April 2008 (which converted into Existing Ordinary Shares on 30 June 2008). The Company had a market capitalisation of £430.9 million (as at 11 December 2009), and a NAV of £419 million (as at 30 June 2009).

Amber Fund Management Limited (the “**Investment Adviser**”, “**Operator**” or “**AFML**”), an investment manager authorised and regulated in the UK by the FSA, acts as investment adviser to the Company and operator of the Partnership.

BACKGROUND TO AND REASONS FOR THE ISSUE

The Company acquired its interests in the Existing Portfolio through a series of transactions since the IPO. Since July 2008, the bulk of investments made by the Group have been made utilising its committed £100 million corporate debt facility which is currently drawn to approximately £58 million.

The Company expects to deploy the Issue proceeds into Further Investments and, to the extent not used for Further Investments, in repayment of the Company’s existing debt facilities. The Directors believe that the Issue proceeds are likely to be deployed within six to 12 months. The sources of Further Investments, include:

- A portfolio of eleven Pipeline Investments being developed or bid on by the Investment Adviser or the Group with an aggregate capital value estimated at between approximately £268 million and £338 million¹. The Company has a right of first refusal to acquire projects fitting its investment criteria disposed of by Amber.
- Opportunities in mature or semi-mature stage PPP projects developed by third parties who have approached the Company or the Investment Adviser seeking new long term investors.

The Directors believe that the Issue will have the following benefits:

- The Company will be able to seek to acquire Further Investments (including the Pipeline Investments) that it believes will be accretive to the value of the Company and will further diversify the Company’s asset base;
- The Company will be able to repay existing borrowings, which will be available for re-drawing;
- Existing Shareholders and New Shareholders will have the opportunity to subscribe for further Shares in the Company;
- The Company’s market capitalisation will increase, and secondary market liquidity in the Ordinary Shares is expected to be enhanced; and
- The Company’s fixed running costs will be spread across a wider Shareholder base.

PRINCIPAL TERMS OF THE ISSUE

The Company is targeting a capital raising of £100 million (with the ability to increase this by up to 20 per cent.) by way of an Issue of New Shares at an Issue Price of 113.75 pence per New Share, representing a discount of 1.1 per cent. to the Closing Price of 115 pence per Existing Ordinary Share as at the close of business on 11 December 2009 and a premium of 1.6 per cent. to the Estimated NAV per Existing Ordinary Share of 112 pence (as at 30 November 2009).²

The Company examined a number of options for raising equity and concluded that the combination of a Firm Placing, the Open Offer and the Offer for Subscription allows Existing Shareholders to participate in the Issue by subscribing for their Open Offer Entitlements on a pre-emptive basis as well as applying for further New Shares under the Open Offer, while providing the Company with the flexibility to raise the desired quantum of equity capital from new investors via the Firm Placing and Offer for Subscription. The Issue comprises a

¹ “Capital value” reflects the Director’s current unaudited estimate, based on the advice of the Investment Adviser, of the total development cost in terms of capital expenditure of a project as included in the bid submission for a project. It includes both debt and equity contributions and it is not the acquisition price for, or the value of, any interest that may be acquired by the Group in the Pipeline Investment(s).

² The Estimated Net Asset Value is an estimate of the Directors, based on the advice of the Investment Adviser, and based on unaudited financial information of the Group, but using the same methodology as is used for the half-yearly Net Asset Values. This Estimated Net Asset Value and the information that has been used to prepare it has not been audited or reviewed by any person outside the Amber Group other than the Directors. There can be no assurance that the Net Asset Value as at 31 December 2009 will reflect the Estimated Net Asset Value which is prepared as at 30 November 2009.

Firm Placing of 24,604,914 New Shares, an Open Offer of 18,735,733 New Shares and an Offer for Subscription of up to 44,571,441 New Shares, in each case at the Issue price of 113.75 pence per New Share.

Application has been made for the New Shares to be admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities. The New Shares will rank *pari passu* in all respects with the Existing Ordinary Shares.

EXTRAORDINARY GENERAL MEETING

As the Firm Placing and Offer for Subscription are not on a pre-emptive basis, the Issue is conditional, amongst other things, on the passing of a resolution to disapply pre-emption provisions in the Company's Articles at the Extraordinary General Meeting convened for 15 January 2010. At the Extraordinary General Meeting, resolutions will also be proposed to amend the Articles to enable Shareholders to elect to receive dividends in the form of new Shares rather than cash and to authorise the Directors to allot any such Shares but the Issue is not conditional on the passing of such resolutions. Further details of all Resolutions are contained in the EGM Circular circulated to Existing Shareholders at the same time as this document.

INVESTMENT OPPORTUNITY

An investment in the Company will provide Shareholders with exposure to the PPP/PFI infrastructure asset class and other infrastructure assets falling within the Company's investment criteria, which the Directors believe is attractive because of:

- attractive yields relative to the asset risk profile;
- likelihood of long-term stable cashflows and growth potential in the asset class;
- high barriers to entry;
- predictable, low volatility returns;
- limited exposure to changes in the business cycle;
- creditworthy counterparties;
- the experience and track record of the Amber Infrastructure Team; and
- the development and origination capacity of Amber and its investment pipeline.

The Directors believe the Company's trading history suggests that market performance of the Company's Shares tends to be relatively uncorrelated with the listed UK equity market generally. An investment in the Company made at the time of the IPO in November 2006 over the period to 11 December 2009 has outperformed the FTSE All Share Index by 31.0 per cent. A Shareholder who acquired Existing Ordinary Shares in the IPO had, at 11 December 2009, seen a total return before tax of 26.4 per cent.³

INVESTMENT OBJECTIVES AND DIVIDENDS POLICY

The Company will seek to provide Shareholders with long-term distributions at levels that are sustainable and which preserve the capital value of the Group's Investment Portfolio over the long-term. The Directors believe that long-term capital growth can also be achieved. The Company will target a minimum dividend on its Ordinary Shares of 5.55 pence per Ordinary Share per annum⁴ and will aim to maintain and enhance this distribution. The Company's target distribution for 2010 is 5.7 pence per Ordinary Share.⁴

Distributions on Ordinary Shares are expected to be paid twice a year, normally in respect of the six months to 30 June and 31 December by way of dividend.

Where Admission occurs before any dividend is declared in respect of the period to 31 December 2009 the New Shares will be entitled to any distribution that is declared in respect of the six months to 31 December 2009.

The Company will target an IRR equal to or greater than 8 per cent.⁴ on the IPO issue price of 100 pence per Ordinary Share over the long-term. The Directors believe there are currently opportunities to acquire Further Investments that may enhance the Company's IRR.

SUMMARY INVESTMENT POLICY

The Company's investment policy is to invest in public or social infrastructure assets in the UK, Europe, Australia, North America and, in due course, in other parts of the world.

The Group intends to continue acquiring both operational and construction phase assets from Amber and/or third parties. The Group intends to hold its investments for the long-term to provide income and capital growth and aims to enhance the capital value of its investments and the income derived from its investments through ongoing management of the Investment Portfolio.

The Group intends to acquire Further Investments within any of the following parameters:

- investments with characteristics similar to the Company's existing assets;
- investments in assets or concessions having a public infrastructure character and in respect of which availability, property rental, or predictable user demand based payments are or will become payable; and
- investments in infrastructure assets or concessions which have high barriers to entry and expect to generate an attractive total rate of return over the life of the investments.

³ Total shareholder return is capital appreciation of the Ordinary Shares plus dividends.

⁴ These are targets only and not profit forecasts. There can be no assurance that these targets will be met or that the Company will make any distributions whatsoever.

While there are no restrictions in this respect, the Group will, over the long-term, seek a spread of investments geographically and across industry sectors to achieve a broad risk balance in the Investment Portfolio.

THE EXISTING PORTFOLIO

The Existing Portfolio consists of interests in Investment Capital in 14 projects developed under the UK Government PFI scheme; 21 projects developed under the UK National Health Service LIFT programme, 14 PPP or other-type projects located in Australia, Belgium, Canada, France, Germany, Ireland and Italy and an investment in Angel Trains. The Existing Portfolio consists predominantly of interests in Project Entities which have:

- direct or indirect entitlement to public sector or government backed revenues;
- finished construction or are in construction of public or social infrastructure facilities for provision of services relating to health facilities, schools, government offices, courthouses, police and custodial facilities, rail infrastructure and rolling stock, transport concessions, showgrounds and a road tunnel or which are operating transport concessions; and
- contractual structures that generally provide for the majority of construction and operational project risks to be “passed down” by the Project Entity to subcontractors subject to pre-defined liability caps.

THE INVESTMENT ADVISER AND THE OPERATOR

Amber carries out investment management and advisory functions for the Group, through its wholly-owned subsidiary AFML. The Amber Infrastructure Team includes those responsible for the creation of the Company in 2006, and has provided services to the Company and the Group since then, having originated, developed, provided financial advisory and/or management services in respect of substantially all investments in the Existing Portfolio and the Pipeline Investments.

BORROWING POLICY

The Company may from time to time make prudent use of leverage. The Group’s outstanding borrowings, including financial guarantees to support outstanding subscription obligations are limited to 50 per cent. of the Gross Asset Value of its investments and cash balances, with the Group having the ability to borrow in aggregate up to 66 per cent. of the Gross Asset Value on a short term (i.e. less than 365 day) basis if considered appropriate.

For this purpose, outstanding borrowings exclude intra-group borrowings and debts of the Group’s underlying investments.

DISCOUNT MANAGEMENT

To assist in the narrowing of any discount to the NAV at which the Ordinary Shares may trade from time to time, the Company may, at the sole discretion of the Directors, make market purchases of up to 14.99 per cent. per annum of its issued Ordinary Shares.

FEES AND EXPENSES

AFML is entitled to: (a) a Base Fee equal to 1.2 per cent. per annum of the Gross Asset Value of the Investment Portfolio; and (b) an Incentive Fee in respect of each Incentive Period equal to 20 per cent. of the excess (if any) of the Ordinary Share Return over the Benchmark Return in the relevant Incentive Period. Up to 60 per cent. of the Incentive Fee may be paid in the form of Ordinary Shares. This Prospectus relates not only to the New Shares to be issued pursuant to the Issue, but also to any Ordinary Shares issued to AFML under the Incentive Fee arrangements during the period of 12 months from the date of this Prospectus.

The Group will pay certain Operator overhead expenses and its own ongoing operating expenses including administration, registrar, and general transactional fees and expenses.

Under the investment advisory arrangements, where AFML undertakes financial advisory services to the Group in relation to acquisitions and financings and capital raisings, additional fees will be payable to AFML. In some cases Amber group companies also receive fees for providing asset level management services to Project Entities.

RISK FACTORS

Typical investors in the Company are expected to be institutional and sophisticated investors and private clients. Investors should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser before making an investment in the Company.

Risk factors affecting the Company and the New Shares include, but are not limited to, the following.

- There is no guarantee that the Company will achieve its investment objectives. An investment in the New Shares is only suitable for investors with sufficient resources to be able to bear losses that may arise from that investment (such losses may be equal to the whole amount invested). In particular, there is no guarantee that any Pipeline Investments will be acquired and if they are the capital values may differ from those indicated herein.
- Project Agreements for infrastructure projects may be terminated in certain circumstances and there may be no compensation on termination or the compensation received may be insufficient to repay the acquisition cost of Investment Capital invested in the Project Entity.
- Infrastructure projects rely on large and detailed financial models. Errors in the assumptions or methodology used in the financial models may mean that the investment return from a Project Entity or investment will be less than expected. Returns may also be affected negatively as well as positively by, *inter alia*, inflation, lifecycle replacement costs and deposit interest rates where these differ from those assumed in the models.
- Financial models for Project Entities are typically based on the fact that construction and other risks of operating the relevant concessions are substantially assumed by subcontractors. The Project Entities may be exposed to increased cost or other liability where this does not happen, for example due to the operation of contractual liability caps, contractor default or insolvency or defective contractual provisions.
- PFI and PPP are not the only means of funding infrastructure projects. The use of such funding mechanisms in future may decrease. If there is such a policy change Public Sector Clients may seek to terminate existing PFI and PPP type projects, although without other contractual justification this would lead to compensation.
- Any change in law or regulation (including any change in tax rates or practice) or change in tax status of the Group or any Project Entity may adversely affect investment returns of the Group and the liquidity of Shares. Prospective investors should refer to information on proposed changes to the Guernsey corporate tax regime set out in Part VII of this document.
- Not all the Group's investments will be into Project Entities. Angel Trains and BeNEX in the Existing Portfolio represent investments into operating businesses. These types of investments may incur additional risks (including but not limited to the self provision of operating services and demand risk).
- The valuation of the Group's portfolio and the Company's ability to meet targets may be adversely affected in certain circumstances by changes in inflation and government bond rates.
- Shareholders who do not acquire New Shares in the Issue in proportion to their existing shareholding in the Company will experience dilution in their ownership of the Company. Shareholders outside the UK may not be able to participate in the Open Offer.

Risk Factors

Investment in the Company carries a degree of risk including the risks in relation to the Company and the New Shares referred to below. The risks referred to below are risks which are considered to be material but are not the only risks relating to the Company and the New Shares. There may be additional material risks that the Company and the Directors do not currently consider to be material or of which the Company and the Directors are not currently aware. Potential investors should review this document carefully and in its entirety and consult with their professional advisers before acquiring any New Shares. If any of the risks referred to in this document were to occur, the financial position and prospects of the Company could be materially adversely affected. If that were to occur, the trading price of the New Shares and/or their Net Asset Value and/or the level of dividends or distributions (if any) received from the New Shares could decline significantly and investors could lose all or part of their investment.

A. INTRODUCTION

An investment in the Company is suitable only for investors: who are capable of evaluating the risks and merits of such investment; who understand the potential risk of capital loss and that there may be limited liquidity in the underlying investments of the Company; for whom an investment in the New Shares constitutes part of a diversified investment portfolio; who fully understand and are willing to assume the risks involved in investing in the Company; and who have sufficient resources to bear any loss (which may be equal to the amount invested) which might result from such investment. Typical investors in the Company are expected to be institutional and sophisticated investors and private clients. Investors should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser before making an investment in the Company.

The New Shares are designed to be held over the long-term and may not be suitable as short-term investments. There is no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investment.

The New Shares may trade at a discount to Net Asset Value per Share for a variety of reasons, including market or economic conditions or to the extent investors undervalue the activities of the Investment Adviser, in which event the Shareholders may not be able to realise their investment in the New Shares at the Net Asset Value per Share. While the Directors intend to pursue a proactive policy in seeking to mitigate any discount to Net Asset Value per Share, there can be no guarantee that this strategy will be successful in effecting a reduction in any discount.

Any investment objectives of the Company are targets only and should not be treated as assurances or guarantees of performance.

B. RISKS ASSOCIATED WITH THE EXISTING PORTFOLIO AND FURTHER INVESTMENTS

The Existing Portfolio consists of direct and indirect interests in Investment Capital in:

- fourteen projects developed under the PFI programme of the UK government;
- twenty-one projects developed under the NHS LIFT programme;
- seven projects developed under the PPP programmes of various states within Australia;
- two projects, one each developed under the PPP programmes of Alberta and Ontario in Canada;
- four other PPP projects, one each developed in Belgium, France, Ireland and Italy; and
- investments in Angel Trains and BeNEX.

The Group also intends to make Further Investments.

Specific risk factors apply to investment in the Existing Portfolio and to Further Investments that the Group intends to make as detailed below.

Size of Major Holdings

The value of some of the investments in the Existing Portfolio is significantly greater than others. For example, as at 30 June 2009, 55.3 per cent. of the value of the Existing Portfolio is comprised of investments in the Project Entities responsible for five projects and in investments in Angel Trains and BeNEX. If any circumstances arose which materially affected the returns generated by any of those Project Entities or investments (or any other significant part of the Existing Portfolio), the effect on the Group's ability to meet its investment objectives could be material.

Further Acquisitions

The Group intends to acquire Further Investments, although there is no guarantee that any such acquisitions will occur. There are currently no acquisition agreements in place between the Group and the owners of Further Investments and there is no guarantee that any such acquisition agreements will be entered into.

Limits on Vendors' Liabilities

Under agreements for asset acquisition, the vendors have typically provided or will typically provide various warranties for the benefit of the Group in relation to the relevant acquisition. Such warranties however are generally limited in scope, subject to time limitations, materiality thresholds and a liability cap. To the extent that any loss suffered by the Group is not covered by warranties, arises outside of such limitations or exceeds such cap, such loss will be borne by the Group.

Termination of Project Agreements

Typically with respect to PFI/PPP projects, both the Project Entity and the Public Sector Client have the right to terminate a Project Agreement in certain defined circumstances. The compensation (if any) to which the Project Entity will be entitled on termination will depend on the reason for termination and the terms of the Project Agreement. There may be no compensation in some cases. In some cases the compensation payable may only cover the senior debt in the Project Entity and may not include amounts to repay Investment Capital, or may only cover the nominal value of Investment Capital in the Project Entity. In other cases (including termination for force majeure), the amount of compensation payable (if any) may cover neither the full amount of senior debt secured on that Project Entity nor the nominal value of the Investment Capital invested in the Project Entity (nor any amount paid in the market for that Investment Capital). For these purposes, senior debt can be taken to include the costs (or gains) arising from breaking any interest rate hedging arrangements. Typically, senior lenders will have security over any compensation proceeds. In other termination circumstances such as Public Sector Client default or voluntary termination by the Public Sector Client, any compensation may cover senior debt and the return of some Investment Capital, but not necessarily the amounts paid for the acquisition of the Investment Capital by the Group.

For the majority of NHS LIFT projects, there are no provisions under the Project Agreement providing for compensation to be paid to the Project Entity in a termination scenario. This is due to the fact that the Project Entity owns the building and the land on which it is built and is therefore left with an asset which it can use, develop or dispose of following termination of the Project Agreement, subject to the terms of any security over the asset, title issues, other third party lettings affecting the site and the Public Sector Clients' rights to purchase the site under certain circumstances. For the other NHS LIFT projects, where the Project Entity does not own the building, there are provisions under the Project Agreement providing for compensation.

Financial Modelling

Infrastructure projects rely on large and detailed financial models. There is a risk that errors may be made in the assumptions or methodology used in a financial model. In such circumstances the returns generated by the Project Entity may be less than expected.

Targeted Returns of Project Entities

The Group will make investments based on estimates or projections of investment cash flows. There can be no assurance that the actual investment cash flows will equal or exceed those expected and that the stated targeted return to Shareholders will be achieved.

Inflation/Deflation

The revenues and expenditure of Project Entities developed under PFI/PPP are frequently partly or wholly subject to indexation. From a financial modelling perspective, an assumption is usually made that inflation will increase at a long-term rate (which may vary depending on country and from time to time). The effect on investment returns if inflation overshoots or undershoots the original projections for this long-term rate is dependent on the nature of the underlying project earnings and any unitary charge indexation provisions agreed with the Public Sector Client on any project. The Company's ability to meet targets and its objective may be adversely or positively affected by inflation and/or deflation. An investment in the Company cannot be expected to provide protection from the effects of inflation or deflation.

Risk Free Rates

The valuation of the Group's portfolio and of individual Project Entities is likely to be affected by movements in the rates of interest payable or of government bonds in the countries where the Group has investments.

Sufficiency of Due Diligence

Whilst the Investment Adviser undertakes an in-depth due diligence exercise in connection with the purchase of the Group's investments as detailed in Part V of this document, this may not reveal all facts that may be relevant in connection with an investment and could materially overvalue an acquisition. As the Investment Adviser, in its capacity as Operator of the Partnership, acts as discretionary investment manager of the Group's investments, the Directors will not necessarily review any such due diligence in detail although the activities of the Investment Adviser are subject to overall supervision of and monitoring by the Directors.

Control

Past and future infrastructure investments will be in Project Entities that the Group does not always control. The contractual documentation may include concession, finance and shareholder agreements and may contain certain minority restrictions and protections that may impact on the ability of the Group and the Operator to have control over the underlying investments.

Benchmarking/Market Testing

A Project Agreement for accommodation-based PFI/PPP projects with availability-based payment streams will often contain benchmarking and/or market-testing regimes in respect of the cost of providing certain services, which operate periodically, typically every five years. These mechanisms may expose the Project Entity to the potential losses or gains arising from changes in some of its costs relative to the charges that it is then entitled to receive from the Public Sector Client as a result of the benchmarking/market-testing regimes.

Life Cycle Costs

During the life of an investment, components of the project assets or building (such as elevators, roofs and air handling plant in a building, or parts in a rail vehicle) will need (inter alia) to be replaced or undergo a major refurbishment. The timing of such replacements or refurbishments is forecast based upon manufacturers' data and warranties and specialist advisers are usually retained by the Project Entities to assist in such forecasting of lifecycle timings and costs. However, shorter than anticipated asset lifespans or costs or inflation higher than forecast may result in life cycle costs being more than anticipated. Any cost implication, not otherwise passed down to subcontractors, will generally be borne by the affected Project Entities.

Insurance

A Project Entity will usually be responsible under its Project Agreement for maintaining insurance cover for, amongst other things, buildings, other capital assets, contents and third party risks (for example arising from damage to property). Typically, the Project Entity takes the risk that the cost of maintaining the insurance may be greater than expected and that in some circumstances it may not be able to obtain the necessary insurance. Where insurance is not obtainable, in the case of PFI/PPP projects, the Project Agreement usually provides that the Public Sector Client may, in certain circumstances, arrange to insure the relevant risks itself. If a risk then subsequently occurs, the Public Sector Client can typically choose whether to let the Project Agreement continue, and pay to the Project Entity an amount equal to the insurance proceeds which would have been payable had the insurance been available (excluding in certain cases amounts which would have been payable in respect of Investment Capital), or terminate the Project Agreement and pay compensation on the basis of termination for force majeure (see above under "Termination of Project Agreements"). Certain risks may be uninsurable in the insurance market or subject to exclusions of general events (e.g. the effect of war) and in such cases the risks of such events will rest with the Project Entity. In the case of NHS LIFT projects, where insurance is unavailable, the Project Entity is obliged to liaise with the relevant Strategic Partnering Board as to whether or not the Project Agreement should be terminated.

Change in Accounting Standards, Tax Law and Practice

Financing structures of Project Entities are based on assumptions regarding prevailing taxation law and practice and accounting standards. Any change in a Project Entity's tax status or in tax legislation or practice (including in relation to taxation rates) or in accounting standards could adversely affect the investment return of the Project Entity. If returns from Investment Capital reach a high level, there is also a risk that governments may seek to recoup returns that they deem to be excessive either on individual projects or more generally.

In particular, prospective investors should refer to the information on the proposed changes to the corporate tax regime in Guernsey as set out in Part VII of this document.

Change in Law

A Project Entity may incur increased costs or losses as a result of changes in law or regulation. Change of laws may affect any explicit or implicit government support provided to projects.

Change in Policy

PFI and PPP are not the only means of funding public infrastructure projects and the use of such funding mechanisms in future may decrease. If there is such a change in policy in any relevant jurisdiction there is a risk that Public Sector Clients may seek to terminate existing PFI and PPP type projects where contractual provisions allow this. While such contractual termination should lead to compensation being payable it might not be sufficient to cover the amounts invested in, or paid for the acquisition of, the Investment Capital by the Group.

Regulatory Risk

The economic viability of a Project Entity may depend on regulatory conditions in a particular jurisdiction. Changes in these conditions may adversely affect the financial performance of the Project Entity, which in turn may affect the returns the Group receives from such investments. Where a Project Entity holds a concession or lease from the Government, the concession or lease may restrict the Project Entity's ability to operate the business in a way that maximises cash flows and profitability. The lease or concession may also contain clauses more favourable to the Government counterparty than a typical commercial contract.

Exceeded Liability Limits

Where Project Entities have entered into subcontracts, the subcontractors' liabilities to a Project Entity for the risks they have assumed will typically be subject to financial caps and it is possible that these caps may be exceeded in certain circumstances. Any loss or expense in excess of such a cap would be borne by the Project Entity unless covered by the Project Entity's insurance.

Building Defects

Project Entities typically subcontract design and construction activities in respect of projects. The subcontractors responsible for the construction of a project asset will normally retain liability in respect of design and construction defects in the asset for a statutory period

(which varies between countries) following the construction of the asset, subject to liability caps. The Project Entity will not normally have recourse to any third party for any defects which arise after the expiry of these limitation periods.

Environmental Liabilities

To the extent there are environmental liabilities arising in future in relation to any sites owned or used by a Project Entity, including, but not limited to, clean-up and remediation liabilities, such Project Entity may, subject to its contractual arrangements, be required to contribute financially towards any such liabilities, and the level of such contribution may not be restricted by the value of the sites or by of the value of the Group's total investment in the Project Entity.

Carbon Reduction Commitment Energy Efficiency Scheme

If a Project Entity is responsible for energy supply in relation to the facilities it provides then, subject to certain thresholds, it may be required to comply with the Carbon Reduction Commitment Energy Efficiency Scheme which is to be introduced in the UK from 2011. The Group may also fall within the scheme as a result of rules requiring the aggregation by a holding company of energy use by subsidiaries. Compliance with the scheme will entail additional administration costs and may result in increased costs through the purchase of allowances. Protection in respect of these costs is unlikely to be available under project change of law provisions and the obligation may not be passed down to subcontractors, although such pass downs are typically made to the relevant subcontractor.

Subcontractor Service Failures

If a subcontractor to a Project Entity fails to perform the services which it has agreed to provide, the Project Entity may fail to meet the service standards it has agreed with its Public Sector Client and there may be a reduction in the payments that the Project Entity is entitled to receive, and/or claims by the Public Sector Client for damages. These reductions and/or claims are typically passed on to the relevant subcontractor, subject to any contractual liability caps.

If there is a subcontractor service failure and the relevant subcontractor or its guarantors or insurers fail to meet their obligations in respect of the liabilities that have been passed on to them then, to the extent the liability cannot be set off against service fees, the Project Entity will not be compensated for any reductions in payments and/or claims made by the Public Sector Client which it suffers as a result of the subcontractor's service failure. Ultimately such service failure could lead to termination of a Project Agreement with or without compensation.

Reliance on Subcontractors

In some instances in respect of the Existing Portfolio, a single subcontractor is responsible for providing services to various Project Entities in which the Group invests. In such instances, the default or insolvency of such single subcontractor could adversely affect a number of the Group's investments. Similar roles may apply with respect to default, impairment or insolvency relating to financial counterparties, such as banks, insurance companies and monoline insurers.

The Group may acquire Further Investments including established portfolios of investments in Project Entities. Those Project Entities may already have appointed subcontractors for the duration of their concessions. Although the Group will aim to avoid an excessive reliance on any single subcontractor, and will have regard to this concern when making Further Investments, there may be some degree of risk in this respect in relation to the Existing Portfolio or across the Group's future expanded total portfolio.

Termination of Subcontractors

If there is a subcontractor service failure which is sufficiently serious to cause a Project Entity to terminate a subcontract, or an insolvency in respect of a subcontractor, or the Public Sector Client requires the Project Entity to terminate a sub contract in such event, there may be a loss of revenue during the time taken to find a replacement subcontractor and the replacement subcontractor may levy a surcharge to assume the subcontract or charge more to provide the services. There will also be costs associated with the re-tender process. These may not be recoverable from the defaulting subcontractor.

Defects in Contractual Arrangements

The contractual arrangements made by a Project Entity may not be as effective in passing on risks to its subcontractors as intended and this may result in unexpected costs or a reduction in expected revenues for the Project Entity. Certain provisions in sub-contracts intended to pass risk could be ineffective.

Public Sector Client Default

The concessions granted to Project Entities comprised within the Existing Portfolio are predominantly granted by a variety of Public Sector Clients including but not limited to central government departments, local and state governments and statutory corporations. Although the creditworthiness and power of each such body to enter into Project Agreements has been considered on a case-by-case basis, the possibility of a default remains. It is not certain that central government will in all cases assume liability for the obligations of local and state governments and statutory corporations in the absence of a specific guarantee, or that central governments will themselves not default on their obligations.

Covenants for Senior Debt

The covenants provided by a Project Entity or other investment entity of the Group (e.g. Angel Trains or BeNEX) in connection with its senior debt are normally extensive and detailed. If certain covenants are breached, payments on Investment Capital are liable to be suspended. Additionally if an event of default occurs the senior lenders may become entitled to “step-in” and take responsibility for, or appoint a third party to take responsibility for, the Project Entity’s rights and obligations under the Project Agreement or the investment entity’s operations (as applicable), although the senior lenders will have no recourse against the Company in such circumstances. In addition, in such circumstances the senior lenders will typically be entitled to enforce their security over Investment Capital in the Project Entity or other investment entity or over its assets and to sell the Project Entity or other investment entity or its assets to a third party. The consideration for any such sale is unlikely to result in any payment in respect of the Group’s investment in the Project Entity or other investment entity. This risk factor applies to each Project Entity or other investment entity with senior debt, whether the Group has a controlling interest in such Project Entity or other investment entity or not. However, the consequences of such breach of covenant in relation to any one Project Entity or other investment entity are limited to that particular Project Entity or other investment entity and do not affect the rest of the Group save in respect of potential suspension of payments of Investment Capital as described above, and the Group mitigates any such risk by having a spread of investments across its Investment Portfolio.

Operational Risk

A number of Project Entities within the Existing Portfolio involve the provision of services. The contractual or other arrangements for the provision of these services may not be as effective as intended and/or may result in unexpected costs or a reduction in expected revenues for the Project Entity. Where responsibility for the provision of services is subcontracted, recourse against the subcontractor will be subject to liability caps and may be subject to default or insolvency on the part of the contractor.

Construction Risk

A number of the Project Entities within the Existing Portfolio remain in the construction phases of their concessions and are not yet cash generative. The Group may acquire further interests in Project Entities which are similarly in the construction phases of their concessions. Where delay is caused which is attributable to the contractor, the contractual arrangements made by a Project Entity may not be as effective as intended and/or contractual liabilities on the part of the Project Entities may result in unexpected costs or a reduction in expected revenues for the Project Entity and recourse against the contractor will be subject to liability caps and may be subject to default or insolvency on the part of the contractor.

Industrial Relations Risk

Industrial action involving a subcontractor to a Project Entity may result in unexpected costs or a reduction in expected revenues for the Project Entity.

Demand Risk

One of the Project Entities within the Existing Portfolio (RiverCity Motorway) is reliant on revenues receivable from users and thus is exposed to full demand risk. Another Project Entity within the Existing Portfolio (Diabolo) is partially impacted by revenues receivable from users and is thus exposed to partial demand risk. There is a risk that, upon construction completion and the opening of these assets for use by users, demand and revenues fall below the current projections and this may result in a reduction in expected revenues for these Project Entities. Other Project Entities (including those operating “availability-based” projects where the bulk of payments are based on making the facilities available for use and do not depend substantially on the demand for or use of the project) may depend in part on additional revenue from ancillary activities, for example letting of school accommodation for out of hours use. The amount of additional revenue received from any such activities may be variable and less than projected.

The Group may make additional investments in Project Entities which have “demand-based” concessions where the payments received by the Project Entities depend on the level of use made of the project assets. There is a risk that the level of use of the project assets and therefore the returns from such Project Entities will be lower than expected. Investments made by the Group other than into Project Entities (such as Angel Trains and BeNEX) may also be subject to an element of demand risk.

Insurance Mediation Directive

There is a risk that Project Entities involved in UK PFI/PPP projects could be deemed to carry out activities described as insurance mediation. If this were the case, a Project Entity could find itself open to criminal prosecution if it arranged insurance on behalf of other parties in a project without obtaining authorisation from the FSA.

The FSA has issued guidance which suggests that authorisation is not required. The guidance states that the need for authorisation will only arise if the Project Entity is carrying on insurance mediation by way of business on behalf of third parties for remuneration and that a Project Entity that takes on contractual obligations in relation to the arranging of insurance on behalf of other parties involved in a project will not be regarded as providing insurance mediation services to third parties for remuneration.

The guidance only covers typical UK PFI/PPP projects (that is a project involving the provision of works and/or services by one party to another governed by a long-term project agreement and having certain types of insurance related provisions) and is not binding on the FSA. The FSA notes in its guidance that the interpretation of relevant legislation is “ultimately a matter for the courts to determine”.

Untested Nature of Long-term Operational Environment

Given the long-term nature of infrastructure concession contracts, and the fact that infrastructure is a relatively new investment class, there is as yet no experience of long-term operational problems that may arise in the future and which may affect infrastructure projects and Project Entities and therefore the Group's investment returns.

Corrupt Gifts

Typically the Public Sector Client will have the right to terminate the Project Agreement where the Project Entity or a shareholder or subcontractor (or one of their employees) has committed bribery, corruption or other fraudulent act in connection with the Project Agreement. Most Investment Capital will not be compensated in these circumstances.

Market Value of Investments

Returns from the Group's investments will be affected by the price at which they are acquired. The value of these investments will be (amongst other risk factors) a function of the discounted value of their expected future cash flows, and as such will vary with, inter alia, movements in interest rates and the competition for such assets. Where the Company publishes its Net Asset Value such value will be the Company's estimation of the Company's Net Asset Value from time to time but that value may not have been independently appraised and should not be assumed to represent the value at which the Group's portfolio could be sold in the market or that the assets of the Company and/or Group are saleable readily or otherwise.

Investment in Companies

Not all of the investments made by the Group will necessarily be into Project Entities. In the Existing Portfolio investments in Angel Trains and BeNEX both represent (directly or indirectly) investments into operating businesses (albeit with a public sector infrastructure character) and as such these investments (and any future investments of a similar type) may incur additional risks (including but not limited to the self provision of operating services and demand risk). Furthermore, such investments involve agreements with Private Sector Clients. Although the Group carries out all prudent due diligence on the good standing and financial resources of each client, there is generally an increased risk of default by Private Sector Clients when compared to Public Sector Clients.

Liquidity of Investments

The majority of investments made by the Group will comprise unquoted interests in Project Entities which are not publicly traded or freely marketable and a sale may require the consent of other interested parties. Such investments may therefore be difficult to value and realise. Such realisations may involve significant time and cost.

Risk of Limited Diversification

Other than some holdings in cash or cash equivalents, near cash instruments, money market instruments and money market funds, cash funds and hedging instruments, the Group will invest exclusively in infrastructure-related investments and will therefore bear the risk of investing in only one asset class.

Counterparty Risk

Investments made by the Group depend on the timely and accurate performance of obligations by contractual counterparties. Although the Group will take reasonable steps to conduct adequate due diligence in respect of such counterparties, such counterparties may fail to perform their obligations in the manner anticipated by the Group. This may result in unexpected costs or a reduction in expected revenues for the Group.

Train Re-leasing Risk

Angel Trains and BeNEX each provide rolling stock to various train operating companies under long-term lease arrangements. Although certain elements of the revenue generated by Angel Trains benefit from undertakings given by the UK Department for Transport under section 54 of the Transport Act 1993 which provide Angel Trains with guaranteed minimum lease rentals for periods exceeding the first lease length (therefore mitigating the re-lease risk), not all of Angel Trains' lease arrangements benefit from such undertakings and therefore, Angel Trains on the expiry of such lease arrangements and BeNEX will have some exposure to the risk of being unable to re-lease rolling stock or re-leasing on less favourable terms.

Subordinated Debt

The Existing Portfolio includes interests in subordinated debt issued in respect of various NHS LIFT projects (described in Part III of this document) without any accompanying shareholding interest in the relevant schemes. Further Investments may include subordinated debt in both NHS LIFT and other projects. Such subordinated debt, while secured, ranks behind the interests of senior debt issued in respect of such projects. In the event of any default in payment in respect of the senior debt the Group's ability to (amongst other things) enforce payment will be prejudiced by the terms of the priority arrangements applicable between it and the senior lenders.

Residual Value

In some projects, the land and/or buildings remain in the ownership of the Project Entity at the end of the concession period. There can be no assurance that actual residual values will equal or exceed those expected or projected at the end of the concession period.

Non-Public Sector Client Revenues

In some Project Agreements, the projected income of the Project Entities assumes a level of third party or non-Public Sector Client revenues from use of the project's facilities. There can be no assurance that actual third party revenues will equal or exceed those expected and projected.

Geographical and Political Considerations

The Group may make investments in countries outside the UK, Australia, Belgium, Canada, France, Germany, Ireland and Italy. Different laws will apply in such countries and investments in such countries may be affected by change in law, political climate, economic factors, tax regimes or by other changes that cannot be easily foreseen.

Ability to Finance Further Investments

To the extent that it does not have cash reserves pending investment, the Group will need to finance Further Investments either by borrowing or issuing further Shares. Although the Group expects to be able to borrow on reasonable terms and that there will be a market for further Shares, there can be no guarantee that this will always be the case.

C. GENERAL RISKS ASSOCIATED WITH INVESTING IN THE COMPANY

No Guarantee of Return

A prospective investor should be aware that the value of an investment in the Company is subject to normal market fluctuations and other risks inherent in investing in securities. There is no assurance that any appreciation in the value of the Ordinary Shares will occur or that the investment objectives of the Company will be achieved. The value of investments and the income derived therefrom may fall as well as rise and investors may not recoup the original amount invested in the Company.

In particular, prospective investors should be aware that the periodic distributions made to Shareholders will comprise amounts periodically received by the Group in repayment of, or being distributions on, its Investment Capital in Project Entities and other investment entities including distributions of operating receipts of investment entities. Although it is envisaged that receipts from Project Entities over the life of their concessions will generally be sufficient to fund such periodic distributions while preserving the value of the Group's original investments in the Project Entities or other investment entities over the long-term, this cannot be guaranteed.

The Company's targeted returns for the Ordinary Shares are based on assumptions which the Directors consider reasonable. However, there is no assurance that all or any assumptions will be justified, and the Company's return may be correspondingly reduced. In particular, there is no assurance that the Company will achieve its distribution and IRR targets.

Ordinary Shares

The value of the Ordinary Shares and income derived from them (if any) can go down as well as up. Notwithstanding the existence of the share buyback powers as described in Part I of this document, there is no guarantee that the market price of the Ordinary Shares will fully reflect their underlying Net Asset Value. In the event of a winding-up of the Company, Shareholders will rank behind any creditors of the Company and, therefore, any positive return for Shareholders will depend on the Company's assets being sufficient to meet the prior entitlements of any creditors.

Dilution in Ownership and Voting Interest in the Company

If a Qualifying Shareholder does not subscribe under the Issue for such number of New Shares as is equal to his or her proportionate ownership of Existing Ordinary Shares, his or her proportionate ownership and voting interests in the Company will be reduced and the percentage that his or her Ordinary Shares will represent of the total share capital of the Company will be reduced accordingly. Those Shareholders in the United States and the Excluded Territories, subject to certain exceptions, will not be able to participate in the Open Offer. Shareholders outside the United Kingdom may not be able to acquire New Shares pursuant to the Issue or for future issues of Ordinary Shares. Securities laws of certain jurisdictions may restrict the Company's ability to allow participation by Shareholders in the Issue. In particular, holders of Ordinary Shares who are located in the United States may not be able to exercise any pre-emption rights unless a registration statement under the Securities Act is effective with respect to such rights or an exemption from the registration requirements is available thereunder. The Issue will not be registered under the Securities Act. Securities laws of certain other jurisdictions may restrict the Company's ability to allow participation by Shareholders in such jurisdictions in any future issue of shares carried out by the Company. Qualifying Shareholders who have a registered address in, or who are resident in or who are citizens of, countries other than the United Kingdom should consult their professional advisers as to whether they require any governmental or other consents or need to observe any other formalities to acquire New Shares.

Past Performance

The past performance of the Company and other investments managed and monitored by Amber, its predecessors, the Amber Infrastructure Team or their respective associates is not a reliable indication of the future performance of the investments held by the Group.

Fund Management

The success of the Group will depend on the skill and expertise of the Infrastructure Team in identifying, selecting and developing appropriate investments. There is no guarantee that suitable Further Investments will be available following Admission or that any investment will be successful. Competition for investment opportunities may result in increased purchase prices.

There is also no certainty that significant members of the Infrastructure Team will continue to be part of the Infrastructure Team or that Amber will continue as the Investment Adviser and/or Operator throughout the life of the Company.

Conflicts of Interest

The Investment Adviser/Operator, the General Partner, the Administrator, the Placing Agent, any of their directors, officers, employees, agents and connected persons and the Directors and any person or company with whom they are affiliated or by whom they are employed may be involved in other financial, investment or other professional activities which may cause potential conflicts of interest with members of the Group and their investments. In particular, these parties may provide services similar to those provided to the Group to other entities and will not be liable to account for any profit earned from any such services.

The Investment Adviser and its directors, officers, employees and agents and the Directors will at all times have due regard to their duties owed to members of the Group and where a conflict arises they will endeavour to ensure that it is resolved fairly.

Non-involvement in Management and Operational Decisions

Investors will have no opportunity to control or participate in the day-to-day operations, including investment and disposal decisions, of the Group.

Liquidity

Although the New Shares are to be listed on the Official List and admitted to trading on the main market of the London Stock Exchange and will be freely transferable, the ability of Shareholders to sell their New Shares in the market, and the price which they may receive, will depend on market conditions. The New Shares may trade at a discount to their respective Net Asset Values and it may be difficult for a Shareholder to dispose of all or part of his New Shares at any particular time.

The Company has the ability to make tender offers for Ordinary Shares and to make market purchases of Ordinary Shares from Shareholders. Any such tender offers will be made entirely at the discretion of the Directors and will be subject to prior Shareholder approval. Any market purchases of Ordinary Shares will be made entirely at the discretion of the Directors. As such, Shareholders will not have any ability to require the Company to make any tender offers for, or market purchases of, all or any part of their Shares.

Exculpation and Indemnification

The structure through which the Group makes investments includes an English limited partnership. Certain provisions contained in the Limited Partnership Agreement and the Operating Agreement may limit the liability of the General Partner and the Operator. The Group is also responsible for indemnifying the General Partner and the Operator (and their employees and agents) for any losses or damage incurred by them except for losses incurred as a result of their fraud, gross negligence or wilful default.

Currency Risk

If an investor's currency of reference is not GBP, currency fluctuations between the investor's currency of reference and the base currency of the Company may adversely affect the value of an investment in the Company.

A proportion of the Group's investments will be denominated in currencies other than GBP. The Company will maintain its accounts and intends to pay distributions in GBP. Accordingly, fluctuations in exchange rates between GBP and the relevant local currencies and the costs of conversion and exchange control regulations will directly affect the value of the Group's investments and the ultimate rate of return realised by investors. Whilst the Group may enter into hedging arrangements to mitigate this risk to some extent, there can be no assurance that such arrangements will be entered into or that they will be sufficient to cover such risk.

Interest Rate Risks

Changes in interest rates may adversely affect the Group's investments. Changes in the general level of interest rates can affect the Group's profitability by affecting the spread between, amongst other things, the income on its assets and the expense of its interest-bearing liabilities, the value of its interest-earning assets and its ability to realise gains from the sale of assets should this be desirable. Changes in interest rates may also affect the valuation of the Group's assets. Interest rates are highly sensitive to many factors, including governmental, monetary and tax policies, domestic and international economic and political considerations, fiscal deficits, trade surpluses or deficits, regulatory requirements and other factors beyond the control of the Group.

The Group may finance its activities with either fixed and/or floating rate debt. With respect to any floating rate debt, the Group's performance may be affected adversely if it fails to or chooses not to limit the effects of changes in interest rates on its operations by

employing an effective hedging strategy, including engaging in interest rate swaps, caps, floors or other interest rate contracts, or buying and selling interest rate futures or options on such futures. There can however be no assurance that such arrangements will be entered into or that they will be sufficient to cover such risk.

Three Project Entities have issued bonds which are insured by monoline insurers to finance their activities, of which one may be impacted by any downgrade in the rating of the monoline insurer. The Group's future investments may be in Project Entities also financed by bonds which are insured by monoline insurers. Any downgrade in the rating of a monoline insurer may have a negative valuation impact and potential performance impact on those Project Entities where such monoline insurer is involved, as well as potentially causing a margin increase on the related senior debt.

Hedging Risk

Should the Group elect to enter into hedging arrangements to protect against inflation risk, currency risk and/or interest rate risk (and it will be under no obligation to do so), the use of instruments to hedge a portfolio carries certain risks, including the risk that losses on a hedge position will reduce the Group's earnings and funds available for distribution to investors and that such losses may exceed the amount invested in such hedging instruments. There is no perfect hedge for any investment, and a hedge may not perform its intended purpose of offsetting losses on an investment and, in certain circumstances, could increase such losses. The Group may also be exposed to the risk that the counterparties with which the Group trades may cease making markets and quoting prices in such instruments, which may render the Group unable to enter into an offsetting transaction with respect to an open position.

Although the Group will select the counterparties with which it enters into hedging arrangements with due skill and care, there will be residual risk that the counterparty may default on its obligations.

Leverage

The Group has the ability to use leverage in the financing of its investments. The use of leverage increases the exposure of investments to adverse economic factors such as rising interest rates, severe economic downturns or deteriorations in the condition of an investment or its market.

It is possible that, in the period following 12 months from the date of this document, the Group may not be able to refinance borrowing which becomes repayable during the life of the Group, in which case the performance of the Group may be adversely affected as the Group may be required to seek alternative sources of financing which may not be on as favourable terms. These future borrowings of the Group may be secured on the assets of the Group and a failure to fulfil obligations under any related financing documents may permit lenders to demand early repayment of the loan and to realise their security.

Failure to Restructure

If the Group makes an investment with the intention of restructuring, refinancing or selling a portion of the capital structure thereof, there is a risk that the Group will be unable to complete successfully such a restructuring, refinancing or sale. Any such failure could lead to increased risk and cost to the Group and reduced returns.

Valuations

All investments owned by the Group will be valued in accordance with the Group's valuations policy and the resulting valuations will be used, among other things, for determining the basis on which any Ordinary Shares are bought back by the Company and additional capital raised.

Valuations of the assets of the Group as a whole may also reflect accruals for expected or contingent liabilities, the amount or incidence of which is inevitably uncertain. It follows that some unfairness may arise between departing, continuing and new investors. A valuation is only an estimate of value and is not a precise measure of realisable value. Ultimate realisation of the market value of an asset depends to a great extent on economic and other conditions beyond the control of the Group, and valuations do not necessarily represent the price at which an investment can be sold.

All valuations made by the Investment Adviser are made, in part, on valuation information provided by the Project Entities and other investment entities in which the Group has invested. Although the Investment Adviser evaluates all such information and data, it may not be in a position to confirm the completeness, genuineness or accuracy of such information or data. In addition, the financial reports, where not provided by AFML acting as asset manager in relation to the Project Entities, are typically provided by the Project Entities on a quarterly or half yearly basis and generally are issued one to four months after their respective valuation dates. Consequently, each half yearly Net Asset Value contains information that may be out of date and require updating and completing. Shareholders should bear in mind that the actual Net Asset Values may be materially different from these half yearly valuations and that the reported Net Asset Values of the Company are not required to be audited.

Recourse to the Company's Assets

The Company's assets, including any investments made by the Company and any funds held by the Company, are available to satisfy all liabilities and other obligations of the Company. If the Company becomes subject to a liability, parties seeking to have the liability

satisfied may have recourse to the Company's assets generally and may not be limited to any particular asset, such as the asset giving rise to the liability. To the extent that the Company chooses to use special purpose entities for individual transactions to reduce recourse risk (and it may, but will be under no obligation to do so), the bona fides of such entities may be subject to later challenge.

Global Economic Conditions

In 2008/2009 the global economic climate deteriorated and a number of economies witnessed unprecedented government intervention in an effort to try to stabilise the financial markets. It remains unclear whether (and, if so, to what extent) such intervention will be successful in achieving its objectives, and what the longer term effects of such intervention might be.

Due to the prevailing economic instability, the risks associated with an investment in the Company have increased in some cases, for example in relation to the risk of default by counterparties. In particular, the investment environment in which the Project Entities operate relies heavily on the availability of debt. There is uncertainty about the availability of this debt both in the short term and in the medium/long term. If the amount of debt available (at reasonable prices) is insufficient to sustain the PPP market and/or to enable the Company to borrow money to finance certain activities this will be likely to have a material adverse effect on the ability of the Company to execute its investment strategy and to achieve its objectives.

Foreign Investments

Laws and regulations of foreign countries may impose restrictions that would not exist in the UK. Investments in foreign entities have their own economic, political, social, cultural, business, industrial and labour environment and may require significant government approvals under corporate, securities, exchange control, foreign investment and other similar laws and may require financing and structuring alternatives that differ significantly from those customarily used in the UK. In addition, foreign governments may from time to time impose restrictions intended to prevent capital flight, which may, for example, involve punitive taxation (including high withholding taxes) on certain securities or transfers or the imposition of exchange controls, making it difficult or impossible to exchange or repatriate foreign currency. These and other restrictions may make it impracticable for the Company to distribute the amounts realised from such investments at all or may force the Company to distribute such amounts other than in GBP and therefore a portion of the distribution may be made in foreign securities or currency. It also may be difficult to obtain and enforce a judgment in a court outside of the UK.

The Company, through due diligence investigations, will analyse information with respect to political and economic environments and the particular legal and regulatory risks in foreign countries before making investments, but no assurance can be given that a given political or economic climate, or particular legal or regulatory risks, might not adversely affect an investment by the Group.

As a separate point, foreign governments may introduce new tax laws (e.g. transaction or industry specific taxes) which may change the tax profile of the relevant entity.

Force Majeure

The performance of the Group may be affected by reason of events such as war, civil war, riot or armed conflict, radioactive, chemical or biological contamination, pressure waves, environmental occurrences and acts of terrorism (see below for further information on terrorism) which are outside its control. The occurrence of such events may result in an asset of the Group being unavailable for use.

With respect to the Existing Portfolio and any Further Investments generally, if the force majeure event continues or is likely to continue to affect the performance of the services by the Project Entity for a long period of time (for example six months or longer) it is likely that both the Project Entity and the Public Sector Client will have the right to terminate the Project Agreement. In such circumstances, compensation (if any) would be unlikely to cover the amounts paid for the acquisition of the Investment Capital by the Group.

Risk of Terrorism

There is a risk that one or more of the Group's investments will be directly or indirectly affected by terrorist attack. Such an attack could have a variety of adverse consequences for the Group, including risks and costs related to the destruction of property owned or used by Project Entities in which the Group has invested, inability to use one or more such properties for their intended uses for an extended period, decline in income or property (and therefore investment) value, and injury or loss of life, as well as litigation related thereto. Such risks may not be insurable or may be insurable only at rates that the Group deems uneconomic.

More widely, terror attacks and ongoing military and related action in various parts of the world such as Iraq, Afghanistan, Iran, and elsewhere could have significant adverse effects on the world economy, securities, bond and infrastructure markets and the availability and cost of maintaining insurance.

Distributions

The amount of distributions and future distribution growth will depend on the Group's underlying Investment Portfolio. Any change or incorrect assumption in the tax treatment of dividends or interest or other receipts received by the Company (including as a result of withholding taxes or exchange controls imposed by jurisdictions in which the Group invests) may reduce the level of distributions

received by Shareholders. In particular, prospective investors should refer to the information on the proposed changes to the corporate tax regime in Guernsey as set out in Part VII of this document. In addition any change in the accounting policies, practices or guidelines relevant to the Group and its investments may reduce or delay the distributions received by investors. The Company's ability to pay dividends will be subject to the provisions of the Law.

To the extent that there are impairments to the value of the Group's investments that are recognised in the Company's income statement under IFRS, this may affect the profitability of the Company (or lead to losses) and affect the ability of the Company to pay dividends.

Draft Alternative Investment Fund Managers Directive

A draft European Directive on Alternative Investment Fund Managers (the "AIFM Directive") was recently published (and an amended draft followed shortly thereafter). In its current form, the draft AIFM Directive would restrict the marketing of non-EU alternative investment funds to investors in the EU. As a Guernsey incorporated investment company the Company is a non-EU fund and the final version of the AIFM Directive may impose restrictions on the marketing of the New Shares to investors in the EU, which in turn may have a negative effect on marketing and liquidity generally. The Directors propose to keep the position regarding the AIFM Directive under review, as it may impact the Company (as a Guernsey domiciled, non-EU fund). Furthermore, the Directors will take appropriate steps in the future (which may include a reconstruction of the Company in light of the final text of the AIFM Directive) and any future amendments to it.

Taxation

Investors should consider carefully the information given in Part VII of this document and should take professional advice about the consequences for them of investing in the Company.

The Group structure through which the Company makes investments, whilst designed to maximise post-tax returns to investors, is based on the current tax law and practice of the UK, Luxembourg, Guernsey, Australia, Belgium, Canada, France, Germany, Ireland and Italy. Such law or practice is subject to change, and any such change may reduce the net return to investors, and the Group may incur cost in taking steps to mitigate this effect. In particular, prospective investors should refer to the information on the possible changes to the corporate tax regime in Guernsey as set out in Part VII of this document.

To the extent that the Group's investments are outside the UK, it is possible that investors will be subject to some amount of foreign income, capital gains and/or withholding taxes with respect to such investments.

Leasing Companies

The Finance Act 2006 introduced complex new rules for identifying and taxing long funding leases for UK plant and machinery which apply with effect from 1 April 2006. The legislation potentially applies to PFI Project Entities if they account for projects as leases, either under UK GAAP or IFRS, although this is not expected commonly to be the case. In addition, to the extent that contracts were entered into and assets constructed before the new legislation took effect, there should be no impact. The measures are not expected to affect the Existing Portfolio.

Late Interest

For accounting periods beginning on or after 1 April 2009, to the extent that a UK resident Project Entity does not pay accrued interest on debt owed to parties that are resident in a non-qualifying territory within 12 months of the end of the accounting period in which the interest accrues, then in certain circumstances where there is a connection between the parties to the debt a UK tax deduction for such interest will be denied until such time as the interest is paid. This would have a negative effect on the cash flow expected from the Project Entity if it causes tax to be paid earlier than expected. The measures are not expected to affect the Existing Portfolio.

Worldwide Debt Cap

The Finance Act 2009 introduced complex new rules restricting the deductibility of UK interest costs with effect from 1 January 2010. The interest restriction potentially applies where the net debt within the Group's UK Portfolio exceeds 75 per cent. of the Group's gross external debt. If this were to affect the Group's UK Portfolio, it would have a negative effect on the cash flow expected from the Project Entities as it would give rise to permanent additional tax. Based on advice received, the measures introduced are not currently expected to affect the Existing Portfolio.

Withholding Tax

There can be no assurance that entities in which the Group invests will not be required to withhold tax on the payment of interest or dividends. Such withheld tax would not be recoverable and so any such withholding would have an adverse effect on the Company's value.

Transfer Pricing

To the extent that interest paid by Project Entities and Holding Entities on debt provided by parties interested in the equity of the Project Entity (for example the subordinated debt element of the Investment Capital) exceeds arm's length rates, the relevant tax authorities may seek to restrict the allowable deduction for such interest payments to arm's length rates. This could result in more tax being paid by a Project Entity or Holding Entity and ultimately may reduce the return to investors.

If prospective investors are in any doubt as to the consequences of their acquiring, holding or disposing of New Shares, they should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser.

Important Information

In assessing an investment in the Company, investors should rely only on the information in this document. No person has been authorised to give any information or make any representations other than those contained in this document and, if given or made, such information or representations must not be relied on as having been authorised by the Company, the Directors, the Investment Adviser, the Placing Agent or any other person. Neither the delivery of this document nor any subscription or purchase of New Shares made pursuant to this document shall, under any circumstances, create any implication that there has been no change in the affairs of the Company since, or that the information contained herein is correct at any time subsequent to the date of this document.

REGULATORY INFORMATION

This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy New Shares in any jurisdiction in which such offer or solicitation is unlawful. Issue or circulation of this document may be prohibited in some countries.

Prospective investors should consider carefully (to the extent relevant to them) the notices to residents of various countries set out at pages 86 to 89 of this document.

This Prospectus relates not only to the New Shares to be issued pursuant to the Issue, but also to any Ordinary Shares issued to AFML under the Incentive Fee arrangements during the period of 12 months from the date of this Prospectus.

INVESTMENT CONSIDERATIONS

The contents of this Prospectus are not to be construed as advice relating to legal, financial, taxation, investment or any other matter. Prospective investors should inform themselves as to:

- the legal requirements within their own countries for the purchase, holding, transfer or other disposal of New Shares;
- any foreign exchange restrictions applicable to the purchase, holding, transfer or other disposal of New Shares which they might encounter; and
- the income and other tax consequences which may apply in their own countries as a result of the purchase, holding, transfer or other disposal of New Shares. Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

An investment in the Company should be regarded as a long-term investment. There can be no assurance that the Company's investment objectives will be achieved.

This document should be read in its entirety before making any investment in the New Shares. All Shareholders are entitled to the benefit of, are bound by, and are deemed to have notice of, the provisions of the Memorandum of Association and Articles of Association of the Company which investors should review.

FORWARD-LOOKING STATEMENTS

The Prospectus includes 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.

All forward-looking statements address matters that involve risks and uncertainties. Accordingly, there are or will be important factors that could cause the Company's actual results to differ materially from those indicated in these statements. These factors include but are not limited to those described in the part of this document entitled "Risk Factors", which should be read in conjunction with the other cautionary statements that are included in this document. Any forward-looking statements in this document reflect the Company's current views with respect to future events and are subject to these and other risks, uncertainties and assumptions relating to the Company's operations, results of operations, growth strategy and liquidity.

These forward-looking statements apply only as of the date of this document. Subject to any obligations under the Listing Rules, the Disclosure Rules and the Prospectus Rules the Company undertakes no obligation publicly to update or review any forward looking statement whether as a result of new information, future developments or otherwise. Prospective investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision.

PRESENTATION OF INFORMATION MARKET, ECONOMIC AND INDUSTRY DATA MARKET, ECONOMIC AND INDUSTRY DATA

Market, economic and industry data used throughout this document is derived from various industry and other independent sources. The Company and the Directors confirm that such data has been accurately reproduced and, so far as they are aware and are able to ascertain from information published from such sources, no facts have been omitted which would render the reproduced information inaccurate or misleading.

CURRENCY PRESENTATION

Unless otherwise indicated, all references in this document to “GBP”, “Sterling”, “pounds sterling”, “£”, “pence” or “p” are to the lawful currency of the UK, all references to “USD” are to the lawful currency of the US, all references to “€” or “Euro” are to the lawful currency of the Eurozone countries, all references to “Australian Dollars” are to the lawful currency of Australia and all references to “Canadian Dollars” are to the lawful currency of Canada.

LATEST PRACTICABLE DATE

Unless otherwise indicated, the latest practicable date for the inclusion of information in this Prospectus is at close of business on 11 December 2009.

DEFINITIONS

A list of defined terms used in this document is set out at pages 90 to 98.

GOVERNING LAW

Unless otherwise stated, statements made in this document are based on the law and practice currently in force in England and Wales and are subject to changes therein.

Expected Timetable and Issue Statistics

EXPECTED TIMETABLE

All references to times in this Prospectus are to London times unless otherwise stated.

<i>Event</i>	<i>Date</i>
Record Date for entitlements under the Open Offer	14 December 2009
Despatch of this document and the EGM Circular to Existing Shareholders and, to Qualifying Non-CREST Shareholders only, the Open Offer Application Forms	17 December 2009
Ex-entitlement date for the Open Offer	17 December 2009
Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to stock account of Qualifying CREST Shareholders in CREST	As soon as possible after 8:00 am on 17 December 2009
Latest time and date for receipt of forms of proxy	12:00 noon on 13 January 2010
Extraordinary General Meeting	12:00 noon on 15 January 2010
Latest time and date for payment in full under the Firm Placing and settlement of relevant CREST instructions (as appropriate)	11:00am on 18 January 2010
Announce the result of the Firm Placing through a Regulatory Information Service	18 January 2010
Recommended latest time for requesting withdrawal of Open Offer Entitlements and Excess CREST Open Offer Entitlements from CREST (i.e. if the Open Offer Entitlements are in CREST and the Existing Shareholder wishes to convert them into certified forms)	4:30pm on 18 January 2010
Latest time and date for depositing Open Offer Entitlements and Excess CREST Open Offer Entitlements into CREST	3:00pm on 19 January 2010
Latest time and date for splitting Open Offer Application Forms (to satisfy <i>bona fide</i> market claims only)	3:00pm on 20 January 2010
New Shares issued under the Firm Placing in uncertificated form expected to be credited to accounts in CREST	21 January 2010
Admission and commencement of dealings in the New Shares issued under the Firm Placing	21 January 2010
Latest time and date for receipt of completed Subscription Forms under the Offer for Subscription and payment in full under the Offer for Subscription and settlement of relevant CREST instructions (as appropriate)	11:00am on 22 January 2010
Latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer and Offer for Subscription and settlement of relevant CREST instructions (as appropriate)	11:00am on 22 January 2010
Despatch of definitive share certificates for the New Shares issued under the Firm Placing in certificated form	As soon as possible after 28 January 2010
Announce the result of the Open Offer and Offer for Subscription through a Regulatory Information Service	26 January 2010
Admission and commencement of dealings in the New Shares issued under the Open Offer and Offer for Subscription	28 January 2010
New Shares issued under the Open Offer and Offer for Subscription in uncertificated form expected to be credited to accounts in CREST	28 January 2010
Despatch of definitive share certificates for the New Shares issued under the Open Offer and Offer for Subscription in certificated form	As soon as possible after 5 February 2010

The dates and times specified above are subject to change. In particular, the Directors may, with the prior approval of the Placing Agent bring forward or postpone the closing time and date for the Firm Placing, the Open Offer and the Offer for Subscription. If such date is changed the Company will notify investors who have subscribed for New Shares of changes to the timetable either by post, by electronic mail or by the publication of a notice through a Regulatory Information Service.

ISSUE STATISTICS

Issue Price per New Share	113.75 pence
Target number of New Shares being issued ⁵	87.91 million
Estimated net proceeds of the Issue ⁵	£97.93 million

⁵ Calculated on the basis that the targeted Issue size of £100 million is reached.

Directors, Agents and Advisers

Directors (all non-executive)

Keith Dorrian (Chairman)
Rupert Dorey
Giles Frost
Carol Goodwin
John Whittle

Investment Adviser and Operator

Amber Fund Management Limited
Two London Bridge
London SE1 9RA

Administrator to Company, Company Secretary and Registered Office

Heritage International Fund Managers Limited
Heritage Hall, PO Box 225 Le Marchant Street
St Peter Port, Guernsey GY1 4HY
(Telephone + 44 1481 716 000)

Registrar

Capita Registrars (Guernsey) Limited
2nd Floor No 1 Le Truchot
St Peter Port
Guernsey GY1 4AE

UK Transfer Agent

Capita Registrars
The Registry
34 Beckenham Road, Beckenham
Kent BR3 4TU

Receiving Agent

Capita Registrars
Corporate Actions
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

Sponsor & Placing Agent

Numis Securities Limited
The London Stock Exchange Building
10 Paternoster Square
London EC4M 7LT

Auditors

Deloitte LLP
P.O. Box 137 Regency Court, Glatigny
Esplanade, St Peter Port, Guernsey GY1 3HW

Reporting Accountants to the Issue

Deloitte LLP
P.O. Box 137 Regency Court, Glatigny
Esplanade, St Peter Port, Guernsey GY1 3HW

Legal Advisers to the Company as to English Law

Lovells LLP
Atlantic House, Holborn Viaduct,
London EC1A 2FG

Legal Advisers to the Company as to Guernsey Law

Ozannes
1 Le Marchant Street, St Peter Port,
Guernsey, Channel Islands GY1 4HP

Legal Advisers to the Sponsor and Placing Agent

Eversheds LLP
1 Wood Street
London EC2V 7NS

Part I Information on the Company

INTRODUCTION

The Company is a Guernsey incorporated authorised closed-ended investment company which currently invests directly or indirectly in public or social infrastructure assets and concessions located in the UK, Australia, Belgium, France, Germany, Ireland, Italy and Canada and, it is anticipated in due course, will invest in other parts of the world. The Company is advised by Amber Fund Management Limited and provides investors with access to Amber's network of infrastructure executives to manage the Company's existing investment portfolio and to source future infrastructure assets to provide income and capital growth.

The Existing Ordinary Shares are admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities. The Company raised £300 million in its initial public offer which closed on 9 November 2006 and it subsequently raised a further £84 million through the issue of C Shares on 17 April 2008 (which converted into Existing Ordinary Shares on 30 June 2008). The Company had a market capitalisation of £430.9 million (as at 11 December 2009) and a NAV of £419 million (as at 30 June 2009) which has grown by 13.3 per cent. since the Initial Public Offer. The NAV per Existing Ordinary Share (as at 30 June 2009) was 111.8 pence. The Company's annualised dividend yield calculated on the Initial Public Offer issue price of Existing Ordinary Shares in the Company's first two full financial years ended 31 December 2008 was an average of 5.325 per cent. per annum.

The £384 million which the Company raised in aggregate through its Initial Public Offer and subsequent C Share issue was invested within the timeframes indicated in the prospectuses published in connection with these capital raisings. The Company retains a committed £100 million loan facility from the Royal Bank of Scotland plc and National Australia Bank Limited and had utilised approximately £58 million of this facility as at 30 November 2009. The Directors believe that the Company has the opportunity to invest in further infrastructure investments meeting the Company's investment policies.

BACKGROUND TO AND REASONS FOR THE ISSUE

The Company intends to raise £100 million through the Issue, although the Company has the ability to increase the size of the Issue by up to 20 per cent. of the targeted amount. The Issue comprises a Firm Placing of 24,604,914 New Shares, an Open Offer of 18,735,733 New Shares to Qualifying Shareholders on a pre-emptive basis and an Offer for Subscription of up to 44,571,441 New Shares, in each case at the Issue price of 113.75 pence per New Share.

The Net Issue Proceeds will be used to finance the acquisition of Further Investments or to discharge third party debt incurred to acquire Further Investments and, to the extent Further Investments are not made, to discharge the Group's indebtedness of approximately £58 million and to meet other operational expenses of the Group's business, as a result of which the Directors anticipate that the Net Issue Proceeds are likely to be fully deployed within 6 to 12 months.

Further Investments are anticipated to include the Pipeline Investments, which comprise six NHS LIFT assets, two WISP assets, one follow-on investment in a European asset and two UK PPP assets (the "**Pipeline Investments**"). The total capital value of these opportunities is estimated by the Directors, based on the advice of Amber, to be between approximately £268 million and £338 million⁶. The Company has exclusive access to the Pipeline Investments as these are projects where either the Group or Amber (with the right of first refusal to the Company on disposal by Amber) is the Preferred Bidder to acquire the corresponding Investment Capital. Whilst the Company has exclusive access to the Pipeline Investments on disposal by Amber, there is no guarantee that they will be acquired or if they are on what terms.

In addition to the Pipeline Investments, Amber is also engaged in developing a number of other projects which if successfully developed are anticipated to be likely to fit within the Company's investment criteria and which the Company would have the right (but no obligation) to acquire on disposal by Amber. There are further opportunities on which Amber or the Group are bidding including one proposed opportunity where the Group is one of two bidders left in the competitive phase of the project which has an estimated capital value of approximately £200 million⁶. The Amber Group has also been approached by a number of potential vendors of Investment Capital in PFI/PPP projects providing opportunities for the Group to acquire such additional investments. Such opportunities are, in the view of the Directors, likely to bring additional value to the Company and the proceeds arising from the Issue will allow the Company to pursue such opportunities more effectively.

Whilst there is no guarantee that the Pipeline Investments (which are described in further detail in Part IV) will be acquired and if they are on what terms, or whether the other projects that the Investment Adviser is engaged in will be acquired by the Group, the Directors believe that the Pipeline Investments and other such projects are indicative of the attractive and suitable investment opportunities that currently exist and are expected to arise and have concluded that it is now an appropriate time to seek to raise additional capital for the Company.

⁶ "Capital value" reflects the Directors' current unaudited estimate, based on the advice of the Investment Adviser, of the total development cost in terms of capital expenditure of a project as included in the bid submission for a project. It includes both debt and equity contributions and it is not the acquisition price for, or the value of, any interest that may be acquired by the Group in relation to such project.

The Directors believe that the strong performance of the Company to date has resulted in demand from existing investors for further investment in the Company and from new investors for investment in the Company. The Company has received indications of interest from both existing and prospective investors and has received conditional commitments from Placees under the Firm Placing to subscribe for New Shares with an aggregate Issue Price of £27,988,090. As such, the Directors believe that there is existing investor and new investor demand for investment in the Company that cannot be satisfied in the secondary market.

The Directors believe that the proposed Issue has the following principal benefits:

- the Net Issue Proceeds will provide the Group with capital with which to (subject to further due diligence and agreement as to the terms of any acquisition) acquire some or all of the Pipeline Investments and to pursue other investment opportunities which the Directors believe are likely to increase as methods of procurement of public infrastructure such as public private partnerships continue to be adopted and developed in various countries;
- the Net Issue Proceeds will provide the Group with capital with which to, through the acquisition of Further Investments, further diversify the asset base in the Existing Portfolio, both geographically and across industry sectors;
- the discharge of the Group's existing indebtedness under its corporate debt facility of approximately £58 million will reduce the amount of interest payments made by the Group;
- Existing Shareholders will be able to subscribe for further Ordinary Shares in the Company and those investors who would not otherwise have been able to invest in the Company will have the opportunity to make an investment;
- the market capitalisation of the Company will increase following the Issue and it is expected that the secondary market liquidity of the Ordinary Shares will be enhanced through a larger and more diversified Shareholder base; and
- the Issue will provide a larger asset base for the Company over which its fixed operating costs may be spread, thereby providing a reduction to the Company's total expense ratio.

NET ASSET VALUE UPDATE

The last Net Asset Value per Existing Ordinary Share published by the Company was as at 30 June 2009 and was 111.8 pence. The next Net Asset Value per Existing Ordinary Share due to be published by the Company will be as at 31 December 2009, and is expected to be published in April 2010. In advance of this, the Directors, based on the advice of the Investment Adviser, estimate that as at 30 November 2009 the Estimated Net Asset Value is not less than 112 pence per Existing Ordinary Share.

The Estimated Net Asset Value is an estimate of the Directors based on the advice of the Investment Adviser and based on unaudited financial information of the Group, but using the same methodology as is used for the half-yearly Net Asset Values. This Estimated Net Asset Value and the information that has been used to prepare it has not been audited or reviewed by any person outside the Amber Group other than the Directors. As such, there can be no assurance that the Net Asset Value as at 31 December 2009 will reflect the Estimated Net Asset Value which is prepared as at 30 November 2009.

INVESTMENT OBJECTIVES

The Company will seek to provide Shareholders with a predictable and attractive yield on the Company's investments. The Company's intention is to provide, over the long-term, distributions at levels that are both sustainable and which preserve the capital value of the Group's portfolio of infrastructure investments over the long-term (subject, where relevant, to amortisation of the Group's investments over the term of the relevant concession periods of such investments). The Company will target a minimum dividend of 5.55 pence per Ordinary Share per annum⁷ and the Company will aim to maintain and enhance this distribution. The Company's target dividend for 2010 is 5.7 pence per Ordinary Share.⁷ The Company's ability to make distributions and/or to pay dividends will be subject always to the requirements of the Law.

The Directors also believe that long-term capital growth can be achieved. The Company will target an IRR equal to or greater than 8 per cent.⁷ on the Initial Public Offer issue price of 100 pence per Ordinary Share to be achieved over the long-term and the Company hopes to achieve this through (amongst other techniques) asset development, future acquisitions, active management and prudent use of gearing. The Directors believe, based on the advice of the Investment Adviser, that there are currently opportunities to acquire Further Investments that may enhance the Company's IRR.

INVESTMENT POLICY

The Company's investment policy is to invest directly or indirectly in public or social infrastructure assets located in the UK, Australia, Europe, North America and, it is anticipated, in due course, in other parts of the world.

The Group intends to continue acquiring operational and construction phase assets from Amber and/or third party vendors. The Group intends (but is not bound) to hold its investments for the long-term and may even hold its investments for the life of a project. The Group will seek to enhance the capital value of its investments and the income derived from its investments.

The Group intends to acquire Further Investments within any of the following parameters:

- investments with characteristics similar to the Existing Portfolio;

⁷ These are targets only and not profit forecasts. There can be no assurance that these targets will be met or that the Company will make any distributions whatsoever.

- investments in other assets or concessions having a public infrastructure character and in respect of which availability based payments are or will become payable or in respect of which a property rental is or will become payable or in respect of which user paid charges (or payments related to amount of use) are or will become payable; or
- investments in infrastructure assets or concessions which, based on the advice of the Investment Adviser, the Directors believe have high barriers to entry and expect to generate an attractive total rate of return over the whole of the life of the investments.

Such investments may be for Investment Capital in single assets or portfolios of assets and may arise globally. The Group may therefore make investments in any location or jurisdiction where the investment in question meets the parameters set out above, although the Group does not currently expect to invest to any material extent in infrastructure projects located in non-OECD countries in the foreseeable future.

It is expected that Further Investments will be sourced by the Investment Adviser and Operator and it is likely that some of these will be investments that have been originated and developed by, and may be acquired from the Amber Group. The Group has established the following procedures and arrangements to deal with the possible conflicts of interest that may arise in respect of any proposed acquisition of an investment from the Amber Group and to manage the conduct of such acquisitions accordingly. The potential conflicts of interest that may arise include that Amber will be an existing investor in the asset while its subsidiary, AFML, acts on the “buyside” as Investment Adviser and Operator. The Investment Advisory Agreement contains procedures with the intention of ensuring that the terms on which the vendors of such assets dispose of their assets are fair and reasonable to the vendors; and on the “buyside” AFML as Investment Adviser and Operator must be satisfied as to the appropriateness of the terms for and the price of, the acquisition.

Key features of these procedures include:

- the creation of separate committees within the Amber Group. These committees represent the interests of the vendors on the one hand (the “**Sellside Committee**”) and the Company on the other (the “**Buyside Committee**”), to ensure arm’s length decision making and approval processes. The membership of each committee is restricted in such a way as to ensure its independence and to minimise conflicts of interest arising;
- a requirement for the Buyside Committee to conduct an independent due diligence process on the assets proposed to be acquired prior to making an offer for their purchase;
- a requirement for any offer made for the assets to be supported by advice on the fair market value for the transaction from an independent expert;
- the establishment of “information barriers” between the Buyside and Sellside Committees with appropriate information barrier procedures to ensure information that is confidential to one or the other side is kept confidential to that side;
- the provision of a “release letter” to each employee of the relevant Amber Group company who is a member of the Buyside and Sellside Committees. The release letter confirms that the employee shall be treated as not being bound by his/her duties as an employee to the extent that such duties conflict with any actions or decisions which are in the employee’s reasonable opinion necessary for him/her to carry out as a member of the Buyside Committee or Sellside Committee;
- individuals with material direct or indirect economic interests in the relevant assets will not participate in Buyside Committee and Sellside Committee discussions regarding the relevant assets; and
- a requirement that the financial statements, policies and records of any such asset offered to the Company will be compliant with IFRS.

In addition to the procedures detailed above, the acquisition of assets from any member of the Amber Group will be considered and approved by the Independent Directors of the Company. In considering any such acquisition, the Independent Directors will, as they deem necessary, review and ask questions of the Buyside Committee of the Investment Adviser and the Group’s other advisers and the acquisition will be approved by the Directors on the basis of this advice. The purpose of these procedures is to ensure that the terms upon which any investment is acquired from a member of the Amber Group is on an arm’s length basis.

Any entities that provide services to the Group and/or affiliates of such entities and the Directors and any person or company with whom the Directors are affiliated or by whom they are employed may contract or enter into any financial or other transaction with any member of the Group or with any Shareholder or any entity whose securities are held by or for the account of the Group, or be interested in any such contract or transaction.

While there are no restrictions on the amount of the Company’s assets which may be invested in any one area or sector, the Group will, over the long-term, seek a spread of investments both geographically and across industry sectors in order to achieve a broad balance of risk in the Company’s portfolio. Shareholders should note that the actual asset allocation will depend on the development of the infrastructure market, market conditions and the judgment of the Investment Adviser and the Board as to what is in the best interests of Shareholders at the time of the relevant investment.

The Group will not (other than in respect of Holding Entities) lend to, or invest in the securities of, any one company or group, more than 20 per cent. of the Group’s total assets (as calculated at the time the investment or loan is made). The Directors have adopted this

investment restriction with the intention of maintaining a spread of investment risk. This investment restriction applies at the time of investment. The Group will not be required to rebalance its Investment Portfolio in accordance with such investment restriction as a result of a change in the Net Asset Value of any investment or of the Net Asset Value of the Group as a whole.

Until the Group is fully invested and pending re-investment or distribution of cash receipts, cash received by the Group will be invested in cash, cash equivalents, near cash instruments, money market instruments and money market funds and cash funds. The Group may also hold derivative or other financial instruments designed for efficient portfolio management or to hedge interest, inflation or currency rate risks.

The Company and any other member of the Group may also lend cash which it holds as part of its cash management policy.

Where investments are made in currencies other than GBP, it is expected that the Group will consider whether to hedge currency risk in accordance with the Group's currency and hedging policy as determined from time to time by the Directors.

A portion of the Group's underlying investments may be denominated in currencies other than GBP. For example, a portion of the Existing Portfolio and some of the Pipeline Investments are denominated in Australian Dollars, Canadian Dollars and Euro. However, any dividends or distributions in respect of the Ordinary Shares will be made in GBP and the market prices and Net Asset Value of the New Shares and the Existing Ordinary Shares will be reported in GBP.

Currency hedging may be carried out to seek to provide some protection to the level of GBP dividends and other distributions that the Group aims to pay on the Ordinary Shares, and in order to reduce the risk of currency fluctuations and the volatility of returns that may result from such currency exposure. Such currency hedging may include the use of foreign currency borrowings to finance foreign currency assets and forward foreign exchange contracts.

Interest rate hedging may be carried out to seek to provide protection against increasing costs of servicing debt drawn down by the Group to finance investments. This may involve the use of interest rate derivatives and similar derivative instruments. Hedging against inflation may also be carried out and this may involve the use of RPI swaps and similar derivative instruments.

It is intended that the currency, interest rate and any inflationary hedging policies be reviewed by the Directors on a regular basis to ensure that the risks associated with movements in foreign exchange rates, interest rates and inflation are being appropriately managed. Such transactions (if carried out) will only be undertaken for the purpose of efficient portfolio management to enhance returns from the portfolio and will not be carried out for speculative purposes. The execution of currency, interest rate and inflationary hedging transactions is at the discretion of AFML in its capacity as Operator, subject to the policies set by and the overall supervision of the Directors.

The Group intends to make prudent use of leverage to enhance returns to investors, to finance the acquisition of investments and to satisfy working capital requirements. Borrowings may be made by the Company itself or by any of the Holding Entities.

Under the Articles, the Group's outstanding borrowings, including any financial guarantees to support subscription obligations in relation to investments, are limited to up to 50 per cent. of the Gross Asset Value of the Group's investments and cash balances, with the Company having the ability to borrow in aggregate up to 66 per cent. of such Gross Asset Value on a short term (i.e. less than 365 day) basis if considered appropriate. Circumstances where this might be the case include for the purposes of new acquisitions. For the purposes of the borrowing limitation, outstanding borrowings exclude intra-group borrowings and the debts of underlying Project Entities. The Group may borrow in currencies other than GBP as part of any currency hedging strategy.

Material changes to the investment policy set out in this section may only be made by ordinary resolution of the Shareholders in accordance with the Listing Rules.

INVESTMENT STRATEGY

The Directors believe that the opportunity offered to the Company by its relationship with Amber will lead to the Group being well placed to acquire Further Investments meeting the Company's investment objectives and policy. The Directors believe that there are two ways in which this is likely to occur:

- acquisition of Further Investments developed by Amber (the Directors are aware of a number of further transactions (including certain of the Pipeline Investments) within the PPP sector for which Amber is Preferred Bidder or which are under development by Amber); and
- acquisition of Further Investments that are sourced through opportunities identified by Amber's worldwide Infrastructure Team (including certain of the Pipeline Investments).

The Group will seek to acquire further public infrastructure assets where the Directors believe that this will create Shareholder value and expect that the global project origination skills of AFML and Amber will assist the Group in identifying new investment opportunities. Such acquisitions may be of single assets, of portfolios or of shares in companies or partnership interests. The Directors anticipate,

based on the advice of the Investment Adviser, that sufficient attractive investment opportunities will be available to the Company to utilise the Net Issue Proceeds over the next 6 to 12 months and, to the extent that the Net Issue Proceeds are not used for such opportunities, they will be applied towards repayment of the Company's outstanding indebtedness of approximately £58 million.

The acquisition of Further Investments will be financed from cash reserves including those arising from the Net Issue Proceeds, and/or by raising debt and/or through seeking additional capital from the Shareholders and equity capital markets or a combination of these. Acquisitions will be led by a desire to increase value for Shareholders.

Further Investments may be either direct or indirect (i.e. through the Group investing in a company or other entity which itself has a direct or indirect interest in the underlying investment opportunity).

It is currently expected that any Further Investments will, as with the Existing Portfolio, be held through the Group structure (as described in this Part I below under the heading "Group Structure") but the Directors and the Investment Adviser will keep the structure under review and amend it as may be appropriate for the most efficient holding of investments.

DETAILS OF THE NEW SHARES

The Company is targeting a capital raising of £100 million (with the ability to increase the size of the capital raising by up to 20 per cent. of the targeted amount) by way of an Issue of New Shares at an Issue Price of 113.75 pence per New Share, representing a discount of 1.1 per cent. to the Closing Price of 115 pence per Existing Ordinary Share as at the close of business on 11 December 2009 (being the latest practicable date prior to the publication of this document) and a premium of 1.6 per cent. to the Estimated Net Asset Value per Existing Ordinary Share (as at 30 November 2009).

The Issue comprises a Firm Placing of 24,604,914 New Shares, an Open Offer of 18,735,733 New Shares and an Offer for Subscription of up to 44,571,441 New Shares, in each case at the Issue price of 113.75 pence per New Share. The Open Offer will be made to Qualifying Shareholders at the Issue Price, on the terms and subject to the conditions of the Open Offer, on the basis of:

1 New Share for every 20 Existing Ordinary Shares held on the Record Date

Qualifying Shareholders that take up all of their Open Offer Entitlements may also apply under the Excess Application Facility for additional New Shares that they would otherwise not be entitled to. The Excess Application Facility will be comprised of New Shares that are not taken up by Qualifying Shareholders under the Open Offer pursuant to their Open Offer Entitlements and any New Shares that the Directors determine should be reallocated from the Offer for Subscription to satisfy demand from Qualifying Shareholders in preference to prospective new investors under the Offer for Subscription.

Up to 44,571,441 New Shares are available under the Offer for Subscription. Neither the Firm Placing nor the Open Offer are subject to any claw back. The Directors have the discretion (but are not obliged) to scale back the Offer for Subscription in favour of the Open Offer by reallocating New Shares that would otherwise be available under the Offer for Subscription to be available to Qualifying Shareholders through the Excess Application Facility under the Open Offer. Any New Shares that are available under the Open Offer and are not taken up by Qualifying Shareholders pursuant to their Open Offer Entitlements or under the Excess Application Facility will be reallocated to the Offer for Subscription and available thereunder.

Application will be made for the New Shares to be admitted to the Official List and to trading on the London Stock Exchange's main market for listed securities. The New Shares to be issued pursuant to the Issue will rank *pari passu* in all respects with the Existing Ordinary Shares.

The Issue is conditional, amongst other things, upon the passing of the Pre-emption Resolution at the Extraordinary General Meeting, Admission of the New Shares to be issued pursuant to the Issue occurring no later than 8:00 am on 28 January 2010 (or such later time and/or date as the Company and the Placing Agent may agree and the Company notify to Shareholders being no later than 11 February 2010) and the Issue Agreement not being terminated and becoming unconditional in accordance with its terms.

WORK IN PROGRESS

The Company in its ordinary course of business continues to review new investment opportunities and may enter into transactions in the period of time from the date of this Prospectus to the time of Admission. Examples of such transactions include the acquisition of Further Investments. Whilst it is not anticipated at this stage that there will be any such transactions that will give rise to an obligation to issue a supplementary prospectus under section 87G of FSMA or the Prospectus Rules, the Company will keep this under review.

INVESTMENT ADVISER AND OPERATOR

Under the Investment Advisory Agreement, AFML, an investment manager authorised and regulated in the UK by the FSA, acts as the Company's Investment Adviser. AFML also acts as Operator of the Partnership through which the Company currently conducts its investment activities, and in its capacity as Operator of the Partnership acts as discretionary investment manager of the Group's investments.

Summaries of the terms of the Investment Advisory Agreement and the Operating Agreement are provided in paragraphs 10.1 and 10.3 (respectively) of Part IX of this document. Details of the Limited Partnership Agreement constituting the Partnership are contained in paragraph 10.2 of Part IX of this document. Further details on AFML can be found in Part V of this document.

RELATIONSHIP WITH AMBER

AFML is a subsidiary of Amber. Amber was formed through the management-led buy out of the Babcock & Brown PPP business and is led by Giles Frost (who is also a Director of the Company), Hugh Blaney and Michael Gregory who were responsible for the establishment of the Company in 2006 and who have 10 years' experience working together.

Members of the Amber Infrastructure Team have originated, developed or provided financial advisory services in respect of each of the projects in the Existing Portfolio and the Pipeline Investments. With AFML as the Investment Adviser for the Company and Operator of the Partnership, the Group will retain access to the management teams and personnel who have been responsible for the development of the projects in the Existing Portfolio and the Pipeline Investments to date.

In addition, the Group enjoys a contractual right of first review of any PPP/PFI projects meeting its investment criteria which companies within the Amber Group are willing to transfer, although this does not confer upon the Group a right to acquire any such projects.

Amber is responsible for carrying out investment management and advisory functions for the Group through its wholly owned subsidiary AFML. The Amber Infrastructure Team currently comprises 46 people with 330 years of combined experience in infrastructure and/or PPP. Amber has teams in the UK, Europe, North America and Australia and is headquartered in London and the Amber Infrastructure Team has extensive experience of originating and managing PFI/PPP and other infrastructure projects.

The Directors believe the Company has already benefitted and expect the Company to continue to benefit from the relationship with Amber for the following reasons:

- Amber does not seek to be a long-term owner of infrastructure investments that it originates or develops. The Directors believe that the Group's relationship with Amber puts the Group in a strong position as a potential acquirer of such infrastructure investments where they fit the Group's investment policies.
- The Directors believe that Amber is incentivised to source additional investment opportunities for the Group by the fee arrangements agreed between the Company and the Amber Group in respect of future acquisitions of infrastructure investments.
- Amber's commercial interests are substantially aligned with those of the Group through the Incentive Fee arrangements.
- The Directors anticipate that the relationship with Amber will afford the Group access to the pipeline of public infrastructure projects currently in development by Amber.
- The Directors believe that the Group will benefit from the infrastructure project origination skills of Amber.

GROUP STRUCTURE

The Company has invested in the Existing Portfolio and currently intends to invest in any Further Investments (including the Pipeline Investments to the extent that these are acquired) indirectly via a series of holding entities, as follows.

The Company holds equity and debt in a Luxembourg company, International Public Partnerships Lux 1 S.a.r.l. ("**Luxco 1**") which in turn holds equity and debt in a similar entity, International Public Partnerships Lux 2 S.a.r.l. ("**Luxco 2**"). Both Luxco 1 and Luxco 2 are wholly-owned subsidiaries of the Company (direct and indirect respectively, with Luxco 2 being wholly-owned by Luxco 1). The Company controls the investment policies of Luxco 1 and Luxco 2 and its Directors comprise a majority of the directors of Luxco 1 and Luxco 2.

Luxco 2 is the sole limited partner in the Partnership, an English limited partnership of which International Public Partnerships GP Limited (a special purpose vehicle) is the general partner (the "**General Partner**"). The General Partner's ultimate holding company is Amber. The General Partner, on behalf of the Partnership, appointed AFML, whose ultimate holding company is Amber, as Operator of the Partnership. Luxco 2 invests the contributions it receives from Luxco 1 in capital contributions and partner loans to the Partnership and its wholly owned companies, which acquire and hold Investment Capital in Project Entities directly or through intermediate wholly owned companies or other entities.

The Group's investments are registered in the name of the General Partner, its wholly owned companies or entities or their nominees.

DISTRIBUTION POLICY

Distributions on the Ordinary Shares are expected to be paid twice a year, normally in respect of the six months to 30 June and 31 December, and are expected to be made by way of dividend. The Company's ability to make distributions whether by dividend or otherwise, will be subject always to the requirements of the Law.

In relation to the payment of dividends, on 1 July 2008, The Companies (Guernsey) Law, 2008 came into force in Guernsey. This replaced The Companies (Guernsey) Law, 1994. One of the immediate effects of the Companies (Guernsey) Law, 2008 was to replace the capital maintenance requirements in respect of dividend and distribution payments and for distributions to be made from distributable profits (similar to that to which UK companies are subject and formerly applicable to Guernsey companies) with a solvency based test. The use of the solvency test now requires the directors of the Company to carry out a liquidity or cashflow test and a balance sheet solvency test before any dividend or distribution payment can be made. The test requires the Board to make a future assessment by making reference to the solvency test being satisfied immediately after a distribution or dividend payment is made. If at the time a dividend or distribution payment is to be made the Directors believe that the solvency test cannot be passed, then no payment may be made.

Shareholders who do not dispose of the New Shares issued to them pursuant to the Issue will be entitled to any dividends declared and paid in respect of such Ordinary Shares after the Issue. Assuming that Admission occurs before a dividend is declared in respect of the period ending 31 December 2009, the first such dividend in respect of the New Shares after completion of the Issue is expected to be declared in respect of the period ending 31 December 2009.

New Shares issued pursuant to the Issue will rank equally with the Existing Ordinary Shares for the purposes of any distribution. The Company may also make distributions by way of capital distributions (subject always to the Law and the Articles) as well as, or *in lieu* of, by way of dividend if and to the extent that the Directors consider this to be appropriate.

The Directors intend that, save as provided below, the Company will generally restrict distributions (by way of dividend or otherwise) to a level not greater than Distributable Cash Flows, and dividends to the level of income from the Group's investments, as recognised in the relevant financial period. However, the Directors reserve the right to amend this distribution policy from time to time including but not limited to smoothing dividends where appropriate and permitted by the Law through the use of borrowings.

From time to time the Group may have some investments and commitments in projects which have not yet finished construction and/or have not yet reached the stage at which they have started generating their full level of cash flows. During these times, subject to the Law, the Company may distribute as dividend an amount up to the level of the Group's gross income in excess of Distributable Cash Flows.

The Company retains the discretion to reinvest the capital proceeds of any investments which the Group transfers, sells or refinances during the life of the Company.

SCRIP DIVIDEND ALTERNATIVE

At the Extraordinary General Meeting, resolutions will also be proposed to amend the Company's Articles to enable Shareholders to elect to receive future dividends from the Company wholly or partly in the form of new Shares rather than cash and to authorise the Directors to allot any such Shares ("**Scrip Dividend Resolutions**").

The Directors believe that the ability for Shareholders to elect to receive future dividends from the Company wholly or partly in the form of new Shares in the Company rather than cash is likely to benefit both the Company and certain Shareholders. The Company will benefit from the ability to retain cash which would otherwise be paid as dividends. To the extent that a scrip dividend alternative is offered in respect of any future dividend, Shareholders will be able to increase their Shareholdings without incurring dealing costs or paying stamp duty reserve tax and the Directors have been advised that under current UK law and HMRC practice, certain UK resident Shareholders may be able to treat Shares issued in lieu of a cash dividend as capital for tax purposes.

The proposed amendments to the Articles will give the Company the ability to offer a scrip dividend alternative in the future; however the decision of whether to offer such scrip dividend alternative in respect of any future dividend will be made by the Directors at the time that the relevant dividend is declared.

The Company's Articles need to be amended to enable the Company to offer a scrip dividend alternative in the future, and conditional on the Articles being so amended, the Directors need to be authorised to allot Shares to Shareholders that elect to receive the scrip dividend alternative. Both the amendments to the Articles and the authority of the Directors to allot Shares pursuant to the scrip dividend alternative require Shareholder approval and the Scrip Dividend Resolutions will be considered at the Extraordinary General Meeting that has been convened for 15 January 2010.

DISCOUNT MANAGEMENT

On 9 July 2009, a special resolution was passed authorising the Company (subject to the Listing Rules and all other applicable legislation and regulations) to make market purchases of up to 14.99 per cent. of its issued Ordinary Shares. Such authorisation can assist in addressing any imbalance between the supply of and demand for the Ordinary Shares, can assist in minimising any discount to Net Asset Value at which the Ordinary Shares may be trading and can also increase the Net Asset Value per Ordinary Share.

The authorisation of 9 July 2009 will expire at the end of the annual general meeting of the Company to be held in 2010 or (if earlier) 18 months from the date of the authority. The Directors anticipate seeking a renewal of this authority from Shareholders at each annual general meeting of the Company. Purchases of Shares will be made within guidelines established from time to time by the Directors. The timing of any purchases will be decided by the Directors in light of prevailing market conditions. Any such purchases will only be made in accordance with the Law and the Listing Rules in force from time to time or any successor laws, rules or regulations. The Listing Rules currently provide that where the Company purchases its Shares the price to be paid must not be more than 105 per cent. of the average of the market values of that class of Shares for the five Business Days before the purchase is made or if higher, the higher of the latest independent trade and the highest current independent bid.

Additionally in order to minimise further the risk of the Shares trading at a discount to Net Asset Value and to assist in the narrowing of any discount at which the Shares may trade from time to time, the Company may make tender offers from time to time (subject to the prior approval of Shareholders of the terms of any such tender offers).

Investors should not expect that they will necessarily be able to realise, within a period which they would otherwise regard as reasonable, their investment in the Company, nor can they be certain that they will be able to realise their investment on a basis that necessarily reflects the value of the underlying investments held by the Company.

TREASURY SHARES

The Company is able to hold Ordinary Shares acquired by way of market purchase or by way of tender offer in treasury i.e. the Ordinary Shares remain in issue owned by the Company rather than being cancelled. Such Ordinary Shares may be subsequently cancelled or sold for cash.

Up to ten per cent. of each of the Ordinary Shares in issue at any time may be bought by the Company in the market (as described above) or by way of tender offer and held in treasury. This would give the Company the ability to sell Ordinary Shares held in treasury quickly and cost efficiently, and would provide the Company with additional flexibility in the management of its capital base.

LIFE OF THE COMPANY

The Company has been established with an unlimited life. In addition to the possibility of the share purchase and tender facilities mentioned above, Shareholders may seek to realise their holdings through disposals in the market.

CONFLICT OF INTEREST AND AVOIDANCE

Arrangements have been established to deal with potential conflicts of interest in relation to future acquisitions of investments from Amber (including the Pipeline Investments) and these are described under the heading "Investment Policy" above in this Part I, in Part IV in relation to the Pipeline Investments and in paragraph 10.1 of Part IX in relation to the procedures under the Investment Advisory Agreement. See also the "Conflicts of Interest" risk factor on page 12.

The Investment Adviser and/or Operator, the General Partner, the Administrator, the Placing Agent, any of their directors, officers, employees, agents and connected persons and the Directors and any person or company with whom they are affiliated or by whom they are employed (each an **"Interested Party"**) may be involved in other financial, investment or other professional activities which may cause potential conflicts of interest with members of the Group and their investments. In particular, Interested Parties may provide services similar to those provided to the Group to other entities and will not be liable to account for any profit earned from any such services. The Investment Adviser and its directors, officers, employees and agents and the Directors will at all times have due regard to their duties owed to members of the Group and where a conflict arises they will endeavour to ensure that it is resolved fairly.

Subject to the arrangements explained above, the Group may (directly or indirectly) acquire securities from or dispose of securities to any Interested Party or any investment fund or account advised or managed by any such person. An Interested Party may provide professional services to members of the Group (provided that no Interested Party will act as Auditor to the Company) or hold Shares and buy hold and deal in any investments for its own account notwithstanding that similar investments may be held by the Group (directly or indirectly). An Interested Party may contract or enter into any financial or other transaction with any member of the Group or with any Shareholder or any entity any of whose securities are held by or for the account of the Group, or be interested in any such contract or transaction. Furthermore, any Interested Party may receive commissions to which it is contractually entitled in relation to any sale or purchase of any investments of the Group effected by it for the account of the Group, provided that in each case the terms have either been agreed with the Company or are no less beneficial to the Group than a transaction involving a disinterested party and any commission is in line with market practice.

FINANCIAL INFORMATION AND REPORTS TO SHAREHOLDERS

The Group's annual reports are prepared up to 31 December each year and it is expected that copies will be sent to Shareholders in the following April. Shareholders will also receive an unaudited interim report covering the six-month period to 30 June each year. The most recent annual audited accounts of the Group in respect of the year ended 31 December 2008 together with the annual audited accounts of the Group in respect of the years ended 31 December 2007 and 31 December 2006 have been published and are incorporated by reference into Part VIII of this Prospectus (as summarised in the checklist in Part X of this Prospectus).

The audited accounts of the Group are drawn up in GBP and prepared under IFRS. Under IFRS the Group prepares an income statement which, unlike a statement of total return, does not differentiate between revenue and capital. The Group's management and administration fees, finance costs and all other expenses are charged through the income statement. The Group's accounts consolidate the Partnership and therefore, under IFRS rules, changes to the underlying fixed, intangible or financial assets will be reflected in the Group's income statement. Also, some fair value movements may go directly to equity rather than income, if the Directors make the relevant elections.

VALUATIONS

The Administrator will, with the assistance of AFML, produce fair market valuations of the Group's investments on a six monthly basis as at 30 June and 31 December. The Group will adopt a valuation methodology for the valuation of its infrastructure investments based on the recommendations of the Investment Adviser. The valuation principles used in such methodology will be based on discounted cash flow methodology, and adjusted for EVCA (European Private Equity and Venture Capital Association) guidelines and otherwise where appropriate, given the special nature of infrastructure investments.

The value of any cash in hand or on deposit and accounts receivable, short-term negotiable instruments and cash dividends or receivables accrued and not yet received shall be deemed to be the full amount thereof, unless it is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Directors may consider appropriate to reflect the true value thereof. Gilts and other short-term money market instruments will be valued at their bid market price.

The Administrator will, with the assistance of AFML, calculate the Net Asset Value of Ordinary Shares as at 30 June and 31 December in each year and this will be reported to Shareholders in the Company's annual report and interim financial statements. All valuations made by the Administrator will be made, in part, on valuation information provided by the Project Entities in which the Group has invested. Although the Investment Adviser and the Administrator will evaluate all such information and data, they may not be in a position to confirm the completeness, genuineness or accuracy of such information or data. In addition, the financial reports, where not provided by AFML acting as asset manager in relation to the Project Entities, are typically provided only on a quarterly or half yearly basis and generally are issued one to four months after their respective valuation dates. Consequently, each half yearly Net Asset Value will contain information that may be out of date and require updating and completing. Shareholders should bear in mind that the actual Net Asset Values may be materially different from these half-yearly estimates. The Directors do not envisage any circumstances other than those arising out of any change in or waiver of the Listing Rules in which valuations will be suspended.

FEES AND EXPENSES

General

The fee arrangements in respect of the fees payable by the Company to its service providers will remain unchanged as a result of the Issue.

Issue Costs

Under the Issue Agreement, the Placing Agent is entitled to Placing Fees equal to 1.5 per cent of the gross Issue proceeds (less such part of the gross Issue proceeds upon which the Placing Agent and the Investment Adviser have agreed to share such commission). Such 1.5 per cent. commission will be shared for such part of the gross Issue proceeds as follows: for investors jointly sourced where the Placing Agent has the primary relationship, 1.25 per cent. to the Placing Agent and 0.25 per cent. to the Investment Adviser; for other investors jointly sourced, 0.75 per cent. to each of the Placing Agent and the Investment Adviser; and for investors sourced by the Investment Adviser, 1.25 per cent. to the Investment Adviser and 0.25 per cent. to the Placing Agent. The Investment Adviser's commission in this respect is payable as the Financial Advisory Fee under the Investment Advisory Agreement as described below and is not in addition to this fee.

In addition, the Company will incur Issue expenses, which are those that are necessary for the Issue and include fees covering legal, registration, printing and distribution costs, the additional fee of £5,000 payable to each Director in connection with the Issue and any other applicable expenses. On the basis that the target Issue size of £100 million is reached, the Issue expenses to be met from the proceeds of the Issue (excluding VAT where relevant, and excluding the Placing Fees and any Financial Advisory Fee) are estimated to be approximately £572,770.

As set out on page 19 under the heading "Issue Statistics", based on the targeted Issue size of £100 million being reached the estimated net proceeds of the Issue will be £97.93 million. To partly mitigate against the Issue Costs to the Company, the New Shares are being issued at a premium of 1.75 pence per Share (1.6 per cent.) to the Estimated Net Asset Value per Existing Ordinary Share of 112 pence as at 30 November 2009, as notified to the market on 10 December 2009.

The Investment Adviser is entitled under the Investment Advisory Agreement to a Financial Advisory Fee of 1.5 per cent. of the gross Issue proceeds. However, the Investment Adviser has agreed to waive a portion of such Financial Advisory Fee so that such fee is capped at a maximum of 1.5 per cent. of the gross Issue proceeds less the Placing Fees. For the avoidance of doubt in no circumstances will the aggregate of the Placing Fees and the Financial Advisory Fee exceed the aggregate of 1.5 per cent. of the gross Issue proceeds. The Placing Fees and the Financial Advisory Fee are in addition to, and are not included in, the estimated Issue expenses referred to above. The Issue Costs (being the expenses of the Issue together with the Placing Fees and the Financial Advisory Fee) will be attributed to and borne by the Company.

ONGOING COSTS

Base Fee

In aggregate, AFML and the General Partner are entitled to a Base Fee in each year at the annual rate of 1.2 per cent. per annum of the Gross Asset Value of the Investment Portfolio. The Base Fee accrues and is payable quarterly in arrears on 31 March, 30 June, 30 September and 31 December in each year. For payments due in respect of the quarters ending on 31 March and 30 September, the payment shall equal 40% of the total payment made in respect of the immediately preceding quarter (i.e. that ending on 31 December or 30 June as appropriate), provided that the immediately following quarterly payment of the Base Fee will be adjusted such that the total Base Fee paid for the relevant half year ending on 30 June or 31 December (as appropriate) is calculated on the Gross Asset Value for that half year period.

The Base Fee is subject to certain adjustments on a time basis in respect of acquisitions of the Group during the course of a half year. AFML is entitled to retain any commissions, fees or any other form of remuneration in relation to any transaction without deduction or set off from either the Base Fee or the Incentive Fee.

Incentive Fee

In respect of the Ordinary Shares, in aggregate AFML and the General Partner are also entitled to an Incentive Fee in respect of each Incentive Period equal to 20 per cent. in aggregate of the excess (if any) of the Ordinary Share Return over the Benchmark Return in each Incentive Period, provided that the Incentive Fee in respect of the Ordinary Shares shall only be payable if and to the extent that the change in the Ordinary Share Return Index in the relevant Incentive Period is greater than the change in the Benchmark Return Index in such period. If the change in the Ordinary Share Return Index is less than the change in the Benchmark Return Index in any Incentive Period, the number of basis points by which the change in the Ordinary Share Return Index is less than the change in the Benchmark Return Index will be carried forward and deducted from the Ordinary Share Return Index of the subsequent Incentive Period for the purposes of determining whether in such subsequent Incentive Period the change in the Ordinary Share Return Index exceeds the change in the Benchmark Return Index.

The Incentive Fee is payable in cash, save that, subject to the Law, the Listing Rules and all other applicable requirements, the Company may with the written consent of AFML pay up to 60 per cent. of the Incentive Fee by issuing Ordinary Shares of an equivalent value to AFML. The issue price of any Ordinary Share issued in lieu of a cash payment in respect of an Incentive Fee shall be the Volume Weighted Average Price at which Ordinary Shares traded on the London Stock Exchange over the period of twenty days immediately following the date on which AFML consented to the issue of Ordinary Shares in lieu of a cash payment of the Incentive Fee.

Expenses and Overhead Costs

Under the terms of the Investment Advisory Agreement the Investment Adviser is entitled to a reimbursement of any reasonable out-of-pocket expenses and costs of the Company paid on behalf of the Company by the Investment Adviser provided that the Company will not be required to reimburse the Investment Adviser for any out-of-pocket expense or cost in excess of £5,000 unless the Company's written consent was obtained prior to the cost or expense being incurred.

Under the terms of the Limited Partnership Agreement, the General Partner is entitled to recover an amount as agreed between Luxco 2 (as limited partner) and the General Partner as being the sum spent on the General Partner's or the Operator's corporate overheads incurred in providing services in respect of the Group (including employee costs, office rental and IT software and hardware). The amount agreed in respect of the period until 30 June 2007 shall be increased annually in line with inflation in the UK.

Administration Fees

The Administrator is entitled to an annual administration fee from the Company equal to 0.01 per cent. of the Net Asset Value of the Company per annum subject to a minimum of £10,000 per annum, together with a fee for Company secretarial services of £20,000 in the Company's first year of operation and £12,500 per annum thereafter, subject to a time cost override. The Administrator is also entitled to a fee for accounting services including preparation of annual and interim accounts based on time spent subject to a minimum of £10,000 per annum and a maximum of £35,000 per annum (increased on 11 September 2009 from £25,000 per annum).

Registrar and Transfer Agency Fees

The Registrar is entitled to receive a quarterly fee in arrears based on the number of Shareholders (subject to an annual minimum fee of £4,750) and the number of transfers. The Registrar is also entitled to receive a fee of £1,500 per annum for maintaining the register and for the provision of a UK transfer agent.

Receiving Agency Fees

The Receiving Agent is entitled to receive fees based on the services provided, subject to a minimum of £8,650 for the Open Offer and £9,050 for the Offer for Subscription.

Directors' Fees

The Directors will be remunerated for their services at such rate as the Directors shall determine, provided that the aggregate amount of such fees shall not exceed £250,000 per annum (or such other sums as the Company in general meeting shall from time to time determine).

Investment and Financial Advisory Costs

The Group will bear stamp duties, taxes, commission, foreign exchange costs, bank charges, registration fees relating to investments, insurance and security costs and all other costs associated with the acquisition, holding and disposal of investments. The costs and charges relating to any deposits pending investment or investments in cash or near cash assets on a temporary basis together with any costs and expenses of any hedging activities will be borne by the Group.

The Company may appoint the Investment Adviser to provide financial advisory services to the Company, including without limitation equity and debt raising advisory services (including capital markets issues, equity and debt raisings and where applicable, arranging underwritings) and general financial and commercial advice, including in relation to disposals of assets. The Investment Advisor if appointed is entitled to a fee of 1.5 per cent. of the amount of equity raised in relation to any equity capital raising conducted by it on the Company's behalf (and this is being charged in respect of the Issue as described on page 29 above), and 0.2 per cent. of the committed amount of any debt facility which it arranges. In respect of each acquisition of an investment by the Company or any of its associates the Investment Adviser is entitled to an asset origination fee of 1.5 per cent. of the Enterprise Value of the asset acquired (provided that this will be set off against any financial advisory fee payable on a contemporaneous equity capital raising, and vice versa, and reduced by any fee paid to a third party in respect of such acquisition). The Company may also in its sole and absolute discretion pay to the Investment Adviser an asset disposal fee (not to exceed 1.5 per cent. of the Enterprise Value of the asset being disposed of) in respect of each disposal of an asset by the Company or any of its associates. Fees for any other advisory services are to be agreed between the Company and AFML on a case by case basis and the Investment Advisory Agreement includes provisions to ensure that the Company is not charged twice in respect of the same services.

Other Fees and Expenses

The Company will also be responsible for other ongoing operational costs and expenses which will include the Auditors' fees, as well as listing fees, regulatory fees, directors and officers' insurance cover, printing and legal expenses and other expenses (including insurance and irrecoverable VAT). The Luxcos will bear the costs of their administration, including directors' fees, employee salaries and office lease charges. The Partnership will bear the expenses of its operation.

The Directors consider that the fees described above reflect arm's length market based fees.

Part II The Infrastructure Market and Characteristics of the Company's Investment Portfolio

THE INFRASTRUCTURE MARKET

Introduction

Infrastructure can broadly be defined as the physical assets and systems that support a country or community. These assets enable services such as transportation, utilities, and communications and provide social needs such as housing, health, transport and education services.

Development and modernisation of infrastructure is core to economic growth of any country and normally requires significant initial investment. Historically, infrastructure has been procured and funded by the public sector, with the taxpayer taking both the responsibility, and risk, of asset delivery, cost and operation.

To obtain better value for money for taxpayers, to share the burden of financing and in some cases to overcome constraints imposed by the public sector budgetary process, governments have turned to the private sector to assist in the procurement of infrastructure. Private sector involvement in the provision of infrastructure has steadily increased with privatisation of existing businesses and the use of concessions to procure new assets. Under these types of procurement model, of which PFI (Private Finance Initiative) and PPP (Public Private Partnership) are variations, a private sector entity is normally contracted to construct, finance and then operate a piece of infrastructure for an agreed period of time. In some other types of initiative (e.g. the NHS LIFT initiative), the private sector entity contracted to procure an asset has majority private sector shareholders with minority public sector shareholders.

A number of factors are driving the growth of private sector involvement in infrastructure in a number of countries, including:

- historic underinvestment, in some countries, in existing assets and new infrastructure needs;
- significant infrastructure requirements resulting from population growth and economic development;
- environmental considerations (e.g. renewed investment in rail as opposed to road transport);
- evidence in some studies that the private sector is achieving significant cost efficiencies in the delivery and operation of infrastructure compared to the public sector: and
- budgetary pressure and a need to manage public debt levels.

The success of private sector involvement in the infrastructure sector has led many governments to implement standardised procurement models such as PFI and PPP as well as other modes of introducing private sector capital into the provision of public infrastructure. Although many countries often used these models initially to procure transportation infrastructure, many (for example the UK, Portugal, France and Spain) have responded to the success of their initial projects by extending the scope into the provision of other public or social infrastructure assets.

Among the conclusions reached by the UK National Audit Office in a recent report on PFI/PPP Projects in the UK were:

- "Most private finance projects are built close to the agreed time, price and specification: in our sample, 69 per cent of PFI construction projects between 2003 and 2008 were delivered on time and 65 per cent were delivered at the contracted price. Of those delivered late, 42 per cent were delivered within six months of the agreed time, and under half experienced price increases."
- "Public bodies using private finance are normally satisfied with the services provided by contractors. High levels of satisfaction are normally reflected in our reports, case studies and surveys. Whilst we recognise that contract managers may be biased in their response, they are likely to also be the most informed individuals for a project." (Source: NAO Report October 2009 "Private Finance Projects")

In the UK at June 2009 it was estimated that there were 116 PFI/PPP projects in the procurement pipeline with an estimated capital value of £12.4 billion. (Source: HM Treasury—Projects in Procurement June 2009 spreadsheet http://www.hm-treasury.gov.uk/ppp_pfi_stats.htm)

What is Public or Social Infrastructure?

Public or social infrastructure includes social assets such as roads, railways, rolling stock, courts, police facilities, government offices, schools, prisons and health facilities. In the UK, these essential assets are commonly provided through the PFI/PPP model. While not all the Company's investments are based on the PFI/PPP model a significant number are based on this model.

Under a typical PFI/PPP structure, a consortium of private sector entities (usually comprising a construction company, a facilities management operator and financial investors) form a Project Entity which enters into a contract with a Public Sector Client to design, build, finance and maintain a public or social infrastructure asset in accordance with agreed service standards and is remunerated for this under a mechanism agreed by both parties. Although the Project Entity will be responsible for the construction of the infrastructure asset in the case of PFI/PPP, it will not usually have full ownership rights over the asset which will usually revert to public sector ownership on termination of the relevant contract (although this is not the case with respect to four projects in the Existing Portfolio

where the residual value interest belongs to the Group, and in relation to Angel Trains and BeNEX which do not operate under the PFI/PPP model). For the majority of NHS LIFT projects, the Project Entity (owned by both public and private sector participants), will also own the land on which the health facility is built and the buildings on it with the public sector being granted the right to occupy under a “lease plus agreement” (although “lease retention” models are now beginning to emerge).

Structure of a Typical PFI/PPP Project

The Project Entity will fund the initial project costs, including the cost of the construction of the infrastructure asset through a mixture of:

- long-term senior debt contributed by banks or through the issue of bonds; and
- equity and subordinated debt (including by way of partnership or shareholder loans) contributed by the financial investors and other consortium members participating in the Project Entity.

Senior debt is sometimes drawn first, and equity and subordinated debt subscription amounts are sometimes drawn towards the end of the construction phase. In some instances, bank letters of credit are required to be provided upfront in respect of the equity and subordinated debt subscription amounts.

Once the social infrastructure asset has been built, and provided the agreed service levels are met, the Project Entity will receive payments from the public sector body for the remainder of the concession. The payments are often inflation-linked or fixed in real terms with reference to specific inflation indexes (e.g. RPI or CPI). They are generally either “availability based” or “demand based”, depending on the nature of the project.

“Availability based” PFI/PPP projects (which the Company concentrates on) entitle the Project Entity to receive regular payments from the public sector body to the extent that the project asset is “available” for use in accordance with contractually agreed service levels and performance standards. In some cases (particularly with projects not undertaken on a PFI/PPP basis) these payments may be indirect—for instance where private sector entities are under the obligation to make payments but where their obligation to pay is supported explicitly or implicitly by public policy or by legal obligation. “Demand-based” projects entitle the Project Entity to receive payments related to the usage of the project asset, either directly from the end user or from the public sector procuring authority.

Once payments received by the Project Entity have been used to service senior debt repayments, operating costs and other expenses and funding of reserves, they will be used to remunerate the equity and sub-debt owners in the form of interest payments on subordinated debt, repayment of subordinated debt principal and dividend payments.

At the outset of a PFI/PPP project, the Project Entity will generally enter into contracts with subcontractors with the aim of passing on to the latter the various risks associated with providing the construction and operational services. In this way, the risks of cost overruns and delays and deductions from concession revenues for poor performance are usually largely passed on, subject to the relevant caps and other limits on liability, to the Project Entity’s construction contractors and facilities managers. It should be noted that other investments that the Company may make in infrastructure assets may have other approaches to risk allocation or retention.

The PFI model, based on a strong market of suppliers and advisers and a robust contractual framework, now has a strong intellectual pedigree. The standardisation of contracts has helped deliver value for money and PFI now provides a model for delivery of successful public capital projects on time and to budget. (Source: “PFI: The State of the Market”, Partnerships UK, October 2007)

As of September 2009, there are over 500 operational PFI projects in England alone, with a capital value in excess of £28 billion. There are also hundreds of other types of PPPs, ranging from small joint ventures to the London Underground PPPs with their capital value of £18 billion. (Source: NAO Report October 2009 “Private Finance Projects”).

The perceived benefits of the model include:

- Risk allocation to parties best able to manage or mitigate individual risks;
- In contrast to traditional procurement where the private sector may be less concerned with higher maintenance costs once the asset is delivered (as it does not subsequently manage the asset), under a PFI/PPP, the private sector competes to deliver services over the long-term at the most economically advantageous price taking into account life-cycle costs;
- PFIs/PPPs are seen as a way of bringing private sector know-how and management expertise to the provision of public services and, hence, to improving value for money. Some studies have reported savings of 15-20 per cent. compared to the costs of an equivalent publicly procured project (Source: “Developing Public Private Partnerships in New Europe”, PricewaterhouseCoopers, 2004);
- PFIs/PPPs allow public-sector entities to spread payments for social infrastructure assets over a number of years and may allow the associated debt to be kept off the public sector’s balance sheet;
- Payments to the private sector under a PFI/PPP structure do not typically commence in full until the asset has been built; and
- As an agreed level of service is being provided, the private sector is incentivised to complete construction with minimal delay and provide high quality services.

ALTERNATIVE PUBLIC INFRASTRUCTURE STRUCTURES

One of the features of the developing usage of private capital to invest in and finance public infrastructure projects is the development of new and innovative structures for the delivery of public infrastructure. These structures may offer additional opportunities for the Company.

The UK National Audit Office recently summarised some of the available structures as follows (Source: NAO Report October 2009 “Private Finance Projects”)

Examples of the different models of private finance

TYPE OF MODEL	SOME EXAMPLES OF WHEN USED	KEY TECHNICAL CHARACTERISTICS
Private Finance Initiative (PFI)	Roads, bridges, hospitals, schools, prisons, police stations, government departments, social housing, waste projects, IT projects.	A private sector consortium is appointed after competition to deliver a project; The party contracting with the public sector is usually a special purpose vehicle; There is an output specification with clear requirements; There is a long term service contract (e.g. 25-30 years); Payment is by way of unitary charge for services once they are available; Standardised contracts have been developed over time.
Joint ventures	Low carbon technologies; Defence equipment; ISIS Waterside Regeneration.	The Government, in conjunction with one or more private sector parties, makes a contribution to a commercial venture, shares aspects of control and aims to share risks and returns on an agreed basis.
Strategic Infrastructure Partnerships	Local Education Partnerships in Schools (LEPs); Local Improvement Finance Trusts in primary care (LIFT).	Special (often exclusive) arrangement to address infrastructure-related issues over a period of time; A private partner is appointed to deliver a flow of projects over time; It could be a joint venture or be established through a contract; The private sector partner provides most of the works and services required by the contracting authority; It is suitable for procuring a stream of projects including a “bundle” of small projects which otherwise would be too small for PFI.
Hybrid	The MoD London Estate (MoDEL); ProCure21.	Any combination of the above models in which the procurement authority adopts a very specific approach to solve unique procurement challenges; Usually associated with novel and complex projects.
Local Asset Backed Vehicles	Regional Development Agencies’ regeneration projects; British Waterways Board’s projects.	Public private joint venture; Usually the public sector puts in land and property and the private sector puts in financial and other resources; The development of the asset is expected to yield returns to cover costs and fund development; The partners share the increase/decrease in value of the land and property, usually on a 50/50 basis; The model is suitable where there is a pipeline of projects; Often the public sector shares more of the risks and rewards than in PFI; The public sector has greater influence and leverage over projects than is usual in public private housing developments; Land banking by the private sector can be prevented by provisions to transfer assets back to the public sector if pre-agreed timescales are not met.
Concession	Toll Roads	A private sector consortium is granted a private entity exclusive rights to build, operate and maintain a ring-fenced asset over a long period of time (it could be much longer than for PFIs); The private sector company recovers its investment through future charges for services once the project is in operation; High risks associated to future demands; Public sector has no or little involvement in contract management.
Integrator	Ministry of Defence’s projects (e.g. Military Flying Training System); Building Schools for the Future programme.	Variation of other PPPs, but the private equity is held only by a company which specialises in putting together (integrating) different suppliers rather than giving work to supply companies who are also its shareholders; The public sector authority procures a project delivery organisation (the integrator) to manage the delivery of a project through pre-procurement preparation, procurement, construction and into operation; There is scope for project risks to be better managed because the integrator only profits from the project development work, not from sub-contracts; This model also has an impact on interface risks because it reduces the integration of design, build and operations, as these are carried out by businesses with no interest in the project company.

A series of reports conducted for the UK Government over recent years on the UK experience of PFIs/PPPs suggests that these structures can provide significant improvements over the results that can be achieved from traditional forms of procurement:

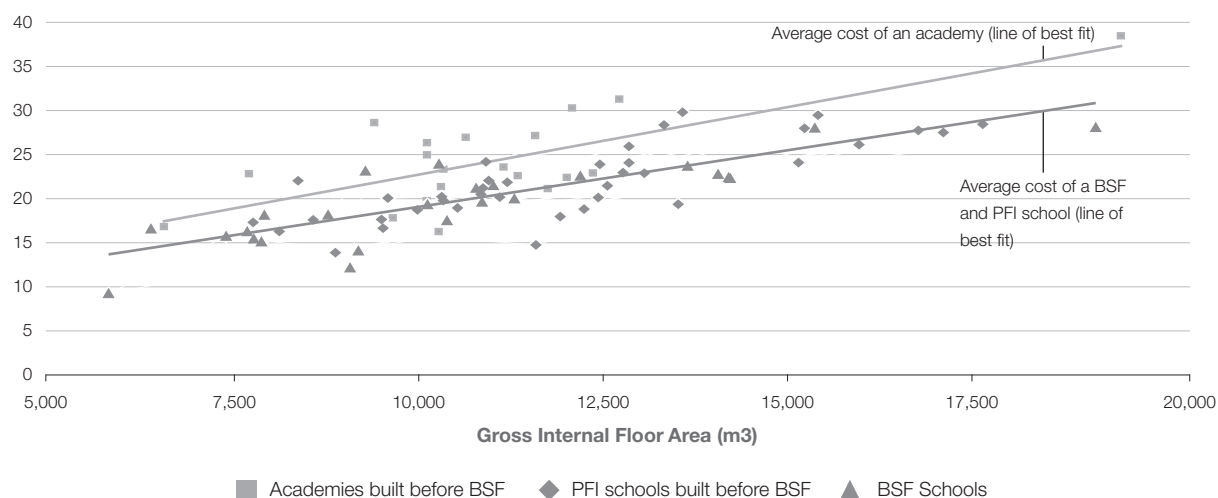
- Only 24 per cent. of UK construction projects were delivered late to the public sector compared to 70 per cent. of projects under traditional procurement (Source: "PFI: Construction Performance", National Audit Office, February 2003)
- In only 22 per cent. of UK construction projects have costs to the public sector exceeded the price agreed at contract compared to 73 per cent. under traditional procurement. Where cost overruns occurred, these were generally the result of changes to the project instigated by the Public Sector Client and not the fault of the Project Entity or its subcontractors. (Source: "PFI: Construction Performance", National Audit Office February 2003)
- 66 per cent. of UK public sector contract manager respondents rate the performance of their PFI projects as either "Very good" or "Good" and 30 per cent. rate the performance as "Satisfactory" (Source: "Report on Operational PFI Projects", Partnerships UK, March 2006)
- In 89 per cent. of UK projects, measurement of the service providers' performance against the requirements set out in the contract shows that service levels are being achieved "Always" or "Almost always" (Source: "Report on Operational PFI Projects", Partnerships UK, March 2006)
- 79 per cent. of UK users of public services delivered under the PFI model feel that services are "Always" or "Almost always" being delivered to an acceptable standard (Source: "Report on Operational PFI Projects", Partnerships UK, March 2006)

More recently the UK National Audit Office has compared the cost of schools delivered under PFI/PPP and the Building Schools for the Future programme ("BSF") (which is a form of public private partnership) with the cost of schools delivered under the Academies programme which is conventionally funded. An extract of this comparison is set out in the graph below (Source: NAO Report October 2009 "Private Finance Projects") which supports the assertion that conventionally funded Academies have on average a higher cost than the schools developed under PFI/PPP and Building Schools for the Future programmes.

The price of BSF schools compared to the price of Academies and PFI schools built before the BSF programme

The graph below indicates that there is a high level of variation in the individual price of each school depending on the type of site and facilities included, but that the prices of BSF schools are not significantly different from PFI schools and generally less than Academies. The price is shown as capital cost to the public sector, adjusted for annual price inflation and location to allow a better comparison. The figure excludes refurbishments, because they vary too much in the amount of work undertaken to allow a comparison.

Capital cost (£m) in 2007 prices and adjusted for location



Source: *The Building Schools for the Future Programme: renewing the secondary school estate*, National Audit Office (HC 135, 2008/09)

Global Trends

Although Britain has been a front-runner in developing PFIs/PPPs, an increasing number of governments around the world have been turning to the PFI/PPP model as a viable option for providing essential public assets and services in an efficient and cost-effective manner. There is a broadly common desire by the public sector in many countries to increase infrastructure provision and services within imposed budgetary constraints.

The global development of the PFI/PPP model (and related or similar forms of procurement) continues to progress as more countries implement the legal and institutional frameworks required to accommodate PFIs/PPPs. The publication Infra-News maintains a database of international project finance projects including those in the PFI/PPP sector. More than 2,000 projects are recorded on this database

(Source: <http://www.infra-news.com/public-zone/project-area/project-page-1.aspx>). In 2009 the journal has published a number of articles highlighting the growth of PFI/PPP procurement (along with other forms of public infrastructure development). These have included in the course of 2009 review and commentary on the development of these opportunities within Australia, Spain, Russia, Germany, France and the United States (Source: <http://www.infra-news.com/public-zone/feature-area/newsanalysis-page-1.aspx>).

Partnerships UK, an entity jointly owned by HM Treasury and the private sector in the UK has been active in exporting UK experience and expertise in the PFI/PPP sector. Recently support has been given to the governments of South Africa, Brazil, Mexico and India (Source: <http://www.partnershipsuk.org.uk/PUK-International.aspx>).

The Opportunities Provided for the Company by the Market

The Directors believe that the development of the public and social infrastructure market provides opportunities for the Group to invest both in markets where either the Group or Amber already has a presence and also in new regions as they embrace PFI/PPP and similar models. Such opportunities may take the form of investments in greenfield projects, where the Group may invest at financial close prior to the commencement of construction, or the acquisition of stakes in projects developed by other parties.

In more mature markets it has been common for the original developers, in particular construction contractors, to consider selling their equity interests once a project has become operational. In recent years a number of developers have sold either individual or portfolio equity interests in projects they have developed. The Directors intend to pursue such opportunities and believe that the track record of Amber will be a positive factor in assisting the Company to grow the Investment Portfolio.

CHARACTERISTICS OF THE COMPANY'S INVESTMENT PORTFOLIO

Overview

An investment in the Company will provide Shareholders with exposure to the infrastructure asset class. The Directors believe that infrastructure investments made in accordance with the Company's investment policy are attractive because of:

- yields which are attractive relative to the asset risk profile;
- the likelihood of long-term stable cashflows;
- high barriers to entry to competition;
- the creditworthy nature of counterparties;
- predictable low volatility returns;
- the effective pass-down of project related risks to subcontractors;
- opportunities to enhance the value of investments;
- low exposure to changes in the business cycle;
- low correlation to other investment classes e.g. property or other equity classes; and
- the growth potential of the asset class.

Additionally the Directors believe that the Company has distinguishing features from other listed investment entities offering exposure to similar assets. These include:

- the experience and track record of Amber in the management of PFI/PPP-type projects;
- the development and origination capacity of Amber with respect to new opportunities for the Group;
- the combination of operational assets and assets in construction within the Existing Portfolio;
- the geographical diversity of the assets in the Existing Portfolio;
- the strong majority ownership of the Group in most of the assets within the Existing Portfolio;
- weighted average concession length of 24 years; and
- weighted average debt tenor of 23 years.

Some of the features of the Company's investment portfolio can be further explained as follows.

Long-Term Stable Cash Flows

Infrastructure assets tend to have long-term stable cashflow characteristics. The majority of projects in the Existing Portfolio consist of projects where the income stream is based on the physical availability of the assets and the standard to which certain services are provided. The obligations on the Project Entity to ensure availability relating to service levels are generally passed down to subcontractors on the basis that the subcontractors will account for any revenue receivables lost due to any default of theirs which compromises availability or service levels, subject to any applicable cap on liability. The existence of a robust insurance programme that provides for payment both for the capital cost of renewal and the lost revenue consequent upon the occurrence of an insured event together with the subcontractor pass down provisions are designed to ensure as far as reasonably possible that the cashflows which provide a return on Investment Capital are non-volatile and predictable.

High Barriers to Entry

Infrastructure assets that are based purely on availability payment streams are indifferent to competition since the payment obligations on the part of the Public Sector Clients are fixed. Some assets (e.g. RiverCity Motorway in the Existing Portfolio) have revenue streams that are dependent upon user paid charges. The Group will invest in these types of assets where it believes that sound revenue projections exist or revenue levels have been established. Usually infrastructure assets with this sort of payment stream benefit from high barriers to entry to competition (e.g. in respect of a toll tunnel, the complexity and high cost of building a competing tunnel).

The Creditworthy Nature of Counterparties

The Project Entities in respect of the Existing Portfolio generally benefit from an availability-based revenue stream ultimately payable by or indirectly supported by a Government entity, a local government entity or a statutory corporation (i.e. a UK National Health Service Trust) or their non-UK equivalents. The Directors believe that each of these is a high quality creditworthy counterparty.

Predictable Low Volatility Returns

The projected returns from the assets in the Existing Portfolio are not guaranteed but where projects are operational, the experience to date has shown low levels of volatility of returns. Where investments have revenue streams that are dependent on user paid charges, once long-term use patterns have been established then these can also be expected to show low levels of volatility.

Effective Pass Down of Project Related Risks to Subcontractors

PFI/PPP type projects are generally structured such that risks and obligations imposed on the Project Entity by the Public Sector Client are intended to be passed down by way of subcontract to parties responsible for design and construction, and for facilities management of the project in question, subject to contractual terms. Other risks are sought to be backed off by insurance arrangements. The intention in structuring these projects in this way is to reduce exposure to risk and hence volatility in that part of the overall project income stream projected to be available to provide a return on Investment Capital.

Low Exposure to Changes in the Business Cycle

Infrastructure assets tend to be an essential part of the fabric of communities and hence they are necessary assets both in times of economic growth and in times of recession.

Low Correlation to Other Investment Class e.g. Property or Other Equity Classes

Investments in infrastructure assets of the nature of the majority of projects in the Existing Portfolio usually have fixed (subject in the case of most projects to partial or full indexation in line with an inflation index and to periodic contractual benchmarking) income streams or income streams that are dependant upon predicted or established user demand. Income streams are frequently not linked to market forces (unlike rent reviews in real estate investments) nor exposed to competitive or technological pressures (unlike many equities). The Directors believe that the closest correlation for infrastructure assets is likely to be bond or other fixed interest investments but that infrastructure assets often provide additional equity upside opportunities not available to bondholders.

Creating Value

The Company has targeted an IRR for investors of 8 per cent. or greater⁸ on the Initial Public Offer issue price of 100 pence per Ordinary Share over the long-term. While the Directors believe that the Existing Portfolio will offer an attractive current yield, the Directors believe that the Existing Portfolio also have characteristics that are likely to allow increased value to be derived by the Group over time. Further value enhancement may also be achieved in respect of any Further Investments acquired by the Group.

Some of the sources of increased value may include the following:

- prudent investment and application of surplus cash;
- prudent use of gearing and hedging interest, currency and inflationary risks (as described in Part I of this Prospectus);
- creating efficiencies through the management of the long-term maintenance and asset replacement regime for the Project Entities;
- introducing more efficient financing structures and scale advantage;
- promoting increased third party income from the projects comprised in the Existing Portfolio;
- providing soft and hard facilities management services to projects on a portfolio basis thus achieving economies of scale;
- variations arising from changing requirements of Public Sector Clients; and
- acquisitions of Further Investments (as described in Part I of this Prospectus).

Value Increase Upon Completion of Construction

The Directors believe that other market investors apply a higher valuation (i.e. apply a lower discount rate on projected cashflows) when the construction phase of projects has been concluded. This is likely to be because the construction phase is perceived as the phase of a project which is most subject to risk. Where the Group has economic interests in projects which are in construction it is likely that these interests will become more valuable when the construction phases end (assuming that project completion is achieved in line with projections).

⁸ This is a target only and not a profit forecast. There can be no assurance that this target will be met, or that the Company will make any distributions whatsoever.

Delivering Economies of Scale

The Existing Portfolio consists predominantly of direct and indirect investment in Investment Capital in Project Entities. Currently many of these Project Entities have their own arrangements for matters such as insurance and the setting aside of reserves to meet future asset maintenance and renewal costs. The Directors believe that efficiencies may be achieved by dealing with such matters on a portfolio basis.

Many of the projects within the Existing Portfolio also include the provision of “soft FM” services being facilities management services in areas such as cleaning, catering and security. Currently these services are all also provided on a project by project basis. Opportunity may also exist for these services to be provided more efficiently on a portfolio basis, subject to existing contractual structures.

Change Requests

The Public Sector Clients who receive services from the projects comprised within the Existing Portfolio may from time to time require changes to the project facilities. For PFI projects, typically this occurs in the construction phase but sometimes this may occur after construction. In the case of NHS LIFT projects, no changes can be made during the construction period. Where additional capital expenditure is required, Project Agreements typically provide that any new investment shall be made on terms that such new investment receives a projected return equal to the return projected on the original investment into the project. The Directors consider it likely given the remaining length of the concessions within the Existing Portfolio that changes of this sort are likely to occur although the timing of these cannot be predicted.

Income Generation

Some projects in the Existing Portfolio have the ability to generate income from third parties, for example by letting out school facilities for use after normal hours. In this instance, this income is typically to be shared between the public and private sectors. The Directors believe that there is potential with respect to certain of the projects in the Existing Portfolio for this income to be enhanced.

Review of the Capital Structuring of Project Entities

Most of the Project Entities have the benefit of senior debt facilities which are limited recourse whereby the lender’s only security is the assets of that Project Entity or that Project Entity’s shares. A number of other comparable projects completed under the UK Project Finance Initiative have undertaken refinancings whereby the senior debt taken out by the Project Entities has been replaced by new senior debt. In a number of cases this has allowed additional limited recourse debt to be introduced (with the additional amounts of debt being utilized to provide accelerated returns for investors) and/or for the cost of that debt to be reduced. Typically in PFI/PPP projects, this possibility arises in the period after construction completion. In the UK, however, provisions exist through a code of practice and through contractual provisions with respect to some projects to the effect that in certain circumstances, up to 70 per cent. of gains from some financial engineering activities must be shared with the relevant Public Sector Client.

Deposits Pending Investment

It is anticipated that part of the Net Issue Proceeds may be applied on deposit with banks which are lenders to the Group in respect of the acquisition of investments comprised in the Existing Portfolio, in order that interest accruing on such deposits may be netted off against interest which would otherwise accrue on such borrowings.

The Company and any other member of the Group may also lend cash which it holds as part of its cash management policy.

Part III The Existing Portfolio

INTRODUCTION

The Existing Portfolio includes direct and indirect interests in Investment Capital in Project Entities which have:

- a direct or indirect entitlement (subject to contractual performance) to public sector or government or quasi-government backed revenues or, in the case of one asset, toll revenues;
- finished construction or are in the course of construction of public or social infrastructure facilities for the provision of services relating to health facilities, schools, government offices, courthouses, police and custodial facilities, rail infrastructure and rolling stock, transport concessions, showgrounds and a road tunnel; and
- contractual structures that usually provide for the majority of construction and operational project risks to be “passed down” by the Project Entity to subcontractors who take responsibility for such risks, subject to predefined caps on liability.

The Existing Portfolio consists of direct and indirect interests in Investment Capital in: a series of projects developed under the PFI programme of the UK government, the NHS LIFT programme, the PPP programmes of certain states within Australia and PPP or similar-type programmes of Belgium, Canada, France, Ireland and Italy; and investments in Angel Trains and BeNEX. Notable occupants of premises comprised in the Existing Portfolio include the UK Court Service, Thames Valley Police, HM Revenue and Customs and the Government of New South Wales.

The details of the Existing Portfolio in this document are unaudited.

INTERESTS COMPRISING THE EXISTING PORTFOLIO

A breakdown of the interests held by the Group in each of the projects or investments comprising the Existing Portfolio is set out below. The scheduled completion date (where relevant) for each project referred to in the tables below is the date currently estimated for completion of the main construction works relating to the relevant project in each case. The actual completion dates may vary from those stated.

PFI/PPP AND OTHER NON-NHS LIFT PROJECTS AND INVESTMENTS

PROJECT/INVESTMENT NAME	COUNTRY	PER CENT. ECONOMIC INTEREST OWNED BY THE GROUP	STATUS (SCHEDULED COMPLETION DATE)	PER CENT. OF COMPANY'S NAV ⁹
Abingdon Police Station	UK	100 per cent.	Operational	–
Alberta Schools	Canada	75 per cent.	Construction (completion due June 2010)	3.7
Amiens Hospital Project	France	95 per cent.	Operational	–
Angel Trains	UK	4.9 per cent.	Operational	5.3
BeNEX	Germany	49 per cent.	Operational	8.7
Bootle Government Offices	UK	100 per cent.	Operational	–
Brescia Hospital	Italy	37 per cent.	Operational	–
Calderdale Schools	UK	100 per cent.	Operational	–
Derbyshire Magistrates Courts	UK	100 per cent.	Operational	–
Derbyshire Schools Phase 1	UK	100 per cent.	Operational	–
Derbyshire Schools Phase 2	UK	100 per cent.	Operational	–
Diabolo Project	Belgium	75 per cent.	Construction (completion due February 2012)	8.2
Dublin Criminal Courts Project	Ireland	100 per cent.	Operational	3.2
Durham Courthouse	Canada	100 per cent.	Operational	–
Hereford & Worcester Magistrates Courts	UK	100 per cent.	Operational	9.6
Long Bay Forensic and Prison Hospitals Project	Australia	50 per cent.	Operational	–
Maesteg School Project	Wales, UK	100 per cent.	Operational	–
New South Wales Schools Project	Australia	25 per cent.	Operational	–

⁹ Valuation of each project is as at 30 June 2009 and is unaudited. The per cent. NAV has been provided for the Group's ten largest projects or investments by NAV.

PROJECT/INVESTMENT NAME	COUNTRY	PER CENT. ECONOMIC INTEREST OWNED BY THE GROUP	STATUS (SCHEDULED COMPLETION DATE)	PER CENT. OF COMPANY'S NAV ¹⁰
Norfolk Police HQ	UK	100 per cent.	Operational	–
North Wales Police HQ	Wales, UK	100 per cent.	Operational	–
Northamptonshire Schools	UK	100 per cent.	Operational	7.9
Orange Hospital	Australia	100 per cent.	Construction (completion due June 2011)	–
Reliance Rail	Australia	12.75 per cent.	Construction (rolling stock completion starting in 2010 through 2013)	–
RiverCity Motorway Project	Australia	4.9 per cent.	Construction (completion due mid 2010)	–
Royal Children's Hospital	Australia	100 per cent.	Construction (completion due December 2014)	8.3
Royal Melbourne Showgrounds Redevelopment Project	Australia	50 per cent.	Operational	–
St Thomas More School	UK	100 per cent.	Operational	–
Strathclyde Police Training Centre	Scotland, UK	100 per cent.	Operational	7.3
Tower Hamlets Schools	UK	100 per cent.	Operational	4.4

NHS LIFT PORTFOLIO: INTERESTS IN SUBORDINATED DEBT

The UK National Health Service LIFT (Local Improvement Finance Trust) initiative ("NHS LIFT") was introduced to promote the development of new and refurbished primary community health facilities and facilities for general medical practitioners. These franchises represent an agreement entered into by the local NHS primary care trusts in each area whereby the trusts have agreed to grant to a LiftCo (a company in which Amber or the Group has an indirect shareholding) an exclusive right (subject to compliance with certain obligations) to develop and invest in all primary care health facilities procured by that trust over the twenty year term of the agreement.

Each of the NHS LIFT projects in the Existing Portfolio as set out in the table below is part of this series of ongoing exclusive pipeline relationships with the NHS, the earliest of which expires in 2023. Under these arrangements Amber or the Group has the right to provide Investment Capital to projects developed by LiftCo for the NHS. The NHS LIFT projects developed under the NHS LIFT initiative and forming part of the Existing Portfolio generally include interests in subordinated debt borrowed to finance the construction of these projects, with the Group being one of a number of lenders under the subordinated credit agreement for each project, lending just under half of the subordinated debt in each case.

PROJECT NAME	ISSUER	STATUS (SCHEDULED COMPLETION DATE)
Alexandra Avenue Primary Care Centre	BBG Lift Accommodation Services Limited	Operational
Beckenham Hospital	BBG Lift Accommodation Services Limited	Operational
Garland Road Health Centre	BBG Lift Accommodation Services Limited	Operational
Gem Centre (Children's Primary Care Centre), Bentley Bridge	Wolverhampton City and Walsall Lift Accommodation Services Limited	Operational
Monks Park Health Centre	BHH Lift Accommodation Services Limited	Operational
Phoenix Centre (Parkfields Primary Care Centre)	Wolverhampton City and Walsall Lift Accommodation Services Limited	Operational
Lakeside	BBG Lift Accommodation Services Limited	Operational
Mt Vernon	BHH Lift Accommodation Services Limited	Operational
Sudbury Health Centre	BHH Lift Accommodation Services Limited	Operational
Fishponds and Hampton House	Bristol Infracare LIFT (1) Ltd	Operational
Shirehampton & Whitchurch	Bristol Infracare LIFT (2) Ltd	Operational

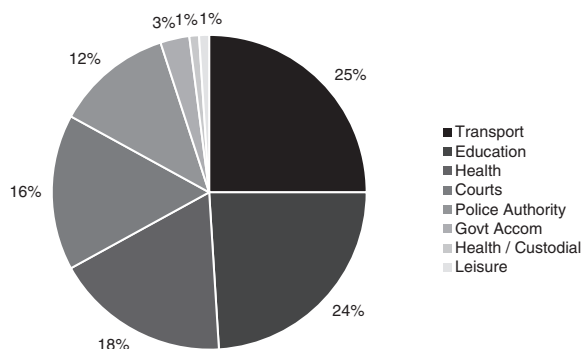
¹⁰ Valuation of each project is at 30 June 2009 and is unaudited. The per cent. NAV has been provided for the Group's ten largest projects or investments by NAV.

PROJECT NAME	ISSUER	STATUS (SCHEDULED COMPLETION DATE)
Dunnoch Way & East Oxford	Oxford Infracare LIFT (1) Ltd	Operational
Ridge Hill & Stourbridge	Dudley Infracare LIFT (1) Ltd	Operational
Brierley Hill	Dudley Infracare LIFT (1) Ltd	Construction (completion due March 2010)
Church Road Health Centre	East London LIFT Accommodation Services Limited	Operational
Barking Road Health Centre	East London LIFT Accommodation Services Limited	Operational
Frail Elders Hospital	East London LIFT Accommodation Services Limited	Operational
Mile End Specialist Addition Unit	East London LIFT Accommodation Services Limited	Operational
Barkantine Health Centre	East London LIFT Accommodation Services No 2 Limited	Operational
Hackney Children's Development Centre	East London LIFT Accommodation Services No 2 Limited	Operational
Vicarage Lane Health Centre	East London LIFT Accommodation Services No 2 Limited	Operational

FEATURES OF THE EXISTING PORTFOLIO¹¹

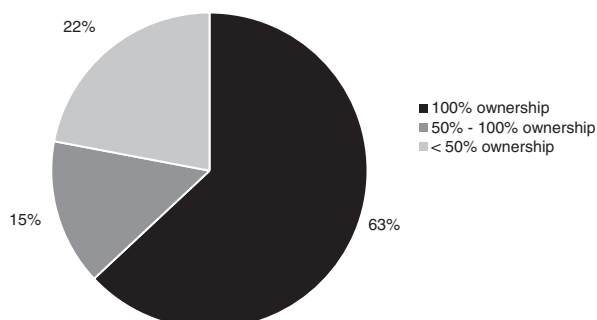
The chart below shows a breakdown of the Existing Portfolio by sector (based on unaudited values as at 30 June 2009).

Sector Breakdown



The chart below shows a breakdown of the Existing Portfolio by ownership split of the relevant project (based on unaudited values as at 30 June 2009).

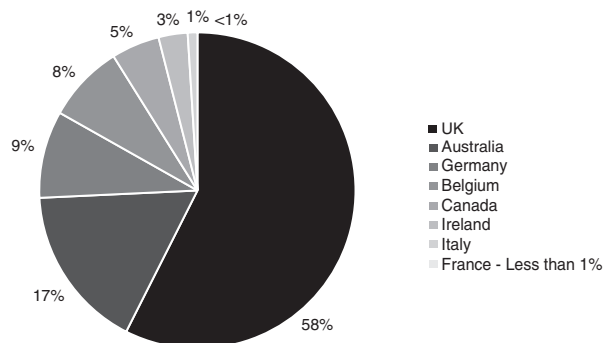
Ownership Split



¹¹ Figures as at 30 June 2009 are unaudited and taken from the interim report and financial statements for the Group for the period ended 30 June 2009.

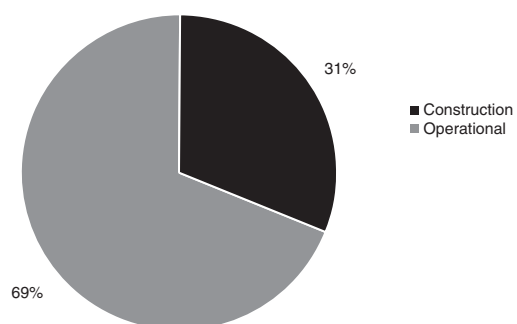
The chart below shows a breakdown of the Existing Portfolio by geographical location of the relevant project (based on unaudited values as at 30 June 2009).

Geographic Split



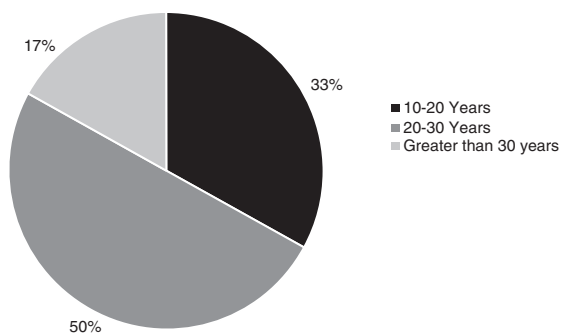
The chart below shows a breakdown of the Existing Portfolio by the status of the relevant project, i.e. whether such project is operational or in construction (based on unaudited values as at 30 June 2009).

Asset Status



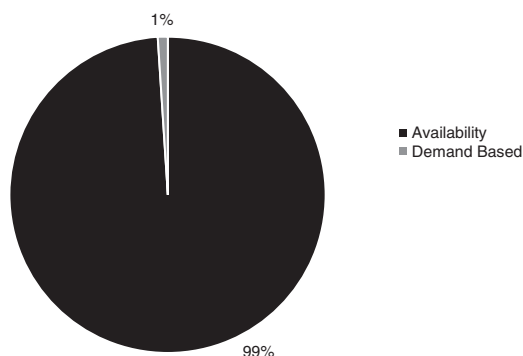
The chart below shows a breakdown of the Existing Portfolio by length of the concession of the relevant project (based on unaudited values as at 30 June 2009).

Concession Length



The chart below shows a breakdown of the Existing Portfolio by payment type of the relevant project, i.e. whether such project is demand-based or availability-based (based on unaudited values as at 30 June 2009).

Payment Type



The pie charts above show a breakdown of the Group's portfolio as at 30 June 2009¹². This breakdown reflects the NAV of the investments comprised in the Group's portfolio which is based on the fair market valuation of the Investment Portfolio calculated using a discounted cash flow methodology. The discount rates used reflects the risks associated with the individual projects.

The table below shows the valuation methodology used by the Group as at 31 December 2008 and 30 June 2009¹²:

VALUATION METHODOLOGY	31 DEC 2008	30 JUNE 2009
NAV per Ordinary Share	115.2 pence	111.8 pence
Weighted Average Risk-Free Rate	3.99%	4.67%
Weighted Average Project Premium	3.96%	3.94%
Weighted Average Discount Rate	7.95%	8.61%
Discount Rate Range	5.93% - 11.43%	6.35% - 15.0%

For this Part of the Prospectus the NAV of the RiverCity Motorway Project has been calculated based on the closing share price for the holding company for the RiverCity Motorway Project as at 30 June 2009.

HOLDING STRUCTURES FOR, AND RETURN OF INVESTMENT FROM, THE EXISTING PORTFOLIO

The Company has invested in the Existing Portfolio indirectly through the Holding Entities described in Part I of this Prospectus under the heading "Group Structure". Through this holding structure, the Company holds directly and indirectly interests in Investment Capital in Project Entities. Accordingly, the return on investment accruing to the Group is made in the form of payments of interest and principal under principal and subordinated loan arrangements, partnership distributions, share dividends and trust distributions by Project Entities and intermediate holding entities, partnership and trusts.

¹² Figures as at 30 June 2009 are unaudited and taken from the interim report and financial statements for the Group for the period ended 30 June 2009.

Part IV The Pipeline Investments

INTRODUCTION

The Group intends to acquire Further Investments from Amber and/or third party vendors that meet the Company's investment policy as set out in Part I of this Prospectus. In particular, the Group has exclusive access to a number of investment opportunities where either the Group or Amber (with the right of first refusal for the Company upon disposal by Amber) is the Preferred Bidder to acquire or provide the Investment Capital in certain projects. These Pipeline Investments comprise indirect interests in Investment Capital in two projects developed under the WISP programme, six projects developed under the NHS LIFT programme, one follow-on investment in a German PPP project that currently forms part of the Existing Portfolio and two UK PPP projects. The Pipeline Investments have an estimated aggregate capital value of between £268 million and £338 million¹³.

The potential acquisition by the Group of any of the Pipeline Investments is subject, among other things, to those projects reaching legal completion and to the Group having conducted satisfactory due diligence in relation to such Pipeline Investments, and any such acquisitions will be subject to agreement having been reached between the Group and the relevant counterparty as to the terms of the acquisitions. There is therefore no guarantee that any of the Pipeline Investments will be acquired and if they are on what terms.

In addition to the Pipeline Investments, the Investment Adviser and the Group are bidding on or developing a number of other projects, including one opportunity in relation to which the Group is one of two bidders in the final competitive bid phase with an estimated capital value of approximately £200 million¹³ and with an expected investment date falling during 2010. The Company has a right of first refusal to acquire projects upon disposal by the Investment Adviser provided they fit the Company's investment criteria, but there is no guarantee that the Investment Adviser will be successful in any such bidding process or that the Group will acquire an interest in such projects. As with the Pipeline Investments, such projects and their estimated capital values and expected investments dates are only indicative.

INTERESTS COMPRISING THE PIPELINE INVESTMENTS

A breakdown of the interests comprising the Pipeline Investments is set out in the table below. The expected investment date for each project referred to in the table reflects Amber's or the Directors' best estimate of the date for reaching financial close in each case. The actual investment date by the Group on projects bid by Amber (Goscote LIFT, the WISP projects, South Bristol LIFT and Liverpool Library) will not necessarily coincide with the expected capital investment date as this will depend upon Amber and the Group agreeing to the sale and purchase of these projects at a time which is not yet determinable. The expected concession length in the table below is based upon Amber's or the Group's current bid proposals.

Similarly, the capital values contained within this table are estimates of the total capital value of the relevant project in each case. "Capital value" reflects the Director's view, based on the Investment Adviser's current unaudited estimate, of the total development cost in terms of capital expenditure of a project as included in the bid submission for a project. It includes both debt and equity contributions and it is not the acquisition price for, or the value of, any interest that may be acquired by the Group in relation to such project.

The NHS LIFT projects that are Pipeline Investments generally include interests in subordinated debt borrowed to finance the construction phase of such projects, with the Partnership being one of a number of lenders under the subordinated credit agreement for each project.

Each of the WISP projects listed in the table on the following page is part of an ongoing exclusive pipeline relationship between Amber and the Welsh Assembly Government which expires in 2016 and under which a subsidiary of Amber has the right to develop new office schemes nominated by the Welsh Assembly Government which on completion are let back to the Welsh Assembly Government on 25 year leases. A subsidiary of Amber has the right to provide Investment Capital to finance such projects.

¹³ "Capital value" reflects the Directors' current unaudited estimate, based on the advice of the Investment Adviser, of the total development cost in terms of capital expenditure of a project as included in the bid submission for a project. It includes both debt and equity contributions and it is not the acquisition price for, or the value of, any interest that may be acquired by the Group in relation to such project.

PROJECT	LOCATION	ESTIMATED CAPITAL VALUE	EXPECTED INVESTMENT DATE	EXPECTED CONCESSION LENGTH	DESCRIPTION OF PROJECT
NHS Health Centres (LIFT)*	Goscote Palliative Care Centre, UK	£7.4m	Signed October 2009	25 years	To provide new residential and out patient care centre for Walsall Teaching Primary Care Trust.
NHS Health Centres (LIFT)	Newby Place Health Centre, UK	£8.2m	Q1 2010	25 years	To provide new GP led health care centre for Tower Hamlets NHS Primary Care Trust.
Government Office Accommodation (WISP)	Wales	£9.5m	Q1 2010	25 years	To provide new high quality office accommodation for the Welsh Assembly Government.
NHS Health Centres (LIFT)	South East Resource Centre, UK	£7.8m	Q1 2010	25 years	To provide new GP led health care centre for Hackney and the City NHS Primary Care Trust.
NHS Health Centres (LIFT)*	South Bristol Community Hospital, UK	£48.1m	Q1 2010	30 years	To provide new community children's' hospital for Bristol NHS Primary Care Trust.
NHS Health Centres (LIFT)	Nightingale Clinic, UK	£3.3m	Q1 2010	25 years	To provide new GP surgery for Hackney and the City NHS Primary Care Trust.
Liverpool Library (UK PPP)	UK	£50m	Q1 2010	27.5 years (including a construction period of 2.5 years)	To provide new library and educational facilities in the City of Liverpool.
BeNEX – follow on investment (PPP)	Germany	Between €75m and €150m	Q2 2010	Various	The Group already holds a 49% investment in BeNEX as part of the Existing Portfolio. As a result of new concession wins in 2009, BeNEX has an investment right to acquire new rolling stock.
Moray Schools (PPP)	UK	£45.0m	Q2 2010	30 years	To provide educational facilities in Moray, Scotland
Government Office Accommodation (WISP)	Wales	£13.0m	Q3 2010	25 years	To provide new high quality office accommodation for the Welsh Assembly Government.
NHS Health Centres (LIFT)	Mile End Clinic, UK	£8.4m	Q4 2010	25 years	To provide new clinic facilities for Mile End hospital for Tower Hamlets NHS Primary Care Trust.

* The Group will have the opportunity to acquire subordinated debt interests in these projects from Amber upon disposal by Amber.

PIPELINE INVESTMENT HOLDING STRUCTURES

If any of the Pipeline Investments are acquired by the Group they will be held by the Group consistent with the way the Investment Capital in Project Entities in the Existing Portfolio is currently held. The structure by which the Group obtains a return on its investment

in the Pipeline Investments will be consistent with the structure for such return which is in place for the Existing Portfolio. Details of the holding structure for and the structure of returns from the Existing Portfolio are described in Part III of this Prospectus.

“BUYSIDE” AND “SELLSIDE” POTENTIAL CONFLICT OF INTEREST AVOIDANCE PROCEDURES

A number of possible potential conflicts of interest may arise in relation to the acquisition of certain of the Pipeline Investments. These include that on the “sellside” Amber is an existing investor in the Pipeline Investments while its wholly-owned subsidiary AFML acts on the “buyside” as Investment Adviser and Operator. In connection with the proposed acquisition of the Pipeline Investments, to ensure that the Pipeline Investments will be acquired on an arm’s length basis, the procedures as detailed in Part I of this Prospectus (under the heading “Investment Policy”) will be followed.

The Company intends that by following such conflict of interest avoidance procedures the acquisition by the Group of any of the Pipeline Investments will be structured as ordinary course transactions, and the Company will therefore not seek Shareholder approval for such acquisitions.

Part V Management and Administration

DIRECTORS

The Directors, the majority of whom are Independent Directors, will be responsible for the overall management of the Company. The Directors, all of whom are non-executive, are listed below.

Keith Dorrian (Independent Non-Executive Chairman), aged 63, a resident of Guernsey, is an experienced professional in the banking, finance and fund management industries. A former committee member of the Guernsey Investment Fund Association he was also a director of ANZ Bank (Guernsey) Limited and until his retirement in December 2003, Managing Director of Management International (Guernsey) Limited, the Fund Administration Company of the Bank of Bermuda Group in Guernsey. Prior to retirement he had local responsibility for the Bank's Global Fund Services products with over USD14 billion of assets being administered from Guernsey. Prior to this he was employed by Manufacturers Hanover Trust and First National Bank of Chicago. He holds the Institute of Directors Diploma in Company Direction and holds a number of directorships in listed offshore property funds, funds of hedge funds and hedge funds.

Rupert Dorey (Independent Non-Executive Director), aged 49, a resident of Guernsey, has over 22 years experience in debt capital markets, specialising in credit related products, including derivative instruments. Mr Dorey's expertise is principally in the areas of debt distribution, origination and trading, covering all types of debt from investment grade to high yield and distressed debt. He was at Credit Suisse First Boston for 17 years from 1988 until May 2005, holding a number of positions including fixed income credit product coordinator for European offices and head of UK Credit and Rates Sales. Since leaving CSFB, Mr Dorey is acting in a non-executive directorship capacity for a number of hedge funds, funds of hedge funds and private equity funds.

Giles Frost (Non-Executive Director), aged 47, resident in the United Kingdom, is a director of Amber. Prior to the management buyout by Amber described below, he was joint head of the European public infrastructure business unit at Babcock & Brown. He was employed at Babcock & Brown for nine years and was involved in the development, investment and management of projects in the public infrastructure sector throughout this time. Prior to joining Babcock & Brown he was a solicitor and partner in the law firm Wilde Sapte (now Denton Wilde Sapte).

Carol Goodwin (Independent Non-Executive Director), aged 65, a resident of Guernsey, has extensive experience in the finance industry and has held senior executive positions with several European and North American banks, managing businesses in London, Toronto, Montreal, Amsterdam, Nassau and Guernsey. During the periods 1994-1996 and 1998-2001 Ms Goodwin held the position of Managing Director of Investec Bank (Channel Islands) Limited and continues to be a director of the bank and other subsidiary and associated Investec companies. She is also Vice Chairman of another Guernsey bank and serves as a non-executive director for a number of other financial services entities, including a variety of listed and unlisted investment funds. Ms Goodwin is a Fellow of the Institute of Canadian Bankers, a Trust and Estate Practitioner and a Chartered Director of the Institute of Directors.

John Whittle (Independent Non-Executive Director), aged 54, a resident of Guernsey, was until recently Finance Director of Close Fund Services where he successfully initiated a restructuring of client financial reporting services and was a key member of the business transition team. He was at Price Waterhouse in London before embarking on a career in business services, predominantly in telecoms. He co-led the business turnaround of Talkland International (now Vodafone Retail). He is a non-executive director of several investment funds and is a Chartered Accountant.

Further details of the Directors' current and previous directorships are set out in paragraph 6 of Part IX of this document.

AMBER, THE INVESTMENT ADVISER AND THE OPERATOR

Introduction

Amber Fund Management Limited (formerly BBPP Fund Management Limited, "**AFML**") acts as the Investment Adviser to the Company and as the Operator of the Partnership. Under the terms of the Limited Partnership Agreement and the Operating Agreement, the Operator manages the Partnership and its assets, subject to compliance with the investment policies and restrictions set out in this document. AFML is a wholly owned subsidiary of Amber Infrastructure Group Limited ("**Amber**"). AFML was incorporated in England and Wales on 10 November 2008 under the Companies Act 1985 (registered number 06745576) and is authorised and regulated in the UK by the Financial Services Authority.

Amber

Members of the Amber Infrastructure Team have been involved in the development of approximately £8 billion worth of projects in eight countries since PFI/PPP was introduced in the UK in the 1990s, meaning that the Amber Infrastructure Team is among the world's leading developers. Amber operates as a specialist developer, manager, adviser and investor in the field of public infrastructure. Amber also has key specialists in the rail, health, schools and courts sectors.

Amber focuses on generating attractive returns and developing long-term investment management roles in relation to assets or vehicles acquired or originated. This is designed to provide the Group and other entities which Amber Group companies may advise with new

transaction opportunities. As an investment adviser (through AFML), Amber seeks to provide investors with exposure to classes of asset which could not otherwise easily be accessed on the public markets and with the intention of delivering returns that outperform relevant benchmarks.

The Amber group was formed through the management-led buy out of the Babcock & Brown PPP business described below, which was financed by the Royal Bank of Scotland. Amber is led by Giles Frost, Hugh Blaney and Michael Gregory who were responsible for the establishment of the Company in 2006 and who have 10 years' experience working together. The Amber Infrastructure Team currently comprises 46 people with 330 years of combined experience in infrastructure and/or PPP. Amber has teams in the UK, Europe, North America and Australia and is headquartered in London.

Management-Led Buy Out

Until June 2009, the Group was managed, advised and operated by companies in the Babcock & Brown group. Amber acquired the entire share capital of BBPP Fund Management Limited (renamed Amber Fund Management Limited, "**AFML**") and the rights to provide the investment advisory and management services to the Company that were previously supplied by the Babcock & Brown group as a whole pursuant to a conditional agreement dated 29 March 2009 (together, the "**MBO**"). The MBO was approved by a 99.6% majority of Shareholders who voted in May 2009 and completed on 23 June 2009. Amber also acquired the General Partner of the Partnership.

The Investment Adviser

Pursuant to the Investment Advisory Agreement AFML, a subsidiary of Amber and an investment adviser regulated in the UK by the FSA, acts as the Company's Investment Adviser.

AFML is resourced in the discharge of its obligations as Investment Adviser and Operator through the secondment and deployment to it of Amber Infrastructure Team members.

AFML's appointment as investment adviser may be terminated in the circumstances detailed in the Investment Advisory Agreement and summarised in paragraph 10.1 of Part IX.

The Operator

In addition to its role as Investment Adviser to the Company, AFML acts as the Partnership's manager and Operator.

A summary of the terms of the Limited Partnership Agreement is provided in paragraph 4 of Part IX of this document and a summary of the terms of the Operating Agreement is provided in paragraph 10.3 of Part IX of this document. AFML's appointment as manager and Operator of the Partnership may be terminated in circumstances detailed in the Operating Agreement.

The Amber Infrastructure Team

The Amber Infrastructure Team has 46 members of staff located in the UK, Europe, North America, and Australia.

These employees are dispersed widely giving Amber access to global opportunities. Moreover, Amber seeks to have a strong local presence in each of the countries where it has significant operations, and to staff its offices predominantly with citizens or nationals of that country.

The Amber Infrastructure Team is generally engaged in the development, origination, acquisition, sale, improvement and management of infrastructure assets in a number of sub-classes including public and social infrastructure. Members of the Amber Infrastructure Team have been actively involved in the UK PPP sector since 1997, and have experience in Italy, Germany, France, Belgium, Ireland, Asia and North America. The Amber Infrastructure Team has developed PFI/PPP projects for Public Sector Clients in sectors such as courts, police, education, and government offices. These projects form the basis of the Existing Portfolio. As such, the Amber Infrastructure Team is highly experienced in originating, developing, structuring and arranging PFI/ PPP projects, through its extensive industry knowledge and relationships with key industry participants, including design and build contractors and facilities management contractors.

Further Investments

In addition to the Pipeline Investments, Amber has a number of projects under development. In addition Amber currently has ongoing bids for a significant number of PFI/PPP and other infrastructure projects. Based on previous success rates of the Amber Infrastructure Team, the Directors anticipate that a number of these bids (and future bids) will be successful (although there can be no guarantee of this). Whilst no formal commitment exists on the part of Amber to offer these opportunities to the Group at any stage, it is anticipated that the Group will be invited in the future to make proposals to acquire certain assets originated by Amber in the public infrastructure sector as Amber has granted the Company a contractual right of first refusal covering such opportunities. Consequently, the Directors believe that Amber is well positioned to originate additional investment opportunities for the Group.

In particular, Amber anticipates a flow of further investment opportunities through the NHS LIFT and WISP procurement programmes. Six of the Pipeline Investments are subordinated debt interests in NHS LIFT projects and two in WISP projects under these programmes. Further details of the arrangements in respect of these projects can be found in Part IV of this document.

Performance to Date of the Company

Since listing on 9 November 2006, the Company has:

- Achieved a current market capitalisation of £430.9 million (as at 11 December 2009) and NAV of £419 million (as at 30 June 2009)¹⁴;
- Reported a NAV per Existing Ordinary Share of 111.8 pence (based on a 30 June 2009 valuation), a 2.1 per cent. increase from a NAV per Existing Ordinary Share of 109.5 pence (based on a 30 June 2008 valuation). The NAV per Existing Ordinary Share based on a 31 December 2008 valuation was 115.2 pence and the Estimated Net Asset Value per Existing Ordinary Share as at 30 November 2009 is not less than 112 pence¹⁵;
- Paid total distributions of 5.4 pence per Ordinary Share for the 2008 financial year in line with the targets stated in the IPO Prospectus entirely covered by operating cash flow;
- Achieved total shareholder return since the Initial Public Offer of 26.4 per cent. as at 11 December 2009;¹⁶
- By reference to its Ordinary Share price as at 11 December 2009 outperformed the FTSE All Share by 31.0 per cent. since the Initial Public Offer;
- Invested the Initial Public Offer proceeds in the initial portfolio contemplated by the IPO Prospectus, consisting of interests in health, education, courts, police authority, government accommodation, leisure, health/custodial and transport projects;
- Invested the balance of the Initial Public Offer proceeds within the timeframe indicated at the time of the Initial Public Offer in courts, transport (including increasing the Company's interest in one project), education and health projects;
- Invested the C Share Issue proceeds in the interests contemplated in the C Share Issue Prospectus, consisting of interests in health (including NHS LIFT) and transport projects (including increasing the Company's interest in one project);
- Invested the balance of the C Share Issue proceeds following the acquisitions contemplated in the C Share Issue Prospectus and approximately £58 million of a £100 million debt facility in interests in health (including NHS LIFT and increasing the Company's interest in one project), education and transport projects;
- Converted C Shares into Ordinary Shares because 80% of the C Share Issue proceeds had been invested by 30 June 2008 in accordance with the Company's investment policy; and
- Completed a number of management initiatives including the following:
 - Completed construction at the Garland Road Health Centre in Greenwich, London, a project part-financed by way of subordinated debt under the NHS LIFT initiative;
 - Completed construction under the PFI/PPP project to design and construct and provide facilities management at 27 schools in Tower Hamlets, London;
 - Re-priced several facilities management agreements;
 - Pooled insurance contracts resulting in significant reductions in premiums;
 - Completed 42 sites under the PFI/PPP project to design, construct and finance 30 existing schools and 12 new schools in Northamptonshire, and to provide facilities management at all sites;
 - Completed construction of the Durham Courthouse project; and
 - Completed the new Dublin Criminal Courts facility.

INVESTMENT PROCESS FOR FURTHER INVESTMENTS

Due Diligence Procedures

In considering any future investment opportunities for the Group, members of the Amber Infrastructure Team evaluate the project risks which they believe are material to making an investment decision in relation to additional assets. Where appropriate, they complement their analysis through the use of professional expertise including engineering and/or technical consultants, environmental consultants, accountants, taxation and legal advisers, financial modellers and insurance experts. These advisers may carry out due diligence, which is intended to provide a second and independent review of key aspects of a project providing confidence as to the projects deliverability and likely revenue production. All investment evaluations are expected to be supported by financial modelling utilising sensitivity analyses on key variables including, for example, demand risk and fluctuations in revenue and cost.

In addition, members of the Amber Infrastructure Team carry out other risk assessments, for instance on counterparties, contractors, subcontractors, equity investors, and other parties as appropriate (and having regard to country risk).

Investment Approval

A structured investment approval process has been adopted to ensure appropriate selection of prospective investments. In particular AFML, as Investment Adviser and Operator, has adopted investment procedures agreed with the Company from time to time which

¹⁴ Figures as at 30 June 2009 are unaudited and taken from the interim report and financial statements for the Group for the period ended 30 June 2009.

¹⁵ The Estimated Net Asset Value is an estimate of the Directors based on the advice of the Investment Adviser and based on unaudited financial information of the Group, but using the same methodology as is used for the half-yearly Net Asset Values. This Estimated Net Asset Value and the information that has been used to prepare it has not been audited or reviewed by any person outside the Amber Group other than the Directors. As such, there can be no assurance that the Net Asset Value as at 31 December 2009 will reflect the Estimated Net Asset Value which is prepared as at 30 November 2009.

¹⁶ Total shareholder return is capital appreciation of the Ordinary Shares plus dividends.

involve the establishment of an investment committee of the Operator (the “**Investment Committee**”) made up of senior Amber employees. The Investment Committee reviews prospective new investments and ultimately, independently of Amber, approves any acquisition. The Investment Committee considers the suitability of the acquisition in relation to the existing portfolio and its match with the Company’s investment policy. AFML as Operator has full discretion over acquisitions and disposals although it is the policy of the Operator to consult with the Directors in respect of acquisitions and disposals by the Group and such discretion is subject to the conflict of interest procedures described in Part I of this Prospectus (under the heading “Investment Policy”) where an acquisition or disposal involves Amber. It is anticipated that this process will continue to be applied in respect of Further Investments which involve Amber.

Where there is a requirement to raise new equity funds whether or not directly related to an acquisition, the Investment Committee makes a recommendation to the Directors to proceed. Raising new money is therefore a decision for the Directors. Cash proceeds of equity raisings will be invested at the discretion of AFML as Operator in accordance with the Company’s investment strategy and policy and in accordance with the Company’s conflict of interest avoidance procedures detailed in Part I.

Investment Monitoring

A majority of the projects by value within the Existing Portfolio currently benefit from project level asset management from Amber group companies. These services are provided at a fixed price linked to inflation under separate contracts and cover the provision of asset management services such as Public Sector Client liaison, invoicing, project monitoring, statutory accounting and bookkeeping. By virtue of the Investment Advisory Agreement and the Operating Agreement, the investment performance of the Investment Portfolio is also actively monitored by AFML, usually through board representation but also through regular dialogue with the key parties involved. Under these arrangements the Group normally receives regular management and annual audited accounts from each Project Entity in which the Group makes an investment as well as management progress reports addressing critical factors such as actual performance against service requirements. These are reviewed by AFML to determine compliance with agreed targets. Where the Group does not invest directly in a Project Entity (for instance, in the Existing Portfolio, in relation to Angel Trains and BeNEX), AFML actively monitors the financial performance of the investment entities.

AFML, as part of the services provided to the Company and the Partnership under the Investment Advisory Agreement and the Operating Agreement, keeps the assets of the Group under review and advises from time to time on actions or strategies that could beneficially be implemented to enhance the returns from the Investment Portfolio.

Part VI Issue Arrangements

THE ISSUE

The Company is targeting a capital raising of £100 million by way of an Issue of New Shares, but has the right to accept subscriptions under the Issue of up to £120 million. The Issue therefore comprises up to 105,494,506 New Shares to be issued at a price of 113.75 pence per New Share. The Issue comprises a Firm Placing of 24,604,914 New Shares, an Open Offer of 18,735,733 New Shares and an Offer for Subscription of up to 44,571,441 New Shares, in each case at the Issue price of 113.75 pence per New Share. On the basis that the targeted issue size of £100 million is reached, it is expected that the Company will receive approximately £97.93 million after the Issue Costs of approximately £2.07 million (including Placing Fees and any Financial Advisory Fee).

The Company examined a number of options for raising equity and has concluded that the combination of the Firm Placing, the Open Offer and the Offer for Subscription allows Existing Shareholders to participate in the Issue by subscribing for their Open Offer Entitlements on a pre-emptive basis as well as applying for further New Shares under the Open Offer (by virtue of the Excess Application Facility), while providing the Company with the flexibility to raise the desired quantum of equity capital from new investors via the combined Firm Placing and Offer for Subscription.

The Issue Price of 113.75 pence per New Share represents a discount of 1.1 per cent. to the Closing Price of 115 pence per Existing Ordinary Share as at the close of business on 11 December 2009 (being the latest practicable date prior to the publication of this document) and a premium of 1.6 per cent. to the Estimated Net Asset Value per Existing Ordinary Share (as at 30 November 2009)¹⁷.

As at the date of this document, the actual number of New Shares to be subscribed under the Open Offer and the Offer for Subscription is not known. The maximum number of New Shares available under the Issue should not be taken as an indication of the number of New Shares finally to be issued.

CONDITIONS TO THE ISSUE

The Issue is conditional upon *inter alia* the following Issue Conditions:

- the Pre-emption Resolution being passed at the Extraordinary General Meeting;
- in relation to the issue of New Shares pursuant to the Firm Placing, Admission of such New Shares and, in relation to the issue of New Shares pursuant to the Open Offer or Offer for Subscription, Admission of such New Shares; and
- the Issue Agreement having become unconditional in all respects and not having been terminated in accordance with its terms before Admission.

If these Issue Conditions are not met, the Issue will not proceed. Subject to those matters upon which the Issue is conditional, the Directors, with the consent of the Placing Agent, may bring forward or postpone the closing date for the Firm Placing, the Open Offer and the Offer for Subscription by up to two weeks.

THE FIRM PLACING

The Placees have conditionally agreed to subscribe for 24,604,914 New Shares at the Issue Price of 113.75 pence per New Share, and the Firm Placing will therefore raise gross proceeds of £27,988,090. The Firm Placing is subject to the satisfaction of the Issue Conditions.

The Placing is not underwritten and is not subject to scaling back in favour of either the Open Offer or the Offer for Subscription.

The fees payable to the Placing Agent under the Issue Agreement are detailed in Part I under the heading "Issue Expenses". Further details of the terms of the Issue Agreement are set out in paragraph 10.6 of Part IX.

THE OPEN OFFER

Open Offer Entitlement

The Open Offer will be made to Qualifying Shareholders at the Issue Price, on the terms and subject to the conditions of the Open Offer, on the basis of:

1 New Share for every 20 Existing Ordinary Shares held on the Record Date

Qualifying Shareholders should be aware that the Open Offer is not a rights issue and Open Offer Application Forms cannot be traded.

Fractional entitlements under the Open Offer will be rounded down to the nearest whole number of New Shares and any fractional entitlements to Open Offer Shares will be disregarded in calculating Open Offer Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility.

The latest time and date for acceptance and payment in full in respect of the Open Offer will be 11:00am on 22 January 2010.

¹⁷ The Estimated Net Asset Value is an estimate of the Directors, based on the advice of the Investment Adviser, and based on unaudited financial information of the Group, but using the same methodology as is used for the half-yearly Net Asset Values. This Estimated Net Asset Value and the information that has been used to prepare it has not been audited or reviewed by any person outside the Amber Group other than the Directors. There can be no assurance that the Net Asset Value as at 31 December 2009 will reflect the Estimated Net Asset Value which is prepared as at 30 November 2009.

The terms and conditions of application under the Open Offer are set out at the end of this document. These terms and conditions should be read carefully before an application is made. Investors should consult their stockbroker, bank manager, solicitor, accountant or other financial advisor if they are in doubt.

The Open Offer is not underwritten and is not subject to scaling back in favour of either the Firm Placing or the Offer for Subscription.

Excess Application Facility under the Open Offer

Qualifying Shareholders that take up all of their Open Offer Entitlements may also apply under the Excess Application Facility for additional New Shares that they would otherwise not be entitled to. The Excess Application Facility will be comprised of Open Offer Shares which are not taken up by Qualifying Shareholders pursuant to their Open Offer Entitlement, fractional entitlements under the Open Offer and any New Shares that the Directors determine should be reallocated from the Offer for Subscription to satisfy demand from Qualifying Shareholders in preference to prospective new investors under the Offer for Subscription ("**Excess Shares**").

Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Open Offer Entitlement should complete the relevant sections on the Open Offer Application Form.

Qualifying CREST Shareholders will have Excess CREST Open Offer Entitlements credited to their stock account in CREST and should refer to paragraph 4.2(c) of the "Terms and Conditions of the Open Offer" on page 105 of this document for information on how to apply for Excess Shares pursuant to the Excess Application Facility.

Excess applications may be allocated in such manner as the Directors determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders under the Excess Application Facility will be met in full or in part or at all. To the extent any Open Offer Shares remain unallocated pursuant to Open Offer Entitlements and under the Excess Application Facility and the Offer for Subscription is oversubscribed, they will at the Directors' discretion, be allocated to subscribers under the Offer for Subscription.

Action to be Taken under the Open Offer

Qualifying Non-CREST Shareholders will be sent an Open Offer Application Form giving details of their Open Offer Entitlement. Qualifying CREST Shareholders will not be sent an Open Offer Application Form. Instead, Qualifying CREST Shareholders will receive a credit to their appropriate stock accounts in CREST in respect of their Open Offer Entitlement and their Excess CREST Open Offer Entitlement as soon as practicable after 8.00 a.m. on 17 December 2009.

Persons that have sold or otherwise transferred all of his or her Existing Ordinary Shares held in certificated form before 17 December 2009 should forward this document, together with any Open Offer Application Form (duly renounced), if and when received, at once to the purchaser or transferee, or the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee, except that such documents should not be sent to any jurisdiction where to do so might constitute a violation of local securities laws or regulations, including, but not limited to, the United States and the Excluded Territories.

Any Existing Shareholder that has sold or otherwise transferred only some of his or her Existing Shares held in certificated form before 17 December 2009 should refer to the instruction regarding split applications in the "Terms and Conditions of the Open Offer" at the end of this document and in the Open Offer Application Form.

For any Existing Shareholder that has sold or otherwise transferred only part of his or her holding of Existing Ordinary Shares held in uncertificated form before 17 December 2009, a claim transaction will automatically be generated by Euroclear UK which, on settlement, will transfer the appropriate Open Offer Entitlement and Excess CREST Open Offer Entitlement to the purchaser or transferee.

Full details of the Open Offer are contained in the Terms and Conditions of the Open Offer at the end of this document. If you have any doubt what action you should take, you should seek your own financial advice from your stockbroker, solicitor or other independent financial adviser duly authorised under FSMA who specialises in advice on the acquisition of shares and other securities immediately.

THE OFFER FOR SUBSCRIPTION

44,571,441 New Shares are available to the public under the Offer for Subscription (subject to the Directors' discretion to increase the size of the Offer for Subscription such that in aggregate subscriptions under the Issue equal a maximum of £120 million). The Offer for Subscription is only being made in the UK but, subject to applicable law, the Company may allot New Shares on a private placement basis to applicants in other jurisdictions. The terms and conditions of application under the Offer for Subscription and the Subscription Form are set out at the end of this document. These terms and conditions should be read carefully before an application is made. Investors should consult their stockbroker, bank manager, solicitor, accountant or other financial advisor if they are in doubt.

BASIS OF ALLOCATION UNDER THE ISSUE

The Firm Placing is not subject to any scaling back in favour of the Open Offer or the Offer for Subscription. The Open Offer is being made on a pre-emptive basis to Qualifying Shareholders and is not subject to scaling back from either the Firm Placing or the Offer for Subscription. The Directors have the discretion to scale back the Offer for Subscription in favour of the Open Offer by reallocating New Shares that would otherwise be available under the Offer for Subscription to be available to Qualifying Shareholders through the Excess Application Facility under the Open Offer. Any New Shares that are available under the Open Offer and are not taken up by Qualifying Shareholders pursuant to their Open Offer Entitlements and under the Excess Application Facility will be reallocated to the Offer for Subscription and available thereunder.

The Directors have the discretion to determine the basis of allotment between Qualifying Shareholders under the Excess Application Facility, any scaling back of the Offer for Subscription and any increase in the size of the Issue (up to 20 per cent. above the targeted amount). In exercising this discretion, the Directors generally intend to give priority to Existing Shareholders over prospective new Shareholders, although the Directors will seek to balance the benefits to the Company of allowing Existing Shareholders to maintain or increase the size of their relative Shareholdings with expanding the Shareholder base of the Company.

GENERAL

CREST accounts will be credited with New Shares on the date of Admission and it is anticipated that, where Shareholders have requested them, certificates in respect of the New Shares to be held in certificated form will be dispatched as soon as possible following 28 January 2010 for such New Shares issued under the Firm Placing and as soon as possible following 5 February 2010 for such New Shares issued under the Open Offer or Offer for Subscription. Pending receipt by Shareholders of definitive share certificates, if issued, the Registrar will certify any instruments of transfer against the relevant register of members.

The New Shares will, when issued and fully paid, rank *pari passu* in all respects with the Existing Shares, including the right to receive all dividends or other distributions declared, made or paid after the date of their issue.

All applications for New Shares will be payable in full.

The results of the Firm Placing are expected to be announced on 18 January 2010. The basis of allocation under the Open Offer and Offer for subscription is expected to be announced on 26 January 2010. The basis of allocation under the Offer for Subscription and the Excess Application Facility shall be determined by the Company after consultation with the Investment Adviser and the Placing Agent.

To the extent that any application for subscription is rejected in whole or in part or the Directors determine in their absolute discretion that the Issue should not proceed, monies received will be returned to each relevant applicant at its risk and without interest.

The Net Issue Proceeds will be used to achieve the investment objectives of the Company as described in Part I of this Prospectus through acquisitions of Further Investments after Admission or discharging third party debt incurred to acquire Further Investments after Admission and, to the extent that Further Investments are not made, to repay the Group's existing third party debt (currently in an amount of approximately £58 million), and to meet other operational expenses of the Group's business, and the proportion of the Net Issue Proceeds allocated to each such use will depend on the size of the Net Issue Proceeds and the future decisions of the Investment Adviser and the Company. The investment activities described in this paragraph are expected to have a positive effect on earnings.

Financial intermediaries who are investing on behalf of clients should make separate applications. Multiple applications or suspected multiple applications on behalf of a single client may be rejected. The International Security Identification Number (ISIN) for the New Shares is B188SR5 and the SEDOL is GB00B188SR50.

OVERSEAS INVESTORS

The attention of persons resident outside the UK is drawn to the notices to investors set out at pages 86 to 89 of this document which contains restrictions on the holding of New Shares by such persons. This document does not constitute an offer to sell or an offer to subscribe for or buy New Shares in any jurisdiction in which such offer or solicitation is unlawful.

In particular investors should note that the New Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States and the Company has not registered, and does not intend to register, as an investment company under the Investment Company Act. Accordingly, the New Shares may not be offered, sold, pledged or otherwise transferred or delivered within the United States or to, or for the account or benefit of, any US Persons except in a transaction meeting the requirements of an applicable exemption from the registration requirements of the Securities Act.

CREST

CREST is a paperless settlement procedure enabling securities to be transferred from one person's CREST account to another without the need to use share certificates or written instruments of transfer. The Articles permit the holding of New Shares under the CREST

system and the Company has applied for the New Shares to be admitted to CREST with effect from Admission. Accordingly, settlement of transactions in the New Shares following Admission may take place within the CREST system if any Shareholder so wishes (provided that the New Shares are not in certificated form).

CREST is a voluntary system and upon the specific request of a Shareholder, the New Shares of that Shareholder which are being held under the CREST system may be exchanged, in whole or in part, for share certificates.

If a Shareholder or transferee requests New Shares to be issued in certificated form a share certificate will be despatched either to them or their nominated agent (at their own risk) within 21 days of completion of the registration process or transfer, as the case may be, of the New Shares. Shareholders who are non-US Persons holding definitive certificates may elect at a later date to hold their New Shares through CREST in uncertificated form provided they surrender their definitive certificates.

DEALING ARRANGEMENTS

Application has been made for the New Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that such Admission will become effective, and that unconditional dealings in the New Shares will commence for New Shares issued under the Firm Placing at 8:00 am on 21 January 2010 and for New Shares issued under the Open Offer and Offer for Subscription at 8:00 am on 28 January 2010.

SETTLEMENT

The latest time and date for acceptance and payment in full in respect of the Open Offer and the Offer for Subscription is expected to be 11:00am a.m. on 22 January 2010, unless otherwise announced by the Company.

The Open Offer

The procedure for acceptance and payment is set out in "Terms and Conditions of the Open Offer" at the end of this document and, in respect of Qualifying Non-CREST Shareholders, in the Open Offer Application Form.

The Firm Placing

Payment for the New Shares to be acquired under the Firm Placing should be made in accordance with settlement instructions provided to investors by the Placing Agent. To the extent that any application or subscription for New Shares is rejected in whole or part, monies will be returned to the applicant without interest.

The Offer for Subscription

Payment for New Shares applied for under the Offer for Subscription should be made in accordance with the instructions contained in the Subscription Form set out at the end of this Prospectus.

ANTI-MONEY LAUNDERING

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK and/or Guernsey, any of the Company and its agents, the Administrator, the Investment Adviser and the Placing Agent may require evidence in connection with any application for New Shares, including further identification of the applicant(s), before any New Shares are issued.

Each of the Company and its agents, the Administrator, the Investment Adviser and the Placing Agent reserve the right to request such information as is necessary to verify the identity of a Shareholder or prospective Shareholder and (if any) the underlying beneficial owner or prospective beneficial owner of a Shareholder's New Shares. In the event of delay or failure by the Shareholder or prospective Shareholder to produce any information required for verification purposes, the Directors, in consultation with the Placing Agent and the Investment Adviser, may refuse to accept a subscription for New Shares, or may refuse to register the transfer of New Shares held by any such Shareholder.

Part VII Taxation

INTRODUCTION

The following paragraphs, which are intended as a general guide only, summarise the tax treatment of the Group and certain types of investors. This has been provided for general information purposes only and does not address every potential tax consequence that might be relevant to the Group or particular investors. It applies, unless otherwise stated, only to the Group and companies within the Group. This summary is based on the law as at the date of this document and published practice of certain tax authorities and is therefore subject to change, possibly retrospectively.

If Shareholders or prospective Shareholders are in any doubt as to their tax position they should consult their own professional adviser without delay.

THE GROUP

Guernsey Taxation

THE COMPANY

In response to the review carried out by the European Union Code of Conduct Group (“**CCG**”), the States of Guernsey passed legislation abolishing exempt status for the majority of companies with effect from 1 January 2008 and introducing a zero rate of tax for companies carrying on all but a few specified types of regulated business and property development businesses. However, the States of Guernsey advised that because collective investment schemes (“**CIS**”) and similar closed ended investment vehicles were not one of the regimes in Guernsey that were classified by the CCG as being harmful, these entities would continue to be able to apply for exempt status for Guernsey tax purposes after 31 December 2007. On that basis the Company has continued to apply for exempt status by virtue of the Income Tax (Exempt Bodies) (Guernsey) Ordinance, 1989 to 1997 (the “**Ordinance**”) and pays an annual fee, currently fixed at £600 per annum.

However, it is understood that members of the CCG consider the “zero-ten” corporate tax regime of Guernsey to be non-compliant with the ‘spirit’ of the EU Code of Conduct for Business Taxation.

A review of the corporate tax regime will shortly be carried out by Guernsey Policy Council (“**GPC**”), who has recommended that this will proceed on the presumption of a 10 per cent general rate of corporate tax. GPC is aiming to provide a report to the States of Guernsey on its proposals as early as possible in 2010. At the date of this document it is too early to provide any indication as to what shape a new business tax regime might take, but it is hoped that companies such as the Company will continue to benefit from an exemption for CIS and similar closed ended investment vehicles. The “zero-ten” regime will remain in force for the time being, until new legislation is implemented. GPC has stated that it will take this opportunity to consider the introduction of full double taxation agreements with EU member states, removal of discriminatory practices and easier access to EU markets.

GUERNSEY TAX IMPLICATIONS FOR INVESTORS

Payments of dividends and interest by a company that has exempt status for Guernsey tax purposes are regarded as having their source outside Guernsey and hence are payable without deduction of tax in Guernsey.

Bailiwick of Guernsey resident individual investors in a Category B Investment Scheme that have elected to apply for exempt status will be taxed only on actual distributions made to them.

Shareholders resident outside Guernsey will not be subject to any tax in Guernsey in respect of any Ordinary Shares owned by them.

No Guernsey or UK stamp duty or SDRT will be payable on the issue of the New Shares. In the event of the death of an individual Shareholder, a Guernsey grant of probate or administration may be required in respect of which certain fees will be payable to the Ecclesiastical Court in Guernsey.

EU SAVINGS DIRECTIVE

Guernsey has introduced equivalent measures to the EU Savings Tax Directive (the “**Directive**”). Under the Directive, income derived from Undertakings for Collective Investment in Transferable Securities or “UCITS” funds and undertakings for CIS established outside the EU are potentially caught within the Directive. The Guernsey government has issued guidance which states that only Class A funds established in Guernsey should be within scope of the Directive. All other funds are regarded as out of scope. Accordingly, paying agents are not required to operate the measures on distributions made to shareholders by companies established in Guernsey that are not Class A funds. On the basis that the Company is not a Class A fund, it should therefore not be subject to the Directive.

The operation of the Directive is currently under review by the European Commission and a number of changes have been outlined which, if agreed, will significantly widen its scope. These changes could lead to the Company having to comply with the Directive in the future.

Luxembourg Taxation

The directors of Luxco 1, Luxco 2, and NA S.à.r.l. (individually a “**Group Luxco**” and together the “**Group Luxcos**”) continue to manage the companies with the view that they will be fully taxable companies resident for tax purposes only in Luxembourg. The Directors continue to manage affairs with the intention that any tax burden in the Group Luxcos is minimised. In addition they will seek to ensure that the holdings in the subsidiaries continue to qualify for the Luxembourg participation exemption such that dividend income and capital gains generated from such holdings are exempt from Luxembourg corporate income tax.

TRANSPARENCY OF PARTNERSHIP

The Partnership should continue to be treated as fiscally transparent for Luxembourg tax purposes and therefore Luxco 2 is beneficially entitled to the income and capital arising from the Project Entities (after first deducting any amounts apportioned to the General Partner under the terms of the Limited Partnership Agreement).

FINANCING MARGIN

The Group Luxcos’ interest income should continue to be fully taxable in Luxembourg. Interest expense is fully deductible for tax purposes subject to an appropriate arm’s length margin on the financing activity being taxable in Luxembourg.

WITHHOLDING TAX

The Directors will continue to manage the affairs of the Group with the intention that withholding taxes that may arise between the Partnership, the Group Luxcos and the Company are eliminated to the extent possible. It is not expected that Luxco 1 will pay dividends to the Company; however in the event that dividends are paid they will be subject to 15 per cent. withholding tax.

NET WORTH TAX

Net worth tax of 0.5 per cent. on the Group Luxcos’ worldwide net worth is payable annually. However, the Directors consider that the amount charged should continue to be minimal on the basis that the assets that are assessed for net worth tax exclude equity funded shares in subsidiaries provided they continue to qualify for the participation exemption. Debts to finance such qualifying participations, however, are not deductible for net worth tax purposes.

EU SAVINGS DIRECTIVE

Currently, any interest paid or attributed by one of the Group Luxcos to the Company is not subject to obligations under the EU Savings Directive. This may change, however, as the EU Savings Directive currently is under review. According to the draft amended Directive, significant modifications of the scope of application of the EU Savings Directive would be made, and additional look-through rules would be introduced, which could lead the Group Luxcos to become subject to the Directive. According to the current draft text, if the updated EU Savings Directive enters into force in 2010, the earliest date that the updated Directive would apply from is 1 January 2013.

United Kingdom Taxation

TAXATION OF PARTNERSHIP

The General Partner and the Operator continue to conduct the business of the Partnership with the intention that for United Kingdom tax purposes the Partnership is not regarded as carrying on a trade in the United Kingdom. On the basis that the Partnership continues to be a fiscally transparent entity for tax purposes which is not carrying on a trade in the UK, Luxco 2 should not be subject to UK tax on its share of the Partnership profits.

UK PROJECT ENTITIES

The UK Project Entities will continue to be subject to UK corporation tax, currently at a rate of 28 per cent. on their taxable income. Luxco 2 should receive dividend and interest income from the UK and other EU project subsidiaries, without tax being withheld at source, subject to the provisions of the EU Parent Subsidiary Directive and the EU Interest and Royalties Directive and local country rules.

Australian Taxation

TAXATION OF AUSTRALIAN PROJECT ENTITIES

Australian Project Entities may include companies, partnerships and trusts formed in Australia to undertake infrastructure projects or provide infrastructure services.

Australian resident companies are subject to income tax at the corporate tax rate of 30 per cent. Australian resident partners in an Australian general partnership are taxed on their share of the partnership’s net income (at 30 per cent. for corporate partners). Australian resident beneficiaries that are presently entitled to the income of an Australian trust are taxed on their share of the trust’s net income (at 30 per cent. for corporate beneficiaries). UK resident beneficiaries that are presently entitled to the income of an Australian trust are generally subject to a final withholding tax on interest and dividend income (as explained below) and a non-final withholding tax on other Australian sourced income (at 30 per cent. for corporate beneficiaries, provided the beneficiary is not itself a trustee of another trust). However if the trust is a “managed investment trust”, other Australian sourced income is subject to a 15 per cent. final withholding tax (reducing to 7.5 per cent. from 1 July 2010).

Interest incurred by an Australian Project Entity on debt used for income producing purposes or in carrying on business should be generally deductible for Australian tax purposes, subject to the Australian thin capitalisation rules.

AUSTRALIAN WITHHOLDING TAX

Generally, distributions paid from Australian Project Entities may be subject to Australian tax by assessment or withholding, with the rate of tax dependent on the type and tax profile of the Project Entity and also the ownership percentage held in that investment.

Generally for dividends paid to the UK by Australian companies, or entities treated as companies, there will be no Australian withholding tax on franked dividends whereas unfranked dividends are subject to Australian withholding tax of 15 per cent., which may be reduced to 5 per cent. or 0 per cent. under the Australia/United Kingdom Double Tax Agreement. It is anticipated that the reduced rates of 0 per cent and 5 per cent. should continue to apply to dividends paid by Australian Project Entities to IPP (Aust) Limited, a UK resident company.

Broadly, dividends are franked to the extent they are paid out of profits on which Australian corporate tax has been paid and are unfranked to the extent they are paid out of profits that have not been subject to Australian corporate tax.

Australian interest withholding tax generally applies at 10 per cent. on interest paid by Australian Project Entities to foreign entities. Exemptions may apply in certain cases, including interest on certain “publicly offered” debt securities and syndicated loans, interest paid to an Australian branch of a foreign bank and interest paid to financial institutions resident in certain countries with which Australia has a tax treaty.

CAPITAL GAINS TAX

Generally, capital gains made on disposals of assets by Australian Project Entities would be taxable in Australia as explained above. Capital gains made by UK resident holding entities would be subject to Australian tax only if the relevant asset is “taxable Australian property”. This includes real property and natural resource rights situated in Australia, assets used in carrying on business through an Australian permanent establishment and shares or other interests in entities whose underlying assets consist principally of Australian real property.

UK TAXATION OF INCOME FROM AUSTRALIAN PROJECT ENTITIES

The Australian Project Entities will continue to be held directly, or indirectly by a UK holding company, IPP (Aust) Limited, which is wholly owned by the Partnership. IPP (Aust) Limited will continue to be subject to UK corporation tax, currently at a rate of 28 per cent. on its taxable profits.

As a result of legislation introduced by the Finance Act 2009, dividends and other distributions received from Australian Project Entities should in most instances, be exempt from UK corporation tax. The new legislation also provides that UK tax credits will not be available for overseas tax suffered on dividends received from the Australian Project Entities except in very limited circumstances, which are not expected to apply.

Other EU and Canadian Taxation

The Group includes Project Entities established, in addition to those in the Australia and the UK, in France, Belgium, Germany, Ireland and Canada.

Generally, distributions paid from these other EU and Canadian Project Entities may be subject to domestic tax in their own jurisdiction by assessment or withholding, with the rate of tax dependent on the type and tax profile of the Project Entity and also the ownership percentage held in that investment.

The interests in the other EU and Canadian Project Entities are either held by Luxembourg S.à.r.l.s (that are wholly owned by the Partnership), or directly by the Partnership itself.

In general, the Luxembourg S.à.r.l.s, or Luxco 2 (sole limited partner in the Partnership), should continue to receive dividend and interest income from the other EU Project Entities without tax being withheld at source, subject to the provisions of the EU Parent Subsidiary Directive and the EU Interest and Royalties Directive and local country rules.

For dividends and interest paid by Canadian Project Entities to Luxembourg, reduced rates of withholding tax under the tax treaty between Canada and Luxembourg should remain available and it is anticipated that treaty withholding tax rates of 10 per cent. on interest and 5 per cent. on dividends should continue to apply on payments of dividends and interest from Canada to Luxembourg in most circumstances.

TAXATION OF INVESTORS IN THE COMPANY

The following is a summary of the UK tax considerations relevant to investors in the Company. The summary is based on current UK tax legislation and HM Revenue & Customs practice which may be subject to change, with or without retrospective effect. These considerations may not apply to certain categories of investors, such as dealers. If Shareholders are in any doubt as to their tax position or if they are subject to tax in any jurisdiction other than the UK, they should consult an appropriate professional adviser immediately. Shareholders should rely only upon advice received from their own tax advisers based upon their own individual circumstances and the laws applicable to them.

General

The following comments only apply to Shareholders who hold their interest in the Company for investment purposes.

A new regime for offshore funds applies with effect for accounting periods beginning on or after 1 December 2009 in accordance with the Offshore Funds (Tax) Regulations 2009. Under the new rules, the definition of an offshore fund is based on a characteristics approach detailed in section 40A Finance Act 2008. As the Company does not maintain any pre-existing (or propose any) arrangements that could allow existing or prospective investors to realise their investment entirely (or almost entirely) with reference to Net Asset Value, it is not expected that the Company will be treated as an offshore fund for the purposes of these new Regulations.

DISPOSAL OF SHARES

UK resident shareholders

A disposal of New Shares by a Shareholder who is (at any time in the relevant United Kingdom tax year or, as the case may be, accounting period) resident or, in the case of an individual, ordinarily resident in the United Kingdom for tax purposes may give rise to a chargeable gain (currently taxable at a rate of 18 per cent.) or an allowable loss for the purposes of United Kingdom taxation on chargeable gains, depending on the Shareholder's circumstances and subject to any available exemption or relief.

Special rules apply to UK individual shareholders who are not domiciled in the UK, or are resident but not ordinarily resident in the UK.

Non-UK resident shareholders

A Shareholder who is not resident and, in the case of an individual, not ordinarily resident in the United Kingdom for UK taxation purposes and whose New Shares are not attributable to a trade, profession or vocation carried on in the UK through a branch or agency (or permanent establishment) will not be subject to UK tax on any gains realised on a disposal of New Shares (save as mentioned below in relation to temporarily non UK resident individuals).

Temporary non-UK resident shareholders

A Shareholder who is an individual who has ceased to be resident or ordinarily resident in the UK for tax purpose for a period of less than five years of assessment and who disposes of New Shares during that period may also be liable, on his return to the UK, to UK taxation on any chargeable gains subject to any available exemption or relief.

TAXATION OF DISTRIBUTIONS

Dividends

Subject to their personal circumstances, Shareholders resident in the UK for taxation purposes will be liable to United Kingdom income tax or corporation tax on the gross amount of the dividends received. Dividends received by such Shareholders who are within the charge to UK corporation tax will generally be taxed at the prevailing UK corporate tax rate. A Shareholder who is an individual will generally be chargeable to UK income tax on dividends received from the Company at the dividend ordinary rate (currently 10 per cent.) or, to the extent that the amount of the gross dividend when treated as the top slice of his or her income exceeds the threshold for the higher rate tax, at the dividend upper rate (currently 32.5 per cent., increasing to 42.5 per cent. from 6 April 2010). Individuals are entitled to a non-payable dividend tax credit of one ninth of the amount or value of the distribution. This will have the effect of eliminating the income tax liability on such dividend income for Shareholders who are liable to tax only at the basic rate of income tax and effectively reduces the current dividend upper rate to currently 25 per cent. and from 6 April 2010, to 36.1 per cent.

Individual Shareholders who are resident but not ordinarily resident in the UK will be subject to UK income tax on such dividends on a remittance basis. In most circumstances, UK resident individuals who are not domiciled in the UK will also be taxed on a remittance basis.

Scrip Dividends

If the Scrip Dividend Resolutions are passed at the Extraordinary General Meeting, the Company will have the ability to offer Shareholders the opportunity to elect to receive future dividends from the Company wholly or partly in the form of new Shares rather than cash.

On the basis of case law, UK-resident Shareholders should not receive any income liable to UK income tax or corporation tax to the extent that they elect to receive Shares instead of any cash dividend. Nor should they make any disposal for chargeable gains tax purposes at the time any such Shares are allotted. Instead the Shares issued in lieu of a cash dividend and the original registered holding of Shares in respect of which any such Shares are allotted (the “**Original Holding**”) should be treated as a single holding acquired at the time of the Original Holding. There will be no allowable expenditure for chargeable gains tax purposes arising in respect of the Shares issued instead of a cash dividend and the allowable expenditure arising in respect of the Original Holding will be apportioned across the Original Holding and the Shares issued instead of a cash dividend. A disposal for chargeable gains tax purposes will only arise at the time the Shareholder subsequently disposes of the Shares issued instead of a cash dividend or the Original Holding (a “**Subsequent Disposal**”).

UK-resident individual shareholders may be subject to capital gains tax in respect of chargeable gains arising on a Subsequent Disposal depending on their individual circumstances. UK-resident corporate shareholders may be subject to corporation tax in respect of chargeable gains arising on a Subsequent Disposal depending on their individual circumstances. UK-resident exempt funds will not be liable to tax on chargeable gains arising upon a Subsequent Disposal of investments held for the purposes of the Company.

No UK stamp duty or stamp duty reserve tax will be payable on the issue of any Shares pursuant to any scrip dividend alternative that is offered.

The ability of the Company to offer Shareholders the opportunity to elect to receive future dividends from the Company wholly or partly in the form of new Shares rather than cash is conditional on the passing of the Scrip Dividend Resolutions at the Extraordinary General Meeting. Even if the Scrip Dividend Resolutions are passed, the decision of whether to offer a scrip dividend alternative will be at the discretion of the Directors.

Capital Distributions

Where a UK resident shareholder receives a capital distribution, this will be treated as a part disposal of their holding. The capital gain or loss is calculated as proceeds less proportional base cost calculated under the part disposal rules subject to any available exemption or relief.

Stamp duty and stamp duty reserve tax (“SDRT”)

The following comments are intended as a guide to the general stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply.

UK stamp duty (at the rate of 0.5 per cent. of the amount of the value of the consideration for the transfer rounded up where necessary to the nearest £5) is payable on any instrument of transfer of the New Shares executed within the UK or, in certain circumstances, on an instrument which is executed offshore but later has to be relied on in the UK. However, for instances where non-UK shares are being transferred stamp duty should not be payable if the instrument of transfer is executed and retained outside the UK, the consideration for the transfer does not include UK property (e.g. cash credited to a UK bank account) and the transfer instrument does not relate to a matter or thing done or to be done in the UK (e.g. an obligation is performed in the UK) or if there is no instrument of transfer because the transfer is settled electronically via CREST.

Broadly SDRT is payable at 0.5 per cent. of the consideration provided and applies to agreements to transfer chargeable securities (shares issued or registered in the UK).

Other United Kingdom Tax considerations

The attention of individuals ordinarily resident in the United Kingdom is drawn to Chapter 2 of Part 13 of the Income Tax Act 2007.

These contain anti-avoidance provisions dealing with the transfer of assets to overseas persons in circumstances which may render such individuals liable to taxation in respect of undistributed profits of the Company.

The attention of companies subject to corporation tax in the United Kingdom is drawn to the fact that the “controlled foreign companies” legislation contained in Chapter IV of Part XVII of the Income and Corporation Taxes Act contains provisions which subject certain UK resident companies to corporation tax on profits of companies not so resident in which they have an interest. The provisions may apply to any United Kingdom resident company which is, either alone or together with persons associated with it for taxation purposes, deemed to be interested in 25 per cent. or more of any chargeable profits of the Company arising in an accounting period, if at the same time the Company is controlled (as defined in section 755D of the Taxes Act) by persons (whether companies, individuals or others) who are resident in the United Kingdom for taxation purposes or is controlled by two persons taken together, one of whom is resident in the United Kingdom for tax purposes and has at least 40 per cent. of the interests, rights and powers by which those persons control the Company, and the other of whom has at least 40 per cent. and not more than 55 per cent. of such interests, rights and powers. The “chargeable profits” of the Company do not include any of its capital gains. The effect of these provisions could be to render such companies liable to United Kingdom corporation tax in respect of the undistributed income of the Company. It should be noted that reform of the UK tax legislation around this area is anticipated. The UK Government has recently announced that details on the proposed shape of the new controlled foreign companies’ regime will be published in January 2010.

It is anticipated that the shareholdings in the Company will be such as to ensure that the Company would not be a close company if resident in the UK. If, however the Company were to be close if resident in the UK, then in accordance with Section 13 of the Taxation of Chargeable Gains Act 1992, part of any chargeable gains accruing to the Company or the Group Luxcos may be apportioned to certain UK residents or in the case of an individual, ordinarily resident Shareholders. The Shareholder may thereby become chargeable to capital gains tax or corporation tax on chargeable gains on the gains apportioned to them subject to any available exemption or relief. Section 13 was extended with effect from 6 April 2008 to individuals domiciled outside the United Kingdom, subject to the remittance basis in particular circumstances.

Non-UK investors

Individuals or corporate Shareholders who are resident for tax purposes in jurisdictions other than the UK will be taxed according to the rules of that jurisdiction and should seek their own professional advice.

Life Companies

The following paragraphs are intended as general comments on the UK taxation of a UK resident proprietary life assurance company investor in the Company and may not be relevant to all life assurance companies. Hence each life assurance company should obtain its own separate advice. The comments assume that the life assurance company's interest in the Company is held as an investment of its long-term insurance fund, that the company writes basic life and general annuity business ("**BLAGAB**") and gross roll-up business ("**GRB**"), and that the company is taxed on the "I minus E" basis. The comments also assume that the life assurance company's interest in the Company does not constitute a relevant interest in an offshore fund for the purposes of Section 212 of the Taxation and Chargeable Gains Act 1992.

Dividend Distributions and Disposals of Shares

To the extent that chargeable gains on the disposal of the Shares are referable to **BLAGAB** they will be included in the life company's I minus E computation and will generally be taxed at a rate of between 20 and 30 per cent., with the precise rate applicable depending upon the particular circumstances of the life company.

Where the chargeable gains are referable to **GRB**, they should not be taxable directly in the I minus E computation. Investment return attributable to the Shares may, however, be taken into account in determining the taxable profit arising to the company from writing the **GRB**.

In relation to both **BLAGAB** and **GRB**, as a result of legislation introduced by Finance Act 2009, the receipt of dividends received from the Company post 1 July 2009 should be exempt from UK corporation tax.

ISAs, PEPs and SIPPs

It is expected that the New Shares will be eligible for inclusion in ISAs (subject to applicable subscription limits) provided that they have been acquired through the Open Offer or the Offer for Subscription (but not any New Shares acquired directly under the Firm Placing) and that the New Shares will not be taxable property for the purposes of Investment-Regulated Pension Schemes (including schemes formerly known as SIPPs).

Part VIII Financial Information

DOCUMENTS INCORPORATED BY REFERENCE

The annual report and financial statements of the Group for the period ended 31 December 2006, the year ended 31 December 2007 and the year ended 31 December 2008 as have been published contain the audited consolidated financial statements of the Group for the relevant financial period together with the audit report by the Auditors thereon. The interim report and financial statements of the Group for the period ended 30 June 2009 contain the unaudited consolidated financial statements of the Group for that period. The following annual and interim reports and financial statements of the Group are incorporated by reference into this Prospectus which should be read and construed in conjunction with such documents, except for documents incorporated by reference therein:

- Annual report and financial statements of the Group for the period ended 31 December 2006;
- Annual report and financial statements of the Group for the year ended 31 December 2007;
- Annual report and financial statements of the Group for the year ended 31 December 2008; and
- Interim report and financial statements of the Group for the period ended 30 June 2009.

Copies of these documents which are deemed incorporated herein are available as provided in paragraph 12.13 of Part IX of this Prospectus.

OPERATING AND FINANCIAL REVIEW

The annual report and audited financial statements of the Group for the period ended 31 December 2006, the year ended 31 December 2007 and the year ended 31 December 2008 as well as the interim report and unaudited financial statements of the Group for the period ended 30 June 2009 (each as incorporated into this Prospectus by reference) include descriptions of the Company's financial condition (in both capital and revenue terms), details of the Company's investment activity and portfolio exposure and changes in its financial condition for each of those periods.

SIGNIFICANT CHANGE

There has been no significant change in the financial or trading position of the Group since 30 June 2009, being the end of the last financial period for which financial information has been published, such information being interim unaudited financial information.

Part IX Additional Information

1. THE COMPANY

- 1.1 The Company was incorporated as a limited liability company in Guernsey under the Companies (Guernsey) Law 1994 on 2 August 2006 with registered number 45241.
- 1.2 The registered office of the Company is Heritage Hall, PO Box 225, Le Marchant Street, St Peter Port, Guernsey GY1 4HY (telephone: +44 1481 716000). The Company operates under the Law and the regulations made thereunder.
- 1.3 The Company is regulated by the Guernsey Financial Services Commission and is deemed to have authorisation as an authorised closed-ended investment scheme under Section 8 of the Protection of Investors (Bailiwick of Guernsey) Law, 1987, as amended and the Authorised Closed-Ended Investment Scheme Rules, 2008 made thereunder. Neither the Guernsey Financial Services Commission nor the States of Guernsey Policy Council take any responsibility for the financial soundness of the Company or for the correctness of any statements made or opinions expressed with regard to it.
- 1.4 The Company's accounting periods terminate on 31 December of each year.
- 1.5 Changes in the authorised and issued share capital of the Company since incorporation are as summarised in paragraph 2 of this Part IX of this document.
- 1.6 On 27 September 2006 the Company's shareholders resolved to change the name of the Company from "Babcock and Brown Public Partnerships Limited" to "Babcock & Brown Public Partnerships Limited". This change of name was approved by the Court on 6 October 2006. On 18 May 2009 the Company's shareholders resolved to change the name of the Company from "Babcock & Brown Public Partnerships Limited" to "International Public Partnerships Limited". This change of name was approved by the Guernsey Registrar of Companies on 24 June 2009.

2. FINANCIAL INFORMATION ON THE COMPANY'S SHARE CAPITAL

- 2.1 The Company was incorporated with an authorised share capital of £100,000 divided into 1,000,000,000 unclassified shares of 0.01 pence each. The unclassified shares may be issued as, amongst other things, Ordinary Shares, as C Shares (in the circumstances described in paragraph 9.2 of this Part IX) or otherwise on such terms and conditions as the Directors may from time to time determine in accordance with the Articles and the Law.
- 2.2 Two Ordinary Shares issued were issued for the purposes of incorporation to the subscribers to the Memorandum of Association. Both such Ordinary Shares were transferred on admission of the Ordinary Shares to the Official List.
- 2.3 On 9 October 2006, the shareholders of the Company passed a special resolution in writing:
 - (a) authorising the Company to make market purchases (within the meaning of section 5 of the Companies (Purchase of Own Shares) Ordinance 1998 (now repeated and replaced by the provisions of the Law)) of the Ordinary Shares; and
 - (b) cancelling the amount standing to the credit of the share premium account of the Company, conditional on the confirmation of the Court and upon the Initial Public Offer issue agreement becoming unconditional, and crediting an equivalent amount to a distributable reserve as described in paragraph 2.6 below.

The authority referred to in paragraph 2.3(a) expired on 12 June 2009 and was renewed at the Company's annual general meeting on 9 July 2009. The current authority will expire at the end of the annual general meeting of the Company to be held in 2010 or (if earlier) 18 months from the date of the authority.

- 2.4 In addition to the issue of two Ordinary Shares referred to in paragraph 2.2 above the Company issued 299,999,998 unclassified shares as Ordinary Shares on 9 November 2006. On 17 April 2008 the Company issued 83,685,759 C Shares which were admitted to the Official List on 22 April 2008 at an issue price of 100.00 pence per share. The C Shares were converted to Ordinary Shares on 30 June 2008 at a conversion rate of 0.8928 Ordinary Shares for every 1 C Share. The total number of Ordinary Shares in issue as at 11 December 2009 was therefore 374,714,645.
- 2.5 In accordance with the power granted to the Board by the Articles, and subject to satisfaction of the Issue Conditions, it is expected that 105,494,506 unclassified shares (assuming the maximum size of the Issue is reached) or such lesser number of unclassified shares equal to the actual size of the Issue will be issued as Ordinary Shares and allotted pursuant to a resolution of the Board to be passed prior to and conditional upon Admission.

- 2.6 On 9 October 2006, the Company passed a special resolution to reduce the share capital of the Company by cancelling the whole amount standing to the credit of the share premium account following completion of the issue of the Ordinary Shares pursuant to the Initial Public Offer (less any issue expenses set off against that account) and to credit an equivalent amount to the Company's distributable reserves. The reserve created on such cancellation was made available as a distributable reserve to be used for all purposes permitted by the Law, including the buy-back of Ordinary Shares and the payment of distributions. This resolution was subsequently confirmed by the Court in accordance with the Law on 19 January 2007.
- 2.7 There are no statutory provisions under Guernsey law which confer rights of pre-emption in respect of the allotment of any class of shares. The Company's Articles contain pre-emption provisions (see further paragraph 9.10 of this Part IX below), although the Directors have proposed to disapply these provisions in respect of the Firm Placing, the Open Offer and the Offer for Subscription. The Pre-emption Resolution to disapply the pre-emption provisions will be considered by Existing Shareholders at the Extraordinary General Meeting which has been convened for 15 January 2010. Further details of the Resolution are contained in the EGM Circular which is being circulated to Existing Shareholders at the same time as this document.
- 2.8 The Placees have in aggregate agreed to subscribe for 24,604,914 New Shares pursuant to the Firm Placing. The Firm Placing is conditional on (amongst other things) the passing of the Pre-emption Resolution at the Extraordinary General Meeting and the Issue Agreement not being terminated and becoming unconditional in accordance with its terms. The Firm Placing is not underwritten.
- 2.9 Other than in respect of the allocation of 24,604,914 New Shares to the Placees under the Firm Placing described in paragraph 2.8 of this Part IX above, no share or loan capital of the Company is under option or has been agreed, conditionally or unconditionally, to be put under option.
- 2.10 The authorised share capital and the maximum issued share capital of the Company (all of which will be fully paid) immediately following the Issue (assuming the maximum size of the Issue is reached) will be as follows:

	AUTHORISED NUMBER OF SHARES	NOMINAL (£)	ISSUED NUMBER OF SHARES	NOMINAL (£)
Ordinary Shares	480,209,151	48,021	480,209,151	48,021
C Shares	0	0	0	0
Unclassified Shares	519,790,849	51,979	0	0

- 2.11 Save as disclosed in this Part IX and pursuant to the Issue, since the date of its incorporation no share or loan capital of the Company has been issued or agreed to be issued, or is now proposed to be issued, either for cash or any other consideration, and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the Issue or sale of any such capital.
- 2.12 All of the New Shares will be in registered form and eligible for settlement in CREST. Temporary documents of title will not be issued.
- 2.13 The Net Issue Proceeds will be used to acquire Further Investments or to discharge third party debt incurred to acquire Further Investments and, to the extent that Further Investments are not made, to repay outstanding debt of the Company and to meet other operational expenses of the Group's business. Had the Issue been effected as at 31 December 2008 (the date as at which the most recent audited accounts of the Company that are incorporated by reference in this Prospectus were prepared), and on the basis that the targeted size of the Issue is reached, the effect of the Issue on the assets and liabilities of the Company shown in the balance sheet would be an additional cash holding of £97.93 million (reflecting the Net Issue Proceeds). The Company intends to apply for a block listing of any Ordinary Shares to be issued to AFML pursuant to the Incentive Fee arrangements to be admitted to the Official List.

WORKING CAPITAL AND INDEBTEDNESS

- 2.14 The Company is of the opinion that the Group has sufficient working capital for its present requirements, that is for at least 12 months from the date of this document.
- 2.15 The Company has the power to borrow—details are set out under the heading "Investment Policy" in Part I of this Prospectus.

2.16 Capitalisation and indebtedness

The following table shows the indebtedness of the Company (distinguishing between secured and unsecured indebtedness) as at 30 June 2009 (being the last date in respect of which the Company has published (interim) unaudited financial statements).

CURRENT DEBT	RECOURSE	NON-RECOURSE	TOTAL
	£'000	£'000	£'000
Guaranteed	—	—	—
Secured ¹⁸	—	25,410	25,410
Unguaranteed / unsecured	—	—	—
Total current debt	—	25,410	25,410
NON-CURRENT DEBT	RECOURSE	NON-RECOURSE	Total
	£'000	£'000	£'000
Guaranteed	—	—	—
Secured ¹⁸	58,306	1,599,796	1,658,102
Unguaranteed / unsecured	—	—	—
Total Non-Current Debt	58,306	1,599,796	1,658,102
TOTAL	58,306	1,625,206	1,683,512

Note: The above table shows gross indebtedness. After netting off unamortised debt arrangement fees of £50.7 million total indebtedness would be £1,633 million as shown in the Company's 30 June 2009 interim unaudited financial statements.

The following table shows the capitalisation of the Company as at 30 June 2009 (being the last date in respect of which the Company has published (interim) unaudited financial statements).

SHAREHOLDERS' EQUITY ¹⁹	RECOURSE	NON-RECOURSE	TOTAL
	£'000	£'000	£'000
Share capital	37	—	37
Other distributable reserves	293,506	—	293,506
TOTAL	293,543	—	293,543

Save as disclosed below there has been no material change in the capitalisation and indebtedness of the Company since 30 June 2009 (being the last date in respect of which the Company has published (interim) unaudited financial statements).

Between 30 June 2009 and 31 October 2009 indebtedness of the Group increased in the normal course of business due to a combination of net movements on drawdowns and repayment of non-recourse Project Entity loans, retranslation of overseas Project Entity loans denominated in foreign currencies into Sterling and CPI movements impacting on index-linked loans as detailed below:

- Due to the weakening of Sterling against other currencies, the non-recourse debt of the Project Entities denominated in currencies other than Sterling increased by approximately £127.2 million;
- Due to movements in CPI the non-recourse loans within the Royal Children's Hospital and Orange projects increased by approximately £4.2 million and £0.3 million respectively;

¹⁸ Other than the £58.3 million drawn pursuant to the £100 million committed corporate facility, all existing funding is project specific PFI/PPP style funding that is non recourse in nature and is secured by lending agreements that are contained within the individual project companies.

¹⁹ In accordance with CESR guidance the Company's revenue reserve has been excluded from Shareholders' equity.

- Further construction activity on the Alberta Schools and Dublin Courts projects resulted in an increase in non-recourse debt of approximately £33.1 million and £26.2 million respectively; and
- There has been a net reduction in non-recourse debt during the period by approximately £5.1 million as a result of repayment of project specific debt.

The aggregate net impact of such increases is an increase in indebtedness of £185.9 million, which would result in an increase of £185.9 million in the figures for total non-recourse debt and total debt compared to the figures as at 30 June 2009 as shown in the indebtedness table above.

2.17 Net indebtedness

The following table shows the Group's net indebtedness (excluding accruals) as at 31 October 2009 (based on unaudited unpublished quarterly financial statements of the Group):

	CORPORATE DEBT	NON-RECOURSE DEBT	TOTAL
	£'000	£'000	£'000
A. Cash	31,644	835,453 ²⁰	867,097
B. Cash equivalent	—	—	—
C. Trading securities	—	—	—
D. Liquidity (A) + (B) + (C)	31,644	835,453	867,097
E. Current financial receivables	—	—	—
F. Current bank debt	—	21,407	21,407
G. Current portion of non-current debt	—	52,634	52,634
H. Other current financial debt	—	—	—
I. Current financial debt (F) + (G) + (H)	—	74,041	74,041
J. Net current financial indebtedness (I) - (E) - (D)	(31,644)	(761,412)	(793,056)
K. Non current bank loans	58,306	618,756	677,062
L. Bonds issued	—	1,118,260	1,118,260
M. Other non current loans	—	—	—
N. Non current financial indebtedness (K) + (L) + (M)	58,306	1,737,016	1,795,322
O. Net financial indebtedness (J) + (N)	26,662	975,604	1,002,266

2.18 Deloitte LLP (formerly named Deloitte & Touche LLP) is the Auditor of the Company. The annual report and accounts are prepared according to standards laid out under IFRS.

3. HOLDING ENTITIES: LUXCOS

As explained in Part I of this document under the heading "Group Structure" the Company holds its assets through two Luxembourg companies, each being a "société à responsabilité limitée" ("Sàrl") (broadly the equivalent of a private company), and each qualifying as a SOPARFI. The status of SOPARFI is relevant for the tax treatment of the investment structure. Luxco 2 is the sole limited partner in the Partnership.

4. THE PARTNERSHIP

4.1 The Partnership was registered on 26 September 2006 as a limited partnership under the Limited Partnerships Act 1907 of England with the name Babcock & Brown Public Partnerships Limited Partnership with registered number LP11596. On 20 July 2009 the name of the Partnership was changed to International Public Partnerships Limited Partnership. The principal place of business of the Partnership is at Two London Bridge, London SE1 9RA. The Partnership is governed by the Limited Partnership

²⁰ Cash includes £16,090,561 reserved in relation to the Group's deferred equity commitments for the Diabolo project.

Agreement dated 23 June 2009 between the General Partner (a wholly owned special purpose subsidiary of Amber Infrastructure Group Limited and as such an Amber group company) as general partner and Luxco 2 as limited partner. Amber Fund Management Limited acts as Operator pursuant to the Operating Agreement (as amended and novated by a deed of amendment and novation between BBIML, AFML, the General Partner, Luxco 2 and the Partnership dated 23 June 2009). The management and operation of the Partnership on the intended basis may amount to the regulated activity of operating a collective investment scheme under UK legislation. In order to lawfully carry on a regulated activity in the UK a person must be authorised by the FSA to carry on the activity in question unless an exemption applies. As such AFML, which has been authorised by the FSA to carry on, amongst other things, the regulated activity of operating a collective investment scheme, has been appointed as Operator to manage and operate the Partnership.

- 4.2 Under the Limited Partnership Agreement, the General Partner has full discretion to acquire, dispose of and manage the assets of the Partnership subject to investment guidelines which reflect the investment strategy, policy and restrictions applying to the Company as set out in this document (or to appoint on behalf of the Partnership a person that is authorised by the FSA to so manage the assets of the Partnership). The General Partner (or any Operator appointed by the Partnership) may effect borrowings for the Partnership within limits to be prescribed by the limited partner.
- 4.3 The Limited Partnership Agreement provides that the General Partner will not be liable for losses incurred by the Partnership or Luxco 2 (as limited partner) in the absence of gross negligence, fraud, gross professional misconduct, wilful default, wilful illegal act or any material breach of its obligations under the Limited Partnership Agreement. The General Partner and its agents and employees are entitled to be indemnified out of the Partnership assets against claims, liabilities, costs, damages or expenses incurred or threatened by reason of their acting as such, subject to the same exceptions.
- 4.4 Under the Limited Partnership Agreement, the General Partner is entitled to distributions equal to the Base Fee and Incentive Fee save that any such distributions to the General Partner under the Limited Partnership Agreement shall be offset against any payments in respect of the Base Fee and Incentive Fee to the Investment Adviser pursuant to the Investment Advisory Agreement. The General Partner is also entitled to an amount as agreed between Luxco 2 (as limited partner) and the General Partner as being the sum spent on the General Partner's or the Operator's corporate overheads incurred in providing services in respect of the Group (including employee costs, office rental and IT software and hardware).
- 4.5 The General Partner can be removed and replaced in certain circumstances such as the material breach of its obligations under the Limited Partnership Agreement, insolvency (or analogous event) (subject to replacement by a similarly constituted Amber group company that is not insolvent or subject to any analogous event) or if the Investment Advisory Agreement or Operating Agreement is terminated. On the retirement or replacement of AFML as Investment Adviser and/or Operator, the General Partner can be required to continue as general partner of the Partnership, save that the General Partner's powers will be limited to appointing a replacement operator on such terms to be approved by Luxco 2, and the General Partner shall not be entitled to any remuneration for so acting. The terms upon which the Investment Advisory Agreement and Operating Agreement can be terminated and AFML removed as Investment Adviser and Operator are described at paragraphs 10.1 and 10.3 of this Part IX.

5. DIRECTORS' AND OTHER INTERESTS

- 5.1 The Directors shall be remunerated for their services at such rate as the Directors shall from time to time determine. The aggregate remuneration and benefits in kind (including C Shares) of the Directors in respect of the Company's accounting period ending on 31 December 2008 which was paid out of the assets of the Company was £158,375. Each of the Directors receives a Director's fee of £32,000 per annum save for the Chairman who receives £47,000 per annum and the Chairman of the Audit Committee who receives £37,000 per annum²¹. Each of the Directors will be entitled to receive an additional £5,000 in the current financial year for their services in connection with the Issue. No Director of the Company has waived or agreed to waive future emoluments nor has any Director waived any such emolument during the current financial year. While Giles Frost is an employee of Amber his Director's emoluments will be paid to Amber. No commissions or performance related payments have been or will be made to the Directors by the Company. The aggregate remuneration of the Directors shall not exceed £250,000²² per annum (or such other sum as the Company in general meeting shall determine).
- 5.2 No Director has a service contract with the Company, nor are any such contracts proposed. Keith Dorrian, Rupert Dorey and Giles Frost were appointed as non-executive directors by the subscribers to the Memorandum of Association on the incorporation of the Company. Their appointments were confirmed by letters dated 29 September 2006. Carol Goodwin was appointed as a non-executive director on 19 February 2007. John Whittle was appointed as a non-executive director on 6 August 2009. The Directors' appointments are subject to the Articles and can be terminated in accordance with the Articles without notice and without compensation.

- 5.3 No loan has been granted to, nor any guarantee provided for the benefit of, any Director by the Company.

²¹ These fees were decided by the Board following the Company's annual general meeting on 9 July 2009.

²² This figure was increased from £125,000 per annum by the Company at its annual general meeting on 9 July 2009.

5.4 As stated in this Part IX of this document, Giles Frost is a director of Amber whose subsidiary AFML is the Investment Adviser and Operator.

5.5 There are potential conflicts of interest between Giles Frost's duties as Director to the Company and his private interests or other duties. These are as disclosed in Part V and this Part IX of this document in relation to Giles Frost's position as an employee of Amber. Other than as so disclosed, there are no potential conflicts of interest between the duties of the Directors to the Company and their private interests or other duties and none of the Directors has, or has had, any material personal interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or which has been effected by the Company since its incorporation.

5.6 Carol Goodwin has committed to the Company that she will subscribe for up to 20,000 New Shares under the Firm Placing. No other Director will be participating in the Issue.

6. OTHER DIRECTORSHIPS

6.1 In addition to their directorships of the Company, the Directors are or have been, members of the administrative, management or supervisory bodies or partners of the following companies or partnerships, at any time in the previous five years:

KEITH DORRIAN

Current Directorships and Partnerships:

AB Alternative Strategies PCC Limited	IIAB PCC Limited
AB International Fund PCC Limited	K A N Consulting Limited
Arab Bank Fund Managers (Guernsey) Limited	MasterCapital Fund Limited
Eagle & Dominion Limited	Montier Asia and Emerging Markets Fund of Funds Limited
Eagle & Dominion Growth Fund Limited	Montier Long Short Equity Fund of Funds Limited
ELVEN Investments Limited	Montier Multistrategy Fund of Funds Limited
Eurocastle Investments Limited	Montier Asset Management Limited
GTA University Centre Limited	Montier Multistrategy Master Fund
Helios Alternative Strategies Limited	Montier Multi Strategy Closed End Fund of Funds Limited
Hermes Commodities Umbrella Fund Limited	PSource Structured Debt Limited
HCIF Index Sub Fund Limited	Strategic Investment Portfolio Holdings Limited
HSBC Global Absolute Limited	Third Point Offshore Investors Limited
IDFC General Partner Limited	UK Commercial Property Trust Limited

Past Directorships and Partnerships:

AB Asia Pacific Growth Fund Limited	Danube Property Company Limited
ACUS (Channel Islands) Ltd	FPP Asia Pacific Fund Limited
Ashmore Management Company (Guernsey) Limited	Hermes Absolute Return Fund Limited
Assetholder PCC No 2 Limited	Jade General Partner Limited
CitiRoad PCC Limited	Total Return Alternative Strategies Limited

RUPERT DOREY

Current Directorships and Partnerships:

AAA Guernsey Limited	Cognis 1 Master Fund LP
Acencia Debt Strategies Limited	Corazon Argentum Fund Limited
AIAF PCC Limited Convertible Bond Arbitrage Fund	Dexion Commodities Limited

AIAF PCC Limited G7 Fixed Income Fund	Endurance High Performance Fund Limited
AIAF PCC Limited Fixed Income Macro Fund	Episode Inc
AIAF PCC Limited Global Macro Fund	Episode LLP
AIAF PCC Limited Strategic Equity Advantage Fund	Global Credit Opportunities Master Investment Company Limited
AP Alternative Assets LP	Green Park Capital Investment Management Limited
Castle Asia Alternatives PCC Limited	M&G General Partner Inc
Celadon Fund PCC Limited	Onesimus Dorey (Holdings) Limited
Clifford Estate Company Limited	Partners Group Global Opportunities Limited
Clifford Estate Company (Chattels) Limited	Saltus European Debt Strategies Limited
Cognis General Partner Limited	Tetragon Financial Group Fund Limited
Cognis 1 Fund LP	Tetragon Financial Group Master Fund Limited

Past Directorships and Partnerships:

AIAF PCC Limited Sustainable Future Long Short Equity Fund	FAP Hedge Fund Opportunities Master Fund Limited
AIAF PCC Limited Central European Long Short Fund	MAISF PCC Ltd UK Equity Long Short Fund
FAP Hedge Fund Opportunities Fund GP Limited	PSolve Alternatives PCC Limited Niche Opportunities Fund
FAP Hedge Fund Opportunities Fund Limited	

GILES FROST

Current Directorships and Partnerships:

Abingdon Limited	IPP Properties (H&W Courts) Limited
AHBB ELL Holdings Limited	IPP Properties (Norfolk) Limited
Amber Asset Management Holdings Limited	IPP Properties (Rhyl St Asaph) Limited
Amber Asset Management Limited	IPP Properties (St Thomas More) Limited
Amber Australian Investments Limited	IPP Properties (Strathclyde) Limited
Amber Fund Management Limited	IPP Properties Limited
Amber Infrastructure Group Holdings Limited	IPP Properties No. 2 Limited
Amber Infrastructure Group Limited	Leeds Wellington Land Limited
Amber Infrastructure Holdings Limited	Lift Healthcare Investments Limited
Amber Infrastructure Limited	Long Eaton School Limited
Amber Investment Holdings Limited	Maesteg School Limited
Bexley Bromley and Greenwich LIFT Company Limited	Maesteg School (IPP) Limited
Black Country STM Limited	Maesteg School (Bridgend) Limited
Bootle Derby Holdings Limited	Narville Limited
Bootle PFI Solutions 1998 (2) Limited	Newbold (Derbyshire Schools Phase Two) Limited
Calderdale Schools Limited	Northampton Schools (Highgate) Limited
Derbyshire Courts (Property Co-Trustee) Limited	Northampton Schools (IPP) Limited
Derbyshire Courts Limited	Northampton Schools Limited
Derbyshire Schools Limited	NW (BBP) Limited

Derbyshire Schools Phase Two Limited	Odyssey Healthcare Limited
East London Lift Investments Limited	Peak Courts Limited
East London Lift Accommodation Services Limited	PPP Senior Funding Limited
East London Lift Accommodation Services No2 Limited	Rhyl St Asaph Limited
East London Lift Company Limited	Short Sided Soccer Willenhall Limited
East London Lift Holdco No2 Limited	St Thomas More Limited
East London Schools Limited	STM(H) Limited
Fieldsecond Limited	Strathclyde Limited
H&W Courts Limited	Taskmore Limited
International Public Partnerships GP Limited	TH (11th Hour) Limited
IPP (Aust) Limited	Tower Hamlets Holdings Limited
IPP (Aust) Orange Limited	Tower Hamlets Schools Limited
IPP (Aust) RCH Limited	Wellesley Barracks Limited
IPP (Derbyshire Courts) Limited	WISP Nantgarw (Property Co-Trustee) Limited
IPP (PPP) Limited	WISP Nantgarw GP Limited
IPP (Tower Hamlets Schools) Limited	WISP Nantgarw LP Limited
IPP Bond Limited	WISP Newport (Property Co-Trustee) Limited
IPP Development Investments Limited	WISP Newport GP Limited
IPP Land Limited	WISP Newport LP Limited
IPP PFI Holdings Limited	WISP Properties Limited
IPP Properties (Abingdon) Limited	WISP Strategic Partnership Limited
IPP Properties (Bootle) Limited	WISP Swansea (Property Co-Trustee) Limited
IPP Properties (Calderdale Schools) Limited	WISP Swansea GP Limited
IPP Properties (Derbyshire Schools Phase Two) Limited	WISP Swansea LP Limited
IPP Properties (Derbyshire Schools) Limited	Wymondham Limited

Past Directorships and Partnerships:

Afteracross Limited	Infracare Group Limited
BBG LIFT Accommodation Services Limited	Infracare Capital Limited
BBG Holdco Limited	Infracare Partnering Limited
CHGP CILP Limited	Infracare (South) Limited
CIGP IFLP Limited	Lift Investors Limited
Canjam Limited	Wolverhampton City and Walsall Holdco Limited
Healthcare Improvement Partnership (Wolverhampton City and Walsall) Limited	Wolverhampton City and Walsall LIFT Accommodation Services Limited
IFGP Limited	

CAROL GOODWIN**Current Directorships and Partnerships:**

AB Alternative Strategies Fund PCC Limited	General Holdings Limited
AB International Fund PCC Limited	Investec Bank (Channel Islands) Limited
Arab Bank Fund Managers (Guernsey) Limited	Investec Bank (Channel Islands) Nominees Limited
Curlew Group Holdings Limited	IIAB PCC Limited
Dalton Capital (Asia) Limited	Melchior European Fund Limited
Dalton Capital (Guernsey) Limited	Melchior European (Master) Fund Limited
Dexion Trading Limited	Melchior Global Macro Fund Limited
Eastern European Property Fund	Melchior Global Macro (Master) Fund Limited
Episode Inc.	M&G General Partner Inc.
Episode L.P.	Yorkshire Guernsey Limited

Past Directorships and Partnerships:

AB Asia Pacific Growth Fund Limited	Japan Synthetic Warrant Fund
Asian Bond Fund	Melchior Japan Fund Limited
Blackfish-Investec Capital Management Limited	Melchior Japan Fund 002 Limited
Curlew Investments Limited	Melchior Japan (Master) Fund Limited
Finch Management & Marketing Ltd	Melchior Japan (Master) Fund 002 Limited
HX2 Fund	PAI Europe III General Partner Limited
India Synthetic Warrant Fund	PAI Europe IV GP Limited
Invego Belgium SA/N.V.	Premier Structured Plans Limited
Investec Bank (Channel Islands) Insurance Management Services Limited	Stratton Street PCC Limited
Investec Investment Management Services Ltd	The Dejima Fund Limited
Investec Mauritius BV	The Finch Fund Limited
Investec (Overseas Holdings) BV	The Finch Innovation Fund Limited
Investec (USA) BV	

JOHN WHITTLE**Current Directorships and Partnerships:**

Aurora Russia Ltd	MSS UK Property Index Fund Management Ltd
GS Dynamic Strategy IC Ltd	Pont du Val Ltd
GS High Frequency	Saunderton Data Cente GP Ltd
GS Investments ICC Ltd	Sciens Global Strategic Fund Limited The IPM renewable Energy Fund ICC Ltd
GS Volatility Strategy IC Ltd	The Solar Park Fund (GBP) IC Ltd
Legion International Ltd	

Past Directorships and Partnerships:

Close Fund Services Limited

St Pierre Park Hotel Limited

6.2 At the date of this document, none of the Directors:

- (a) has any convictions in relation to fraudulent offences for at least the previous five years;
- (b) has been bankrupt, a director of any company or been a member of the administrative, management or supervisory body of an issuer or a senior manager of an issuer at the time of any receivership or compulsory or creditors' voluntary liquidation for at least the previous five years; or
- (c) has been subject to any official public incrimination or sanction of him by any statutory or regulatory authority (including any designated professional body) nor has ever been disqualified by a court from acting as a director of a company or from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer, for at least the previous five years.

6.3 The Company will maintain directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.

6.4 The business address of the Directors is Heritage Hall, PO Box 225, Le Marchant Street, St Peter Port, Guernsey GY1 4HY.

6.5 As at the close of business on 11 December 2009 (the latest practicable date prior to publication of this Prospectus), the Directors had the following interests in the issued share capital of the Company:

NAME OF DIRECTOR	NUMBER OF ORDINARY SHARES
Keith Dorrian	41,500
Giles Frost	275,000
Rupert Dorey	113,630
Carol Goodwin	11,000
John Whittle	–

7. MAJOR INTERESTS

7.1 As at the close of business on 11 December 2009 (the latest practicable date prior to publication of this Prospectus) insofar as is known to the Company, the following persons had a direct interest in three per cent. or more of the issued share capital of the Company.

NAME OF SHAREHOLDER	NO. OF ORDINARY SHARES	PER CENT. OF ORDINARY SHARES IN THE COMPANY BEFORE THE ISSUE
Chase Nominees Limited	62,145,061	16.6 per cent.
Nortrust Nominees Limited	14,847,798	4.0 per cent.
HSBC Global Custody Nominee (UK) Limited	14,753,000	3.9 per cent.
Mayor and Burgesses of the London Borough of Enfield	14,464,000	3.9 per cent.
Prudential Client HSBC GIS Nominee (UK) Limited	14,237,058	3.8 per cent.
Ferlim Nominees Limited	12,460,588	3.3 per cent.

As at the close of business on 30 November 2009 (the latest practicable date prior to publication of this Prospectus) insofar as is known to the Company, the following persons had an indirect interest in three per cent. or more of the issued share capital of the Company.

NAME OF SHAREHOLDER	NO. OF ORDINARY SHARES	PER CENT. OF ORDINARY SHARES IN THE COMPANY BEFORE THE ISSUE
Schroder Investment Management Limited	37,941,407	10.1 per cent.
Rensburg Sheppards Investment Management	31,546,646	8.4 per cent.
CCLA Investment Managers Limited	29,506,000	7.9 per cent.
Brewin Dolphin Securities Limited	23,744,958	6.3 per cent.
Corus UK - British Steel Pension Fund	21,982,153	5.9 per cent.
M&G Investment Management Limited	21,394,596	5.7 per cent.
Legal & General Investment Management Limited	15,241,019	4.1 per cent.
London Borough of Enfield Pension Fund	14,464,000	3.9 per cent.
Tilney Investment Management Limited	14,124,083	3.8 per cent.

- 7.2 Save as disclosed in 7.1 above, the Company is not aware of any person who, as at the close of business on 11 December 2009 was directly or as at the close of business on 30 November 2009 was indirectly interested in three per cent. or more of the issued Share capital of the Company.
- 7.3 Those interested, directly or indirectly, in three per cent. or more of the issued share capital of the Company do not now and, following the Issue, will not, have different voting rights from other holders of Shares in the Company.
- 7.4 The Company is not aware of any person who directly or indirectly, jointly or severally, will exercise or could exercise control over the Company immediately following the Issue.

8. MEMORANDUM OF ASSOCIATION

The Memorandum of Association of the Company provides that the objects of the Company include carrying on business as an investment company. The objects of the Company are set out in full in clause 3 of the Memorandum of Association, a copy of which is available for inspection at the addresses specified in paragraph 12.13 of this Part IX.

9. ARTICLES OF ASSOCIATION

The Articles of Association of the Company contain provisions, inter alia, to the following effect:

9.1 Votes of Members

Subject to the restrictions referred to below and subject to any special rights or restrictions for the time being attached to any class of shares, every member (being an individual) present in person or by proxy or (being a corporation) present by a duly authorised representative at a general meeting has, on a show of hands, one vote and, on a poll, one vote for every share held by him.

9.2 Shares

Ordinary Shares of 0.01p each

- (a) **INCOME**
Holders of Ordinary Shares are entitled to receive and participate in any dividends or other distributions out of the profits of the Company available for dividend or distribution and resolved to be distributed in respect of any accounting period or any other income right to participate therein.
- (b) **CAPITAL**
Holders of Ordinary Shares are entitled on the winding-up of the Company to receive out of the assets of the Company available for distribution an amount equal to the nominal value of the Ordinary Shares plus any surplus remaining after payment of the nominal value of the Ordinary Shares (and the nominal value of the nominal shares in issue at the time).

C Shares

In order to prevent the issue of further shares diluting the existing Shareholders' share of the NAV of the Company, if the Directors consider it appropriate they may issue further shares as "C Shares". C Shares constitute a temporary and separate class of shares which are issued at a fixed price determined by the Company. It is expected that the issue proceeds from the issue of C Shares will be

invested in a new portfolio of investments, which will initially be attributed solely to the C Shares. Once the further investments have been made, the C Shares will be converted into Ordinary Shares on a basis which reflects the respective net asset values per share represented by the two classes of shares (and calculated using the same methodology for the calculation of Net Asset Value). The Articles contain full details of the conversion mechanism and the rights attaching to the C Shares.

9.3 Dividends and Distributions

- (a) The Company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Directors.
- (b) The Company may make distributions of capital in accordance with the Law and the Articles save that the distribution by way of dividend of the Company's surpluses arising from the realisation of investments is prohibited. Whenever a distribution falls to be considered by the Board, the Directors will consider whether to distribute a dividend or otherwise.
- (c) The Directors may if they think fit at any time declare and pay such interim dividends as appear to be justified by the position of the Company.
- (d) All unclaimed dividends may be invested or otherwise made use of by the Directors for the benefit of the Company until claimed and the Company shall not be constituted a trustee thereof. No dividend shall bear interest against the Company. Any dividend unclaimed after a period of twelve years from the date of declaration or payment of such dividend shall be forfeited and shall revert to the Company.
- (e) The Directors are empowered to create reserves before recommending or declaring any dividend. The Directors may also carry forward any profits which they think prudent not to distribute by dividend.

9.4 Issue of Shares

- (a) Without prejudice to any special rights previously conferred on the holders of any class of shares, any share in the Company may be issued with such preferred, deferred or other special rights, or such restrictions whether in regard to dividend, return of capital, voting or otherwise as the Company may at any time by ordinary resolution determine or, subject to and in default of such resolution, as the Directors may determine.
- (b) Subject to the Articles the unissued shares shall be at the disposal of the Directors and they may allot, grant options over or otherwise dispose of them to such persons at such times and generally on such terms and conditions as they determine.
- (c) The Company may on any issue of shares pay such commission as may be fixed by the Directors and disclosed in accordance with the Law. The Company may also pay brokerages.

9.5 Variation of Rights

If at any time the capital of the Company is divided into different classes of shares, the rights attached to any class of shares may (unless otherwise provided by the terms of issue) be varied with the consent in writing of the holders of three-fourths of the issued shares of that class (excluding any shares held as treasury shares) or with the sanction of a special resolution passed at a separate meeting of the holders of such shares (excluding any shares held as treasury shares). The necessary quorum shall be two persons holding or representing by proxy at least one third of the issued shares of the class. Every holder of shares of the class concerned shall be entitled at such meeting to one vote for every share held by him on a poll. The rights conferred upon the holders of any shares or class of shares issued with preferred or other rights shall not be deemed to be varied by the creation or issue of further shares ranking *pari passu* therewith or the exercise of any power under the disclosure provisions requiring shareholders to disclose an interest in the Company's shares as set out in the Articles.

9.6 Restriction on Voting

A member of the Company shall not be entitled in respect of any share held by him to attend or vote (either personally or by representative or by proxy) at any general meeting or separate class meeting of the Company:

- (a) unless all amounts due from him or such share have been paid; or
- (b) in the circumstances mentioned in paragraph 9.8 below.

9.7 Notice Requiring Disclosure of Interest In Shares

The Directors may serve notice in writing on any member requiring that member to disclose to the Company to the satisfaction of the Directors the identity of any person (other than the member) who has an interest in the shares held by the member and the nature of such interest. Any such notice shall require any information in response to such notice to be given within such reasonable time as the Directors may determine.

The Directors may be required to exercise these powers on a requisition of members holding not less than one tenth of the paid up capital of the Company carrying the right to vote at general meetings. If any member is in default in supplying to the Company the information required by the Company within the prescribed period, the Directors in their absolute discretion may serve a direction notice on the member. The direction notice may direct that in respect of the shares in respect of which the default has occurred (the "**Default Shares**") and any other shares held by the member, the member shall not be entitled to vote in general meetings or class meetings.

Where the Default Shares represent at least 0.25 per cent. of the class of shares concerned the direction notice may additionally state that dividends and distributions on such shares will be retained by the Company (without interest) and that no transfer of the shares (other than a transfer authorised under the Articles) shall be registered until the default is rectified.

9.8 Transfer of Shares

In respect of those Ordinary Shares held in certificated form, the following shall apply to the transfer of Ordinary Shares held in such form:

- (a) subject as provided below, any Shareholder may transfer all or any of his Ordinary Shares by instrument of transfer in any usual or common form which the Directors may approve. The instrument of transfer of any Ordinary Shares shall be signed by or on behalf of the transferor (and in the case of a partly paid share by the transferee also); and
- (b) an instrument of transfer should be lodged at the registered office or such other place as the Board may prescribe accompanied by the relevant share certificate(s) and such other evidence as the Board may reasonably require to prove the title of the transferor or to show the right of the transferor to make the transfer.

The Board may, in its absolute discretion, refuse to register a transfer:

- (a) of any share which is not fully paid up or on which the Company has a lien provided that, in the case of a listed share, this would not prevent dealings from taking place on an open and proper basis;
- (b) if it is in respect of more than one class of share;
- (c) if it is in favour of more than four joint transferees;
- (d) of a certificated share, if the transfer, having been delivered for registration to the registered office or such other place as the Board may decide, is not accompanied by the certificate for the shares to which it related and such other evidence as the Board may reasonably require to prove title of the transferor and the due execution by him of the transfer or, if the transfer is executed by some other person on his behalf, the authority of that person to do so; and
- (e) the Board may refuse to register a proposed transfer of a certificated share to any person who may cause or is likely to cause the assets of the Company to be considered plan assets within the meaning of the regulations adopted under ERISA or which holding would or might result in the Company being required to register or qualify under the Investment Company Act.

Subject to the provisions of the Guernsey CREST Regulations, the registration of transfers of Ordinary Shares whether held in certificated or uncertificated form may be suspended at such times and for such periods as the Board may from time to time determine provided that such suspension shall not be for more than 30 days in any year.

9.9 Compulsory Transfer of Shares

If it shall come to the notice of the Directors that any shares:

- (a) are or may be owned or held directly or beneficially by any person whose ownership or holding or continued ownership or holding of those shares (whether on its own or in conjunction with any other circumstance appearing to the Board to be relevant) might in the sole and conclusive determination of the Board cause a pecuniary or tax disadvantage to the Company or any other holder of shares or other securities in the Company; or
- (b) are or may be owned or held directly or beneficially by any person that is a pension or other benefit plan subject to Title I of ERISA and in the opinion of the Directors the assets of the Company may be considered "plan assets" within the meaning of regulations adopted under ERISA; or
- (c) are or may be owned or held directly or beneficially such that the aggregate number of United States Persons who are holders or beneficial owners (which for these purposes shall include beneficial ownership by attribution pursuant to Section 3(c)(1)(A) of the Investment Company Act) of shares or other securities of the Company and who are Private Offering Holders (as defined in the Articles) is or may be more than 75; or
- (d) are or may be owned or held directly or beneficially by any person to whom a transfer of shares or whose ownership or holding of any shares might in the opinion of the Directors require registration of the Company as an investment company under the Investment Company Act,

the Directors may serve a written notice (a "**Transfer Notice**") upon the person (or any one of such persons where shares are registered in joint names) appearing in the register as the holder (the "**Vendor**") of any of the shares concerned (the "**Relevant Shares**") requiring the Vendor within 21 days (or such extended time as in all the circumstances the Directors consider reasonable) to transfer (and/or

procure the disposal of interests in) the Relevant Shares to another person who, in the sole and conclusive determination of the Directors, would not fall within paragraph (a), (b) or (d) above and whose ownership or holding of such shares would not result in the aggregate number of Private Offering Holders who are beneficial owners or holders of shares or other securities of the Company being 75 or more (such a person being hereinafter called an “**Eligible Transferee**”). On and after the date of such Transfer Notice, and until registration of a transfer of the Relevant Share to which it relates pursuant to the provisions referred to in this paragraph 9.9, the rights and privileges attaching to the Relevant Shares will be suspended and not capable of exercise.

If within 21 days after the giving of a Transfer Notice (or such extended time as in all the circumstances the Directors consider reasonable) the Transfer Notice has not been complied with to the satisfaction of the Directors, the Company may sell the Relevant Shares on behalf of the holder thereof, subject to the Guernsey CREST Regulations, by instructing a member firm of the London Stock Exchange to sell them at the best price reasonably obtainable at the time of sale, to any Eligible Transferee or Eligible Transferees. To give effect to a sale, the Directors may authorise in writing any officer of the Company or any officer or employee of the secretary of the Company to transfer the Relevant Shares on behalf of the holder thereof (or any person who is automatically entitled to the shares by transmission or by law), or to cause the transfer of the Relevant Shares, to the purchaser and in relation to an uncertificated share may require the operator to convert the share into certificated form in accordance with the requirements of CREST applicable to the Company and an instrument of transfer executed by that person will be as effective as if it had been executed by the holder of, or the person entitled by transmission to, the Relevant Shares. The purchaser is not bound to see to the application of the purchase money and the title of the transferee is not affected by any irregularity in or invalidity of the proceedings connected to the sale.

The net proceeds of the sale of the Relevant Shares, after payment of the Company’s costs of the sale, will be received by the Company, whose receipt will be a good discharge for the purchase moneys, and will belong to the Company and, upon their receipt, the Company will become indebted to the former holder of, or person who is automatically entitled to the shares by transmission or by law to, the Relevant Shares for an amount equal to the net proceeds of transfer upon surrender by him or them, in the case of certificated shares, of the certificate for the Relevant Shares which the Vendor shall forthwith be obliged to deliver to the Company. The Company is deemed to be a debtor and not a trustee in respect of that amount for the member or other person. No interest will be payable on that amount and the Company will not be required to account for money earned on it. The amount may be employed in the business of the Company or as it thinks fit. The Company may register or cause the registration of the transferee as holder of the Relevant Shares and thereupon the transferee will become absolutely entitled thereto.

A person who becomes aware that he falls within any of paragraphs 9.10(a), or 9.10(b) or 9.10(d) above or, being a Private Offering Holder and a beneficial owner or holder of shares, becomes aware that the aggregate number of Private Offering Holders who are beneficial owners or holders of shares or other securities of the Company is more than 75, shall forthwith, unless he has already received a Transfer Notice pursuant to the provisions referred to in this paragraph 9.9 above either transfer the shares to one or more Eligible Transferees or give a request in writing to the Directors for the issue of a Transfer Notice in accordance with the provisions referred to above. Every such request shall, in the case of certificated shares, be accompanied by the certificate(s) for the shares to which it relates.

Subject to the provisions of the Articles, the Directors will, unless any Director has reason to believe otherwise, be entitled to assume without enquiry that none of the shares are held in such a way as to entitle the Directors to serve a Transfer Notice in respect thereof. The Directors may, however, at any time and from time to time call upon any holder (or any one of joint holders or a person who is automatically entitled to the shares by transmission or by law) of shares by notice in writing to provide such information and evidence as they require upon any matter connected with or in relation to such holder of shares. In the event of such information and evidence not being so provided within such reasonable period (not being less than 21 clear days after service of the notice requiring the same) as may be specified by the Directors in the said notice, the Directors may, in their absolute discretion, treat any share held by such a holder or joint holders or a person who is automatically entitled to the shares by transmission or by law as being held in such a way as to entitle them to serve a Transfer Notice in respect thereof.

The Directors will not be required to give any reasons for any decision, determination or declaration taken or made in accordance with these provisions. The exercise of the powers conferred by the provisions referred to in paragraphs in this paragraph 9.9 may not be questioned or invalidated in any case on the grounds that there was insufficient evidence of direct or beneficial ownership or holding of shares by any person or that the true direct or beneficial owner or holder of any shares was otherwise than as appeared to the Directors at the relevant date provided that the said powers have been exercised in good faith.

9.10 Alteration of Capital and Purchase of Shares

The Company may at any time by ordinary resolution increase its share capital by such sum to be divided into shares of such amount as the resolution may prescribe.

The Company may from time to time, subject to the provisions of the Law, purchase its own shares (including any redeemable shares) in any manner authorised by the Law.

Subject to the exclusion applying to allotments of shares of any class for cash by the Company of an aggregate nominal amount of up to 10 per cent. of the total issued share capital of the relevant class (or such other amount as the Company may by ordinary resolution

determine) in any twelve (12) month period and to any direction to the contrary that may be given by the Company, the Company shall not allot any Shares for cash to any person unless it has made an offer to each Member to allot to him on the same or more favourable terms a proportion of those Shares which is as nearly as practicable equal to the proportion of the aggregate of all Shares of such class in issue represented by Shares of such class then held by such Member. The offeree shall have a period of not less than twenty one days within which to accept the offer, and if the offer is not accepted, it will be deemed to be declined. After the expiration of that period, or, if earlier, on the receipt by the Company of acceptances or refusals of the offer from each person to whom the offer was made, the Board may dispose of those Shares that have not been taken up in the offer, in such manner as they think most beneficial to the Company. The Board may likewise so dispose of any new Shares which (by reason of the ratio which the new Shares bear to shares held by those Members entitled to an offer of new Shares) cannot, in the opinion of the Board, be conveniently offered under this provision.

The Company may by ordinary resolution consolidate and divide all or any of its share capital into shares of a larger amount than its existing Shares; subdivide all or any of its Shares into shares of a smaller amount than is fixed by the Memorandum of Association; cancel any Shares which at the date of the resolution have not been taken or agreed to be taken and diminish the amount of its authorised share capital by the amount of Shares so cancelled.

The Company may by special resolution reduce its share capital, any capital redemption reserve fund or any share premium account in any manner and with and subject to any authorisation and consent required by the Law.

9.11 Interests of Directors

- (a) Save as mentioned below, a Director may not vote or be counted in the quorum on any resolution of the Directors (or a committee of the Directors) in respect of any matter in which he has (together with any interest of any person connected with him) to his knowledge a material personal interest (other than by virtue of his interest in Shares or debentures or other securities of the Company).
- (b) A Director shall be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters:
 - (i) the giving of any guarantee security or indemnity in respect of money lent or obligations incurred by him or any other person at the request of or for the benefit of the Company or any of its subsidiaries;
 - (ii) the giving of any guarantee, security or indemnity in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director himself has assumed responsibility in whole or in part and whether alone or jointly with others under a guarantee or indemnity or by the giving of security;
 - (iii) the offer of securities of the Company or its subsidiaries in which offer he is or may be entitled to participate or in the underwriting or sub underwriting of which he is to participate;
 - (iv) any proposal concerning any other company in which he is interested, directly or indirectly, as an officer or shareholder or otherwise, provided that he, together with persons connected with him, is not to his knowledge the holder of or beneficially interested in one per cent. or more of any class of the equity share capital of any such company or of the voting rights of such company;
 - (v) any arrangement for the benefit of any employees of the Company or any of its subsidiaries which accords to the Director only such privileges and advantages as are generally accorded to the employees to whom the arrangement relates; or
 - (vi) any proposal for the purchase or maintenance of insurance for the benefit of Directors or persons including the Directors.
- (c) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employment with the Company or any company in which the Company is interested, those Directors may be counted in the quorum for the consideration of such proposals and such proposals may be divided and considered in relation to each Director separately and, in such case, each of the Directors concerned (if not debarred from voting under paragraph 9.11(a) and (b) above) shall be entitled to vote in respect of each resolution except that concerning his own appointment.
- (d) Any Director may act by himself or by his firm in a professional capacity for the Company and he or his firm shall be entitled to remuneration for professional services as if he were not a Director.
- (e) Any Director may continue to be or become a director, managing director, manager or other officer or member of a company in which the Company is interested, and any such Director shall not be accountable to the Company for any remuneration or other benefits received by him.

9.12 Directors

- (a) The Directors shall be remunerated for their services at such rate as the Directors shall determine provided that the aggregate amount of such fees shall not exceed £125,000 per annum (or such other sums as the Company in general meeting shall from time to time determine)²³. The Directors shall also be entitled to be paid all reasonable expenses properly incurred by them in attending general meetings, board or committee meetings or otherwise in connection with the performance of their duties.
- (b) If any Director having been requested by the Directors shall render or perform extra or special services or shall travel or go to or reside in any country not his usual place of residence for any business or purpose of the Company he shall be entitled to receive such sum as the Directors may think fit for expenses and also such remuneration as the Directors may think fit either as a fixed sum or as a percentage of profits or otherwise and such remuneration may as the Directors shall determine be either in addition to or in substitution for any other remuneration which he may be entitled to receive.
- (c) A Director may hold any other office or place of profit under the Company (other than the office of auditor) in conjunction with his office of Director on such terms as the Directors may determine.
- (d) The Directors may from time to time appoint one or more of their body (other than a Director resident in the UK) to the office of managing director or to any other executive office for such periods and upon such terms as they determine.
- (e) The Directors may at any time appoint any person to be a Director either to fill a casual vacancy or as an addition to the existing Directors. Any Director so appointed shall hold office only until, and shall be eligible for re-election at, the next general meeting following his appointment but shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at that meeting if it is an annual general meeting. Without prejudice to those powers, the Company in general meeting may appoint any person to be a Director either to fill a casual vacancy or as an additional Director.
- (f) At the first annual general meeting of the Company all of the Directors shall retire from office. At each annual general meeting thereafter, one third of the Directors (or if their number is not three or an integral multiple of three), the number nearest to, but (except where there are less than three Directors) not greater than one-third shall retire from office.
- (g) Subject to the provisions of the Articles, the Directors to retire by rotation on each occasion shall be those of the Directors who have been longest in office since their last appointment or re-appointment but, as between persons who became or were last re-appointed Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot. In addition, any Director who would not otherwise be required to retire at any annual general meeting which is the third annual general meeting after the later of his appointment by the Company in general meeting and re-election as a Director of the Company in general meeting, shall nevertheless be required to retire at such annual general meeting.
- (h) The maximum number of Directors shall be seven and the minimum number of Directors shall be two. The majority of the Directors shall at all times be resident outside the UK.
- (i) Unless otherwise fixed by the Company in general meeting, a Director shall not be required to hold any qualification shares.
- (j) Each Director is required to retire at 70 years of age.
- (k) The office of Director shall be vacated if the Director resigns his office by written notice, if he shall have absented himself from meetings of the Directors for a consecutive period of six months and the Directors resolve that his office shall be vacated, if he becomes of unsound mind or incapable, if he becomes insolvent, suspends payment or compounds with his creditors, if he is requested to resign by written notice signed by all his co-Directors, if the Company in general meeting by ordinary resolution shall declare that he shall cease to be a Director, or if he becomes resident in the UK and, as a result, a majority of the Directors are resident in the UK.
- (l) The Directors may appoint a Chairman, who will not have a second or casting vote.

9.13 General Meetings

Notice for any general meeting shall be sent by the secretary of the Company or any other person appointed by the Directors not less than fourteen days before the meeting. The notice must specify the time and place of the general meeting and, in the case of any special business, the general nature of the business to be transacted. With the consent in writing of all the members a meeting may be convened by a shorter notice or at no notice in any manner they think fit. The accidental omission to give notice of any meeting or the non-receipt of such notice by any Shareholder shall not invalidate any resolution, or any proposed resolution otherwise duly approved, passed or proceeding at any meeting. The quorum for the general meeting shall be two members present in person or by proxy.

²³ The Company resolved at its annual general meeting on 9 July 2009 to increase this figure to £250,000 per annum.

9.14 Winding-Up

- (a) On a winding up, the surplus assets remaining after payment of all creditors including payment of bank borrowings, shall be applied in the following priority:
 - (i) first, in the payment to the holders of Ordinary Shares of a sum equal to the nominal amount of the Ordinary Shares of such class held by such holders provided that there are sufficient assets available in the Company to enable such payment to be made;
 - (ii) second, in payment to the holders of the nominal shares of sums up to the nominal amount paid up thereon (to the extent that there are any nominal shares in issue); and
 - (iii) third, in the payment to the holders of the Ordinary Shares of any balance then remaining, including but without limitation the balance of any assets in the Company.
- (b) On a winding-up, the liquidator may, with the authority of a special resolution, divide amongst the members in specie any part of the assets of the Company. The liquidator may with like authority vest any part of the assets in trustees upon such trusts for the benefit of members as he shall think fit but no member shall be compelled to accept any assets in respect of which there is any liability.
- (c) Where the Company is proposed to be or is in the course of being wound up and the whole or part of its business or property is proposed to be transferred or sold to another company the liquidator may, with the sanction of an ordinary resolution, receive in compensation, or part compensation for the transfer or sale shares policies or other like interests for distribution among the members or may enter into any other arrangements whereby the members may, in lieu of receiving cash, shares, policies or other like interests, participate in the profits of or receive any other benefit from the transferee.

9.15 Borrowing Powers

The Directors may exercise all the powers of the Company to borrow money (in whatever currency the Directors determine from time to time) and to give guarantees, mortgage, hypothecate, pledge or charge all or part of its undertaking property or assets and uncalled capital and to issue debentures and other securities whether outright or as collateral security for any liability or obligation of the Company or of any third party, provided always that the Company's borrowing policy will limit outstanding borrowings, including any financial guarantees to support subscription obligations to 50 per cent. of the Gross Asset Value of its investments and cash balances, with the Company having the ability to borrow in aggregate up to 66 per cent. of the Gross Asset Value on a short (i.e. less than 365 days) basis if the Directors consider appropriate. For this purpose, outstanding borrowings exclude intra-group borrowings and the debts of underlying Project Entities.

10. MATERIAL CONTRACTS

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company or a Holding Entity or a wholly owned company of a Holding Entity since incorporation of the Company and are, or may be, material and there are no other contracts entered into by the Company or a Holding Entity or a wholly owned company of a Holding Entity which include an obligation or entitlement which is material to the Company as at the date of this document.

10.1 Investment Advisory Agreement

Pursuant to an investment advisory agreement dated 10 October 2006, between the Company and the Investment Adviser (as amended and novated pursuant to a deed of amendment and novation between BBIML, AFML, the Company and BBL dated 23 June 2009, the "**Investment Advisory Agreement**"), the Investment Adviser provides investment advisory services to the Company. The services to be provided under the Investment Advisory Agreement include (inter alia) advising the Company in respect of the strategic management of the Investment Portfolio and the Holding Entities. As the Company conducts its investment activities through the Holding Entities, the Investment Advisory Agreement does not confer any discretionary investment management powers on the Investment Adviser (the Group's discretionary investment management being conducted by AFML in its capacity as Operator of the Partnership). The Company and AFML have agreed in the Investment Advisory Agreement to use best endeavours to establish a binding service level agreement. The Investment Advisory Agreement also incorporates a procedure to manage any conflicts of interest arising in connection with the acquisition by the Company of any assets from AFML.

Under the Investment Advisory Agreement, it is also anticipated that the Company will (without prejudice to its right to appoint another adviser) appoint the Investment Adviser to provide financial advisory services to the Company, including without limitation equity and debt raising advisory services (including capital markets issues, equity and debt raisings and where applicable, arranging underwritings) and general financial and commercial advice, including in relation to disposals of assets. The Company is under no obligation to appoint the Investment Adviser, however. Details of fees which the Investment Adviser may be entitled to for financial advisory services and the partial waiver of such fee in relation to the Issue are set out in Part I of this document under the heading "Fees and Expenses". The Investment Advisory Agreement includes provisions to ensure that the Company is not charged twice in respect of the same financial advisory services.

Other than as stated above, the aggregate fees payable to AFML in its capacity as Investment Adviser and Operator and to the General Partner are described in Part I of this document under the heading "Fees and Expenses". The Investment Adviser is entitled to retain any commissions, fees or any other form of remuneration in relation to any transaction without deduction or set off from either the Base Fee or the Incentive Fee. The Investment Adviser is also entitled to reimbursement for any reasonable out-of-pocket expenses and costs of the Company paid on behalf of the Company, provided that the Company is not required to pay or reimburse the Investment Adviser for any out-of-pocket expense or cost in excess of £5,000 unless the Company's written consent was obtained prior to the cost or expense being incurred.

The Investment Advisory Agreement may be terminated by either party giving to the other five years notice of termination at any time after 10 years from the date of the Investment Advisory Agreement (10 October 2006).

The Investment Advisory Agreement may also be terminated immediately by either party:

- (a) if the other party fails to make a payment when due which is not paid within 30 days of being notified of the failure to make a payment;
- (b) in the case of a breach by the other party (in the case of a breach by the Investment Adviser only, which has a material adverse effect on the Company or on the ability of the Investment Adviser to continue to provide services) where the breach remains unremedied for 30 days after the breaching party has been notified to do so or, if such breach is not capable of remedy, if it fails to offer compensation in respect of such breach which is reasonably acceptable to the non-breaching party; or
- (c) upon the insolvency or analogous event of the other party.

The Investment Advisory Agreement may also be terminated immediately by the Company:

- (a) upon the insolvency or analogous event of any other member of the Amber group where that insolvency or analogous event has a material adverse effect on the Company or on the ability of AFML to continue to provide services and acceptable alternative arrangements have not been put into place within the specified time period;
- (b) upon a change of control of AFML or Amber without the Company's prior consent;
- (c) if the Investment Adviser is no longer permitted by applicable laws, rules and regulations to provide its services under the Investment Advisory Agreement;
- (d) if the Operator is removed or replaced in accordance with the Operating Agreement; or
- (e) in the event of a breach of any term of any service level agreement agreed by the Investment Adviser and the Company that has occurred more than three times where such breach has not been remedied within 30 days of it first occurring.

The Investment Adviser may terminate the Investment Advisory Agreement immediately if the Ordinary Shares are no longer listed.

In addition, the Company can terminate the Investment Advisory Agreement by giving six months' written notice to the Investment Advisor, and without the need for a resolution of the Shareholders, in either of the following circumstances: (a) if at any time the Benchmark Return Index outperforms the Ordinary Share Return Index by more than 3 per cent. in at least four out of the immediately preceding five semi-annual periods (unless the reason for the outperformance of the Benchmark Return Index was to a material extent caused by the occurrence of an event or events of force majeure); or (b) a material number of key Amber group investment personnel cease to be employed by the Amber group and in the Company's reasonable opinion there is a realistic risk that the Investment Adviser will not be able to meet its obligations, provided those persons are not replaced to the Company's satisfaction within a specified time period.

The Investment Advisory Agreement provides that the Company shall indemnify the Investment Adviser and its officers, directors, employees and agents for losses of any nature arising in connection with the Investment Advisory Agreement (except where fraud, negligence, wilful default or material breach of the agreement are involved on the part of the Investment Adviser or its officers, directors, employees and/or agents). The Investment Advisory Agreement also provides that the Investment Adviser shall have no liability to the Company or to any Shareholder except for losses resulting from the negligence, wilful default, fraud or material breach of the agreement by the Investment Adviser or any of its officers, directors, employees and/or agents. The Investment Adviser shall indemnify the Company and its officers, directors, employees and agents in respect of losses of any nature resulting from the fraud, gross negligence, wilful default or material breach of the agreement by the Investment Adviser, its officers, directors, employees and/or agents.

10.2 Limited Partnership Agreement

A description of the terms of the Limited Partnership Agreement governing the Limited Partnership (of which Luxco 2 (a wholly-owned subsidiary of the Company) is the sole limited partner) is included at paragraph 4 of this Part IX above.

10.3 Operating Agreement

Pursuant to an amended and restated operating agreement between the General Partner (for itself and on behalf of the Partnership) and the Operator (as amended by a deed of amendment and novation dated 23 June 2009, the “**Operating Agreement**”), the Operator manages and operates the Partnership and its investments.

The Operator is entitled to such fees as shall be agreed between the General Partner and the Operator from time to time. Any such fees shall be payable out of the General Partner’s own assets and not out of the assets of the Partnership. The Operator need not account for fees received as Investment Adviser to the Company or in relation to provision of services by it or its associates to project companies.

The Operating Agreement may be terminated by either the Partnership or the Operator giving to the other five years notice of termination expiring at any time after 10 October 2016.

The Partnership can terminate the Operating Agreement immediately (and the General Partner shall so terminate the Operating Agreement if directed to do so by Luxco 2 in its capacity as limited partner):

- (a) if the Operator commits a material breach of the agreement or any other breach that has a material adverse effect on the Partnership or on the Operator’s ability to continue to operate and manage the Partnership and the partnership assets, and either the Operator fails to remedy the breach within 30 days of being notified to do so or, if the breach is incapable of remedy, it fails to offer compensation in respect of such breach which is reasonably acceptable to the General Partner;
- (b) upon the insolvency or analogous event occurring in respect of the Operator;
- (c) if the Operator is no longer permitted by applicable laws, rules and regulations to provide its services under the Operating Agreement; or
- (d) if the Investment Advisory Agreement has been terminated.

The Operator may terminate the Operating Agreement immediately:

- (a) if the General Partner or the Partnership fails to make a payment under the agreement when due and fails to remedy such breach within 30 days of being notified of it;
- (b) the General Partner or the Partnership breaches the agreement and either fails to remedy the breach within 30 days of being notified to do so, or if the breach is incapable of remedy, fails to offer compensation in respect of such breach which is reasonably acceptable to the Operator; or
- (c) upon the insolvency or analogous event occurring in respect of the General Partner or any of the Partnership assets.

The Operating Agreement provides that the Partnership shall indemnify the Operator and its officers, directors, associates, consultants, partners, employees and agents for losses of any nature arising in connection with the Operating Agreement (except where fraud, gross negligence, wilful default, gross professional misconduct, wilful illegal act or any material breach are involved on the part of the Operator or its officers, directors, employees or agents). The Operating Agreement also provides that the Operator shall have no liability to the Company or to any Shareholder except for losses resulting from the gross negligence, gross professional misconduct, wilful default, wilful illegal act, fraud or any material breach of the agreement by the Operator or any of its employees. The Operator shall also indemnify the General Partner, the Partnership and their officers, directors, agents, delegates and employees in respect of any losses incurred by the General Partner or the Partnership arising in connection with the Operating Agreement resulting from fraud, gross negligence, wilful default or material breach of the agreement by the Operator, and its officers, directors, employees and agents.

10.4 Administration Agreement

Pursuant to an administration agreement dated 10 October 2006, between the Company and the Administrator (the “**Administration Agreement**”), the Administrator was appointed to provide administrative and company secretarial services to the Company. Such services include (inter alia) maintaining the Company’s books and records, preparing interim and annual accounts of the Company, calculating the NAV of the Ordinary Shares, arranging for and administering the issue of shares in the Company and providing such other services as are customarily provided by administrators in Guernsey of Guernsey companies. In the performance of its duties under the Administration Agreement, the Administrator shall at all times be subject to the control and review of the Board.

The fees of the Administrator under the Administration Agreement are described in Part I of this document under the heading “Administration Fees”. The Administrator shall also be entitled to receive all reasonable and properly evidenced out of pocket expenses incurred by it in the performance of its duties under the Administration Agreement.

The Administration Agreement can be terminated by either party on 90 days' written notice to the other. The Administration Agreement may also be terminated immediately by either party: (a) on the insolvency (or analogous event) occurring in respect of the other party; or (b) in the case of a breach by the other party which remains unremedied for 30 days after such party has been notified of the breach. The appointment of the Administrator shall be terminated immediately if the Administrator ceases to be licensed by the Guernsey Financial Services Commission to provide the services under the Administration Agreement.

The Administration Agreement provides that the Administrator shall not be liable for any loss or damage suffered by the Company as a result of the Administrator carrying out its duties under the Administration Agreement unless the loss or damage arises out of the Administrator's fraud, negligence, wilful default or breach of the Administration Agreement. The Company has indemnified the Administrator against any liabilities of whatever nature arising out of the Administrator properly performing its duties under the Administration Agreement (provided that fraud, negligence, wilful default or breach of the Administration Agreement on the part of the Administrator is absent).

10.5 RBS Facilities Agreement

The Company entered into a £100,000,000 multicurrency revolving credit loan facility agreement dated 8 May 2008 (as Borrower) together with the Partnership, the General Partner and The Royal Bank of Scotland PLC (as Lender, Arranger, Agent, Issuing Bank and Security Trustee) and National Australia Bank Limited (as Lender, Arranger and Issuing Bank), which was amended and restated on 23 June 2009 between the parties thereto and the Luxcos (such loan agreement, as amended and restated, being the "**Loan Facilities Agreement**").

The Company is able to utilise the facility under the Loan Facilities Agreement by way of loans or letters of credit, and is required to apply any amounts borrowed to: finance the purchase price of Investment Capital acquired by the Group; finance any subordinated debt and equity contribution obligations of the Partnership, its subsidiaries or affiliates in relation to the acquisition of any Investment Capital; finance or refinance any costs incurred by the Group in relation to the acquisition of any Investment Capital; or make downstream loans or equity contributions to any subsidiary of the Company in relation to any of the previous listed purposes.

The facility is available until 8 February 2011, after which any amount not drawn down by the Company will be cancelled. Each loan taken through the facility must be repaid on the last day of its interest period (which period may be up to six months from the utilisation date), and on 8 May 2011 all loans must be repaid in full. Please note that the Company understands that there may be a technical argument that the due date for repayment is 23 June 2012 but no reliance should be placed on this and the Company has not pursued this argument to date. Repayment may be made before the due date in certain circumstances. The interest payable on each loan is the aggregate of the applicable margin (defined below), LIBOR (or EURIBOR for loans in Euro), and the lenders' costs of compliance (if any) as calculated under the Loan Facilities Agreement. The applicable margin will be between 1.75 per cent. and 1.95 per cent., depending on the most recent certificated interest cover ratio.

10.6 Issue Agreement

Pursuant to the Issue Agreement dated 16 December 2009 between the Company, the Placing Agent and the Investment Adviser, the Placing Agent was appointed as the Company's placing agent.

The Issue Agreement contains certain representations and warranties from the Company and the Investment Adviser to the Placing Agent concerning, amongst other things, the Company's authority to issue the New Shares and the accuracy of the prospectus for the Issue. The Placing Agent also has the benefit of an indemnity from the Company and the Investment Adviser in relation to liabilities incurred by the Placing Agent in the discharge of its duties under the Issue Agreement save (amongst other things) to the extent that the same are determined by a court of competent jurisdiction or by agreement between the parties to have arisen as a result of fraud, negligence or wilful default of the Placing Agent or its associates.

The Investment Adviser has the benefit of a counter indemnity from the Company in respect of any claims by the Placing Agent against the Investment Adviser save that such counter indemnity is limited to amounts recovered by or on behalf of the Company and any of the Holding Entities from any person (other than the Investment Adviser) in connection with the Issue.

10.7 Registrar Agreement

Pursuant to a registrar agreement dated 10 October 2006, between the Company and the Registrar, (the "**Registrar Agreement**") the Registrar was appointed to act as the Company's registrar in Guernsey.

The Registrar Agreement may be terminated by either the Company or the Registrar giving to the other three months' written notice expiring at any time. In the case of the Company serving such notice on the Registrar, such notice must expire after the first anniversary of the date of the Registrar Agreement. The Registrar Agreement may also be terminated immediately by either party: (a) on the insolvency (or analogous event) occurring in respect of the other party; or (b) in the case of a breach by the other party which remains unremedied for 30 days after such party has been notified of the breach. In addition, the Company may terminate the Registrar Agreement if, in the opinion of the Directors the Registrar is guilty of fraud wilful default or gross negligence in the performance of its

duties under the Registrar Agreement; or if the Registrar ceases to be the holder of any licence, consent, permit or registration enabling it to act as registrar of the Company; or if the Registrar chooses to increase its fees in any annual review thereof.

The fees of the Registrar under the Registrar Agreement are described in Part I of this document under the heading “Registrar and Transfer Agency Fees”. The Registrar shall also be entitled to receive all reasonable out of pocket expenses properly incurred by it in the performance of its duties under the Registrar Agreement, and will be entitled to recover from the Company various disbursements including postage, printing, telephone and CREST transaction costs.

The Registrar Agreement provides that the Company shall indemnify the Registrar and its agents, officers and employees from and against any and all liabilities that they may incur in connection with the Registrar Agreement, save in the case of fraud, negligence or wilful default of the Registrar or its agents, officers and employees (or as may be due to any breach of the terms of the Registrar Agreement). The aggregate liability of the Registrar under the Registrar Agreement is limited to the lesser of £1,000,000 or an amount equal to ten times the annual fee payable to the Registrar under the Registrar Agreement.

10.8 Receiving Agent Agreement

Pursuant to a receiving agent agreement dated 15 December 2009 between the Company and the Receiving Agent (the “**Receiving Agent Agreement**”), the Receiving Agent agrees to provide receiving agent services to the Company in relation to the Open Offer and the Offer for Subscription. Under the Receiving Agent Agreement, the Company agrees to indemnify the Receiving Agent (and its subsidiary and parent undertakings from time to time) against all losses, damages, liabilities, fees, court costs and expenses resulting from a breach of the agreement by the Company, and in relation to any third party claims arising from the agreement or the receiving agent services, except to the extent that any loss resulted solely from the fraud or wilful default of the Receiving Agent or its subsidiary or parent undertaking.

The Company also agrees to indemnify the Receiving Agent for any liabilities it may suffer in connection with any changes to the application criteria or to the terms of the Open Offer after publication of this Prospectus.

Subject to the Receiving Agent receiving fees for work performed and reimbursement for certain costs, either party may terminate the Receiving Agent Agreement if the other commits a material breach which is not remedied within 14 days of notice to do so, or upon the insolvency or analogous event of the other party.

The Receiving Agent is entitled to receive various fees depending on the services provided, subject to a minimum of £8,650 for the Open Offer and £9,050 for the Offer for Subscription together with certain reasonable expenses.

11. AVAILABILITY OF THIS PROSPECTUS

Copies of this document are available for viewing only during normal Business Hours, free of charge, at the Document Viewing Facility, the Financial Services Authority, 25 North Colonnade, Canary Wharf, London E14 5HS.

Copies of this document may be collected, free of charge during normal Business Hours, from AFML at Two London Bridge, London SE1 9RA or from the registered office of the Company.

12. GENERAL

12.1 The Issue of the New Shares is not underwritten.

12.2 The Company is a closed-ended investment company incorporated under the laws of Guernsey and authorised by the Guernsey Financial Services Commission as a closed-ended investment scheme. The Company is not (and is not required to be) regulated or authorised by the FSA but in common with other investment companies admitted to the Official List, is subject to the Listing Rules and the Disclosure Rules and is bound to comply with applicable law such as the relevant parts of FSMA.

12.3 The Group is not, nor has been since its establishment, involved in any governmental, legal or arbitration proceedings. So far as the Company is aware, there are no governmental, legal or arbitration proceedings pending or threatened by or against the Group which may have, or since establishment of the Group have had, a significant effect on the Group’s financial position or profitability.

12.4 The Issue Price of 113.75 pence per New Share represents a premium of 113.74 pence over its nominal value of 0.01 pence. No expenses are to be charged directly to any placee or subscriber pursuant to the Issue.

12.5 The Company complies with the corporate governance obligations which apply to Guernsey registered companies. The Company is a member of the Association of Investment Companies (“**AIC**”) and follows the AIC’s Corporate Governance Guide for Investment Companies save that, in view of the Board’s non-executive nature and the requirement of the Articles that one-third of Directors retire by rotation at least every three years, the Directors consider it inappropriate for the Directors to be appointed for a specified term.

- 12.6 The Company's audit committee is comprised of all the Directors. The audit committee has the following remit to meet bi-annually and to consider, inter alia: (a) annual and interim accounts; (b) auditor reports; and (c) terms of appointment and remuneration for the Auditors (including overseeing the independence of the auditor particularly as it relates to the provision of non-audit services).
- 12.7 The Company has not so far established a separate remuneration committee as the Directors are satisfied that any relevant issues can be properly considered by the Directors as a whole.
- 12.8 Where information contained in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and the source identified and, so far as the Company is aware and is able to ascertain from the information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.
- 12.9 The Company has not had any employees since its incorporation and does not own any premises.
- 12.10 The New Shares will be created and issued by the Company in accordance with the provisions of the Articles and the Law.
- 12.11 The City Code on Takeovers and Mergers (the "**City Code**") applies to the Company. The Existing Ordinary Shares are, and the New Shares will be, subject to the rules regarding mandatory takeover offers set out in the City Code. Under Rule 9 of the City Code, when (i) a person acquires shares which, when taken together with shares already held by him or persons acting in concert with him, carry 30 per cent. or more of the voting rights of a company subject to the City Code or (ii) any person who, together with persons acting in concert with him, holds not less than 30 per cent. but not more than 50 per cent. of the voting rights of the company subject to the City Code, and such person, or any person acting in concert with him, acquires additional shares which increases his percentage of the voting rights, then in either case that person together with the persons acting in concert with him is normally required to make a general offer in cash, at the highest price paid by him, or any person acting in concert with him, for shares in the company within the preceding 12 months, for all the remaining equity share capital of the Company.
- 12.12 The Company will comply with the investment restrictions imposed by the Listing Rules from time to time. As at the date of this Prospectus, the Listing Rules require that the Company:
- (a) must, at all times, invest and manage its assets in a way which is consistent with its object of spreading investment risk and in accordance with its investment policy set out in Part I of this Prospectus (as the same may be amended in accordance with the Listing Rules);
 - (b) must not conduct any trading activity which is significant in the context of the Group as a whole; and
 - (c) should avoid cross-financing between businesses forming part of the Investment Portfolio and the operation of common treasury functions as between the Company and any of its investee companies.

12.13 Documents for Inspection

Copies of the following documents may be inspected at the offices of Lovells LLP, Atlantic House, Holborn Viaduct, London EC1A 2FG and at the registered office of the Company during normal Business Hours on any day (except Saturdays, Sundays and public holidays) from the date of this document until the Open Offer, the Offer for Subscription and the Placing close:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the annual report and audited consolidated financial statements of the Group for each of the periods ended 31 December 2006, 31 December 2007 and 31 December 2008 and the interim report and unaudited consolidated financial statements of the Group for the period ended 30 June 2009;
- (c) the terms of appointment of the Directors referred to in paragraph 5.2 above;
- (d) the material contracts referred to in paragraph 10 above; and
- (e) this Prospectus.

Dated 16 December 2009

Part X Checklist of documentation incorporated by reference

INFORMATION INCORPORATED BY REFERENCE	Page reference in incorporated information	REFERENCE IN PROSPECTUS
Annual report and audited accounts of the Group for the period ended 31 December 2006 including the following information:		Part VIII
• Audit report; • Consolidated balance sheet; • Consolidated income statement; • Consolidated statement of changes in equity; • Consolidated cash flow statement; and • Notes to the consolidated financial statements including the Group's accounting policies.	18 21-22 19 20 23 24-47	
The operating and financial review information incorporated by reference in such report and accounts is provided in the following sections:		
• Chairman's statement; • Investment Adviser's report; and • Directors' Report.	3-4 7-8 9-13	
Annual report and audited accounts of the Group for the period ended 31 December 2007 including the following information:		Part VIII
• Audit report; • Consolidated balance sheet; • Consolidated income statement; • Consolidated statement of changes in equity; • Consolidated cash flow statement; and • Notes to the consolidated financial statements including the Group's accounting policies.	22 27-28 24 25-26 29 30-64	
The operating and financial review information incorporated by reference in such report and accounts is provided in the following sections:		
• Chairman's statement; • Investment Adviser's report; and • Directors' Report.	4-5 12-13 14-17	
Annual report and audited accounts of the Group for the period ended 31 December 2008 including the following information:		Part VIII
• Audit report; • Consolidated balance sheet; • Consolidated income statement; • Consolidated statement of changes in equity; • Consolidated cash flow statement; and • Notes to the consolidated financial statements including the Group's accounting policies.	25 30-31 27 28-29 32 33-69	
The operating and financial review information incorporated by reference in such report and accounts is provided in the following sections:		
• Chairman's statement; • Investment Adviser's report; and • Directors' Report.	4-6 13-14 15-19	

INFORMATION INCORPORATED BY REFERENCE	Page reference in incorporated information	REFERENCE IN PROSPECTUS
Interim report and unaudited accounts of the Group for the period ended 30 June 2009 including the following information:		Part VIII
• Independent Review Report; • Condensed consolidated statement of financial position; • Condensed consolidated income statement; • Condensed consolidated statement of comprehensive income; • Condensed consolidated statement of changes in equity; • Condensed consolidated cash flow statement; and • Notes to the condensed consolidated financial statements including the Group's accounting policies.	12 18-19 14 15 16-17 20 21-27	
The operating and financial review information incorporated by reference in such report and accounts is provided in the following sections:		
• Chairman's statement; and • Investment Advisor's report.	3-4 9-11	

Notices to Overseas Investors

This document has been approved by the FSA as a prospectus which may be used to offer securities to the public for the purposes of section 85 FSMA and Directive 2003/7/EC. No arrangement has however been made with the competent authority in any other EEA State (or any other jurisdiction) for the use of this document as an approved prospectus in such jurisdiction and accordingly no public offer is to be made in such jurisdictions. Issue or circulation of this document may be prohibited in countries other than those in relation to which notices are given below. This document does not constitute an offer to sell, or the solicitation of an offer to subscribe for or buy, shares in any jurisdiction in which such offer or solicitation is unlawful.

FOR THE ATTENTION OF BELGIAN INVESTORS

The New Shares are only offered in Belgium as part of a private placement and may not be publicly offered, sold, traded or commercialised in Belgium. The New Shares are being offered in Belgium only to a limited number of Belgian-based institutional investors as defined in article 10.1 of the Law of 21 June 2006 concerning the public offering and admission to trading of securities (the "Prospectus Law"), in all cases under circumstances designed to preclude a distribution which would be a public offering within the meaning of Article 3.1 of the Prospectus Law. This document may not be reproduced or used for any purpose, nor be furnished to any other person other than those to whom copies have been sent.

FOR THE ATTENTION OF FRENCH INVESTORS

This document has not received the visa of the French Autorité des marchés financiers (the "AMF"), and will not otherwise be submitted to the clearance procedures of the AMF. Accordingly, the New Shares will not be offered by way of a public offering in France (appel public à l'épargne). Neither this document nor any offering information or information contained herein relating to the New Shares may be used, released, issued or distributed or caused to be released, issued or distributed in connection with any offer or sale to the public to purchase any shares in France. Any offer to purchase the New Shares and any sale thereof will only be made in France by the Company or its agents in accordance with the provisions of Articles L. 411-2 and D. 411-1 (relating to offers to qualified investors) of the French Code monétaire et financier (the "French Monetary and Financial Code") and with the provisions of the general regulation (Règlement général) of the AMF. Purchasers may purchase the New Shares only if they qualify as qualified investors acting on their own account ("investisseurs qualifiés" as defined in Articles L. 411-2-II, 4° and D. 411-1 of the French Monetary and Financial Code) and may, directly or indirectly, transfer the New Shares to the public in France only in accordance with Articles L. 411-1, L. 411-2, L. 412-1 and L. 621-8 to L. 621-8-3 of the French Monetary and Financial Code.

FOR THE ATTENTION OF LUXEMBOURG INVESTORS

The New Shares may not be offered or sold within the territory of the Grand-Duchy of Luxembourg unless:

- (a) a prospectus has been approved by the Commission de Surveillance du Secteur Financier in accordance with the Law of 10 July 2005 on prospectuses for securities (the "Prospectus Law") implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading (the "Prospectus Directive") if Luxembourg is the home member state (as defined in the Prospectus Law); or
- (b) if Luxembourg is not the home member state, the Commission de Surveillance du Secteur Financier has been notified by the competent authority in the home member state of the Company that the prospectus has been duly approved in accordance with the Prospectus Directive; or
- (c) the offer is made to (1) legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities, or (2) any legal entity which has two or more of (a) an average of at least 250 employees during the financial year; (b) a total balance sheet of more than €43,000,000 and (c) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts, or (3) another Qualified Investor within the meaning of the Prospectus Law or the offer benefits from an exemption to or constitutes a transaction not subject to, the requirement to publish a prospectus in Luxembourg.

FOR THE ATTENTION OF SWISS INVESTORS

The New Shares have not been authorised for distribution as a foreign investment fund by the Swiss Federal Banking Commission pursuant to Article 45 of the Swiss Federal Investment Fund Act of 18 March 1994, as amended. Accordingly, the New Shares may not and will not be sold, marketed or otherwise distributed in or from Switzerland by way of public advertising ("öffentliche Werbung") within the meaning of the Swiss Federal Investment Fund Act and its implementing ordinances and notices. As such the New Shares are only offered pursuant to this document to a limited number of investors in Switzerland by way of private placement, without any public offering in accordance with the Swiss Federal Investment Fund Act and its implementing ordinances and notices. This document may only be used by those persons to whom it has been distributed in connection with the Issue described in this document.

FOR THE ATTENTION OF US INVESTORS

The New Shares offered by this document have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") or under any state securities laws and may not be offered or sold directly or indirectly in or into the United States, or to or for the account or benefit of any US person (within the meaning of Regulation S under the Securities Act).

FOR THE ATTENTION OF CANADIAN INVESTORS THAT ARE NOT CURRENTLY SHAREHOLDERS

This document constitutes an offering of the New Shares herein only in those jurisdictions and to those persons where and to whom they may be lawfully offered for sale in Canada, and therein only by persons permitted to sell such securities. This document is not, and under no circumstances is to be construed as, an advertisement or a public offering of the securities referred to in this document in Canada. No securities commission or similar authority in Canada has reviewed or in any way passed upon this document or the merits of the New Shares and any representation to the contrary is an offence.

Resale Restrictions

The distribution of the New Shares in Canada is being made on a private placement basis only and is exempt from the requirement that the Company prepares and files a prospectus with the relevant Canadian securities regulatory authorities. Accordingly, any resale of the New Shares must be made in accordance with applicable Canadian securities laws, which may require resales to be made in accordance with prospectus and dealer registration requirements or exemptions from the prospectus and dealer registration requirements. These resale restrictions may in some circumstances apply to resales of the New Shares outside of Canada. Canadian purchasers are advised to seek legal advice prior to any resale of the New Shares.

The Company is not a “reporting issuer”, as such term is defined under applicable Canadian securities laws, in any province or territory of Canada. Canadian investors are advised that the Company is not required to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of the New Shares to the public in any province or territory of Canada. Canadian investors are further advised that the Company currently does not intend to file a prospectus or similar document with any securities regulatory authority in Canada qualifying the resale of New Shares to the public in any province or territory of Canada in connection with this offering.

Representation of Canadian Purchasers

Each Canadian investor who purchases New Shares will be deemed to have represented to the Company, the Placing Agent and any dealer who sells such New Shares to such purchaser that:

- (a) the offer and sale of the New Shares was made exclusively through the final version of this document and was not made through an advertisement of such securities in any printed media of general and regular paid circulation, radio, television or telecommunications, including electronic display, or any other form of advertising in Canada;
- (b) such purchaser has reviewed and acknowledges the terms referred to above under the section entitled “Resale Restrictions”;
- (c) such purchaser has reviewed and acknowledges the representations required to be made by all purchasers of such securities as set forth elsewhere in this document, including but not limited to the representations, warranties and covenants in the Terms and Conditions of Application Under the Offer for Subscription;
- (d) where required by law, such purchaser is purchasing as principal, or is deemed to be purchasing as principal in accordance with applicable securities laws of the province in which such purchaser is resident, for its own account and not as agent for the benefit of another person; and
- (e) such purchaser, or any ultimate purchaser for which such purchaser is acting as agent, is entitled under applicable Canadian securities laws to purchase such securities without the benefit of a prospectus qualified under such securities laws, and without limiting the generality of the foregoing in the case of an investor resident in Ontario, the investor:
 - (i) is an “accredited investor” as defined in section 1.1 of National Instrument 45-106 *Prospectus and Registration Exemptions* (“NI 45-106”) and is purchasing such securities from a dealer registered as an “investment dealer” or “exempt market dealer” in Ontario; or
 - (ii) is a “permitted client” as defined in section 1.1 of National Instrument 31-103 *Registration Requirements and Exemptions* (“NI 31-103”) and is purchasing the international shares from a dealer permitted to rely on the “international dealer exemption” contained in section 8.18 of NI 31-103; and
- (f) such purchaser is not a person created or used solely to purchase or hold such securities as an “accredited investor” as described in paragraph (m) of the definition of “accredited investor” in section 1.1 of NI 45-106.

In addition, each resident of Ontario who purchases such securities will be deemed to have represented to the Company, the Placing Agent and each dealer from whom a purchase confirmation was received, that such purchaser:

- (a) has been notified by the Company:
 - (i) that the Company may be required to provide certain personal information (“**personal information**”) pertaining to the purchaser as required to be disclosed in Schedule I of Form 45-106F1 under NI 45-106 (including its name, address, telephone number and the number and value of any securities purchased here under), which Form 45-106F1 may be required to be filed by the Company under NI 45-106;

- (ii) that such personal information may be delivered to the Ontario Securities Commission (the “**OSC**”) in accordance with NI 45-106;
 - (iii) that such personal information is collected indirectly by the OSC under the authority granted to it under the securities legislation of Ontario;
 - (iv) that such personal information is collected for the purposes of the administration and enforcement of the securities legislation of Ontario; and
 - (v) that the public official in Ontario who can answer questions about the OSC’s indirect collection of such personal information is the Administrative Support Clerk at the OSC, Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8, Telephone: (416) 593-3684; and
- (b) has authorized the indirect collection of the personal information by the OSC.

Furthermore, the purchaser acknowledges that its name, address, telephone number and other specified information, including the number of securities it has purchased and the aggregate purchase price paid by the purchaser, may be disclosed to other Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable Canadian laws. By purchasing such securities, the purchaser consents to the disclosure of such information.

Taxation and Eligibility for Investment

Any discussion of taxation and related matters contained within this document does not purport to be a comprehensive description of all the tax considerations that may be relevant to a decision to purchase the securities and, in particular, does not address Canadian tax considerations. Canadian investors should consult with their own legal and tax advisers with respect to the tax consequences of an investment in the securities herein in their particular circumstances and with respect to the eligibility of such securities for investment by such investor under relevant Canadian legislation and regulations.

Rights Of Action For Damages Or Rescission

Securities legislation in certain of the Canadian provinces provides purchasers of securities pursuant to an offering memorandum (such as this document) with a remedy for damages or rescission, or both, in addition to any other rights they may have at law, where the offering memorandum and any amendment to it contains a “Misrepresentation”. Where used herein, “**Misrepresentation**” means an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make any statement not misleading in light of the circumstances in which it was made. These remedies, or notice with respect to these remedies, must be exercised or delivered, as the case may be, by the purchaser within the time limits prescribed by applicable securities legislation.

Ontario

Section 130.1 of the *Securities Act* (Ontario) provides that every purchaser of securities pursuant to an offering memorandum (such as this document) shall have a statutory right of action for damages or rescission against the issuer and any selling security holder in the event that the offering memorandum contains a Misrepresentation. A purchaser who purchases securities offered by the offering memorandum during the period of distribution has, without regard to whether the purchaser relied upon the Misrepresentation, a right of action for damages or, alternatively, while still the owner of the securities, for rescission against the issuer and any selling security holder provided that:

- (a) if the purchaser exercises its right of rescission, it shall cease to have a right of action for damages as against the issuer;
- (b) the issuer will not be liable if they prove that the purchaser purchased the securities with knowledge of the Misrepresentation;
- (c) the issuer will not be liable for all or any portion of damages that it proves do not represent the depreciation in value of the securities as a result of the Misrepresentation relied upon; and
- (d) in no case shall the amount recoverable exceed the price at which the securities were offered.

Section 138 of the *Securities Act* (Ontario) provides that no action shall be commenced to enforce these rights more than:

- (a) in the case of an action for rescission, 180 days after the date of the transaction that gave rise to the cause of action; or
- (b) in the case of an action for damages, the earlier of:
 - (i) 180 days after the date that the purchaser first had knowledge of the facts giving rise to the cause of action; or

- (ii) three years after the date of the transaction that gave rise to the cause of action.

This document is being delivered in reliance on the exemption from the prospectus requirements contained under section 2.3 of NI 45-106 (the “**accredited investor exemption**”). The rights referred to in section 130.1 of the *Securities Act* (Ontario) do not apply in respect of an offering memorandum (such as this document) delivered to a prospective purchaser in connection with a distribution made in reliance on the accredited investor exemption if the prospective purchaser is:

- (a) a Canadian financial institution or a Schedule III bank (each as defined in NI 45-106);
- (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada); or
- (c) a subsidiary of any person referred to in paragraphs (a) and (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary.

The foregoing summary is subject to the express provisions of the *Securities Act* (Ontario) and the rules, regulations and other instruments thereunder, and reference is made to the complete text of such provisions. Such provisions may contain limitations and statutory defences on which the Company may rely. The enforceability of these rights may be limited as described herein under section entitled “Enforcement of Legal Rights”.

The rights of action for damages or rescission discussed above are in addition to, and without derogation from, any other right or remedy which purchasers may have at law.

Enforcement of Legal Rights

The Company is organized under the laws of Guernsey. All or substantially all of the Company’s directors and officers and certain of the experts named herein, may be located outside of Canada and, as a result, it may not be possible for Canadian purchasers to effect service of process within Canada upon the Company or such persons. All or a substantial portion of the assets of the Company and such other persons may be located outside of Canada and, as a result, it may not be possible to satisfy a judgement against the Company or such persons in Canada or to enforce a judgement obtained in Canadian courts against the Company or persons outside of Canada.

Language Of Documents

Upon receipt of this document, each Canadian investor hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu’il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d’achat ou tout avis) soient rédigés en anglais seulement.*

Definitions

“Administration Agreement”	means the administration agreement between the Company and the Administrator dated 10 October 2006;
“Administrator”	means Heritage International Fund Managers Limited;
“Admission”	means admission of the New Shares to be issued pursuant to the Firm Placing or Open Offer and Offer for Subscription (as applicable) to the Official List and/or to trading on the London Stock Exchange as the context may require;
“AFML”	means Amber Fund Management Limited, a company incorporated in England and Wales (registered number 06745576) regulated and authorised by the FSA;
“Amber” or “Amber Group”	means Amber Infrastructure Group Limited, a company incorporated in England and Wales (registered number 06812600) and “Amber Group” shall include any subsidiary undertaking of Amber Infrastructure Group Limited;
“Angel Trains”	means the business of Angel Trains Limited, in which the Company (through its subsidiaries and the holding structure of the Angel Trains project) is an investor, which company provides rolling stock leasing services to train operating companies in the UK;
“Articles” or “Articles of Association”	means the articles of association of the Company in force from time to time;
“Auditors”	means the auditors from time to time of the Company, the current such auditors being Deloitte LLP (formerly named Deloitte & Touche LLP), who are registered with the Institute of Chartered Accountants of England & Wales;
“Average Market Capitalisation”	means the average market capitalisation of the Company in respect of the relevant period calculated by reference to the Volume Weighted Average Price of the average number of Ordinary Shares for which a price is quoted on the London Stock Exchange for the last 20 LSE Trading Days in the relevant period;
“Babcock & Brown”	means Babcock & Brown Limited a company incorporated in Australia (registered number 53 108 614 955) or any wholly owned subsidiary or related entity;
“Base Fee”	means the annual asset management fee/profit share to which AFML and the General Partner are in aggregate entitled to as described in Part I of this document under the heading “Base Fee”;
“BBIML”	means Babcock & Brown Investment Management Limited, a company incorporated in England and Wales (registered number 04071543) regulated and authorised by the FSA;
“BBL”	means Babcock & Brown Limited, a company incorporated in England and Wales with registered number 2645511;
“Benchmark Return”	means the value of n in the following formula $n = \text{AMC} \times \text{BRI}$ where AMC is the Average Market Capitalisation in respect of the relevant period; and BRI is the increase or decrease in the Benchmark Return Index over the relevant period expressed as a percentage based on the daily closing value of the Benchmark Return Index over the last 20 days of trading of Ordinary Shares in the relevant period (or if there have been less than 20 days of trading in the relevant period the average value on the days in the relevant period on which the Ordinary Shares traded or if there have been no trades, on the last day on which the Ordinary Shares traded) compared with the value of this index in respect of the last 20 days of trading of Ordinary Shares in the immediately preceding period (calculated on the same basis);

“Benchmark Return Index”	means an index measuring the accumulated value of the aggregate return obtained by investors in the Current 15 Year Gilt plus 2.5 per cent., taking into account interest paid and changes in capital value (and assuming that such interest is reinvested into the Current 15 Year Gilt on the date payable);
“BeNEX”	means BeNEX GmbH, the holding company established to assume responsibility for all of Hamburger Hochbahn AG’s bus and rail operations outside Hamburg;
“BLAGAB”	means a basic life assurance and general annuity business;
“Board”	see “Directors” below;
“Business Day”	means any day (other than a Saturday or Sunday or bank holiday) on which commercial banks are open for business in London and Guernsey;
“Business Hours”	means the hours between 9:30 am and 5:30 pm on any Business Day;
“Buyside Committee”	means the committee within Amber representing the interests of the Company in respect of an acquisition;
“C Share Issue”	means the public offering of C Shares by way of placing and offer for subscription in accordance with the C Share Issue Prospectus;
“C Share Issue Prospectus”	means the prospectus issued by the Company in connection with the C Share Issue dated 18 March 2008;
“C Shares”	means the temporary and separate class of shares that the Directors may determine to issue as described in paragraph 9 of Part IX of this document;
“Capita Registrars”	means Capita Registrars Limited;
“CESR”	means The Committee of European Securities Regulators;
“certificated” or “in certificated form”	means where a share or other security is not in uncertificated form;
“City Code”	means the City Code on Takeovers and Mergers;
“Closing Price”	the closing middle-market quotation of an Ordinary Share, as derived from the Daily Official List on a given day;
“Company”	means International Public Partnerships Limited (formerly named Babcock & Brown Public Partnerships Limited), a company incorporated in Guernsey (registered number 45241);
“Court”	means the Royal Court of Guernsey;
“CREST”	means a paperless settlement procedure operated by Euroclear UK & Ireland enabling system securities to be evidenced otherwise than by written instrument;
“CREST Manual”	means the rules governing the operation of CREST, consisting of the CREST Reference Manual, CREST International Manual, CREST Central Counterparty Service Manual, CREST Rules, Registrars Service Standards, Settlement Discipline Rules, CCSS Operations Manual, Daily Timetable, CREST Application Procedure and CREST Glossary of Terms (all as defined in the CREST Glossary of Terms promulgated by Euroclear UK on 15 July 1996 and as amended since);
“CREST Member”	means a person who has been admitted to Euroclear UK as a system member (as defined in the CREST Regulations);
“CREST Participant”	means a person who is, in relation to CREST, a system participant (as defined in the CREST Regulations);

“CREST Regulations”	means the Uncertificated Securities Regulations 2001 (SI 2001 No. 01/378), as amended;
“CREST Sponsor”	means a CREST participant admitted to CREST as a CREST sponsor;
“CREST Sponsored Member”	means a CREST Member admitted to CREST as a sponsored member;
“Current 15 Year Gilt”	means in respect of the relevant period, such 15 year fixed interest gilt (or gilt with 15 years remaining) issued by the UK Debt Management Office (or any replacement or successor to it) as the Directors shall, acting reasonably and in consultation with the Investment Adviser, select as the current 15 year gilt applicable at the commencement of such period (and for the period ending 31 December 2009, the current 15 year gilt shall be the “Treasury 8 per cent. 2022 Gilt”);
“Daily Official List”	means the daily record setting out the prices of all trades in shares and other securities conducted on the London Stock Exchange;
“Default Shares”	means Ordinary Shares in respect of which there is a default to disclose certain information to the Company in respect of interests in such Ordinary Shares as described in paragraph 9.7 of Part IX;
“Directors” or “Board”	means the directors from time to time of the Company (or any duly constituted committee thereof) as the context may require, and “Director” is to be construed accordingly;
“Disclosure Rules”	means the disclosure rules and the transparency rules made by the FSA under section 73A of FSMA;
“Distributable Cash Flows”	means, in any year, (i) all cash received by the Group from its investments that is supported by a sufficiency of distributable reserves for accounting purposes and under the Law, including but not limited to (a) interest payments on subordinated debt, (b) repayments of subordinated debt, (c) dividend payments and (d) retained earnings from previous periods, less (ii) management and advisory fees, interest on external borrowings, running costs and taxation;
“EEA State”	means a state in the European Economic Area;
“EGM Circular”	means the circular to be sent to Existing Shareholders in relation to the Extraordinary General Meeting;
“Enterprise Value”	means the enterprise value of the relevant asset including risk capital and direct and indirect transaction costs incurred in connection with the investment (provided that in the case of the calculation of the enterprise value of investments developed under PFI or PPP procurements and held by highly leveraged special purpose project entities, the enterprise value will exclude the value of any senior project-level debt held in the relevant special purpose project entities;
“ERISA”	means the United States Employee Retirement Income Security Act of 1974 and the regulations promulgated thereunder (in each case as amended);
“Estimated Net Asset Value”	means estimated Net Asset Value based on unaudited financial information of the Group, but using the same methodology as is used for the half-yearly Net Asset Values as calculated by the Investment Adviser as at 30 November 2009;
“EU”	means the European Union;
“Euroclear UK & Ireland”	means Euroclear UK & Ireland Limited, the operator of CREST;
“EVCA”	means the European Private Equity and Venture Capital Association;
“Excess Application”	means an application made by a Qualifying Shareholder that has taken up the full amount of his or her Open Offer Entitlement under the Excess Application Facility;

“Excess Application Facility”	means the arrangement pursuant to which Qualifying Shareholders may apply for additional New Shares in excess of their Open Offer Entitlement in accordance with the terms and conditions of the Open Offer;
“Excess CREST Open Offer Entitlement”	means in respect of each Qualifying CREST Shareholder, the entitlement (in addition to their Open Offer Entitlement) to apply for New Shares pursuant to the Excess Application Facility;
“Excess Shares”	means: (a) New Shares which are not taken up by Qualifying Shareholders pursuant to their Open Offer Entitlement and are available to other Qualifying Shareholders; together with (b) New Shares that the Directors have reallocated from the Offer for Subscription to be available to Qualifying Shareholders, and in each case that are offered to Qualifying Shareholders under the Excess Application Facility;
“Excluded Shareholders”	means Shareholders with a registered address in or who are located in the United States or one of the Excluded Territories;
“Excluded Territories”	means Australia, Canada, Japan, South Africa and New Zealand and any other jurisdiction where the extension or availability of the Open Offer (and any other transaction contemplated thereby) would breach any applicable law or regulation;
“Existing Investment”	means a direct or indirect interest in Investment Capital held by the Group as at the date of this Prospectus and described in Part III of this Prospectus;
“Existing Ordinary Share”	means an Ordinary Share that is in issue as at the date of this document;
“Existing Portfolio”	means the portfolio of direct and indirect interests in Investment Capital held by the Group as at the date of this Prospectus and described in Part III of this Prospectus;
“Existing Shareholder”	means a holder of an Existing Ordinary Share;
“Extraordinary General Meeting”	means the extraordinary general meeting of the Company to be held on 15 January 2010 (or any adjournment thereof);
“Financial Advisory Fee”	means the fee of 1.5 per cent. of the gross Issue proceeds payable to the Investment Adviser which will be partially waived by the Investment Adviser as set out in Part I of this document under the heading “Fees and Expenses”;
“Firm Placing”	means the conditional placing by the Placing Agent of 24,604,914 New Shares to the Placees pursuant to the Issue Agreement;
“FSA”	means the UK Financial Services Authority;
“FSMA”	means the Financial Services and Markets Act 2000 of the United Kingdom, as amended;
“FTSE All Share”	means the FTSE All Share Index representing the aggregate of the FTSE 100, FTSE 250 and FTSE Small Cap indices;
“Further Investments”	means potential future direct and indirect interests in Investment Capital that may be acquired by the Company, which may include interest in Investment Capital in the Pipeline Investments and where the context permits shall include the underlying projects or investment entities;
“General Partner”	means International Public Partnerships GP Limited (formerly Babcock & Brown Public Partnerships GP Limited) a company incorporated in England and Wales (registered number 05938778);
“Gross Asset Value”	means the gross asset value of the Investment Portfolio calculated on a fair market basis and including (a) borrowings and other liabilities of any member of the Group;

(b) subscription obligations of any member of the Group; and (c) firm commitments in respect of future assets or investments made by any member of the Group, but excluding: (a) such part of the proceeds of the Issue that are not invested or committed to be invested, until such time the relevant part of the Issue proceeds are invested or committed to be invested; and (b) any project debt liabilities of any Project Entity;

“Group”	means the Company, the Luxcos and the Partnership (together with their subsidiaries (as that term is defined in the Law) or companies wholly owned by them together, individually or in any combination as appropriate);
“HMRC”	means HM Revenue & Customs;
“Holding Entities”	means all or any of Luxco 1, Luxco 2 and the Partnership;
“IFRS”	means International Financial Reporting Standards;
“Incentive Fee”	means the performance related asset management fee/profit share in respect of each Incentive Period to which AFML and the General Partner are in aggregate entitled as described in Part I of this document under the heading “Incentive Fee”;
“Incentive Period”	means each period of six months ending on 30 June or 31 December;
“Independent Directors”	means the Directors that are independent of Amber;
“Infrastructure Team”	means the infrastructure team of Amber;
“Initial Public Offer”	means the initial public offering of Existing Ordinary Shares by way of placing and offer for subscription;
“Interested Party”	means the Investment Adviser, the Administrator, the Placing Agent, any of their directors, officers, employees, agents and connected persons and the Directors and any person or company with whom they are affiliated or by whom they are employed;
“Investment Adviser”	means AFML acting in its capacity as investment adviser to the Company pursuant to the Investment Advisory Agreement;
“Investment Advisory Agreement”	means the investment advisory agreement between the Investment Adviser and the Company as amended by a deed of amendment and novation dated 23 June 2009 between BBIML, AFML, the Company and BBL;
“Investment Capital”	means partnership equity, partnership loans, share capital, trust units, shareholder loans and/or debt interests in or to Project Entities or any other entities or undertakings in which the Group invests;
“Investment Committee”	means the investment committee established by the Operator as described Part V of this Prospectus under the heading “Investment Approval”;
“Investment Company Act”	means the United States Investment Company Act of 1940;
“Investment Portfolio”	means the assets and investments from time to time owned by or held by or to the order of any member of the Group from time to time;
“IPO Prospectus”	means the prospectus issued by the Company in connection with the Initial Public Offer dated 11 October 2006;
“IRR”	means internal rate of return;
“ISA”	means Individual Savings Account;
“Issue”	means the issue of New Shares pursuant to the Firm Placing, the Open Offer and the Offer for Subscription;

“Issue Agreement”	means the issue agreement relating to the Issue between the Company, the Placing Agent and the Investment Adviser, dated 16 December 2009;
“Issue Conditions”	means the conditions to the Issue as set out in Part VI of this document under the heading “Conditions to the Issue”;
“Issue Costs”	means the Issue expenses, Placing Fees and Financial Advisory Fee as detailed in Part I of this document;
“Issue Price”	means 113.75 pence per New Share;
“Law”	means the Companies (Guernsey) Law 2008, as amended or replaced from time to time;
“Limited Partnership Agreement”	means the amended and restated deed of limited partnership dated 23 June 2009 between the General Partner as a general partner and Luxco 2 as sole limited partner;
“Listing Rules”	means the listing rules made by the UK Listing Authority under section 73A of FSMA;
“London Stock Exchange”	means London Stock Exchange plc;
“LSE Trading Day”	means any day on which the main market of the London Stock Exchange is open for non-automated trading business;
“Luxco 1”	means International Public Partnerships Lux 1 Sàrl, a taxable company established in Luxembourg under the legal form of a Sàrl, a wholly owned subsidiary of the Company;
“Luxco 2”	means International Public Partnerships Lux 2 Sàrl, a taxable company established in Luxembourg under the legal form of a Sàrl, a wholly owned subsidiary of Luxco 1 and thereby a wholly owned indirect subsidiary of the Company;
“Luxcos”	means Luxco 1 and Luxco 2;
“MBO”	means the management-led buy-out of Babcock & Brown’s PPP business by Amber referred to in Part V of this document;
“member account ID”	means the identification code or number attached to any member account in CREST;
“Memorandum of Association”	means the memorandum of association of the Company;
“Net Asset Value” or “NAV”	means the net asset value of the Company in total or (as the context requires) per Share calculated in accordance with the Company’s valuation policies and as described in Part I of this document under the heading “Valuations”;
“Net Issue Proceeds”	means the proceeds of the Issue, after deduction of the Issue Costs;
“New Shareholder”	means the holder of a New Share;
“New Shares”	means the Ordinary Shares to be issued under the terms set out in this Prospectus and having the rights set out in the Articles and “New Share” shall be construed accordingly;
“NHS LIFT”	means the UK National Health Service LIFT (Local Improvement Finance Trust) initiative as described in Part III;
“OECD”	means the Organisation for Economic Co-operation and Development;
“Offer for Subscription”	means the offer for subscription to the public in the UK of New Shares on the terms set out in this Prospectus and the Subscription Form;

“Official List”	means the official list maintained by the UK Listing Authority;
“Open Offer”	means the offer to Qualifying Shareholders, constituting an invitation to apply for New Shares, on the terms and subject to the conditions set out in this document and, in the case of Qualifying Non-CREST Shareholders, the Open Offer Application Form;
“Open Offer Application Form”	the personalised application form on which Qualifying Non-CREST Shareholders who are registered on the register of members of the Company as at the Record Date may apply for New Shares (including Excess Shares under the Excess Application Facility) under the Open Offer;
“Open Offer Entitlement”	means the entitlement of Qualifying Shareholders to apply for Open Offer Shares on the basis of 1 Open Offer Share for every 20 Existing Ordinary Shares held and registered in their names on the Record Date;
“Open Offer Shares”	means the New Shares being offered in aggregate to Qualifying Shareholders pursuant to the Open Offer together, where the context requires, with Excess Shares allotted under the Excess Application Facility;
“Operating Agreement”	means the amended and restated agreement between the Operator and the General Partner (for itself and for and on behalf of the Partnership), as amended by a deed of amendment and novation dated 23 June 2009 between BBIML, AFML, the General Partner, Luxco 2 and the Partnership, pursuant to which the Operator provides the services of an operator to the Partnership;
“Operator”	means AFML acting in its capacity as operator of the Partnership;
“Ordinary Share Return”	means the value of n in the following formula: $n = AMC \times OSRI$ where AMC is Average Market Capitalisation in respect of the relevant period; and OSRI is the movement in the Ordinary Share Return Index over the relevant period expressed as a percentage based on the average daily closing value of the Ordinary Share Return Index on the last 20 days of trading of Ordinary Shares on the London Stock Exchange in the relevant period (or if there have been less than 20 days of trading in the relevant period the average value on the days in the relevant period on which the Ordinary Shares traded or if there have been no trades, on the last day on which the Ordinary Shares traded) compared with the average daily closing value of the Ordinary Share Return Index on the last 20 days of trading of Ordinary Shares on the London Stock Exchange in the immediately preceding relevant period;
“Ordinary Share Return Index”	means an index measuring the accumulated value of Ordinary Shares traded on the London Stock Exchange and taking into account any Company dividends and distributions paid (assuming that such dividends as distributions are reinvested in Ordinary Shares at the market price on the date payable) and changes in capital value of Ordinary Shares;
“Ordinary Shares”	means ordinary shares of 0.01 pence each in the capital of the Company;
“Partnership”	means International Public Partnerships Limited Partnership (formerly named Babcock & Brown Public Partnerships Limited Partnership), a limited partnership registered in England (registered number LP11596), the limited partnership which will hold and manage the Group’s investments, as further described in paragraph 4 of Part IX of this Prospectus;
“PFI”	means the Private Finance Initiative procurement model;
“Pipeline Investments”	means Further Investments in relation to which Amber or the Group is a Preferred Bidder, as defined in Part I of this document and more fully described in Part IV of this document;

“Placees”	means the persons with whom a conditional placing of New Shares under the Firm Placing has been or will be made;
“Placing Agent”	means Numis Securities Limited, The London Stock Exchange Building, 10 Paternoster Square London EC4M 7LT;
“Placing Fees”	means the fees which the Placing Agent is entitled to under the Issue Agreement as described in Part I of this document under the heading “Issue Costs”;
“PPP”	means the Public Private Partnership procurement model;
“Pre-emption Resolution”	means the resolution to be proposed at the Extraordinary General Meeting in connection with the Issue disapplying pre-emption rights in respect of the Issue;
“Preferred Bidder”	means the person with the right to acquire Investment Capital in respect of a project after the conclusion of the competitive phase of the bidding process in respect of that project but before the financial close has occurred;
“Private Sector Client”	means a procuring client that is in the private sector;
“Project Agreement”	means the agreement between a Project Entity and the Public Sector Client under which the Project Entity agrees to procure the construction of an infrastructure project and/or the provision of services in relation to that project;
“Project Entity”	means a special purpose entity (including any company, partnership or trust) formed to undertake an infrastructure project or projects or provide infrastructure services;
“Prospectus”	means this document;
“Prospectus Rules”	means the prospectus rules made by the FSA under section 73A of FSMA;
“Public Sector Client”	means a procuring client that is in the public sector;
“Qualifying CREST Shareholders”	means Qualifying Shareholders holding Existing Ordinary Shares in uncertificated form in CREST;
“Qualifying Non-CREST Shareholders”	means Qualifying Shareholders holding Existing Ordinary Shares in certificated form;
“Qualifying Shareholders”	means holders of Existing Ordinary Shares on the register of members of the Company at the Record Date, other than the Excluded Shareholders;
“Receiving Agent”	means Capita Registrars;
“Receiving Agent Agreement”	means the agreement dated 15 December 2009 between the Company and the Receiving Agent, pursuant to which the Receiving Agent agrees to provide receiving agent services to the Company in respect of the Issue;
“Record Date”	means 14 December 2009;
“Registrar”	means Capita Registrars (Guernsey) Limited;
“Registrar Agreement”	means the registrar agreement between the Company and the Registrar dated 10 October 2006;
“Regulatory Information Service”	means a regulatory information service approved by the FSA and on the list of Regulatory Information Services maintained by the FSA;
“Resolutions”	means the Pre-emption Resolution and the Scrip Dividend Resolutions to be proposed at the Extraordinary General Meeting;
“RPI”	means the UK retail price index;

“Sàrl”	means a société a responsabilité limitée;
“Scrip Dividend Resolutions”	means the resolutions to be proposed at the Extraordinary General Meeting to amend the Articles and to authorise the Directors to allot Shares in lieu of cash dividends;
“SDRT”	means Stamp Duty Reserve Tax;
“Securities Act”	means the United States Securities Act of 1933;
“Sellside Committee”	means the committee within Amber to represent the interests of the vendors in respect of acquisitions;
“Share”	means a share in the capital of the Company (of whatever class);
“Shareholder”	means a registered holder of a Share;
“SIPPs”	means self invested personal pensions;
“SOPARFIs”	means a société a participations financiers;
“Strategic Partnering Board”	means the strategic partnering board established under the NHS LIFT initiative relevant to each Project Entity carrying out a NHS LIFT project;
“Subscription Form”	means the application form attached to this Prospectus for use in connection with the Offer for Subscription;
“TCGA 1992”	means the Taxation of Capital Gains Act 1992;
“UK” or ‘United Kingdom’	means the United Kingdom of Great Britain and Northern Ireland;
“UK GAAP”	means the Generally Accepted Accounting Principles applicable in the UK;
“UK Listing Authority” or “UKLA”	means the Financial Services Authority in its capacity as a competent authority for listing in the UK pursuant to Part VI of FSMA;
“UK Portfolio”	means the Group’s portfolio of direct and indirect investments in Investment Capital in relation to projects in the UK;
“uncertificated” or “in uncertificated form”	recorded on the relevant register of the shares or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;
“US or United States”	means the United States of America its territories and possessions any state of the United States and the District of Columbia;
“US Person” or “United States Person”	has the meaning given in Regulation S under the Securities Act;
“VAT”	means value added tax;
“Volume Weighted Average Price”	means, in respect of any day on which an Ordinary Share is traded on the London Stock Exchange, the volume weighted average price per Ordinary Share for sales in those securities on the London Stock Exchange on that day, where each price is weighted by the number of Ordinary Shares sold at various prices that day; and
“WISP”	means the Welsh Investment Strategic Partnership arrangement between the Welsh Assembly and Amber as more fully described in Part IV of this Prospectus.

Terms and Conditions of the Open Offer

1. INTRODUCTION

The Record Date for entitlements under the Open Offer for Qualifying CREST Shareholders and Qualifying Non-CREST Shareholders is 14 December 2009. Open Offer Application Forms are expected to be posted to Qualifying Non-CREST Shareholders on or around 16 December 2009 and Open Offer Entitlements are expected to be credited to stock accounts of Qualifying CREST Shareholders in CREST as soon as possible after 8:00 am on 17 December 2009. The latest time and date for receipt of completed Open Offer Application Forms and payment in full under the Open Offer and settlement of relevant CREST instructions (as appropriate) is expected to be 11:00am on 22 January 2010 with Admission and commencement of dealings in Open Offer Shares expected to take place at 8.00 a.m. on 28 January 2010.

This document and, for Qualifying Non-CREST Shareholders only, the Open Offer Application Form contain the formal terms and conditions of the Open Offer. Your attention is drawn to paragraph 4 of these Terms and Conditions which gives details of the procedure for application and payment for the Open Offer Shares. The attention of Overseas Shareholders is drawn to paragraph 6 of these Terms and Conditions.

The Open Offer Shares will, when issued and fully paid, rank equally in all respects with Existing Ordinary Shares, including the right to receive all dividends or other distributions made, paid or declared, if any, by reference to a record date after the date of their issue.

Application will be made to the Financial Services Authority for the Open Offer Shares to be admitted to the Official List and to the London Stock Exchange for the Open Offer Shares to be admitted to trading on the London Stock Exchange's main market for listed securities.

The Open Offer is an opportunity for Qualifying Shareholders to apply for, in aggregate, 18,735,733 Open Offer Shares pro rata to their current holdings at the Issue Price of 113.75 pence per Open Offer Share in accordance with these Terms and Conditions.

The Excess Application Facility is an opportunity for Qualifying Shareholders who have applied for all of their Open Offer Entitlements to apply for additional New Shares. The Excess Application Facility will be comprised of Open Offer Shares that are not taken up by Qualifying Shareholders under the Open Offer pursuant to their Open Offer Entitlements, fractional entitlements under the Open Offer and any New Shares that the Directors determine should be reallocated from the Offer for Subscription to satisfy demand from Qualifying Shareholders in preference to prospective new investors under the Offer for Subscription. There is no limit on the amount of New Shares that can be applied for by Qualifying Shareholders under the Excess Application Facility, save that the maximum amount of New Shares to be allotted under the Excess Application Facility shall be limited by the maximum size of Issue (as may be increased by the Directors by up to 20 per cent. of the targeted amount) less New Shares issued under the Firm Placing and the Open Offer pursuant to Qualifying Shareholders' Open Offer Entitlements and any New Shares that the Directors determine to issue under the Offer for Subscription. Allotments under the Excess Application Facility shall be allocated in such manner as the Directors may determine in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders will be met in part or at all.

Any Qualifying Shareholder who has sold or transferred all or part of his/her registered holding(s) of Ordinary Shares prior to 8:00am on the "Ex" date is advised to consult his or her stockbroker, bank or other agent through or to whom the sale or transfer was effected as soon as possible since the invitation to apply for Open Offer Shares under the Open Offer may be a benefit which may be claimed from him/her by the purchasers under the rules of the London Stock Exchange.

2. THE OPEN OFFER

Subject to the terms and conditions set out below (and, in the case of Qualifying Non-CREST Shareholders, in the Open Offer Application Form), Qualifying Shareholders are being given the opportunity to apply for any number of Open Offer Shares at the Issue Price (payable in full on application and free of all expenses) up to a maximum of their Open Offer Entitlement which shall be calculated on the basis of:

1 Open Offer Share for every 20 Existing Ordinary Shares

registered in the name of each Qualifying Shareholder on the Record Date and so in proportion for any other number of Ordinary Shares then registered.

Fractions of Open Offer Shares will not be allotted to Qualifying Shareholders in the Open Offer and fractional entitlements under the Open Offer will be rounded down to the nearest whole number of New Ordinary Shares.

Applications by Qualifying Shareholders will be satisfied in full up to the amount of their individual Open Offer Entitlement.

Open Offer Entitlements will be rounded down to the nearest whole number and any fractional entitlements to Open Offer Shares will be disregarded in calculating Open Offer Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Accordingly, Qualifying Shareholders with fewer than 20 Existing Ordinary Shares will not receive an Open Offer Entitlement but may apply for Excess Shares under the Excess Application Facility.

Qualifying Shareholders may apply to acquire less than their Open Offer Entitlement should they so wish. In addition, Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility. Please refer to paragraphs 4.1(c) and 4.2(c) of these Terms and Conditions for further details of the Excess Application Facility.

Holdings of Existing Ordinary Shares in certificated and uncertificated form will be treated as separate holdings for the purpose of calculating entitlements under the Open Offer, as will holdings under different designations and in different accounts.

If you are a Qualifying Non-CREST Shareholder, the Open Offer Application Form shows the number of Existing Ordinary Shares registered in your name on the Record Date (in Box 1).

Qualifying CREST Shareholders will have Open Offer Entitlements credited to their stock accounts in CREST and should refer to paragraph 4.2 of these Terms and Conditions and also to the CREST Manual for further information on the relevant CREST procedures.

The Open Offer Entitlement, in the case of Qualifying Non-CREST Shareholders, is equal to the number of Open Offer Shares shown in Box 2 on the Open Offer Application Form or, in the case of Qualifying CREST Shareholders, is equal to the number of Open Offer Entitlements standing to the credit of their stock account in CREST.

The Excess Application Facility enables Qualifying Shareholders to apply for any whole number of Excess Shares in excess of their Open Offer Entitlement. Qualifying Non-CREST Shareholders who wish to apply to subscribe for more than their Open Offer Entitlement should complete Box 7 on the Open Offer Application Form. Excess applications may be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that applications by Qualifying Shareholders will be met in full or in part or at all.

Qualifying Shareholders should be aware that the Open Offer is not a rights issue. Qualifying Non-CREST Shareholders should also note that their respective Open Offer Application Forms are not negotiable documents and cannot be traded. Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and Excess CREST Open Offer Entitlements will be credited to CREST and be enabled for settlement, applications in respect of entitlements under the Open Offer may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a *bona fide* market claim raised by Euroclear's Claims Processing Unit. Open Offer Shares not applied for under the Open Offer will not be sold in the market for the benefit of those who do not apply under the Open Offer and Qualifying Shareholders who do not apply to take up Open Offer Shares will have no rights under the Open Offer. Any Open Offer Shares which are not applied for in respect of the Open Offer may be allotted to Qualifying Shareholders to meet any valid applications under the Excess Application Facility or will be issued to the subscribers under the Offer for Subscription, with the proceeds retained for the benefit of the Company.

Application will be made for the Open Offer Entitlements and Excess CREST Open Offer Entitlements to be credited to Qualifying CREST Shareholders' CREST accounts. The Open Offer Entitlements and Excess CREST Open Offer Entitlements are expected to be credited to CREST accounts as soon as possible after 8:00 am on 17 December 2009.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Ordinary Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Application has been made for the Open Offer Entitlements and Excess CREST Open Offer Entitlements to be admitted to CREST.

The Open Offer Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the Existing Ordinary Shares. The Open Offer Shares are not being made available in whole or in part to the public except under the terms of the Open Offer.

3. CONDITIONS AND FURTHER TERMS OF THE OPEN OFFER

The Open Offer is conditional on the Pre-emption Resolution being passed at the Extraordinary General Meeting, the Issue Agreement becoming unconditional in all respects (other than as to Admission) and Admission of the Open Offer Shares becoming effective by not later than 8.00 a.m. on 28 January 2010 (or such later time and/or date as the Company and the Placing Agent may determine, not being later than 8.00 a.m. on 11 February 2010).

Accordingly, if these conditions are not satisfied or waived (where capable of waiver), the Issue will not proceed and any applications made by Qualifying Shareholders will be rejected. In such circumstances, application monies will be returned (at the applicant's sole risk), without payment of interest, as soon as practicable thereafter.

No temporary documents of title will be issued in respect of Open Offer Shares held in uncertificated form. Definitive certificates in respect of Open Offer Shares taken up are expected to be posted to those Qualifying Shareholders who have validly elected to hold

their Open Offer Shares in certificated form as soon as possible after 5 February 2010. In respect of those Qualifying Shareholders who have validly elected to hold their Open Offer Shares in uncertificated form, the Open Offer Shares are expected to be credited to their stock accounts maintained in CREST by 28 January 2010.

Applications will be made for the Open Offer Shares to be listed on the Official List and to be admitted to trading on the London Stock Exchange's main market for listed securities. Admission is expected to occur on 28 January 2010, when dealings in the Open Offer Shares are expected to begin. All monies received by the Registrar in respect of Open Offer Shares will be placed on deposit in a non-interest bearing account by the Receiving Agent.

If for any reason it becomes necessary to adjust the expected timetable as set out in this document, the Company will make an appropriate announcement to a Regulatory Information Service giving details of the revised dates.

4. PROCEDURE FOR APPLICATION AND PAYMENT

The action to be taken by you in respect of the Open Offer depends on whether, at the relevant time, you have an Open Offer Application Form in respect of your entitlement under the Open Offer or you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your CREST stock account in respect of such entitlement.

Qualifying Shareholders who hold their Existing Ordinary Shares in certificated form will be allotted Open Offer Shares in certificated form. Qualifying Shareholders who hold part of their Existing Ordinary Shares in uncertificated form will be allotted Open Offer Shares in uncertificated form to the extent that their entitlement to Open Offer Shares arises as a result of holding Existing Ordinary Shares in uncertificated form. However, it will be possible for Qualifying Shareholders to deposit Open Offer Entitlements into, and withdraw them from, CREST. Further information on deposit and withdrawal from CREST is set out in paragraph 4.2(e) of these Terms and Conditions.

CREST sponsored members should refer to their CREST sponsor, as only their CREST sponsor will be able to take the necessary action specified below to apply under the Open Offer in respect of the Open Offer Entitlements and Excess CREST Open Offer Entitlements of such members held in CREST. CREST members who wish to apply under the Open Offer in respect of their Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST should refer to the CREST Manual for further information on the CREST procedures referred to below.

Qualifying Shareholders who do not want to apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Open Offer Application Form.

4.1 If you have an Open Offer Application Form in respect of your entitlement under the Open Offer

(a) General

Subject as provided in paragraph 6 of these Terms and Conditions in relation to Overseas Shareholders, Qualifying Non-CREST Shareholders will receive an Open Offer Application Form. The Open Offer Application Form shows the number of Existing Ordinary Shares registered in their name on the Record Date in Box 1. It also shows the maximum number of Open Offer Shares for which they are entitled to apply under the Open Offer, as shown by the total number of Open Offer Entitlements allocated to them set out in Box 2. Box 3 shows how much they would need to pay if they wish to take up their Open Offer Entitlements in full. Any fractional entitlements to Open Offer Shares will be disregarded in calculating Open Offer Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Any Qualifying Non-CREST Shareholders with fewer than 20 Existing Ordinary Shares will not receive an Open Offer Entitlement but may apply for Excess Shares pursuant to the Excess Application Facility (see paragraph 4.1(c) of these Terms and Conditions). Qualifying Non-CREST Shareholders may apply for less than their entitlement should they wish to do so. Qualifying Non-CREST Shareholders may also hold such an Open Offer Application Form by virtue of a *bona fide* market claim. Qualifying Non-CREST Shareholders may also apply for Excess Shares under the Excess Application Facility by completing Box 7 of the Open Offer Application Form.

The instructions and other terms set out in the Open Offer Application Form form part of the terms of the Open Offer in relation to Qualifying Non-CREST Shareholders.

(b) Bona fide market claims

Applications to acquire Open Offer Shares may only be made on the Open Offer Application Form and may only be made by the Qualifying Non-CREST Shareholder named in it or by a person entitled by virtue of a *bona fide* market claim in relation to a purchase of Existing Ordinary Shares through the market prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer. Open Offer Application Forms may not be assigned, transferred or split, except to satisfy bona fide market claims up to 3:00 p.m. on 20 January 2010. The Open Offer Application Form is not a negotiable document and cannot be separately traded. A Qualifying Non-CREST Shareholder who has sold or

otherwise transferred all or part of his holding of Existing Ordinary Shares prior to the date upon which the Existing Ordinary Shares were marked "ex" the entitlement to participate in the Open Offer, should consult his broker or other professional adviser as soon as possible, as the invitation to acquire Open Offer Shares under the Open Offer may be a benefit which may be claimed by the transferee. Qualifying Non-CREST Shareholders who have sold all or part of their registered holdings should, if the market claim is to be settled outside CREST, complete Box 10 on the Open Offer Application Form and immediately send it to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Open Offer Application Form should not, however be forwarded to or transmitted in or into the United States or any Excluded Territory. If the market claim is to be settled outside CREST, the beneficiary of the claim should follow the procedures set out in the accompanying Open Offer Application Form. If the market claim is to be settled in CREST, the beneficiary of the claim should follow the procedure set out in paragraphs 4.2(b) below.

(c) Excess Application Facility

Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. Qualifying Non-CREST Shareholders wishing to apply for Excess Shares, may do so by completing Box 7 of the Open Offer Application Form. The maximum amount of New Shares to be allotted under the Excess Application Facility (the "Maximum Excess Application Number") shall be limited to: (a) the maximum size of Issue (as may be increased by the Directors by up to 20 per cent. of the targeted amount); less (b) New Shares issued under the Firm Placing and the Open Offer pursuant to Qualifying Shareholders' Open Offer Entitlements and any New Shares that the Directors determine to issue under the Offer for Subscription. Excess Applications will therefore only be satisfied to the extent that: (a) other Qualifying Shareholders do not apply for their Open Offer Entitlements in full; (b) where fractional entitlements have been aggregated and made available under the Excess Application Facility; and (c) if the Directors exercise their discretion to reallocate New Shares that would otherwise have been available under the Offer for Subscription to the Excess Application Facility. Qualifying Shareholders can apply for up to the Maximum Excess Application Number of New Shares under the Excess Application Facility, although applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant's risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

(d) Application procedures

Qualifying Non-CREST Shareholders wishing to apply to acquire all or any of the Open Offer Shares should complete the Open Offer Application Form in accordance with the instructions printed on it. Completed Open Offer Application Forms should be posted in the accompanying pre-paid envelope for use within the UK only or returned by post (during normal business hours only) or by hand to the Capita Registrars, Corporate Actions, the Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU (who will act as Receiving Agent in relation to the Open Offer) so as to be received by the Registrar by no later than 11:00 a.m. on 22 January 2010, after which time Open Offer Application Forms will not be valid. Qualifying Non-CREST Shareholders should note that applications, once made, will be irrevocable and receipt thereof will not be acknowledged. If an Open Offer Application Form is being sent by first-class post in the UK, Qualifying Shareholders are recommended to allow at least four working days for delivery.

All payments must be in pounds sterling and made by cheque or banker's draft made payable to Capita Registrars Limited re International Public Partnerships Limited Open Offer and crossed "A/C Payee Only". Cheques or banker's drafts must be drawn on a bank or building society or branch of a bank or building society in the United Kingdom or Channel Islands which is either a settlement member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited or which has arranged for its cheques and banker's drafts to be cleared through the facilities provided by any of those companies or committees and must bear the appropriate sort code in the top right hand corner and must be for the full amount payable on application. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque or draft to such effect. The account name should be the same as that shown on the application. Post-dated cheques will not be accepted. Third party cheques (other than building society cheques or banker's drafts where the building society or bank has confirmed that the relevant Qualifying Shareholder has title to the underlying funds by printing the Qualifying Shareholder's name on the back of the draft and adding the branch stamp) will not be accepted.

Cheques or banker's drafts will be presented for payment upon receipt. No interest will be paid on payments made before they are due. It is a term of the Open Offer that cheques shall be honoured on first presentation and the Company may elect to treat as invalid acceptances in respect of which cheques are not so honoured. All documents, cheques and banker's drafts sent through the post will be sent at the risk of the sender. Payments via CHAPS, BACS or electronic transfer will not be accepted.

If cheques or banker's drafts are presented for payment before the condition of the Issue is fulfilled, the application monies will be kept in a separate interest bearing bank account with any interest being retained for the Company until all conditions are met. If the Open Offer does not become unconditional, no Open Offer Shares will be issued and all monies will be returned (at the applicant's sole risk), without payment of interest, to applicants as soon as practicable following the lapse of the Open Offer.

The Company may in its sole discretion, but shall not be obliged to, treat an Open Offer Application Form as valid and binding on the person by whom or on whose behalf it is lodged, even if not completed in accordance with the relevant instructions or not accompanied by a valid power of attorney where required, or if it otherwise does not strictly comply with the terms and conditions of the Open Offer. The Company further reserves the right (but shall not be obliged) to accept either:

- (i) Open Offer Application Forms received after 11:00am on 22 January 2010; or
- (ii) applications in respect of which remittances are received before 11:00am on 22 January 2010 from authorised persons (as defined in FSMA) specifying the Open Offer Shares applied for and undertaking to lodge the Open Offer Application Form in due course but, in any event, within two Business Days.

Multiple applications will not be accepted. All documents and remittances sent by post by or to an applicant (or as the applicant may direct) will be sent at the applicant's own risk.

(e) Effect of application

By completing and delivering an Open Offer Application Form the applicant:

- (i) represents and warrants to the Company and the Placing Agent that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;
- (ii) agrees with the Company and the Placing Agent that all applications under the Open Offer and contracts resulting therefrom shall be governed by and construed in accordance with the laws of England and Wales;
- (iii) confirms to the Company and the Placing Agent that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all information in relation to the Company contained in this document;
- (iv) represents and warrants to the Company and the Placing Agent that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements or that he received such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (v) represents and warrants to the Company and the Placing Agent that if he has received some or all of his Open Offer Entitlements from a person other than the Company he is entitled to apply under the Open Offer in relation to such Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) requests that the Open Offer Shares, to which he will become entitled be issued to him on the terms set out in this document and the Open Offer Application Form;
- (vii) represents and warrants to the Company and the Placing Agent that he is not, nor is he applying on behalf of any person who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Excluded Territory or any jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a person who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Excluded Territory or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;

- (viii) represents and warrants to the Company and the Placing Agent that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986; and
- (ix) confirms that in making the application he is not relying and has not relied on the Placing Agent or any person affiliated with the Placing Agent in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

All enquiries in connection with the procedure for application and completion of the Open Offer Application Form should be addressed to the Receiving Agent, at Corporate Actions, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or by calling Capita Registrars on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 am to 5.00 pm (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

Qualifying Non-CREST Shareholders who do not want to take up or apply for the Open Offer Shares under the Open Offer should take no action and should not complete or return the Open Offer Application Form.

- 4.2 If you have Open Offer Entitlements and Excess CREST Open Offer Entitlements credited to your stock account in CREST in respect of your entitlement under the Open Offer:

(a) General

Subject as provided in paragraph 6 of these Terms and Conditions in relation to certain Overseas Shareholders, each Qualifying CREST Shareholder will receive a credit to his stock account in CREST of his Open Offer Entitlements equal to the maximum number of Open Offer Shares for which he is entitled to apply to acquire under the Open Offer. Entitlements to Open Offer Shares will be rounded down to the nearest whole number and any fractional Open Offer Entitlement will therefore also be rounded down. Any fractional entitlements to Open Offer Shares will be disregarded in calculating Open Offer Entitlements and will be aggregated and made available to Qualifying Shareholders under the Excess Application Facility. Any Qualifying Non-CREST Shareholders with fewer than 20 Existing Ordinary Shares will not receive an Open Offer Entitlement but may apply for Excess Shares pursuant to the Excess Application Facility.

The CREST stock account to be credited will be an account under the participant ID and member account ID that apply to the Existing Ordinary Shares held on the Record Date by the Qualifying CREST Shareholder in respect of which the Open Offer Entitlements and Excess CREST Open Offer Entitlements have been allocated.

If for any reason the Open Offer Entitlements and/or Excess CREST Open Offer Entitlements cannot be admitted to CREST by, or the stock accounts of Qualifying CREST Shareholders cannot be credited by, 8:00 am on 17 December 2009, or such later time and/or date as the Company may decide, an Open Offer Application Form will be sent to each Qualifying CREST Shareholder in substitution for the Open Offer Entitlements and Excess CREST Open Offer Entitlements which should have been credited to his stock account in CREST. In these circumstances the expected timetable as set out in this document will be adjusted as appropriate and the provisions of this document applicable to Qualifying Non-CREST Shareholders with Open Offer Application Forms will apply to Qualifying CREST Shareholders who receive such Open Offer Application Forms.

CREST members who wish to apply to acquire some or all of their entitlements to Open Offer Shares should refer to the CREST Manual for further information on the CREST procedures referred to below. Should you need advice with regard to these procedures, please contact the Registrar on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 am to 5.00 pm (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

Please note the Registrar cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their Open Offer Entitlements or Excess CREST Open Offer Entitlements. If you are a CREST sponsored member you should consult your CREST sponsor if you wish to apply for Open Offer Shares as only your CREST sponsor will be able to take the necessary action to make this application in CREST.

(b) Market claims

Each of the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will constitute a separate security for the purposes of CREST. Although Open Offer Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST and be enabled for settlement, applications in respect of Open Offer Entitlements and the Excess CREST Open Offer Entitlements may only be made by the Qualifying Shareholder originally entitled or by a person entitled by virtue of a bona fide market claim transaction. Transactions identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and the Excess CREST Open Offer Entitlements will generate an appropriate market claim transaction and the relevant Open Offer Entitlement(s) and Excess CREST Open Offer Entitlement(s) will thereafter be transferred accordingly.

(c) Excess Application Facility

Qualifying Shareholders may apply to acquire Excess Shares using the Excess Application Facility, should they wish. The Excess Application Facility enables Qualifying CREST Shareholders to apply for Excess Shares in excess of their Open Offer Entitlement.

An Excess CREST Open Offer Entitlement may not be sold or otherwise transferred. Subject as provided in paragraph 6 of these Terms and Conditions: “Terms and Conditions of the Open Offer” in relation to Overseas Shareholders, the CREST accounts of Qualifying CREST Shareholders will be credited with an Excess CREST Open Offer Entitlement in order for any applications for Excess Shares to be settled through CREST.

Qualifying CREST Shareholders should note that, although the Open Offer Entitlements and the Excess CREST Open Offer Entitlements will be admitted to CREST, they will have limited settlement capabilities (for the purposes of market claims only). Neither the Open Offer Entitlements nor the Excess CREST Open Offer Entitlements will be tradable or listed and applications in respect of the Open Offer may only be made by the Qualifying Shareholders originally entitled or by a person entitled by virtue of a *bona fide* market claim.

To apply for Excess Shares pursuant to the Open Offer, Qualifying CREST Shareholders should follow the instructions in paragraph 4.2(f) below and must not return a paper form and cheque.

Should a transaction be identified by the CREST Claims Processing Unit as “cum” the Open Offer Entitlement and the relevant Open Offer Entitlement be transferred, the Excess CREST Open Offer Entitlements will not transfer with the Open offer Entitlement claim, but will be transferred as a separate claim. Should a Qualifying CREST Shareholder cease to hold all of his Existing Ordinary Shares as a result of one or more bona fide market claims, the Excess CREST Open Offer Entitlement credited to CREST and allocated to the relevant Qualifying Shareholder will be transferred to the purchaser. Please note that a separate USE Instruction must be sent in respect of any application under the Excess CREST Open Offer Entitlement.

The maximum amount of New Shares to be allotted under the Excess Application Facility (the “Maximum Excess Application Number”) shall be limited to: (a) the maximum size of Issue (as may be increased by the Directors by up to 20 per cent. of the targeted amount); less (b) New Shares issued under the Firm Placing and the Open Offer pursuant to the Qualifying Shareholder’s Open Offer Entitlement and any New Shares that the Directors determine to issue under the Offer for Subscription. Excess Applications will therefore only be satisfied to the extent that: (a) other Qualifying Shareholders do not apply for their Open Offer Entitlements in full; (b) where fractional entitlements have been aggregated and made available under the Excess Application Facility; and (c) if the Directors exercise their discretion to reallocate New Shares that would otherwise have been available under the Offer for Subscription to the Excess Application Facility. Qualifying Shareholders can apply for up to the Maximum Excess Application Number of New Shares under the Excess Application Facility, although applications under the Excess Application Facility shall be allocated in such manner as the Directors may determine, in their absolute discretion, and no assurance can be given that the applications by Qualifying Shareholders will be met in full or in part or at all. Excess monies in respect of applications which are not met in full will be returned to the applicant (at the applicant’s risk) without interest as soon as practicable thereafter by way of cheque or CREST payment, as appropriate.

All enquiries in connection with the procedure for application of Excess CREST Open Offer Entitlements should be made to the Registrar on the shareholder helpline 0871 664 0321, or, if calling from overseas, +44 208 639 3399. Calls to this number are charged at ten pence per minute from a BT landline, other telephone provider costs may vary. Lines are open from 9:00am to 5:00pm on Monday to Friday excluding public holidays. Please note the Registrar cannot provide financial advice on the merits of the Open Offer or as to whether applicants should take up their entitlement or apply for Excess Shares.

(d) USE instructions

Qualifying CREST Shareholders who are CREST members and who want to apply for Open Offer Shares in respect of all or some of their Open Offer Entitlements and/or Excess CREST Open Offer Entitlements in CREST must send (or, if they are CREST sponsored members, procure that their CREST sponsor sends) a USE Instruction to Euroclear which, on its settlement, will have the following effect:

- (i) the crediting of a stock account of the Registrar under the participant ID and member account ID specified below, with a number of Open Offer Entitlements and Excess CREST Open Offer Entitlements corresponding to the number of Open Offer Shares applied for; and
- (ii) the creation of a CREST payment, in accordance with the CREST payment arrangements in favour of the payment bank of the Registrar in respect of the amount specified in the USE Instruction which must be the full amount payable on application for the number of Open Offer Shares referred to in (i) above.

(e) Content of USE Instruction in respect of Open Offer Entitlements

The USE Instruction must be properly authenticated in accordance with Euroclear's specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Open Offer Shares for which application is being made (and hence the number of the Open Offer Entitlement(s) being delivered to the Registrar);
- (ii) the ISIN of the Open Offer Entitlement. This is GG00B54Q1S32;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Open Offer Entitlements are to be debited;
- (v) the participant ID of the Registrar in its capacity as a CREST receiving agent. This is 7RA33;
- (vi) the member account ID of the Registrar in its capacity as a CREST receiving agent. This is 26930IPP;
- (vii) the amount payable by means of a CREST payment on settlement of the USE Instruction. This must be the full amount payable on application for the number of New Ordinary Shares referred to in (i) above;
- (viii) the intended settlement date. This must be on or before 11:00 a.m. on 28 January 2010; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for an application under the Open Offer to be valid, the USE Instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11:00 am on 28 January 2010. In order to assist prompt settlement of the USE Instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE Instruction:

- (x) a contact name and telephone number (in the free format shared note field); and
- (xi) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE Instruction may settle on 28 January 2010 in order to be valid is 11:00 am on that day. If the Issue does not become unconditional by 8.00 a.m. on 28 January 2010 or such later time and date as the Company and the Placing Agent determines (being no later than 11 February 2010), the Issue will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Registrar will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(f) Content of USE instruction in respect of Excess CREST Open Offer Entitlements

The USE Instruction must be properly authenticated in accordance with Euroclear specifications and must contain, in addition to the other information that is required for settlement in CREST, the following details:

- (i) the number of Excess Shares for which the application is being made (and hence the number of the Excess CREST Open Offer Entitlement(s) being delivered to the Registrar);
- (ii) the ISIN of the Excess CREST Open Offer Entitlement. This is GG00B54VJT54;
- (iii) the CREST participant ID of the accepting CREST member;
- (iv) the CREST member account ID of the accepting CREST member from which the Excess CREST Open Offer Entitlements are to be debited;
- (v) the participant ID of the Registrar in its capacity as Receiving Agent. This is 7RA33;
- (vi) the member account ID of the Registrar in its capacity as Receiving Agent. This is 26930IPP;
- (vii) the amount payable by means of a CREST payment on settlement of the USE instruction. This must be the full amount payable on application for the number of Excess Shares referred to in paragraph (f)(i) above;
- (viii) the intended settlement date. This must be on or before 11:00 a.m. on 28 January 2010; and
- (ix) the Corporate Action Number for the Open Offer. This will be available by viewing the relevant corporate action details in CREST.

In order for the application in respect of an Excess CREST Open Offer Entitlement under the Open Offer to be valid, the USE instruction must comply with the requirements as to authentication and contents set out above and must settle on or before 11:00 a.m. on 28 January 2010.

In order to assist prompt settlement of the USE instruction, CREST members (or their sponsors, where applicable) may consider adding the following non-mandatory fields to the USE instruction:

- (x) a contact name and telephone number (in the free format shared note field); and
- (xi) a priority of at least 80.

CREST members and, in the case of CREST sponsored members, their CREST sponsors, should note that the last time at which a USE instruction may settle on 28 January 2010 in order to be valid is 11:00 a.m. on that day. Please note that automated CREST generated claims and buyer protection will not be offered on the Excess CREST Open Offer Entitlement security.

In the event that the Open Offer does not become unconditional by 8:00 a.m. on 28 January 2010 or such later time and date as the Directors determine (being no later than 11 February 2010), the Open Offer will lapse, the Open Offer Entitlements and Excess CREST Open Offer Entitlements admitted to CREST will be disabled and the Registrar will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies will be retained for the benefit of the Company.

(g) Deposit of Open Offer Entitlements into, and withdrawal from, CREST

A Qualifying Non-CREST Shareholder's entitlement under the Open Offer as shown by the number of Open Offer Entitlements set out in his Open Offer Application Form may be deposited into CREST (either into the account of the Qualifying Shareholder named in the Open Offer Application Form or into the name of a person entitled by virtue of a *bona fide* market claim). Similarly, Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST may be withdrawn from CREST so that the entitlement under the Open Offer is reflected in an Open Offer Application Form. Normal CREST procedures (including timings) apply in relation to any such deposit or withdrawal, subject (in the case of a deposit into CREST) as set out in the Open Offer Application Form.

A holder of an Open Offer Application Form who is proposing to deposit the entitlement set out in such form into CREST is recommended to ensure that the deposit procedures are implemented in sufficient time to enable the person holding or

acquiring the Open Offer Entitlements and the entitlement to apply under the Excess Application Facility following their deposit into CREST to take all necessary steps in connection with taking up the entitlement prior to 3:00 pm on 19 January 2010. After depositing their Open Offer Entitlement into their CREST account, CREST holders will, shortly after that, receive a credit for their Excess CREST Open Offer Entitlement, which will be managed by the Registrar.

In particular, having regard to normal processing times in CREST and on the part of the Registrar, the recommended latest time for depositing an Open Offer Application Form with the CREST Courier and Sorting Service, where the person entitled wishes to hold the entitlement under the Open Offer set out in such Open Offer Application Form as Open Offer Entitlements or Excess CREST Open Offer Entitlements in CREST, is 3:00p.m. on 19 January 2010 and the recommended latest time for receipt by Euroclear of a dematerialised instruction requesting withdrawal of Open Offer Entitlements or Excess CREST Open Offer Entitlements from CREST is 4:30pm on 18 January 2010 in either case so as to enable the person acquiring or (as appropriate) holding the Open Offer Entitlements or Excess CREST Open Offer Entitlements following the deposit or withdrawal (whether as shown in an Open Offer Application Form or held in CREST) to take all necessary steps in connection with applying in respect of the Open Offer Entitlements or Excess CREST Open Offer Entitlements prior to 11:00am on 22 January 2010. CREST holders inputting the withdrawal of their Open Offer Entitlement from their CREST account must ensure that they withdraw both their Open Offer Entitlement and the Excess CREST Open Offer Entitlement.

Delivery of an Open Offer Application Form with the CREST deposit form duly completed whether in respect of a deposit into the account of the Qualifying Shareholder named in the Open Offer Application Form or into the name of another person, shall constitute a representation and warranty to the Company and the Registrar by the relevant CREST member(s) that it/they is/are not in breach of the provisions of the notes under the paragraph headed "Instructions for depositing Open Offer Entitlements into CREST" on page 3 of the Open Offer Application Form, and a declaration to the Company and the Registrar from the relevant CREST member(s) that it/they is/are not in the United States or citizen(s) or resident(s) of any Excluded Territory or any jurisdiction in which the application for New Ordinary Shares is prevented by law and, where such deposit is made by a beneficiary of a market claim, a representation and warranty that the relevant CREST member(s) is/are entitled to apply under the Open Offer by virtue of a *bona fide* market claim.

(h) Validity of application

A USE Instruction complying with the requirements as to authentication and contents set out above which settles by no later than 11:00 am on 22 January 2010 will constitute a valid application under the Open Offer.

(i) CREST procedures and timings

CREST members and (where applicable) their CREST sponsors should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in relation to the input of a USE Instruction and its settlement in connection with the Open Offer. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST sponsored member, to procure that his CREST sponsor takes) such action as shall be necessary to ensure that a valid application is made as stated above by 11:00 am on 22 January 2010. In this connection CREST members and (where applicable) their CREST sponsors are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

(j) Incorrect or incomplete applications

If a USE Instruction includes a CREST payment for an incorrect sum, the Company, through the Registrar, reserves the right:

- (i) to reject the application in full and refund the payment to the CREST member in question (without interest);
- (ii) in the case that an insufficient sum is paid, to treat the application as a valid application for such lesser whole number of Open Offer Shares as would be able to be applied for with that payment at the Issue Price, refunding any unutilised sum to the CREST member in question (without interest); and
- (iii) in the case that an excess sum is paid, to treat the application as a valid application for all the Open Offer Shares referred to in the USE Instruction, refunding any unutilised sum to the CREST member in question (without interest).

(k) Effect of valid application

A CREST member who makes or is treated as making a valid application in accordance with the above procedures thereby:

- (i) represents and warrants that he has the right, power and authority, and has taken all action necessary, to make the application under the Open Offer and to execute, deliver and exercise his rights, and perform his obligations, under any contracts resulting therefrom and that he is not a person otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares or acting on behalf of any such person on a non-discretionary basis;

- (ii) agrees to pay the amount payable on application in accordance with the above procedures by means of a CREST payment in accordance with the CREST payment arrangements (it being acknowledged that the payment to the Registrar's payment bank in accordance with the CREST payment arrangements shall, to the extent of the payment, discharge in full the obligation of the CREST member to pay to the Company the amount payable on application);
- (iii) agrees that all applications and contracts resulting therefrom under the Open Offer shall be governed by, and construed in accordance with, the laws of England and Wales;
- (iv) confirms that in making the application he is not relying on any information or representation in relation to the Company other than that contained in this document, and the applicant accordingly agrees that no person responsible solely or jointly for this document or any part thereof, or involved in the preparation thereof, shall have any liability for any such information or representation not so contained and further agrees that, having had the opportunity to read this document, he will be deemed to have had notice of all the information in relation to the Company contained in this document;
- (v) represents and warrants that he is the Qualifying Shareholder originally entitled to the Open Offer Entitlements and Excess Open Offer Entitlements or that he has received such Open Offer Entitlements and Excess CREST Open Offer Entitlements by virtue of a *bona fide* market claim;
- (vi) represents and warrants that if he has received some or all of his Open Offer Entitlements and Excess Open Offer Entitlements from a person other than the Company, he is entitled to apply under the Open Offer in relation to such Open Offer Entitlement and Excess CREST Open Offer Entitlements by virtue of a *bona fide* market claim.
- (vii) subject to certain limited exceptions, requests that the New Ordinary Shares to which he will become entitled be issued to him on the terms set out in this document, subject to the Memorandum of Association and Articles of Association;
- (viii) represents and warrants that he is not, nor is he applying on behalf of any Shareholder who is, in the United States or is a citizen or resident, or which is a corporation, partnership or other entity created or organised in or under any laws, of any Excluded Territory or any jurisdiction in which the application for Open Offer Shares is prevented by law and he is not applying with a view to re-offering, re-selling, transferring or delivering any of the Open Offer Shares which are the subject of his application in the United States or to, or for the benefit of, a Shareholder who is a citizen or resident or which is a corporation, partnership or other entity created or organised in or under any laws of any Excluded Territory or any jurisdiction in which the application for Open Offer Shares is prevented by law (except where proof satisfactory to the Company has been provided to the Company that he is able to accept the invitation by the Company free of any requirement which it (in its absolute discretion) regards as unduly burdensome), nor acting on behalf of any such person on a non-discretionary basis nor (a) person(s) otherwise prevented by legal or regulatory restrictions from applying for Open Offer Shares under the Open Offer;
- (ix) represents and warrants that he is not, and nor is he applying as nominee or agent for, a person who is or may be liable to notify and account for tax under the Stamp Duty Reserve Tax Regulations 1986 at any of the increased rates referred to in section 93 (depository receipts) or section 96 (clearance services) of the Finance Act 1986; and
- (x) confirms that in making the application he is not relying and has not relied on the Placing Agent or any person affiliated with the Placing Agent in connection with any investigation of the accuracy of any information contained in this document or his investment decision.

(l) Company's discretion as to the rejection and validity of applications

The Company may in its sole discretion:

- (i) treat as valid (and binding on the CREST member concerned) an application which does not comply in all respects with the requirements as to validity set out or referred to in these Terms and Conditions;
- (ii) accept an alternative properly authenticated dematerialised instruction from a CREST member or (where applicable) a CREST sponsor as constituting a valid application in substitution for or in addition to a USE Instruction and subject to such further terms and conditions as the Company may determine;
- (iii) treat a properly authenticated dematerialised instruction (in this sub-paragraph the "first instruction") as not constituting a valid application if, at the time at which the Registrar receives a properly authenticated dematerialised instruction

giving details of the first instruction or thereafter, either the Company or the Registrar has received actual notice from Euroclear of any of the matters specified in Regulation 35(5)(a) of the CREST Regulations in relation to the first instruction. These matters include notice that any information contained in the first instruction was incorrect or notice of lack of authority to send the first instruction; and

- (iv) accept an alternative instruction or notification from a CREST member or CREST sponsored member or (where applicable) a CREST sponsor, or extend the time for settlement of a USE Instruction or any alternative instruction or notification, in the event that, for reasons or due to circumstances outside the control of any CREST member or CREST sponsored member or (where applicable) CREST sponsor, the CREST member or CREST sponsored member is unable validly to apply for Open Offer Shares by means of the above procedures. In normal circumstances, this discretion is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

(m) Lapse of the Open Offer

In the event that the Open Offer does not become unconditional by 11:00 am on 28 January 2010 or such later time and date as the Company and the Placing Agent may agree (being no later than 11 February 2010), the Open Offer will lapse, the Open Offer Entitlements admitted to CREST will be disabled and the Registrar will refund the amount paid by a Qualifying CREST Shareholder by way of a CREST payment, without interest, as soon as practicable thereafter. The interest earned on such monies, if any, will be retained for the benefit of the Company.

5. ANTI-MONEY LAUNDERING REGULATIONS

5.1 Holders of Open Offer Application Forms

To ensure compliance with the Money Laundering Regulations, the Registrar may require, at its absolute discretion, verification of the identity of the person by whom or on whose behalf the Open Offer Application Form is lodged with payment (which requirements are referred to below as the “verification of identity requirements”). If the Open Offer Application Form is submitted by a UK regulated broker or intermediary acting as agent and which is itself subject to the Money Laundering Regulations, any verification of identity requirements are the responsibility of such broker or intermediary and not of the Registrar. In such case, the lodging agent’s stamp should be inserted on the Open Offer Application Form.

The person lodging the Open Offer Application Form with payment and in accordance with the other terms as described above (the “acceptor”), including any person who appears to the Registrar to be acting on behalf of some other person, accepts the Open Offer in respect of such number of Open Offer Shares as is referred to therein (for the purposes of this paragraph 5 the “relevant Open Offer Shares”) shall thereby be deemed to agree to provide the Registrar with such information and other evidence as the Registrar may require to satisfy the verification of identity requirements.

If the Registrar determines that the verification of identity requirements apply to any acceptor or application, the relevant Open Offer Shares (notwithstanding any other term of the Open Offer) will not be issued to the relevant acceptor unless and until the verification of identity requirements have been satisfied in respect of that acceptor or application. The Registrar is entitled, in its absolute discretion, to determine whether the verification of identity requirements apply to any acceptor or application and whether such requirements have been satisfied, and neither the Registrar nor the Company will be liable to any person for any loss or damage suffered or incurred (or alleged), directly or indirectly, as a result of the exercise of such discretion.

If the verification of identity requirements apply, failure to provide the necessary evidence of identity within a reasonable time may result in delays in the despatch of share certificates or in crediting CREST accounts. If, within a reasonable time following a request for verification of identity, the Registrar has not received evidence satisfactory to it as aforesaid, the Company may, in its absolute discretion, treat the relevant application as invalid, in which event the monies payable on acceptance of the Open Offer will be returned (at the acceptor’s risk) without interest to the account of the bank or building society on which the relevant cheque or banker’s draft was drawn.

Submission of an Open Offer Application Form with the appropriate remittance will constitute a warranty to each of the Company, the Registrar, and the Placing Agent from the applicant that the Money Laundering Regulations will not be breached by application of such remittance.

The verification of identity requirements will not usually apply:

- (i) if the applicant is an organisation required to comply with the Money Laundering Directive (the Council Directive on prevention of the use of the financial system for the purpose of money laundering (no.91/308/EEC));
- (ii) if the acceptor is a regulated United Kingdom broker or intermediary acting as agent and is itself subject to the Money Laundering Regulations;

- (iii) if the applicant (not being an applicant who delivers his application in person) makes payment by way of a cheque drawn on an account in the applicant's name; or
- (iv) if the aggregate subscription price for the Open Offer Shares is less than €15,000 (approximately £13,000).

In other cases the verification of identity requirements may apply. Satisfaction of these requirements may be facilitated in the following ways:

- (b) if payment is made by cheque or banker's draft in sterling drawn on a branch in the United Kingdom of a bank or building society which bears a UK bank sort code number in the top right hand corner the following applies. Cheques, should be made payable to "Capita Registrars Limited a/c International Public Partnerships Limited Open Offer" in respect of an application by a Qualifying Shareholder and crossed "A/C Payee Only". Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the cheque/bankers' draft to such effect. The account name should be the same as that shown on the Open Offer Application Form; or
- (c) if the Open Offer Application Form is lodged with payment by an agent which is an organisation of the kind referred to in (i) above or which is subject to anti-money laundering regulation in a country which is a member of the Financial Action Task Force (the non-European Union members of which are Argentina, Australia, Brazil, Canada, China, Gibraltar, Hong Kong, Iceland, Japan, Mexico, New Zealand, Norway, Russian Federation, Singapore, South Africa, Switzerland, Turkey, UK Crown Dependencies and the US and, by virtue of their membership of the Gulf Cooperation Council, Bahrain, Kuwait, Oman, Qatar, Saudi Arabia and the United Arab Emirates), the agent should provide with the Open Offer Application Form written confirmation that it has that status and a written assurance that it has obtained and recorded evidence of the identity of the person for whom it acts and that it will on demand make such evidence available to the Registrar. If the agent is not such an organisation, it should contact the Registrar.

To confirm the acceptability of any written assurance referred to in (b) above, or in any other case, the acceptor should contact the Registrar by telephone on 0871 664 0321 from within the UK or on + 44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute from a BT landline. Other network providers' costs may vary. Lines are open 9.00 am to 5.00 pm (London time) Monday to Friday (except UK public holidays). Calls to the helpline from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the Open Offer nor give any financial, legal or tax advice.

If the Open Offer Application Form(s) is/are in respect of Open Offer Shares with an aggregate subscription price of €15,000 (approximately £13,000) or more and is/are lodged by hand by the acceptor in person, or if the Open Offer Application Form(s) in respect of Open Offer Shares is/are lodged by hand by the acceptor and the accompanying payment is not the acceptor's own cheque, he or she should ensure that he or she has with him or her evidence of identity bearing his or her photograph (for example, his or her passport) and separate evidence of his or her address.

If, within a reasonable period of time following a request for verification of identity, and in any case by no later than 11:00 am on 22 January 2010, the Registrar has not received evidence satisfactory to it as aforesaid, the Registrar may, at its discretion, as agent of the Company, reject the relevant application, in which event the monies submitted in respect of that application will be returned without interest to the account at the drawee bank from which such monies were originally debited (without prejudice to the rights of the Company to undertake proceedings to recover monies in respect of the loss suffered by it as a result of the failure to produce satisfactory evidence as aforesaid).

5.2 Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST

If you hold your Open Offer Entitlements and Excess CREST Open Offer Entitlements in CREST and apply for Open Offer Shares in respect of all or some of your Open Offer Entitlements and Excess CREST Open Offer Entitlements as agent for one or more persons and you are not a UK or EU regulated person or institution (e.g. a UK financial institution), then, irrespective of the value of the application, the Registrar is obliged to take reasonable measures to establish the identity of the person or persons on whose behalf you are making the application. You must therefore contact the Registrar before sending any USE or other instruction so that appropriate measures may be taken.

Submission of a USE Instruction (which on its settlement constitutes a valid application as described above) constitutes a warranty and undertaking by the applicant to provide promptly to the Registrar such information as may be specified by the Registrar as being required for the purposes of the Money Laundering Regulations. Pending the provision of evidence satisfactory to the Registrar as to identity, the Registrar may in its absolute discretion take, or omit to take, such action as it may determine to

prevent or delay issue of the Open Offer Shares concerned. If satisfactory evidence of identity has not been provided within a reasonable time, then the application for the Open Offer Shares represented by the USE Instruction will not be valid. This is without prejudice to the right of the Company to take proceedings to recover any loss suffered by it as a result of failure to provide satisfactory evidence.

6. OVERSEAS SHAREHOLDERS

This document has been approved by the FSA, being the competent authority in the United Kingdom.

Accordingly, the making of the Open Offer to persons resident in, or who are citizens of, or who have a registered address in, countries other than the United Kingdom may be affected by the law or regulatory requirements of the relevant jurisdiction. The comments set out in this paragraph 6 are intended as a general guide only and any Overseas Shareholders who are in any doubt as to their position should consult their professional advisers without delay.

6.1 General

The distribution of this document and the making of the Open Offer to persons who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, or which are corporations, partnerships or other entities created or organised under the laws of countries other than the United Kingdom or to persons who are nominees of or agents, custodians, trustees or guardians for citizens, residents in or nationals of, countries other than the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Those persons should consult their professional advisers as to whether they require any governmental or other consents or need to observe any applicable legal requirement or other formalities to enable them to apply for Open Offer Shares under the Open Offer.

No action has been or will be taken by the Company, the Placing Agent, or any other person, to permit a public offering or distribution of this document (or any other offering or publicity materials or Open Offer Application Form(s) relating to the Open Offer Shares) in any jurisdiction where action for that purpose may be required, other than in the United Kingdom.

Receipt of this document and/or an Open Offer Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed. Open Offer Application Forms will not be sent to, and Open Offer Entitlements nor Excess CREST Open Offer Entitlements will not be credited to stock accounts in CREST of, persons with registered addresses in the United States or an Excluded Territory or their agent or intermediary, except where the Company is satisfied that such action would not result in the contravention of any registration or other legal requirement in any jurisdiction.

No person receiving a copy of this document and/or an Open Offer Application Form in any territory other than the United Kingdom and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use any such Open Offer Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST unless, in the relevant territory in which the Open Offer Application Form is received or in which the person is resident or located, such an invitation or offer could lawfully be made to him or her and such Open Offer Application Form and/or credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST could lawfully be used, and any transaction resulting from such use could be effected, without contravention of any registration or other legal or regulatory requirements. In circumstances where an invitation or offer would contravene any registration or other legal or regulatory requirements, this document and/or the Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed. It is the responsibility of any person (including, without limitation, custodians, agents, nominees and trustees) outside the United Kingdom wishing to apply for Open Offer Shares under the Open Offer to satisfy himself or herself as to the full observance of the laws of any relevant territory in connection therewith, including obtaining any governmental or other consents that may be required, observing any other formalities required to be observed in such territory and paying any issue, transfer or other taxes due in such territory.

None of the Company, the Placing Agent, nor any of their respective representatives, is making any representation to any offeree or purchaser of the Open Offer Shares regarding the legality of an investment in the Open Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser.

Persons (including, without limitation, custodians, agents, nominees and trustees) receiving a copy of this document and/or an Open Offer Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, in connection with the Open Offer or otherwise, should not distribute or send either of those documents nor transfer Open Offer Entitlements or Excess CREST Open Offer Entitlements in or into any jurisdiction where to do so would or

might contravene local securities laws or regulations. If a copy of this document and/or an Open Offer Application Form and/or a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST is received by any person in any such territory, or by his or her custodian, agent, nominee or trustee, he or she must not seek to apply for Open Offer Shares in respect of the Open Offer unless the Company and the Placing Agent determine that such action would not violate applicable legal or regulatory requirements. Any person (including, without limitation, custodians, agents, nominees and trustees) who does forward a copy of this document and/or an Open Offer Application Form and/or transfers Open Offer Entitlements or Excess CREST Open Offer Entitlements into any such territory, whether pursuant to a contractual or legal obligation or otherwise, should draw the attention of the recipient to the contents of these Terms and Conditions and specifically the contents of this paragraph 6.

Subject to paragraphs 6.2 to 6.6 below, any person (including, without limitation, custodians, agents, nominees and trustees) outside of the United Kingdom wishing to apply for Open Offer Shares in respect of the Open Offer must satisfy himself or herself as to the full observance of the applicable laws of any relevant territory, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories.

The Company reserves the right to treat as invalid any application or purported application for Open Offer Shares that appears to the Company or its agents to have been executed, effected or dispatched from the United States or an Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements or if it provides an address for delivery of the share certificates of Open Offer Shares or in the case of a credit of Open Offer Entitlements or Excess CREST Open Offer Entitlements to a stock account in CREST, to a CREST member whose registered address would be, in the United States or an Excluded Territory or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates or make such a credit.

The attention of Overseas Shareholders is drawn to paragraphs 6.2 to 6.6 below.

Notwithstanding any other provision of this document or the relevant Open Offer Application Form, the Company reserves the right to permit any person to apply for Open Offer Shares in respect of the Open Offer if the Company, in its sole and absolute discretion, is satisfied that the transaction in question is exempt from, or not subject to, the legislation or regulations giving rise to the restrictions in question.

Overseas Shareholders who wish, and are permitted, to apply for Open Offer Shares should note that payment must be made in sterling denominated cheques or bankers' drafts or where such Overseas Shareholder is a Qualifying CREST Shareholder, through CREST.

Due to restrictions under the securities laws of the United States and the Excluded Territories Shareholders in the United States or who have registered addresses in, or who are resident or ordinarily resident in, or citizens of (as applicable), any Excluded Territory will not qualify to participate in the Open Offer and will not be sent an Open Offer Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements.

The Open Offer Shares have not been and will not be registered under the relevant laws of the United States or any Excluded Territory or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into the United States or any Excluded Territory or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Excluded Territory except pursuant to an applicable exemption.

No public offer of Open Offer Shares is being made by virtue of this document or the Open Offer Application Forms into the United States or any Excluded Territory. Receipt of this document and/or an Open Offer Application Form and/or a credit of an Open Offer Entitlement or Excess CREST Open Offer Entitlements to a stock account in CREST will not constitute an invitation or offer of securities for subscription, sale or purchase in those jurisdictions in which it would be illegal to make such an invitation or offer and, in those circumstances, this document and/or the Open Offer Application Form must be treated as sent for information only and should not be copied or redistributed.

6.2 The United States

None of the New Ordinary Shares, the Open Offer Entitlements nor the Excess CREST Open Offer Entitlements have been or will be registered under the US Securities Act or under any securities laws of any state or other jurisdiction of the United States and may be offered, sold, taken up, exercised, resold, renounced, transferred, distributed or delivered, directly or indirectly, within the United States except pursuant to an applicable exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no public offer of the Existing Ordinary Shares or the New Ordinary Shares in the United States.

Accordingly, the Open Offer is not being made in the United States and none of this document, the Open Offer Application Form nor the crediting of Open Offer Entitlements to a stock account in CREST constitutes or will constitute an offer, or an invitation to apply for, or an offer or invitation to acquire any Open Offer Shares in the United States. This document will not be sent to any Shareholder with a registered address or who is otherwise located in the United States.

Any person who acquires Open Offer Shares will be deemed to have declared, warranted and agreed, by accepting delivery of this document and/or the Open Offer Application Form or by applying for Open Offer Shares in respect of Open Offer Entitlements credited to a stock account in CREST and delivery of the Open Offer Shares, that (1) they are not, and that at the time of acquiring the Open Offer Shares they will not be, in the United States or applying for Open Offer Shares on behalf of, or for the account of, persons in the United States unless (a) the instruction to apply was received from a person outside the United States and (b) the person giving such instruction has confirmed that (i) it has authority to give such instruction and (ii) either (A) has investment discretion over such account or (B) is an investment manager or investment company that is acquiring the Open Offer Shares in an "offshore transaction" within the meaning of Regulation S, and (2) they are not applying for the Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any Open Offer Shares into the United States.

The Company reserves the right to treat as invalid any Open Offer Application Form (or renunciation thereof) that appears to the Company or its agents to have been executed in or despatched from the United States, or that provides an address in the United States for the acceptance or renunciation of the Open Offer, or where the Company believes such acceptance or renunciation may infringe applicable legal or regulatory requirements. The Company will not be bound to allot (on a non-provisional basis) or issue any Open Offer Shares to any person or to any person who is acting on behalf of, or for the account or benefit of, any person on a non-discretionary basis with an address in, or who is otherwise located in, the United States in whose favour an Open Offer Application Form or any Open Offer Shares may be transferred or renounced. In addition, the Company and the Placing Agent reserve the right to reject any many-to-many instruction sent by or on behalf of any CREST Member with a registered address or who is otherwise located in the United States in respect of Open Offer Shares or who does not make the above warranty. Any payment made in respect of Open Offer Application Forms under any of these circumstances will be returned without interest.

6.3 Excluded Territories

Due to restrictions under the securities laws of the Excluded Territories, Shareholders who have a registered address in, or who are resident or ordinarily resident in, or citizens of, any Excluded Territory, will not qualify to participate in the Open Offer and will not be sent an Open Offer Application Form nor will their stock accounts in CREST be credited with Open Offer Entitlements or Excess CREST Open Offer Entitlements.

The Open Offer Shares have not been and will not be registered under the relevant laws of any Excluded Territory or any state, province or territory thereof and may not be offered, sold, resold, delivered or distributed, directly or indirectly, in or into any Excluded Territory or to, or for the account or benefit of, any person with a registered address in, or who is resident or ordinarily resident in, or a citizen of, any Excluded Territory except pursuant to an applicable exemption.

No offer of Open Offer Shares is being made by virtue of this document or the Open Offer Application Forms into any Excluded Territory.

6.4 Overseas territories other than Excluded Territories

Open Offer Application Forms will be sent to Qualifying Non-CREST Shareholders and Open Offer Entitlements will be credited to the stock account in CREST of Qualifying CREST Shareholders. Qualifying Shareholders in jurisdictions other than the United States or the Excluded Territories may, subject to the laws of their relevant jurisdiction, take up Open Offer Shares under the Open Offer in accordance with the instructions set out in this document and the Open Offer Application Form. Qualifying Shareholders who have registered addresses in, or who are resident or ordinarily resident in, or citizens of, countries other than the United Kingdom should, however, consult appropriate professional advisers as to whether they require any governmental or other consents or need to observe any further formalities to enable them to apply for any Open Offer Shares in respect of the Open Offer.

6.5 Representations and warranties relating to Overseas Shareholders

(a) QUALIFYING NON-CREST SHAREHOLDERS

Any person completing and returning an Open Offer Application Form or requesting registration of the Open Offer Shares comprised therein represents and warrants to the Company, the Placing Agent and the Registrar that, except where proof has been provided to the Company's satisfaction that such person's use of the Open Offer Application Form will not result in the contravention of any applicable legal requirements in any jurisdiction: (i) such person is not requesting registration of the relevant Open Offer Shares from within the United States or any Excluded Territory; (ii) such person is not in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares in respect of the Open Offer or to use the Open Offer Application Form in any manner in which such person has used or will use it; (iii) such person is not acting on a

non-discretionary basis for a person located within any Excluded Territory (except as agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) such person is not acquiring Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories. The Company and/or the Registrar may treat as invalid any acceptance or purported acceptance of the allotment of Open Offer Shares comprised in an Open Offer Application Form if it: (i) appears to the Company or its agents to have been executed, effected or dispatched from the United States or an Excluded Territory or in a manner that may involve a breach of the laws or regulations of any jurisdiction or if the Company or its agents believe that the same may violate applicable legal or regulatory requirements; or (ii) provides an address in the United States or an Excluded Territory for delivery of the share certificates of Open Offer Shares (or any other jurisdiction outside the United Kingdom in which it would be unlawful to deliver such share certificates); or (iii) purports to exclude the warranty required by this sub-paragraph (a).

(b) **QUALIFYING CREST SHAREHOLDERS**

A CREST member or CREST sponsored member who makes a valid acceptance in accordance with the procedures set out in these Terms and Conditions represents and warrants to the Company and the Placing Agent that, except where proof has been provided to the Company's satisfaction that such person's acceptance will not result in the contravention of any applicable legal requirement in any jurisdiction: (i) he or she is not accepting within the United States or any Excluded Territory; (ii) he or she is not accepting in any territory in which it is unlawful to make or accept an offer to acquire Open Offer Shares; (iii) he or she is not accepting on a non-discretionary basis for a person located within any Excluded Territory (except as otherwise agreed with the Company) or any territory referred to in (ii) above at the time the instruction to accept was given; and (iv) he or she is not acquiring any Open Offer Shares with a view to the offer, sale, resale, transfer, delivery or distribution, directly or indirectly, of any such Open Offer Shares into any of the above territories.

6.6 Waiver

The provisions of this paragraph 6 and of any other terms of the Open Offer relating to Overseas Shareholders may be waived, varied or modified as regards specific Shareholders or on a general basis by the Company and the Placing Agent in their absolute discretion. Subject to this, the provisions of this paragraph 6 supersede any terms of the Open Offer inconsistent herewith. References in this paragraph 6 to Shareholders shall include references to the person or persons executing an Open Offer Application Form and, in the event of more than one person executing an Open Offer Application Form, the provisions of this paragraph 6 shall apply to them jointly and to each of them.

7. ADMISSION, SETTLEMENT AND DEALINGS

The result of the Open Offer is expected to be announced on 26 January 2010. Applications will be made to the UKLA for the Open Offer Shares to be admitted to the Official List and to the London Stock Exchange for the Open Offer Shares to be admitted to trading on the London Stock Exchange's main market for listed securities. It is expected that Admission will become effective and that dealings in the Open Offer Shares, fully paid, will commence at 8.00 a.m. on 28 January 2010.

The Existing Ordinary Shares are already admitted to CREST. No further application for admission to CREST is accordingly required for the New Shares. All such shares, when issued and fully paid, may be held and transferred by means of CREST.

Open Offer Entitlements and Excess CREST Open Offer Entitlements held in CREST are expected to be disabled in all respects after 11:00 am on 22 January 2010 (the latest date for applications under the Open Offer). If the condition(s) to the Open Offer described above are satisfied, New Shares will be issued in uncertificated form to those persons who submitted a valid application for New Ordinary Shares by utilising the CREST application procedures and whose applications have been accepted by the Company. The stock accounts to be credited will be accounts under the same CREST participant IDs and CREST member account IDs in respect of which the USE Instruction was given.

Notwithstanding any other provision of this document, the Company reserves the right to send Qualifying CREST Shareholders an Open Offer Application Form instead of crediting the relevant stock account with Open Offer Entitlements and Excess CREST Open Offer Entitlements, and to allot and/or issue any Open Offer Shares in certificated form. In normal circumstances, this right is only likely to be exercised in the event of any interruption, failure or breakdown of CREST (or of any part of CREST) or on the part of the facilities and/or systems operated by the Registrar in connection with CREST.

For Qualifying Non-CREST Shareholders who have applied by using an Open Offer Application Form, share certificates in respect of the New Ordinary Shares validly applied for are expected to be despatched by post as soon as possible after 5 February 2010. No temporary documents of title will be issued and, pending the issue of definitive certificates, transfers will be certified against the UK share register of the Company. All documents or remittances sent by or to applicants, or as they may direct, will be sent through the post at their own risk. For more information as to the procedure for application, Qualifying Non-CREST Shareholders are referred to paragraph 4.1 above and their respective Open Offer Application Form.

8. TIMES AND DATES

The Company shall, in agreement with the Placing Agent and after consultation with its financial and legal advisers, be entitled to amend the dates that Open Offer Application Forms are despatched or amend or extend the latest date for acceptance under the Open Offer and all related dates set out in this document and in such circumstances shall notify the UKLA, and make an announcement on a Regulatory Information Service approved by the UKLA and, if appropriate, by Shareholders but Qualifying Shareholders may not receive any further written communication.

If a supplementary prospectus is issued by the Company two or fewer Business Days prior to the latest time and date for acceptance and payment in full under the Open Offer specified in this document, the latest date for acceptance under the Open Offer shall be extended to the date that is three Business Days after the date of issue of the supplementary prospectus (and the dates and times of principal events due to take place following such date shall be extended accordingly).

9. GOVERNING LAW AND JURISDICTION

The terms and conditions of the Open Offer as set out in this document, the Open Offer Application Form and any non-contractual obligation related thereto shall be governed by, and construed in accordance with, English law. The courts of England and Wales are to have exclusive jurisdiction to settle any dispute which may arise out of or in connection with the Open Offer, this document or the Open Offer Application Form. By taking up Open Offer Shares in accordance with the instructions set out in this document and, where applicable, the Open Offer Application Form, Qualifying Shareholders irrevocably submit to the jurisdiction of the courts of England and Wales and waive any objection to proceedings in any such court on the ground of venue or on the ground that proceedings have been brought in an inconvenient forum.

10. FURTHER INFORMATION

Your attention is drawn to the further information set out in this document and also, in the case of Qualifying Non-CREST Shareholders and other Qualifying Shareholders to whom the Company has sent Open Offer Application Forms, to the terms, conditions and other information printed on the accompanying Open Offer Application Form.

Terms and Conditions of Application Under the Offer for Subscription

The New Shares are only suitable for investors who understand that there is a potential risk of capital loss, that there may be limited liquidity in the underlying investments of the Company, for whom an investment in the New Shares is part of a diversified investment programme and who fully understand and are willing to assume the risks involved in such an investment programme.

In the case of a joint Application, references to you in these terms and conditions of Application are to each of you, and your liability is joint and several. Please ensure you read these terms and conditions in full before completing the Subscription Form.

Unless otherwise defined herein, defined in the Prospectus shall have the same meaning in these terms and conditions and in the notes on how to complete the Subscription Form, and:

“Applicant” means a person or persons (in the case of joint applicants) whose name(s) appear(s) on the registration details (Box 2A) of an Subscription Form;

“Application” means the offer made by an Applicant by completing an Subscription Form and posting (or delivering) it to the Receiving Agent as specified in the Prospectus;

“Money Laundering Regulations” means the Criminal Justice (Proceeds of Crime) (Financial Services Businesses) (Bailiwick of Guernsey) Regulations 2007, the Guernsey Financial Services Commission’s Handbook for Financial Services Business on Countering Financial Crime and Terrorist Financing, and the Money Laundering Regulations 2007 as such may be amended, supplemented or replaced from time to time;

“Prospectus” means the prospectus dated 16 December 2009 published by the Company;

“Receiving Agent” means Capita Registrars and/or the Administrator as the context permits; and

“US Person” has the meaning given in Regulation S of the US Securities Act of 1933.

THE TERMS AND CONDITIONS

- (a) The contract created by the acceptance of an Application under the Offer for Subscription will be conditional on:
- (i) Admission becoming effective by not later than 8 a.m. (London time) on 28 January 2010 (or such later date (being no later than 11 February 2010) as may be provided for in accordance with the terms of the Issue Agreement referred to in Part VI of the Prospectus); and
 - (ii) the Issue Agreement referred to in Part VI of the Prospectus becoming otherwise unconditional in all respects, and not being terminated in accordance with its terms before Admission becomes effective.
- (b) The right is reserved by the Company to present all cheques and banker’s drafts for payment on receipt and to retain application monies and refrain from delivering an Applicant’s New Shares into CREST or issuing an Applicant’s New Shares in certificated form (as the case may be) pending clearance of the successful Applicant’s cheques and bankers drafts. The Company also reserves the right to reject in whole or part or to scale back or limit any Application. The Company may treat Applications as valid and binding if made in accordance with the prescribed instructions and the Company may, at its discretion, accept an Application in respect of which payment is not received by the Company prior to the closing of the Offer for Subscription. If any Application is not accepted in full or if any contract created by acceptance does not become unconditional, the application monies or, as the case may be, the balance thereof will be returned (without interest) by returning each relevant Applicant’s cheque or banker’s draft or by crossed cheque in favour of the first-named Applicant, through the post at the risk of the person(s) entitled thereto except where the amount is less than £5. In the meantime, application monies will be retained by the Receiving Agent in a separate account.
- (c) Under the Money Laundering Regulations 2007, Capita Registrars Limited may be required to verify the identity of persons who subscribe for in excess of the sterling equivalent of €15,000 of New Shares under the Offer for Subscription.

The Receiving Agent may therefore undertake electronic searches for the purposes of verifying identity. To do so the Receiving Agent may verify the details against the Applicant’s identity, but also may request further proof of identity. The Receiving Agent reserves the right to withhold any entitlement (including any refund cheque) until such verification of identity is completed to its satisfaction.

Payments must be made by cheque or banker's draft in pounds sterling drawn on a branch in the United Kingdom of a bank or building society. Cheques, which must be drawn on the personal account of the individual investor where they have sole or joint title to the funds, should be made payable to Capita Registrars Limited re "International Public Partnerships Limited—Offer for Subscription". Third party cheques will not be accepted with the exception of building society cheques or bankers' drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the building society cheque/ bankers' draft to such effect.

The account name should be the same as that shown on the Application.

The following is provided by way of guidance to reduce the likelihood of difficulties, delays and potential rejection of an Subscription Form (but without limiting the Receiving Agent's right to require verification of identity as indicated above):

- (i) Applicants should make payment by a cheque drawn on an account in their own name; and
 - (ii) if an Applicant makes the Application as agent for one or more persons, he should indicate on the Subscription Form whether he is a UK or EU regulated person or institution (for example a bank or stockbroker) and specify his status. If an Applicant is not a UK or EU regulated person or institution, he should contact the Receiving Agent.
- (d) By completing and delivering an Subscription Form, you, as the Applicant (and, if you sign the Subscription Form on behalf of somebody else or a corporation, that person or corporation, except as referred to in paragraph (viii) below):
- (i) offer to subscribe for the number of New Shares specified in your Subscription Form (or such lesser number for which your Application is accepted) on the terms of and subject to the Prospectus, including these terms and conditions, and subject to the Memorandum and Articles of Association of the Company;
 - (ii) agree that, in consideration of the Company agreeing to process your Application, your Application cannot be revoked until after 11:00 am on 22 January 2010. (or such later time and date as the Directors may determine if they may postpone the closing of the Offer in accordance with the Prospectus) and that this paragraph shall constitute a collateral contract between you and the Company which will become binding upon despatch by post to, or (in the case of delivery by hand) on receipt by, the Receiving Agent of your Subscription Form;
 - (iii) agree and warrant that your cheque or banker's draft may be presented for payment on receipt and will be honoured on first presentation and agree that if it is not so honoured you will not be entitled to receive the New Shares until you make payment in cleared funds for the New Shares and such payment is accepted by the Company in its absolute discretion (which acceptance shall be on the basis that you indemnify it, and the Receiving Agent against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that, at any time prior to the unconditional acceptance by the Company of such late payment, the Company may (without prejudice to its other rights) avoid the agreement to subscribe such New Shares and may issue or allot such New Shares to some other person, in which case you will not be entitled to any payment in respect of such New Shares other than the refund to you at your risk of the proceeds (if any) of the cheque or bankers draft accompanying your application, without interest;
 - (iv) agree that (A) any monies returnable to you may be retained pending clearance of your remittance and the completion of any verification of identity required by the Money Laundering Regulations, and (B) monies pending allocation will be retained in a separate account and that such monies will not bear interest;
 - (v) undertake to provide satisfactory evidence of your identity within such reasonable time (in each case to be determined in the absolute discretion of the Company and the Receiving Agent) to ensure compliance with the Money Laundering Regulations;
 - (vi) agree that in respect of those New Shares for which your Application has been received and is not rejected, acceptance of your Application shall be constituted, at the election of the Company, either (i) by notification to the UK Listing Authority and the London Stock Exchange of the basis of allocation (in which case acceptance shall be on that basis) or (ii) by notification of acceptance thereof to the Receiving Agent;
 - (vii) authorise the Receiving Agent to procure that your name (together with the name(s) of any other joint Applicant(s)) or your nominee (e.g. CREST) is/are placed on the register of members of the Company in Guernsey in respect of such New Shares referred to in paragraph (vi) above and to send a crossed cheque for any monies returnable by post without interest at the risk of the persons entitled thereto to the address of the person (or in the case of joint holders, the first named person) named as an applicant in the Subscription Form;

- (viii) warrant that if you sign the Subscription Form on behalf of somebody else or on behalf of a corporation, you have due authority to do so on behalf of that other person or corporation, and such person or corporation will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained herein and undertake to enclose your power of attorney or a copy thereof duly certified by a solicitor or bank with the Subscription Form;
 - (ix) agree that all Applications, acceptances of Applications and contracts resulting therefrom shall be governed by and construed in accordance with English law, and that you submit to the jurisdiction of the English Courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceeding arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law or in any court of competent jurisdiction;
 - (x) confirm that, in making such Application, neither you nor any person on whose behalf you are applying are relying on any information or representation in relation to the Company other than the information contained in the Prospectus and, accordingly, you agree that no person responsible solely or jointly for the Prospectus or any part thereof or involved in the preparation thereof shall have any liability for any such information or representation;
 - (xi) irrevocably authorise the Company or any person authorised by it to do all things necessary to effect registration of any New Shares subscribed by or issued to you into your name(s) or into the name(s) of any person(s) in whose favour the entitlement to any such New Shares has been transferred and authorise any representative of the Company to execute any document required therefor;
 - (xii) agree that, having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all information and representations concerning the Company and the New Shares contained therein;
 - (xiii) confirm that you have reviewed the restrictions contained in these terms and conditions;
 - (xiv) warrant that, if you are an individual, you are not under the age of 18;
 - (xv) agree that all documents and cheques sent by post to, by or on behalf of the Company or the Receiving Agent, will be sent at the risk of the person(s) entitled thereto;
 - (xvi) warrant that in connection with your application you have observed the laws of all relevant territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue or transfer or other taxes due in connection with your application in any territory and that you have not taken any action for yourself or as nominee, agent or on behalf of any person which will or may result in the Company acting in breach of the regulatory or legal requirements of any territory in connection with the Offer for Subscription or your Application;
 - (xvii) save where you have satisfied the Company that an appropriate exemption applies so as to permit you to subscribe, represent and agree that you are not (i) a US Person (meaning any person who is a US Person within the meaning of Regulation S adopted under the United States Securities Act of 1933 (as amended)) and are not acting on behalf of a US Person, that you are not purchasing with a view to re-sale in the US or to or for the account of a US Person and that you are not an employee benefit plan as defined in section 3(3) of ERISA (whether or not subject to the provisions of Title 1 of ERISA) or an individual retirement account as defined in section 408 of the US Internal Revenue Code or (ii) a resident of Canada, Australia or Japan or any other territory or acting on behalf of any person in any territory in which the subscription by you or by you on behalf of any person for New Shares under the Offer for Subscription would be unlawful or in breach of any applicable regulations without further action on the part of the Company and;
 - (xviii) agree, on request by the Company, or the Receiving Agent on behalf of the Company to disclose promptly in writing to the Company or the Receiving Agent any information which the Company, or the Receiving Agent, may reasonably request in connection with your Application and authorise the Company or the Receiving Agent on behalf of the Company, to disclose any information relating to your Application as it considers appropriate.
- (e) No person receiving a copy of this document and/or an Subscription Form in any territory other than the UK may treat the same as constituting an invitation or an offer to him; nor should he in any event use an Subscription Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or the Subscription Form could lawfully be used without contravention of any, or compliance with any unfulfilled registration or other legal or regulatory requirements. It is the responsibility of any person outside the UK wishing to apply for New Shares under the Offer for Subscription for himself or on behalf of any person to satisfy himself as to full observance of the laws of any relevant territory in connection with any such application, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in any such territory and paying any issue, transfer or other taxes required to be paid in any such territory.

- (f) The New Shares have not been and will not be registered under the Securities Act or with any securities regulatory authority of any State or other jurisdiction of the United States and, subject to certain exceptions, may not be offered or sold within the United States or to, or for the account or benefit of, US Persons. The Company has not been and will not be registered as an “investment company” under the Investment Company Act, and investors will not be entitled to the benefits of the Investment Company Act. In addition, relevant clearances have not been, and will not be, obtained from any securities commission or authority of any province of Canada, Australia or Japan and, accordingly, unless an exemption under any relevant legislation or regulations is applicable, none of the New Shares may be offered, sold, renounced, transferred or delivered, directly or indirectly, in Canada, Australia or Japan. Unless the Company has expressly agreed otherwise in writing or unless an exemption under relevant legislation or regulation is applicable (the applicability of which you hereby represent and warrant), you represent and warrant to the Company that you are not a US Person or a resident of Canada, Australia or Japan and that you are not subscribing for such Shares for the account of any US Person or resident of Canada, Australia or Japan and that you will not offer, sell, renounce, transfer or deliver, directly or indirectly New Shares subscribed for by you in the United States, Canada, Australia or Japan or to any US Person or resident of Canada, Australia or Japan. No Application will be accepted if it bears an address in the United States, Canada, Australia or Japan unless an appropriate exemption is available as referred to above.
- (g) Pursuant to The Data Protection (Bailiwick of Guernsey) Law 2001 (the “DP Law”), the Company the Administrator and/or the Registrar may hold personal data (as defined in the DP Law) relating to past and present Shareholders.
- (h) Such personal data held is used by the Administrator and the Registrar to maintain the Company’s register of Shareholders and mailing lists and this may include sharing such data with third parties in one or more of the countries mentioned in paragraph (i) below when (1) effecting the payment of dividends and redemption proceeds to Shareholders and the payment of commissions to third parties and (2) filing returns of Shareholders and their respective transactions in shares with statutory bodies and regulatory authorities. Personal data may be retained on record for a period exceeding six years after it is no longer used.
- (i) The countries referred to in paragraph (h) above include, but need not be limited to, those in the European Economic Area and any of their respective dependent territories overseas, Argentina, Australia, Brazil, Canada, Hong Kong, Hungary, Japan, New Zealand, Singapore, South Africa, Switzerland and the United States of America.
- (j) By becoming registered as a holder of New Shares in the Company, a person becomes a data subject (as defined in the DP Law) and is deemed to have consented to the processing by the Company the Administrator or the Registrar of any personal data relating to them in the manner described above.
- (k) The basis of allocation will be determined by the Directors after consultation with the Investment Adviser and the Placing Agent at their absolute discretion. The right is reserved to reject in whole or in part and/or scale down and/or ballot any Application or any part thereof. The right is reserved to treat as valid any Application not in all respects completed in accordance with the instructions relating to the Subscription Form, including if the accompanying cheque or banker’s draft is for the wrong amount.
- (l) Save where the context otherwise requires words and expressions defined in the Prospectus have the same meanings when used in these terms and conditions and in the Subscription Form and explanatory notes in relation thereto.

Notes on How to Complete the Subscription Form

Applications should be returned so as to be received no later than 11:00 am on 22 January 2010.

HELP DESK: If you have any questions relating to the completion and return of the Subscription Form, please telephone Capita Registrars between 9.00 am and 5.00 pm (London time) Monday to Friday (except UK public holidays) on 0871 664 0321 from within the UK or +44 20 8639 3399 if calling from outside the UK. Calls to the 0871 664 0321 number cost 10 pence per minute (including VAT) plus your service provider's network extras. Calls to the helpline from outside the UK will be charged at applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The helpline cannot provide advice on the merits of the offer nor give any financial, legal or tax advice.

1. APPLICATION

Fill in (in figures) in Box 1 the amount you wish to subscribe accompanying this application. Applications should be for a minimum of £1,000 and then in multiples of £500. Financial intermediaries who are investing on behalf of clients should make separate applications for each client.

2. HOLDER DETAILS

Fill in (in block capitals) the full name and address of the first holder and the names only of any joint holders. Applications may only be made by persons aged 18 or over. In the case of joint holders only the first named may bear a designation reference. A maximum of four joint holders is permitted. All holders named must sign the Subscription Form at section 3.

2A. CREST

If you wish your New Shares to be deposited in a CREST Account in the name of the holders given in section 2A, enter in section 2B the details of that CREST Account. Where it is requested that New Shares be deposited into a CREST Account please note that payment for such Shares must be made prior to the day such New Shares might be allotted and issued. It is not possible for an applicant to request that New Shares be deposited in their CREST Account on a delivery against payment basis. Any Subscription Form received containing such a request will be rejected.

3. SIGNATURE

All holders named in section 2A must sign section 3 and insert the date. The Subscription Form may be signed by another person on behalf of each holder if that person is duly authorised to do so under a power of attorney. The power of attorney (or a copy duly certified by a solicitor or a bank) must be enclosed for inspection (which originals will be returned by post at the addressee's risk). A corporation should sign under the hand of a duly authorised official whose representative capacity should be stated and a copy of a notice issued by the corporation authorising such person to sign should accompany the Subscription Form.

4. CHEQUE/BANKER'S DRAFT, PAYMENT DETAILS

Payment must be made by a cheque or banker's draft accompanying your application. Payment by cheque or banker's draft must accompany your Subscription Form and be for the exact amount shown in section 1B of your Subscription Form. Your cheque or bankers draft must be made payable to Capita Registrars Limited re International Public Partnerships Limited OFS a/c and crossed A/C Payee". Third party cheques will not be accepted with the exception of building society cheques or bankers drafts where the building society or bank has confirmed the name of the account holder by stamping or endorsing the building society cheque or bankers draft to such effect. Your cheque or banker's draft must be drawn in sterling on an account at a bank branch in the UK or the Channel Islands and must bear a UK bank sort code number in the top right hand corner. No receipt will be issued.

5. RELIABLE INTRODUCER DECLARATION

Applications with a value greater than £10,000 will be subject to Guernsey's verification of identity requirements. This will involve you providing the verification of identity documents listed below UNLESS you can have the declaration provided at section 5 of the Subscription Form given and signed by a firm acceptable to the Company. In order to ensure your application is processed timely and efficiently all applicants are strongly advised to have the declaration provided in section 5 of the Subscription Form completed and signed by a suitable firm.

If the declaration in section 5 cannot be completed and the value of the application is greater than £10,000, in accordance with internationally recognised standards for the prevention of money laundering, the documents listed below must be provided with the completed Subscription Form as appropriate. Notwithstanding that the declaration in section 5 has been completed and signed, the Receiving Agent and the Company reserves the right to request of you the identity documents listed below and/or to seek verification of identity of each holder and payor (if necessary) from you or their bankers or from another reputable institution, agency or professional adviser in the applicable country of residence. If satisfactory evidence of identity has not been obtained within a reasonable time, your application may be rejected or revoked. Where certified copies of documents are requested below, such copy documents should be certified by a senior signatory of a firm which is either a government approved bank, stockbroker, investment firm, financial services firm or an established law firm or accountancy firm which is itself subject to regulation in the conduct of its business in its own country of operation, and the name of the firm should be clearly identified on each document certified.

A. For Each Holder Being an Individual Enclose:

- (1) a certified clear photocopy of one of the following identification documents which bear both a photograph and the signature of the person: current passport, Government or Armed Forces identity card, driving licence; and
- (2) certified copies of at least two of the following documents which purport to confirm that the address given in section 2 is that person's residential address: a recent gas, electricity, water or telephone (not mobile) bill, a recent bank statement, a council rates bill, or similar document issued by a recognised authority; and
- (3) if none of the above documents show the date and place of birth of the Applicant enclose a note of such information; and
- (4) details of the name and address of their personal bankers from which the Registrar or the Receiving Agent may request a reference, if necessary.

B. For Each Holder Being a Company (a "Holder Company") Enclose:

- (1) a certified copy of the certificate of incorporation of the holder company; and
- (2) the name and address of the holder company's principal bankers from which the Registrar or the Receiving Agent may request a reference, if necessary; and
- (3) a statement as to the nature of the holder company's business, signed by a director; and
- (4) a list of the names and residential addresses of each director of the holder company; and
- (5) for each director provide documents and information similar to that mentioned in A above; and
- (6) a copy of the authorised signatory list for the holder company; and
- (7) a list of the names and residential/registered address of each ultimate beneficial owner interested in more than 5 per cent. of the issued share capital of the holder company and, where a person is named, also complete C below and, if another company is named (hereinafter a "beneficiary company"), also complete D below.

If the beneficial owner(s) named do not directly own the holder company but do so indirectly via nominee(s) or intermediary entities, provide details of the relationship between the beneficial owner(s) and the holder company.

C. For each person named in B(7) as a beneficial owner of a holder company enclose for each such person documents and information similar to that mentioned in A(1) to (4)

D. For each beneficiary company named in B(7) as a beneficial owner of a holder company enclose:

- (1) a certified copy of the certificate of incorporation of that beneficiary company; and
- (2) a statement as to the nature of that beneficiary company's business signed by a director; and
- (3) the name and address of that beneficiary company's principal bankers from which the Registrar or the Receiving Agent may request a reference, if necessary; and
- (4) enclose a list of the names and residential/registered address of each beneficial owner owning more than 5 per cent. of the issued share capital of that beneficiary company.

E. If the payor is not the Applicant and is not a bank providing its own cheque or banker's payment on the reverse of which is shown details of the account being debited with such payment (see note 4 on how to complete this form) enclose:

- (1) if the payor is a person, for that person the documents mentioned in A(1) to (4); or
- (2) if the payor is a company, for that company the documents mentioned in B(1) to (7); and

(3) an explanation of the relationship between the payor and the holder(s).

The Registrar or the Receiving Agent reserves the right to ask for additional documents and information.

6. CONTACT DETAILS

To ensure the efficient and timely processing of your Subscription Form, please provide contact details of a person that the Registrar or Receiving Agent may contact with all enquiries concerning your application. Ordinarily this contact person should be the person signing in section 3 on behalf of the first named holder. If no details are entered here and the Registrar or Receiving Agent requires further information, any delay in obtaining that additional information may result in your Application being rejected or revoked.

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Subscription Form

Instructions for Delivery of Completed Subscription Forms

Completed Subscription Forms should be returned, by post or by hand (during normal business hours only), to Capita Registrars, Corporate Actions, the Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU, so as to be received no later than 11:00 am on 22 January 2010, together in each case with payment in full in respect of the application. If you post your Subscription Form, you are recommended to use first class post and to allow at least two days for delivery. Subscription Forms received after this date may be returned.

For Office Use Only

Log No.

Important before completing this form, you should read the accompanying notes.

To: Capita Registrars, acting as agent for International Public Partnerships Limited

1. APPLICATION

I/We the person(s) detailed in section 2A below offer to subscribe the amount shown in Box 1 for New Shares subject to the Terms and Conditions set out in the Prospectus dated 16 December 2009 and subject to the memorandum and articles of association of the Company.

Box 1 Subscription monies
(minimum subscription of £1,000 and then in
multiples of £500.)

2A. DETAILS OF HOLDER(S) IN WHOSE NAME(S) SHARES WILL BE ISSUED (BLOCK CAPITALS)

Mr, Mrs, Miss or Title

Forenames (in full)

Surname/Company Name:

Address (in Full)

Designation (if any)

Mr, Mrs, Miss or Title

Forenames (in full)

Surname/Company

Mr, Mrs Miss or Title

Forenames (in full)

Surname/Company Name

Mr, Mrs, Miss or Title

Forenames (in full)

Surname/Company Name



2B. CREST DETAILS

(Only complete this section if New Shares allotted are to be deposited in a CREST Account which must be in the same name as the holder(s) given in section 2A).

CREST Participant ID

CREST Member Account ID

3. SIGNATURE(S) ALL HOLDERS MUST SIGN

First holder signature:

Name (Print)

Dated:

Third holder signature:

Name (Print)

Dated:

Second Holder Signature:

Name (Print)

Dated:

Fourth Holder Signature:

Name (Print)

Dated:

4. CHEQUES/BANKER'S DRAFT DETAILS

Pin or staple to this form your cheque or bankers draft for the exact amount shown in section 1 made payable to Capita Registrars Limited re International Public Partnerships Limited OFS a/c. Cheques and bankers payments must be drawn in sterling on an account at a bank branch in the UK or the Channel Islands and must bear a UK bank sort code number in the top right hand corner.

5. RELIABLE INTRODUCER DECLARATION

Completion and signing of this declaration by a suitable person or institution may avoid presentation being requested of the identity documents detailed in section 5 of the notes on how to complete this Subscription Form.

The declaration below may only be signed by a person or institution (such as a government approved bank, stockbroker or investment firm, financial services firm or an established law firm or accountancy firm) (the "firm") which is itself subject in its own country to operation of "customer due diligence" and anti-money laundering regulations no less stringent than those which prevail in Guernsey. Acceptable countries include Austria, Belgium, Canada, Denmark, Finland, France, Germany, Gibraltar, Greece, Hong Kong, Iceland, Ireland, Isle of Man, Italy, Japan, Jersey, Luxembourg, Netherlands, New Zealand, Norway, Portugal, Singapore, South Africa, Spain, Sweden, Switzerland, the UK and the United States of America.

DECLARATION: To the Company and the Receiving Agent

With reference to the holder(s) detailed in section 2A, all persons signing at section 3 and the payor identified in section 6 if not also the Applicant (collectively the "subjects") WE HEREBY DECLARE:

1. we operate in one of the above mentioned countries and our firm is subject to money laundering regulations under the laws of that country which, to the best of our knowledge, are no less stringent than those which prevail in Guernsey;
2. we are regulated in the conduct of our business and in the prevention of money laundering by the regulatory authority identified below;
3. each of the subjects is known to us in a business capacity and we hold valid identity documentation on each of them and we undertake to immediately provide to you copies thereof on demand;
4. we confirm the accuracy of the names and residential/business address(es) of the holder(s) given at section 2A and if a CREST Account is cited at section 2B that the owner thereof is named in section 2A;
5. having regard to all local money laundering regulations we are, after enquiry, satisfied as to the source and legitimacy of the monies being used to subscribe for the New Shares mentioned; and
6. where the payor and holder(s) are different persons we are satisfied as to the relationship between them and reason for the payor being different to the holder(s).

The above information is given in strict confidence for your own use only and without any guarantee, responsibility or liability on the part of this firm or its officials.

Signed

Name:

Position

having authority to bind the firm.

Name of regulatory authority

Firm's Licence number:

Website address or telephone number of regulatory authority: -

STAMP of firm giving full name and business address

6. CONTACT DETAILS

To ensure the efficient and timely processing of this application please enter below the contact details of a person the Receiving Agent may contact with all enquiries concerning this application. Ordinarily this contact person should be the (or one of the) person(s) signing in section 3. If no details are entered here and the Registrar or the Receiving Agent requires further information, any delay in obtaining that additional information may result in your application being rejected or revoked.



Contacts

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Mixed Sources

Product group from well-managed
forests, controlled sources and
recycled wood or fiber

Cert no. SGS-COC-2842
www.fsc.org

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